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Amis

VISIT OF THE PRIME MINISTER AND LORD CARRINGTON TO THE U S A :
25 - 28 FEBRUARY 1981.

1. PRESIDENT REAGAN, IN REPLY TO THE PRIME MINISTER'S SPEECH AT THE DINNER SHE GAVE IN HIS HONOUR, SAID THAT MRS THATCHER HAD GIVEN HIM A HARD ACT TO FOLLOW. THE PRIME MINISTER'S VISIT TO WASHINGTON 15 MONTHS AGO WAS ITSELF A HARD ACT FOR HER TO FOLLOW. THE NEED OF THAT ADMINISTRATION FOR SYMPATHY AND SUPPORT OVER THE TRAUMA OF IRAN AND THE INTENSE AMERICAN INTEREST IN OUR DOMESTIC ECONOMIC POLICIES AS THEY BEGAN TO BITE, GAVE THE PRIME MINISTER'S FIRST VISIT A SPECIAL FLAVOUR. NOW, AS THE NEW REPUBLICAN ADMINISTRATION FACES UP TO ITS ECONOMIC PROBLEMS, THERE HAS BEEN CLOSER SCRUTINY OF THE BRITISH EXPERIENCE.

2. IN THESE CIRCUMSTANCES PRESIDENT REAGAN LOOKED TO THE PRIME MINISTER'S VISIT AS THAT OF A LEADER WHO HAD A SIMILAR APPROACH TO INTERNATIONAL ISSUES AND ECONOMIC POLICY. IT WAS NO ACCIDENT THAT THE PRIME MINISTER WAS THE FIRST WESTERN LEADER TO VISIT THE NEW PRESIDENT. AS LONG AGO AS THE REPUBLICAN CONVENTION IN JULY OF LAST YEAR, MR REAGAN'S TEAM MADE IT CLEAR TO US THAT, IF HE WAS ELECTED, HE HOPED THAT THE PRIME MINISTER WOULD BE ONE OF HIS FIRST VISITORS AND THAT WISH WAS REAFFIRMED AS SOON AS HE WAS ELECTED. THE VISIT THUS CARRIED HIGH EXPECTATIONS, REFLECTED IN THE PRESS FOR WEEKS BEFOREHAND, THAT THE PRESIDENT AND PRIME MINISTER WOULD SEE EYE TO EYE ON INTERNATIONAL ISSUES. THIS WAS MATCHED, HOWEVER, BY A GOOD DEAL OF CRITICAL ANALYSIS OF OUR ECONOMIC PERFORMANCE AND ANXIOUS SPECULATION AS TO THE WISDOM OF THE UNITED STATES GOING DOWN THE SAME ROUTE.

3. THE PROGRAMME RECEIVED PREDICTABLE MEDIA COVERAGE. THE PRESS CARRIED SUBSTANTIAL QUOTATIONS FROM THE GEORGETOWN SPEECH, AND INDEED ECONOMIC/POLICY (CLOSELY FOLLOWED BY EL SALVADOR) WAS THE MAIN SINGLE FOCUS OF MEDIA INTEREST, WITH THE EMPHASIS ON THE POSSIBLE LESSONS TO BE DRAWN FROM BRITISH EXPERIENCE BY THE NEW ADMINISTRATION. THE PRIME MINISTER DEALT WITH THIS, IN HER PUBLIC REMARKS, PARTICULARLY ON CAPITOL HILL (WHERE HER MEETINGS IN THE SENATE AND HOUSE OF REPRESENTATIVES WERE PARTICULARLY WELL ATTENDED) AND AT THE HONORARY DEGREE CEREMONY AT GEORGETOWN UNIVERSITY. SHE WAS ABLE TO BRING OUT THAT THE BASIC ECONOMIC PHILOSOPHIES OF THE TWO GOVERNMENTS WERE INDEED SIMILAR, BUT THAT

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THE GLOBAL AND DOMESTIC ECONOMIC CONDITIONS FACING THEM AT THE OUTSET HAD BEEN MARKEDLY DIFFERENT. SHE EXPLAINED WHY IN BRITAIN PUBLIC EXPENDITURE HAS NOT BEEN REDUCED MORE RAPIDLY AND EXPRESSED HER ADMIRATION FOR THE BOLDNESS AND SPEED WITH WHICH THE U S GOVERNMENT HAD PRESENTED THEIR ECONOMIC PROPOSALS AND HER FAITH IN THEIR ABILITY TO ACHIEVE THEIR SIMILAR AIMS MORE RAPIDLY.

