



SECRET AND PERSONAL

BRITISH EMBASSY

WASHINGTON, D. C. 20008

TELEPHONE: (202) 462-1340

*24<sup>A</sup> (a-f)*

FROM THE AMBASSADOR

By fax

Sir Patrick Wright GCMG  
Permanent Under Secretary  
of State  
Foreign and Commonwealth Office  
London SW1A 2AH

28 November 1989

*CD*  
*30/12*

*My dear Patrick,*

**MEETING BETWEEN PRESIDENT BUSH AND THE PRIME MINISTER AT  
CAMP DAVID**

1. You will have seen Charles Powell's record of the talks, a copy of which has been sent to me and which we will handle with appropriate discretion here. I thought it an excellent account, giving an accurate impression both of the substance and of the atmosphere. I have nothing to add to it, but thought that I would send just two comments.
2. First, it seemed to me that a very important part of the discussion, from the President's point of view, was after the relaxed lunch alone with the Prime Minister (and Barbara Bush), when he launched into an anxious description of the difficulties facing him over next year's budget. The Administration has, indeed, a very difficult task if the Gramm-Rudman restraints are to be met. The budget deficit is supposed to be reduced to some \$74 bn. The President's obvious hope is that events in the Soviet Union and in Europe will justify a significant reduction in the defence budget. I cannot help wondering whether Cheney's recent pronouncements were not made with the President's knowledge and approval, although he told the Prime Minister that he would have preferred the figures not to have come out before his meeting with Mr Gorbachev. In any event, this issue seemed to be much on the President's mind, not least because the Administration has to put forward proposals for the FY 1991 budget to the Congress early next year.

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3. Second, given all the talk about the significant warming up of the American/German relationship, I was struck by the President's irritation, both with the statements by a member of Genscher's party on Follow-on to Lance - FOTL - (which had to be repudiated by Genscher himself), and also over the German attitude to low-level flying and training exercises in the FRG. As Charles Powell's record shows, the President said that this issue really "burnt him up".

4. Charles Powell will be able to confirm to you whether these points struck him to the extent that they made an impression on me.

5. I thought that the meeting was very relaxed and friendly. I rather expect that the President hoped to get some comfort from the Prime Minister about the possibilities for lower defence spending, or at least to have a wide-ranging discussion about the political problems facing himself and other leaders in this field, and perhaps to have a speculative talk about "whither NATO and the Warsaw Pact" in the future, and in what sort of timescale. In fact, the Prime Minister made it very clear that she considered caution to be the right policy and advised against any lowering of the defence guard. The current arms control negotiations represented, in her view, a significant and fully adequate step forward. So the sort of discussion which the President may have wanted did not materialise. But I may be reading too much into this part of the Camp David exchange. Please also see the telegram that I am sending today about Martin Fitzwater's comments to the press yesterday.

6. The President showed himself well informed (certainly much more so than President Reagan) about people and all the international issues. He can be quite harsh in his judgement of people (see, for example, his comments on Prime Minister Shamir). He has all the right instincts about international and domestic affairs - wanting to maintain security, wanting to keep American forces in Europe, wanting to clean up the environment, improve education, eradicate drugs, and so on. And I believe that he is quite genuine within himself when he states these as policy aims. But he may lack the intellectual rigour to realise that reality, and especially the budget constraints, may well prevent him from achieving these worthy goals. This risks his being categorised as an "all say" but "no do" President although, as we have made clear in our recent report, his popularity rating stands very high.

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7. In other respects, the President was his usual very pleasant and friendly self but, as I have noted on other occasions, both official and private, he is curiously restless and gives the impression of not having his mind 100% on the matter under discussion. He was, for example, constantly asking the staff to produce coffee, tea, cinnamon toast, mineral water, cookies, and often handed them round himself. He also, after lunch, kept on looking out of the window to see whether any deer had appeared in the field outside his cabin. This must mean that he does not give his undivided attention to the subject under discussion. Whether it is restless energy or inattention, I am not sure.

8. I hope that this letter can be given very limited distribution. You may like to check with Charles Powell whether it reflects his impressions also.

*Improve*  
*Anthony*

Anthony Acland

cc: C D Powell Esq

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