

PRIME MINISTER

MEETING WITH THE FOREIGN SECRETARY AND DEFENCE SECRETARY: VISIT TO WASHINGTON

You have a meeting tomorrow with the Foreign Secretary and the Defence Secretary to discuss your visit to Washington, and in particular what you should say to President about his meeting with Gorbachev, developments in Eastern Europe and about defence issues generally. You will recall that the President said that he would welcome your advice and thoughts on:

- what surprises Gorbachev might try to pull at the Malta meeting?
- what initiatives the President might for his part take?

Washington Meetings: Your Interests

The starting point should be what we want from the meeting in Washington.

The first point is that we want it to be a visible success. This is important from the point of view of the special relationship but also from your personal viewpoint (given there could be a leadership election shortly after your return). The press will as always be looking for points of disagreement and will probably focus on US defence cuts. It will be important to handle this so as to maximise points of agreement i.e. that we should not pre-empt the outcome of conventional force negotiations, that we need to maintain strong defences etc. You also need to dispel the widespread perception that you hanker after President Reagan and don't think Bush is a patch on him. You will want to be complimentary about President Bush in your press and TV interviews.

Second, you want to use the occasion to eliminate a few misconceptions in the American media about your standing both at

home and in Europe. There is a tendency in the US media to reflect the views of papers like the Independent, which portray you as isolated, weakened, embattled, out of tune with the times, etc. You will want to be at your most vigorous, decisive and masterful in your TV and press interviews.

Third, on more specific points you want:

- to ensure that the President shares some of your underlying strategic assumptions: that Gorbachev is the key to continued change and reform in Eastern Europe and needs to be supported: that we shall continue to keep to a strong NATO with nuclear weapons: that we want to avoid/postpone German reunification for as long as possible, because it would be destabilising: that the US/UK special relationship, while in no way excluding good relations with others, nonetheless continues to have a unique quality which is worth preserving (particularly on intelligence and nuclear).
- to avoid any surprises at Malta on nuclear matters, arms control, Germany.
- to get over that it is damaging in the long-term to American's own interests (as well as adding to your difficulties) to imply that the US supports European integration, as opposed to cooperation Integration will mean a more bureaucratic, more centralised, and probably more closed and protectionist Europe. The Americans should make clear that they support closer cooperation in Europe based on genuine free market principles - the sort of Europe you want.

Situation in Eastern Europe

Judging by your telephone conversation, your views and those of the President on Eastern Europe are very similar ('eye to eye' in his words). He should welcome the outcome of the Paris meeting. He will be anxious to secure the longest possible financial

support for Poland and Hungary from the EC. You will want to stress the need to stand out for genuine change, not settle for half a loaf: but also to acknowledge that the Warsaw Pact will continue in existence - without that, there is a risk that the Soviet Union will equate democracy in Eastern Europe with a threat to its security interests.

#### Soviet Union

You will want to hear the American assessment of Gorbachev's prospects and durability, and any intelligence they have which reflects on this. The main problems are the economy and the nationalities: the potential sources of disaffection are the Party, the Army, the KGB and the radical nationalist movements. If he does come unstuck, what sort of regime do we assume will follow him? How far do we think it would really be possible to reverse the trends on defence spending? Are economic difficulties driving his arms control policies as the recent intelligence suggests?

You will also want to urge the President not to come out publicly for self-determination for the Baltic Republics, at least at this stage. It would seriously undermine Gorbachev. If he were no longer there, it might be a different matter.

#### German Reunification

The President has backed away from some of his earlier pronouncements endorsing reunification, although has not been as explicit as you in saying there should be no change in borders. You will want to urge him to adopt this line which had wide acceptance at the Paris meeting and best meets the overriding need for stability. No one can tell what will happen in some years time. But the more we say it's not on the agenda now, the better.

#### Defence

The single most important need is not to allow a tide of opinion

to build up that defence is no longer necessary. The statements by Cheney are unfortunate in this regard: we understand the pressures on the US budget, but it is much better to justify defence cuts by reference to budgetary problems than to changes in Eastern Europe. Also it is important to avoid making cuts in forces in Europe ahead of the outcome of the CFE negotiations. It might be helpful to devise a form of words which could be used at your press conference after the meeting with the President, reflecting the views of both of you.

Possible Surprises that Gorbachev might spring

The main ones which occur to me (no prizes for originality) are:

- making Berlin a free city, with all Allied Forces to withdraw
- signing a Peace Treaty
- ← commitment now to a second round of CFE negotiations even before the present one has concluded
- proposals for unilateral but balanced reductions in US and Soviet conventional forces in Europe
- ← limitations on naval arms
- Soviet membership of the Economic Summit Seven
- a summit of all European nations
- ← renewal of call for immediate negotiations on SNF.

Initiatives by the US

This is harder because we don't want them to take any without full consultation in NATO. But possibilities are:

- an undertaking to cooperate in future on specific/general

regional issues

- an understanding that a balance of nuclear forces in Europe can contribute to stability during what is likely to be a difficult decade in the 1990s.

I attach a minute from the Foreign Secretary, setting out his ideas.

C.D.P

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