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Visits to the U.K. by Mr Vance

U.S.A.

SB
831

May 1979

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date
14.5.79							
23.5.79							
28.5.79							
31.5.79							
10.12.79							
22.2.80							
14.3.80							
22.2.80							

PREM 19/383

To: M O'D B Alexander Esq



With the compliments of

THE PRIVATE SECRETARY

G G H Walden

22.2.80

FOREIGN AND COMMONWEALTH OFFICE
SW1A 2AH

USA

hs.
Numb 4/3
-

Mr Powell, Rhodesia Dept

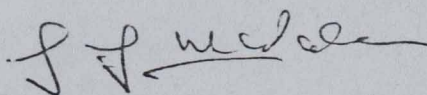
MR VANCE'S VISIT: RHODESIA

The discussion with Mr Vance on Rhodesia took place over dinner last night. The Secretary of State sought to pre-empt any American criticisms by stressing in a long description of the present position his irritation at complaints of partiality from all and sundry. Mr Vance had two main points. Firstly, he hoped that we would not ban ZANU in any form before the elections. He thought the effect would be equally bad whether we banned ZANU itself or prevented voting taking place in certain areas. The Secretary of State spelt out the difficulties we faced; but making it clear that we must reserve the right to take such action before the elections if this seemed necessary. He gave Mr Vance the impression that the Governor hoped not to have to implement the powers he had taken in this area.

Mr Vance's second concern was that Mugabe might pull out of the election, refuse to accept the result, or go back to the war if the Governor did not call on him to form a Government if he won most seats. Lord Carrington explained that our impression was that Mugabe wanted an election, and that the Mozambicans were not keen to revert to the war, unlike Nyerere. After the election the Governor's decision on whom to call on first to form a Government would be dictated both by the election results and the state of alliances between the parties. He would behave like a constitutional monarch, though one of his main functions during this sensitive period would be to ensure that the country remained stable and peaceful. Mr Vance was only partially reassured and the Americans were clearly worried that the Governor would call upon an anti-Mugabe coalition to form a Government even if Mugabe were the largest party.

The Americans had clearly written off Muzorewa's chances; Lord Carrington told them that the latest signs were that he was not doing too badly. Mr Vance did not seem well briefed on recent manoeuvring between the parties (eg the UANC and Nkomo) or on the evolution of the South African attitude.

Mr Vance was anxious to explain the American's Security Council vote three weeks ago, and insisted that their action had been in our own interests. While not contesting this, Lord Carrington said that he hoped the Americans would not make a practice of voting in this way.



(G G H Walden)

22 February 1980

cc:- PS	PS/PUS	Mr Day	Mr Berthoud (NAMD)
PS/LPS	Sir D Maitland	Mr Byatt	Mr Brighty (News Dept)

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& PERSONAL

Mr Mallaby

AFGHANISTAN: SOVIET/US RELATIONS

At one point in yesterday's discussions with the Secretary of State, Mr Vance said that he had recently written to Mr Gromyko expressing concern at Soviet actions in Afghanistan, and warning him against miscalculation in eg Iran, the Gulf, the Yemen or Yugoslavia. Gromyko had sent what Vance described as a "hard-nosed" reply, but had said that this was a preliminary response, and had held out the possibility of further exchanges. Mr Vance said he was particularly anxious that knowledge of this exchange with Mr Gromyko should be restricted.

J. J. H. Walden

(G G H Walden)

22 February 1980

cc:- PS
PS/LPS
PS/Mr Hurd
PS/Mr Blaker
PS/PUS
Sir D Maitland
Sir A Acland
Mr Bullard
Mr Fergusson
Mr J Moberly
Mr White, SAD

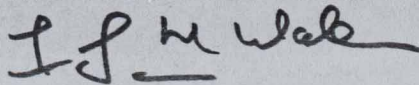
Mr Payne
M&CD

The Caribbean

During a brief discussion over dinner last night, Mr Vance asked Lord Carrington whether the UK could improve its relations with the Jamaicans and other radical Caribbean states to prevent them going over to the Cuban camp. Lord Carrington said that he doubted whether Messrs Manley and Patterson, for example, would respond to such an approach. Britain was doing what she could to help maintain stability in the most threatened Caribbean countries. Mr Vance said that if we did not help people like Manley the only alternative seemed to be to allow them to drift into the arms of the Cubans.

He also wondered whether we and some of our European partners could improve our relations with the Cubans themselves. They were experiencing severe economic difficulties and a shadow had been cast over their non-aligned status by their attitude over Afghanistan. Contact might help the Cubans to distance themselves somewhat from the Soviets. It was pointed out that an alternative approach would be to use the events in Afghanistan to weaken the Cuban position further, eg by bolstering the Indians claim to moral leadership of the non-aligned movement. The two approaches were not mutually exclusive.

A further idea for boosting India's position might be to associate her with the European proposal for securing Soviet withdrawal from Afghanistan by an agreement on neutrality.



(G G H Walden)

22 February 1980

cc
PS
PS/Mr Ridley
Mr Harding
Mr Stratton
Mr Berthoud, NAmD

PS/LPS
PS/Mr Hurd
PS/PUS
PS/Sir D Maitland
Mr Bullard
No 10

MINUTE

Registry
No.

DRAFT

Type 1 +

SECURITY CLASSIFICATION

Top Secret,
Secret.
Confidential.
Restricted.
Unclassified.

To:-

Mr Tomkys, NENAD

ccs:

PS

PS/LPS

PS/Mr Hurd

PS/PUS

Sir D Maitland

Mr Bullard

Mr J Moberly

MED

ARAB/ISRAEL

The main discussion of Arab/Israel with Mr Vance took place informally over dinner last night. The Secretary of State spoke frankly about the deficiencies of the Camp David process. Even if the maximum result were achieved, which seemed unlikely, this would not be enough to satisfy moderate Arabs. Mr Vance did not claim otherwise. He explained that he was not against a European initiative in principle; indeed he welcomed European activity, provided this did not cut across Camp David. He himself had been trying for three years to get a resolution supplementing 242 but on the last occasion, a year ago, he had had his fingers burned when both Egypt and Israel had opposed this. (He stressed however that he had later discovered that opposition had come from Butros Ghali and Khalil rather than Sadat himself.) The timing of any new initiative was therefore crucial.

Sir D Maitland explained the views of the Egyptians as reported to him by the new Egyptian Ambassador. Mr Vance said that he knew that this was the view of the Egyptian Foreign Ministry though not of the Government. Sir D Maitland suggested that the ideal might be for the Europeans to go on talking about action rather than doing

/anything

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Department

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anything yet. Mr Vance entirely agreed, and said that he welcomed this sort of pressure on the Israelis.

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22 FEB 1950

Mr Payne
M&CD

The Caribbean

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GGH Walden

(G G H Walden)

22 February 1980

cc	
PS	PS/LPS
PS/Mr Ridley	PS/Mr Hurd
Mr Harding	PS/PUS
Mr Stratton	PS/Sir D Maitland
Mr Berthoud, NAmD	Mr Bullard
	<u>No 10</u>



22 FEB 1960



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10 DOWNING STREET

From the Private Secretary

22 February 1980

Dear George,

Call by Mr. Vance: Iran

I have sent you, under separate cover, the main record of last night's discussion between the Prime Minister and Mr. Vance. I enclose herewith the record of their discussion on Iran.

Both Mr. Vance and Mr. Brewster laid great stress on the sensitivity of what Mr. Vance had said. I would be grateful therefore if you could give the enclosed record no distribution until after the problem of the hostages has been resolved. Those senior officials who you think should be aware of what was said could perhaps be allowed to read the record in the Private Office.

Yours ever

Richard Alexander

George Walden, Esq.,
Foreign and Commonwealth Office

SECRET

BN

6
USA

JS

file

BK

22 February 1980

Call by Mr. Vance

The US Secretary of State, Mr. Vance, called on the Prime Minister yesterday evening. The Foreign and Commonwealth Secretary was also present. I enclose a record of their discussion.

I am sending a copy of this letter and its enclosure to David Wright (Cabinet Office).

M. O'D. B. ALEXANDER

George Walden, Esq.,
Foreign and Commonwealth Office

SECRETcc Master
Iran file P-5
5

PARTIAL RECORD OF A DISCUSSION BETWEEN THE PRIME MINISTER AND THE
US SECRETARY OF STATE, MR. CYRUS VANCE, AT 10 DOWNING STREET ON
THURSDAY 21 FEBRUARY AT 2000 HOURS

IRAN

The Prime Minister asked Mr. Vance about the stage which had been reached in the negotiations for the release of the US hostages. Mr. Vance said that an understanding had been reached with the Iranian Government. The membership of a Commission which would investigate the Shah's period in office had been agreed. It would work in private. It would go to Tehran almost at once. Whilst there it would listen to evidence produced by the Iranian Government. It would meet the hostages to establish that they were alive and in good health. These preliminary activities would last about a week following which it would draft a preliminary document.

When the document was complete, the Commission would meet the Revolutionary Council in Tehran and tell them that before the document could be taken back to New York, the hostages would have to be handed over to the custody of the Iranian Government and lodged either in a hospital or in the foreign ministry with Mr. Laingen. The Commission would not return to New York until the hostages had been handed over.

Once the hostages had been handed over, the Commission would return to New York and communicate the preliminary document to the Secretary General. It would be published within two days. The hostages would be released by the Iranian Government on the day that the document was published. The American Government were therefore hoping that the hostages might be released within about two weeks. Of course there was a risk of slippage but in any case the hostages should be free long before the end of March.

/Mr. Vance said

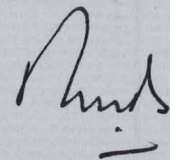
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- 2 -

Mr. Vance said that he had two worries about the arrangements that he had described:-

- a) He was still not sure that the Iranian Government had the authority to secure the release of the hostages from the students. He had repeatedly tried to secure from the Iranians a detailed account of how they would deal with the students but had so far failed to get any satisfaction; and
- b) One member of the US Embassy staff seemed to be unaccounted for. No letters or other communication had been received from him. Since he was a particularly active man and was known to have resented his imprisonment particularly strongly, there was concern lest he had tried to escape and had been killed in doing so. If it turned out that he was dead, the American Government would be placed in a position of acute difficulty. (Mr. Vance laid great stress on his wish that knowledge of this problem should be limited to the Prime Minister and the Foreign and Commonwealth Secretary).



22 February 1980

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This is a copy. The original has been extracted and closed, 40 years.

cc Master
Afghanistan Sitⁿ Pt 3
Saudi Arabia Sitⁿ
Sport: 1980 Olympics
Turkey: Internal Sit.

RECORD OF A CONVERSATION BETWEEN THE PRIME MINISTER AND THE UNITED STATES SECRETARY OF STATE MR CYRUS VANCE AT 10 DOWNING STREET ON THURSDAY, 21 FEBRUARY 1980 AT 19.45 HRS

Present:-

Prime Minister

Mr Cyrus Vance

Foreign & Commonwealth
Secretary

HE Mr Kingman Brewster

Mr M O'D B Alexander

Mr Vance said that he had found his trip to Europe extremely useful. So far as he could see there was a common assessment of the threat and a common assessment of the objectives which the allies should be pursuing. There were, however, still some differences about the precise way those objectives should be achieved. The Prime Minister said that she was concerned lest the reaction to the invasion of Afghanistan should be a 9-day wonder. It was essential that the West's response should be sustained and should not dwindle after six months as it had done in the case of the invasions of Hungary and Czechoslovakia. Mr Vance said that President Carter entirely agreed with the Prime Minister on this point.

Saudi Arabia

The Prime Minister asked Mr Vance for his impressions of the situation in Saudi Arabia. She recalled her conversation with King Hussein in January. The King had been very gloomy about the role being played by the Royal Family. They seemed unable to create any feeling of involvement with their people. Mr Vance said that he also was concerned about Saudi Arabia. The root problem was corruption which was now worse than ever and threatened to destroy the country. A small number of people in the Royal Family had been trying to pull things together since the incident at the Great Mosque.

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ACT 2000

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ACT 2000

Olympic Games

The Prime Minister said that if the boycott of the Olympic Games was to be effective, it would be essential that there should be alternative events in which the athletes could compete. Mr Vance agreed and said that the American Government had this much in mind. It looked as though Montreal would in many ways be a more satisfactory venue than Los Angeles. Although the defeat of Mr Clark in the recent Canadian election had created a problem, it seemed likely that Mr Trudeau's view would not be so very different from that of Mr Clark. He had rung President Carter earlier in the day to indicate that it was his intention to withdraw from the position he had taken on this issue during the election as quickly as possible. The Prime Minister said that Her Majesty's Government would be prepared to find some money to finance alternative games. Mr Vance said that in his view the key to the situation lay in the hands of the International Federations dealing with the respective sports rather than with Olympic committees. He said that it was not the intention of the American Government to stage national games in the United States. He commented that President Moi had said that he would like to stage one or two events in Kenya. The Foreign and Commonwealth Secretary said that not too much attention should be paid to the disagreements at the Political Co-operation Meeting in Rome. The Germans had made it clear that they would not go to Moscow if the United States did not go. It was very probable that the French would stay away if the Americans and Germans were absent. M. Francois Poncet had hinted that France's attitude in Rome had been connected with the fact that the American

/deadline

deadline for Soviet withdrawal from Afghanistan expired the day after the Rome meeting.

Turkey

Mr Vance said that the need to support the Turkish economy had become extremely urgent. So severe were their balance of payments and cash flow problems that unless the Turkish Government could be given \$600 million within the next 4 - 6 weeks, the country might well go bankrupt, i.e. they would default on existing loans, and would be unable to pay for any further imports. It seemed likely that the Germans and the Bank of International Settlements would put up \$300 million. Unfortunately the American bureaucratic machine was so cumbersome that there could be no question of the United States offering help within any timescale that was relevant. In response to a comment from the Prime Minister about Turkey's lack of success in managing their economy, the Foreign and Commonwealth Secretary said that Mr Demirel was a great improvement on Mr Ecevit. Unfortunately it seemed unlikely that Mr Demirel would remain in office for very long. Since, under the Turkish system, no election would be possible until 1982, the alternatives if he fell from power would be either a military government or a further period in office for Mr Ecevit. It was not clear which would be worse.

The discussion ended at 20.15 hrs.

Handwritten signature

22 February 1980



10 DOWNING STREET

Note for file

Briefing for Mr. Vance's
meeting with PM on

21. 2. 80 in folder B
at back of file

SJP. 21. 2. 80

PM's Copy

AGENDA

Brief No

Post-Afghanistan

Afghan Neutrality

1

(see also Mr Mallaby's minute of 20 February on follow-up with the Soviets)

Pakistan.

US Military Guarantee

1

Western Aid

1

The Olympics

2

Defence Post-Afghanistan, including:-

US Plans for Military facilities in the Gulf/Indian Ocean;

3

Our thoughts on Gulf Security;

4

Diego Garcia

5

Specialisation of Western Efforts Post-Afghanistan

(Mr Gillmore's submission of 19 February)

SALT/TNF/CTB

6 & 18

East-West relations including:-

Community action with the USSR

7

CSCE

7

EC/CMEA Talks

7

COCOM and Transfer of Technology to the Soviet Union

8

Area Questions

Iran

9

Rhodesia

10

Namibia

11

Arab/Israel

(NENAD briefing for OD meeting 21 February)

Yugoslavia

12

Caribbean (including Caribbean Security, Cuba and Belize [if raised])

13, 14 & 15

NON-AGENDA ITEMS

	<u>Brief No</u>
Bilateral Economic Issues (synthetic textiles, steel, extra-territoriality)	16
Northern Ireland	17
Non-proliferation	18
Defence Sales to China	19
America's Relations with the Allies	20

AMERICAN CONTINGENT WITH MR VANCE

The following will accompany Mr Vance (not in order of seniority):-

- *1 Mr George S Vest (Assistant Secretary for European Affairs, State)
- *2 Mr Richard Cooper (Under-Secretary, Economic Affairs, State)
- 3 Mr Reginald Bartholomew (Director of the Bureau of Political/Military Affairs, State)
- 4 Mr Peter Constable (Deputy Assistant Secretary for Near East and South Asian Affairs, State)
- 5 Mr Anthony Lake (Director, Policy Planning Staff, State)
- 6 Mr Paul Bremmer (Deputy Executive Secretary, State)
- 7 Mr Robert Blackwill (Staff member NSC)
- 8 Mr Hodding Carter (Assistant Secretary for Public Affairs and State Department spokesman)
- *9 Mr Kingman Brewster (Ambassador)
- 10 Note-taker (Miss April Glaspie/Mr James Dobbins)

*Attending the Secretary of State's dinner, with Mr Vance.

LIST OF BRIEFS

- 1 Afghanistan
- 2 Olympics
- 3 US Plans for Military Facilities in the Gulf/Indian Ocean
- 4 Gulf Security
- 5 Diego Garcia
- 6 SALT/TNF
- 7 East-West Relations
- 8 COCOM and Transfer of Technology to the Soviet Union
- 9 Iran
- 10 Rhodesia
- 11 Namibia
- 12 Yugoslavia
- 13 Caribbean Security
- 14 Cuba
- 15 Belize
- 16 Bilateral Economic Issues
- 17 Northern Ireland
- 18 Non-proliferation
- 19 Defence Sales to China
- 20 America's Relations with the Allies

SECRETARY OF STATE'S MEETING WITH MR VANCE: 21 FEBRUARY

BRIEF NO. 1 : AFGHANISTAN

POINTS TO MAKE

US Military Guarantee

1 Of paramount importance to stability of area. We understand talks with Pakistanis have defined circumstances in which Guarantee would mean US military help being invoked?

2 Are the Russians fully aware of your commitment?

US and Western Aid - Economic and Military

3 Economic. We have increased our aid to about £30m (ie \$70m) in 1980-81. That includes debt rescheduling (£4m) and a major item - ships at £7.5m. The latter is unlikely to be repeated. It excludes aid to refugees.

4 Military. Can you confirm Saudi money will be available for Pakistani arms purchases? How much? (We do not have funds for military hardware, though we do give some military training).

If so, we will respond if Pakistanis wish to purchase arms.

We welcome your military advisers team advising the Pakistanis on their needs. Important to keep Pakistanis on right lines - ie buying items adequate for NW Frontier and not indiscriminately which would arouse Indian fears.

Western countries should keep in touch on arms question: we should complement each other and not compete.

5 Neutrality. Idea successfully put forward and accepted in Rome.

6 Insurgency. Washington Post leak, apparently justifying clandestine US aid to Afghans, a gift for Soviet propaganda.

Afghan insurgents always ready to fight. But ill-organised, uncoordinated, no chain of command.

Level of activity unlikely to fall, or soar if aid provided.

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Therefore we should proceed warily, and avoid giving Russians propaganda weapons.

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VISIT BY SECRETARY OF STATE VANCE TO LONDON: 21 FEBRUARY

BRIEF NO 2 : OLYMPICS

POINTS TO MAKE

INTERNATIONAL OLYMPIC COMMITTEE DECISION

1. Disappointing but not last word.

ADVICE TO ATHLETES

2. Intend to advise our athletes not to participate. Cannot compel them or sporting bodies. Will not withdraw passports.

UNITED STATES OLYMPIC COMMITTEE (USOC) DECISION

3. How do you assess USOC's refusal to commit itself on a boycott before mid-April?

NEXT MEETING OF REPRESENTATIVES OF GOVERNMENTS OPPOSED TO MOSCOW

4. Necessary to co-ordinate action. Neither US nor UK ideal venue. Dutch doubt, but we are pressing them. Any other suggestions?

Cultural Relations Department
FOREIGN & COMMONWEALTH OFFICE
20 February 1980

ESSENTIAL FACTS

INTERNATIONAL OLYMPIC COMMITTEE DECISION

1. The IOC decided on 12 February to go ahead with Moscow Olympics

ADVICE TO ATHLETES

2. The Prime Minister said in the House of Commons on 14 February that the Government had decided to advise British athletes not to go to the Games in Moscow. She told representatives from the Central Council for Physical Recreation and the Sports Council on 4 February that measures such as withdrawal of passports had been ruled out.

US OLYMPIC COMMITTEE (USOC) DECISION

A 3. Members of the USOC said on 17 February that they had held firm against deciding on a boycott of the Moscow Olympics before mid-April, (International Herald Tribune of 18 February attached).

NEXT MEETING OF REPRESENTATIVES OF GOVERNMENTS OPPOSED TO MOSCOW

4. Previous meeting in Washington on 12 February envisaged further bigger meeting on 27/28 February, but it now be later. Need to attract as many countries as possible. US too confrontational : UK rugby contacts with South Africa make London less than ideal. The Hague is a possibility but Dutch reluctant.

cutting dated 18 - 2 - 80 19

U.S. Olympic Committee Refuses Boycott Decision

By Kenneth Reich

LAKE PLACID, N.Y., Feb. 17 (LAT) — After a two-hour meeting with White House counsel Lloyd Cutler, leaders of the U.S. Olympic Committee said yesterday that they had held firm against deciding on a boycott of the Moscow Olympics before mid-April.

Robert Kane, USOC president, said that Mr. Cutler would like to see the USOC become the administration's "lead cow" in its worldwide drive for a boycott, but that so far the USOC was refusing.

Mr. Kane, however, indicated that Mr. Cutler was still trying to get the USOC to commit itself to approve the boycott at an early date, and he said there might be a new meeting between the White House counsel and the USOC today before Mr. Cutler returns to Washington.

There were signs that the meeting, four miles outside of Lake Placid, had been tense.

Mr. Cutler was extremely tight-lipped afterward, and a USOC official asked that no immediate attempt be made to interview Mr. Kane. The official said that Mr. Kane was in an extremely tired and nervous state after the meeting.

However, a few hours later, when Mr. Kane and USOC executive director Don Miller came to International Olympic Committee head-

quarters to report on their talks to IOC president Lord Killanin, Mr. Kane appeared relaxed and made the "lead cow" comment.

He also said that the USOC officers had forcefully argued during the meeting with Mr. Cutler against prospective government plans to sponsor an alternative Olympic Games to Moscow.

The administration reportedly needs a USOC endorsement to convince other governments, particularly some in Western Europe, to put pressure on their Olympic committees to join the boycott.

Each national Olympic committee has until May 24 to respond to the Soviet invitation to participate in the games. The USOC leadership hopes that by that time, there may be a Soviet withdrawal from Afghanistan and the possibility of U.S. participation in the Olympics may improve.

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VISIT BY SECRETARY OF STATE VANCE TO LONDON: 21 FEBRUARY

BRIEF NO 3 : US PLANS FOR MILITARY FACILITIES IN GULF/INDIAN OCEAN
POINTS TO MAKE

1. Welcome US efforts to improve long-range intervention capabilities. Look forward to exchange of views at next official talks (12 March). Ready to help where we can (eg Diego Garcia - see separate brief).
2. Appreciate that American ideas deliberately designed to avoid large numbers of US personnel in regional bases. Right to avoid arrangements which might further destabilise regional states; or make them target for Soviet propaganda or Soviet-backed subversion.
3. Do Americans envisage difficulties in matching local exercises (eg involving marines) with need to avoid high profile? In Oman will US concentrate on less visible presence in Masirah rather than on mainland? Do they foresee difficulties with Kenya if plans for facilities in Somalia go ahead?
4. HMG currently viewing its own out-of-area capabilities. Unlikely to involve substantial change of priorities or to affect British troops stationed in Germany. But hope for some improvement in flexibility and speed of response.
5. Interested in President Carter's suggestion [in message to PM] that we might draw on US logistical (including airlift) support for out-of-area operations.
6. US paper on strategic implications of Afghanistan. (If Raised). Received only on 19 February. Officials now studying with a view to full discussion at NATO meeting next week.

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VISIT BY SECRETARY OF STATE VANCE TO LONDON: 21 FEBRUARY

BRIEF NO 3 : US PLANS FOR MILITARY FACILITIES IN GULF/INDIAN OCEAN

Essential Facts

US Deployment Plans

1. The Americans have explained to us their plans for "facilities" in the area. These essentially involve the prepositioning of equipment in:

- a) Somalia - port and airfield facilities at Berbera;
- b) Oman - port and airfield facilities at Masirah and perhaps other facilities on the mainland;
- c) Kenya - port facilities at Mombasa.

2. Americans seem conscious of the need to take account of regional susceptibilities and of risks involved in permanent basing of large numbers of servicemen. Their current plans envisage relatively small numbers of men (eg 100 each in Masirah and Berbera) to maintain prepositioned equipment, stored on specially designed roll-on-roll-off ships (MPS). But the full complement of 14 specially built MPS could not be in place until 1986 at least. The Americans may therefore not be able to cope with the problem, in the short term at least, without the deployment of larger numbers of men. If so, the effect on the area (eg in Oman) could be negative.

