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10 DOWNING STREET

16 April 1980

From the Private Secretary

subject copy filed on: USA: Kissinger's visits to the UK: Aug 79.

Call by Dr. Kissinger

Dr. Kissinger called on the Prime Minister this afternoon and stayed for rather over an hour. This account of the conversation will be rather more impressionistic than usual since the Prime Minister, at Dr. Kissinger's prompting, instructed me not to take a record. Dr. Kissinger told me afterwards that he had no objection to a letter describing the conversation being written provided it was not given too wide a distribution. He said that he would be content for it to be seen by Sir Nicholas Henderson (for whose performance as HM Ambassador in Washington he had earlier expressed the warmest appreciation).

The US Administration

Dr. Kissinger said that President Carter was excessively isolated in the White House. President Nixon has also been isolated. But, unlike President Carter he had not tried to do everything himself. Moreover President Carter continued to give an impression of inexperience (Dr. Kissinger also commented disparagingly on Governor Reagan's lack of experience). The Administration had apparently still failed to formulate an overall strategy for dealing either with the Iranian problem or with the much graver issues raised by the Soviet invasion of Afghanistan. As regards Iran there was a specific problem in that some of the middle and lower echelons in the White House and the State Department sympathised with the objectives of the Iranian revolution. This accounted, at least in part, for the lack of credibility in the Administration's threats to take a tough line. The situation would have been very different had the hostages been taken by e.g. the Pinochet regime.

Iran

Dr. Kissinger said that he had favoured military action of some kind at a very early stage in the crisis. The taking of hostages should never have been accepted by the US Administration. However, in the situation which had now arisen, he was opposed to military action. He did not see how it could be made effective. A naval blockade by ships would rapidly result in a "nervous collapse" in Washington. Every time a blockading ship sighted an approaching vessel, there would have to be a meeting in Washington to decide whether or not it should be stopped (Dr. Kissinger made it clear that his experience of running a blockade off Vietnam was still fresh in

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his mind). If, on the other hand, mines were used, the US Administration would rapidly be faced with a decision as to whether or not to sink vessels trying to sweep the mines.

In general, the balance of the situation in and around Iran was markedly less favourable to the United States than it had been in Vietnam. The US Administration had then had overwhelming local force at its disposal. Moreover the United States was involved in a series of negotiations to which the Soviet Union attached importance and which therefore gave Washington leverage. The United States now had neither adequate forces to deploy locally nor any bargaining counters to use with the Soviet Union. Moreover the weakness which the United States had already shown in Iran had caused a collapse of confidence in the United States in the Middle East generally and, specifically, in Saudi Arabia.

Having made these points about the difficulties for the US Administration of resorting to force, Dr. Kissinger said that nonetheless it had to be recognised that US opinion was now running out of control. The US intellectual establishment had always, in his view, underestimated the potential bellicosity of an American middle class whose members had never suffered any serious reverse and for whom the prospect of an American humiliation was intolerable. There was a real danger of a more or less involuntary slide towards the use of military force. The situation was, as others had said, reminiscent of 1914.

The Prime Minister said that HMG would make a major effort to ensure that the European Community gave President Carter the backing, e.g. on sanctions, which he required. However the present situation had been arrived in, it was in the last resort essential to support the US Government. But if it were agreed to go down the road of sanctions, time would be needed to put through the necessary legislation and then to give the sanctions an opportunity to work. The Prime Minister said that she would not be able to carry the Opposition with her in present circumstances in supporting a resort to force.

East/West Relations

Dr. Kissinger said that he had seen President Tito in the autumn, some weeks before the Soviet invasion of Afghanistan, and that President Tito had even then expressed grave concern about the intentions of the Soviet leadership. He had expressed the view that there was a real possibility that the present generation of leaders - and still more the next generation - would take rash action. The present situation in Afghanistan had arisen because of the lack of a clear signal from the West. It remained of great importance that the Soviet Union should receive a clear signal. The situation throughout the so-called arc of crisis was clearly moving in favour of the Soviet Union. More situations would arise in which they might be tempted to intervene. The West as a whole was still not doing enough to maintain the credibility of its defences. The present crisis was the most serious that had arisen since 1945.

Dr. Kissinger commented on the growing weakness of Chancellor Schmidt's position. He greatly admired Chancellor Schmidt and his policies but the Chancellor was losing his party. Messrs Brandt, Bahr and Wehner were already far too deeply involved with the Soviet Union (Dr. Kissinger commented in passing on the heavy price which was being paid for the Ostpolitik). Herr Apel was a nationalist who was increasingly inclined to try to charge a price for the maintenance of

Germany's central position in the Alliance. There was no obvious successor to Chancellor Schmidt if, as was possible, the SPD tried to drop him after the election. (The Prime Minister expressed considerable scepticism of the likelihood of this last eventuality occurring.) As regards the French, Dr Kissinger said that they made a profession of cynicism. Their policy consisted of picking up pennies. Nonetheless he agreed with the Prime Minister that they would probably follow the British and German lead on Iran: their analysis of the fundamentals of the situation was probably not so different from that of other members of the Alliance.

The Arab/Israeli Dispute

Dr Kissinger said that he did not think there was any chance that the autonomy talks would result in progress towards a solution of the Palestinian problem. It was unrealistic to suppose that the Palestinians would be prepared to disarm themselves and live contentedly in an enclave on the West Bank. Nor would the PLO cease its subversive activities elsewhere in the Middle East in the circumstances. The Israeli Government, for their part, were faced with a choice between trying to set up a Bantustan, which would clearly be unacceptable to the Palestinians, and engaging in an irreversible process leading to an independent Palestinian state, which would be unacceptable to Israeli opinion. Dr Kissinger said that he had been rung by Mr Begin the previous day. Mr Begin had told him that the Americans were proposing the establishment of an autonomous entity in which the Israeli Government would retain responsibility for foreign affairs and defence but the Palestinians would be responsible for all other aspects of policy. Mr. Begin said that he could not accept this approach because it clearly implied the eventual establishment of an independent Palestinian state. Dr. Kissinger thought that Mr. Begin's analysis was accurate.

Dr. Kissinger said that the only way to resolve the problem (and he admitted that he had few supporters in the United States for his approach) was to involve Jordan. The Israelis should hand over the West Bank and Gaza to the Jordanian Government as soon as possible and in as unencumbered a state as possible. Israel's security requirements should be protected by arrangements based on those envisaged in the Allon plan. Once the West Bank had been transferred to Jordan, the problem of the Palestinians would become an Arab rather than an Arab/Israeli problem. The Prime Minister commented that when she had last seen King Hussein he had seemed willing to assume responsibility for the West Bank. But it seemed to her that this approach would be gravely destabilising for Jordan. Dr. Kissinger admitted that this might be so but said that he considered it the least damaging option.

A Western Summit

Dr. Kissinger said that he had been surprised that, given the present disarray in transatlantic relations and the gravity of the general situation, no attempt had been made to have a Guadeloupe-style summit. It was essential that some way should be found, privately, to force President Carter to spell out his strategy. The process of having to describe it to his principal allies might lead

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him to elaborate it in more detail than he seemed so far to have done. The Prime Minister indicated that she would reflect on the point.

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

Paul Lever Esq
Foreign and Commonwealth Office.