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COPY

Subject on USA: UK/USA Relations May 1979. PRIME MINISTER'S

SERIAL No. TS/79T

Dear Madam Prime Minister:

May I repeat my congratulations on your election victory, and on your excellent beginning as Prime Minister.

In this letter, I would like to begin our discussions on important issues facing our two countries, and I look forward to continuing these discussions with you both at Tokyo and afterwards.

From our point of view, there is no higher foreign policy priority at the moment than gaining the ratification of the SALT II agreement by the Senate. In the next few months, I will do everything I can to make clear to the American people and to the Senate the vital contribution this agreement will make to American and Western security, and the consequences of its rejection. I am confident we will succeed.

The views of our <u>European allies</u> will also have a major impact on Senate debate. For that reason, I very much appreciate the statement your Government made following our SALT announcement. Cy Vance will also be happy to discuss any aspect of it with you and your Ministers during his visit to London. Your counsel and support will be invaluable to me and to the prospects for Senate ratification.

As I approached the SALT negotiations from the point of view of the strategic balance, I sought four key objectives—all of which the agreement fulfills:

--For the first time, the SALT II agreement establishes the principle of equality in total number of launchers and in other important categories;

--It reduces the number of delivery vehicles permitted each side--which in the Soviet case will require it to dismantle about 250 launchers;

--It constrains the qualitative arms race--for example, by limiting each side to one new ICBM during

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the life of the treaty. At the same time, it does not prevent us from undertaking needed modernization programs, including the steps I will decide to take in dealing with the increasing vulnerability of our Minuteman missiles; and

--The agreement makes verification easier and more secure which, along with our own efforts, gives me full confidence that the agreement can be adequately verified.

Each of these provisions is a significant advance over SALT I. And I believe they give us a firm basis for strategic security during the life of the treaty.

The agreement also provides important political benefits. The limits will give us greater certainty in our strategic planning, and thus can help to reduce misunderstandings. I also have no doubt that without the treaty I would have to ask Congress to fund far more extensive nuclear deployments than will be required if SALT passes the Senate, which would of necessity reduce funds and effort needed for conventional forces. And as I look to the future, it is particularly important that Soviet leaders coming to power in the next few years find themselves constrained by the SALT II limits, rather than by only the much less rigorous standards of SALT I, or no limits at all.

In approaching the SALT negotiations, I was also particularly concerned to work closely with all the NATO allies at every step of the way to be sure that allied interests were fully taken into account—including non-circumvention, cruise missiles, and future nuclear cooperation. Cy Vance and others will continue these consultations with you and the other allies, so that all points will be clear among us.

In addition to strategic arms limitations, I am anxious to work closely with you in the days ahead on Alliance efforts to meet the Soviet challenge to allied security: In particular in fulfilling the long-

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term defense program and in completing successfully allied discussions on the theater nuclear force problem. In the context of allied security, I am also deeply concerned about the economic problems facing Turkey, and hope our Governments can talk about what we and others should do to help this important ally.

On other matters, I believe it would be useful for our two Governments to discuss in depth the situation in Southern Africa, with particular emphasis on Namibia and Rhodesia. The stakes for us both—and for the West in general—are high; the problems and dilemmas we both face will not be easy to resolve. I hope, however, that the close collaboration between our two countries can continue, as we discharge the difficult responsibilities we have undertaken to promote peaceful change in that part of the world.

Of even greater importance is the future of the Middle East. The Israeli-Egyptian Treaty was an important step on the road to peace; but, if anything, the next stage in efforts to reach a permanent settlement will be even more difficult and demanding. have asked Bob Strauss to undertake the task of furthering negotiations on the West Bank and Gaza, and he would benefit from close contacts with your officials. I am not hopeful that progress will come easily or soon; but I am committed to do what I can to help. Your country's experience and understanding of these critical problems -- plus your deep interest in that region -can make a vital contribution to our own efforts to move the peace process forward. Any efforts the United Kingdom can make to help reduce divisions in the Arab world--and the the isolation of President Sadat--would be invaluable. In the next month and a half, we will also be preoccupied with the Economic Summit in Tokyo. Next week, the preparatory group will meet here in Washington, and Henry Owen will value gaining the views of your Government on the Summit from Sir John Hunt. I believe the chances for a good Summit are excellent. During my meetings last week with Prime Minister Ohira, we agreed on the need for agreement at the Summit on specific actions, not generalities. We discussed

energy, macro-economic policy, and food production in developing countries—as areas warranting special attention. We also made limited but real progress on relieving one of the key problems—namely, the Japanese trade imbalance with other Western countries. If this approach is sustained by effective Japanese follow-up action, I believe it will help us in gaining Congressional approval for the MTN agreement.