3. There has been considerable criticism in the States that the new American policy in the Gulf is long on rhetoric and short on capability. The HM Embassy, Washington, are inclined to share this general scepticism about current US plans. They believe it likely that US thinking is already going beyond the limited steps outlined in paragraphs 1 and 2 above to a more permanent and substantial presence. The Embassy believe that much of the Pentagon staff work on American contingencies has a Panglossian ring about it. Their tentative conclusion is that, in the face of a Soviet commitment of forces to a country in the region,

/the Americans

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the Americans would be unable to build comparable force levels at quick speed. This would be aggravated if there were a simultaneous crisis in Western Europe. If current plans are implemented, things will improve by 1985. But Soviet capabilities will not remain static and the United States will always be at a disadvantage in operations 7,000 miles away which, in relative terms, are on the Soviet doorstep.

UK Capabilities

4. It is not yet clear what help the Americans will expect from their allies. In general they will look for a greater effort in the NATO area. The British (and the French) are probably seen to have a special role in the Indian Ocean/Gulf area. Ministers have commissioned two studies on which work is in hand: on UK defence priorities and on the case for a UK long range intervention capability. The recommendations in the latter will probably not go beyond modest improvements to the flexibility of existing capabilities and to the speed of reaction time. But more frequent deployment of naval groups, increased training assistance and political support for our traditional friends might be a useful British contribution to the US effort.

Consultations with the Americans

5. The next round of consultations with the Americans on these issues is on 12 March. We hope to learn more of American plans, in particular of the concepts on which these plans are based (eg the kind of contingencies and scenarios on which they are working).

6. US paper. Copy with Private Secretary. Far reaching analysis, likely to need major changes before acceptable to European allies.

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SECRETARY OF STATE'S MEETING WITH MR VANCE: 21 FEBRUARY

BRIEF NO 4 : GULF SECURITY

POINTS TO MAKE

We have been examining with our Embassies how to improve security in the Gulf. Ideas include working level defence cooperation (for which a Saudi lead is probably essential) - cooperation in information work (still very tentative) and expanding existing cooperation in technical areas (health, education). Also, EC/Gulf dialogue to boost confidence of Rulers and help them to look West.

Middle East Department

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VISIT BY SECRETARY OF STATE VANCE TO LONDON : 21 FEBRUARY
BRIEF NO 5 : DIEGO GARCIA

Points to Make

1. We have agreed original American proposals put to us late last year for the extension of existing facilities on Diego Garcia.
2. Officials are due to meet again on 12 March to discuss further US proposals.
3. We will do our best to be helpful. You, like us, no doubt keeping in mind susceptibilities of littoral states.

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VISIT BY SECRETARY OF STATE VANCE TO LONDON : 21 FEBRUARY

BRIEF NO 5 : DIEGO GARCIA

Essential Facts

1. American proposals for the extension of existing facilities on Diego Garcia from 1981-84 include additions to fuel storage, construction of a new pier and airfield taxiway, increased ramp space and improvements to the water supply. We have approved these proposals.
2. The Americans are also considering work to begin in 1981/84 on bivouac accommodation for 4,500 men, repair facilities, POL and ammunition storage and up-rating the runway to B 52 standard.
3. Opposition to the improving of facilities on Diego Garcia is likely to come from those Indian Ocean states, eg India, Sri Lanka, Seychelles and Mauritius, who strongly support Indian Ocean Peace Zone proposals. We and the Americans are at the moment considering our response to invitations to join the Ad Hoc committee on the Indian Ocea Peace Zone. The balance of advantage is a fine one.

Defence Department

19 February 1980

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VISIT BY SECRETARY OF STATE VANCE TO LONDON : 21 FEBRUARY
BRIEF NO 6 : SALT/TNF

Points to Make

SALT II

1. Ratification prospects: Aware of major uncertainties if ratification delayed beyond 1980. Hope any chance of ratification this year will be taken. But we will of course avoid public statements likely to complicate US position.

TNF Arms Control

2. SALT III framework: Strongly oppose separate negotiations on TNF outside SALT context: decoupling, and makes little sense in absence of agreement on central strategic systems. Stick to line that US-USSR can hold 'preliminary contacts' on TNF, but that any more formal negotiations must be part of the SALT process.

3. UK systems: Content with allied position to exclude UK systems. If Russians bring major pressure on this point our Governments must continue to maintain firm line.

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VISIT BY SECRETARY OF STATE VANCE TO LONDON : 21 FEBRUARY

BRIEF NO 6 : SALT/TNF

Essential Facts

SALT II

1. On 3 January President Carter deferred the SALT II ratification process following the Afghanistan invasion. Unlikely that SALT II will be ratified before mid 1981, although there is outside chance around May or November 1980.
2. If SALT II is not ratified by mid 1981 the Russians could have problems over dismantling their 250 excess systems by the set date of 31 December 1981. Renegotiation of this provision could open the floodgates on other issues (eg the expiry date of the Protocol, also agreed for 31 December 1981).
3. These difficulties have led to speculation in the United States that:
 - (a) the SALT II Treaty may now be dead;
 - (b) if there are no limitations on the number of Soviet warheads deployed, the current basing plan for the American MX mobile ICBM may be invalidated;
 - (c) this might provoke both sides to consider ABM protection of their ICBMs; and
 - (d) this would require at least the renegotiation of the ABM Treaty, with possibly serious consequences for the smaller nuclear powers.

TNF Arms Control

3. Delay in SALT ratification puts a question mark over the

/ allied

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allied agreement to negotiate on TNF 'within the SALT III framework'. The Russian rejection of the US offer to have 'preliminary contacts' on TNF arms control has given us breathing space. But this is a potentially divisive issue in longer term. We (and probably the Germans and Americans) see major disadvantages in separating TNF negotiations from SALT. Others (eg the Dutch, Norwegians, Danes), who want quick results, may give less weight to the decoupling implications.

4. As in SALT I and SALT II, the Russians will press hard to include, or obtain compensation for, UK and French nuclear forces. The current allied position is to reject such pressure. But there could later be difficulties within the Alliance if this issue appears to be holding up negotiations.

Defence Department

19 February 1980

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SECRETARY OF STATE'S MEETING WITH MR VANCE: 21 FEBRUARY

BRIEF NO 7 : EAST-WEST RELATIONS

POINTS TO MAKE

1. UK aims now are: strict adherence to OECD consensus on credit rates and comprehensive Community action on butter, sugar, meat and grain.
2. EC/CMEA talks likely to benefit East Europeans and should continue.

CSCE: Madrid Prospects

3. Prospects not good but CSCE not just for fair weather. Soviets should be left in no doubt that cancellation or postponement not our wish and that onus on them to repair damage done. Meanwhile preparations should continue but must take account of events. Thorough review of implementation now essential, preceding any negotiation of new proposals. If proposals presented, these should require solid commitments, rather than taking East on trust. Hence UK support for working for follow up meeting on CMB's with real military content as part of balanced outcome.

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SECRETARY OF STATE'S MEETING WITH MR VANCE: 21 FEBRUARY

BRIEF NO 7 : EAST-WEST RELATIONS

ESSENTIAL FACTS

Community Action

1. At 5 February Foreign Affairs Council, all agreed on observance of present OECD consensus on credit. French would not commit themselves on future consensus rates. Commission has taken broadly satisfactory action on grain. But little progress on butter and meat and none on sugar (though subsidies are not at present relevant here since world sugar price now above Community price).

EC/CMEA

2. Americans want talks suspended but this would penalise Eastern Europe. Next meeting at expert level 4/5 March. Meeting between EC Commissioner and CMEA Secretary General planned for April.

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5-7.

BRIEF NO 8

VISIT OF SECRETARY OF STATE VANCE TO LONDON

EAST/WEST RELATIONS: COCOM AND TRANSFER OF TECHNOLOGY TO THE SOVIET UNION

DEFENSIVE

POINTS TO MAKE

1. Studying President's letter to Prime Minister. Reply - to issue shortly - will include our thoughts on tightening and widening COCOM's controls.
2. To be effective, measures will require close coordination and general application.

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VISIT OF SECRETARY OF STATE VANCE TO LONDON

EAST/WEST RELATIONS: COCOM AND TRANSFER OF TECHNOLOGY TO THE SOVIET UNION

ESSENTIAL FACTS

1. President Carter's letter of 10 February to the Prime Minister proposed specific action on tightening and widening COCOM's controls on the transfer of technology to the Soviet Union. The US Embassy subsequently amplified these proposals. A reply is being drafted in general terms. We cannot give the Americans a specific reply until Ministers have studied the proposals: a paper is being prepared for OD.
2. While we have told our partners that we are prepared to consider stricter controls, we need to ensure that these do not hit British businessmen more severely than their competitors. Moreover, tough restrictions imposed by some countries would be ineffective if other countries did not follow suit. We shall need to keep in step with our COCOM partners, in particular with the Community.
3. There was no discussion of this subject in Rome on 19 February. But there will be other opportunities for consultation in the near future.

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VISIT BY SECRETARY OF STATE VANCE TO LONDON:
21 FEBRUARY

BRIEF NO. 9 : IRAN

POINTS TO MAKE

Hostages

1. Delighted signs of progress. How is it going?

Iran/USSR

2. Recent statements from Bani Sadr, Qotbzadeh and others condemning Soviet action in Afghanistan a hopeful sign.

The West/Iran

3. We must not undermine Bani Sadr by enthusiastic Western support.

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ESSENTIAL FACTS

1. Secretary of State is familiar with this subject.

Hostages

2. The composition of the Secretary-General's commission of enquiry has appeared unofficially in the press as:

- (i) France (Pettiti)
- (ii) Venezuela (Aguilar)
- (iii) Algeria (Bedjaoui)
- (iv) Syria (Daoudi)
- (v) Sri Lanka (Jayawardene)

No confirmation yet of terms of its enquiry.

Internal situation

3. Bani Sadr has assumed control of Revolutionary Council with Khomeini's approval. National Assembly elections now set for 14 March.

Iran/USSR

4. Bani Sadr and Qotbzadeh continue to make robust statements condemning Soviet occupation of Afghanistan. Brezhnev sent Khomeini a "warm" message on the anniversary of Iranian Revolution, to which Khomeini made a curt formal reply.

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SECRETARY OF STATE'S MEETING WITH MR VANCE: 21 FEBRUARY

BRIEF NO 10 : RHODESIA

Points to Make

1. Quite likely that Governor will have to take action against Mugabe if we are to avoid a situation in which other parties refuse to accept the election results. Well aware of the difficulties this will cause internationally: but the problems would be even worse if Muzorewa or Walls were to denounce the elections.
2. Key will be to get Nkomo to support whatever action we have to take and to get him into a government after the elections.
3. Hope we can look to the United States for the same strong support that they gave us at the crucial moments of the Lancaster House Conference. What we need is help:
 - (a) to prevent the Africans from dragging Rhodesia back into the Security Council. The United States must be ready to make clear it would not support this;
 - (b) to keep the South Africans calm and make sure that they give the White Rhodesians no grounds to expect support for a coup;
 - (c) to take a firm lead in accepting the elections and recognising the government which is formed;
 - (d) to urge African governments to accept the result and not to support a return to the war.

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SECRETARY OF STATE'S MEETING WITH MR VANCE: 21 FEBRUARY

BRIEF NO 11: NAMIBIA
POINTS TO MAKE

PROSPECTS

1. We are all agreed that the South Africans will not make a firm commitment on Namibia until they see how things are going in Zimbabwe: but that we must help the UN to clear away as many preliminary obstacles as possible in the meantime.

TALKS IN AFRICA WITH THE UN SECRETARIAT MISSIONS

2. General Prem Chand has been well received in Angola and Zambia but understandably he has not raised the difficult political issues of SWAPO bases in Namibia and what happens to the SWAPO bases in Angola and Zambia after the elections. Brian Urquhart will have to tackle these when he arrives in Cape Town at the beginning of March.

ROLE OF THE FIVE

3. By the time we are out of Zimbabwe we shall have exhausted most of our credit with the South Africans (and possibly with the black Africans too). So we shall have to play a less conspicuous role over Namibia. I hope you and perhaps the Germans will be ready to make the running.

4. We have to face the possibility of a breakdown. In the present state of east-west relations and with all the problems of world recession, the last thing any of us can want is an economic confrontation with South Africa. We must keep closely in touch if and when we have to face serious pressures for sanctions.

5. At present the South Africans are by no means the only obstacle to implementing the UN plan. The Angolans and SWAPO have also gone back on the promise given by Nyerere last year that SWAPO would drop its demand for bases inside Namibia if South Africa accepted the DMZ.

/Sir

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SIR JAMES MURRAY

6. You will have heard from your people in New York that we reluctantly decided to let Sir J Murray's contract expire last month when it was clear that there was no role in sight for a single envoy of the Five. Sir James had anyway accomplished the main objective set for him by the Five: to bring the South Africans back into active negotiation.

Southern African Department

19 February 1980

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SECRETARY OF STATE'S MEETING WITH MR VANCE: 21 FEBRUARY

BRIEF NO 12 : YUGOSLAVIA

POINTS TO MAKE

1. Believe you share our assessment that transition likely to be smooth, and that short term risk of Russian military intervention is small. But Russians will look for other ways of fulfilling long term ambition of reasserting control particularly through subversion, and will try to exploit any difficulties faced by Tito's successors.
2. Important that West should provide concrete help eg over trade, arms supplies, visits, etc. But this needs to be discreet to avoid embarrassing Yugoslavs.
3. UK likely to be represented at Tito's funeral by member of Royal Family, Prime Minister and myself.

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SECRETARY OF STATE'S MEETING WITH MR VANCE: 21 FEBRUARY

BRIEF NO 13: CARIBBEAN SECURITY

POINTS TO MAKE

1 We are implementing the programme of policy and coastguard training in the Eastern Caribbean agreed at last October's tripartite talks.

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ESSENTIAL FACTS

1 At the US/UK/Canadian tripartite talks on Caribbean Security it was agreed that the main British contribution should take the form of police training. A new Regional Police Adviser is going to Barbados and we are consulting the neighbouring islands on the best use of the £750,000 set aside in the aid budget 1980/81 for police training. The Barbadians have also bought a coastguard patrol craft. We will provide crew training. We hope to make a similar arrangement with St Vincent.

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SECRETARY OF STATE'S MEETING WITH MR VANCE: 21 FEBRUARY

BRIEF NO 14: CUBA

POINTS TO MAKE (Defensive)

Information Activities

1 Cuban economic difficulties currently being highlighted in UK press. Partly due to official briefing. Publicity being given to 'secret' speech by Fidel Castro to National Assembly on 27 December. Economic difficulties have led to dissension. Castro has indicated that severe measures will be used against dissidents.

Cuban Economy

2 Financial market uncertain of Cuba's creditworthiness. UK bank has declined to lead £200 million Euro-currency operation. Critical articles in the Financial Times have worried the Cubans.

Cuba/Rhodesia

3 Government-inspired articles increasingly appearing in Cuba critical of UK policy in Rhodesia. Some statements obviously Moscow-inspired. Cubans may seek to exploit post-election situation. 19,000 Cuban troops in Angola, Cuban advisers in Mozambique and Zambia. Past Cuban links with ZAPU.

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SECRETARY OF STATE'S MEETING WITH MR VANCE: 21 FEBRUARY

BRIEF NO 15: BELIZE

ESSENTIAL FACTS

1 Mr Ridley has had discussions in Washington on 18 January with senior officials at the State Department (during which he saw Mr Vance), and in London on 7 February with Ambassador William Bowdler. These exchanges have allayed American fears of a British intention to bring Belize to early independence without a further attempt to negotiate a settlement with Guatemala. We have been promised US support for further negotiations; they have offered to try to persuade the Guatemalans of the need for early settlement. This helpful attitude denotes a welcome change in US policy which has hitherto been non-committal on Belize.

2 Mr Vance wrote to the Secretary of State on 16 January and again on 5 February. The letters betray concern not only about Belize but also Caribbean Security. While defending our need to bring Belize and some remaining Caribbean dependencies to independence in accordance with the wishes of their people, the Secretary of State's replies have been positive.

3 Mr Vance might raise the possibility of a visit to Belize and Guatemala by Ambassador Habib. We would find this useful as long as he did not include the two countries on the same itinerary. We would not want to give the impression of an American mediation. If Mr Vance would be prepared to receive Mr Price in Washington we and Mr Price would welcome this.

SECRETARY OF STATE'S MEETING WITH MR VANCE: 21 FEBRUARY
BRIEF NO 16 : BILATERAL ECONOMIC ISSUES
POINTS TO MAKE

General

1 I am glad that Governor Askew (Special Trade Representative) is in London at the same time as yourself; Mr Nott and Sir K Joseph will cover the main economic issues with him. There are, however, one or two points which may be worth my reinforcing.

Import Curbs on Synthetic Textiles

2 The pressures on the UK to take action here were overwhelming. The surge in US imports in 1979 brought about redundancies and closures in the UK man-made fibres industry, particularly in Northern Ireland. The action taken was with the agreement and indeed through the European Community. The measures are intended to be temporary.

Steel

3 Conversely we are concerned at current moves by US steel producers to seek protection against imports through anti-dumping petitions.

Extra-territorial jurisdiction and Protection of Trading Interests Bill

4 We regret the tendency of US courts and law enforcement agencies to extend jurisdiction beyond US boundaries; this causes conflict with allies and trading partners in a number of fields. An example is the current Westinghouse case against 29 US and foreign companies with uranium interests. The UK is not prepared to accept incursions into its jurisdiction by another country. The Protection of Trading Interests Bill is designed to protect the UK against such incursions; it is largely reactive and we hope there will be no need for us to invoke it.

ESSENTIAL FACTS

Synthetic Textiles

1 The main products involved are polyester filament yarn and nylon carpet yarn. US products enjoy a price advantage partly through cheaper feedstock because of the lower US oil price. The Secretary of State for Trade announced on 18 February that the Community had agreed to impose quotas for the UK alone for polyester filament yarn and nylon carpet yarn.

Steel

2 The BritishSteel Corporation is much criticised in the US on the grounds of subsidy. Now that the US has implemented the MTNs, US steel makers look like launching major anti-dumping cases under the new Act.

Extra-territorial jurisdiction and Protection of Trading Interests Bill

3 Over a period of 30 years the US has extended the jurisdiction of courts and law enforcement agencies beyond its frontiers. Areas where this is causing concern include the enforcement of the antitrust laws, maritime law, legislation against the Arab boycott of Israel and the Security Exchange Commission. Matters came to a head with the uranium antitrust case in 1977 and the criminal indictment of UK shipping interests for alleged antitrust infractions in 1979.

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BRIEF FOR THE SECRETARY OF STATE'S MEETING WITH
MR VANCE ON THURSDAY, 21 FEBRUARY

BRIEF NO: 17

NORTHERN IRELAND

POINTS TO MAKE (DEFENSIVE)

Arms for the RUC

1. Frankly, still find Administration's position quite indefensible. But see no point in going on about it.

Northern Ireland Conference

2. Conference continues in surprisingly good atmosphere. Participants certainly taking it seriously. Crucial issue is minority^{role}/in devolved government: SDLP (John Hume) want some form of power sharing; DUP (Paisley) have not yet revealed how far, if at all, they might qualify their insistence on "majority rule". Too soon to forecast likely outcome.

Mr Haughey's speech at Party Conference

3. Much speculation about new Irish initiative for Anglo-Irish talks and attempt to elicit US and European support. But in practice doubtful whether Irish Government will try to exert real pressure, at least while Conference is under way. The Taoiseach has to engage in "verbal republicanism" on such an occasion.

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ESSENTIAL FACTS

Arms for the RUC

1. Prime Minister raised matter with President Carter during her visit to Washington (17 December). Discussion inconclusive. President said he would like to approve supply of weapons but did not wish to risk confrontation with Congress. Probable also that electoral considerations were important factor, and that President is sheltering behind Speaker O'Neill's determined opposition. No point in pressing Administration further at this stage. Northern Ireland Office are examining availability of a suitable weapon from alternative sources.

Northern Ireland Conference

2. The Conference has been proceeding at a leisurely pace since it opened on 7 January. It will however be meeting for six days between 27 February and 5 March; by then we shall be in a better position to judge whether the SDLP and DUP are likely to shift from their deeply entrenched positions.

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SECRETARY OF STATE'S DISCUSSION WITH MR VANCE: 21 FEBRUARY 1980
BRIEF NO 18: NON-PROLIFERATION
[If non-proliferation is raised]

POINTS TO MAKE [DEFENSIVE]

PROSPECTS FOR NON-PROLIFERATION DISCUSSIONS

1. INFCE (International Nuclear Fuel Cycle Evaluation) winding up this month. Important that industrialised countries keep up the momentum by coordinating their line and ensuring follow-up action within the IAEA (International Atomic Energy Agency) leading to the development of a strengthened consensus on nuclear trade and non-proliferation to underpin the NPT.

CTB

2. Some time we expect your views on the various ideas under discussion between us, including possibility of US paying for UK NSS (National Seismic Stations). We're agreed that negotiations with Russians continue at a slow pace. Lack of a completed CTB will be criticised by developing countries at August Review Conference of NPT (Non-Proliferation Treaty). We need to provide the CD, and the NPTRC, with a solid progress report. We should try to enlist Soviet support for this.

POSTPONE NPT REVIEW CONFERENCE?

3. Hard to see any advantage for us in postponement. West may not be in any stronger position next year. Non-aligned would see it as confirmation that we don't take our responsibilities seriously. Very difficult to recruit new parties if conference is postponed. In any case, we detect no support for postponement among the non-aligned.

NUCLEAR PAKISTAN

4. Test would be a disaster for stability of Sub-Continent -

/early

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early test seems unlikely. Glad that you've kept this aspect
live in your more general contacts to reassure Pakistan post-
Afghanistan. Whilst that's a priority, we must keep up
discreet pressure on nuclear point.

Arms Control and
Disarmament Department

20 February 1980

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VISIT BY SECRETARY OF STATE VANCE TO LONDON: 21 FEBRUARY
DEFENCE SALES TO CHINA
BRIEF NO: 19

(DEFENSIVE)

POINTS TO MAKE

1. Our officials had a useful discussion in Washington on 1 February.
2. We are now consulting our other leading COCOM partners.
3. We will keep in touch.

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VISIT BY SECRETARY OF STATE VANCE TO LONDON
DEFENCE SALES TO CHINA

ESSENTIAL FACTS

1. We wish to make limited sales of sensitive weapons to the Chinese and need to try to persuade our COCOM partners to agree.
2. Lord Bridges held talks in Washington on 1 February about the possible relaxation of COCOM rules on defence sales to China. The UK views were politely heard, and may have made some impression. The Americans are themselves moving towards some relaxation. However Mr Vance, who has taken a personal interest, may not be willing to move as far as we would like.
3. We told the Americans that we would also seek the views of our other leading COCOM partners. We are now doing so.
4. We will let the Americans know how we get on.

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SECRETARY OF STATE'S MEETING WITH MR VANCE: 21 FEBRUARY

BRIEF NO 20

AMERICA'S RELATIONS WITH THE ALLIES

POINTS TO MAKE

We continue to admire the resolution which President Carter is showing in the wake of the Iranian and Afghan crises. On the other hand, it is a pity that there has recently been so much publicity for alleged differences between the allies. This will have given comfort to the Soviet Union and have a bad influence on waverers in the non-aligned world.

There are bound to be differences of emphasis within the Alliance. But we believe that the way to minimise differences is to consult, both on the quadripartite basis and through the formal NATO Council machinery. It is very much easier for us all to associate ourselves fully with American policies if we have played a part in shaping them. Afghanistan is a problem which faces the Western Alliance as a whole and not just the Americans.

The US should realise that the UK cannot play a helpful role in bringing European partners along if we ourselves have to take up positions prematurely in response to public statements in Washington which take us by surprise.

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ESSENTIAL FACTS

RECENT EXAMPLES OF AMERICAN FAILURES TO CONSULT, ETC

Iran

1. For understandable reasons, the Americans have played their cards close to the chest. On the other hand it was irritating for us as well as the French (Washington tel no 696 of 13 February) that the Americans failed to consult us about postponing the regulations imposing sanctions on Iran.

Afghanistan

2. Things started to go wrong from the first. Mr Christopher held a meeting in London on 31 December to co-ordinate the Western response but evidently had no authority to discuss proposed American measures with allies. The withdrawal of the US Ambassador in Moscow and the grain embargo followed, for instance, without consultation.

3. More recently the Americans have been at least partly responsible for widespread publicity about a rift in the alliance as a result of their handling of the proposed Foreign Ministers' Meeting in Bonn. Previously, the French and Germans were amongst those annoyed (Bonn tel no 136 of 8 February) that the Americans announced their major decision on the Olympic Games without consultations and "expected the allies to fall into line at once."

4. The Americans failed to consult anybody about the announcement made in President Carter's State of the Union Address on 23 January on the Gulf ("An attempt by any outside force to gain control of the Persian Gulf region will be regarded as an assault on the vital interests of the USA and be repelled by any means necessary, including military force").

