

RECORD OF A CONVERSATION BETWEEN THE PRIME MINISTER AND VICE
PRESIDENT BUSH ON FRIDAY 24 JUNE AT 10 DOWNING STREET

Present: Prime Minister
Mr. A.J. Coles

Vice President Bush
Admiral Murphy

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Mr. Bush congratulated the Prime Minister on the outcome of the General Election. He asked a number of questions the answers to which could be relevant to President Reagan's prospects of success should he decide to run again.

Mr. Bush then asked how the INF issue had been handled during the campaign. The Prime Minister said that the Conservative Party had in effect defeated the Opposition on the broad general issue of defence policy. So there had been little discussion of INF and the dual key issue had arisen only once or twice. Mr. Bush enquired how the Prime Minister had handled the latter question. The Prime Minister said that she had emphasised that joint decision meant what it said. We had reviewed the arrangements in relation to Cruise and had found them satisfactory. She had also taken the line with Conservative MPs that the whole dual key debate had anti-American over-tones with which she strongly disagreed. Mr. Bush said that this matter might be raised at his Press Conference later in the day. There was some discussion of the line he should take and the Prime Minister gave him a copy of her written Parliamentary Answer to Mr. Anthony Buck, M.P. of 12 May.

Mr. Bush then asked how the Greenham Common women were faring. The Prime Minister said that they had become an eccentricity. Their activities had been inflamed by the media. They were very unpopular in the area of Greenham Common because of the disruption caused to normal life.

She had no doubt that when the time came to deploy Cruise there would be further problems but these would have to be surmounted. She doubted whether Mr. Andropov would negotiate until deployment began.

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She had been very surprised to hear President Mitterrand say at the recent European Council that the Soviet Union now wanted Cruise and Pershing to be deployed. She did not agree with this view. The only possible explanation for it was that the Russians sought a justification to deploy more nuclear weapons themselves.

Mr. Bush then said that he wanted to talk to the Prime Minister in great confidence about a matter which he had not discussed with the Foreign and Commonwealth Secretary and which was not widely known in the American Administration. Mr. Habib would shortly go back to the Middle East with a new proposal. The problem was how to get the Syrians out of Lebanon. It was necessary to dissuade Israel from embarking on partial withdrawal which would only increase the risks of the present situation. American objectives were still the withdrawal of all foreign troops, the reconstitution of Lebanon and security in the Galilee area.

Mr. Habib would try to persuade Mr. Begin to modify the existing Israel/Lebanon agreement. He would be asked to name a definite date for Israeli withdrawal. If he did so, the Americans would try to persuade the Syrians to name a definite date. These dates might not be the same because the Syrians were opposed to the agreement but they would be close enough so that the Israelis could show that their objective of withdrawal was being achieved.

It would be fatal to the initiative if news of it leaked. The Prime Minister said that she would keep this information to herself. In her view Syria was the key to the present situation. It was clearly much under Soviet influence. The question arose of how the West could acquire more influence in Damascus.

Mr. Bush said that money had a role to play. The Saudis were willing to send a large cheque to Syria. He had recently heard why it was that Syria had rejected a proposal that Habib should visit Damascus. This was because, at an earlier stage when Habib was negotiating the eleventh ceasefire in the Lebanon, President Asad had given his word that Syrian troops would observe the ceasefire. Begin had similarly given his word about Israeli troops but the day after the ceasefire agreement Israeli troops had moved forward. Asad had been extremely angry and held Habib responsible for this to this

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day. Begin had attempted to argue that the ceasefire agreement did not rule out troop movements. The Prime Minister commented that this was typical of him. She well understood Asad's position. Her own confidence would have been undermined in similar circumstances.

Mr. Bush said that Israel had mounting public opinion problems. The Prime Minister reiterated that in her view more attention should be given to Asad and Khaddam. Arab confidence would be undermined if the Americans did not produce movement in the situation.

Mr. Bush said that President Reagan was well aware of this. His initiative was not dead. Moreover, Begin was less formidable now than Sharon was not with him.

The Prime Minister said that the speech made by President Reagan last September was absolutely first class. But, following Israel's rejection of the initiative, the Arab world had been disappointed at the American failure to follow up the initiative vigorously. They felt that one small country in the Middle East ought not to be able to deter a great power.

She had seen reports about Begin's present frame of mind. But this could have two alternative results. He could become less interested in the problem or more determined.

