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DESKBY 181400Z

FM FCO 181152Z JUNE

TO IMMEDIATE WASHINGTON

TELEGRAM NUMBER 693 OF 18 JUNE 1979

PRIME MINISTER'S

PERSONAL MESSAGE

SERIAL No. T26A/79T

PRIME MINISTER'S MESSAGE TO THE PRESIDENT

1. THE PRIME MINISTER SIGNED ON 15 JUNE HER REPLY TO MR CARTER'S MESSAGE OF 13 MAY (OUR TELNO 502). SIGNED ORIGINAL FOLLOWS BY EAG BUT PLEASE NOW PASS TO THE WHITE HOUSE FOR TRANSMISSION TO THE PRESIDENT TEXT AS FOLLOWS.

DEAR MR PRESIDENT,

AS YOU KNOW I DEFERRED A FULL REPLY TO YOUR MESSAGE OF 13 MAY UNTIL MY COLLEAGUES AND I HAD BEEN ABLE TO TALK TO MR VANCE.

THOSE TALKS WERE MOST VALUABLE. CY VANCE WILL HAVE REPORTED TO YOU. BUT I THOUGHT YOU WOULD WISH TO KNOW MY THOUGHTS ON THE POINTS MADE IN YOUR MESSAGE.

YOUR RIGHTLY GAVE PRIDE OF PLACE TO SALT AND THE FUTURE STRATEGIC BALANCE. WE HAVE FOLLOWED THE SALT II DEVELOPMENTS WITH CLOSE ATTENTION AND ARE GRATEFUL FOR THE CARE YOU HAVE TAKEN TO KEEP US INFORMED. I SHARE YOUR CONVICTION THAT THE SUBSEQUENT DEBATE ON RATIFICATION OF THE TREATY WILL BE OF CRITICAL IMPORTANCE. AS I SEE IT, YOU IN THE UNITED STATES PARTICULARLY IN YOUR DIALOGUE WITH THE SENATE, AND WE AND OUR OTHER ALLIES HAVE TO STRIKE THE RIGHT BALANCE IN SUPPORTING THE RATIFICATION OF SALT II WHILE AT THE SAME TIME ENSURING THAT OUR PUBLIC OPINION UNDERSTANDS THE NEED FOR THE ALLIANCE TO MAINTAIN AND MODERNISE ITS NUCLEAR FORCES. CY VANCE ASSURED PETER CARRINGTON AT THE OUTSET OF HIS DISCUSSIONS THAT SALT II WAS WHOLLY COMPATIBLE WITH THE RETENTION OF A STRONG US DEFENCE CAPABILITY. WE WELCOME THAT. BOTH SIDES OF THE EQUATION WILL NEED TO BE EMPHASISED IN THE NEXT FEW MONTHS, IF WE ARE TO AVOID CREATING A FALSE SENSE OF SECURITY THAT MIGHT UNDERMINE THE CONTINUING DEFENCE EFFORT THE ALLIANCE MUST MAKE.

I NOTE WHAT YOU SAY ABOUT THE IMPORTANCE OF EUROPEAN VIEWS IN THE RATIFICATION DEBATE THAT LIES AHEAD OF YOU. AND I ACCEPT THAT THE ATTITUDE OF BRITAIN, AS A NUCLEAR POWER, WILL BE SCRUTINISED PARTICULARLY CLOSELY. ON OUR REACTIONS TO DATE WE HAVE

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/DONE OUR BEST

DONE OUR BEST TO BE HELPFUL, BOTH IN OUR NATIONAL STATEMENTS AND IN THE COMMUNIQUE OF THE NATO DEFENCE PLANNING COMMITTEE AND FOREIGN MINISTERS' COUNCIL. WE HAVE CONSISTENTLY SUPPORTED EFFORTS TO ACHIEVE LIMITATIONS ON STRATEGIC ARMS AND I HAVE MADE IT QUITE CLEAR THAT I HOPE THE TREATY WILL BE RATIFIED. MAY I ASK YOU TO LET ME KNOW AT ANY STAGE HOW BEST YOU THINK WE CAN CONTINUE TO HELP ?

