

PRIME MINISTER

MEETING WITH PRESIDENT BUSH

You have a plethora of briefing for your meeting with President Bush, which you will find in the folder. I have tried to condense it to a series of points in the attached note.

I would add only the following general points:

- the media will be in Bermuda in force and looking for trouble and opportunities to disparage. They will be trying to write 'end of the special relationship' stories. Failing that - or more likely as well as that - they will be looking for 'Thatcher grasps at foreign glories in desperate attempt to stave off domestic difficulties' stories. I doubt that any evidence will shake them. But what will most unsettle them is (a) constant reiteration that at this time of exceptional flux in the world, nothing could be more natural or indeed important than that a British Prime Minister and an American President should meet; (b) a clear move forward on some major policy issue in agreement with the Americans, to give them a real story to get their teeth into. I am sure that nuclear weapons in Europe offers the best scope for this (see below); and (c) that you project the utter self-confidence and forthrightness for which you are renowned and which has not flagged despite current difficulties;

- there is no doubt that there is briefing against the UK coming out of the State Department. It is a mixture of spite: a feeling that the Brits. had it too good under President Reagan: that your experience and prestige threatened to put Bush in the shade: and an almost hysterical obsession with getting Germany 'right', in other words with getting Kohl re-elected and keeping a united Germany in NATO. We have deliberately refrained from retaliating against these briefings and must continue to do

the opportunity for a step forward comes over nuclear weapons in Europe. If you and the President can clearly reach agreement on further reductions in nuclear warheads, an indication of readiness to begin preparing for negotiations on SNF, and a signal that FOTL will probably not be needed BUT that we must keep adequate weapons in Europe, then we have a policy initiative which is desirable in its own right and newsworthy. Where we may differ is over the President's apparent wish to commit us to SNF negotiations early next year: and your preference to agree to preparations this year, but to stick to the comprehensive concept formulation on when negotiations should start. What is essential is that it should be seen as a joint Anglo/US initiative, even with us slightly in the lead, and not something into which you were dragged by the President. Remember the Americans will be briefing the other way, and trying to claim the credit. We shall not want to be too specific in public. But you may want to give a curtain-raiser on this (or authorise Bernard Ingham to do so) on the aircraft on the way to Bermuda:

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Temporarily retained J. Gray 10/2/2017

when all is said and done, our relationship with the US remains the pivot for our foreign policy, and we should never let this be obscured by passing fashions. Theirs is the sort of society which is closest to what you believe in. They are, in the end, the only ones with real stomach for defence and robust rejection of socialism in any of its forms. They hold the key to our ability to preserve nuclear

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defence and remain a top player in the world league. Even if we have to swallow hard sometimes, nothing is more important to us that the US: and this meeting must reinforce the relationship.

The folder contains:

- telegrams from Antony Acland
- the note for your discussion of the visit with Percy Cradock and me
- full FCO briefing
- the note on nuclear deterrence in Europe
- the record of your last meeting.

Still to come are an account of the Foreign Secretary's meetings in Moscow: a note from John Gummer on agriculture and the GATT: and a note from the Treasury on Double Taxation.

C.D.P.

(CHARLES POWELL)

10 April 1990

c:\wpdocs\foreign\bermuda.dca

Lithuanian

SECRET

5(a-g) 24th March
Point back
M.A.S.O.

PRIME MINISTER

MEETING WITH PRESIDENT BUSH

② M...
Don't want
to use force

② Soviet Union - West at another stage
1. GERMAN UNIFICATION

③

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SMART

COCOM
Produce meet
Core group

Reconcile
with

Outbound

④ H...
L.W.
K... →

Un...
R...
D...
A...
N...
C...
M...
S...

- your successful meeting with Kohl
- we now have the framework to deal with the consequences of unification
- key is to keep Germany in NATO and get Helmut re-elected
- means steady persistence with the Russians
- we must also get the Germans to agree quite specifically that a united Germany should be in NATO: that the NATO Treaty should cover the whole of Germany: that Allied stationed forces should remain in Germany: and that they should have a sensible mix of conventional and nuclear weapons
- but still unresolved issues
- future military arrangements for East Germany
- transitional period for Soviet forces to remain
- defence arrangements for Berlin
- nature of a peace settlement
- no desire to 'singularize' Germany
- EC aspects
- must not give Russians leverage in 2+4 Group over issues which are for us to decide, eg. defence
- this whole process is going our way. Must not let the Russians get the feeling they can stop it
- but equally we must not let the Germans think there are any soft options over NATO membership, nuclear weapons etc.
- say at press conference that we are both well satisfied with progress and believe that we will secure an outcome which anchors a united Germany in NATO.

Soviet = Nuclear

C.D.R. ...

