

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

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MEMORANDUM OF CONVERSATION

SUBJECT: Summary of the President's Meeting with
Prime Minister Thatcher

PARTICIPANTS: The President
Secretary Shultz
Donald T. Regan
Robert C. McFarlane
Assistant Secretary Ridgeway
Peter R. Sommer, NSC

Mrs. Thatcher
Ambassador Wright
Charles Powell, Private Secretary
to the Prime Minister

DATE, TIME: October 23, 1985 -- 5:05-5:40 p.m.
AND PLACE: Presidential Suite, Waldorf Astoria Hotel
New York

After exchanging greetings, Mrs. Thatcher, in opening the meeting, noted she was on her way home from a Commonwealth Heads of Government meeting, where she had been dismayed that almost none of the leaders knew that the U.S. had long-standing arms reduction proposals on the table. Indeed, she had found the same reaction in her meetings with the U.S. press corps. She asked if the President would be saying something new in his speech to the UNGA, and opined that the publicity surrounding Gorbachev's latest proposals meant that the U.S. would probably have to repackage its proposals. Calling it the question of the day -- whether there will be a new U.S. initiative -- she said that this could be discussed in more detail at tomorrow's multilateral meeting. She did, however, want the President to know that at every opportunity, both at the Commonwealth Conference and with the U.S. press, she had underscored that the U.S. already had meaningful nuclear proposals on the table. (C)

The President replied that we are aware of the need to give greater publicity to our long-standing proposals. For a long time, the Soviets had just said no to our proposals; now, they have finally come up with their own set of numbers. They are one-sided, but at least the Soviets are saying more than simply no. The President added he was hopeful that we are beginning to see an authentic search for middle ground on the part of the Soviets. (C)

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Repeating her previous comments, Mrs. Thatcher observed that a number of Commonwealth leaders, including Gandhi, had asked her why the U.S. did not respond favorably to Gorbachev's most recent proposals. None of the leaders, lamented the Prime Minister, were aware of the existing U.S. proposals. She had also explained to the Commonwealth leaders why a separate European deal with the Soviets was neither sound nor prudent. She added that Britain had special interests in nuclear negotiations because of the Trident modernization program. (C)

Mrs. Thatcher then turned to SDI. She said she had stated publicly that SDI is not a bargaining chip and asked for the President's assurance that this was true. The President promptly said it was and added that he remained disappointed in criticism directed at the program. He said it was not unusual to develop a defensive system. In the history of weapons, this has been traditional. There is also nothing extraordinary on relying on a mix of offensive and defensive systems. Yet some try to describe our efforts as upturning history. He emphasized that SDI is a research program which, if successful, would stop incoming missiles. It is not designed to harm or kill people. And as he has said many times, if our research is successful we are willing to share it with the rest of the world, including the Soviet Union. Such a defensive system could hold off a madman with nuclear weapons, and it would also greatly decrease the need to worry about others cheating on existing agreements. The President continued that the Soviets are trying to make SDI the focus of current negotiations, but we need to get down to the fundamental differences, which are the underlying reasons why both we and the Soviets have such massive arsenals. (C)

Mrs. Thatcher observed that it is difficult to judge what is going on inside the Soviet Union. The new leadership appears to recognize that the Soviet people have a latent desire for a higher standard of living. Whether this will ultimately impact on Soviet foreign policy is very much an open question. There are some who claim that Gorbachev needs a diplomatic success, but whether this will convert itself into a Soviet agreement to reduce sharply nuclear weapons is questionable. The President agreed that the internal situation in the Soviet Union is interesting. While Soviet leaders are not kind-hearted about their people, the Soviet Union is facing enormous economic difficulties and Gorbachev seems intent on improving the Soviet economy. He also has to keep the Generals happy. The President said that he intended to make clear to Gorbachev his determination to reduce nuclear arms. At the same time, he would make it clear that the U.S. would not permit the Soviets to obtain military advantage. (C)

Mrs. Thatcher effusively praised U.S. apprehension of the Achille Lauro highjackers. She called the U.S. action "absolutely marvelous," and jokingly added that the five British special boat people that had gone to Cyprus had been "a bit disappointed" not

to have seen action. In thanking her for her gracious remarks, the President complimented the U.S. military personnel who had forced the Egyptian plane to land. (C)

Turning to Southern Africa, Mrs. Thatcher said she had to "do battle" with other nations at the Commonwealth Conference to dissuade them that sanctions won't work. She had cited as an example the 12 years of sanctions on Rhodesia. Currently, the markets have made the judgment that the political situation in South Africa is unstable. In her view, this message has more impact than any actions government can take. Botha knows that he has to take constructive steps. All in all, the two days of Commonwealth discussions were exciting and challenging. The final communique calls for the suspension of all violence and for negotiations in a climate absent of violence. She portrayed inclusion of the call for non-violence in the communique as a considerable achievement. Mrs. Thatcher then asked the President if the U.S. planned further sanctions. The President replied no and suggested that earlier U.S. steps against South Africa were taken at least partially to keep Congress from legislating even more severe measures. (C)

