

Can we put forward
the issue of an
"in the wake of
M. J. Harrison's debate
at the Venice Summit
and pub.

PRIME MINISTER 2.

FCO will suggest a draft
reply to President Carter's
attached message. He has
written to all
economic summit
participants

EMBASSY OF THE UNITED STATES OF AMERICA

LONDON

February 10, 1980

MPD
11/2

Dear Prime Minister:

I have been asked to deliver the enclosed
message to you from President Carter, which
was received at the Embassy this morning.

Sincerely,

Kingman Brewster
Kingman Brewster
Ambassador

Enclosure:
(SECRET)

The Rt. Hon. Margaret Thatcher, M.P.,
Prime Minister,
London.

SECRET

SUBJECT

cc Mather SA
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PM Town Add.
July 79 Venice Eca Summit

February 10, 1980

PRIME MINISTER'S

PERSONAL MESSAGE

SERIAL No. T 24/80..

Dear Margaret:

I want to express to you my deep personal appreciation for your words in the Commons on January 28, condemning the Soviet invasion of Afghanistan and pledging your support for a firm Allied response to that outrage. I agree with you that our actions should make it clear to Soviet leaders that they must pay a price for invading Afghanistan. We can do much to help deter them from further aggression, to contribute to the security and stability of Southwest Asia and the Persian Gulf, and to improve Western relations with the crucial states in that area. It is also very important to remove from Soviet expectations any hope that they can drive a wedge between the Western Allies with a so-called "Peace Offensive" aimed at any of us.

Our response to the Afghan crisis can also serve as a catalyst for making progress on some of the West's most pressing problems. One such problem is our defensive capability, which should be enhanced both inside and outside Europe. Another lesson of the current crisis is the need to reduce the industrial world's dependence on Mideast oil. I know that our two countries will work closely with others at the planned meeting next month to reduce oil consumption and, through the International Energy Technology Group, to devise means for increasing alternative energy sources.

Each of us in the West has different assets -- economic, military, and political -- as well as different constraints on our ability to act. We need a thorough exploration of how we can assure that our policies are complimentary and of how we can share the necessary tasks. In this message, I want to give you my thoughts on what steps should be taken next. I am also writing to the leaders of the other countries that participate in the Economic Summit.

The Rt. Hon. Margaret Thatcher, M.P.,
Prime Minister,
London SW1.

SECRET

I have been pleased to learn that your Government is giving serious thought to increased economic assistance to Pakistan. In reviewing possible responses to the present crisis, we consider this effort a matter of the highest priority. General Zia has told us that he wants to know what others will contribute in the way of increased aid through the present consortium before making important decisions. Dr. Brzezinski and Warren Christopher have returned from extensive discussions with the Pakistanis. Our military survey team will be returning shortly with its recommendations. We hope you will make specific contributions in financing and equipment in accordance with our joint determination of Pakistan's security needs.

I also assume that the U.K. will again be contributing generously to the Turkey consortium that the Federal Republic is organizing, and I hope you will work to disburse last year's pledge as soon as possible. I believe, as you do, that Turkey remains a keystone of European defense and Mideast stability. In the case of both Turkey and Pakistan, it is important that the aid be untied, in order to increase its usefulness.

With regard to the situation in the Persian Gulf, we have already briefed members of your government about our desire to expand facilities on Diego Garcia. I understand that your people are studying our plans, which include increased facilities for aircraft, fuel storage, ship-docking and an improved water supply, as well as arrangements to ensure maximum flexibility of use. We will be in close touch on the details of these proposals in the coming weeks and I hope we can count on your support.

Also, I very much hope that your Government will increase its presence in the Indian Ocean and the Persian Gulf and provide staging areas to facilitate transit of U.S. forces from the continental United States to that region. I assume you will not want to draw down your ground forces committed to NATO, and, therefore, that your emphasis will be on Naval and Air commitments. In this regard, we would be pleased to coordinate the use of facilities in the area with you and to assist your deployments there with logistic support. This, too, is an area that needs to be discussed in detail by our experts over the coming weeks.

The decisions you have taken thus far not to renew your official credit line with the Soviets is a positive step, and one we appreciate. We continue to believe that a severe restriction of such credits by the United Kingdom and other major lenders would send a powerful signal of Allied solidarity to the Soviets. As you know, Japan has recently taken action to restrict credits. We continue to urge that you not provide any new official export credits or guarantees to the USSR.

With respect to exports of high-technology items to the Soviet Union, I ask that your authorities not request exceptions in the Coordinating Committee (COCOM) to the embargo on strategic goods and technology destined for the USSR, except in hardship cases or where Western security interests dictate. This "no exceptions" policy to the COCOM list as negotiated in 1979 will mark an important and prudent shift in the Allied approach. As to computers -- where I understand that 1976 standards are still in effect -- I urge that no exceptions be made to those standards until new standards are negotiated.

In addition, I believe the list of items covered by the COCOM embargo should be expanded to include technology critical to the modernization and expansion of the Soviet industrial base. Submissions to COCOM for approval of these items would be reviewed case by case, with a presumption against approval. What I have in mind here is limited in scope, but in my judgment important. We believe that the introduction of Western technology to the Soviet industrial modernization program will lead to a significant improvement in the productivity of those industries, which would directly affect both the quantity and quality of military equipment produced in the Soviet Union.

In the industrial area, neither ALCOA nor ARMCO will go forward with proposed major projects in the Soviet Union. To preserve the impact of this withdrawal, it is essential that the place of the American companies not be taken by industrial firms elsewhere. I hope we can count on British cooperation in this area. We are looking into the possible existence of similar situations where we should discourage Western and Japanese companies from bidding on large-scale projects in the Soviet Union for the time being. We will keep you informed. We hope that restraint will be evidenced until we mutually agree that circumstances have changed.

SECRET

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Let me reaffirm the deep appreciation we feel for the numerous actions your Government has already taken to demonstrate your condemnation of recent Soviet actions. In particular, we applaud your leadership in launching the Olympic boycott, which seems now to be gaining strength. Americans admire the leadership that the United Kingdom and you personally are displaying.

Finally, I believe it is important that we move quickly to adopt firm agreement on a coordinated plan of action. You know that, as always, I would welcome any thoughts of yours on these subjects.

Sincerely,

/s/

Jimmy Carter

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