5. On Pakistan, the American Ambassador in Islamabad had instructions to give allied Ambassadors only very limited briefing about Dr Brzezinski's visit (Islamabad tel no 178 of 5 February). On 6 February the US formally requested the Commission to postpone the EC/CMEA drafting group meeting planned for 4/5 March, arguing that the CMEA was serving Soviet foreign policy aims and could not be exempt from post-Afghanistan measures against the Soviet Union. We are opposing such a postponement in the belief that it would be

/unwelcome

unwelcome to the East Europeans, whom we wish to detach as much as possible from the USSR in the post-Afghanistan situation. This US approach will be seen in the Community as clumsy and heavy-handed.

6. American handling of post-Afghan consultations within NATO is seen both in the FCO and by Sir Clive Rose as poor. The Americans have consistently tried to get NATO to rubber stamp important decisions taken without consultation.

Rhodesia

7. The Americans at the last moment and contrary to their previous understanding with us supported the Security Council Resolution No 463 which was unbalanced and critical of the UK. There is no doubt that this has made our task in Rhodesia more difficult because the African Governments (and Mugabe) now believe that the Americans and other Western countries are on their side criticising our role in Rhodesia.

ACTION TAKEN WITH THE AMERICANS SO FAR

8. Following Sir Donald Maitland's minute of 8 February the Secretary of State spoke on the telephone with Mr Vance on the same day. The record suggests that Lord Carrington was able to convey some of the flavour of our feelings on this subject; but there was not the opportunity to rub things in. Sir N Henderson in talking to Mr Christopher on 11 February (Washington tel no 696 of 13 February) made it clear that we regretted not having had US notification on the suspension of the sanctions measures. The Ambassador has made our displeasure on the Security Council Resolution on Rhodesia clear in talking to Mr Moose (Washington tel no 572 of 4 February).

9. There may nonetheless be a case for going over the ground rather more thoroughly and perhaps forcefully with the Americans than we have been able to do so far; also, perhaps telling the French and Germans subsequently that we have taken this action.

North America Department

20 February 1980

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cc U.S.A. 4 12
Master Sec.
Rhodesia Situation Part II
N. Ireland Situation Part 5
→ USA: Visit of Mr Vance

RECORD OF A DISCUSSION BETWEEN THE PRIME MINISTER AND THE UNITED STATES SECRETARY OF STATE, MR. CYRUS VANCE, AT 10 DOWNING STREET, ON MONDAY, 10 DECEMBER, 1979 AT 1030 HOURS

Present:

The Prime Minister
The Foreign and Commonwealth
Secretary
Mr. Michael Alexander

Mr. Vance
His Excellency The Honourable
Kingman Brewster

The Prime Minister asked to be brought up to date on the present situation. Mr. Vance said that the Iranian Foreign Minister, Mr. Qotzbadeh, would be sending a new representative to the United Nations in New York in the next day or so. There would then be discussions of further UN action with the aim that the UN, or the Secretary General, should set up a Commission to investigate the violation of human rights in Iran under the last regime. So far there was nothing new to report on the hostages. Mr. Qotzbadeh was taking the line that the fate of the hostages would be discussed when the Iranian representative returned to Tehran. The United States would be putting their case to the International Court of Justice in the Hague today. The Iranians did not intend to appear. A decision would probably be handed down within a few days. It was a foregone conclusion that the Court would grant interim relief and state that the hostages should be released. It was equally clear that the Court's judgment would be ignored.

Mr. Vance said that he was in daily contact with Yasser Arafat. The PLO had throughout been extremely helpful. They had been the principle force in bringing about the release of the thirteen hostages, and were continuing to play an active role. Arafat was having

/difficulty in

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difficulty in deciding whether or not he should himself go to Iran to make a personal appeal to Khomeini. Crown Prince Fahd of Saudi Arabia was pressing him to do so. But for the moment he was saying that the odds in favour of success were not good enough.

Mr. Vance expressed profound gratitude on his own behalf and that of President Carter for what the British Government had done since the crisis began both in giving shelter to US staff and in other ways.

Mr. Vance said that the President was determined to exercise every peaceful means to secure the release of the hostages. The consequences of any other course of action both for the hostages and for everyone else could only be very grave. But the President did not wish the situation to become frozen into a stalemate. His strategy was to keep up the economic pressure on the Iranian regime. The pressure was already having effect. This was clear from the anxiety of the Iranians to secure the termination of the freeze on Iranian assets as part of any package solution. It was also clear from the fact that the Iranians had said that they wished to maintain relations with the United States. They could not do without spare parts from America for their oil industry and for the armed forces. There was no question of economic pressure bringing about collapse of the regime but the constricting effect was real.

The question which now faced US administration was how best to increase the economic pressure. They thought the answer lay in collective action. It would be essential at some stage to seek Chapter vii sanctions. These would flow naturally from the fact that the Iranians would soon be in defiance, both of the Security Council resolution and a judgement on the International Court. Pending such action, it would be extremely helpful if America's allies could freeze Iranian assets in the way that the Americans had done. It was the cleanest and simplest way of approaching the problem. The justification would be that the Iranian Government was holding hostages in defiance of a Security Council resolution and, shortly, of a judgement of the International Court. It would be made clear that the freeze would be lifted as soon as the

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American hostages were freed. President Carter considered that collective action on these lines would have a strong effect.

Mr. Vance said that a possible alternative approach was to exploit the existence of cross default clauses in existing loans to Iran. This was the approach preferred by the Swiss and Italian Governments. The Prime Minister asked whether Iran was in default with the US banks because Iranian assets in the United States had been blocked. If so the default was a rather artificial one. Mr. Vance said that both kinds of default existed. It was because of the point the Prime Minister had made that he preferred a freeze. The Prime Minister said that the effects of the freeze on the banking system world wide could be devastating. It was the sort of action that had in the past only been taken in time of war. The British Government would have to pass legislation to take the necessary powers. Mr. Vance said that he had received advice that HM Treasury did have powers under existing instruments to freeze assets. (He gave the Prime Minister a copy of an opinion to this effect by Mr. Patrick Neill QC.) The Foreign and Commonwealth Secretary said that the advice he had received was that the Government had no powers at present to take the sort of action that the American Government had in mind. The difficulty about legislating to take the powers would be that the Iranians would withdraw all their assets before the legislation had been passed. It was agreed that the question of the Government's powers should be looked at urgently in the light of Mr. Neill's opinion.

Mr. Vance said that there was a meeting of international bankers going on in Basle at which the question of a freeze was being discussed. The Prime Minister said that this would be useful. It was essential to have the views of the banking community since uninformed decisions taken by politicians might cause lasting damage to the system as a whole. She was also concerned about the possibility of general Arab confidence in the banks being undermined with the result that they would be more inclined than ever to keep their oil in the ground. Mr. Vance said that he was confident that other Arab Governments would understand so long as a freeze was explicitly linked to the fate of the hostages, to the Security Council resolution

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and to the World Court's judgement. Mr. Brewster said that from his contacts with the Governor of the Bank of England and with the Treasury Solicitor he judged that they also thought that there would be fewer problems in taking action against ^{the} assets if such action were tied to the release of the hostages.

The Foreign and Commonwealth Secretary said that the British Government were anxious to do what they could and he personally considered that, if at all possible, we should respond to the US request for action against the assets. He did not exclude taking such action alone but he very much hoped it would be possible to do this in conjunction with the Nine. Britain was already the number two target of the Iranian Government. We did not wish to place our own people in Iran at even greater risk.

The Prime Minister agreed that every effort should be made to bring pressure on the Iranian regime. The alternatives were difficult to contemplate. But she also hoped that it would be possible to act in conjunction with others. She asked about the reactions that Mr. Vance had received so far. Mr. Vance said he would be talking to the Heads of Government in Paris, Rome and Bonn in the next 24 hours and to the Japanese Foreign Minister later in the day. The Japanese had been very unhelpful. They had been helping the Iranians to evade the effects of action taken by the US Government so far. He intended to speak very bluntly to the Japanese Foreign Minister. The Prime Minister said that she hoped the Germans and French would join in taking action.

Asked about the state of the hostages, Mr. Vance said that from all that he had heard they were in a bad state. They had been exposed to a sophisticated form of brainwashing. He did not know whether the hostages were all in the compound.

The Prime Minister asked Mr. Vance whether food supplies from the United States to Iran had been stopped. Mr. Vance replied that no food was going to Iran from East coast ports but some grain was still being shipped from the West coast.

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Rhodesia

The Prime Minister told Mr. Vance that it would be very awkward for her if when she arrived in Washington there was a British Governor in Salisbury but US sanctions against Rhodesia were still in operation. Mr. Vance indicated that he understood the point.

Arms for the Royal Ulster Constabulary

The Prime Minister said that she attached great importance to the issue by the US Government of licences for the supply of Ruger pistols to the Royal Ulster Constabulary. Mr. Vance said that President Carter would take no decision until he had discussed the matter with the Prime Minister.

The meeting ended at 1115.

Rawls

10 December 1979

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USA

Treasury Chambers, Parliament Street, SW1P 3AG
01-233 3000

31st May 1979

Dear George,

ALBAM
GEM
31/5

..... I enclose a copy of the note of the Chancellor of the Exchequer's discussion on 23rd May with U.S. Secretary of State Cyrus Vance. I am sorry you were not sent a copy sooner.

I am also sending copies to Bryan Cartledge at No.10, Tom Harris in the Department of Trade and to Martin Vile in the Cabinet Office.

Yours ever,
A.M.W. Battishill

(A.M.W. BATTISHILL)

G.G.H. Walden, Esq.,
Foreign & Commonwealth Office



NOTE OF A MEETING BETWEEN THE CHANCELLOR OF THE EXCHEQUER AND
MR. SECRETARY OF STATE VANCE HELD IN THE CHANCELLOR OF THE
EXCHEQUER'S ROOM AT THE TREASURY AT 9.00 A.M. ON WEDNESDAY,
23RD MAY, 1979

US Secretary of State Vance called on the Chancellor this morning, accompanied by the US Ambassador, and Mr. Morris and Mr. Ammerman from the United States Embassy. Mr. Couzens was also present.

Defence Expenditure

2. Mr. Vance said he was sensitive to the new Government's commitment to cut public expenditure. What were the implications for defence expenditure? The Chancellor recalled that in Opposition the present Government had recognised the need to except defence from the full rigors of public expenditure cuts. But there could not be a blank cheque. Expenditure on defence, aid and the EEC Community Budget together represented a very significant drain of resources across the exchanges. Mr. Vance thought the Government's high priority for defence was very important; it would be a welcome message to other members of the Alliance.

Economic Assistance

3. Mr. Vance thought economic assistance and aid extremely important. Of all the money spent on foreign affairs, defence apart, aid expenditure produced the largest return in his view. This was especially true of aid to the third world, including Africa. Provision of armaments could buy the Soviets goodwill for a year or two, but after that developing countries needed economic assistance which could be provided by the West. Getting this message across to Congress was a



continuing problem; but the US Administration was winning. The Chancellor associated himself with the need to combat Soviet influence by economic means. This was clearly important. But he tended to view with some scepticism the value of Government to Government aid: the benefits frequently fell short of the expectations of the donors. Exposure to a policy of economic liberalism, as adopted by the new Sri Lanka Government, seemed often to produce much more tangible progress than either bilateral or multilateral government aid. Mr. Vance agreed on the importance of integrating aid with trade and investment policies. These had to be compatible. There was more to be gained if countries concerted their aid policies than if each worked independently. Mr. Couzens remarked that the United Kingdom's expenditure on aid was a long way ahead of the United States and Japan as a percentage of GNP. With the possible exception of France we allocated nearly twice as much of our GNP as our main partners. The Chancellor saw this as part of our imperial heritage. And we had maintained this record despite being, in the language of the EEC, a "less prosperous country". Similarly, we spent more of our GNP on defence than did either Germany or France, and only a little less than the United States.

Preparations for the Tokyo Summit

4. Mr. Vance had been following the preparations fairly closely. He agreed that energy would be a central issue, along with macro-economic and North-South issues. This would make a sensible package. He had discussed the preparations with Sir Michael Palliser; they seemed to be going well. He referred to the paper being prepared by Mr. Schultz. The Chancellor said that preoccupation with his Budget had prevented him from drawing together the various threads on the Summit.



European Monetary System

5. Mr. Vance asked about the Government's attitude. The Chancellor said Ministers had not yet come to a final judgement. The Prime Minister had said that the UK position would be considered in the light of the intended 6-monthly review. The Government were predisposed in political terms to participate as fully as possible in European developments, but there were important technical dimensions to the EMS to be considered. Ministers would be cautious of reaching over hasty decision.

6. Mr. Vance remarked on the persistent rumours of US opposition to the EMS. He did not know where they originated from. They were certainly not true. The Chancellor suggested that the EMS could make a limited contribution towards international currency stability so long as it did not cut across policies for the dollar and other world currencies. Mr. Vance agreed.

Trade Issues

7. Mr. Vance wanted to leave the Chancellor (and the Secretary of State for Trade whom he was seeing later in the day) with assurances that the US Administration were going to stick to the letter of the agreement reached on MTNs, including maintaining the material injury clause. The United States Administration aimed to get the legislation through by the end of July. There had been some difficult moments in the last six weeks, especially over textiles. This had also proved the most difficult issue in the negotiations with the Chinese. The trade agreement with China could not be signed and sent to the Congress until it had been settled. The Chancellor said he had visited China a



year ago but did not recall textiles being a live issue at that time. Mr. Couzens associated the UK with the United States in wishing to avoid a credit war in trade with China, which the UK had also sought to avoid in relation to the USSR. Mr. Vance foresaw difficulties if the United States was driven to conceding most favoured nation treatment for China, whilst precluded - for human rights reasons - from extending this to the USSR. It would skew US foreign policy undesirably. He hoped to get round the Jackson-Vannock amendment by concentrating attention on the growing relaxations in the Soviet attitude towards human rights, rather than by insisting on formal assurances. This was an issue the US wished to take up at the Summit.

8. There followed a brief exchange about the relative importance of tariff and non-tariff barriers in restricting world economic growth. The Chancellor suggested that barriers of the latter kind were proving a greater deterrent to expansion than the former. Mr Vance seemed to agree.

Inflation

9. In answer to a question from Mr. Vance, the Chancellor said that the year on year UK inflation rate had risen to 10.1 per cent, with the 6 month annualised rather around 13 per cent. Mr. Vance said that inflation had risen last month in the United States, fuelled particularly by increases in food prices, particularly beef. But he thought the present bulge in prices would be over by the end of the summer. On the other hand, the unemployment figures were improving. He agreed with the Chancellor that public perception of inflation and the costs of Government had sharply increased, as evidenced by the interest aroused in Proposition 13. Inflation and energy were currently the main political issues in the US. Foreign affairs had much less impact.



Turkey

10. The Ambassador asked whether the issue of aid to Turkey was likely to be resolved before the Summit. Mr. Vance referred to the proposed pledging conference on 30th May. There was a question mark over whether that should take place in advance of satisfactory progress on an agreement with the IMF. There was a chicken and egg argument here. He was personally inclined to favour the argument that the existence of a contingent fund would help Prime Minister Ecevit to take the difficult political steps needed to get the IMF operation into place. He personally placed great importance on helping Turkey through her present difficulties. This was essential to the stability of the Middle East and strategically to the protection of the Southern flank of the Alliance. If Turkey went under it would be a disaster.

11. As for individual contributions, Congressional authority now existed for \$250 million on top of the similar amount already agreed for security support assistance. But \$500 represented the limit of US help. The Germans had started slowly, but had now been persuaded to increase their share from \$100 to \$200. Their original offer was not commensurate with the leadership they had assumed at Guadaloupe. Mr. Vance thought the French contribution was still too low. The Japanese had now come forward with \$70 million, perhaps more, partly in cash and partly in credits. As for the UK contribution, he had asked the Foreign Secretary if he would look again at the amount proposed by the Labour Government.

12. The Chancellor said he had already discussed the UK contribution with the United States Ambassador. He understood the political pressures which Mr. Vance had mentioned. But as Chancellor he had to bear in mind the Government's commitment to reduce public expenditure. It was difficult to be accommodating when he was pressing his colleagues to make



economies on their spending programmes. The UK contribution had also to be put in the context of the wider help we were giving to Turkey. We were allowing \$250 ECGD cover to continue, with little prospect of getting very much back. However, Ministers had certainly not yet reached a final decision on the matter. Mr. Couzens thought it was reasonable that other countries in the UK should take the lead on Turkey.

Other Contacts

13. Mr. Vance thought an early meeting between Treasury Secretary Blumenthal and the Chancellor was desirable. The Chancellor explained that arrangements were in hand for them to meet in the margins of the OECD Ministerial meeting in Paris on 14th June. Mr. Vance thought that an early visit to the UK by the Chairman of the Federal Reserve, Mr. William Miller was also a good idea. He would try to encourage that when he returned to the United States.

14. Mr. Vance thanked the Chancellor for receiving him. The meeting closed at 9.50 a.m.

Internal circulation:

Chief Secretary
Financial Secretary
Minister of State (Commons)
Minister of State (Lords)
Sir Douglas Wass
Mr. Couzens
Sir Anthony Rawlinson
Mr. Jordan Moss
Mr. Barratt
Mrs. Hedley Miller
Mr. Widdup
Mr. Michell
Mr. Scholar
Mr. Ryrrie UKTSD

AW
(A.M.W. BATTISHILL)
23rd May, 1979

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USA-



MINISTRY OF DEFENCE
MAIN BUILDING WHITEHALL LONDON SW1
Telephone 01-~~936 7022~~ 218 2111/3

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30th May 1979

NSAM
BWA
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Dear Bryan,

I attach, for your information, a corrected version of the record of the discussion between the Defence Secretary and Mr Vance on 22nd May.

Copies go to George Walden (Foreign and Commonwealth Office) and Martin Vile (Cabinet Office).

Yours sincerely,
Roger Facer

(R L L FACER)

B G Cartledge Esq
10 Downing Street

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MINISTRY OF DEFENCE

MAIN BUILDING WHITEHALL LONDON SW1

Telephone 01-~~932 7022~~ 218 2111/3

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NOTE FOR THE RECORD

RECORD OF A MEETING BETWEEN THE DEFENCE SECRETARY
AND THE UNITED STATES SECRETARY OF STATE
HELD IN THE MINISTRY OF DEFENCE
AT 1510 ON TUESDAY 22ND MAY 1979

Present:

The Rt Hon Francis Pym MP
Secretary of State for Defence

The Hon Cyrus Vance
Secretary of State

Sir Frank Cooper
PUS

The Hon Kingman Brewster
US Ambassador

Mr M E Quinlan
DUS(P)

Mr George Vest
Assistant Secretary of State

Mr R L L Facer
PS/Secretary of State

Mr Edward Streater
Minister, US Embassy

Mr Peter Sommer
Political Military
Attache, US Embassy

DEFENCE QUESTIONS

1. Welcoming Mr Vance, the Secretary of State said that the Conservative party had. In Opposition expressed their anxiety about defence and their determination to improve Britain's contribution to the Alliance. The Government had fulfilled their commitment to increase Forces' pay and wished to increase Britain's defence effort. The central problem with which the Government had to deal on taking office was that of the economy. Mr Vance stressed the close links between defence and foreign policy and welcomed the Government's interest in security problems.

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The Alliance had crossed a watershed in agreeing to the long term defence programme. There was a danger that it would lack the energy to implement it. PUS said that the difficulty was not that there was no clear perception of the threat in western countries but that economic growth would be insufficient to provide the necessary resources. Mr Vance asked what were the chances of Alliance countries achieving 3% growth in defence expenditure? The Secretary of State said he expected that some countries would achieve the targets and others would fail. There was no question but that HMG was firmly committed to the aim. PUS said that if the United States did not, other countries would fail too; he thought that if Britain and Germany achieved 3%, the United States would find it difficult not to. Mr Vance agreed.

2. Turning to Alliance collaboration, Mr Vance wondered whether better progress might be made by turning more to co-production with cross-licensing arrangements. The Secretary of State said that this would be difficult to achieve in practice. PUS said that every successful collaborative project had a major impact, but the lack of any new projects could be damaging in the long run. Industrial and financial pressures in our countries were very strong. But collaborative projects, particularly in aircraft, were now essential since no country could afford to pursue a purely national procurement policy. DUS(P) said there had been some recent successes, such as the AIM 9L consortium. Mr Vance wondered whether progress could be made on standardisation in tanks, artillery and ammunition. He recognised that the United States had a particular responsibility.

3. In reply to a question from Mr Vance, DUS(P) said that there was now a larger degree of agreement in NATO about war reserve stocks, though there was no ^{real} consensus about the limitation of military operations for which we should plan. Mr Vance said that the United States should preposition more equipment in Europe and build up her air-lift capability. The aim should be to preposition several more divisions-worth of equipment. He wondered how difficult it would be to obtain German agreement to the additional bases required. DUS(P) thought that this

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would prove a difficult problem, not least because of the differences between the Federal and the Laender Governments, and because of environmental pressures, and the problem could become harder as a result of Theatre Nuclear Force (TNF) modernisation. The additional infrastructure funding recently agreed by Ministers would help to provide the facilities in Europe required to meet US reinforcement plans.

TNF

4. Mr Vance said that the main problem was how to secure the necessary support in the Alliance by the end of the year. The Secretary of State said the Germans preferred to see the high level group and the special group working closely together, but he would prefer to see the technical options identified first: it was not possible to make progress in arms control until the high level group had produced specific recommendations. Mr Vance agreed. It should be possible to complete the studies on the options soon, to cover not only the capabilities of the various systems but also where they might be stationed. The Administration would discuss this matter with Chancellor Schmidt in Washington during his visit on 6th June. It was essential also that there was a thorough discussion at the North Atlantic Council meeting next week. In his view, the arms control aspects were complementary to the question of capability but they could not be used as a substitute for decisions about capability. He, therefore, was in favour of taking a political decision and then considering how that decision was compatible with arms control objectives. The Secretary of State said that he had discussed the subject with Herr Apel in Brussels and had reached a basic understanding, though Herr Schmidt still seemed to be in favour of sea-based systems. PUS said that the Ostpolitik was an element in German thinking.

SALT AND STRATEGIC NUCLEAR ISSUES

5. Mr Vance said that the United States would develop a new ICBM system which would probably be a variant of the MX.

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There were different views among the Joint Chiefs about the size of the missile (110,000, 150,000 or 190,000 pounds). As to basing, three alternatives were being considered and the recommendations of Ministers would be put to the President within the next three to four weeks, following which he expected that a National Security Council meeting would take a decision. The first possibility, favoured by the Joint Chiefs, was to adopt a multiple hole system. But he and a number of others had increasing doubts about its verifiability should the Russians develop a similar system. The present Soviet position was that any such system would be illegal under SALT since it would be equivalent to additional ICBM launchers. The second alternative was to increase the emphasis on SLBMs rather than ICBMs. The third was a new alternative, which appeared to him to be the best way of resolving the inherent conflict between survivability and verifiability. This system consisted of a trench from ten to 50 miles long with a rail-road track at the bottom, along which a self-propelled launcher vehicle moved in a random fashion. At each mile there would be a hardened shelter with a sliding roof. When the missile was in the shelter the roof would be closed, while the roofs of all shelters not containing a missile would be open. The number of missiles could therefore be verified by satellite photography. The time taken for a launcher to move between one station and the next was two minutes, so that ten minutes' warning time gave five alternative stations. The system had some environmental problems but these could probably be overcome by developing it on defence property such as the Yucca Flats. Neither this system nor the SLBM alternative would be constrained by SALT.

6. It was, however, difficult to explain to the American people that following the signature of SALT, it was necessary to spend \$35 billion to modernise the nuclear deterrent. It would be a tough battle to achieve ratification but he believed that it would be won. The advantages of the Treaty

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would become apparent. It constrained the Soviet Union in several important ways, notably in the number of warheads allowed per missile. The Soviets would be allowed only ten warheads on the SS18 instead of the 30 - 40 that would be feasible, only six on the SS19 instead of 10 - 12, and only four on the SS17. This would be a significant step towards limiting the effect of the Soviet advantage in throw-weight. The constraint on the development of new missiles was also of advantage to the United States since the Soviet Union had at least four new systems under test. The reduction in the number of missiles from 2,400 to 2,250 was a modest step; the Soviet Union would have to scrap 250 systems, which would include systems equivalent to Polaris and Minuteman II while the United States would still be able to build up its numbers. The provisions on verification represented an important step: interference with national technical means was specifically prohibited in the Treaty, and telemetry encryption was not permitted where it impeded verification. Furthermore, with the Treaty the United States could estimate that the Soviet strategic nuclear forces would comprise in the future and therefore would be better able to decide how to cope with them. The protocol was largely a figleaf for Soviet concerns. The restrictions on cruise missiles did not matter because no country could deploy cruise missiles during the period covered by the protocol. But the protocol would inhibit the Russians from deploying mobile systems during this period. The United States would make a statement at the time of signature that they would not renew the protocol without seeking the agreement of Congress. There was thus no real cause for concern that the protocol would become a precedent. In sum, therefore, a convincing case would be made to Congress, particularly when account was taken of the consequences of SALT II not being ratified.

