

Subject
C. Master Set

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J. L. V.

10 DOWNING STREET

From the Principal Private Secretary

23 December 1984

Dear Len,

PRIME MINISTER'S MEETING WITH VICE PRESIDENT BUSH

The Prime Minister was entertained to breakfast at 0900 on 22 December by Vice President and Mrs Bush at the Vice President's house, Naval Observatory, Washington. Sir Oliver Wright and I accompanied the Prime Minister: Admiral Murphy and Mr Gregg were also present on the American side.

The Vice President began by referring to the Prime Minister's visit to China and congratulating her on the agreement over Hong Kong. He commented that, in his personal view, the concept adopted in that agreement was of great interest and could one day have a relevance to Taiwan. The Prime Minister said that Chairman Deng Xiaoping had asked her to convey a message to the United States Government that he was ready to seek a solution to the problem of Taiwan on the basis of "one country, two systems": she had undertaken to deliver this message, but did not expect that it would be immediately acted upon! Vice President Bush said that the Chinese aspirations in this matter were probably based on their extended concepts of time.

The Prime Minister gave the Vice President a general account of her discussions with the Chinese leaders. She said that Deng Xiaoping seemed to her to have aged considerably since her visit two years ago; and that Deng Xiaoping claimed to have based the period of fifty years in the Hong Kong agreement on the time which would be taken for China to approach the level of development in the industrialised world. Deng had also said that China would remain a Socialist country and that the proportion of the Chinese population living under capitalist regimes should remain very small because otherwise "capitalism would eat up socialism". The Vice President was interested in the Prime Minister's impressions of Hua Yaobang and Zhao Ziyang, and agreed with her view that Zhao Ziyang seemed at present the most likely successor to Deng Xiaoping.

The Prime Minister then gave the Vice President a report on her talks with Mr. Gorbachev. This led into a discussion of the Strategic Defence Initiative. The Prime Minister said that she was anxious about taking for granted

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that an effective defence system in space was achievable. She also said that she was confused by briefing given in the last day or two by White House officials and other members of the US Administration that deployment of defence systems in space would be a matter for negotiation.

Vice President Bush said that, if the Prime Minister was confused, she should "join the club". But he was clear that the President saw the Strategic Defence Initiative in a spirit of idealism. People criticised this as naive, and perhaps it contained an element of naivety, but the President firmly believed that it was better to destroy weapons rather than people. The President was pursuing this objective for its own sake and not as a potential bargaining counter in the negotiations. The Prime Minister pointed out that the President had said in his 31 March message to Congress that his Administration would consider arms control measures banning or limiting the testing or deployment of space weapons systems: the Vice President commented that the President did not necessarily identify defence systems with weapons systems.

At this point the meeting had to be brought to an end so that the Prime Minister and the Vice President could leave for Camp David: there was no discussion of civil aviation or budget matters.

I am copying this letter to Richard Mottram (Ministry of Defence) and Sir Robert Armstrong.

Yours ever,

Robin Butler

TRB

L.V. Appleyard, Esq.,
Foreign and Commonwealth Office.