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THE SECRETARY OF STATE  
WASHINGTON

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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

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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

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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.

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