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July 1987

PRIME MINISTERVISIT TO WASHINGTON

Your visit to Washington next week comes at a very important moment. Not so much because there is one specific and vital task - defining the groundrules for the SDI or restoring the West's security after Reykjavik - but in a more general, psychological sense. The President is besieged. His authority is weakened by Irangate from which he is unable so far to break free (although Colonel North's performance may help). There are insistent reports of encroaching senility and declining comprehension of what is going on. The fact that they are not true does not make them any less damaging. We are anyway entering the dog days of the Presidency. There is a real risk of a vacuum in the leadership of the West at the very moment when the Soviet system has thrown up an articulate and appealing leader.

Your role is to rally the West and provide a sense of purpose and direction. It is not a question of supplanting American leadership. That is not feasible. Rather you need to propel the United States forward with the force of your own ideas and personality. The task is at least to disguise the weakness of American leadership and to restrain any inclination to erratic and ill-thought out initiatives. If possible it is also to go beyond that, to restore momentum in the key areas of East/West relations, arms control and the Middle East, so that the interests of the West as a whole do not suffer from the constitutional deadlock between Executive and Congress and from the year-long ritual of electing a new President - who may be unknown and totally inexperienced. This cannot all be encompassed in a one-day visit. But the visit is a chance to highlight what needs to be done and give a strong push to individual items of business. It is also an opportunity to remind the American people more widely that the United States' leadership role in the world is as vital as ever.

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Presentation

All this means that public presentation will be an important part of the visit. The opportunities are your four breakfast television interviews, your main television interview for one of the Sunday shows and your departure statement at the White House. The main themes to get over are the following.

The first is the symbolic importance of your visit. At the very beginning of your third term you want to underline the central importance of the transatlantic relationship in our foreign policy. Your election victory was a resounding defeat for anti-Americanism.

The second is the vital importance of United States leadership to deal with the challenges facing us: a more insidious and subtle Soviet threat; arms control agreements which preserve the West's security while meeting people's real yearning to see nuclear weapons reduced; and a chance for peace in the Middle East. What happened over Iran and the Contras lies in the past. It must not be allowed to weaken United States leadership. It would be a tragedy for America and for the West as a whole if the national confidence regained under President Reagan were to be squandered.

The third is the resurgence of the United Kingdom which has steadily gathered pace over the past two years and is set to continue. You have a good story to tell: not just the prospect of a turn-around but measurable improvements already made, and the promise of more. You will want to underline your determination to press on with policies of radical reform to increase individual freedom and choice. Britain is now better equipped to give the United States practical support, in the Gulf and elsewhere.

Fourth, you will want to underline the continuing importance of nuclear deterrence. People should ask themselves why the Russians press so hard to get rid of all nuclear weapons when they themselves have more than anyone.

It is not altruism. It is because they recognise that nuclear deterrence is the one effective check on their ambition to extend their influence and their ideology. We can reduce the number of nuclear weapons. But a world without nuclear weapons would be a much more dangerous place.

You will inevitably be asked about Irangate. Part of your answer will be that what is past is past, and that we must look to the future. You might also - in the light of Colonel North's stout performance (and depending on what Admiral Poindexter says) - remind people that democracy faces attacks on many fronts. While you do not want to comment on the specific issues of Irangate and the Contras, the West must maintain the ability to defend itself by clandestine means. Otherwise those who operate by violence and intimidation get a free run.

Official Talks

There is a wide range of problems to be covered and only a relatively short time in which to deal with them. You will need to be punchy and to the point.

You will also want to balance two aims: to galvanise the Administration to extract itself from the mess of Irangate, yet restrain them from ill-considered initiatives.

There are four main areas for discussion: East/West relations and arms control, the United States economy, the Middle East and Southern Africa.

East/West Relations and Arms Control

You will want to focus on the prospects for a US/Soviet Summit in the autumn and try to get a clear understanding of what will and will not be discussed at it. Your message might be this. The Summit should be the occasion for an important arms control agreement on INF. All the elements for that are on the table. Gorbachev probably needs it more than we do.

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The true scale of his domestic problems becomes daily more evident. There is no need for any more concessions (e.g. on the German Pershing IAs). Equally the Summit should not try to tackle substantively other areas of arms control. These have not been adequately prepared and there is little chance that they will be by the autumn. We do not want another Reykjavik with negotiations on ideas which are half-baked. The discussion must be focussed on what can actually be achieved.

But the Summit is also an opportunity to stop Gorbachev constantly leapfrogging the West with a stream of new proposals. We need a counter-offensive on regional issues and human rights. It must not just be an arms control Summit. Gorbachev must not believe that he can lock the West into a series of Summits, each leading to reductions in the West's defences without parallel movement on political and human rights issues.

There are also a number of individual items which you should raise with the President. The most important are:

- the need to allocate SLCMs and additional F1-11 aircraft to SACEUR to compensate for the withdrawal of Cruise and Pershing;
- the importance of resisting pressure from the Germans for early discussion of reductions in short-range nuclear missiles in Europe;
- our interest in progress with the SDI and the development of US thinking on how to handle it in negotiations with the Russians. In particular whether they are closer to adopting our proposals to give greater predictability about future plans, together with a commitment not to deploy for a fixed period.

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US Economy

There are two main issues here: protectionism and the federal budget deficit.

Your message on protectionism is mostly for Congress, given that the Administration's record is generally good. You will want to make the most of your personal battle against the oils and fats tax. You might probe on how far Congress would really be willing to act on the Administration's proposal to get rid of all agricultural subsidies over a ten year period. You will want to remind them that they actually have more subsidies and higher subsidies to get rid of than the European Community does.