Adj. N.A.T.O.

N.A.T.O. - ...

How to assure ...

...

W.S.U.

M.A.S.O. ...

Role

Post-CBR

SECRET

Marshall ...

Vietnam - ...

N. K. ...
Congress (repeated on
temple)

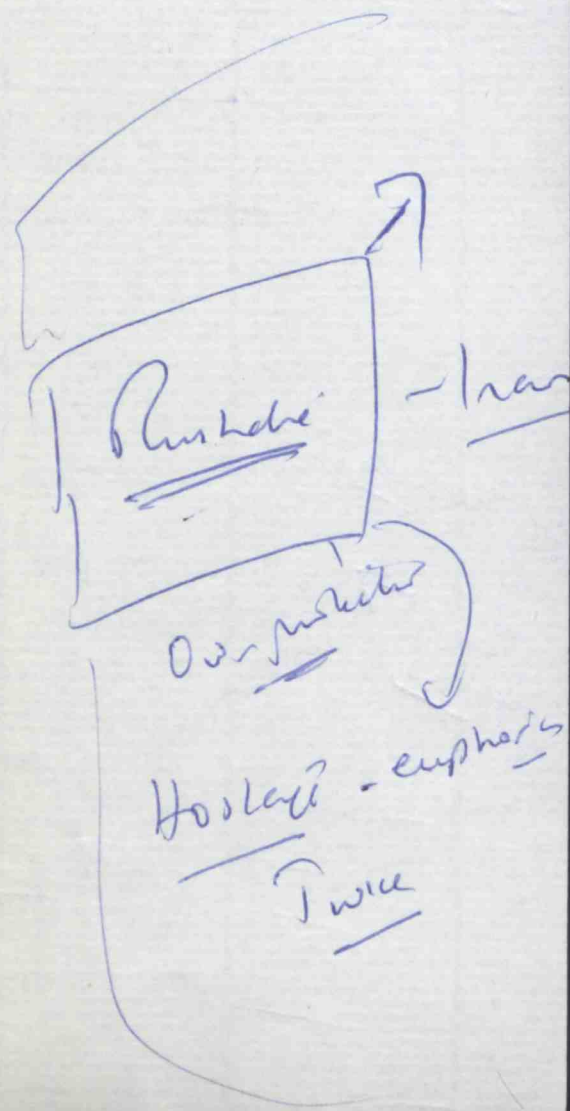
Scholar -

China - MPN
Disorder

Prussia
WMA Bonds

S. Jones
Latent

De Clerk
Handle



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2. RELATIONS WITH THE SOVIET UNION

- assessment of the problems facing Gorbachev and his prospects
- conclusions from Baker/Shevardnadze meeting (and from Hurd/Shevardnadze)
- role of the Soviet military and KGB. Soviet sensitivity to our contacts with Mrs. Gordievsky
- Lithuania: how to promote dialogue: how to react in the event the Soviets use force: US and UK to co-ordinate
- how to respond to requests from the Soviet Union for economic help
- prospects for US/Soviet Summit
- need to articulate outcome of that with your meeting with Gorbachev the following week.

3. COCOM/MARATHON

- our preferred core list approach for COCOM. Risk of leakage from American differentiated approach
- cannot agree to deletion of GDR from COCOM list
- acknowledgement of security risks from Project Marathon. But if US and UK turn it down, can we stop Japan or Germany simply snapping it up?

Short memo

N.A.G.O.

Nuclear convention

N.A.T.O.

CSCB

Polish Space

and views

K. and G. group

Springer

Review

- Relationships of NATO
US - nuclear & co nuclear

Polish space to Russia

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4. DEFENCE AND ARMS CONTROL

- grateful as always for US help with Trident and determination to ensure that START agreement will not constrain our future nuclear co-operation
- looking at possibilities for extending Anglo-French nuclear co-operation, as part of effort to bring France closer to NATO. But not in any way a substitute for Anglo/US co-operation
- we are studying future defence options against the day when we can make some reductions in forces in Germany (but not before CFE agreement). Intend to preserve - even strengthen - out of area capability
- Share US determination to preserve NATO. This is the absolutely essential basis of our defence. (If he proposes it) Ready to contemplate further NATO Summit this year. Should be seen as part of preparation for CSCE Summit in the autumn
- key issue would be future nuclear options in Europe. Propose UK/US initiative - to be referred to in broad terms at joint press conference - to reduce unilaterally nuclear stockpile, begin preparations for SNF negotiations and acknowledge FOTL unlikely to be necessary, while reaffirming need to keep adequate nuclear weapons (particularly airborne) in Germany
- keep up momentum for CFE agreement this year. Not allow Russians to try to take some issues e.g. aircraft off the table
- need to consider what lies beyond CFE. Mistake to rush into further negotiations, given current uncertainty/instability in the Soviet Union
- prospects for SALT Agreement
- our concerns about Soviet chemical weapons remain. But welcome progress in US/Soviet negotiations
- particular concern about evidence of Soviet biological weapons production (and general Soviet record of lying on these matters: chemical, biological, SS23s).