Mr. Bush said that he found Begin very unattractive. When he had visited Washington he had behaved as though the Israelis had never entered the Lebanon, bombed Beirut etc. Nevertheless the Americans would try to move things forward. They felt that they must have a Lebanon settlement before they could focus again on Arab/Israel. The Prime Minister said that we must also support King Hussein. He was a remarkable man and had made strenuous efforts with the PLO. But when there was no response from Begin, he had practically given up. She believed that Arafat might have made a more positive move if Begin had made some move on Israeli settlement policy.

Mr. Bush said that

The revolution within the PLO could be serious. A recent report suggested that Syria might

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side with the non-Arafat section. The Prime Minister commented that there was a choice between trying to do something while Arafat remained in the leadership or take the risk of waiting until the real terrorists took over.

Mr. Bush then raised the question of Hong Kong and China. American relations with China were a little better. They had made the mistake earlier of not following up their undertakings to the Chinese. In negotiations with China you had to keep your word. So earlier undertakings on the transfer of technology would now proceed. Taiwan was the exacerbating factor. With regard to relations with Taiwan the Americans had done what their law required them to do. The Chinese had not reacted vehemently. Taiwan remained a very difficult issue but the US Ambassador in Peking was now more optimistic that China and Taiwan might be able to arrive at a settlement of their differences. Was China also likely to get a reasonable arrangement over Hong Kong?

The Prime Minister said that our talks with the Chinese were now entering a more intensive phase. China was suddenly giving more attention to the issue. We had now reached agreement on an agenda for the talks. She took the view that it would be absurd if the United Kingdom and China could not make arrangements for the stability and prosperity of Hong Kong to continue. But that required continuing British administration in one form or another. It might be possible to find a solution which salvaged China's pride but preserve Hong Kong's system. The Chinese would have in mind that if they disrupted the situation in Hong Kong this would have a negative impact on Taiwan.

Mr. Bush asked where the talks with the Chinese were taking place. The Prime Minister said that they were being conducted through diplomatic channels in Peking.

The Prime Minister said that she found it disturbing that Andropov had never set foot in a democratic country. Mr. Bush said that the Administration had divided views on Andropov's health. The Finns had told them that Andropov's health was not as bad as reported. But some sources, [redacted] reported that he had only two months to live. Mr. and Mrs. Harriman, who had recently visited Moscow, had also said that Andropov's health did not seem to be as bad as reported though he had kept his hands under the

table during their talk. A family doctor who had had access to Andropov's medical records had given the view that he had only two months to live. The Prime Minister said that she wondered about the quality of decisions taken by a person in Andropov's health. But perhaps this was not of great importance in a collective system.

She was more anxious about the future of East/West relations. It was necessary to reassess them. The West must keep up its strength. But now that the Soviet Union knew that the West would do so, it was necessary to consider how to deal with them in the non-military field. She was fully behind the President in his wish to strengthen COCOM. We should consider how we could best influence the Soviet people and how best we could carry forward relations. We could trade to mutual advantage. Chancellor Kohl would visit Moscow on 4 July. She had every confidence in him. She told Mr. Bush in confidence that she would be reviewing our strategy in September. When she had completed this review it might be useful for her to visit Washington and compare notes. She had the impression that the West had been staggering from decision to decision without an overall concept.

Mr. Bush said that Mr. Harriman had reported a remark by Andropov to the effect that the Russians had no communication with the Americans. But Mr. Shultz had met Dobrynin eleven times, most recently last Saturday. In the Vice President's judgement, President Reagan now had Soviet attention. They might not like American rhetoric but they had been using rhetoric themselves. The onset of the long United States election period was worrying. Mr. Mondale was saying publicly that the first thing he would do, if elected, is visit Andropov. So there was a danger of East/West relations becoming an issue in the election campaign.

The Prime Minister commented that in her view the aim should be to persuade Andropov to visit the West. But we needed a strategy. Otherwise one Head of Government after another would visit Moscow. If Mrs. Gandhi's proposal for a meeting of Heads of Government at the UNGA came to anything, and if this provided possibilities for meetings between Andropov and Western leaders in New York, it could be useful.

Mr. Bush said that the previous American Ambassador in Prague

was now a member of the National Security Council. It might be useful for one of our people to talk to him before our strategy review. Mr. Bush undertook to send the Prime Minister a copy of Mr. Harriman's report on his visit to Moscow.

The discussion ended at 1235.

24 June 1983