7. The Secretary of State said that SALT II clearly represented an advance and we looked forward to its signature and ratification. He wondered, however, why it had become a matter of controversy in the United States. Mr Vance said that there was a persistent distrust of the Soviet Union which must be overcome by showing that SALT II enhanced Western security. There was also particular concern about verification. Criticism centred around telemetry encryption. They were prepared to take a challenge to the

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Standing Commission, and if they did not get a satisfactory explanation the United States would be prepared to denounce the Treaty. It was not possible to ban all telemetry encryption. The matter was further complicated by the loss of the Iran monitoring stations but he was confident that alternative ways could be found of making good the loss of capability. Verification would however be the most difficult area which would take until the autumn to be resolved.

8. PUS asked whether SALT II would have any impact on Soviet plans for Anti Ballistic Missile defences. Mr Vance said that he thought the Soviet Union would not expand their present single system; they would prefer to put their money into offensive systems rather than into ABMs. The Secretary of State asked whether the Soviet Union would increase its efforts in other fields as a result of the limitations imposed by SALT in the strategic field. Mr Vance said that the Soviet Union would probably continue to build up their Navy, since their force protection capability at sea was markedly deficient to NATO's. They would tend to strengthen their conventional forces generally. For this reason he saw advantage in achieving a Phase 1 agreement in MBFR, though Lord Carrington had expressed considerable scepticism. Agreement on the data base was essential to establish the procedure for Phase 2 reductions. It would be a step in the right direction in the West could secure the withdrawal of three or four divisions and 1,000 or more tanks to the Soviet Union. He stressed that the United States would not do anything without full consultation with their allies. The talks they had had with the Soviet Union had been purely exploratory to find out whether the approach made by the Russians was serious. He agreed with the British view that agreement on data was vital to progress.

9. The Secretary of State noted that we had received assurances that we would continue to receive technical information after the SALT Treaty came into effect: this was important to us. Mr Vance said that he recognised our concern about the language of the interpretative statement in non-circumvention, particularly the inclusion of the word 'necessarily', in the

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sentence "with respect to systems numerically limited in the agreement, as under the interim agreement, transfers would not be necessarily precluded by the agreement". Following the exchange between Mr Callaghan and President Carter, they had considered the problem again, and while they would keep 'necessarily' they would give assurances that every specific request would be granted: he would give these assurances to the Prime Minister tomorrow. As the United Kingdom made progress towards a decision on a Polaris successor, or on a successor system to replace the Vulcan bomber, the United States stood ready to help: he had told Dr Brown that a visit by a British team at any time would be welcome.

10. Turning to SALT III Mr Vance said that it was necessary to start intensive consultation about our objectives and about the forum for negotiation on Grey-Area systems. The Secretary of State said that the Germans believed that any negotiation on Grey-Area systems should take place in SALT III but he had not yet reached a view on this himself. Mr Vance said that exploratory discussions, but not negotiations, might well begin fairly soon after SALT II signature. PUS said that there was a growing concern in Europe about Soviet missiles targeted on Europe but no consensus about how to respond. This was why the Europeans were much more concerned about close consultation in SALT III than they had been in SALT I and II.

CTB

11. Mr Vance said that the stumbling block to progress in the negotiations was the number of National Seismic Stations (NSS). Lord Carrington had explained the difficulties for the United Kingdom, and he understood the problem of the cost of ten stations. But he did not think that the difficulty would be overcome unless we accepted more than five stations. Clearly not all these could be in the United Kingdom: perhaps one might be in Hong Kong (though he acknowledged a comment that this might offend China), and other possibilities were in Australia or New Zealand if their Governments agreed. He did not think that the suggestion made by Sir Michael Palliser that the number of stations should be proportionate to land mass was negotiable. But if progress could not be made in the next round of talks,

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starting on 4th June, there would be an increasing risk that the trilateral talks might not be concluded before the NPT Review Conference. At the Summit the United States would press the Soviet Union to abandon their position that all technical issues should be held up until the NSS problem was resolved and suggest instead that all the remaining questions might be discussed in parallel. In response to a question from PUS Mr Vance said that the Treaty would remain a comprehensive one rather than a threshold Treaty: it would be acceptable in terms of stockpile reliability, and to the Joint Chiefs, provided the duration was three years.

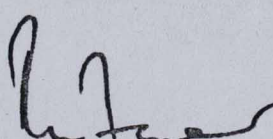
ANTI SATELLITE WARFARE NEGOTIATIONS

12. Mr Vance said that the Administration aimed to achieve an agreement of some kind as a companion to SALT at the Summit. Progress had been made in negotiations, and the Soviet Union had accepted the principle of a limited moratorium on further testing. The Joint Chiefs would like to continue with laser beam experiments, but the Administration did not favour this.

ARMS SALES TO CHINA

13. Mr Vance said that the Administration was opposed to proposals for arms sales to China being submitted through the COCOM machinery. It was their policy to keep a balance in their relations with the Soviet Union and China, and they would be placed in difficulty if they were forced into a position of public acquiescence in sales to China as they would be if the COCOM procedure were used. We should not put proposals through COCOM if we did not wish to risk a US veto. DUS(P) said that some of our allies, notably the Germans, took the opposite view. Mr Vance said that he would speak to Herr Genscher about the problem.

14. The meeting ended at 4.45 pm.


Secretary of State's Office

30th May 1979

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DISTRIBUTION:

~~B G Cartledge Esq~~
PS/Prime Minister

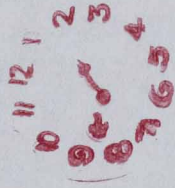
G G H Walden Esq
PS/Foreign & Commonwealth Secretary

M J Vile Esq
PS/Secretary of the Cabinet

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30 MAY 1979



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10 DOWNING STREET

From the Private Secretary

23 May 1979

Dear George,

Prime Minister's discussion with the US Secretary of State, Mr. Cyrus Vance, at 10 Downing Street on
23 May 1979

As you know, Cyrus Vance called on the Prime Minister at No. 10 this morning at 1000. He was accompanied only by the American Ambassador. The Foreign and Commonwealth Secretary and the Lord Privy Seal were present for the discussion.

I enclose copies of my note of the Prime Minister's conversation with Mr. Vance. I have recorded that part of the discussion which concerned nuclear matters separately from that part which concerned other international issues, since you may wish to give the former a more restricted distribution.

I should, in any case, be grateful if you and the other recipients of this letter would ensure that the distribution of these records is confined to those Ministers and senior officials directly concerned with the subject matter; and if their circulation could be limited to the minimum which is essential for operational requirements.

I am sending copies of this letter and enclosures to Roger Facer (Ministry of Defence) and Martin Vile (Cabinet Office).

Yours ever,
G.G.H. Walden

G.G.H. Walden, Esq.,
Foreign and Commonwealth Office.

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Rhodesia (Sit'n)
Middle East (Sit'n)
Iran (Sit'n)
Turkey (Economic Sit'n)

NOTE OF THE PRIME MINISTER'S DISCUSSION WITH THE US SECRETARY OF STATE, MR. CYRUS VANCE, AT 10 DOWNING STREET on 23 MAY 1979 AT 1000 HOURS

Present:

The Prime Minister	Mr. Cyrus Vance
The Foreign and Commonwealth Secretary	H.E. The U.S. Ambassador
The Lord Privy Seal	
Mr. B.G. Cartledge	

Rhodesia

The Foreign and Commonwealth Secretary explained the respective roles of the three emissaries whom the Government were sending to Southern Africa in the near future - Mr. Luce for discussions on Namibia, a political emissary to have discussions with the Front Line Presidents and others and a senior FCO official to maintain contact with Bishop Muzorewa in Salisbury. Lord Carrington explained that it might be necessary for the political emissary to have discussions with Mr. Mugabe and Mr. Nkomo as well as with some of the Front Line Presidents and that he might pay subsequent visits to Salisbury and South Africa. The emissary would be leaving on this mission as soon as possible. The Prime Minister commented that if these discussions did not succeed in moderating African positions, some alternative approach would have to be devised in advance of the meeting of Commonwealth Heads of Government in Lusaka: her concern was that African attitudes might freeze if the momentum were not sustained. It was essential to secure the maximum possible recognition for a Rhodesian regime since that country held the key to the whole Southern African region. The Prime Minister thought that Mozambique would welcome a settlement but acknowledged that President Nyerere would be difficult. Lord Carrington commented that President Kaunda would almost certainly be difficult as well.

/s/ Mr. Vance

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Mr. Vance told the Prime Minister that the United States Ambassador in Dar Es Salaam had called on President Nyerere on 22 May. President Nyerere had expressed the view that it would be possible for some kind of negotiation to be arranged; but he remained very fearful of recognition of the Muzorewa regime. President Nyerere had not excluded the possibility of playing a helpful role in negotiations and had mentioned the need for some revision of the new Rhodesian constitution. President Nyerere had acknowledged that Bishop Muzorewa did have a Government. The American Ambassador's impression had been that there was now slightly more flexibility in the Tanzanian approach. Lord Carrington said that the deputation of Commonwealth High Commissioners who had called on him earlier in the morning had dismissed the Rhodesian elections as irrelevant and had criticised the constitution. He had taken the line that the elections had in fact transformed the situation. His own view, however, was that there was some force in the criticisms which had been made of the constitution, which did entrench white control in a number of important areas. Lord Carrington went on to say that if the provisions of the constitution posed a real problem, the Commonwealth African leaders should go to see Bishop Muzorewa themselves and take the matter up with him in order to persuade him to make the necessary changes. The Prime Minister asked whether Bishop Muzorewa was talking to Mugabe. Lord Carrington said that he was; they were both from the Shona tribe.

Mr. Vance said that he had been disturbed by the report in that morning's Daily Telegraph to the effect that the United States were opposed to the UK official presence in Salisbury which Lord Carrington had mentioned. It was fully appreciated in the State Department that this did not amount to recognition and he would take an opportunity later in the day to make it clear that the Daily Telegraph report was wholly incorrect.

[The ensuing discussion on SALT and CTB has been recorded separately.]

/ The Middle East

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The Middle East

The Prime Minister asked Mr. Vance what line she could most helpfully take with Mr. Begin when he lunched at No. 10 later in the day. Mr. Vance said that the emphasis should be on persuading Mr. Begin to freeze the number of settlements on the West Bank. The Prime Minister said that she regarded this as a very modest requirement. She was concerned by the way in which Mr. Begin thought in terms of biblical Israel: this was quite illogical, since the original inhabitants of the region had all come from the Russian Steppes - it depended how far back one wished to go for one's argument. Mr. Vance said that, although some of Mr. Begin's colleagues, including Mr. Weizmann, disagreed with his approach to the West Bank issue, his position was deeply rooted in religious and philosophical conviction. If Mr. Begin continued to insist on Israeli sovereignty over the West Bank, there could be no solution. It was essential to make him change his view during the course of the five-year transitional period. Mr. Vance explained that two sets of parallel negotiations would be set in train on the future of the West Bank, one on the establishment of the self-governing authority, in which the Palestinians and perhaps the Jordanians would participate, and one on a peace treaty between Israel and Jordan. Mr. Begin had assured the United States at the time of Camp David that he would not assert Israeli sovereignty over the West Bank during the five-year transitional period; but he had now gone back on his word and this had produced a very damaging reaction. The Prime Minister commented that those who asserted sovereignty over land which had been acquired through hostilities had no leg to stand on when that land was regained by the same means. Mr. Vance agreed.

Mr. Vance went on to say that the essential objective was self-determination for the West Bank in a form agreed by its neighbours and endorsed by the popular vote of the inhabitants. It was clear that Israel would not agree to full self-determination now; but he thought that the objective might be obtained by leading up to it gradually during the transitional period. The Prime Minister said that it was clear that the West Bank could not be a viable entity by itself and, also, that it could become a nest of subversion. Could a solution be devised which was

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acceptable to Syria, Jordan and Israel? Mr. Vance said that he thought this was possible and that the process of negotiation would inevitably produce a limited range of options, falling short of full self-determination. The two most obvious were that the people of the West Bank would choose to keep the status quo resulting from the establishment of the self-governing authority; or that they would enter a Federation or Confederation with Jordan (or, theoretically, with Israel although this was not a practical possibility). These options would, however, be recognised as such only as a result of the process of hard discussion and argument. The negotiations on the self-governing authority would take at least a year and it was already clear that Mr. Begin would be very difficult on the issue of powers and responsibilities, as well as on land tenure and water rights. Once the self-governing authority had been established, it would be possible for negotiations to begin on the longer term issues. The timescale, therefore, was quite a long one of at least six years.

The Lord Privy Seal asked whether Israel might not be more ready to enter the negotiations if their preferred solution were not excluded at the outset; it was clear that a Palestinian State joined to Jordan would constitute a stronger entity and consequently a greater threat to Israel. Mr. Vance said that he thought that confederation with Jordan would be the best outcome in practical terms and that King Hussein would be willing to accept this. Lord Carrington asked whether it would be possible to restrain the moderate Arab States for as long as six years without the achievement of a comprehensive settlement. Mr. Vance said that he thought this would be possible, provided that negotiations were seen to be continuing and progress seen to be made, if slowly. The essential was to built up trust and confidence, hence the importance of the settlements issue. Lord Carrington mentioned the possibility of a declaration by the Nine designed to put more pressure on Mr. Begin.

The Prime Minister said that in the last resort Israel could not exist without Western help and presumably depended on the United States for her oil supplies. Mr. Vance said that the US had agreed to supply Israel with oil for 15 years if other sources of supply failed; but President Sadat, against the ^{of} opposition of his Prime

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/ Minister

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Minister, had agreed to supply Israel with Egypt's surplus oil and the American undertaking was therefore only a reinsurance.

The Prime Minister commented that Mr. Begin had achieved a good deal by separating the strongest Arab state from the others, hence his present euphoric mood. Mr. Vance agreed that Syria and Jordan would not launch a major attack on Israel without Egyptian help. The Prime Minister said that this improvement in Israel's position would only last for as long as President Sadat remained in power; but all the other Arabs were, literally, gunning for him. Mr. Vance agreed and said that President Sadat needed all the help the West could give him. Lord Carrington said that it was essential to re-assure the moderate Arabs that the West wished to see a comprehensive settlement. Mr. Vance said that he was always careful to emphasise this.

Iran

Mr. Vance told the Prime Minister that the Iranian acting Foreign Minister, Mr. Yazdi, had summoned the US Charge d'Affaires on the previous day to make representations about the report produced by the US Senate against the continuing executions in Iran. Mr. Yazdi had been careful to emphasise that the Iranian Government drew a distinction between the Senate and the US President and had said that Iran wished to continue to develop good relations with the United States. Mr. Vance said that the problems in Iran stemmed from the existence of two Governments, that of Prime Minister Bazargan and the revolutionary committees under the Ayatollah Khomeini and his mullahs. Bazargan knew very well that he needed the help of the West whereas the Ayatollah was prone to fly off at tangents. In answer to the Prime Minister's question, Mr. Vance said that the Ayatollah was in control of his own religious hierarchy but that there were a number of Maoist and PLO splinter groups which could constitute a danger if Bazargan failed to establish his Government's control over the country. However, opposition was building up within the Islamic movement to the Ayatollah Khomeini's excessive interference in political matters. Mr. Vance said that the United States would continue to maintain its presence in Iran - it would be folly to

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pull out - and would adapt a low profile while working towards better relations.

Turkey

Lord Carrington said that Turkey's negotiations with the IMF would reach the crunch during the following week and that the OECD countries would have to give their pledges on financial assistance. Mr. Vance made the point that, although the Turks had so far refused to agree to the IMF's terms, Mr. Ecevit might find it easier to persuade his colleagues to do so if the Western countries had made their financial pledges conditional on this.

The Prime Minister said that the UK's contribution would have to be looked at against the background of a massive quantity of UK exports to Turkey which would never be paid for and consequently amounted to welfare. Mr. Vance agreed that the Turks had made a mess of their economy by expanding too fast, especially in the industrial sector. Turkey nevertheless continued to have great strategic importance. The Prime Minister said that, strategically, Turkey was vital; were the Turks trading on this? Mr. Vance replied that they might be but realised at the same time that they would have to come close to acceptance of the IMF's terms eventually in any case. The Prime Minister said that the West, and the UK, would be obliged to help Turkey, on strategic grounds alone - these must take priority.

Lord Carrington commented that the Turks were very touchy about the accession of Greece to the EEC, for themselves they wished to secure all the advantages of EEC membership without joining or exposing themselves to a Greek veto. The Prime Minister asked whether the Greek Treaty of Accession would have conditions attached to it designed to safeguard Turkey's position. Lord Carrington said that it would not but that it would be important to pay extra attention to the Turks after the Treaty had been signed - consideration might be given to sending an envoy from the EEC.

The discussion ended at 1100.

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23 May 1979

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Defence (SALT) /

NOTE OF PART OF A DISCUSSION BETWEEN THE PRIME MINISTER AND
THE U.S. SECRETARY OF STATE, MR. CYRUS VANCE, AT 10 DOWNING
STREET ON 23 MAY 1979 AT 10.00 A.M.

Present:

The Prime Minister	Mr. Cyrus Vance
The Foreign and Commonwealth Secretary	His Excellency the American Ambassador
The Lord Privy Seal	
Mr. B. G. Cartledge	

* * * * *

SALT 2

The Prime Minister asked Mr. Vance about the non-circumvention provisions in SALT 2, which seemed to her unusual and presumably went beyond the implied terms of non-circumvention. She also asked Mr. Vance to confirm that the protocol to SALT 2, covering ground-launched cruise missiles (GLCMs) and sea-launched cruise missiles (SLCMs) would come to an end in 1981. Mr. Vance confirmed that this was the case and said that President Carter would stress publicly that the protocol would not be extended, and that it could not continue without reference back to Congress. The Prime Minister said that if there was no question of extending the protocol in order to prevent the Soviet Union from improving the weapons systems covered by it, there should therefore be no constraints on the acquisition by the UK of the technology we needed. The Prime Minister said that she had, however, noted Mr. Vance's reference to the possibility of coming back to Congress on the question of extending the protocol; this implied that extension might be possible. Mr. Vance explained that although it was a constitutional fact that the protocol could not be extended without Congressional assent, this certainly did not mean that the Administration would go back to Congress with a request for extension.

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/ Mr. Vance

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Mr. Vance went on to say that he agreed with the Prime Minister that the Soviet Union was engaged in a considerable programme of improvement to its weapons systems. The US response to this was to strengthen all three legs of its strategic triad. So far as ground-launched missiles were concerned, the Americans were developing the MX system and the mobile basing mode. For sea-launched systems, the Americans were going ahead faster with the Trident 1 missile and the Trident 1 submarine; in addition, forward planning and purchasing was well advanced for the Trident 2 system. In the air, the Americans were developing their air-launched cruise missiles (ALCMs) and increasing their range. This all added up to a \$30 billion programme and it would be difficult to persuade the US taxpayer that, SALT 2 notwithstanding, expenditure of this order was necessary.

Lord Carrington said that it would be very helpful from the point of view of UK public opinion if Mr. Vance could lay emphasis on the US modernisation programme when he spoke to the Press. Misgivings in the UK about SALT 2 were not related to the actual provisions of the treaty - of which very few people were aware - but to the psychological climate which some people thought might be created by the treaty and which might inhibit the kind of modernisation effort which Mr. Vance had described. Mr. Vance fully accepted this and said that he would speak to the Press accordingly later in the day.

The Prime Minister said that her understanding was that the limitations on GLCMs and SLCMs imposed by the protocol to SALT 2 meant that the UK could not acquire this technology from the United States. Mr. Vance said that this was not necessarily the case. Systems on which a numerical limitation was imposed were not necessarily excluded from technological transfer. The inclusion of the word "necessarily" in the protocol was needed in order to prevent the non-circumvention

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provisions from being meaningless: but, in practice, this formulation would create no impediment or problem so far as the transfer of GLCM and SLCM technology was concerned. Mr. Vance pointed out that the non-circumvention provisions now constituted a clause in the treaty itself. He described the negotiating history which lay behind this. The Prime Minister asked whether technology transfer could take place even while the protocol remained in force. Mr. Vance said that it could and pointed out that the protocol formed part of the SALT 2 treaty. In addition to these two documents, there would also be an exchange of letters on the Backfire problem and a document entitled "Common Understandings" which would be designed to establish authoritative, agreed interpretations of the treaty and thereby avoid the ambiguities which had surrounded SALT 1.

The Prime Minister said that she understood that SS 16s would now be ruled out but that it would be possible to convert the SS 20 into an intercontinental missile by adding to it a third stage. Mr. Vance said that he thought that any attempt by the Soviet Union to cheat in this way would be readily detected.

CTB

Turning to the Comprehensive Test Ban treaty, the Prime Minister said that she was very worried about the possibility that the Soviet Union could decouple nuclear tests of up to 10 kt by conducting the explosions in underground caverns and that they could also conduct tests up to this level during periods of seismic disturbance, thereby escaping detection. The Prime Minister said that she believed that tests of up to 10 kt should therefore be excluded from the provisions of a CTB treaty so that stockpile testing could continue satisfactorily. The Prime Minister went on to say that she was

/ also concerned

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also concerned about the possibility that the Soviet Union would make elaborate preparations, towards the end of the treaty period, for a comprehensive testing programme so that this could be carried out as soon as the treaty expired.

Mr. Vance replied that these concerns were not shared by the scientific community, at least in the US. American scientists believed that the planned installation of 10 seismic stations on Soviet territory would pick up evidence of any significant Soviet testing programme. American scientists were also confident that it was not necessary to conduct proof testing of the nuclear stockpile during the three-year period covered by the treaty. The US military were also now prepared to accept this. The United States would keep her testing laboratories fully operational so that stockpile testing could be resumed as soon as the three-year period was over. On the question of decoupling, Mr. Vance said that there were also differences of view between scientists. Mr. Vance said that if the treaty were to suffer from the defects which the Prime Minister had mentioned, President Carter certainly would not sign it. Mr. Vance went on to suggest that it might be helpful if US scientists could get together with their UK counterparts to discuss these matters.

Lord Carrington mentioned the problem which had arisen over Soviet insistence that the UK, like the US and the Soviet Union, should provide 10 national seismic stations (NSS). Since everybody knew that the UK had no intention of conducting nuclear tests on UK territory or UK dependent territory, these very costly installations would be impossible to defend politically. The Prime Minister asked about Soviet motives in sticking out for 10 UK NSS; there was clearly more to it than mere reciprocity.

/ Mr. Vance

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Mr. Vance expressed the view that the Soviet Union might budge from its insistence on 10 NSS for the UK but thought that they would not agree to less than five. Lord Carrington suggested that the criterion for the number of NSS for which each signatory would be responsible might be that of land mass area. Mr. Vance commented that on this basis the UK would be entitled to only half of an NSS. He said that the United States would argue, at the forthcoming US/Soviet Summit, that the NSS issue should be de-linked from all the other verification issues in the treaty negotiations. The Prime Minister asked whether the Russians had perhaps got cold feet about concluding the treaty. Lord Carrington said that the difficulties they were creating seemed to stem primarily from their bureaucratic methods and general awkwardness.

B.M.

23 May 1979

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PRIME MINISTER

Your discussions with Mr. Vance on 23 May
at 1000

*Yes
not*

May I confirm that you would like Lord Carrington to be present when you see Mr. Vance tomorrow morning?

A

Not present at review

I attach immediately below a minute by Sir John Hunt summarising his talks in Washington last week with Dr. Brzezinski. I think you would find it useful to read this before you see Mr. Vance.

B

You asked for a supplementary brief on Namibia, summarising the provisions of the proposals agreed by the Five and the subsequent variations on them by the U.N.. I attach this material below.

Gen.

22 May 1979

*p.c.
Gen
23/5*

Copies on
S. Africa
(Namibia)
May 79

~~RESTRICTED~~
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Mr Wall

ADDITIONAL MATERIAL ON NAMIBIA FOR THE PRIME MINISTER

1. I attach:

- a) a very brief summary of the main provisions of the proposal;
- b) a short note outlining the two issues which Dr Waldheim covered in paragraphs 11 and 12 of his report of 26 February, ie the monitoring of SWAPO forces outside Namibia, and the restriction of SWAPO forces inside Namibia.

