



United States Department of State

Washington, D. C. 20520

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BRIEFING MEMORANDUM  
S/S

RELEASED IN FULL

TO: The Secretary

FROM: EUR - Rozanne L. Ridgway

SUBJECT: Your Meeting with Prime Minister Thatcher,  
December 16 at 11:00 a.m.

I. THE SUMMIT

- o Mrs. Thatcher wrote to the President on the eve of the summit, stressing her conviction that Gorbachev needs results abroad for domestic purposes. She does not believe that the policies he is contemplating at home go nearly far enough to overcome his domestic problems.
- o On human rights, she stated her view that the Soviets must match words with actions, and she asked the President not to give any commitment on a human rights conference in Moscow.
- o Her letter re-emphasized her arms reductions priorities - 50% strategic reductions, no further short-range reductions in Europe "until we have established a conventional balance and got rid of all chemical weapons."
- o Her letter also reiterated her belief that the best way forward on SDI lies in a commitment not to withdraw from the ABM Treaty for a fixed period, together with a timetable spelling out the planned research programs of the U.S. and the Soviet Union.
- o In her own meeting with Gorbachev she reiterated arms control priorities. Gorbachev agreed that START sublimits should not be a problem and tried to dismiss verification difficulties for mobile missiles.
- o Mrs. Thatcher contested Gorbachev's vision of a nuclear-free world and told Gorbachev that U.S. - Soviet strategic reductions would have to go a "long way" before Britain would consider joining the discussions.
- o Mrs. Thatcher noted the verification problems with a CW ban, but restated HMG's commitment to such a ban.

REVIEW AUTHORITY: Robert Homme, Senior Reviewer

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lot # 88D246, Box # 3  
The Secretary's Trip to Europe Bonn  
December 15-16, 1987

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- o On SDI, Mrs. Thatcher suggested increasing "predictability" by extending the period of non-withdrawal beyond the current six months and exchanging test plans. She reiterated her support for testing up to feasibility, with deployment a matter for negotiation.
- o Gorbachev responded to Mrs. Thatcher's pressing on human rights and Afghanistan by claiming that the former was an internal matter and that withdrawal from Afghanistan would not take place until the U.S. and UK had halted their supply of arms to the rebels.
- o Mrs. Thatcher asked Gorbachev to keep in mind a full-fledged visit to the UK in 1988.

## II. AFGHANISTAN

- o We asked Mrs. Thatcher specifically to emphasize to Gorbachev at his UK stop that it is not in the Soviets' interest to prolong the occupation or the period of withdrawal. Gorbachev responded he was ready when aid to the rebels was cut off.
- o Vorontsov told Armacost that Moscow agreed that a prompt timetable for troop withdrawals was essential and that it should be delinked from agreement on an interim government. He accepted the concept of front-loading Soviet withdrawals in a fixed, early period.
- o The Soviets are receptive to a role for the former king in working out an interim government, and to neutrality for Afghanistan.
- o We want a timetable that involves detailed phasing and the withdrawal of large numbers of troops in the early stages.
- o Soviets state that a short timetable will be presented at the next Geneva round (January or February), which they insist will be the last.
- o British were key in getting the EC to issue a tough statement on Afghanistan. We want to thank them.

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### III. THE GULF

- o The UK is maintaining its substantial naval forces in the Persian Gulf region: three surface combatants, four minesweepers, and support ships. UK is also facilitating U.S. Navy support from Diego Garcia, and cooperating with Dutch and Belgian mineclearing forces operating off Bahrain.
- o The Soviets and Chinese resist Western efforts to begin drafting an enforcement resolution to follow-up SCR 598.
- o The Soviets, instead of coming to terms on steps to end the war, sidetrack the issue by complaining about the Western naval presence and by proposing a UN naval force as a substitute.
- o HMG remains convinced a nine-vote strategy at the UN will fail but shares our objective of sustaining momentum.
- o Instead HMG prefers giving the UNSYG a draft resolution to keep in his pocket for leverage in negotiations.
- o In late November we agreed with HMG not to break the consensus by pushing too strongly for a second resolution.

### IV. THE MIDDLE EAST PEACE PROCESS

- o HMG continues to press us on the importance of convening an international conference.
- o We have not abandoned the idea if it can lead to direct negotiations, but the reality is that it should not be the only focus of our efforts.
- o We must all work with Shamir; pressure tactics would be likely to make progress more difficult.
- o Soviet support for intransigent elements in the region (PLO, Syria), their continued ambiguity on a negotiating process, and insufficient movement on relations with Israel and Jewish emigration, continue to cast doubt on Soviet intentions.
- o Peres, during a late November visit to London, reiterated to Thatcher his exasperation with what he sees as the U.S. failure to support his efforts with Hussein.

