

Subject.

RECORD OF A MEETING BETWEEN THE PRIME MINISTER, THE RT. HON. MARGARET THATCHER, MP, AND MEMBERS OF THE U.S. HOUSE OF REPRESENTATIVES HELD AT THE U.S. CAPITOL, WASHINGTON, D.C., AT 1655 ON THURSDAY 26 FEBRUARY 1981

Those present: (List attached)

Following speeches of welcome by Congressman Zablocki Chairman, Foreign Affairs Committee), Congressman Trent Lott (Minority Whip) and Congressman Jim Wright (Majority Leader), the Prime Minister noted that she was the first Head of Government officially to visit the new President. The people of Britain and the United States had the privilege of being free: it was up to them what they made of their future. The new Administration had set down a new course very early on and she hoped that it would have the resolve to see it through. She herself was beyond the setting down period and into the resolve period.

The Prime Minister said that she and President Reagan had very similar views on the need of the free world to be determined to defend its own freedom and to extend the frontiers of freedom. The West must proclaim the case of freedom unceasingly. There was an important battle to be fought and refought, particularly vis a vis those countries which might be susceptible to Soviet influence: they should be reminded that accepting arms from the Soviet Union could involve the surrender of freedom. The West faced a danger that the NATO line, which itself had held firm, would be undermined by hostilities and subversion elsewhere in the world. It was a tremendous asset to have such a close identity of analysis and prescription between the British and U.S. Governments.

Turning to the economy, the Prime Minister said that it was time to return greater freedom to the private sector which meant reducing the level of public spending. To make

/ restrictions

restrictions hampered the creation of wealth. Governments on the whole did not create wealth; they were rather better at spending the money that others had created. A bold and courageous step had been taken by the new Administration to reverse this process.

Congressman Biaggi (Ad-hoc Committee for Irish Affairs) asked the Prime Minister whether, following the success of her meeting with Mr. Haughey in Dublin in December, she would consider negotiations to include all sections involved in fighting in Ireland. The Prime Minister said that meetings such as those between herself and Mr. Haughey took place within the framework of the European Community and were bilateral meetings. The significant thing about the last occasion was that, for the first time, such a meeting had taken place in Dublin. It was important to proceed gently so as not to alarm people about what the intentions of the two Governments were.

Congressman Wolpe (D Michigan) asked about developments in Zimbabwe. Lord Carrington replied that one of the most useful things which the United States could do would be to provide economic help for Zimbabwe. South Africa apart, Zimbabwe was one of the strongest economies in the region. If Zimbabwe could be put on its feet it would have a robust economy and would be a stable bastion of freedom in the area.

Congressman Bethune (R Arkansas) asked about the psychology of entitlement expectation. The Prime Minister said that for the past 15-20 years Britain had had a series of incomes policies, each of which had been broken in its turn and had led to massive increases in pay, regardless of what the country could afford. Her own policies were based, not on new economics, but on old principles, i.e., bringing down both inflation and wage rates. There was now no Government norm for wages so no distortions to unwind at the end of a period of wage policy.

/ Congressman Dornan

Congressman Dornan (R California) referred to the building of the B1 bomber in California and asked whether it would be an idea to keep such a strategic force alive through a cooperative venture. The Prime Minister said that a number of new ideas in aerodynamics had come from Britain and alluded to the export success of the Hawk Trainer, the Harrier aircraft and Tornado.

Congressman Solarz (D New York) asked what the appropriate Western response should be in the event of a Soviet move into Poland. The Prime Minister said it would be undesirable to set out a laundry list, particularly as one could not predict the precise circumstances of any intervention. But it was vital that the West compare notes and be in a position to respond immediately. It was obvious that if the Soviet Union moved into Poland the whole pattern of relations would be drastically altered with detente coming to an end.