Mrs. Thatcher then referred to the recently cancelled British meeting with the joint Jordanian-PLO delegation. At the last minute, the PLO reps had backed away from their earlier agreement to publicly support UN Resolution 242 and renounce violence. She repeated that the British had such an agreement in hand, but remained suspicious that the PLO reps would not follow through. In the end, this is what happened. Milhelm said no; he was subject to death threats. The other PLO rep, Bishop Khouri, would have agreed. This episode reflects the ongoing struggle between PLO moderates and extremists. The Prime Minister continued that she greatly admires King Hussein. He is very courageous and was in despair over the PLO pull-back from its agreement. The President replied that we recognize it was a difficult period and said he shared Mrs. Thatcher's admiration for the King. He also stressed the importance of making progress in the Middle East peace process. Mrs. Thatcher emphasized that it is especially important that we do not leave Hussein feeling isolated. He has taken great risks in the cause of peace -- she feared someday he may be murdered like his father and grandfather -- and somehow, we have to get others, like the UN, involved in the peace process. She commented that she would have a word with the Secretary General. (C)

Saying she understood a new regional initiative would be a key feature of the President's address to the UN tomorrow, Mrs. Thatcher noted that, while she welcomed such an initiative, she was worried -- from how it had been described -- that it would result in a U.S.-Soviet guarantee of local problems. She feared that the Soviets would simply say fine and that such an initiative would open the door for the Soviets to get their foot

in areas where they currently are not. Secretary Shultz replied that this was a good caution and that we would be alert to this potential problem. ** (C)

Mrs. Thatcher observed that it was time for the meeting to close. She knew the President had had a particular busy day and that the next few days would be every bit as hectic. The President thanked her for dropping by and said the discussions had been stimulating as always. In departing, Mrs. Thatcher turned to Mr. McFarlane and said, "I can't leave without mentioning my favorite defense procurement question -- MSE." She added that she hoped she wasn't becoming a nuisance, but this procurement was of great importance to Britain. McFarlane replied that we are doing our best and she should keep asking. Mrs. Thatcher asked that we not mention MSE in our press readout of the meeting. (C)

The meeting concluded at 5:40 p.m. (U)

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NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

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ACTION

October 28, 1985

File UK

MEMORANDUM FOR ROBERT C. McFARLANE

FROM: PETER R. SOMMER *Peter*

SUBJECT: Summary of Memorandum of Conversation between the President and Prime Minister Thatcher

Attached at Tab A is the memcon from the President's October 23 meeting with Prime Minister Margaret Thatcher.

Recommendation

Following your review of the memcon, that you authorize Bill Martin to forward it to State and Defense.

Approve *J* Disapprove

Hold in files. Do not send out.

Attachments

- Tab I Martin memorandum to State and Defense
- Tab A Memorandum of Conversation

cc: Jack Matlock
Phil Ringdahl
Howard Teicher

DECLASSIFIED
White House Guidelines, August 23, 1997
By dlb NARA, Date 6/29/06

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NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

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CLASSIFIED ENCLOSURES *dlb 4/29/06*
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MEMORANDUM FOR MR. NICHOLAS PLATT
Executive Secretary
Department of State

COL DAVID R. BROWN
Executive Secretary
Department of Defense

SUBJECT: Summary of Memorandum of Conversation Between
the President and Prime Minister Thatcher

Attached is the Memorandum of Conversation from the President's
meeting with Prime Minister Margaret Thatcher on October 23,
1985.

William F. Martin
Executive Secretary

Attachment
Tab A - Memorandum of Conversation

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WITHDRAWAL SHEET

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ID	Doc Type	Document Description	No of Pages	Doc Date	Restrictions
26353	MEMO	SOMMER TO JOHN POINDEXTER, RE: PRESIDENTIAL MEETING WITH PRINCE OF WALES: SDI R 1/13/2011 F2001-050/1	1	10/25/1985	B1
26354	MEMCON	SUMMARY OF THE PRESIDENT'S MEETING WITH PRIME MINISTER THATCHER, OCTOBER 23, 1985 R 6/16/2010 M207/1; UPHELD 1/13/2011 F01-050/1 #26354	4	ND	B1
26355	CABLE	RE: STATEMENT	2	ND	B1
26356	NOTE	DON [REGAN] TO JOHN [POINDEXTER], RE: THATCHER LETTER R 1/13/2011 F2001-050/1	1	11/1/1985	B1

Freedom of Information Act - [5 U.S.C. 552(b)]

- B-1 National security classified information [(b)(1) of the FOIA]
- B-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- B-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- B-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- B-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- B-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- B-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- B-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

C. Closed in accordance with restrictions contained in donor's deed of gift.