

DECLASSIFIED

8504524

~~SECRET~~

NLRR FOI-047# 22503

THE SECRETARY OF STATE  
WASHINGTON

1254

BY OW NARA DATE 11/14/06

February 15, 1985

MEMORANDUM FOR: THE PRESIDENT

From: George P. Shultz *GWS*

Subject: Your meeting with Margaret Thatcher,  
Prime Minister of the United Kingdom,  
February 20, 1985

I. THE SETTING

Prime Minister Thatcher wishes to meet with you to continue in more detail the discussions begun during her December stopover at Camp David on her return from China. She is particularly interested in a substantive exchange of views on arms controls matters and East-West relations, but also wants a frank discussion of other political issues of mutual interest such as the Middle East, Central America and economic questions. You may wish to raise several issues such as Northern Ireland and the Bonn Economic Summit to express our hope for British cooperation.

II. ISSUES

1. Arms Control and the East-West Relationship

Prime Minister Thatcher will be especially interested in your ideas on the conduct of the Geneva negotiations and on mechanisms for consultations with the allies. You may wish to explain how you view the interrelationship between the strategic, intermediate-range, and defense/space arms discussions and how we plan to handle the Soviets' intent to make progress in START and INF hostage to progress in space. You might share with her your opinions on likely developments as talks with the Soviets commence. You also may wish to reassure Thatcher on your intention to consult regularly on arms control issues with the allies. As in the December meeting, Thatcher's main concern will be SDI. She sees the four points discussed with you at Camp David as a good basis for a NATO-wide consensus and may well press for a reaffirmation of adherence to what the British press labeled the "Camp David Accords." You may wish to reassure the Prime Minister on these points and elicit her support for continued SDI research. Thatcher also may raise the problem of keeping the Dutch and Belgian INF deployments on track, and you may wish to use this opportunity to discuss a

~~SECRET~~  
DECL: OADR

coordinated plan on this matter. Finally, Thatcher may raise chemical warfare and press for a more flexible position on CW challenge inspections in order to make progress in this area. The Prime Minister may propose that if the U.S. displays flexibility on this point, she would be prepared to give a strong public endorsement of the U.S. binary program. You should emphasize the importance we attach to effective verification, note that Article X was designed with this in mind, express your interest in hearing her views, and welcome any public endorsement of our modernization effort.

## 2. The Middle East

Regarding the Middle East, Mrs. Thatcher will probably seek your views on the peace process while emphasizing her belief in the need to maintain the hopes of the moderate Arabs, especially King Hussein. She may suggest an invitation to King Hussein to visit Washington or the reissuance of the September 1 initiative before its third anniversary. You might note our strong desire to encourage King Hussein in his effort to bring the PLO to accept UN Resolution 242, an effort being impeded by Arafat's hope that Europe might deliver a better deal. Mrs. Thatcher's reported main concern about Lebanon is that the Israeli withdrawal be as complete and accompanied by as few casualties as possible; she is skeptical of Israeli intentions. You could reiterate our welcome of the withdrawal and state our hope that the parties involved take all necessary steps to prevent an outbreak of violence. You might brief Mrs. Thatcher on your talks with King Fahd.

## 3. Central America

Prime Minister Thatcher has been a staunch supporter of US Central America policy. She faces frequent criticism from an opposition Labor Party which is quite sympathetic to the Sandinistas. Labor leader Neil Kinnock attended the Ortega inauguration to validate his credentials as a regional expert. In order to counter Kinnock claims of exclusive first-hand knowledge of Central America, Mrs. Thatcher met with the Nicaraguan Vice President during his recent visit to London. Thatcher will want to know whether we will continue to support Contadora and that we do not intend to use force directly against Nicaragua. You may wish to reassure her on these points. You also may use this opportunity to emphasize that allied unity is vital to maintain pressure on the Sandinistas to keep their promises to the OAS. Finally, you may wish to restate US appreciation for Thatcher's decision to keep British forces in Belize and underline the importance of Britain's military presence to regional stability.