Congressman Kemp (R New York) said that the Camp David Accords had been one of the major achievements of the Carter Administration. There was concern in the United States that the European Community had trespassed on the negotiating process in the Venice Declaration. The Prime Minister said that it was not the European Community's intention to compete with the United States but to do something complementary to US efforts. It was vital to keep alive movement towards a settlement. There were a number of phrases which were constantly used in the Middle East context but which had never been defined e.g., self-determination for the Palestinians legitimate rights; a homeland; secure boundaries for Israel etc. The European Community had set out to do a reconnaissance and that was continuing. President Reagan for his part would wish to give earnest and deep consideration to the next steps, and it was right that he should take his time bearing in mind the forthcoming elections in Israel. The President would wish to decide thereafter what to do.

Congressman Jack Brooks (D Texas) hoped that Britain would be able to meet her pro rata share of NATO costs. The Prime Minister said that Britain had achieved a 3% increase in real terms in the first year and would achieve at least 8% in real terms over a three year period. She could not promise 9% but Britain was trying to pull her weight.

Congressman Lagomarsino (R California) asked about Britain's economic future. The Prime Minister said that the last six monthly figures showed an inflation rate of 9% on an annual basis which was a remarkable achievement and had not been easily brought about. Currently there was high unemployment in Britain but this would ultimately be brought down. The level of unemployment was higher than the reduction in output would lead one to expect, which was in turn an indication of previous overmanning. This overmanning was now coming to an end so that companies should be in a position to take part in an expansion in world trade.

The meeting ended at 1730 hours.

And

4 March, 1981.

Type for mine.

RECORD OF A MEETING BETWEEN THE PRIME MINISTER, THE RT HON MARGARET THATCHER MP, AND MEMBERS OF THE US HOUSE OF REPRESENTATIVES HELD AT THE US CAPITOL, WASHINGTON DC AT 1655 ON THURSDAY 26 FEBRUARY 1981

Those present:

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1. Following speeches of welcome by Congressman Zablocki (Chairman, Foreign Affairs Committee), Congressman Trent Lott (Minority Whip) and Congressman Jim Wright (Majority Leader), ^{Mrs Thatcher} ~~the Prime Minister~~ noted that she was the first head of government officially to visit the new President. The people of Britain and the United States had the privilege of being free: it was up to them what they made of their future. The new Administration had set ^{down} a new course very early on and she hoped that it would have the resolve to see it through. She herself was beyond the setting down period and into the resolve period.

2. Mrs Thatcher said that she and President Reagan had very similar views on the ^{need of the} free world ^{to} ~~being~~ determined to defend ^{its} ~~their~~ own freedom and to extend the frontiers of freedom. The West must proclaim the case of freedom unceasingly. There was an important battle to be fought and refought, particularly vis a vis those countries which might be susceptible to Soviet influence: they should be reminded that accepting arms from the Soviet Union could involve the surrendering of freedom. The West faced a danger that the NATO line, which itself had held firm, would be ^{undermined} ~~outflanked~~ by hostilities and subversion elsewhere in the world. It was a tremendous asset to have such ^a close identity of analysis and prescription between the British and US Governments.

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[Change PM to
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throughout.]

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(Ad-hoc committee for Irish Affairs)

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(D Michigan)

5. Congressman Wolpe asked about developments in Zimbabwe. Lord Carrington replied that one of the most useful things which the United States could do would be to provide economic help for Zimbabwe. South Africa apart, Zimbabwe was one of the strongest economies in the region. If Zimbabwe could be put on its feet it would have a robust economy and a stable bastion of freedom in the area.

(R Arkansas)

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(D New York)