It is hard to know what to suggest for the best on the federal budget deficit. You will be soft-soaped with predictions that the trend is downwards and told it is all Congress' fault that progress is not faster. Most of those to whom you talk will say that they can live with tax increases but the President will never accept them. You can try on the President the line that you dislike tax increases just as much as he does: but sometimes a modest increase in e.g. excise taxes in the short-term opens the way to bigger reductions in the longer-term. That was our experience. Faster progress in reducing the deficit would also hold at bay the prospect of a world economic recession and put much greater pressure on Germany and Japan to stimulate their economies. But I am sceptical whether you will get anywhere. And we don't want to stimulate him into imposing an oil import levy.

Middle East

There are three main issues: Arab/Israel, the Gulf and Syria.

I think you should mount a major push on both Shultz and the President on an international peace conference. You have

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seen both Peres and Hussein. They have registered real progress. It would be almost criminal just to leave them hanging, after the risks they have taken. They deserve active support, even if this means confrontation with Shamir. We want to see a public declaration of support for an international conference as the most effective way forward and a commitment to intensive discussion with the Soviet Union on the nature of the Conference. Your immediate aim might be to get the President to endorse, in the departure statements, something very similar to the statement which we put out following your meeting with Peres.

On the Gulf, you will be able to agree on the need to push through the Security Council resolution calling for a cease-fire. Once that is in place, we should ensure that Iraq ceases attacks on shipping in the Gulf. We can hold out the threat of an arms embargo against Iran (but no other sanctions). You will want to get as explicit assurance as can be obtained that there will be no pre-emptive strike against Silkworm.

You will also want to reinforce what you have already said to the President about moving a step at a time in restoring contacts with Syria. Asad obviously wants to recover respectability. He must be made to pay a price at every stage: release of hostages, removal of those responsible for implementing terrorist actions, further proof that Syria is withdrawing all support for terrorist groups.

Southern Africa

There are two main items: first how to head off a new round of US sanctions against South Africa together with useless declarations of principles, and focus instead on direct and discreet contacts with the South African government: and second Mozambique.

On South Africa the risk is that the President's report to Congress in September on the operation of US sanctions over

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the past year, coinciding with the first stirring of the Presidential election campaign, will lead to demands for additional sanctions (and even support for mandatory sanctions at the UN). This will make your life very difficult at CHOGM. You will want to reiterate the arguments against sanctions, underlining that they have proved thoroughly ineffective so far. You will also want to discourage a declaration of principles, which may be a sop to the consciences of some but would have no practical effect. You might suggest a combined effort by the United States and United Kingdom to enter into a confidential dialogue with Botha designed to persuade him to take certain specific steps e.g. release of Mandela.

On Mozambique you will want to reiterate to the President your judgement that Chissano deserves support (and Renamo does not). Our aim should be to detach countries like Mozambique from Soviet influence, which means showing that we have more to offer. The Soviet Union is already in retreat on Africa. We want to put it to flight.

The briefs will reach you next week together with a draft of the departure statement. This note is an attempt to set the scene.

C.D.P.

C.D. POWELL
10 July 1987

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PRIME MINISTER

cc: Mr. Wicks
Mr. Ingham
Mr. Horne
Miss Robilliard/
Mrs. Crawford
Miss Ross
Mrs. Outred-Rhodes
Miss Jelley

VISIT TO WASHINGTON AND KINGSTON

You may like to have to hand your programme for Washington and Kingston, for when you are planning clothes. It is as follows:

Thursday 16 July

1845 Depart Wellington Barracks by helicopter
1910 Depart Heathrow
Dinner on aircraft
2210 Arrive Washington

[Since this will be 3.00 a.m. London time, we envisage no briefing meeting but straight to bed!]

Friday 17 July

0615 Hairdresser
0700-0745 Live interviews at the Residence with the four
breakfast TV programmes
0800-0900 Breakfast with Vice-President Bush
0915-1000 Meeting at Residence with Secretary Shultz
1015-1100 Meeting at Residence with Secretary Weinberger
1100-1115 Time to change if required
1130-1200 Meeting at White House with President Reagan
1200-1330 Working lunch at White House, followed by
departure statement

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1430-1500 Meeting at Residence with Secretary Baker
1515-1545 Meeting at Residence with Mr. Greenspan
1545-1600 Time to change if required
1615-1715 Meeting with Senate Leadership on Capitol Hill
1720 Helicopter to Andrews AFB
1745-1815 Main TV interview for Sunday network programme
(conducted in a room at Andrews)
1830 Depart for Kingston
Dinner on aircraft
2210 Arrive Kingston
Greeted by Mr. Seaga and his Cabinet
2240 Arrive Residence

Saturday 18 July

0830 Visit to Port Royal (old capital) by fast
patrol boat
0945-1015 Visit main market in Kingston
1045-1130 Visit Jamaica Police Academy
1130-1200 Visit to Spanish Town
1215-1235 Free at Government House
(time to change)
1245 Call on Governor-General
1315 Drinks
1330 Official Government Lunch
Speeches (televised)
1500-1515 Meet Members of Parliament
1515-1615 Talks with Mr. Seaga
1630 Return to Residence
1645 Meeting with Mr. Manley (Jamaican Opposition
Leader)
1720 Depart for airport
1740 Full ceremonial departure
1800 Depart for London
Dinner on aircraft

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Sunday 19 July

0900

Arrive Heathrow
To Chequers

C.D.P.

Charles Powell

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