22 May 1979

David Bernstein

D S Bernstein
Southern African Department

R. Galton

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THE FIVE POWER PROPOSAL

1. On 10 April 1978, the Five powers transmitted to the Security Council their Proposal for a settlement in Namibia. The main provisions of the Proposal are:

- i) The holding of elections for the whole of Namibia as one political entity to elect representatives to a constituent assembly which will draw up an independence constitution; authority would then be assumed by the Government of Namibia by 1978.
- ii) The appointment by the UN Secretary-General of a Special Representative whose main task will be to ensure a fully impartial electoral process and to ensure that the provisions of the settlement are observed by all parties.
- iii) *under?* The setting up of a UN transition assistance group ^(UNTAG) made up of military and civilian components to assist the special representative.
- iv) The cessation of hostile acts by all parties and the restriction of South African and SWAPO armed forces to base. All aspects of the ceasefire will be supervised by UN personnel.
- v) The phased withdrawal of all but 1500 South African troops.
- vi) The demobilisation of citizen forces, commando and ethnic forces.
- vii) Primary responsibility for the maintenance of law and order during the transition period will rest with the existing police forces. They

/will



will be accompanied as appropriate by UN personnel. Provision is also made for the repeal of all discriminatory or restrictive laws; the release of all Namibian political prisoners or political detainees held by the South African authorities, and the return of all Namibians outside the territory.



THE UN SECRETARY-GENERAL'S REPORT OF 26 FEBRUARY

1. The Secretary-General's Special Representative, Mr Ahtisaari, travelled to Southern Africa in January and February this year. His consultations with the parties involved revealed substantial differences of interpretation of one aspect of provision (iv) of the Proposal, namely the arrangements for the restriction to base of SWAPO armed forces. In his report of 26 February, Dr Waldheim attempted to provide compromise solutions to the two main difficulties on this point which are:

- (i) whether SWAPO armed forces in Namibia at the time of the ceasefire should remain there under UN monitoring;
- (ii) how the restriction of SWAPO to bases in Angola and Zambia was to be monitored.

His suggestions are set out in paragraphs 11 and 12 of the report - in brief; that SWAPO forces inside Namibia at the ceasefire date should be collected at designated locations chosen by the Special Representative, where they would be monitored by UNTAG; and that although UNTAG would not monitor SWAPO bases in Angola and Zambia, all SWAPO armed forces in those countries would be restricted to base and that Angola and Zambia have given "repeated assurances" that they will ensure to the best of their abilities that the provisions of the settlement (including the ceasefire) would be adhered to.

2. These suggestions were worked out in consultation with the Five in order to remove an ambiguity and lack of precision in the original Proposal which provides ^{for} "monitoring of both South African and SWAPO troop restriction" by UNTAG, but does not state where the bases to be monitored are located.

3. Since no provision is made for UNTAG monitoring outside Namibia, the provision implies that some SWAPO troop restrictions are to be inside Namibia. This would be consistent with the need to make some arrangement for dealing with SWAPO armed forces inside Namibia at the time of the ceasefire. The South Africans, however,

/argue



argue that there are no SWAPO bases established inside the territory, and that therefore the "restriction to base" of SWAPO forces should not take place inside Namibia. From this position, they contend that UN monitoring of SWAPO bases must take place in neighbouring states. They consider Dr Waldheim's report of 26 February to contain deviations from the original proposal.

4. The Five and the UN have replied to the South African claims by pointing out that the absence of an agreement by the Front Line States to UN monitoring in their countries was conveyed to the South Africans during the negotiations and drafting of the proposal. It was for this reason that the references to monitoring of SWAPO bases outside Namibia did not include mention of a UN presence. They have also pointed out that the South Africans agreed in January, after negotiation with the UN, to a document which envisaged the establishment of SWAPO bases in Namibia.



Foreign and Commonwealth Office

London SW1A 2AH

22 May 1979

Dear Bryan,

Lord Carrington's Talks with Mr Vance

*Prime Minister has seen
BGM
23/5*

You may like a short summary of yesterday's discussions between Lord Carrington and Mr Vance. This concentrates on those subjects which Mr Vance has said he would like to raise with Mrs Thatcher (my letter of 18 May).

Defence and Arms Control

Mr Vance said that, although the US was bound to be in an adversary relationship with the Soviet Union, it remained vitally important to secure real restraint on the use of nuclear weapons. The Administration hoped to secure ratification of the SALT II agreement by the Senate in October although they realised it would be a tough struggle. He expressed his gratitude for the British statement which had been very helpful. He hoped that the forthcoming NATO Foreign Ministers meeting would express support for the treaty.

Meanwhile the Americans would need to take decisions on improving their own strategic nuclear forces. The most likely option would be the introduction of a new ICBM which would be mobile, probably deployed on rails in specially constructed trenches.

Mr Vance stressed the Administration's determination to follow up the successful negotiation and, they hoped, ratification of a SALT II Treaty by a searching examination with America's European allies of the preparations for the next stage of SALT. At the Vienna meeting on SALT II the main discussions between Mr Carter and Mr Brezhnev would also include further arms control measures, international issues and US-USSR bilateral relations. It was possible that an agreement on anti-satellite warfare might be reached.

When Lord Carrington mentioned our specific interest in the wording on transfer of nuclear technology, Mr Vance assured him that the Americans did not see the terms of the SALT II Treaty as limiting in any way US ability to press ahead with UK/US co-operation. He subsequently repeated that assurance very firmly in private conversation with Lord Carrington.

On TNF modernisation Lord Carrington said that it was important for European countries to sort out their own priorities in close consultation with the US. Mr Vance agreed that we must have a decision on this by the end of the year.

Mr Vance said that the Administration would prefer to get SALT II out of the way before sending any comprehensive Test Ban Treaty to Congress. He attached importance, however, to concluding the present trilateral discussions before the NPT Review Conference next year. Lord Carrington expressed his concern at the ridiculous

/ Soviet

B G Cartledge Esq



Soviet demands that Britain should build 10 National Seismic Stations and asked Mr Vance whether he thought the Soviet Union could be persuaded to drop this ultimatum and whether he thought that it would be feasible for the UK to cease to participate in the separate verification agreement, while signing the Treaty itself. Mr Vance said the Americans would do what they could to help but that he could not honestly see the Russians settling for less than 5 or 6 NSS, and he did not see how the UK could cease to take part in the verification agreement. But one or two ideas were thrown out for feasible ways of getting round this difficulty, which we are following up.

On MBFR Mr Vance mentioned the recent Soviet bilateral contacts which suggested some Eastern movement on Phase I data. He assured Lord Carrington that the Administration had no intention of pursuing this without full consultation with the allies but they thought it right to probe Soviet intentions.

Rhodesia

Lord Carrington explained to Mr Vance that the Government had committed themselves in the Manifesto to return Rhodesia to legality if we were satisfied that the six principles had been fulfilled. There was no timescale set down, but we were bound to honour our commitment. We were under considerable political pressure to move quickly. He saw no prospect whatever of renewing sanctions in November.

Mr Vance explained the difficulties the Americans were in as a result of the Case-Javits Amendment. The President was obliged to make a determination whether the regime had met two essential conditions - free and fair elections and readiness to take part in an all-party conference - not later than two weeks after the installation of the new Rhodesian government. A positive determination would lead to the lifting of sanctions. The danger of this course was that (a) it would be regarded by many in the non-aligned world as aligning the US with South Africa against black Africa; and (b) it would increase the opportunities for Soviet and Cuban penetration. The Americans were working along the lines of a statement saying that sanctions would be lifted provided certain specific conditions were met, e.g. willingness to amend the Constitution; to attend all-party talks; and to submit any revisions of the Constitution to a new test of acceptability. After some discussion, in which the Americans stressed the political pressure which they also were under domestically, our side suggested that it might be better for the President to make his determination without spelling out the conditions in too specific terms.

A group of officials then pursued the subject further while Mr Vance and Lord Carrington turned to other subjects. The officials reported that the President's determination might acknowledge that the elections in Rhodesia were a significant advance; that they did not however fully fulfil the Case-Javits criteria; that the President would keep the question under close review and report back to Congress after 6 months; and that in the meantime the US Administration would hope to see an attempt to reach an accommodation with the external parties, some de-escalation in the fighting and further advance towards true

/democracy.



democracy. Mr Vance doubted whether an imprecise statement of this kind would satisfy Congressional opinion. He wanted more time to think. He and Lord Carrington agreed to meet again on Wednesday, following the meeting with the Prime Minister, to continue their discussion.

Arab-Israel

Mr Vance stressed that the US believed a comprehensive peace, incorporating a resolution of the Palestinian question in all its aspects, was essential. At the moment the question of Israeli settlements was the most emotive issue. It was important to put pressure on Mr Begin to agree to freeze further settlements during negotiations.

Lord Carrington told Mr Vance that the Nine had decided at Cahors to ask him to tell the Americans of the Nine's concern about Mr Begin's position and to ask whether a statement, worked out by the Political Directors, would be helpful. Mr Vance welcomed this, provided it was made clear that the Nine supported the peace process, working towards the essential goal of a comprehensive peace, and that it clearly pointed to the crucial importance of the settlement issue. Lord Carrington and Mr Vance agreed to pursue the question further when they next meet for the NATO Ministerial meeting in the Hague (on 30 and 31 May) during the usual Quadripartite Dinner the first evening. After further discussion, which also embraced the problems of UNIFIL in Southern Lebanon, Lord Carrington agreed to pass on to the Prime Minister an earnest request from Mr Vance that she should, when she meets Mr Begin on 23 May, press him hard on the settlement question and also urge him to bring Major Haddad under control, since failure to do so could lead to withdrawal of UNIFIL and further chaos in Lebanon.

Agenda for the Tokyo Economic Summit

Mr Vance welcomed the emphasis which had been placed in the preparatory talks on the need to focus the attention of the Economic Summit on three main areas: energy, macro-economic issues and North/South. Although the American record on energy conservation was poor, he welcomed the idea that the Summit might lead to agreement on a conservation programme and a subsequent increase in investment in alternative sources of energy. Lord Carrington pointed out that the energy crises would intensify North/South problems and Mr Vance thought this was the best argument to use with OPEC countries.

Yancey
GGH

G G H Walden

cc Roger Facer (MOD)
Martin Vile (Cabinet Office)

PRIME MINISTER

YOUR TALKS WITH MR. CYRUS VANCE

You will be meeting Mr. Vance first at the American Ambassador's dinner party (1900 for 1930) on Monday 21 May; and again, if you agree with the suggestion which I have put to you separately, at No. 10 on Wednesday 23 May at 1000.

The briefs have purposely been confined to the three important subjects which you and Mr. Vance will wish to discuss in depth, namely SALT and other strategic matters; Rhodesia and other Southern African issues; and the Middle East. Mr. Vance may raise Northern Ireland, and a defensive brief is included in case he does so. A short brief is to follow on the Tokyo Economic Summit.

Lord Carrington mentioned to you today the paper on SALT which he had sent over by Ambassador Gerard Smith, the SALT negotiator. I attach this immediately below, together with the text of a recent speech by Mr. Vance on a number of foreign policy issues and in which I have sidelined the SALT passage.

I also attach, inside the folder at Flag A, the text of the SALT Protocol (we cannot be certain that it is the final text) in which I have sidelined the passage about the transfer of weapons or technology which includes the word "necessarily". You agreed that Lord Carrington might give some indication to Mr. Vance of the reasons for our concern for this passage.

Std.

*Papers
Refer to
Defence:
SALT =
May 79*

*See
Defence
SALT
May 79*

① Would Francis Pym ask Geoffrey Palmer to see me before Wednesday about SALT II

18 May 1979

② Could I have the original Namibia proposals filed by the U.S. and the UN regarding the

SALT PERSPECTIVES
BY
AMBASSADOR GERARD SMITH
AT
THE CONFERENCE ON U.S. SECURITY AND THE SOVIET CHALLENGE
NEW ORLEANS, LOUISIANA
APRIL 20, 1979

*Copied to
Defence: SALT
May 79.*

IT IS MORE THAN SIX YEARS SINCE I HAD RESPONSIBILITIES FOR SALT I NEGOTIATIONS AND I WILL USE THAT AS AN EXCUSE FOR SPARING YOU A LOT OF THE DETAILED ARITHMETIC OF SALT II. THERE HAVE BEEN MANY REPORTS ABOUT SALT IN THE PRESS BUT NO OFFICIAL TEXTS ARE YET AVAILABLE. A FEW ISSUES REMAIN UNRESOLVED -- BUT ENOUGH HAS BEEN NEGOTIATED TO LET US UNDERSTAND THE LIKELY OUTCOME.

RIGHT AT THE START I WOULD STRESS THAT WITH OR WITHOUT SALT WE ARE IN FOR A CONTINUATION OF THE FATEFUL COMPETITION WITH THE SOVIET UNION IN THE FIELD OF STRATEGIC WEAPONS. SINCE THE TIME BEFORE SALT -- ALMOST A DECADE AGO WHEN THE SOVIETS WERE FAR BEHIND -- THEY HAVE BEEN MOUNTING LARGE, BROADLY BASED MISSILE PROGRAMS. WE HAVE ALSO BEEN MODERNIZING OUR FORCES BUT IN THE CASE OF OUR LAND-BASED INTERCONTINENTAL MISSILES, ICBMs, WITH LESS DYNAMISM. DESPITE THIS WE ARE NOT IN AN INFERIOR POSITION. WE LEAD THE SOVIETS IN A NUMBER OF IMPORTANT STRATEGIC AREAS. OUR FORCES ARE MORE SURVIVABLE, RELIABLE AND DIVERSE. BUT EVEN IF SALT II COMES ABOUT, WE PROBABLY WILL HAVE TO GO IN FOR EXTENSIVE IMPROVEMENT MEASURES IF WE ARE TO AVOID IN THE FUTURE A PERCEIVED IMBALANCE BETWEEN SOVIET AND AMERICAN STRATEGIC FORCES. THE BASIC QUESTION IS -- CAN WE

IMPROVE OUR STRATEGIC POSITION WITH LESS RISK AND COST WITHIN A SALT II FRAMEWORK THAN IN THE ABSENCE OF SALT.

BEFORE CONSIDERING SALT II, LET US LOOK BRIEFLY AT THE EXPERIENCE UNDER SALT I.

THE MAIN PRODUCT WAS THE ANTI-BALLISTIC MISSILE TREATY LIMITING ABM SITES TO TWO FOR EACH NATION. MANY OF US THINK THAT TREATY AVERTED A COSTLY AND ABSURD COMPETITION TO TRY TO BUILD DEFENSIVE BALLISTIC MISSILE SYSTEMS. IN THE LATE 1960'S THERE WERE OUTSPOKEN PROPONENTS FOR DEPLOYING DEFENSIVE MISSILES TO REDUCE DAMAGE WHICH ATTACKING SOVIET MISSILES COULD DO TO OUR POPULATION CENTERS AND TO OUR LAND-BASED OFFENSIVE MISSILES, THE INTERCONTINENTAL BALLISTIC MISSILES. THEN IT WAS REALIZED THAT ANY SUCH DEFENSIVE SYSTEM COULD PROBABLY BE NEUTRALIZED BY THE OTHER SIDE'S SIMPLY DEPLOYING MORE OFFENSIVE MISSILES -- AND TO THE EXTENT THAT AN ABM SYSTEM DID PROMISE TO BE EFFECTIVE, IT COULD BE DESTABILIZING SINCE IT MIGHT LEAD A NATION TO BELIEVE IT COULD ATTACK THE OTHER WHILE EXPECTING TO DEFLECT THE BRUNT OF THE RETALIATION.

I THINK IT IS GENERALLY RECOGNIZED THAT THIS ABM TREATY HAS WORKED. SECRETARY OF DEFENSE BROWN RECENTLY SAID IT HAD CONTRIBUTED GREATLY TO STABILITY. THE SOVIETS DID NOT COMPLETE THE ONE EXISTING SYSTEM WHICH THEY HAVE AROUND MOSCOW. THE LIMIT WAS LATER REDUCED FROM TWO TO

ONE SITE FOR EACH SIDE AND WE LATER DECOMMISSIONED THE ONE SITE WHICH WE HAD BUILT. THE ABM TREATY WAS REVIEWED BY THE PARTIES IN 1977 AND FOUND TO BE EFFECTIVE. IT WILL BE REVIEWED AGAIN IN 1982.

THE SECOND OF THE SALT I AGREEMENTS WAS CALLED AN "INTERIM FREEZE". IT LIMITED THE AGGREGATE NUMBER OF INTERCONTINENTAL AND SUBMARINE BALLISTIC MISSILE LAUNCHERS TO APPROXIMATELY THE NUMBER WHICH THEN WERE IN EXISTENCE OR UNDER CONSTRUCTION. U.S. HEAVY BOMBERS WERE EXCLUDED AND WE HAD SIGNIFICANT LEADS IN WARHEADS AND TECHNOLOGY, BUT THE SOVIETS HAD SUBSTANTIALLY MORE ICBM LAUNCHERS AND WERE PERMITTED TO KEEP THEM UNDER SALT I. THE FREEZE THUS HAD AN APPEARANCE OF STRATEGIC INEQUALITY ALTHOUGH THIS WAS NOT THE CASE IF OUR OTHER STRATEGIC FORCES WERE TAKEN INTO CONSIDERATION. PSYCHOLOGICALLY, THE FREEZE GOT OFF TO A POOR START. AND FOR SOME REASON THERE WAS AN EXPECTATION THAT THE SOVIETS WOULD NOT SUBSTANTIALLY MODERNIZE AND IMPROVE THEIR MISSILE FORCES AS PERMITTED UNDER THE FREEZE, A GREAT EXPECTATION WHICH WAS DISAPPOINTED. I THINK THAT IS A MAJOR FACTOR IN THE NEGATIVE ATTITUDE WHICH A NUMBER OF PEOPLE NOW HAVE TOWARDS SALT II.

ALSO AGREED DURING SALT I WERE TWO ARRANGEMENTS OF SPECIAL SIGNIFICANCE FOR THE PROBLEM OF NUCLEAR ACCIDENTS -- THE AGREEMENT ON MEASURES TO REDUCE THE

RISK OF OUTBREAK OF NUCLEAR WAR AND THE AGREEMENT TO MODERNIZE THE WASHINGTON-MOSCOW HOT LINE. THEY ARE LARGELY FORGOTTEN NOW, BUT THE HOT LINE HAS MORE THAN ONCE PROVED ITS USE IN EMERGENCIES AND THE WAR RISK REDUCTION AGREEMENT COULD BE OF IMPORTANCE IN THE FUTURE.

AS PART OF SALT I, IT WAS AGREED THAT FULFILLMENT OF THE COMMITMENTS WOULD BE MONITORED BY WHAT WERE CALLED "NATIONAL TECHNICAL MEANS OF VERIFICATION", A EUPHEMISM FOR SOME OF THE INTELLIGENCE SYSTEMS OF THE TWO SIDES, INCLUDING SATELLITE PHOTOGRAPHY. THIS PROVISIO, IN EFFECT, LEGITIMIZED THE USE OF INTELLIGENCE SYSTEMS FOR ARMS CONTROL WHICH SEEMED TO ME AN EXTRAORDINARY THING FOR THE SOVIETS TO AGREE TO.

THE TWO SIDES ALSO TOOK COMMITMENTS NOT TO INTERFERE WITH THE OPERATION OF THESE INTELLIGENCE SYSTEMS AND NOT TO CONCEAL FROM THEM THE WEAPONS SYSTEMS LIMITED BY THE AGREEMENTS. THESE "NO INTERFERENCE AND NO CONCEALMENT" UNDERSTANDINGS HAVE BEEN AN IMPORTANT PLUS FOR OUR INTELLIGENCE SYSTEMS. WITH OR WITHOUT SALT WE NEED TO KEEP TRACK OF SOVIET STRATEGIC FORCE DEPLOYMENTS. BUT WITHOUT SALT, THE SOVIETS COULD TAKE ANY CONCEALMENT MEASURES AVAILABLE, THUS MAKING OUR MONITORING TASK HARDER.

THERE WAS ALSO ESTABLISHED BY SALT I A STANDING CONSULTATIVE COMMISSION WHOSE FUNCTION IS TO CONSIDER AMBIGUITIES WHICH MIGHT ARISE AND CLARIFY DOUBTS AS TO

POSSIBLE VIOLATIONS. THIS GROUP HAS MET FREQUENTLY AND HAS OPERATED SUCCESSFULLY. A NUMBER OF AMBIGUITIES HAVE BEEN CLARIFIED. ON SOME OCCASIONS PRACTICES WHICH WERE CONSIDERED INCONSISTENT WITH THE AGREEMENTS HAVE CEASED AND BOTH PRESIDENTS FORD AND CARTER HAVE CERTIFIED THAT THERE HAVE BEEN NO VIOLATIONS OF THE 1972 AGREEMENTS. ALTHOUGH BY ITS TERMS THE "FREEZE" EXPIRED IN 1977, BOTH COUNTRIES HAVE STATED THEY WOULD DO NOTHING CONTRARY TO IT WHILE SALT II NEGOTIATIONS CONTINUE. IN FACT, THE SOVIETS EVEN NOW ARE DECOMMISSIONING SOME BALLISTIC MISSILE SUBMARINES IN ORDER TO STAY UNDER A CEILING CALLED FOR BY THIS FREEZE. THIS SHOWS THAT THE SOVIETS TAKE SALT SERIOUSLY.

I WOULD SAY THAT AMERICAN SECURITY IS BETTER NOW, AFTER ALMOST 7 YEARS OF OPERATING UNDER SALT I, THAN IF THE ABM TREATY AND THE MISSILE FREEZE HAD NOT BEEN APPROVED BY THE CONGRESS IN 1972 AND AN UNLIMITED COMPETITION HAD CONTINUED. WE HAVE GAINED CONFIDENCE THAT CERTAIN COMMITMENTS TAKEN BY THE SOVIET UNION IN STRATEGIC ARMS LIMITATIONS CAN BE VERIFIED. WE ARE APPROACHING SALT II, NOT AS SOMETHING NEW AND UNTRIED, BUT AS A CONTINUATION OF A PROCESS THAT WE HAVE LEARNED TO LIVE WITH AND TO COUNT ON.

THE SALT II NEGOTIATION HAS BEEN GOING ON SINCE

NOVEMBER OF 1972. THE AMERICAN DELEGATION IS MADE UP OF DIPLOMATS, TECHNICIANS, AND OFFICERS OF THE ARMY, NAVY AND AIR FORCE. AT TIMES MEMBERS OF CONGRESS HAVE PARTICIPATED TO GOOD EFFECT AND CONGRESSIONAL COMMITTEES HAVE BEEN KEPT FULLY AND CURRENTLY INFORMED. IT IS MY UNDERSTANDING THAT THE TREATY AND RELATED DOCUMENTS, WHEN AND IF SUBMITTED BY THE PRESIDENT TO THE SENATE FOR ADVICE AND CONSENT, WILL HAVE SUPPORT OF THE JOINT CHIEFS OF STAFF, THE SECRETARY OF DEFENSE AND THE SECRETARY OF STATE.

IT IS REPORTED THAT THE MAIN EFFECTS OF THE AGREEMENTS WOULD BE:

THE TOTAL NUMBER OF STRATEGIC NUCLEAR DELIVERY VEHICLES ON EACH SIDE WOULD BE SUBJECT TO EQUAL CEILINGS -- 2400 AT THE START AND 2250 BY THE END OF 1981.

THE SOVIETS WOULD HAVE TO DISMANTLE SOME 270 LAUNCHERS TO GET UNDER THE CEILING. THE UNITED STATES WOULD NOT HAVE TO DISMANTLE ANY SYSTEMS THAT CURRENTLY ARE OPERATIONAL AND COULD, IN FACT, BUILD OVER TWO HUNDRED ADDITIONAL LAUNCHERS BEFORE REACHING THE CEILING.

THERE WOULD BE EQUAL SUB-CEILINGS ON VARIOUS CATEGORIES OF MISSILES CONTAINING MIRV'S WHICH ARE MULTIPLE WARHEADS THAT CAN TARGET MORE THAN ONE AIM POINT.

EACH SIDE COULD ONLY TEST AND DEPLOY ONE NEW TYPE OF ICBM WHICH CANNOT CONTAIN MORE THAN 10 WARHEADS.

THE NUMBER OF WARHEADS THAT COULD BE PLACED IN EXISTING MISSILES WOULD BE FROZEN AT THE MAXIMUM NUMBER TESTED IN PRESENT MISSILES. THIS LIMIT IS VERY IMPORTANT. IT RESTRICTS THE SOVIETS' ABILITY TO CAPITALIZE ON THEIR LARGER MISSILE THROW-WEIGHT. ONE TYPE OF SOVIET MISSILE, FOR EXAMPLE, WITHOUT THIS CONSTRAINT COULD CONTAIN 30 OR MORE WARHEADS.

TESTING AND DEPLOYMENT OF MOBILE ICBMS WOULD BE PROHIBITED DURING THE FIRST 2 YEARS BUT AFTER THAT WOULD BE PERMITTED UNDER THE TREATY.

THERE WOULD BE A NUMBER OF ADDITIONAL LIMITATIONS ON THE SIZE OF MISSILES.

THE TREATY WOULD LAPSE AT THE END OF 1985 BUT EITHER SIDE COULD TERMINATE IT SOONER ON GIVING 6 MONTHS' NOTICE.

