

SAC

PRIME MINISTER

8 November 1988

VISIT TO WASHINGTON

Before your visit to Washington next week you may find it useful to talk over some of the main issues you will be raising with the President elect.

On Trident, there should be a paper reaching you by the end of the week. It seems we have been unable to complete our work on the implications of an 8-station bus. The preliminary indications are that it may be more difficult than we thought to reconcile with our deterrence criteria; but there is more work to be done. You will probably therefore want to confine yourself to appreciation of the way the Administration has taken account of our Trident interests in the START negotiations and a reminder of the need to continue this consultation.

On CW, the Cabinet Office will be submitting a paper which addresses in a more realistic way than the joint minute by the Foreign and Defence Secretaries the options facing us. Even so, in the version I have seen, it fails to bring out our recognition that a CW convention will be virtually unverifiable and it does not explore satisfactorily the option of preparing a break-out capability while continuing to negotiate.

With Bush you will in any case need to take account of his public commitment to seeking an early CW convention. We shall probably therefore need to give the new President and Administration time to learn for themselves that the task is tougher than they may now think. In a first talk you may wish to confine yourself to pointing out the extreme difficulties of verification and the Soviet record of double dealing to date.

On SDI, there is a paper by the Chiefs of staff emphasising the seriously adverse effect a relatively small improvement in Soviet ballistic missile defence would have for Trident. The Foreign and Defence Secretaries may want to add to that by suggesting you raise SDI in a cautionary way. I doubt whether this would be wise. The Chiefs' point is a useful reminder; but, given continuing Soviet research in BMD, it does not follow that US back-tracking on SDI would avoid the dangers to Trident posed by Soviet defences. In any event we have hitherto been neutral to positive on SDI and careful to avoid getting into controversy with the Americans on it. In your first talk with Bush I feel we should keep things that way.

You will obviously wish to exchange thoughts on East/West relations, drawing on your experience in Poland. The overriding needs at the present time, as I see it, are:

- a) to strike the correct balance between encouragement of reform on the one hand and caution over defence and long-term Soviet foreign policy objectives on the other.
- b) to lay down some broad guidelines for alliance policy towards the Soviet Union and Eastern Europe. Bush may favour an early NATO meeting and there would be merit in this. It should precede any meeting between him and Gorbachev. We need in particular to impose some order on the developing detente rush to Moscow and to avoid unrequited gestures. We see no need to help Gorbachev avoid the hard choices between civil and military spending. We also need to reassert proper preconditions for any human rights conference in Moscow. Bush's thinking on most of this should be fairly close to yours.

- c) to plan for early alliance decisions on nuclear modernisation in Europe, for which 1989 is likely to be the critical year. (Post-INF adjustments and a follow-on to Lance.) The latest reports are that the Germans are likely to be co-operative but will need to be able to refer to solid alliance pressure.
- d) in presentational terms we need to consider whether we in the West cannot adopt a more forward policy, as you did in Poland, stressing the acknowledged failure of communist systems and the need for political as well as economic reform. It is unacceptable that Gorbachev, running a bankrupt system and promoting inadequate reforms, should still contrive to occupy the propaganda high ground. Again, this is not unlike Bush's call for a "regenerated public diplomacy" for NATO.

Bush has also shown interest in the Missile Technology Control Regime (MTCR), which fits in with his fears of chemical proliferation. Here again our concerns are similar and we shall want to assist in any efforts to strengthen the regime, while acknowledging the problems (eg Russian and Chinese non-adherence) and its only limited success to date.

This would lead on naturally to the growing danger of the Arab/Israel situation and the need for the new Administration to put it high on its agenda.

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PERCY CRADOCK