4. THE PRESENCE OF PRESIDENT AND MRS REAGAN AT THE DINNER GIVEN BY THE PRIME MINISTER IN THEIR HONOUR WAS AN IMPORTANT SYMBOLIC GESTURE, PARTICULARLY FOR SOMEONE WHO IS NOT A HEAD OF STATE. IN HER PUBLIC STATEMENTS THE PRIME MINISTER EMPHASISED OUR SUPPORT FOR THE PRESIDENT AND HIS ADMINISTRATION. IN HER OWN TALKS WITH THE PRESIDENT AND YOUR OWN TALKS WITH SECRETARY HAIG WE HAD A FIRST OPPORTUNITY FOR SUBSTANTIVE DISCUSSIONS WITH THE NEW ADMINISTRATION, MANY OF WHOSE POLICIES, LIKE ITS APPOINTEES, ARE NOT YET DECIDED. THESE MEETINGS WILL HAVE BROUGHT HOME TO THE PRESIDENT THE DEPTH AND RANGE OF THE RELATIONSHIP BETWEEN THE TWO COUNTRIES AND WILL HAVE CONFIRMED THAT, EVEN WHERE OUR VIEWS ARE NOT IDENTICAL, BRITAIN, AS THE PRIME MINISTER PUT IT, WILL ALWAYS BE AN ALLY STAUNCH AND TRUE.

5. THE SUBSTANCE OF THE PRIME MINISTER'S TALKS WITH THE PRESIDENT AND YOUR OWN TALKS WITH SECRETARY HAIG ARE RECORDED ELSEWHERE, BUT I WOULD SINGLE OUT THE FOLLOWING. THE PRIME MINISTER'S VISIT COINCIDED WITH THE ADMINISTRATION'S FIRST TESTS IN FOREIGN POLICY IN THE FORM OF ITS RESPONSE TO MR BREZHNEV'S PROPOSAL FOR A SUMMIT MEETING AND ITS PRE-OCCUPATION WITH THE SITUATION IN EL SALVADOR. THERE IS A TEMPTATION HERE, CERTAINLY EVIDENT AMONG CONGRESSIONAL LEADERS, TO LEAP TO CONCLUSIONS ABOUT BREZHNEV'S SPEECH AND TO SEE IT AS SOMETHING OF A CLIMBDOWN IN THE FACE OF THE TOUGH STANCE OF THE NEW ADMINISTRATION. ON EL SALVADOR, THE STATEMENT ISSUED JUST BEFORE YOUR ARRIVAL ENDORSED AMERICAN CONCERN ABOUT EXTERNAL INTERFERENCE WHILE ENABLING THE AMERICANS TO SEE THAT OUR DOUBTS ABOUT THE GOVERNMENT IN EL SALVADOR WERE WELL BASED. BOTH YOU AND THE PRIME MINISTER WERE ABLE IN PUBLIC TO CORRECT SOME OF THE PREVALENT MISUNDERSTANDING (AND MIS-REPRESENTATIONS) OF THE EUROPEAN INITIATIVE ON THE MIDDLE EAST.

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6. THERE IS NO DOUBT ABOUT THE IMPACT OF THE VISIT ON CAPITOL HILL: ON THE LARGE CROWD WHICH, ON THE LAST EVENING, RESPONDED ENTHUSIASTICALLY TO THE PRIME MINISTER'S ROUSING SPEECH TO THE OSS ON THE NEED TO DEFEND FREEDOM: AND IN THE MEDIA. NOR IS THERE ANY DOUBT ABOUT THE PRESIDENT'S EAGERNESS TO HEAR THE PRIME MINISTER'S VIEWS AND HIS WISH TO ESTABLISH A DIALOGUE WHICH I KNOW THE PRIME MINISTER FOUND USEFUL: NOR ABOUT THE VALUE OF THE MORE DETAILED CONVERSATIONS YOU HAD WITH HAIG. THE CONTACTS THAT HAVE BEEN MADE WILL STAND US IN GOOD STEAD AT ALL LEVELS AND HELP US TO BE LISTENED TO AS THE NEW ADMINISTRATION FORMS ITS POLICIES.

7. I THINK THAT IT IS MUCH TOO EARLY TO COME TO A DEFINITE VIEW ON HOW THE PRESIDENT IS GOING TO CONDUCT FOREIGN POLICY. CERTAINLY HE WILL AVOID DETAIL, BUT THIS DOES NOT MEAN THAT HE DOES NOT HAVE DEFINITE VIEWS OF HIS OWN, FOR EXAMPLE ON SOUTHERN AFRICA, THE MIDDLE EAST AND, MORE GENERALLY, THE NEED TO CONTAIN THE SPREAD OF COMMUNIST INFLUENCE EVERYWHERE ON THE BASIS OF FORTHRIGHT SENTIMENTS AND SOUNDER MILITARY STRENGTH. BUT THESE ARE STILL VERY FORMATIVE DAYS, WHICH IS WHY THIS FIRST ESTABLISHMENT OF CONTACT WAS HELPFUL FOR BOTH WASHINGTON AND LONDON.

HENDERSON

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