

SECRET

air Tel. Bush file Mr  
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PRIME MINISTER

TELEPHONE CALL WITH PRESIDENT BUSH

You said that you would speak to President Bush on the telephone if possible before leaving for the meeting in Paris. I have suggested to General Scowcroft that this might be between 7 and 9 p.m. this evening or 2 to 3.30 p.m. tomorrow. At the time of writing, I have not heard from the White House which they would prefer, but it could be shortly after your return to Chequers this evening.

I attach a copy of your message to the President. The points you might make to him are;

- you are at one in welcoming what is happening in Eastern Europe as a great step for freedom and a justification and reward for the West's steadiness and resolve over several decades;
- you are agreed, too, on the importance of maintaining stability. The worst outcome would be to undermine Gorbachev's position and risk a reversal of all that has been achieved in Eastern Europe;
- the way we handle German reunification will be crucial. The issue arouses strong emotions in all of Europe, not just in Germany. We need to make clear that the priority must be to get democracy established in Eastern Europe - which will take a long time even on the most optimistic view - and that reunification must take second place. We all need to observe the maximum prudence and restraint on this, because it is the aspect most likely to put Gorbachev in danger;
- you do not know precisely what President Mitterrand plans for the meeting in Paris. But you sense that most European governments are coalescing around the

prudent approach you have described.

- other aspects likely to be considered are further EC aid to Eastern Europe: and new links between the EC and those East European countries which are moving towards democracy. The EC already has a range of possible agreements - Association agreements, Cooperation agreements, and Trade agreements - and it is a question of choosing which would suit the circumstances and would best support and sustain emerging democracy. But you doubt there will be more than a first discussion, with decisions more likely at the Strasbourg European Council;
  
- you would much prefer discussion of the wider political and strategic consequences of these developments to take place in NATO rather than the EC, with the US present. That is one reason why you hope the President will come to Brussels after his meeting with Gorbachev, if he possibly can. It would be very helpful to reaffirm the conclusions of the NATO Summit last May. There is a risk of euphoria breaking out which can rapidly undermine NATO's defences at a time when we need to remain strong;
  
- you look forward to discussing all these issues with the President at Camp David next Friday.

CHARLES POWELL

17 November 1989

*Richard Nixon* (4)  
*ca*  
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## THE MAKING OF BUSH FOREIGN POLICY: EAST-WEST AND WEST-WEST RELATIONS

### SUMMARY

1. Foreign policy more promising for new Administration than domestic policy. Despatch focuses on East/West and West/West relations. The style of the new President and his foreign policy easier to describe than the underlying beliefs (paras 1 - 3).

### INTERNATIONAL BACKGROUND

2. Changes in the international scene have stimulated pressures on the Administration to develop new policies. The CFE initiative was a major response to Gorbachev, but little sign of a coherent overall approach to policy. American ambivalence at the erosion of US dominance, and the completion of the Single Market. Talk of decline underlain by figures on US indebtedness (paras 5 - 7).

### DOMESTIC FACTORS

3. Despite Democratic majorities in both Houses, Bush has managed the relationship with Congress well, helped by new and unfrontational Congressional leadership. Polls show that foreign policy is the Administration's strong suit. Cohesiveness of national security team not matched in international economic policy (paras 8 - 10).

### THE STATE DEPARTMENT

4. Baker relies heavily on a small circle of advisers, and briefing of selected journalists (para 11).

5. Characteristics of foreign policy-making include: Presidential primacy; non-ideological (but not non-political) approach; secretiveness; and economy of resources (para 12).

### EAST/WEST RELATIONS

6. Bush's speeches set out broad approach: integration of Soviet Bloc into the "community of nations". New moves in political-military field in non-nuclear and multilateral areas, including CW, "open skies" and conventional forces. Scepticism on whether initiatives amount to a programme (paras 13 - 17).

### WEST/WEST POLITICAL RELATIONS

7. Elevated rhetoric raises a number of unresolved questions on the security policies which the US would like the Europeans to adopt (paras 18 - 19).

