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From the Private Secretary

17 November 1989

Dear Stephen,

**EASTERN EUROPE: PRIME MINISTER'S TALK WITH
PRESIDENT BUSH**

The Prime Minister had a talk on the telephone this evening with President Bush about the situation in Eastern Europe and the forthcoming meeting of European Community heads of government in Paris.

The President said that he had read in detail the Prime Minister's "marvellous message". He was looking forward to the two of them putting their feet up at Camp David for a really good talk. The Prime Minister said there was a great deal to discuss. She had thought it useful to put her views in writing before the Paris meeting, so the President could see what she intended to say there. Her impression was that they were thinking in very much the same way. The President said they were indeed very, very close: really eye to eye. A lot of people wanted the United States to posture more, but he was not keen on that.

The President asked what the Prime Minister expected to come out of the Paris meeting. The Prime Minister said that there was unlikely to be anything very concrete. There might be some sort of communiqué but even that was uncertain. Her view was that we should concentrate on supporting economic reform and the introduction of genuine democracy in Eastern Europe. That in itself was a considerable task and would take several years. It would only succeed in conditions of stability, and that meant that we must be very careful not to undermine Mr. Gorbachev. His main concern was to maintain the present borders in Europe and keep the Warsaw Pact intact. This meant that we should avoid talking about German reunification, which still aroused strong emotions in the Soviet Union and in Europe. No one could foresee what would happen in a few years' time. The Prime Minister continued that her impression was that the situation in Europe had steadied after a bumpy few days. She thought most governments understood the need for a measured approach. She knew that Chancellor Kohl had problems with the right wing of his own party: but talk of reunification would be seriously destabilising and would interfere with other positive developments such as arms control negotiations. Finally, we needed to re-affirm the importance of NATO and the conclusions reached at its May Summit, and try to tone down public euphoria.

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President Bush said that he wholeheartedly agreed with the Prime Minister's approach.

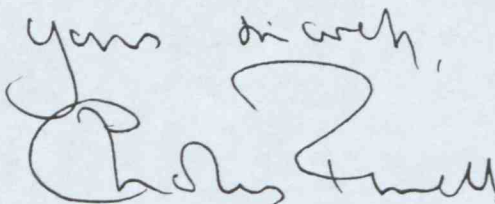
President Bush said that the Prime Minister's visit to Camp David would be very timely and he would want to discuss with her the handling of his meeting with President Gorbachev. Two particular points which concerned him were first to spot in advance any surprises which Gorbachev might try to spring; and second to think about initiatives which he might take which would capture people's imagination. He was not thinking of anything specific, for instance in the arms control field, but some more general gesture. He would very much welcome the Prime Minister's views. He was determined to avoid another Reykjavik. The Prime Minister said that she would give some thought to this before she met the President next week.

The Prime Minister mentioned that our Ambassador in Moscow had seen Mr. Gorbachev this morning and had found him in excellent form. That in itself was interesting considering the scale of the problems he faced. The President agreed that it was interesting and a preview of what he would encounter when they met in Malta.

The President said that Dr. Woerner had suggested that he might stop over in Brussels after his meeting with Gorbachev to brief NATO heads of government. He would be very ready to do so. The Prime Minister said that this would be an excellent idea and an occasion to re-affirm NATO policies. This would help steady the ship. President Bush agreed that it was very important in the present situation to stress NATO's role.

I should be grateful if the Foreign and Commonwealth Office and the Ministry of Defence could give consideration to the two points mentioned by President Bush and take account of them in the briefing which you are preparing for the Prime Minister's meeting with the President on 24 November.

I am copying this letter to Brian Hawtin (Ministry of Defence), John Gieve (HM Treasury), Neil Thornton (Department of Trade and Industry) and Trevor Woolley (Cabinet Office).

Yours sincerely,


(C. D. POWELL)

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Foreign and Commonwealth Office.