AS YOU KNOW, OUR REACTIONS SO FAR HAVE BEEN GOVERNED BY THE VIEW THAT A STATEMENT ON THE SUBSTANCE OF THE AGREEMENT MADE AFTER ONLY A BRIEF PERIOD IN GOVERNMENT AND BEFORE WE HAD THE OPPORTUNITY TO STUDY THE FULL TEXT OF THE TREATY WOULD NOT HAVE CARRIED CONVICTION EITHER WITH THE PUBLIC HERE OR WITH YOUR CONGRESS. BUT I ASSURE YOU THAT, WITHIN THE ALLIANCE AND IN OUR PUBLIC STATEMENTS, WE WILL DO ALL WE CAN TO ASSIST YOU IN SECURING RATIFICATION.

CY VANCE WILL HAVE CONFIRMED TO YOU THAT ONE ASPECT OF THE SALT II NEGOTIATIONS THAT HAD GIVEN US, AS IT HAD OUR PREDECESSORS, SERIOUS CAUSE FOR CONCERN WAS THE WORDING ON NON-CIRCUMVENTION AND THE POSSIBILITIES FOR NUCLEAR TRANSFERS IN THE FUTURE. I THEREFORE MUCH APPRECIATE THE CATEGORICAL ASSURANCES IN THIS RESPECT THAT HE GAVE US. THIS WILL ALLOW US WHEN QUESTIONED, IN PARLIAMENT AND ELSEWHERE, AS WE SHALL BE, TO CONFIRM UNEQUIVOCALLY THAT OUR INTERESTS ARE SAFEGUARDED.

LOOKING AHEAD, I FULLY SHARE YOUR VIEW OF THE IMPORTANCE OF FULFILLING THE LONG-TERM DEFENCE PROGRAMME. PETER CARRINGTON FRANCIS PYM AND I ALL UNDERLINED TO CY VANCE THE STRENGTH OF OUR COMMITMENT TO THE NATO TARGET OF 3 PERCENT GROWTH IN DEFENCE EXPENDITURE. I AGREE TOO THAT WE NEED TO ENSURE THAT CONCRETE DECISIONS ON THEATRE NUCLEAR FORCE MODERNISATION ARE TAKEN BY THE ALLIANCE BY THE END OF THIS YEAR, AND IN THAT RESPECT THE RECENT NATO COUNCIL MEETING MARKED A MAJOR STEP FORWARD. AS FOR SALT III, I HAVE NO DOUBT THAT CY VANCE'S VISIT HAS GIVEN ADDED IMPETUS TO WHAT I HOPE WILL BE A PERIOD OF INTENSIVE CONSULTATION BOTH WITHIN THE ALLIANCE AND BETWEEN OUR TWO GOVERNMENTS. FOR THIS REASON I VERY MUCH WELCOME YOUR POSTSCRIPT AND LOOK FORWARD TO HEARING YOUR VIEWS ON SALT III AT ANY TIME.

ON THE COMPREHENSIVE TEST BAN NEGOTIATIONS IT IS GOOD OF YOU TO HAVE ARRANGED FOR YOUR SCIENCE ADVISER TO COME OVER HERE TO BRIEF ME ON THE TECHNICAL ASPECTS AND ON YOUR OWN THINKING. CLEARLY WE NEED TO KEEP IN CLOSE TOUCH ON THIS.

YOU WILL HAVE HEARD THAT, IN RESPONSE TO THE CONCERN WHICH BOTH YOU AND HELMUT SCHMIDT HAD EXPRESSED, WE HAVE RECENTLY ANNOUNCED A DOUBLING OF THE CONTRIBUTION PROMISED BY THE PREVIOUS ADMINISTRATION TO THE TURKEY RESCUE OPERATION. I AM NO LESS PERSUADED THAN YOU OF THE STRATEGIC IMPORTANCE OF TURKEY. BUT I MUST STRESS THAT POUNDS STERLING 15 MILLION IS ABSOLUTELY AS FAR AS WE CAN GO, BEYOND THE SUBSTANTIAL SUMS WE ARE ALREADY PROVIDING TO THE TURKS THROUGH THE EEC, GIVEN OUR DETERMINATION TO CUT PUBLIC EXPENDITURE IN THE UK. AND I THINK WE ALL AGREE THAT THE TURKS MUST COME TO AN AGREEMENT WITH THE IMF BEFORE OUR CONTRIBUTIONS ARE PAID OVER.