WEST/WEST ECONOMIC RELATIONS

8. Trade relations competitive, with capacity to corrode overall transatlantic relationship. Domestic pressures apparent, and dangerous. New mood of economic nationalism, the symptoms of which include trade retaliation, opposition to foreign investment. No clear trade policy, and doubts about Administration's ability to resist Congressional pressures (paras 20 - 26).

THE CONSEQUENCES FOR BRITAIN

9. US no choice but to devote more attention to FRG. And some believe the Bush Administration should redress advantage HMG enjoyed under Reagan. But UK has considerable assets. Bush and Baker respond to different styles. The latter likely to look for who is best placed to "deliver" Europe. Advantage in concerting positions in Brussels and key European capitals before acting in Washington (paras 27 - 30).

CONCLUSION

10. Bush foreign policy at formative stage: should not underestimate a man who is competitive as well as cautious. Bush and Baker recognise that friends' help necessary for the successful foreign policy needed for successful Presidency (para 31).

CBI ABD

BRITISH EMBASSY

WASHINGTON DC

5 September 1989

The Rt Hon John Major MP  
Secretary of State for Foreign and  
Commonwealth Affairs  
Foreign and Commonwealth Office  
London SW1

Sir,

THE MAKINGS OF BUSH FOREIGN POLICY: EAST-WEST AND WEST-WEST  
RELATIONS

1. You will be visiting Washington within a week of Labor Day: traditionally the start of the new political term in the United States, and all the more so with the Bush Administration only just over halfway through its first year. Members of the Cabinet will be conscious of having taken home for the summer holidays some pretty uninspiring reports on most of the subjects examined in the school of domestic policy; and although the President is about to make a major pronouncement on the drugs war - accepted to be the most important domestic issue, he and Secretary Baker will have had all the more reason to seek to focus attention on the distinctly more promising tone of the reports on foreign

policy. It is too early to pronounce judgement; but this may nevertheless be a good time to reflect on some of the questions which are being asked about the new President and the new Administration on what they have defined - or allowed to be defined - as their chosen ground.

2. That should in fairness be seen as foreign and defence policy in general. But, for the purposes of this despatch, I propose to concentrate on policy as it seems to be developing in the crucially important, and closely related, fields of East/West and West/West relations: two fields which are of great importance to Britain, and which are also likely to be at the top of Baker's mind in advance of his meeting with Shevardnadze on 22-23 September. I end by drawing some tentative conclusions about how our influence over United States policy in these (and other) areas can be maximised.

3. If at times this despatch seems to be as much about the style of the new Administration's foreign policy-making as its substance, that is deliberate: a reflection of the fact that Bush is a politician whose style is rather easier to identify than his beliefs. One columnist has likened his first six months in office to a Georges Seurat painting. Another has described him as lacking any overall game-plan, as being a "man almost totally of the moment". Many have already concluded that, with

George Bush, the style is the man. I think that there is more to it - and to him - than that. But it is on his policies that he will have to be judged, and the jury is still out.

The International Background

4. The new US Administration has found itself confronted by great changes in the world, and particularly dramatic upheavals in the communist part of it, calling into question many of the assumptions on which they - and we - have based key aspects of our foreign and security policies since the end of World War Two. The main consequence has been an unrelenting pressure on Bush to develop new policies to match new circumstances. But there is uncertainty about what these policies should be, about how and where the resources to underpin them should be deployed, and indeed about whether adequate resources will be available.

5. In his first four months in office, Bush found himself continually criticised for allowing Gorbachev to dominate the international scene. The CFE initiative at the NATO summit was a conscious - and very political - decision to fight back. In American terms, it worked. Gorbachev, moreover, now seems somewhat eclipsed by his domestic difficulties and by Eastern Europe. So things are looking better for Bush. But, although the new Administration's policy and strategy reviews have provided some general pointers to the way ahead, there is as yet little sign of a coherent overall approach to foreign policy.

