

RONALD REAGAN

December 29, 1978

The Rt. Honorable Mrs. Margaret Thatcher, M.P.
House of Commons
London, SW1A 0AA
England

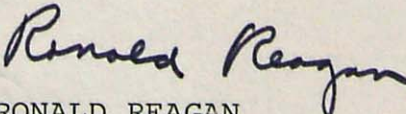
Dear Mrs. Thatcher,

It was a great pleasure to see you again and to have an opportunity to visit and exchange ideas. On my visits in France and Germany I found that most leaders share your concerns about European defense matters. I am enclosing a copy of an address I gave on my return. One of its purposes is to raise the consciousness of my own countrymen as to these concerns.

By the way, I have been telling the story of the British bread strike and the admonition to the workers to "use your loaf". I find that even though the expression isn't common here everyone gets the point very quickly.

Best wishes to you for a most successful New Year.

Sincerely,


RONALD REAGAN

Enclosure

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EMBARGOED TILL
12:00 Noon (PST)
THURSDAY, DECEMBER 14, 1978

ADDRESS BY THE HONORABLE RONALD REAGAN
to the Los Angeles World Affairs Council
Beverly Hilton Hotel, Los Angeles, California
December 14, 1978

With increasing frequency we have read and heard of the concern of our friends and allies about what to them appear to be the on-again, off-again policy contradictions of the United States, especially in matters of collective security, NATO and disarmament. Considering this rising chorus of criticism of our country coming from leaders in Western Europe especially, I felt it was time to learn about these concerns at first hand; to have candid discussions with political leaders both in and out of government, with business leaders and with some of our own officials and scholars abroad.

My trip, beginning in late November and ending a little over a week ago, took me to London, Paris, Bonn, Berlin and Munich. In all, I had some 20 meetings and they covered virtually every topic that might concern our allies. But, all of these discussions brought us back to the underlying concerns which we share with Europe; how can the peace be maintained and how can we strengthen the bonds that unite us not only in search of a common defense, but that also link our economies in a web of interdependence?

The essential ingredients of any successful strategy designed to promote peace and to deter aggression include political, economic, military and psychological measures.

MORE--MORE--MORE

Too often we focus on the purely military aspects when we consider our own national security, and while we must always be certain that our guard is up and that we have a strong, viable deterrent force poised against any potential aggressors, this alone will not meet the requirements of the 1980s.

On this trip I had the opportunity to hold extensive discussions with leaders from government and business who are concerned with the trade talks that are scheduled to end shortly in Geneva. All of Europe (and, I might add, Japan, too) hopes for a successful conclusion to the Multilateral Trade Negotiations. But, many are concerned that -- should those talks fail -- the world could slide backward into protectionism, perhaps even touching off an explosive and devastating trade war.

We are the world's largest and most important market for finished products, and our recent staggering trade deficits -- now running on the order of \$30 billion annually -- attest to this fact. Americans, whatever else they may be or have, do possess enormous purchasing power. Others recognize this, and send their wares to our shores. From Sony television sets to Mercedes-Benz automobiles. In this holiday season we'll have our typical American Christmas -- hanging the ornaments from Hong Kong and the colored lights from Japan on a tree which in many parts of our country is imported from Canada.

We also sell to the world -- airplanes, computers, machinery and all forms of technology. Even more important, it can be said that we help feed the world, blessed as we are with the conditions that provide abundance and the ever-growing productivity of our farmers.