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V. CSCE/PROPOSED MOSCOW HUMAN RIGHTS CONFERENCE

- o Allies toughening their stance on conditions for proposed Moscow human rights conference, apparently as result of U.S. stance on human rights performance criteria: FRG, France and Norway have included some criteria in recent contacts with Soviets and all emphasize need for access/openness guarantees.
- o U.K. increasingly isolated by flat refusal to consider Moscow conference; HMG may reconsider their position in light of Alliance sentiment.

VI. SOUTHERN AFRICA

- o Mrs. Thatcher will visit Kenya and Nigeria January 4-8 primarily to reaffirm UK-Kenya ties and stabilize recent up and down relations with Nigeria.
- o Savimbi has asked Nigeria and Kenya to broker UNITA/MPLA reconciliation talks. Nigeria has publicly said it is ready to try if both sides agree. Initial MPLA response negative. We've strongly supported Nigeria/Kenya efforts and should urge UK to follow suit.
- o If MPLA does make an acceptable proposal on Cuban troop withdrawal, we will need British help to bring SAG along.
- o US/Angola negotiations to resume in mid-December in Luanda. UK has strongly supported our negotiating efforts.
- o On South Africa, prospects for negotiations bleak. Neither SAG nor opponents have effectively used the opening created by release of long-imprisoned ANC leader Govan Mbeki.

VII. COUNTERTERRORISM

- o Thatcher made a strong statement in Parliament rebuking France for reported deal with the Iranians to secure release of two hostages. HMG now sees itself as the only major Western power not to have yielded to temptations to deal over hostages.

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VIII. THE INTERNATIONAL ECONOMY

- o Mrs. Thatcher wrote to the President right after the October 19 stock market fall urging him to consider tax increases. She wrote again during the budget discussions, offering support for pressure on Germany and Japan if the U.S. could arrive at a substantial package of budget reduction measures.
- o Recently Mrs. Thatcher has publicly urged West Germany and Japan to expand their economies and the NICs and Japan to open their markets. She continues to urge meaningful budget reductions in the U.S., counseling against the advice of economists who warn of the recessionary effects of deficit reduction.
- o She called for a return to four fundamental principles: sound money and low inflation, prudent finance, supply side measures, and free trade. She also expressed thanks to the President for resisting protectionist pressures.
- o The Bank of England engineered a half point cut in its base rate on December 3 in conjunction with other European interest rate cuts. This was the third half point cut since the October 19 stock market fall.
- o HMG is satisfied with its own economic performance and tends to see fiscal irresponsibility in the U.S. as the center of global financial disturbances.
- o Since the Louvre accord, the British approach to G-7 issues has taken on a decidedly "Bretton Woods" cast, particularly at HM Treasury. Exchange rate stability has been elevated to a primary objective of monetary and fiscal policy.
- o This attitude partly reflects a view that the value of sterling is about right and that the dollar depreciation has gone far enough. It also reflects a view that pursuit of exchange stability provides the necessary discipline for sound domestic policy.
- o Lawson has explicitly called on the U.S. to defend the dollar through higher interest rates.

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IX. ARMS SALES TO ARGENTINA (if raised)

- o Secretary Carlucci told Howe in London in early December that "we must do all we can to preserve Argentina's fragile democracy." Carlucci said that the U.S. had to be more responsive to Argentine requests, such as A-4 upgrades, refurbishing non-operational A-4s, and the transfer of the Israeli A-4s.
- o Carlucci reiterated our pledge to consult with HMG on this issue.
- o Howe responded that he doubted the durability of democracy in Argentina depended on the transfer of military equipment. Howe appreciated our pledge to continue to consult and take into account UK views.
- o Mrs. Thatcher takes a dim view of the Argentina military, which view was hardened by the "Easter mutiny" by the Argentine military and a recent incident involving Argentine vessel radar "lock-ons" to nearby RAF patrols within the British exclusion zone.
- o Argentine Defense Minister Juanarena raised GOA military equipment needs when he visited Washington in October. We do not yet have interagency agreement on how to proceed with the Argentine equipment list left by Juanarena's staff.
- o Ambassador Price has suggested that we brief HMG on the rationale for our defense cooperation strategy with Argentina and our assessment of the Argentine military's role over the long term. We are working toward this.
- o We hope to move forward with non-controversial items from the Argentina equipment list. However, we will need to deal with UK concerns.

X. PARTICIPANTSU.S.

The Secretary  
Ambassador Price  
Ambassador Ridgway  
(notetaker)

UK

Prime Minister Thatcher  
Private Secretary Charles Powell  
(notetaker)

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