6. There is at the same time a widespread feeling in the United States that American dominance of the industrialised world is eroding, perhaps irrevocably. Although the emergence of Europe and Japan as America's economic, and political, equals is in many ways the result of policies which the United States has consciously (and much to its credit) pursued since 1945, there is great - and understandable - ambivalence in Washington and around the country about those policies actually coming to fruition. Thus, the imminent completion of the Single European Market is giving rise to continuing apprehension, particularly in Washington. And, within the Alliance, the Americans (but not only the Americans) have yet to assess the implications of a restive and more assertive Germany.

7. This sense of decline in their country's place in the world is the more painful because being best, and first, and richest, is for many Americans what America is all about. Bush articulated this in campaign promises to make the next, as well as the present, century, an American one; and this struck a deep chord. One symptom of this concern has been the national debate stimulated by the books by Professors Kennedy and Calleo, with their thesis of "imperial over-stretch" and their conclusion that American hegemony is ending. Underlying such talk are some well publicised economic facts: Federal borrowing this decade has already reached over \$1600 billion; the world's largest creditor has become a nation in debt to the tune of over \$500 billion; and, in 1988, foreign ownership of American businesses, real estate



and other tangible property exceeded American assets abroad for the first time. In themselves, these figures prove little. But a popular perception here is that the America that is living well beyond its means is not the private America (which could surely afford to pay more tax) but the public America which, it is argued, should cut down in particular on what some see as services to foreigners, such as aid and defence.

#### Domestic Factors

8. At home, Bush's ability to tackle America's domestic and overseas problems is hampered by the fact that (with the single exception of Nixon) he is the first President in over 100 years to start his first term without his party holding a majority in at least one House of Congress (Reagan, through judicious wooing of the Southern Democrats, started off with something approaching a working majority in both). Yet, despite this adverse arithmetic, Bush has so far managed his relationship with Congress with some skill and success. He has advocated a bipartisan approach, ("I don't ever look for disputes. I look for calming the troubled waters.") and backed it up with assiduous cultivation. Congress has so far responded well. He has also been helped by two unchosen advantages: first, the Congressional preoccupation with successive family crises (the aborted pay rise, and then the downfall of Speaker Wright); and, second, the accession of Democratic leaders in both Houses (Senator Mitchell and Congressman Foley) who have so far been content to share the President's preference for

consensus-building over confrontation. It remains to be seen how much of this will survive the approach of the mid term elections next year.

9. The Administration's efforts to highlight foreign policy are not only a reflection of Presidential preference and budgetary and congressional realities. It also seems to be working with public opinion, where the polls show that Bush's current high popularity rating is due to voters' liking for him as a man and respect for his foreign policy competence (which together more than compensate for considerable popular scepticism towards his domestic policies). Bush half-acknowledged this when he said in July on his way back from Europe: "I like dealing with world leaders ... I think I get exhilarated by that from time to time, perhaps more than in arguing over domestic legislation. It's less exhilarating when you have to go out and hammer out compromises or send your troops to hold the line against a big tidal wave of domestic opinion." Foreign policy is the President's strong suit. And he knows it.

10. The foreign policy-making style of the Bush Administration is reflected in and has been influenced by the cohesiveness of the national security team. Bush, when announcing a few weeks ago General Powell's nomination as Chairman of the Joint Chiefs, described it aptly as being made up of "close-knit, experienced professionals". All the principals (Baker, Cheney, Scowcroft and Powell) have previous White House experience, and, so far, the

inter-agency warfare which was the hallmark of foreign policy-making in the previous Administration (and others) has been conspicuous by its absence. This may not last. And there are already signs that the group mainly responsible for making international economic policy (Brady, Darman, Mosbacher, Hills) is much less close-knit, and has widely-differing views on, for example, how to restore America's industrial competitiveness.