## 4. Economic Issues

As Mrs. Thatcher will be participating in an economic roundtable with relevant members of the Cabinet, she will

SECRET

- 3 -

probably raise fewer economic issues than she usually does with you. Since your December meeting at Camp David, the United Kingdom domestic economic issues have come center stage, i.e., unemployment is up to 13 percent and the pound is down to \$1.11. On the encouraging side, the coal strike definitely is winding down, and Mrs. Thatcher will have soon achieved a major industrial relations victory. She will be interested in your comments on the budget, including deficit reduction and tax reform plans. Regarding the upcoming Bonn Economic Summit, you should urge the Prime Minister to support our key objective of getting agreement to begin new trade negotiations by early next year. British support within the European Community will be crucial, given the relatively negative position taken by France and Italy.

#### 5. Terrorism

The Prime Minister is concerned about all aspects of international terrorism, but naturally focuses on that from the IRA. You should note our concern over the current anti-NATO attacks as well as the activities of Middle East terrorists both in Europe and the Middle East. You might take this opportunity to enlist Mrs. Thatcher's help, with the Summit Seven countries and others, to increase technical and operational anti-terrorist cooperation among western governments and to raise the political costs to governments which support terrorism. Thatcher may bring up the problem of US courts' denial on political offense grounds of British requests for extradition of IRA terrorists. You should reassure her that you are sympathetic to her concerns, and that we have accepted the British proposal to work on amending our extradition treaty to close the political offense loophole.

#### 6. Northern Ireland

Mrs. Thatcher appreciates our stepped-up efforts to block aid to the IRA through NORCID (Northern Irish Aid Committee) and our cooperation in tracking IRA terrorists. She will be interested in trends in US public and congressional attitudes toward Northern Ireland. Following Thatcher's stiff public comments on her talks with Irish Prime Minister FitzGerald this fall, she has tried to give a more upbeat gloss to the next Anglo-Irish summit in the first half of 1985. Your exchange of letters with Speaker O'Neill about your last meeting with Thatcher was discussed in the Irish press and sparked interest on the part of HMG. The Speaker, accompanied by several other members of the Congressional "Friends of Ireland," plans to travel to Ireland over St. Patrick's day and will be meeting with political leaders in Ireland. You should stress to Thatcher that U.S. policy on Northern Ireland has not changed; however, we are concerned that unless there is an appearance of progress before and at the next Anglo-Irish summit, there may be a radicalization of Irish-American opinion which would endanger our current bipartisan policy toward Northern Ireland.

SECRET

NLRR FOI-047 #22504

0101  
ADD-ON 3

BY CW NARA DATE 11/14/06

TALKING POINTS FOR THE PRESIDENT'S MEETING  
WITH PRIME MINISTER THATCHER

- Nice to have you back in Washington. I am sure your address to Congress was well received.
- Geneva Meetings: Our internal studies are well underway, but I have not yet settled on detailed positions. Expect the first round to begin on a general level. We see an important interrelationship between strategic offense and defense. But Gromyko stresses there cannot be an agreement in one area without agreement in the other areas.
- Such linkage is a standard Soviet tactic. Wedge-driving efforts are inevitable. Continued Alliance solidarity is vital to induce the Soviets to negotiate seriously. If we and Soviets agree in one area, that agreement should be implemented.
- We are committed to intensive consultations with Alliance partners: consultations in NATO's Special Consultative Group on INF issues are active. We have just completed important NATO meetings on SDI; our negotiating team will brief NATO immediately before the opening of talks in March.
- SDI: We believe there is increasing understanding of our SDI program both here and in Europe. Much remains to be done. I am disturbed that an impression of widespread

Allied opposition to SDI has taken hold in the media. The four points we developed at Camp David have been helpful in confronting this. Hope Bud McFarlane's and General Abrahamson's briefing was useful.