I SHARE YOUR CONCERN ABOUT SOUTHERN AFRICA. I AGREE THAT CLOSE COLLABORATION BETWEEN US WILL BE OF GREAT IMPORTANCE AS WE TRY TO RESOLVE THE PROBLEMS WHICH CONCERN US EQUALLY IN THAT AREA. ON RHODESIA WE WELCOMED THE TALKS WITH CY VANCE. DAVID HARLECH IS NOW IN AFRICA FOR DISCUSSIONS WITH THE COMMONWEALTH AND OTHER AFRICAN GOVERNMENTS DIRECTLY CONCERNED. WE SHALL BE CONSIDERING THE WAY FORWARD IN THE LIGHT OF HIS REPORT: AND WE SHALL WISH TO KEEP IN THE CLOSEST TOUCH WITH YOU OVER THIS PROBLEM.

PETER CARRINGTON AND CY VANCE HAVE BEEN IN CLOSE TOUCH ABOUT THE VARIOUS IDEAS ON NAMIBIA WHICH WE PUT FORWARD AFTER RICHARD LUCE'S VISIT TO THE AREA, AND I THINK YOU, WE AND OUR OTHER PARTNERS ARE NOW LARGELY AGREED ON THE NEXT STEPS.

MY MEETING WITH MR BEGIN WAS PROFOUNDLY DISHEARTENING. I WELL UNDERSTAND YOUR CAUTION ABOUT THE POSSIBILITY OF MAKING PROGRESS IN THE WEST BANK NEGOTIATIONS. I EMPHASISED TO MR BEGIN THE DANGER WHICH CONTINUED EXPANSION OF ISRAELI SETTLEMENTS REPRESENTS TO THE AUTONOMY NEGOTIATIONS AND ALSO THE NEED TO HELP PRESIDENT SADAT. BUT HE WILL NOT LISTEN AND EVEN RESENTS THE SUBJECT OF SETTLEMENTS BEING RAISED AT ALL.

PETER CARRINGTON WILL DISCUSS WITH HIS COMMUNITY COLLEAGUES HOW THEY CAN BEST HELP. FOR OUR PART WE SHALL CONTINUE TO SUPPORT YOUR GENERAL APPROACH WITH ITS EMPHASIS ON THE NEED TO ACHIEVE A COMPREHENSIVE SETTLEMENT. WE SHALL BE HAPPY TO KEEP IN CLOSE TOUCH WITH MR STRAUSS AS YOU SUGGEST.

AS FOR THE DIVISIONS IN THE ARAB WORLD, I DOUBT WHETHER ANY EARLY PROGRESS TOWARDS RECONCILIATION BETWEEN PRESIDENT SADAT AND SOME OF THE MORE MODERATE ARAB GOVERNMENTS IS POSSIBLE. THE FIRST STEP MUST BE TO URGE PRESIDENT SADAT HIMSELF TO STOP HIS ATTACKS ON HIS

NATURAL ALLIES SUCH AS THE SAUDIS AND THE JORDANIANS. I WAS GLAD TO HEAR THAT YOUR AMBASSADOR IN CAIRO HAS BEEN ABLE TO HELP WITH THIS. I EXPECT TO SEE KING HUSSEIN IN THE NEXT WEEK AND SHALL URGE ON HIM THE NEED NOT TO COMMIT HIMSELF IRREVOCABLY AGAINST THESE PEACE NEGOTIATIONS.