IN SUM, SALT II WOULD -- FOR THE FIRST TIME -- PLACE LIMITS ON ALL TYPES OF CENTRAL STRATEGIC SYSTEMS, BOMBERS AS WELL AS BALLISTIC AND CRUISE MISSILES;

FOR THE FIRST TIME IT WOULD PARTIALLY REVERSE THE ARMS COMPETITION IN OFFENSIVE SYSTEMS AND CALL FOR REDUCTION FROM AN EXISTING FORCE LEVEL;

FOR THE FIRST TIME IT WOULD PUT SOME CONSTRAINT ON THE TOTAL NUMBER OF WARHEADS THE SIDES COULD HAVE. IT WOULD NOT SOLVE THE ICBM VULNERABILITY PROBLEM (WHICH I WILL MENTION LATER), BUT IT WOULD PUT FINITE LIMITS ON

THE SIZE OF THE THREAT TO OUR LAND-BASED ICBMs.

FOR THE FIRST TIME IT WOULD PUT RESTRAINTS ON THE COMPETITION TO DEVELOP AND FIELD NEW AND BETTER WEAPONS BY LIMITING EACH SIDE TO TESTING AND DEPLOYING ONLY ONE NEW ICBM BY 1985.

PROponents POINT OUT THAT THESE ARE SIGNIFICANT RESTRAINTS AND THAT IF SALT IS REJECTED, THERE WILL BE A RENEWED OPEN COMPETITION WITH LARGE ADDITIONAL COSTS AS WELL AS INCREASES IN THE RISKS OF ESCALATION AND WAR. IN THE ABSENCE OF SALT II, THE SOVIETS COULD SUBSTANTIALLY INCREASE THEIR FORCES. IT IS ESTIMATED THAT IN THE ABSENCE OF SALT IN 6 YEARS OF AN OPEN COMPETITION THE SOVIETS COULD HAVE AS MANY AS 3,000 STRATEGIC LAUNCHERS AS OPPOSED TO THE SALT LIMIT OF 2,250. THEY COULD ALSO HAVE TWO TO THREE THOUSAND MORE WARHEADS THAN SALT II WOULD ALLOW.

WHAT IS THE CASE AGAINST SALT II? IT IS SAID THAT SALT I DIDN'T STOP THE SOVIETS' STRATEGIC PROGRAMS WHICH MAY SOON BE SUPERIOR TO OUR FORCES, SO WHY AGREE TO SALT II? AND SALT I DID NOT LEAD TO THE EXPECTED RELAXATION OF SOVIET-AMERICAN TENSIONS. DURING THE PAST SIX YEARS THE SOVIETS HAVE ENGAGED IN AN ADVENTURIST FOREIGN POLICY WHICH HAS BEEN DESTRUCTIVE OF A NUMBER OF U.S. AIMS.

I WOULD POINT OUT THAT USEFUL ARMS CONTROL ARRANGE-

MENTS SHOULD NOT BE LIMITED TO TIMES OF SUPERPOWER GOOD BEHAVIOR. THE TREATY PROHIBITING NUCLEAR TESTS IN THE ATMOSPHERE FOLLOWED SHORTLY AFTER THE CUBAN MISSILE CRISIS. SALT I WAS CONCLUDED ONLY A FEW WEEKS AFTER THE U.S. STARTED BOMBING HAIPHONG IN VIETNAM, A COMMUNIST ALLY OF THE USSR.

I WOULD SAY THAT UNDERLYING MOST OF THE OPPOSITION'S ARGUMENTS IS A BELIEF THAT IN AN OPEN COMPETITION NOT LIMITED BY ARMS CONTROL, UNITED STATES SUPERIOR TECHNOLOGY WOULD GIVE US SOME ADVANTAGE. CLAIMS ARE MADE THAT THE EXISTENCE OF THE ARMS CONTROL RELATIONSHIP TENDS TO MODERATE OUR REACTION TO SOVIET BAD BEHAVIOR ABROAD AND THAT SALT II WOULD BE A PSYCHOLOGICAL CONSTRAINT ON MODERNIZATION OF U.S. FORCES.

IT IS SAID THAT THE SALT PROCESS HAS LULLED US INTO INERTIA AND HAS HAD NO SUCH EFFECT ON THE SOVIETS AND IN THE ABSENCE OF AGREED ARMS LIMITATIONS WE WOULD BE MORE KEENLY AWARE THAT WE HAD TO DO MUCH MORE.

CRITICS OF SALT ARE ESPECIALLY CONCERNED ABOUT THE PREDICTED VULNERABILITY OF OUR LAND-BASED BALLISTIC MISSILES, THE ICBM VULNERABILITY PROBLEM. THEY BELIEVE THAT IN A SHORT TIME THE SOVIETS WILL HAVE THE CAPABILITY TO DESTROY ALMOST ALL OF THEM, A THREAT WHICH THEY THINK WILL TEND TO MAKE THE UNITED STATES RELUCTANT TO STAND UP

TO THE SOVIETS IN A CRISIS. I WOULD INJECT HERE THIS THOUGHT -- IF EVER THE SOVIETS WERE TEMPTED TO SUCH A DESPERATE ACT AS ATTACKING OUR ICBMs, THEY WOULD HAVE TO MAKE THE RISKY CALCULATION THAT THE AMERICANS WOULD NEVER FIRE THEIR MISSILES BEFORE SOVIET MISSILES HIT AMERICAN TARGETS. I WONDER. THE SOVIETS WOULD ALSO KNOW THAT IN SUCH AN EVENT THE U.S. WOULD STILL HAVE 5 TO 6 THOUSAND WARHEADS IN THE ALERT BOMBER FORCE AND ON ITS MISSILE SUBMARINES AT SEA. NEVERTHELESS, THIS ICBM VULNERABILITY QUESTION NEEDS MORE ATTENTION. IT CAN BE REMEDIED UNDER SALT LIMITS IF THAT PROVES NECESSARY.

CRITICS ALSO EMPHASIZE THAT THE SOVIETS COULD KEEP SOME 300 LAUNCHERS FOR VERY LARGE BALLISTIC MISSILES NOW IN THEIR FORCE WHILE THE UNITED STATES COULD NOT DEPLOY ANY. ADMITTEDLY, THIS PROVISION WOULD LOOK BETTER IF IT ALLOWED THE UNITED STATES TO BUILD THE SAME NUMBER OF SUCH LAUNCHERS AS THE SOVIETS NOW HAVE. IT SEEMS TO ME THAT THIS CLAUSE WOULD HAVE LITTLE OR NO PRACTICAL EFFECT ON U.S. FORCES DURING THE LIFE OF SALT II. THE U.S. HAS NO USE FOR AND DOES NOT PLAN TO DEPLOY THIS KIND OF MISSILE. AND THE SITUATION WOULD BE EXACTLY THE SAME IF THE TREATY WAS NOT RATIFIED. ON THE SOVIET SIDE THERE WOULD BE SOME 300 VERY LARGE LAUNCHERS* WHILE WE WOULD NOT DEPLOY ANY. NOTHING IN THE TREATY WOULD PREVENT THE

* IF NOT MORE

TESTING OR DEPLOYMENT OF OUR NEW HEAVIER MISSILE, THE MX.

CRITICS ALSO DON'T LIKE THE FACT THAT EFFECTIVE LIMITATIONS WOULD NOT BE PLACED ON A SOVIET BOMBER "BACK-FIRE" WHICH, THOUGH NOT TRULY INTERCONTINENTAL, DOES HAVE SOME CAPABILITY TO STRIKE TARGETS IN THE UNITED STATES. THERE ARE MANY MORE NUCLEAR CAPABLE NATO FIGHTER BOMBERS WHICH CAN STRIKE TARGETS IN THE USSR AND WHICH ALSO WOULD NOT BE SALT LIMITED NOR WOULD THE STRATEGIC FORCES OF THE UK AND FRANCE.

CERTAINLY THERE ARE WEAKNESSES IN OUR STRATEGIC FORCES THAT NEED CORRECTION AND CERTAINLY SALT DOES NOT SOLVE ALL OUR STRATEGIC PROBLEMS. BUT I BELIEVE SALT WOULD MAKE THESE PROBLEMS MORE MANAGEABLE. THE SALT CONSTRAINTS WOULD NOT PROHIBIT ANY U.S. PROGRAMS DESIGNED TO REDUCE OR ELIMINATE PRESENT WEAKNESSES. WHAT MODERNIZATION MEASURES ARE NECESSARY INVOLVES IMPORTANT ISSUES NEEDING ENLIGHTENED DEBATE. BUT A JUDGMENT ABOUT SALT SHOULD NOT DEPEND ON WHETHER ONE FAVORS THESE MEASURES OR NOT. SALT DOES NOT REQUIRE OR PREVENT ANY OF THEM. SECRETARY OF DEFENSE BROWN RECENTLY SAID THAT SALT II WOULD MAKE THE STRATEGIC BALANCE MORE PREDICTABLE AND WOULD PLACE IMPORTANT LIMITS ON THE THREAT WE WILL FACE.

I HAVE A HUNCH THAT SOME SALT CRITICISM REFLECTS THE FRUSTRATING KNOWLEDGE THAT IT IS EASIER TO PERSUADE A THIRD OF THE SENATE TO VOTE NO TO A TREATY THAN IT IS TO

PERSUADE A MAJORITY OF BOTH HOUSE AND SENATE TO VOTE FOR VERY LARGE INCREASES IN DEFENSE BUDGETS FOR YEARS TO COME. BUT THAT HARDLY SEEMS TO WARRANT A NEGATIVE CONCLUSION ABOUT SALT II.

CRITICS BELIEVE THAT THE SOVIETS DO NOT HOLD TO OUR DOCTRINE THAT THE MAIN FUNCTION OF STRATEGIC ARMS IS TO DETER THE OTHER SIDE FROM USING OR THREATENING TO USE ITS STRATEGIC FORCES. THEY SAY THAT THE SOVIETS ARE PLANNING NOT ONLY TO DETER BUT TO FIGHT A NUCLEAR WAR TO A SUCCESSFUL CONCLUSION WITH DAMAGE LIMITED BY THEIR WEAPON SYSTEMS AND BY A LARGE SCALE CIVIL DEFENSE PROGRAM TO PROTECT THEIR PEOPLE. THESE CRITICS FEEL THAT STRATEGIC ARMS CONTROL WILL NOT WORK TO OUR INTEREST IN THE ABSENCE OF ACCEPTANCE BY THE USSR AND THE US OF A COMMON STRATEGIC DOCTRINE. ONLY A FEW CRITICS STRESS, HOWEVER, THAT TO BE CREDIBLE SUCH AN ALLEGED SOVIET STRATEGIC DOCTRINE, IF IMITATED BY THE U.S., WOULD REQUIRE, AMONG OTHER THINGS, A LARGE SCALE AMERICAN CIVIL DEFENSE PROGRAM.

LOOMING BEHIND MUCH OF THE CRITICISM OF THE SALT PACKAGE IS DOUBT ON THE PART OF CRITICS AS TO THE VERIFIABILITY OF COMMITMENTS TO BE TAKEN. THEY FEAR THAT THE SOVIETS WILL VIOLATE THE AGREEMENTS AND STEAL A MARCH ON THE UNITED STATES. I SOMETIMES WONDER HOW SOME CRITICS HAVE REACHED TWO CONCLUSIONS SIMULTANEOUSLY: 1) THAT THE

AGREEMENTS ARE MUCH TOO ADVANTAGEOUS TO THE SOVIETS, AND
2) THAT THE SOVIETS WOULD VIOLATE THEIR TERMS. IF, IN
FACT, THEY WERE TO THE SOVIET ADVANTAGE, WHY WOULD THEY
FAIL TO HONOR THEM?

IN CONSIDERING VERIFICATION, KEEP IN MIND THAT IT DOES
NOT INVOLVE TRUSTING THE SOVIETS. IT DOES INVOLVE CONFI-
DENCE THAT OUR INTELLIGENCE SYSTEMS HAVE PROVED CAPABLE OF
MONITORING PERFORMANCE OF SALT OBLIGATIONS. IN ADDITION,
IN SALT II (BY A PROVISION WHICH IS UNIQUE IN ARMS CONTROL
ARRANGEMENTS) THE SIDES HAVE DISCLOSED THE EXACT COMPOSI-
TION OF THEIR PRESENT STRATEGIC FORCES AND HAVE AGREED TO
UPDATE THIS "DATA BASE" TO REFLECT FUTURE CHANGES. SECRE-
TARY OF DEFENSE BROWN RECENTLY SAID, "WE ARE CONFIDENT
THAT NO SIGNIFICANT VIOLATION OF THE TREATY COULD TAKE
PLACE WITHOUT THE U.S. DETECTING IT." WE WOULD BE ABLE TO
RESPOND WITH APPROPRIATE ACTIONS BEFORE ANY SERIOUS
ADVERSE IMPACT ON THE STRATEGIC BALANCE COULD TAKE PLACE.
THE RELATIVELY SHORT LIFE OF THE TREATY, WHICH WOULD END
IN 1985 AND IN ADDITION COULD BE TERMINATED ON 6 MONTHS'
NOTICE, IS GOOD INSURANCE THAT THE SOVIETS CANNOT GAIN ANY
ADVANTAGE FROM NOT LIVING UP TO ITS PROVISIONS. EVEN SUCH
A TOUGH SALT SCRUTINIZER AS MY FRIEND, PAUL NITZE, TAKES A
SOMEWHAT RELAXED VIEW OF THE MATTER. IN AN ARTICLE IN
FOREIGN AFFAIRS IN 1976 HE WROTE, "I PERSONALLY TAKE THE

VERIFICATION ISSUE LESS SERIOUSLY THAN MOST BECAUSE THE LIMITS ARE SO HIGH THAT WHAT COULD BE GAINED BY CHEATING AGAINST THEM WOULD NOT APPEAR TO BE STRATEGICALLY SIGNIFICANT." BUT THE PRESIDENT HAS ASSURED US THAT HE WILL NOT APPROVE ANY AGREEMENTS THAT CANNOT BE ADEQUATELY VERIFIED. I THINK THAT ASSURANCE CAN BE RELIED ON.

INTELLIGENCE ABOUT SOVIET STRATEGIC ARMS IS A COMBINATION OF KNOWLEDGE ABOUT PRESENT CAPABILITIES AND ESTIMATES ABOUT FUTURE DEVELOPMENTS. SALT HELPS IN BOTH RESPECTS. PRESENT DEPLOYMENTS CAN BE MORE PRECISELY DETERMINED SINCE THE SOVIETS ARE NOT PERMITTED UNDER THE AGREEMENTS TO CONCEAL WEAPONS SYSTEMS WHICH ARE LIMITED AND THEY HAVE AGREED NOT TO INTERFERE WITH OUR NATIONAL MEANS OF VERIFICATION. AS FOR ESTIMATING FUTURE DEPLOYMENTS, THE AGREEMENT SPELLS OUT THE MAXIMUM PERMITTED LEVELS OF THE LIMITED SYSTEMS, THUS SIMPLIFYING SOMEWHAT THE PROBLEM OF PREDICTION OF FUTURE FORCE LEVELS. THE ABSENCE OF THIS "PREDICTABILITY", WHICH WOULD RESULT FROM A SALT REJECTION, WOULD MAKE THE FUTURE STRATEGIC BALANCE MORE UNCERTAIN WHICH WOULD BE DESTABILIZING.

YOU MAY BE WONDERING WHETHER IN THE SOVIET UNION THERE ARE ALSO CRITICS OF SALT. WHILE WE DON'T HEAR THEIR VOICES, I SUSPECT THAT THERE ARE. HERE ARE A FEW POINTS THEY MAY BE MAKING:

1. THE USSR WOULD HAVE TO REDUCE ITS FORCES WHILE THE AMERICANS COULD INCREASE THEIRS.

2. THE AMERICANS WILL HAVE MANY HIGHLY ACCURATE AIR-LAUNCHED CRUISE MISSILES DURING THE LIFE OF THE TREATY AND THE SOVIETS WILL HAVE FEW OR NONE AT ALL.

3. SOVIET SUBMARINES ARE OF LOWER QUALITY AND SOVIET ACCESS TO THE HIGH SEAS IS MUCH MORE CONSTRAINED THAN THE AMERICAN'S. AND THE AMERICANS HAVE FORWARD BASES FOR THEIR MISSILE SUBMARINES IN EUROPE AND THE SOVIETS HAVE NONE.

4. THE SOVIETS HAVE FOUR NUCLEAR ADVERSARIES WITH STRATEGIC FORCES -- THE U.S., THE UK, FRANCE AND CHINA -- AND THE AMERICANS HAVE BUT ONE.

5. THE SOVIETS HAVE AN INFERIOR HEAVY BOMBER FORCE. THE UNITED STATES HAS OVER 300 TRULY INTERCONTINENTAL BOMBERS.

6. THE SOVIETS HAVE NEARLY THREE-QUARTERS OF THEIR WARHEADS IN VULNERABLE ICBMs WHILE THE UNITED STATES HAS NEARLY THREE-QUARTERS OF ITS IN LESS VULNERABLE SYSTEMS -- BOMBERS AND SUBMARINES.

7. THE UNITED STATES CAN COUNT ON MANY HUNDREDS OF NUCLEAR CAPABLE FIGHTER BOMBERS DEPLOYED CLOSE TO THE SOVIET UNION WHICH COULD DESTROY HUNDREDS OF TARGETS IN RUSSIA. THESE SYSTEMS ARE UNLIMITED BY THE AGREEMENT.

THERE IS ANOTHER ANGLE OF CRITICISM COMING FROM SOME LIBERAL POLITICIANS, ACADEMICS AND CHURCH PEOPLE. UNLIKE OUR CONSERVATIVE AND MORE WEAPON ORIENTED CRITICS, THESE CRITICS FIND THE SALT PACKAGE TO BE TOO LITTLE, TOO LOOSE, TOO PERMISSIVE; SOME CALL IT A SHAM. THEY WANT SHARP REDUCTIONS AND TIGHTER CONSTRAINTS ON WEAPONS CHARACTERISTICS. BUT SALT II WOULD INCLUDE UNPRECEDENTED AND SIGNIFICANT QUALITATIVE AND QUANTITATIVE CONSTRAINTS. SOMETIMES SUCH CRITICS REMIND ONE OF AESOP'S WRY REMARK, "IT IS EASY TO PROPOSE IMPOSSIBLE SOLUTIONS."

I HAVE NOT ATTEMPTED A COMPREHENSIVE SURVEY OF CRITICISMS OF THE SALT PACKAGE, BUT I THINK THESE WILL GIVE YOU AN IDEA OF WHAT IS TROUBLESOME TO SALT OPPONENTS.

THERE ARE SEVERAL OTHER IMPORTANT CONSIDERATIONS TO HAVE IN MIND BEFORE DRAWING CONCLUSIONS.

MY RESPONSIBILITIES ARE NOW IN THE FIELD OF NON-PROLIFERATION -- TO TRY TO CONTROL THE SPREAD OF NUCLEAR WEAPONS AROUND THE WORLD. THIS IS CALLED HORIZONTAL PROLIFERATION, AS OPPOSED TO VERTICAL, WHICH REFERS TO THE BUILD-UP BY THE 2 SUPERPOWERS OF THEIR NUCLEAR FORCES.

TO MY MIND THE THREAT TO AMERICAN SECURITY FROM HORIZONTAL PROLIFERATION IS SUBSTANTIALLY GREATER THAN THAT PRESENTED BY THE CONTINUING IMPROVEMENT IN SOVIET FORCES. IMAGINE THE INSTABILITIES THAT WOULD BE CREATED

IF AND WHEN MORE NATIONS HAVE NUCLEAR WEAPONS OR EVEN A WEAPONS POTENTIAL. THIS IS NO EMPTY ANXIETY. RECENTLY WE READ REPORTS THAT PAKISTAN APPEARS HEADED IN THAT DIRECTION. IT IS NOT DIFFICULT TO THINK OF OTHER AREAS IN THE WORLD WHERE -- CONTINUING TO CARRY OUT TRADITIONAL RIVALRIES WILL BE MUCH MORE DANGEROUS WITH NUCLEAR WEAPONS PRESENT. A KEY COUNTRY FOR OUR NONPROLIFERATION EFFORTS IS INDIA WHICH EXPLODED A NUCLEAR DEVICE 5 YEARS AGO. ONE CAN HARDLY EXPECT INDIA FORMALLY TO GIVE UP A WEAPONS OPTION IF THERE IS LITTLE PROSPECT THAT THE SUPERPOWERS ARE GOING TO AGREE TO PUT THEIR NUCLEAR WEAPONS UNDER SOME CONSTRAINTS.

ONE OF THE MAIN INSTRUMENTS TO CONTAIN THE SPREAD OF NUCLEAR WEAPONS IS THE NON-PROLIFERATION TREATY WHICH HAS BEEN IN FORCE FOR ALMOST TEN YEARS. OVER 100 COUNTRIES HAVE TAKEN COMMITMENTS NOT TO GO FOR NUCLEAR WEAPONS. BUT THERE IS A BASIC BARGAIN EMBEDDED IN THIS TREATY. THOSE NON-WEAPONS COUNTRIES' COMMITMENTS ARE EXPRESSLY CONTINGENT ON SOVIET AND AMERICAN PROGRESS IN CONTROLLING THEIR NUCLEAR ARMS. IF THE EFFORTS TO THIS END OF THE LAST SIX YEARS ARE REJECTED BY THE SENATE, THE INTEGRITY OF THIS ESSENTIAL NON-PROLIFERATION TREATY WILL BE CAST INTO DOUBT AND OUR TASK OF TRYING TO CONTROL PROLIFERATION WILL BE SUBSTANTIALLY INCREASED. THAT, TO MY MIND, IS A VERY IMPORTANT REASON FOR GETTING ON WITH SALT II. I WAS GLAD TO SEE A

RECENT PRESS REPORT THAT THE PRESIDENT HAD STRESSED THIS IMPORTANT ASPECT OF SALT.

IF SALT II IS REJECTED, THE CONTINUANCE OF THE ABM TREATY COULD BE IN DOUBT AND WE COULD ONCE AGAIN FACE A RACE TO DEPLOY DEFENSIVE MISSILE SYSTEMS. WHEN, IN 1972, THE FIRST SALT AGREEMENTS WERE PRESENTED TO THE CONGRESS, THEY INCLUDED THE STATEMENT WHICH I HAD MADE TO THE SOVIETS AT THE DIRECTION OF PRESIDENT NIXON THAT IF A SALT II TREATY LIMITING OFFENSIVE FORCES TO MATCH THE ABM TREATY WAS NOT REACHED, THAT COULD CONSTITUTE A JUSTIFIABLE CAUSE FOR ABROGATION OF THE ABM TREATY. IF SALT II IS REJECTED, THERE WILL BE CALLS FOR TERMINATING THE ABM TREATY -- ESPECIALLY FROM THOSE CONCERNED WITH THE DEFENSE OF OUR INCREASINGLY VULNERABLE ICBMs. IN FACT, ONE GROUP OF SALT OPPONENTS HAS ALREADY PROPOSED ABROGATION OF THIS TREATY. AND THE USSR COULD TAKE THE SAME POSITION THAT WE HAD RESERVED FOR OURSELVES IN 1972. WHETHER THE ABM TREATY SURVIVED OR NOT WOULD THEN BE ENTIRELY UP TO THE SOVIETS -- WHO FACE NUCLEAR THREATS FROM THE THREE SMALLER NUCLEAR POWERS FOR WHICH ABMs MIGHT BE EFFECTIVE.

IF THE ABM TREATY IS LOST, WE WOULD AGAIN BE IN AN UNLIMITED STRATEGIC COMPETITION IN WHICH THE SOVIETS WOULD NO LONGER BE COMMITTED NOT TO INTERFERE WITH OUR TECHNICAL MEANS OF VERIFICATION AND NOT TO CONCEAL THEIR LAUNCHERS.

GONE ALSO WOULD BE THE S.C.C. CONSULTING MECHANISM WHICH HAS WORKED WELL TO CLEAR UP AMBIGUITIES. I THINK THESE WOULD BE SUBSTANTIAL LOSSES FOR OUR INTELLIGENCE CAPABILITIES. IT CERTAINLY WOULD NOT OFFER A FAVORABLE PROSPECT FOR STRATEGIC STABILITY.

IT HAS BEEN SAID THAT SALT WILL PREJUDICE THE INTERESTS OF OUR ALLIES, BUT THE LEADERS OF FRANCE, ENGLAND AND GERMANY EXPRESSLY AND PUBLICLY ENDORSED THE SALT PACKAGE AT THE RECENT WINTER MEETING IN GUADALUPE. LAST MONTH CHANCELLOR SCHMIDT TOLD A MEETING IN HAMBURG THAT REJECTION OF SALT WOULD BE A "CATASTROPHE".

