

PRIME MINISTER

MEETING WITH MR. CARLUCCI

You are to see Mr. Carlucci on Monday. He will have had separate sessions beforehand with Sir Robert Armstrong, Sir Percy Cradock and me. He is also visiting Paris and Bonn.

I think the first subject which you will want to tackle is the Gulf. We share the American objective of maintaining freedom of navigation. We agree that we should make the most of the 'window' provided by the recent Security Council resolution to try to achieve a moratorium on attacks on shipping and a de-escalation of the conflict. We think that the Western military presence in the meantime should have as low as possible a profile. This is one of the reasons why we are reluctant to send minesweepers at this stage, although our response was intended as 'not now' rather than 'never'. We shall follow the situation very closely. We would like to know more about American thinking and their contingency planning. How do they assess likely Iranian tactics? Do they expect more mining? Or other sorts of attacks? In what circumstances would they retaliate against Iran? What forms would retaliation take? How far would they be likely to give others warning or consult?

You might move on to Arab/Israel, recalling what you said to the President in Washington. Your impression was that most members of the Administration apart from Mr. Shultz would be content to see the US come out more overtly in favour of an international conference. All the evidence is that Shamir is deeply dug in and will resist a conference for as long as he believes he can successfully do so. (You might refer obliquely to the recent meeting, on which we had a report. He will know of it.) The only thing likely to move Shamir is for the US to exert some real pressure, by pressing openly for a conference. It would also help the US enormously with the Arabs, at a time when their solidarity is needed in confronting the situation in the Gulf.

Handwritten notes:
 Please see Sir Robert Armstrong
 Please see Sir Percy Cradock
 Please see me

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Handwritten note:
 Please see

While on the Middle East, you might deal with Syria and Libya. The President told you that the US would probably send its Ambassador back to Damascus in September. We hope that they will continue to proceed cautiously. Although there are some signs that the Syrians have improved their conduct on terrorism, there is still intelligence pointing the other way (e.g. of their telling the Iranians not to worry about reconciliation with Iraq, its only a sham). It would be useful to know whether the United States have any fresh intelligence on Libya.

*Syria
Pakistan
Iran*

You will want to take him through the main issues on arms control and a US/Soviet Summit. You should ask how the Americans plan to handle the remaining problems in the INF negotiations, in particular the Pershing IAs. We are ready to back whatever the Germans want, given their exposed position; but we do not want to be taken by surprise by a sudden switch in position. We hope that the assurances you were given in Washington on provision of SLCMs to SACEUR are being followed up. It is apparent that the Russians continue to link progress in the START talks to SDI. Does this mean that the Americans expect little progress on this at a Summit? Will the President's arms control ambitions for his Presidency be satisfied by an INF Agreement or is he still looking for more than that? You should also touch on chemical weapons and ask for his frank view on whether we are beating our heads against a brick wall in trying to come up with a verification regime which the Americans will accept as adequate. If so, there is little point in our continuing to devote much energy to this.

You should take the opportunity to ask about progress with the SDI. Have there been any dramatic new technical developments or breakthroughs? How serious are the Congressional obstacles? Does he personally expect to see a first-phase system deployed in the mid-1990s?

You might also ask for his assessment of Gorbachev and his prospects. Do the Americans have any particular intelligence

which throws light on this? How do they expect him to do?

You should mention our nuclear and intelligence cooperation. On the former, you can reassure him that we are proceeding at a sedate pace in our talks with the French, and you rule out any cooperation on strategic weapons (although the French are trying to interest us in the air-to-ground missile). On the latter, you should say that you hope very much that we shall be able to reach agreement on overhead systems and a successor to Zircon. We want to stay in this game.

You might touch on South Africa, emphasising that you do not want to be confronted with new American sanctions in the run-up to CHOGM: and we do not favour statements and declarations which serve no useful practical purpose.

Finally, you might say that you hope that he will continue to liaise closely with me, as the most confidential means of getting information and views to you.

C.D.P.

CHARLES POWELL

31 July 1987

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