BOTH FOREIGN MINISTER SONODA, AND HIS COLLEAGUE, MR ESAKI, WHOM I HAVE SEEN RECENTLY, UNDERLINED THE IMPORTANCE THE JAPANESE ATTACH TO THE TOKYO SUMMIT. I ACCEPT THAT SUCH MEETINGS CAN BE USEFUL AND I SHALL BE INTERESTED TO TAKE PART IN IT WITH YOU AND OUR FIVE OTHER COLLEAGUES. BUT I MUST ADMIT THAT PREVIOUS MEETINGS IN THE SERIES HAVE STRUCK ME AS SOMETIMES LONGER ON DIAGNOSIS THAN ON PRESCRIPTIONS. THE PROBLEM WE FACE THIS TIME ARE EVEN MORE ACUTE THAN BEFORE, WITH THE ENERGY SHORTAGE AGGRAVATING AN ALREADY UNCERTAIN SITUATION. I HOPE WE SHALL BE ABLE TO GET NEARER TO FINDING SOLUTIONS - BUT FRANKLY I AM NOT OPTIMISTIC. ON ONE POINT I WHOLLY AGREE WITH YOU. WE MUST TRY TO DEAL ONLY WITH A LIMITED NUMBER OF SPECIFIC ISSUES AND AVOID THE OVER-GENERALISED APPROACH. I HOPE ALSO THAT WE SHALL BE ABLE TO AVOID A COMMUNIQUE WHICH DEALS MAINLY IN PIOUS PLATITUDES.

WE WERE ABLE TO ASSURE BOTH JAPANESE MINISTERS OF THE IMPORTANCE WE ATTACH TO A HEALTHY AND CONSTRUCTIVE RELATIONSHIP WITH THE JAPANESE GOVERNMENT, BOTH BILATERALLY AND THROUGH THE EUROPEAN COMMUNITY. I THINK THERE IS A LIMIT TO HOW FAR OTHERS CAN OR SHOULD GO IN ADVISING THE JAPANESE HOW TO RUN THEIR AFFAIRS, BUT I AGREE THAT THE CONTINUING JAPANESE TRADE SURPLUS IS A CAUSE FOR CONCERN FOR US ALL. ALTHOUGH THE LATEST FIGURES ARE SLIGHTLY MORE REASSURING, THIS MAY BE NO MORE THAN TEMPORARY, AS THE DEPRECIATION OF THE YEN ONCE AGAIN LEADS TO AN INCREASE IN JAPANESE EXPORTS.

FINALLY, I SHOULD LIKE BRIEFLY TO MENTION ONE SUBJECT NOT COVERED IN YOUR LETTER TO ME. I AM VERY CONCERNED ABOUT THE REFUGEE SITUATION IN SOUTH EAST ASIA, AND IN PARTICULAR ABOUT THE INCREASING FLOOD OF BOAT REFUGEES FROM VIETNAM. THE IMPACT IN HONG KONG, WHERE OVER 50,000 VIETNAMESE REFUGEES HAVE ARRIVED THIS YEAR, IS NOW VERY SERIOUS INDEED. THE UNITED STATES AND A HANDFUL OF OTHER COUNTRIES INCLUDING BRITAIN, ARE MAKING A SUBSTANTIAL CONTRIBUTION. BUT WHAT

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IS NEEDED IS A CONCERTED INTERNATIONAL EFFORT BOTH TO GET MORE COUNTRIES TO OPEN THEIR DOORS TO THESE UNFORTUNATE REFUGEES, AND TO EXERT MORE EFFECTIVE PRESSURE ON THE VIETNAMESE GOVERNMENT TO STOP EXPORTING THEIR UNWANTED PEOPLE. AND WE NEED TO ACT SOON - WHICH IS WHY I HAVE ASKED DR WALDHEIM TO CONVENE AN INTERNATIONAL CONFERENCE UNDER UN AUSPICES. I HOPE WE CAN COUNT ON YOUR SUPPORT. I AM LOOKING FORWARD TO OUR MEETING IN TOKYO.

YOURS TRULY
MARGARET THATCHER.

CARRINGTON

[COPIES SENT TO NO 10 DOWNING ST]

FILES

PS

N AM D

PS/LPS

HD/DEF D

PS/MR. RIDLEY

HD/ACDD

PS/MR. HURD

HD/SED

PS/MR. LUCE

HD/S AF D

PS/PUS

HD/RHOD D

SIR A DUFF

HD/NENAD

SIR A PARSONS

HD/MED

MR. BULLARD

HD/FRD

MR. BUTLER

HD/FED

MR. CORTAZZI

HD/ES & SD

MR. LEAHY

HD/SEAD

MISS BROWN

HD/HK & GD

MR. P. H. MOBERLY

MR. FERGUSSON

MR. WILLIAMS

MR. P. C. MOBERLY