I COULDN'T PUT THE CASE FOR SALT BETTER THAN SCHMIDT DID RECENTLY IN THE BUNDESTAG. "SALT II CAN BE CONCLUDED ONLY IN THE FORM OF A COMPROMISE...IF EVERYONE INVOLVED WILL ACCEPT SOMETHING THAT IS NOT FULLY IN LINE WITH THEIR OWN INTERESTS -- IT IS NECESSARY TO DIFFERENTIATE BETWEEN CRITICAL REMARKS INVOLVING INDIVIDUAL ASPECTS OF THIS PACKAGE...AND THE GREAT WORLD POLITICAL SIGNIFICANCE OF THE WHOLE TREATY -- OTHERWISE THE WHOLE WORLD WILL SUFFER A MOST SERIOUS CONFIDENCE CRISIS."

OUR TURNING AWAY FROM SALT LIMITATIONS WOULD INCREASE THE RELATIVE SOVIET ADVANTAGE IN AN AREA WHERE THEY ALREADY HAVE CLEAR SUPERIORITY -- IN THEIR COMMAND OF INFORMATION. THEY HAVE THE ABILITY TO PREDICT THE SIZE AND QUALITY OF

AMERICAN STRATEGIC FORCES OF THE FUTURE MERELY BY STUDYING OUR DEFENSE BUDGETS AND READING CONGRESSIONAL DOCUMENTS. BEFORE SALT I WE HAD TO DEPEND SOLELY ON HARD WON INTELLIGENCE. IN SALT I WE OBTAINED A DEGREE OF PREDICTABILITY ABOUT WHAT SOVIET FORCE LEVELS WOULD BE DURING THE ABM TREATY AND AT THE END OF THE 5-YEAR FREEZE. WE ALSO GAINED AN ADVANTAGE FROM THE SOVIET COMMITMENT NOT TO INTERFERE WITH OUR MEANS OF VERIFICATION OR TO CONCEAL LIMITED ARMS FROM THEM. AS A RESULT, SO-CALLED WORST CASE PLANNING HAS HAD LESS OF A ROLE IN PENTAGON THINKING. WITHOUT SALT CEILINGS FOR THE FUTURE, OUR UNCERTAINTIES WOULD INCREASE. THIS AGAIN WOULD HARDLY MAKE FOR STABILITY.

PERHAPS THE MOST SERIOUS LOSS THAT THE SALT REJECTION WOULD ENTAIL WOULD BE THE CONCLUSION BY OUR FRIENDS AND ANTAGONISTS ABROAD THAT THE U.S. GOVERNMENT WAS INCAPABLE OF CONDUCTING A COHERENT FOREIGN POLICY. IF THE PRODUCT OF SIX YEARS OF NEGOTIATION IS BROUGHT TO NAUGHT, WHAT WOULD BE THE CHANCES FOR SUCCESS IN OTHER NEGOTIATIONS LIKE THE COMPREHENSIVE TEST BAN AND MUTUAL BALANCED FORCE REDUCTIONS?

AND IN THE CURRENT, UNEASY STATE OF RELATIONS WITH OUR ALLIES, REJECTION WOULD PREJUDICE ECONOMIC AND POLITICAL COOPERATION AS WELL AS DEFENSE POLICY COORDI-

NATION. U.S. INFLUENCE AND LEADERSHIP AROUND THE WORLD WOULD SUFFER BADLY.

WHAT ABOUT POSSIBLE SENATE APPROVAL BUT WITH PROPOSED AMENDMENTS OR RESERVATIONS? IF THEY WERE SUBSTANTIVE AND REQUIRED THAT THE NEGOTIATION BE REOPENED AND THE BARGAINING RESUMED, IT SEEMS LIKELY TO ME THAT THE RENEGOTIATION WOULD FAIL. AGREED SOVIET-AMERICAN ARMS LIMITATIONS ARE REACHED ONLY AS A RESULT OF CONCESSIONS AND COUNTER-CONCESSIONS WHICH IN TURN ARE THE RESULT OF INTERNAL BARGAINING IN WASHINGTON AND I BELIEVE ALSO IN MOSCOW. NOTHING IS AGREED UNTIL EVERYTHING IS AGREED. TO START AFRESH WOULD MEAN TO REOPEN THE WHOLE BARGAIN -- NOT JUST TO NEGOTIATE FOR ONE OR MORE ADDITIONAL PROVISIONS. HOW WOULD WE FEEL IF, AFTER REACHING TOTAL AGREEMENT, MOSCOW THEN SAID THAT THERE WERE JUST A FEW MORE ITEMS ON WHICH WE MUST REACH AGREEMENT BEFORE WE HAD A DEAL?

OUR CHOICE, THEREFORE, IT SEEMS TO ME, IS TO CONTINUE TO MODERNIZE OUR FORCES FOR SOME 6 YEARS UNDER AGREED SALT II CEILINGS WITH CERTAIN LIMITATIONS ON SOVIET AND AMERICAN WEAPONS SYSTEMS OR TO GO BACK TO AN UNLIMITED COMPETITION. ON BALANCE, I BELIEVE THE UNITED STATES WILL BE IN A RELATIVELY BETTER POSITION IF WE PURSUE FORCE MODERNIZATION PROGRAMS UNDER THE SALT II PACKAGE THAN IF WE GO AHEAD IN UNLIMITED COMPETITION. BUT I THINK WE

SHOULD RECOGNIZE THAT SALT II IS NO PANACEA, THAT IT DOES NOT WARRANT THE EUPHORIC EXPECTATIONS GENERATED AT THE TIME OF SALT I, AND THAT IT IS A STEP, A NECESSARY MOVE TOWARD MORE SIGNIFICANT REDUCTIONS AND CONSTRAINTS WHICH WE SHOULD PRESS FOR IN THE YEARS AHEAD.

WHILE THE SENATE ALONE HAS THE CONSTITUTIONAL MANDATE TO GIVE ITS ADVICE AND CONSENT TO TREATY RATIFICATION, THE COLLECTIVE COMMON SENSE OF THE AMERICAN PEOPLE, ALL OF WHOM HAVE A VERY HIGH PERSONAL STAKE IN THE OUTCOME, WILL ALSO BE OF CRUCIAL IMPORTANCE.

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Foreign and Commonwealth Office

London SW1A 2AH

18 May 1979

*P.O.
JW
18/5*

Dear Bryan,

Mr Vance's Visit to London

As agreed, I enclose briefs for the Prime Minister's discussions with Mr Vance during his visit to London next week. They cover three broad subject groups, as follows:

- (a) Defence and Arms Control
- (b) Southern Africa
- (c) Arab/Israel

We heard this morning from the US Embassy that, if Mr Vance calls on the Prime Minister next week he would like, in addition to those subjects listed above, to raise two other issues: the Agenda for the Tokyo Economic Summit and Northern Ireland. I attach a defensive brief on Northern Ireland for the Prime Minister's use and will send over as soon as possible a brief on the Tokyo Summit Agenda.

I am copying this letter and enclosure to Martin Vile (Cabinet Office).

Yours ever,
Stephen

J S Wall
Private Secretary

Bryan Cartledge Esq
10 Downing Street

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1818 MAY 1989



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THE PRIME MINISTER'S MEETING WITH MR VANCE

BRIEF NO 1: DEFENCE AND ARMS CONTROL

POINTS TO MAKE

A. DEFENCE

1. Before dealing with arms control subjects the Prime Minister may wish to set out briefly the Government's attitude to Atlantic security.

B. SALT

2. (i) I recognise the importance of the SALT issue for your Government and the relevance of UK views to the ratification debate.

(ii) We have welcomed your announcement of the conclusion of negotiations and I have stated that I hope the treaty will be ratified. We will do our best to help you in this.

(iii) We have also stated that we will be studying the text of the agreement when it is available. We cannot take a firm public line until we are in a position to say that we have examined the details of what has been agreed.

/C.

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C. TNF MODERNISATION

3. We must work hard to sort out the difficult political as well as technical questions surrounding TNF modernisation so as to get the right decision by the end of the year.

D. COMPREHENSIVE TEST BAN (CTB)

4. We are reviewing the state of the negotiations. We shall shortly consider the options on National Seismic Stations in UK dependent territories.

5. It would be useful to hear your up-to-date views of the benefits of a CTB treaty and its implications for our security.

E. MBFR

6. The Carter/Brezhnev summit is a useful opportunity to emphasize the need for greater Soviet flexibility in the negotiations, in particular on data.

7. What are Mr Vance's views on Russian motives in raising new ideas on MBFR bilaterally with the US? We hope the Americans will keep the UK and its other Allies closely informed of further bilateral exchanges on MBFR, particularly at the Vienna summit.

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ESSENTIAL FACTS

SALT

1. Mr Vance announced on 9 May that the SALT II negotiations had been concluded. The treaty is expected to be signed at the summit on 15/18 June.

2. The Government has taken the following line in reacting to this announcement:

"We are glad that progress on SALT II has gone far enough to permit the long-awaited summit meeting to take place. The Government have long supported efforts to achieve strategic arms limitation and welcome the settlement of the major outstanding issues. They hope that the treaty will be ratified.

/If asked for the Government's views on the substance of SALT II / The Government will of course study the text of the agreement when it is available, and its implications. They look forward to the opportunity of discussing the agreement during the forthcoming visit of Secretary Vance to London".

3. Mr Vance will probably hope to get a promise of HMG's support for a warm Alliance statement welcoming SALT II shortly after signature. For the moment we can argue that we await the promised US Alliance briefing on the final stages and the release of the text to the Allies. But a general assurance that HMG will do their best to take a helpful line during the period of the ratification debate would be most welcome to the US Administration.

4. The Embassy in Washington has reported that SALT will be the most important single issue for the American Administration in their first contacts with HMG. Alliance attitudes, and in particular the

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UK view, will be a key factor in the outcome of the ratification debate.

5. The American Administration argues that the SALT II agreement fulfills the key objectives of: establishing the principle of equality in the central strategic balance; reducing the number of strategic delivery vehicles permitted on each side; constraining the qualitative arms race whilst allowing US modernisation programmes to go forward; and permitting adequate verification. They also suggest that the agreement provides important political benefits in giving both sides greater certainty in strategic planning; avoiding diversion of American defence spending from the conventional field; and imposing limitations which will be important in the context of the impending change of Soviet leadership.

TNF MODERNISATION

6. The Alliance is studying how to meet a recognised need to modernise its theatre nuclear forces (TNF). In parallel, NATO is examining the prospects for constraining the Soviet build-up in TNF through arms control negotiations. Many Allies regard an arms control approach as an essential prerequisite for decisions on TNF modernisation. We want these decisions to be taken by the end of this year. In addition, the Americans see NATO's study on arms control as the basis for an Allied position on TNF in SALT III.

CTB

7. The UK/US/Soviet negotiations for a CTB treaty are due to resume in Geneva on 4 June after a recess.

8. CTB will probably come up at the Carter/Brezhnev summit. But the US Administration are likely to wish to take their time over the conclusion of the tripartite CTB negotiations, so that the treaty

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can be put to the Senate after it has considered SALT II.

9. One of the arguments for a CTB treaty is that it can help to prevent the proliferation of nuclear weapons. A number of states, some of the highly unreliable, have not signed the Non-Proliferation Treaty and are capable of developing nuclear weapons. They include Pakistan, now working on a nuclear weapons programme; India, which has conducted one nuclear explosion; South Africa; Israel; Argentina and Brazil. If any of these acquired nuclear weapons, its potential rivals would want to follow suit and the widening proliferation would pose a major threat to regional and world security. But if some of these states can be persuaded to sign a CTB, their ability to develop nuclear weapons will be very severely constrained.

10. The non-aligned states are complaining with increasing militancy that, if they are to renounce nuclear weapons, the nuclear powers must make progress towards nuclear disarmament. Under the Non-Proliferation Treaty, of which there will be an important Review Conference in 1980, the US, UK and Soviet Union have undertaken "to pursue negotiations in good faith on effective measures relating to the cessation of the nuclear arms race ...". In this connection, the non-nuclear powers have called above all for a CTB, and its conclusion would help the nuclear powers to press for further moves to prevent nuclear weapons proliferation.

11. The United States and the United Kingdom originally proposed a CTB of indefinite duration, but it was later recognised that this could prejudice our ability to maintain the reliability of nuclear weapons in the stockpile. Warheads can develop faults which, in some cases, can be rectified only by nuclear testing at low

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yields, say 3-5 kilotons. In view of this, President Carter proposed in September 1978 that the Treaty should have an initial duration of 3 years, with the US, USSR and UK having a veto against any proposal to extend it. He preferred a limited duration Treaty to one which would have permitted testing up to a threshold, on the grounds that it had a better chance of attracting the adherence of the key near-nuclear powers.

12. The verification measures envisaged, including National Seismic Stations (NSS) in the Soviet Union, should deter the Russians from conducting clandestine tests at yields large enough to advance their warhead technology during the 3 years of the Treaty. The Soviet Union has agreed to accept 10 NSS on condition that the US and UK also accept 10 stations each. The US has done so. The UK has agreed to one NSS in the UK itself; but not to the 9 proposed by the Soviet Union in our dependent territories, where we see no verification case. The Americans, in representations on 27 April approved by Mr Vance, have urged us to make an early move "more than halfway towards the Soviet position", so as to unblock the negotiations and not prejudice the breakthrough of securing 10 NSS in the USSR. Officials are preparing recommendations on NSS for early consideration by Ministers.

MBFR

13. The West's aims in MBFR are approximate parity between the forces of East and West in central Europe in the form of a common collective ceiling on the manpower of both sides. East and West

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/agree



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agree on these goals but not on how to meet them. Most importantly, the East refuses to accept that the Warsaw Pact has at present a superiority of more than 150,000 men. Eastern negotiators are showing increasing signs of discomfiture at the West's emphasis on this data problem. But they have so far made no concessions.

14. The next major Western move is likely to be the tabling at Vienna of a package of Associated Measures. Their object is to build confidence and to establish an agreed system of verification. UK/US/FRG officials are working on this package with a view to clearing it with other Allies and tabling it in Vienna before the end of July.

15. The Americans recently reported an exchange with the Russians on MBFR. This took place in the context of preparations for the Carter/Brezhnev summit. Russian ideas floated during these exchanges have now leaked in the US press. The Soviet ideas are vague. A common strand seems to be a Soviet attempt to by-pass the central issue of data. We will want to consider these ideas carefully particularly if they are elaborated at the summit meeting. We hope the Americans will keep the UK and their other Allies closely informed.

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THE PRIME MINISTER'S MEETING WITH MR VANCE : MAY 1979

BRIEF NO 2 : SOUTHERN AFRICA

POINTS TO MAKE

South Africa

1. The West's relations with South Africa have sunk to a dangerously low level. Given the strategic importance of Southern Africa to the West, we cannot afford to let the rift deepen further.

2. Confrontation will not serve our purposes and we should consider how to get our shaky relationship with the South Africans on to a better footing. There are signs that they are making improvements in the lot of the black population. We need to examine these to see how genuine they are and, where appropriate, offer approval and encouragement.

Namibia

3. We shall continue to support the original proposals by the Five Western Governments, for elections in Namibia under UN supervision leading to internationally recognised independence. There is a need for careful consultation among the Five on ways of resolving South Africa's problems over the method of implementing these proposals: we ought to recognise that there is some basis for South Africa's concern. I hope the Five will stand together in resisting demands for sanctions, especially while there is still some hope of finding a solution and allowing the UN plan to be implemented.

Rhodesia

4. We want to cooperate closely with the United States over Rhodesia, but our approach is different from that of the previous /government.

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government. There has been a fundamental change in Rhodesia. There will shortly be a predominately black government, with a black Prime Minister, who has won a very large measure of popular support. Lord Boyd and the Conservative Party observers have concluded that the elections were fairly conducted, that they were as free as was possible in the circumstances and that in their judgement the result represented the wishes of the majority of the electorate.

5. Our objective ^{now} is to bring Rhodesia to legal independence with the widest possible international acceptance. We intend to consult with our allies and the Commonwealth. The timing of the Commonwealth Heads of Government meeting in Lusaka poses particularly difficult problems. We need to consult with Bishop Muzorewa and influence him to adopt the kind of policies which will improve his chances of winning international acceptance. We hope to work with the United States in pursuit of these objectives.

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THE PRIME MINISTER'S MEETING WITH MR VANCE : MAY 1979

BRIEF NO 2 : SOUTHERN AFRICA

ESSENTIAL FACTS

South Africa

1. US/South African relations have been badly affected by the "spy plane" incident and South African allegations against the US. The South Africans may, therefore, turn to Britain as a means of keeping open the dialogue with the West. This would probably be welcome to the Americans although if we are to avoid isolation from the Americans and our other partners we must not appear to be adopting a passive or uncritical attitude to South Africa. It was agreed at Guadeloupe that the UK would initiate Five-Power talks on South Africa (US, UK, France, Germany, Canada) and a meeting of officials has been tentatively fixed for 26/27 June.

2. If the Southern Pact is a serious policy objective, and not just a means of distracting attention from internal problems arising from the Information Department scandal, it could damage western influence in Southern Africa. The suggestion that a new Southern African grouping should be neutral as between East and West is a new element in South African thinking.

Namibia

3. South Africa has reaffirmed its agreement to the original proposals by the Five but rejects the UN Secretary-General's suggestions that SWAPO forces in Namibia should be monitored by the UN at specified locations, and that SWAPO bases in neighbouring countries should be supervised by the host governments but not monitored by the UN. The South Africans regard both points as deviations from the original plan: our partners in the Five dispute this, but agree that a way must be found to resolve these problems so that implementation can go forward.

/4.

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4. The Americans may go along with sanctions if South Africa resists implementation of the UN plan. A clear statement that HMG would never agree to sanctions would risk isolating Britain in willingness to veto sanctions: the Americans might be tempted to avoid the odium of a veto and shelter behind ours. Lord Carrington has refused to answer hypothetical questions about whether and in what circumstances we would agree to or veto sanctions, saying that his intention is to keep the negotiations going so that there is no question of sanctions being necessary.

5. Lord Carrington has suggested that the Five Foreign Ministers might discuss Namibia at the NATO Council meeting on 30-31 May. He proposes that Mr Luce should visit Africa to talk to the South Africans, the internal parties, SWAPO and the Zambian Government to hear their views at first hand and explore the possibilities for a solution of the outstanding problems. Mr Luce hopes to leave on or about 23 May.

Rhodesia

6. President Carter is bound by an Amendment to the International Security Assistance Act 1978 (the Case/Javits Amendment) to make a determination within two weeks of the formation of the new Rhodesian government whether:

- (i) the Government of Rhodesia has demonstrated its willingness to negotiate in good faith at an all-parties conference, held under international auspices, on all relevant issues; and
- (ii) a government has been installed, chosen by free elections in which all political and population groups have been allowed to participate freely, with observation by impartial internationally-recognised observers.

/7.

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7. The United States' attitude will be strongly influenced by HMG's views. They have always recognised that it is our responsibility to take the lead over Rhodesia. They have also invested a good deal over the last two years in joint Anglo/American efforts to achieve a settlement based on acceptance by the internal and external parties of a cease-fire and United Nations-supervised elections with a "neutral" transitional administration (the key elements of the Anglo/American proposals of September 1977).

8. They have been impressed by the result of the Rhodesian elections and the evident signs of popular support for Bishop Muzorewa. They will also be conscious that there is in fact very little prospect now of achieving a settlement based on internationally supervised elections. But they will remain reluctant to take action which could damage US interests elsewhere in Africa; or which would increase the opportunities for the extension of Soviet influence in black Africa.

9. The US Administration will be taking no decisions in advance of Mr Vance's consultations with the Secretary of State. But, under strong Congressional pressure, there are signs of a shift in the emphasis of US policy on Rhodesia. The President is thought likely to recognise that the turn-out in the elections and the manner in which they were conducted were impressive, and that this represents a major advance and a basis on which to build. The Senate have already passed a resolution calling on the Administration to lift sanctions. This is not binding on the Administration. But it is a clear warning to the President of trouble ahead if his "determination" is not sufficiently positive.

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THE PRIME MINISTER'S MEETING WITH MR VANCE

BRIEF NO 3: ARAB/ISRAEL

POINTS TO MAKE

1. Support for US efforts. Hope the Nine can work closely with the US.
2. Israel will have to be forthcoming in next round of negotiations if Egypt/Israel treaty is not to be a blind alley. The Nine will be looking for ways to bring pressure on Mr Begin.
3. Concerned about continued expansion of Israeli settlements. Key test of Israel's good faith in Arab eyes.
4. Sadat's position in the Arab world getting more difficult. Need to minimise his isolation, and particularly to restore his links with the Saudis.

Lebanon

5. Need to restrain Israel in South Lebanon.

ESSENTIAL FACTS

1. From 25-27 May Mr Vance will be attending completion of the first stage of Israeli withdrawal in Sinai, the opening of negotiations on the future status of the West Bank and Gaza strip and a summit meeting between President Sadat and Mr Begin.
2. The West Bank/Gaza negotiations on the establishment of an elected self-governing authority are likely to begin slowly; the US chief negotiator, Robert Strauss, will not be available until the autumn. But there is a very wide gap between Israeli objectives (retention of overall control over the West Bank, including over land and water resources, preventing autonomy from being extended to East Jerusalem and excluding the emergence of anything resembling a Palestinian state) and Egyptian objectives (very wide powers for the self-governing authority, including over external affairs, return of East Jerusalem to Arab control). Positions on both sides are hardening. If an agreement is to emerge which President Sadat can convincingly present to the other Arabs, considerable movement will be needed from Israel.

The Nine

3. Preliminary consideration has been given to what contribution the Nine can make to current efforts. But French reluctance to let the Nine seem to be helping implementation of the treaty and the West Bank/Gaza negotiations, which are anathema to the Arabs, will be a serious problem in reaching agreed positions in the Nine.

/Israeli

Israeli settlements

4. Since the signature of the peace treaty, Israel has announced the creation of further settlements in the occupied territories. This policy is seen by most of the Arabs, as proof that the Israelis will never give up control of the occupied territories. The UK has consistently taken the view that the settlements are illegal, because they are contrary to the Geneva conventions.

Egypt/Arab relations

5. The Egyptians are plainly taken aback by the increasing scale of retaliatory measures against them. If Arab funds are withdrawn from Egypt, these could begin to bite. Suspension from the Islamic Council was a particularly painful blow. Sadat has responded by insulting the Saudis and other moderate governments. This can only make matters worse. The US are making efforts to restore Egyptian/Saudi relations. They have also asked the UK (and other Western countries) to give additional aid to Egypt. We recognise Sadat's need for support and reassurance but there is very little spare capacity in our present aid programme. We look to the Germans to take the lead in putting together a package of assistance from Europe.

UNEF

6. The Russians have said they will block attempts to use UN forces to supervise Israeli withdrawal from Sinai. The Americans have indicated that they will try to soften Soviet opposition at a high level. If the Americans cannot get Security Council agreement

to use UN forces (principally the existing UN Emergency Force in Sinai (UNEF)), they are committed to raising an alternative multinational force, to which we could be asked to contribute.

Lebanon

7. Remains a potential flashpoint because of the scale of Israeli retaliatory raids against the Palestinians and active assistance to the Christian militias in preventing the United Nations Interim Force in South Lebanon (UNIFIL) from carrying out its mandate. There is a danger that UNIFIL will in consequence collapse. Only the US can put effective pressure on Israel, but they are anxious to conserve their influence for the peace negotiations.

THE PRIME MINISTER'S MEETING WITH MR VANCE
BRIEF NO. 4: NORTHERN IRELAND
POINTS TO MAKE

1. We are getting a lot of advice about Northern Ireland: that the problem is political; that we cannot solve it by military means; that a new political initiative is needed.
 2. All true up to a point. But let's be clear: there's no political initiative which would satisfy the Provisional IRA. But if our policies are right we can isolate them as what they are : a tiny minority.
 3. None of us likes the status quo. We are determined to break the political log-jam. But we are not going to be rushed. An ill-considered initiative could lead to even worse violence. Humphrey Atkins is talking to the Northern Ireland politicians. Before long he will be seeing the Irish Foreign Minister. Then he will have to decide how he wants to proceed.
 4. We are all worried about IRA propaganda in the US. The dirty protest at the Maze prison does us no good at all. Humphrey Atkins will be having a fresh look at this problem. But it's not easy to see any policy changes which would help. He will be looking too at police procedures in the light of the Bennett Report. We know how much damage is caused by allegations of police brutality.
 5. Tip O'Neill had a good deal of stick here over his remarks in Dublin. We know that he and other Irish American leaders have taken a firm stand against terrorism. We understand their
- /difficulties

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difficulties. But I hope they will understand that repeated calls for moves towards Irish unity don't help. They merely make the Northern Unionists more recalcitrant.