7. Congressman Solarz/asked what the appropriate Western response^{should be}/in the event of a Soviet move into Poland.

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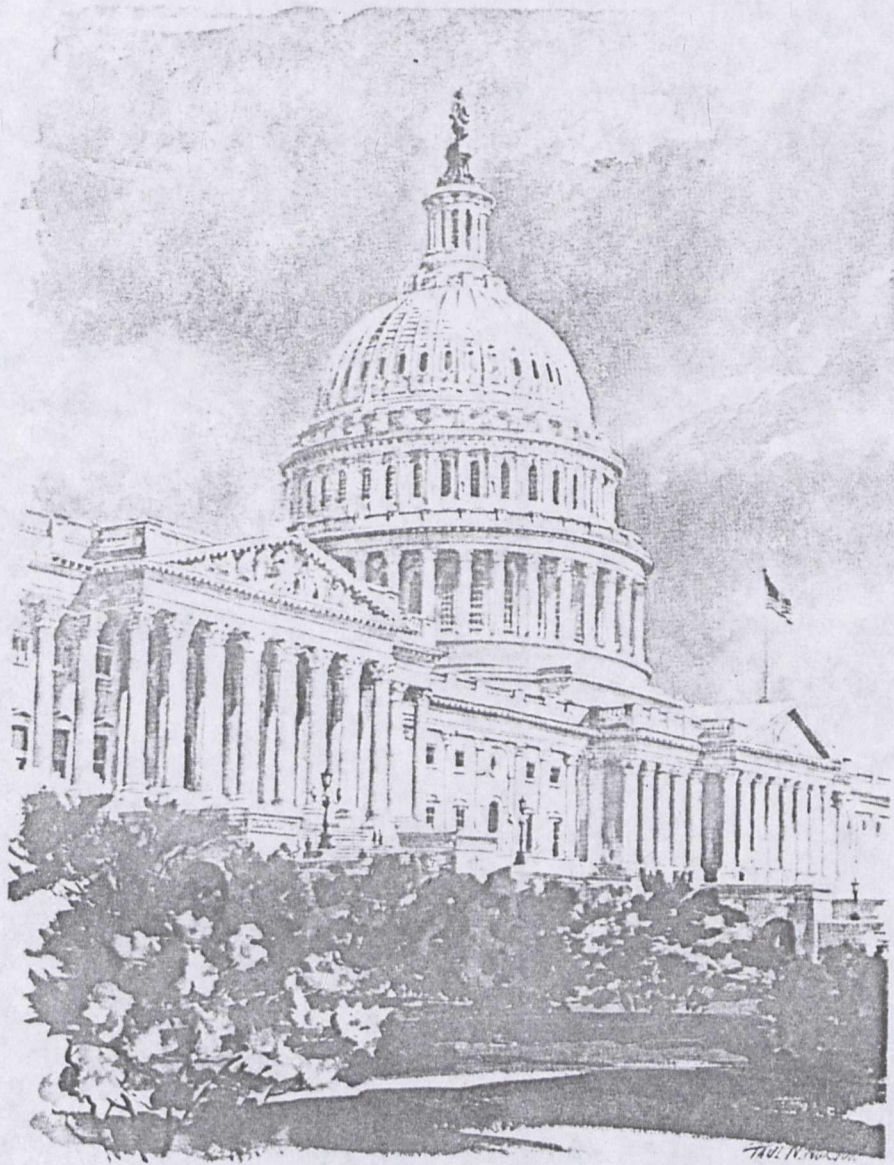
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The meeting ended at 1730 hrs.



Tea/Meeting

in honor of

*The Right Honorable
Margaret Thatcher, MP*

*Prime Minister of the United Kingdom of
Great Britain and Northern Ireland*

with Members of the

House of Representatives

and the

Committee on Foreign Affairs

Hosts:

The Honorable THOMAS P. O'NEILL, Jr.
Speaker of the House of Representatives

The Honorable CLEMENT J. ZABLOCKI
Chairman, Committee on Foreign Affairs

Thursday, February 26, 1981
4:30 p.m.