#### The State Department

11. Within the State Department, Baker continues to rely heavily on a small circle of trusted advisers, many of whom worked for him on the campaign, and at the Treasury before that, but whose collective professional knowledge of foreign policy is limited. All advice to Baker from the US Foreign Service is filtered through this group (of which Zoellick, the Counselor of the Department, and Ross, the Director of Planning, are probably the most influential); and they are in turn responsible for transmitting Baker's wishes, often somewhat erratically, to the State Department machine. Those who know Baker expect him gradually to admit others to the inner circle (Seitz, recently Minister in London and now Assistant Secretary for European Affairs is as well placed as any of the career Foreign Service officers in this respect); but they doubt whether he will ever change his preference for operating secretively through a small coterie of loyal insiders. Yet Baker also devotes much time and energy to ensuring that selected senior journalists receive the Administration's side of any particular story - reinforcing the

widely held belief here (which neither Baker nor his wife has done anything to dispel) that he has presidential ambitions of his own.

12. In the light of the foregoing, it is possible to identify several clear characteristics in foreign policy-making in the Bush Administration:

- (a) Presidential primacy. Because of his long experience of and interest in foreign affairs, Bush takes a very active and conspicuous lead. He sometimes seems to be - and to want to be - his own Secretary of State. How this will work out when Baker has more experience remains to be seen, but their friendship is so close that things will probably continue to go well between them.
- (b) a non-ideological approach. As Bush commented in announcing his bid for the Presidency, "I am a practical man. I like what's real. I'm not much for the airy and abstract". Baker himself is a past master of the art of the politically possible; and Cheney and Scowcroft appear to be willing, so far, to accommodate to such an approach. At the same time, Bush is clearly anxious not to appear purely reactive or devoid of strategic ideas about the United States' role in a rapidly evolving world;

- (c) but not a non-political approach. There is a strong emphasis on presentation to the domestic audience. Baker's advisers sometimes seem to approach foreign policy as though they were a Campaign 'issues staff' looking for a headline-grabbing initiative to announce at the next event. They once were indeed just such a group. But they are also aware of the domestic importance for the Administration of being seen to succeed in foreign policy;
- (d) secretiveness. Although Bush himself likes to canvass opinions widely in the early stages of considering an issue, he attaches great importance to preserving secrecy and surprise as the point of decision approaches, and is helped in this by his and Baker's preference for working through small groups;
- (e) economy of resources. Given budgetary constraints, the prospects of persuading Congress to vote significant sums for new foreign initiatives are remote. The Administration tends to rationalise this by arguing that the best sort of foreign policy is one which actually saves money.

East/West Relations

13. In the spring and early summer, Bush set out his broad approach to policy towards Europe East and West in a series of five major speeches. Much of what he had to say failed to achieve the impact intended at the time, but since the NATO summit what the speeches had to say on the Soviet Union and Eastern Europe has been increasingly picked up and replayed.

14. On the Soviet Union, he said: "Now is the time to move beyond containment, to a new policy for the 1990s - one that recognises the full scope of change around the world and in the Soviet Union itself". He went on to define "beyond containment" (a conscious echo of both the original and the later Kennan) as seeking "the integration of the Soviet Union into the community of nations". On Eastern Europe, the President's rhetoric was equally high-flown: "Let Europe be whole and free", he declared in Mainz, while committing himself to doing "all I can to help open the closed societies of the East. We seek self-determination for all of Germany and all of Eastern Europe".

15. In the politico-military field, the new Administration can reasonably claim to have maintained its predecessor's agenda, while pressing forward with a series of proposals designed both to exploit opportunities for more rapid progress in arms control and to recapture the initiative from Gorbachev. But the change has been more than that. What is striking is that the new moves

have come, not in the established bilateral negotiations between the super powers (the Administration has proceeded cautiously in the Strategic Arms Reduction Talks, the Defence and Space Talks, and nuclear testing) but in the non-nuclear and, most importantly, multilateral fields, where European interests are most directly involved.