6. You may be sure that we shall continue to keep the US closely informed as our policy develops.

Republic of Ireland Department, FCO

16 May 1979

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THE PRIME MINISTER'S MEETING WITH MR VANCE
BRIEF NO 4 : NORTHERN IRELAND

ESSENTIAL FACTS

1. US policy rests on President Carter's statement in August 1977, reasserting US non-involvement, condemning American support for terrorism, calling for conciliation and opening the possibilities of US economic aid when a settlement is achieved.
2. The US Administration have consistently sought to avoid direct involvement in the Northern Ireland problem. But the Irish American Community has a good deal of political muscle. It is led by the so-called "Four Horsemen" (Speaker O'Neill, Senators Kennedy and Moynihan and Governor Carey of New York). They are essentially men of moderation (with Carey something of a maverick) in the context of Irish American politics, and have consistently condemned and sought to minimize the influence of PIRA and their supporters in the Irish community. But they are Irish nationalists at heart and have no hesitation in criticizing us over human rights and over our Northern Ireland policies in general. They may be expected to exert pressure on the Administration to play a more active role. The opportunities may increase as President Carter's campaign for re-election gets under way.
3. There is no denying the effectiveness of PIRA propaganda in the US. It exploits particularly the (self-inflicted) plight of prisoners at the Maze (the H-Block or "dirty" protest) and allegations of police brutality during questioning

of suspected terrorists. On the latter point an independent Committee under Lord Bennett recently recommended improved police procedures to minimize the risk of police misbehaviour.

4. Apart from the harm this propaganda does to Britain's reputation it also:

- (a) helps PIRA morale in Northern Ireland by seeming to offer a prospect of ultimate victory - a British withdrawal;
- (b) facilitates PIRA fund-raising, arms supplies etc.
- (c) obliges even moderate leaders such as Tip O'Neill to speak in more extreme terms than they might wish;
- (d) helps moves (so far resisted by O'Neill) for formal Congressional hearings on Northern Ireland. (Congressman Biaggi has also been trying to launch an unofficial so-called 'Peace Forum' on Northern Ireland.).

5. We thus have a strong interest (as does the Irish Government) in helping the four horsemen to stand up to the extremists. The Washington Embassy keeps in close touch with them and their staffs. But it is clear that our Northern Ireland policies, and especially their presentation, will increasingly need to take account of the "American Dimension".

Republic of Ireland Department, FCO

16 May 1979

SECRETARY OF STATE'S MEETING WITH MR VANCE, 21 MAY
BRIEF NO.27 : AGENDA FOR THE TOKYO ECONOMIC SUMMIT
SPEAKING NOTES

Growth

1. World economic prospects are gloomy. Inflation and unemployment are still rising. The prospects for growth are not good, especially if oil prices rise more. Some progress has been made in reducing excessive surpluses and deficits (but see point 5). But there are still major imbalances. OPEC surpluses will become a problem again.

Trade

2. The main body of the MTNS is out of the way. The OECD Trade Pledge comes up for renewal in June. So trade is unlikely to feature predominantly. But structural adjustment is an increasingly important topic. We shall hope to be more positive than our predecessors on this.

Energy

3. Energy and its impact on the world economy looks like being a major subject for Tokyo. If we are to have any hope of restraining price increases we must all reduce consumption, both in 1979 in accordance with the IEA 5% reduction agreed in March and in 1980 (letter for further discussion).

North/South Dialogue

4. The developing countries will be hardest hit by rising oil prices. Heads of Government may have to look at their problems. UNCTAD V will give us a clearer picture of the political background.

/5. The

5. The international currency situation seems to be reasonably stable at the moment. But the recent depreciation of the Yen is worrying. This will make it more difficult for the Japanese to switch their economy from being export-led to being import-led and will lead to a rapid rise in their surplus next year. The recent reduction is anyway partly cosmetic.

Financial Relations Department
Foreign and Commonwealth Office

18 May 1979

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SECRETARY OF STATE'S MEETING WITH MR VANCE: 21 MAY
Brief No. 27: AGENDA FOR THE TOKYO ECONOMIC SUMMIT

ESSENTIAL FACTS

1. The Japanese Prime Minister Ohira will host the Fifth Economic Summit in Tokyo on 28/29 June. Earlier Summits were held in Bonn (July 1978), London (May 1977), Puerto Rico (June 1976) and Rambouillet (1975). In addition to Japan and the UK the Heads of State and/or Government of the USA, France, Germany, Canada and Italy will also be present with their Foreign and Finance Ministers. The President of the European Commission and the President of the European Council (President Giscard) will be representing the European Community for those parts of the discussion related to Community matters.

2. There is no fixed agenda for the Economic Summit. But the agreed communique issued in March states that the participants at the Tokyo Summit "will discuss policies for the stable expansion of the world economy in the spirit of mutual cooperation that has been fostered by the previous Summit meetings". In practice discussion is likely to revolve around the five areas covered at the previous Summit in Bonn:

- (a) growth
- (b) trade
- (c) energy
- (d) relations with developing countries
- (e) international monetary questions

/ Preparatory

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Preparatory work is in hand between Personal Representatives of the 7 Heads of Government (Sir John Hunt for the UK and Ambassador Henry Owen for the United States with support from other senior officials). They are meeting in Washington on 18/19 May and are due to have a final meeting in Paris on 14-16 June.

3. President Carter has made it clear that he will be looking to the Japanese for a special contribution to the Tokyo Summit by adopting further measures to reduce the Japanese trade surplus with other Western countries. In 1978 Japan had a trade surplus of \$24 billion of which \$14 billion was with the US and \$5 billion with the Community. The surplus on current account was \$16.8 billion. Although the Japanese surplus has declined sharply in the first half of this year owing to higher oil prices and emergency imports, all forecasters are suggesting that the surplus will be sharply up again next year, particularly if the sudden depreciation of the Yen is not reversed.

4. Brief No 14 on Energy discusses objectives for Tokyo and Brief No 21 covers the North/South Dialogue including UNCTAD V.

Financial Relations Department

18 May 1979

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18 MAY 1973



Financial Relations Department
18 May 1973

B/F 22-579 USA
for meeting



Prime Minister

Mr. Brewster has told me, too, how much importance Mr. Vance attaches to a

Foreign and Commonwealth Office

London SW1A 2AH

18 May 1979

Dear Bryan, Jim for, say, 45 minutes at 1000 on Wednesday, 23 May?

In my letter of 14 May, I suggested that if the Prime Minister were able to attend the Dinner which the US Ambassador is giving on the evening of 21 May in honour of Mr and Mrs Vance, the question of a more formal call at No 10 might be left open.

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H

It has now become clear to us that the Americans are seriously concerned lest there should not in fact be any such formal call at No 10. They attach great importance to such a formal opportunity for the first high-level emissary from President Carter to pay his respects to the Prime Minister. There is moreover the problem that, because of Parliamentary commitments, Mr Kingman Brewster's dinner party will have to be foreshortened and will not thus provide quite the opportunity for detailed discussions which we had earlier anticipated.

I understand that the Prime Minister's diary is very full for Tuesday 22 May, but fortunately Mr Vance is not now planning to leave for the Middle East until Thursday morning 24 May. Lord Carrington hopes that the Prime Minister can agree to receive Mr Vance at No 10 and that a suitable time can be found in the course of Wednesday 23 May.

I am copying this letter to Martin Vile (Cabinet Office).

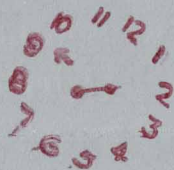
Yours ever,
Stephen

(J S Wall)

B G Cartledge Esq
10 Downing Street

Agreed - but we shall have to allocate at least 1 hour because that is the time I had with President Carter.
US Embassy
- FCO informed -
SW 21/5
Carter,
R.T.

18 MAY 1979



COVERING CONFIDENTIAL



Foreign and Commonwealth Office

London SW1A 2AH

Dear Bryan

18 May 1979

*P.A.
G.M.
24/5*

PRIME MINISTER'S MEETING WITH MR VANCE

Following my earlier letter, I enclose a copy of the brief which we have prepared on the Tokyo Economic Summit. Personal Representatives of Heads of Governments are meeting in Washington today and tomorrow so that the brief cannot by definition be absolutely up to date.

I am copying this letter and enclosure to Martin Vile (Cabinet Office).

*Yours ever,
Stephen*

(J S Wall)

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COVERING CONFIDENTIAL

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Foreign and Commonwealth Office

London SW1A 2AH

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Dear Bryan,

Visit of Mr Vance

In connection with Mr Vance's forthcoming visit, you may wish to have the enclosed copy of a recent speech by Mr Vance on SALT II and other issues in US foreign policy. Kingman Brewster sent the speech to Lord Carrington with a request that we should pass a copy to you.

Yours ever,
Stephan

J S Wall
Private Secretary

Bryan Cartledge Esq
10 Downing Street

SALT TWO -- A CRITICAL STEP IN ARMS CONTROL

An Address by Secretary of State

CYRUS VANCE

Speaking to the American Association of
Community and Junior Colleges

Chicago, Tuesday, May 1st, 1979

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From the first days of our nation, Americans have held a staunch optimism about the future. We have been a self-confident people, certain about our ability to shape our destiny.

And we are a people who have not only adapted well to change, we have thrived on it.

We are now living in a period of history marked by deep and rapid change. Tonight, I want to talk about change, and how America can use its extraordinary strength to meet the challenges of a changing world.

America's optimism has been jarred in recent years-- by a bitter war; by domestic divisions that tested our democratic institutions and left many of our people skeptical about government; by the sudden awareness that our economic life at home can be shaped by actions abroad; and by the realization that there are events which affect us but which we can only partly influence.

There is much that we can and have learned from these experiences. But fear of the future is not one of them.

Let me share with you frankly my concern that the distorted proposition being advanced by some that America is in a period of decline in the world is not only wrong as a matter of fact but dangerous as a basis for policy.

For we would imperil our future if we lost confidence in ourselves and in our strength and retreated from energetic leadership in the world.

And we would imperil our future, as well, if we reacted in frustration and used our power to resist change in the world, or employed our military power when it would do more harm than good.

The realization that we are not omnipotent should not make us fear we have lost our power or the will to use it. If we appreciate the extraordinary strengths we have...if we understand the nature of the changes taking place in the world...and if we act effectively to use our different kinds of power to shape different kinds of change, we have every reason to be confident about our future.

We must begin with a clear understanding of our own strengths as a nation.

--America's military strength today is formidable. I know of no responsible military official who would exchange our strategic position for that of any other nation.

We have friendly neighbors on our borders.

We have strong and reliable security relationships.

Together, these allies more than double our over-all military strength.

We have easy access to the sea, which enables us to have diversified strategic forces and the ready capacity to project our power.

--Our economy, and those of our allies, are more than three times as productive as those of the soviets and their allies.

--The industrial democracies continue to lead the way in technological innovation, and in harnessing that technology to serve mankind.

--And the way of life of our people and what we stand for as a nation continue to have magnetic appeal around the world.

Because we and our allies are the engines of creative change in almost every field...because of the vitality of our political institutions and the strength of our military forces, we have a capacity for leadership--and an ability to thrive in a world of change--that is unsurpassed.

The issue is not whether we are strong.

We are.

The challenge is to use these unquestioned strengths appropriately and effectively to advance our interests in a world undergoing different kinds of change.

What are these changes, and how can we use our strength effectively?

The first element of change is the evolution from an earlier period of American strategic supremacy to an era of stable strategic equivalence.

We should harbor no illusion that we could return to the earlier era. Neither side will permit the other to hold an exploitable strategic advantage. Each side has the financial and technical resources to keep pace with the other. With the stakes so high, we know that both of us will do whatever is necessary to keep from falling behind. That is why essential equivalence has become the only realistic strategy in today's nuclear world.

This rough balance can also serve the cause of stability --even if some find it unsettling compared with our earlier supremacy. It is this essential equivalence in strategic arms which allows us to move ahead on arms limitation. For if one side were far ahead, it would feel no special urgency about arms control--and the side that was behind would refuse to negotiate from a position of weakness. Only when both sides perceive a balance, as is now the case, can we hope for real arms control progress.

Our response to this broad change in the security environment has several elements.

We will assure that essential equivalence in nuclear arms is maintained. We will not be overtaken by the momentum of soviet military programs.

We have undertaken a far-reaching modernization of our strategic forces. We are improving each leg of our strategic triad--with cruise missiles for our B-52 bombers; with a new Trident One missile for existing submarines and the development of a new Trident submarine and Trident Two missile; and with development funding for the M-X Missile. And we are examining, in a timely fashion, the options for offsetting the probable future threat to the land-based portion of our missile force.

At the same time, we are equally determined to enhance our security by applying mutual limits to nuclear arms. We are at the threshold of a Salt Two Treaty. It is a critical step in the process of bringing strategic weapons under sensible control. As its arms become known and debated, I am confident that the Senate will agree that it will enhance our national security and that of our allies. Its rejection would lead to an intensification of the nuclear arms race. The risk of nuclear war would increase. The costs to our taxpayers would rise sharply. It would heighten tensions with the soviets, trouble our allies, and deal a crippling blow to future arms control prospects.

The American people, and our allies, understand the importance of decreasing tensions with the Soviet Union and seeking common ground where our interests may converge.

While we address strategic issues, we must also be especially sensitive to the importance of maintaining a balance of conventional forces. At the NATO summit last summer, we and our allies committed ourselves to real increases of three percent in defense expenditures, and to modernize and upgrade NATO forces. Last year's repeal of the arms embargo against Turkey was an important step to help bolster NATO's southern flank. In Europe and elsewhere, we are committed to maintain strong conventional forces.

And no one should doubt that we will use those forces if our vital interests or those of our allies are threatened.

In these ways, we will maintain, and strengthen, our security in an age of essential equivalence--by meeting the new problems it presents and by seizing the new arms control opportunities it affords.

A second change is the reality that the risks posed by regional conflicts have grown.

Many of these conflicts are long-standing. They have roots deep in history, in geography, in religious and ethnic differences.

But as more nations acquire more sophisticated arms, regional conflicts become more dangerous. They pose a constant threat of wider confrontation. As a result, the United States must be more active in working to help settle these disputes peacefully.

The fact is that no nation is more intensively engaged in the continuing effort to dampen the flames of conflict around the world than the United States.

No other nation could have played the role that the United States has played in helping Israel and Egypt achieve an historic peace treaty. And we will continue to remain actively involved in the effort to achieve a comprehensive peace--a peace in which Israel, the neighboring Arab states, and the Palestinian people can live with security and with dignity.

In Southern Africa...in the Eastern Mediterranean...in Southeast Asia...and elsewhere in the world, we are using the influence we have...for peace. Progress does not come easily or quickly. There will be setbacks, for the path to peace is often more difficult than the road to war. But

with persistence and steadiness, we can help provide the parties to conflict with an alternative to violence--if they choose to take it.

In some cases, these efforts will involve working with other interested nations as a catalyst for bringing the parties together. In other situations, we will support international and regional institutions that provide a framework for easing tensions. When we believe it will contribute to regional stability, we will assist nations threatened by external force to strengthen their ability to defend themselves.

In all cases, we will oppose attempts by others to transform local disputes into international tests of will. Every nation has a responsibility to recognize that there is greater safety in healing, rather than fueling, local conflicts.

A third kind of change we must address is change within nations.

As a result of mass communications, better education, urbanization and growing expectations for a better life, there is a new tide in many third world nations, as more and more people demand a fuller share in their government and their economy. These demands can place extraordinary pressures on economic, social and political institutions.

This ferment can, at times, cause the kind of turmoil that adversely affects our interests, at least in the short run. But rather than reacting in opposition to such change, or assuming that it necessarily works against us, let us look at two central questions:

--Is this kind of change generally in the interest of our nation?

--And what are the best instruments through which we can help others meet popular aspirations in an orderly and peaceful fashion?

The answer to the first question, in my judgment, is that the growing demand of individuals around the world for the fulfillment of their political, social and economic rights is generally in our interest. These aspirations are producing new or strengthened democratic institutions in many nations throughout the world. And America can flourish best in a world where freedom flourishes.

Should we not gain confidence from this expansion of democracy--which is taking place not because we force it, but because of its inherent appeal?

And what is that inherent appeal? Surely it lies in the enhanced opportunity that democracy provides for the realization of fundamental human rights--the rights to political and religious expression, to political participation, and to economic justice.

These values are remarkably attuned to the demands of change. The change which confronts many nations--particularly the less developed nations--challenges cultures, ways of living and communicating, notions of individual and national autonomy. The great strength of democratic processes is their flexibility and resilience. They allow accommodation and compromise. By giving all groups a voice in the decisions which affect their lives, democratic societies are far better able to shape a peaceful and stable balance between tradition and progress.

Internal change in other countries will sometimes be turbulent and difficult. At times, it may run in repressive directions. But we must not let our concerns about the cross-currents blind us to the tide running in favor of freedom.

In seeking to help others meet the legitimate demands of their peoples, what are the best instruments at hand?

Let me state first that the use of military force is not, and should not be, a desirable American policy response to the internal politics of other nations. We believe we have the right to shape our destiny; we must respect that right in others.

We must clearly understand the distinction between our readiness to act forcefully when the vital interests of our nation, our allies and our friends are threatened, and our recognition that our military forces cannot provide a satisfactory answer to the purely internal problems of other nations.

In helping other nations cope with such internal change, our challenge is to help them develop their own institutions, strengthen their own economies and foster the ties between government and people.

To do so, we must continue to provide them with increasing levels of development assistance. We must maintain human-rights policies which work in practical ways to advance freedom. And we must accept the fact that other societies will manage change, and build new institutions, in patterns that may be different from our own.

Third world nations will fiercely defend their independence. They will reject efforts by outsiders to impose their institutions. We should welcome this spirit.

For our national interest is not in their becoming like us. It is that they be free of domination by others.

This strategy of affirmative involvement and support for the independence and the diversity of developing nations serves us well. It capitalizes on the West's inherent strengths. And it improves our ties to developing countries in a context which does not force them to make an explicit choice between East and West.

The test of our will in dealing with domestic change abroad will come, not in how we use our military might, but in whether we are willing to put our resources behind our words--and to make them work effectively.

A fourth kind of change that we are seeing is in the international system itself. Building on our experience as a pluralistic nation, we must learn to deal effectively with an increasingly pluralistic world.

--Since the early 1960's, we have seen the emergence of dozens of new nations, each with its distinctive identity, each fiercely intent on fulfilling its national aspirations.

--We have seen the development of new powers in the world, nations which play an increasingly important role in international economic and political life.

--And we have come to recognize that many of the challenges we face are genuinely global in scope. Halting the spread of nuclear weapons, managing the world's resources sensibly and fairly, preserving an environment that can sustain us--these problems do not derive from any single nation, nor can any single nation--working alone--resolve them.

A world where many must participate in designing the future rather than a few, where progress often requires cooperative effort, demands more--not less--American leadership. It requires us to exercise that leadership creatively--to inspire others to work with us toward goals we share but cannot achieve separately.

It calls for a new kind of diplomacy.

--We must practice, wherever possible, an inclusive form of diplomacy, working together with others to achieve common goals. Such multilateral efforts are time-consuming and complex. But they can often be more productive than working alone.

--The core around which these broader efforts must be built is a strong and solid relationship with our traditional allies. We have worked hard in this administration to strengthen that partnership, and we have done so.

--Working together with our allies we are able, on an increasing number of issues, to engage others in collective efforts to resolve some of the more tractable problems we face. Let me cite just one example--our effort to find a more proliferation-resistant nuclear fuel cycle. At our initiative, 44 nations have come together to search for ways--both technical and institutional--to enable nations to pursue peaceful nuclear energy without adding to the danger of nuclear weapons proliferation. There is no "American" answer to the threat of nuclear weapons proliferation; there is only an international answer, and we are working with others to find it.

--We are strengthening our ties with those developing nations which exert increasing economic and political influence. We have worked to bring these--and other developing nations--more fully and fairly into the decision-making of international institutions which affect their life and ours. For enduring solutions to problems we face in common can be found only if all who have a stake also have a role, and recognize their responsibilities as well as their rights in the world community.

--To work effectively in a changing international system we must be prepared to work with nations whose ideologies are different than our own. By establishing full diplomatic relations with the People's Republic of China, for example, we are now in a better position to deal directly and forthrightly with a government that represents one-fourth of the world's people.

--We have embarked on a deliberate effort to enhance the role of the United Nations and regional institutions such as the Organization of American States, the Association of Southeast Asian Nations, and the Organization of African Unity. These institutions often can provide the most effective setting for resolving international disputes and for broadening the realm of international cooperation.

--To secure the cooperation of other nations we must deal with them on a basis of mutual respect and independence. Our achievement of a new Panama Canal Treaty, which secures our use of the canal for coming generations, has demonstrated that fair dealing with other nations, whatever their size, can serve our interests as well as theirs. Our relations throughout this hemisphere have benefitted as a result.

Let me turn finally to the change we are seeing in

the international economy--the growing stake every nation has in economic decisions made beyond its borders.

America's strength rests on the vitality of America's economy. Our economy continues to provide expanding opportunity for our people and continues to fuel growth around the world. We must also recognize the other side of this coin--the health of other economies around the world increasingly affects the health of our economy.

Our exports provide Americans with jobs--in fact, one out of every eight jobs in the manufacturing sector--and income for our firms and farmers. Every third acre of our farmland produces for export.

Imports from abroad provide us with essential raw materials; they afford our consumers greater choice; and they dampen our inflation.

This growing economic interdependence requires that our government work with others to help create international conditions in which all nations can thrive. We cannot seek to build our own economic future at the expense of others...nor will we allow others to compete unfairly. For a new era of economic nationalism could have tragic consequences, just as it did during the protectionist warfare of the 1930's.

We are deeply involved in working with other nations to meet the challenges of a changing world economic order.

--We have been successful in strengthening economic cooperation among the industrial nations. We have instituted regular economic summits to coordinate our economic policies so that they reinforce rather than undermine one another. And there has been far closer collaboration among our monetary authorities in restoring order to foreign exchange markets.

--We have initialed an important new multilateral trade agreement that will establish fair trading rules for the next decade. It will have a direct and positive impact on our economy.

--We have agreed with the other industrialized members of the International Energy Agency to cut back our collective demand for oil by two million barrels a day. To fulfill this commitment--and to reduce our own costly and dangerous dependence on oil imports--the President has initialed a sensible program for achieving greater domestic conservation and production. For we must begin to deal urgently with a markedly changed global energy environment.

--We recognize that a well-managed foreign assistance program contributes to the economic performance of the developing countries. Their growth has become an increasingly important factor in the health of our own economy. Aiding that development is not only an investment in the future of others; it is an investment in our own future as well.

In the foreign policy choices we are now making, we are determining the path we will follow in a new era.

In unsettled times, each of us has a responsibility to be clear about how we would deal with the world as we find it.

Most Americans now recognize that we alone cannot dictate events. This recognition is not a sign of America's decline. It is a sign of growing American maturity in a complex world.

We are stronger today because we recognize the realities of our times. This recognition, together with an equally clear understanding that we remain the most powerful of nations, should make every American as staunchly optimistic about our nation's future as we have always been.

There can be no going back to a time when we thought there could be American solutions to every problem. We must go forward into a new era of mature American leadership--based on strength, no belligerence; on steadiness, not impulse; on confidence, not fear.

We have every reason to be confident. For 200 years, we have prospered by welcoming change, and working with it--not by resisting it. We have understood, at home and abroad, that stability is not the status quo. It comes through human progress.

We will continue in this American tradition.



15 MAY 1979

U.S.A. |



Prime Minister

Foreign and Commonwealth Office

London SW1A 2AH

14 May 1979

Would you and Mr. Thatcher like to accept Mr. Brewster's invitation to dinner on 21 May, leaving the question of a formal call?

Yes no

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Brew

Dear Bryan,

Visit of Mr Vance

The US Secretary of State, Mr Vance, will be in London from 20-24 May. He will then go to the Middle East. Lord Carrington and Mr Vance will be having talks on Monday 21 May and Mr Vance has also asked to call on the Chancellor of the Exchequer and the Secretary of State for Defence.

14/5
FCO informed

P.A.
Brew

16/5

Mr Vance's visit will be the first by a senior member of the US Government since the General Election. Mr Vance has asked if he could call on the Prime Minister to present President Carter's respects and the Foreign and Commonwealth Secretary strongly recommends that the Prime Minister should agree to a meeting which will provide the first opportunity for a direct, high-level contact between the Government and the US Administration.

The US Ambassador, Mr Kingman Brewster, is giving a dinner on the evening of 21 May in honour of Mr and Mrs Vance. We understand that this will be a small dinner to which Lord Carrington, the Lord Privy Seal and Mr Pym will be invited. We know that the US Ambassador would also like to invite the Prime Minister and Mr Thatcher.

If the Prime Minister is able to attend Kingman Brewster's dinner (and Lord Carrington thinks that this might provide a good opportunity for informal discussion), the Prime Minister may wish to leave open the question of a more formal call at No 10 for the time being. If, after the dinner, the Prime Minister wishes to receive Mr Vance at No 10 a call could perhaps be fixed in Mr Vance's remaining two days in London.

I shall be pursuing separately the question of calls on the Chancellor of the Exchequer and the Secretary of State for Defence, to whose Private Secretaries I am copying this letter. A copy also goes to Martin Vile in Cabinet Office.

Yours etc

Paul Darby

PP

(J S Wall)

Bryan Cartledge Esq
10 Downing Street

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