Went to
All 30 minutes

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5. FUTURE ARCHITECTURE OF EUROPE

- your ideas for strengthening CSCE have nothing to do with defence but with entrenching democracy, free elections, and free market principles right across Europe. Not a substitute for NATO
- also a way to involve the Soviet Union and East Europeans more fully in Europe's affairs, in a forum which also includes the United States
- we welcome the strengthening of links between the EC and the US. But we still feel that the US need to be careful about appearing to encourage federalism in Europe. Our vision of a free-market, open Europe based on co-operation between sovereign states is much nearer to the ideal which they should espouse. We are not an obstacle to European unity: we are engaged in struggle for Europe's soul. Our sort of Europe would offer a haven for the East Europeans as well
- the Americans should remember that, without our efforts, EC agriculture prices would be much higher: there would be no concessions on agriculture in the Uruguay Round: and the Banking Directive, the Mergers Directive and the Broadcasting Directive would all be far less satisfactory to US interests. Far from being an obstacle, we are the Americans' salvation
- no differences between us on attitude to Eastern Europe. Accept need to proceed cautiously over GATT membership for Soviet Union, so that we don't weaken GATT. But can start preparations, to give them hope
- our strong desire to have the European Bank for Reconstruction and Development in London.

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6. ECONOMIC SUMMIT

- key issues likely to be East/West, GATT, environment
- crucial importance of successful outcome to Uruguay round. Share US wish to see progress on agriculture and working for this within the EC. But US should not set sights unrealistically high. Aim at Economic Summit should be to agree specific political commitment to resolve the main issues
- welcome President's White House Conference on Global Change
- agree on need to avoid setting targets for greenhouse gas emissions before scientific realities are clear
- hope drugs will also be discussed at Summit. Need to rationalise UN's work. We support US idea for a group of major consumer countries to co-ordinate drugs policy.

7. MIDDLE EAST

- the growing dangers in the Middle East from proliferation of nuclear and chemical weapons and ballistic missiles. How do Americans assess the risk of pre-emptive action by Israel? Is there more we can do to stop dissemination of technology and raw materials? Should we be thinking of pre-emptive action?
- particular problems with Iraq (which the US now share). Prince Bandar's approach
- prospects for progress on wider Arab-Israel with Peres back in the driving seat. Risks to King Hussein
- King Fahd's request that we revive International Conference option
- we also have to find a way to defuse the problem of settlement of Soviet Jews in the Occupied Territories
- prospects for securing release of hostages in Lebanon. Do the Americans see signs of movement on the part of the Iranians?
- Rushdie.

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8. SOUTHERN AFRICA

- De Klerk and Mandela seem to be finding a way through the difficulties
- disillusionment with Mandela's inability to free himself from ANC shibboleths
- most pressing need is resumption of World Bank economic help to improve conditions of black South Africans. At what stage are Americans ready to contemplate this? We can't just leave De Klerk without help.

9. CHINA/HONG KONG/VIETNAMESE BOAT PEOPLE

- case for reducing China's isolation. But no sign yet of reformers regaining the upper hand
- hope US will give further consideration to ways to boost Hong Kong's confidence
- we hope the US will consider establishing a temporary camp on Guam (or elsewhere in the Pacific) where non-refugees can be held, until conditions are right for them to be returned to Vietnam.

10. CYPRUS

- Vassiliou a unique opportunity to reach a settlement
- Perez de Cuellar's appeal for help with Turks
- your intention to raise with Ozal
- hope Americans will put across the same message, i.e. that the Turks should not let Denktash dictate policy.

11. AFGHANISTAN

- do the Americans expect to make progress in their discussions with the Russians about a political settlement.

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12. KASHMIR

- American assessment of the dangers of open conflict between India and Pakistan
- really up to Americans and Russians as main arms suppliers to use their influence with Pakistan and India respectively to secure restraint.

13. CENTRAL AMERICA

- President's view of the prospects in Nicaragua, Panama and El Salvador.

14. FALKLANDS/ARGENTINA

- our hope that US will continue to refrain from sale of significant weapons to Argentina.

15. US/JAPAN

- X
- account of progress with Structural Impediments Initiative
 - overall assessment of relations with Japan and way Japan itself is likely to develop.

16. UNITARY TAXATION

17. VISIT TO ASPEN

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