16. The Chemical Weapons initiative which Baker unveiled, with minimum consultation, in Vienna in March, may have seemed little more than posturing at the time; but it reflected a strong domestic political urge, shared by the President himself, to be seen to be doing something on Chemical Weapons, coupled with an impatience with or misunderstanding of the constraints of multilateral negotiation. The imminent prospect of major progress in the US/Soviet bilaterals in this field illustrates the underlying policy thrust. Another example was Bush's resurrection of Eisenhower's "open skies" policy to spice up a speech in Texas in April; this has now been put in more considered form to the Alliance, before being presented to the Russians in September. But what Bush and Baker would regard as the flagship of the new fleet - the initiative which has come closest to bridging the gap between the new Administrations' rhetoric and substantive policy - was the proposal for accelerating and broadening the conventional force reductions in Europe. At least some of our interlocutors acknowledge the failure adequately to consult the allies, and to think through the details with sufficient care; but the bottom line as it is

perceived here is unambiguous: the gamble paid off, and succeeded virtually overnight in dissolving criticism of Bush for fiddling while Gorbachev dazzled.

17. Bush is thus seen to have made up much of the foreign policy ground which he lost during the early months of his Administration. But the sceptics at home - many of whom will be returning to Washington when Congress reassembles this week - will be asking whether the series of initiatives proclaimed so far adds up to a programme of action. Talk of integrating the Soviet Union into the international community remains no more than rhetoric. \$100 million for Poland is widely thought to be not much better. Arms control initiatives have raised expectations which may prove difficult to satisfy (or control).

#### West/West Political Relations

18. On relations with Western Europe, Bush has spoken in similarly elevated terms: "Whatever others may think, this Administration is of one mind. We believe a strong, united Europe means a strong America". He specifically welcomed a revitalised Western European Union, increased military cooperation between France and Germany, and Anglo-French nuclear cooperation. At the Paris Summit, the US positively encouraged the assumption by the European Commission of an unprecedented



leading role in aid to Poland. "With a Western Europe that is now coming together", he declared, "we recognise that new forms of cooperation must be developed".

19. It remains to be seen what all that means. Deputy Secretary Eagleburger, testifying on the Hill in March said that "West/West is the key to East/West". Was this the Bush Administration looking forward to something new? Or the Kissinger Mafia saying something that we remember from the early 1970s? It is not enough to answer that the objectives are fine, because some of the objectives - notably a greater security role for Europe and making rapid progress in multilateral arms control - are not always easy to reconcile. And recent evidence of the Bush/Baker modus operandi suggests that the time needed for reconciliation, and for proper consultation between allies before decisions are taken, cannot be taken for granted. Among the questions raised are:-

- should the Europeans be spending more or less on defence? While Bush is pressing the Allies to reach quick agreement on conventional disarmament, and is talking in vague terms about a "new mission for NATO", Congress is pushing the Europeans to do more on burden-sharing. This produces conflicting signals for European Governments - and a danger that Bush's rhetoric could make European defence budgets harder to sustain;

- does the US want to see more European leadership in the Alliance or not? In his speeches, Bush seems to be offering the Europeans a greater role in the political leadership of the Alliance ("partners in leadership" was his description of the US/FRG relationship in the afterglow of the NATO Summit). But in practice Baker and his team are showing a certain smugness about the rectitude of the US Administration's policies - and a consequent impatience with those who see the balance between risks and advantages differently;

- will the US seek compromises in security questions midway between British/French positions and German ones? There was evidence of this over SNF. But the problems of seeking any such 'golden mean' are complicated by uncertainty about how far the Germans might drift and the extent of interests which could thus be in jeopardy.

- a multilateral or bilateral approach to arms control? Bush is calling for a strong Alliance, while showing some tendency to develop security policies of great importance to the Alliance in haste, in secret and in bilateral contacts with the Russians. He (but perhaps not Baker) probably genuinely believes in the need for consultation, but then is tempted by the attractiveness of getting a quick deal with the Soviet Union.

West/West Economic Relations

20. Bush has brushed aside traditional American ambivalence about a stronger Europe with clear statements of support for European economic integration. Yet, in contrast to the political and security spheres, West/West trade relations continue to be essentially competitive, and often acrimonious, with the potential to corrode the transatlantic relationship as a whole. Judging by his Boston University speech, Bush is well aware of the problem: "What a tragedy, what an absurdity it would be if future historians attributed the demise of the Western Alliance to disputes over beef hormones and wars over pasta".

