4 a only. SECRET AND PERSONAL 26 i a - b 10 DOWNING STREET LONDON SWIA 2AA From the Private Secretary 19 May 1989 SNF Further to my letter of earlier this afternoon, I have now spoken to the Prime Minister and, on her instructions, been in touch again with Secretary Baker and General Scowcroft. I told both Baker and Scowcroft that the Prime Minister was very perturbed by this turn of events. She had placed weight on the assurance we had received that the Americans regarded talk of negotiations as premature. She thought the American text would be regarded as evidence of weakness. She wondered where the bottom line would be. In addition, she believed that, once we conceded the principle of negotiations, it would be impossible to persuade the European members of NATO to agree to deploy a successor to LANCE. Without in any way endorsing the American text, she had two main comments on it. First, it should make opening of negotiations dependent upon a decision to deploy a successor to LANCE. The last sentence of paragraph 3 should be amended to read: "The members of the Alliance proceed on the understanding that any negotiations on Soviet and American land-based missile forces will be contingent upon a prior decision by the Alliance to deploy a follow-on system to LANCE; and also that any negotiated reduction ... ". It would also be better if the penultimate sentence of paragraph 5 were amended to read: "In 1992 the Alliance will decide on the numbers required for a follow-on system for the LANCE short-range missile and hence its production and deployment." Second, the Prime Minister thought the text should add a further condition for negotiations, namely that there should be substantial reductions in Soviet SNF towards NATO levels. This should also be inserted in paragraph 3. Secretary Baker took note of these points and promised to out them to the President (he was about to leave Washington to SECRET AND PERSONAL

join the President in Maine). He was dubious whether the Germans would accept them: indeed, he doubted they would accept the original American text. I said that the Prime Minister would regard it as breaking faith with us if the Americans were to weaken the text even further before she had been able to speak to the President. Her preference would be to argue it out at the Summit. Secretary Baker said that the Americans differed with us on this point, although they would take the issue to the Summit if they had to. We might just have to accept that there was a difference of view between the US and the UK on this whole question. I pointed out that the difference had emerged only in the last twenty-four hours because the United States was contemplating changing its position.

General Scowcroft's attitude was somewhat better. He said that personally he thought our proposed amendment (I only gave him the text of the first one) was an improvement and he would be prepared to commend it to the President. I also made the point to him about avoiding any further weakening of the text without giving the Prime Minister an opportunity to discuss the issue with the President. General Scowcroft said that the Americans did not intend to 'give away the store'. He could promise that we would not be left out of any further discussions with the Germans. I took this to mean only that we shall continue to be consulted by telephone.

I am enclosing copies of the American and German text for the sake of completeness.

I am copying this letter and the enclosures to Brian Hawtin (Ministry of Defence) and Trevor Woolley (Cabinet Office).

CHARLES POWELL

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