- Although our long-term goal is the complete elimination of nuclear weapons, our short-term goals aim to strengthen deterrence by creating a more stable balance of nuclear offensive capabilities at lower levels.
- We are interested in European contribution and participation in SDI and are looking into ways in which we can organize such an effort. (Turn to George and Cap if asked for details).
- CW. We appreciate your general support for our draft CW Treaty including the need for strong verification provisions. While we are disappointed that progress has been slow, we are determined to achieve a treaty protecting our mutual security interests.
- Understand you have suggested an alternative Article 10 approach. Strong mandatory verification measures as exemplified by our Article 10 are essential. We are, however, willing to have our specialists consider development of an alternative that is as effective as our Article 10. (Cap, do you want to comment?)
- The Middle East: It is important to encourage King Hussein in his efforts to convince the PLO to accept UN Resolution

- 242; it is also important not to muddle this dialogue with separate, simultaneous efforts.
- I welcome Israel's decision to withdraw from Lebanon. We remain concerned about potential violence in the absence of security arrangements for an orderly withdrawal and have urged the parties to take all necessary steps to prevent it.
- King Fahd's visit was extremely useful. The focus of our discussions was on Middle East peace. Our bilateral relations remain excellent.
- Middle East expert talks with Soviets will be an exchange of views on regional issues, i.e., not negotiations.
- Central America: We must maintain unified pressure on the Sandinistas or they will never keep their promises to the OAS to hold truly democratic elections. We continue to support Contadora. The line you took with Vice President Ramirez was exactly right. Thank you for such a thorough read-out on your meeting.
- The situation in El Salvador is improving. Although Duarte faces severe economic problems, he is making progress against the guerrillas.
- Your decision to maintain your garrison in Belize is a crucial contribution toward regional stability.

- Economic Issues: The US Economy is continuing to grow at a healthy pace with inflation well under control. Our aim is to cut Federal spending (\$51 billion in FY 86) so that the deficit can be substantially reduced without raising taxes.
- Please join us at the Bonn Economic Summit in seeking agreement to begin new trade negotiations by early next year.
- Terrorism: We need to increase substantially the technical and operational antiterrorist cooperation among like-minded governments and to obtain agreement to raise the political cost to governments which support terrorism.
- I am sympathetic to your concern regarding the political defense exception in our extradition treaty. I understand our experts are discussing the possibility of amending the treaty to prevent terrorists from seeking a safehaven in either country.
- We are concerned with the reduction in security forces around our GLCM site at Greenham Common. In this period of increased terrorism we cannot lower our guard. (Cap can provide details).
- Northern Ireland: Our policy on Northern Ireland has not changed. Despite urgings by some US politicians that we get directly involved, we have no intention of injecting ourselves into this complex and emotional issue.

40

-- As you know, public perception in America of the outcome of the November Summit was not favorable. I am concerned that unless there is the appearance of progress at the next Anglo-Irish Summit, a radicalization could occur in Irish-American opinion which would endanger the current bipartisan support that our Northern Ireland policy enjoys.

-- New Zealand: We have taken a firm stance with Prime Minister Lange and ask you to join us in urging New Zealand to assume its full defense responsibilities.

2 2/13/1985 81

Executive Order 12958, 50 U.S.C. 3605(a)  
 (b) (1) - All information classified in this document is hereby declassified and its classification is hereby terminated.  
 (b) (2) - All information classified in this document is hereby declassified and its classification is hereby terminated.  
 (b) (3) - All information classified in this document is hereby declassified and its classification is hereby terminated.  
 (b) (4) - All information classified in this document is hereby declassified and its classification is hereby terminated.  
 (b) (5) - All information classified in this document is hereby declassified and its classification is hereby terminated.  
 (b) (6) - All information classified in this document is hereby declassified and its classification is hereby terminated.  
 (b) (7) - All information classified in this document is hereby declassified and its classification is hereby terminated.  
 (b) (8) - All information classified in this document is hereby declassified and its classification is hereby terminated.  
 (b) (9) - All information classified in this document is hereby declassified and its classification is hereby terminated.  
 (b) (10) - All information classified in this document is hereby declassified and its classification is hereby terminated.