21. But it is in the field of US/European economic relations that the domestic pressures described above are most apparent, and most dangerous. Although there is nothing new about transatlantic trade disputes - my predecessor used to say that it was unusual not to have at least five such rows going on at any one time - the mood of economic nationalism, lurking just beneath the surface here, and waiting to be exploited by any unscrupulous politician (or Presidential candidate), is stronger and deeper than at any time in recent years.

22. The concerns aroused in the United States by the decline in their industrial competitiveness and the huge increase in the last five years in the Federal budget and the trade deficits have resulted in a new mood of economic nationalism. There is a

strong desire to restore what is seen as America's rightful place in the world. There is a reluctance to accept that changes in domestic policies (for example, to encourage savings and investment) are the remedies required; and an inclination to lay the blame for America's economic difficulties at the door of allegedly unfair foreign practices. There is thus an increasing tendency to look to external remedies for essentially domestic ills, notably in the Congress, although the Administration is by no means free of it.

23. The symptoms are various. Most important was the 1988 Trade Act, a compromise between free-traders and protectionists in Congress which left both sides free to fight another day - on a playing field which many feel is tilted to the benefit of the protectionists. The most prominent example, the so-called Super 301 provision, strengthens the capacity (which legislation has long given the Administration) to act as judge and jury in trade disputes. In its first year, Super 301 has been deployed with some skill, and sensitivity to GATT obligations. But its most worrying feature is the requirement which it places on the Administration again next year to identify to Congress those countries whose unfair trade practices it considers most inhibit American exports. This ensures that the possibility of trade retaliation remains on the Congressional agenda. And, at the same time, there appears to be a growing American impatience with established multilateral mechanisms for sorting out trade problems. While there remains vocal support for the open trading

system under GATT rules (which the US claims to be working hard to improve) there is also an increasing tendency to ignore the GATT when it is inconvenient and to fix trade disputes bilaterally or by sector instead (with or without the threat of retaliation).

24. A further symptom of the mood of economic nationalism is the sharpening debate about selling off America to foreign investors. The macro-economic reasons for the increasing inflow of foreign capital are widely, and in some cases, wilfully, misunderstood. But the fears are real that strategic industrial decisions affecting America - and American jobs - will increasingly be made abroad. So far it is the Japanese who have aroused most concern. But the strong Congressional reaction (admittedly stimulated by an effective lobby) to Sir James Goldsmith's bid for BAT and its many interests here could put Britain also in the firing line, and give further impetus to Congressional interest in policing and constraining inward investment. And there continues to be much emphasis on the dangers of technology transfers.

25. In trade as in investment, it has been Japan which has had to bear the main brunt of bilateral American pressure. But not for lack of major unresolved problems between the US and the European Community: on agriculture, steel, civil aircraft and telecommunications. If there is nothing unprecedented in the number and range of these problems, there are two reasons to be

more concerned about them than we would have been a year or two ago. First, there is no clear sense of direction in the Administration's trade policy, giving rise to doubt as to how far the members of the new team share the previous Administration's ideological belief in free trade. The two most important US trade policy decisions reached so far have been the Super 301 list of "priority unfair trading" countries and new proposals for steel imports. In each case the White House put together a deal after conflicting bids from competing agencies. There was little sense that the President's men brought more to the operation than a requirement to broker a compromise acceptable to all.

26. Second, it is unclear whether the Administration would be able, even if it were willing, to stand up to a protectionist Congress. The capacity of Congress, and of special interest groups in the background, to mobilise the Administration on issues of secondary importance has already been clearly demonstrated on smokeless tobacco and the EC's draft Broadcasting Directive. Next year is an election year again. It would be prudent to assume that there is now greater potential than for some time for trade disputes, both large and small, to escalate into transatlantic rows which the President will not like, but which he may not be strong enough to prevent.

The Consequences for Britain

27. The press on both sides of the Atlantic have tried to make something of the alleged loss of British influence here since Reagan rode into the sunset. They have represented the building-up of US/German relations as a deliberate attempt to redress a balance which had (so the theory goes) tipped too far in our favour under Reagan. This is not the right way of looking at it. Given increasing German problems and potential unreliability, the Americans have no choice but to devote more effort to managing their relations with the FRG. This does not mean that relations with Britain are somehow being "downgraded". But this is how it is being construed by some.