2172 Rayburn HOB

Guest List



GUESTS OF HONOR FROM GREAT BRITAIN

- The Rt. Hon. MARGARET THATCHER, MP, *Prime Minister*
- The Rt. Hon. THE LORD CARRINGTON KCMG MC, *Secretary of State for Foreign and Commonwealth Affairs*
- SIR ROBERT ARMSTRONG KCB CVO, *Secretary of the Cabinet*
- SIR MICHAEL PALLISER GCMG, *Permanent Under Secretary of State, Foreign and Commonwealth Office*
- SIR FRANK COOPER, KGB CMG, *Permanent Under Secretary of State, Foreign and Commonwealth Office*
- SIR NICHOLAS HENDERSON GCMG, *Her Majesty's Ambassador to the United States*
- Mr. C. A. WHITMORE, *Principal Private Secretary to the Prime Minister*
- Mr. J. L. BULLARD CMG, *Deputy Under Secretary of State, Foreign and Commonwealth Office*
- Mr. M. J. E. FRETWELL CMG, *Her Majesty's Minister, British Embassy, Washington*
- Mr. B. INGHAM, *Press Secretary*
- Mr. N. M. FENN, *Head of News Department, Foreign and Commonwealth Office*
- Mr. M. O'D B. ALEXANDER, *Private Secretary to the Prime Minister*
- Mr. G. G. H. WALDEN CMG, *Private Secretary to the Secretary of State for Foreign and Commonwealth Affairs*
- Mr. J. STEPHEN WALL, *First Secretary, British Embassy, Washington*

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The Honorable BILL ALEXANDER, *Chief Deputy Majority Whip*
The Honorable RICHARD A. GEPHARDT, *Deputy Majority Whip*
The Honorable JOE MOAKLEY, *Deputy Majority Whip*

The Honorable TRENT LOTT, *Minority Whip*
The Honorable JACK F. KEMP, *Chairman, House Republican Conference*
The Honorable EDWARD R. MADIGAN, *Chairman, Republican Policy Committee*
The Honorable GUY VANDER JAGT, *Chairman, National Republican Congressional Committee*

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The Honorable STEPHEN J. SOLARZ (Democrat, New York)
The Honorable ANDY IRELAND (Democrat, Florida)
The Honorable MICHAEL D. BARNES (Democrat, Maryland)
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The Honorable PAUL FINDLEY (Republican, Illinois)
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The Honorable TENNYSON GUYER (Republican, Ohio)
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The Honorable JOEL PRITCHARD (Republican, Washington)
The Honorable MILLICENT FENWICK (Republican, New Jersey)

The Honorable ROBERT K. DORNAN (Republican, California)
The Honorable JIM LEACH (Republican, Iowa)
The Honorable ARLEN ERDAHL (Republican, Minnesota)
The Honorable TOBY ROTH (Republican, Wisconsin)
The Honorable OLYMPIA J. SNOWE (Republican, Maine)
The Honorable JOHN LEBOUTILLIER (Republican, New York)

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The Honorable JACK BROOKS (Democrat, Texas)
The Honorable PHILLIP BURTON (Democrat, California)
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The Honorable TONY COELHO (Democrat, California)
The Honorable E. THOMAS COLEMAN (Republican, Missouri)
The Honorable SILVIO O. CONTE (Republican, Massachusetts)
The Honorable WILLIAM L. DICKINSON (Republican, Alabama)
The Honorable JOHN D. DINGELL (Republican, Michigan)
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The Honorable WILLIAM D. FORD (Democrat, Michigan)
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The Honorable FERNAND J. ST GERMAIN (Democrat, Rhode Island)
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The Honorable FLOYD SPENCE (Republican, South Carolina)
The Honorable J. WILLIAM STANTON (Republican, Ohio)
The Honorable LOUIS STOKES (Democrat, Ohio)
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The Honorable MORRIS K. UDALL (Democrat, Arizona)
The Honorable BRUCE F. VENTO (Democrat, Minnesota)
The Honorable HAROLD L. VOLKMER (Democrat, Missouri)
The Honorable WILLIAM C. WAMPLER (Republican, Virginia)
The Honorable JAMIE L. WHITTEN (Democrat, Mississippi)
The Honorable CHALMERS P. WYLIE (Republican, Ohio)

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The Honorable EDWARD J. STREATOR, *United States Chargé d'Affaires, ad interim, to the United Kingdom*

HOUSE OF REPRESENTATIVES OFFICER

The Honorable BENJAMIN J. GUTHRIE, *Sergeant-at-Arms*

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Ms. ELIZABETH DAOUST, *Staff Coordinator/Protocol*