28. There are certainly those in the new Administration who think our position here had become too privileged, just as there are those who resented both the influence we wielded then, and the way it was wielded - often by direct intervention of the Prime Minister with the President - in circumstances which led to the over-ruling of some ambitious players around Washington. There was a fairly widespread view in the senior bureaucracy that the Bush Administration should mark the start of a new chapter in this respect; and many of the incoming politicians had come to the same conclusion for different reasons - they wanted to distinguish the new regime not from Mrs Thatcher, but from Mr Reagan.

29. So life is not as it was, but the point should not be exaggerated. The Prime Minister and the new President already have a close and extremely friendly working relationship. British Ministers are welcome visitors; this Embassy's access to the key players remains excellent, unrivalled, I hope, across the board by any other country; we are still the Administration's preferred interlocutors on (for example) most security and intelligence matters, as well as many of the out-of-area issues; and the underlying strengths of the Anglo-American relationship remain much as they were. In short, we still have very considerable assets here - but they now need to be deployed in new and more difficult circumstances.

30. The President, as always, will be the central figure; and, with Bush, the personal touch may often count for more than a clinical weighing of profit and loss. But Baker will also be part of the key; and, with him, the opposite is true. He will want to see what is in it for him and his policies and compromises before signing on; and, given his close relationship with Bush and his influence at the upper levels of the Administration, it will be important that he should sign on. The necessary leverage - particularly where domestic political considerations may weigh in the scales against us - may not always be easy to find; and it will I believe increasingly require us to work in close concert with our European partners and allies if we are to be successful. The Americans respect



strength; they will listen more to Western Europe as a whole than to its constituent parts; and Baker with his instinct for deal-making, will be unsentimentally looking for who is best placed to "deliver". It will help us to promote our own interests here if we are seen to be in the vanguard of European activity on the security and economic fronts; and we should be more inclined than we have been - or have needed to be - in the past to concert positions in Brussels and with key European capitals before taking action in Washington.

#### Conclusion

31. Bush Administration foreign policy is still very much at the formative stage. Bush himself remains in many respects a political enigma, who has so far failed to project any strong sense of agenda even in the foreign policy field that he knows best. His critics see that as the hallmark of the man: an "in tray" President, content to handle the issues as they cross his desk. But it would not be the first time that the critics turned out to have under-estimated a man who is intensely competitive as well as naturally cautious. He will want to be seen as a successful President, and for that he will need a successful foreign policy.

32. Baker adds to the competitive side of the equation: he is an energetic and ambitious politician who prides himself on getting results. As Secretary of State, he will be looking for results

in foreign policy. That could be dangerous, especially if it means too many targets of opportunity and too great a tendency to measure success against a domestic political yardstick.

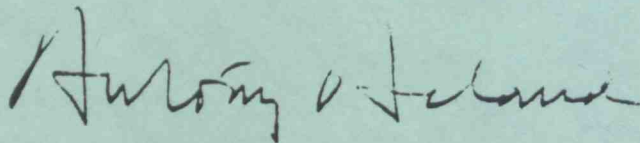
33. Bush and Baker are grappling with a foreign policy world which is both challenging and dauntingly complex, calling for uncommon imagination and "new thinking" by Western leaders. They may not find a coherent policy in response, but they will want to be seen to be trying and to be taking the initiative. It is important to us, and to Europe, that they should get it as nearly right as possible. For that (as Bush, but again perhaps not Baker, would instinctively recognise) they will need help from their friends. It is very much a time when British foreign policy should be active in putting forward practical ideas and in building the coalitions to implement them.

34. I am sending copies of this despatch to HM Representatives in NATO capitals, Moscow, Warsaw, East Berlin, Prague, Sofia, Budapest, Bucharest, Dublin, UKDEL NATO, UKMIS New York, and UKREP Brussels.

I have the honour to be

Sir

Your obedient servant



Antony Acland