It will also be important at Tokyo for all of us to discuss what we can do to reduce our dependence on imported energy--where the United States bears a special responsibility; and how to deal with domestic structural problems, including the need to reduce the rate of inflation.

In sum, there is a long list of issues where both you and I face similar problems and concerns, and where we have much to discuss. I am looking forward to continuing the close partnership that has existed between our two countries for several generations—regardless of what party is in office in either nation. The role of the United Kingdom is critical in helping to resolve common problems, and your own personal leadership in these difficult times will be particularly important.

Again, my warm congratulations to you on becoming Prime Minister.

With best regards,

Sincerely,

Jimmy Carter

(Handwritten Post Script:) I hope that you will play a leadership role in promoting approval of SALT II and in assuring adequate theatre nuclear capability for NATO. I want to discuss SALT III parameters with you also. J.C.

The Rt. Hon. Margaret Thatcher, M.P.,
Prime Minister,
10 Downing Street,
London, S.W. 1.

PRIME MINISTER PERSONAL MESSAGE Defence: CTB/SALT WASHINGTON May 11, 1979

Dear Madam Prime Minister:

May I repeat my congratulations on your election victory, and on your excellent beginning as Prime Minister.

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From our point of view, there is no higher foreign policy priority at the moment than gaining the ratification of the SALT II agreement by the Senate. In the next few months, I will do everything I can to make clear to the American people and to the Senate the vital contribution this agreement will make to American and Western security, and the consequences of its rejection. I am confident we will succeed.

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On other matters, I believe it would be useful for our two governments to discuss in depth the situation in southern Africa, with particular emphasis on Namibia and Rhodesia. The stakes for us both — and for the West in general — are high; the problems and dilemmas we both face will not be easy to resolve. I hope, however, that the close collaboration between our two countries can continue, as we discharge the difficult responsibilities we have undertaken to promote peaceful change in that part of the world.

Of even greater importance is the future of the Middle East. The Israeli-Egyptian treaty was an important step on the road to peace; but, if anything, the next stage in efforts to reach a permanent settlement will be even more difficult and demanding. I have asked Bob Strauss to undertake the task of furthering negotiations on the West Bank and Gaza, and he would benefit from close contacts with your officials. I am not hopeful that progress will come easily or soon; but I am committed to do what I can to help. Your country's experience and understanding of these critical problems -- plus your deep interest in that region -- can make a vital contribution to our own efforts to move the peace process forward. Any efforts the United Kingdom can make to help reduce divisions in the Arab world -- and the isolation of President Sadat -- would be invaluable. In the next month and a half, we will also be preoccupied with the Economic Summit in Tokyo. Next week, the preparatory group will meet here in Washington, and Henry Owen will value gaining the views of your Government on the Summit from Sir John Hunt. I believe the chances for a good summit are excellent. During my meetings last week with Prime Minister Ohira, we agreed on the need for agreement at the Summit on specific actions, not generalities. We discussed energy, macro-economic policy, and food production in developing countries -- as areas warranting special attention. We also made limited but real progress on relieving one of the key problems -- namely, the Japanese trade imbalance with other Western countries. If this approach is sustained by effective Japanese follow-up action, I believe it will help us in gaining Congressional approval for the MTN agreement.

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Again, my warm congratulations to you on becoming Prime Minister.

With best regards,

The Right Honorable
Margaret Thatcher, M.P. P.S. I hope that you will
Prime Minister play a feadership role in proLondon moting approval of SALT II and in assuring
adequete theatre nuclear capability for NATO. I
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also - J.C.

10 DOWNING STREET 14 May 1979 From the Private Secretary UK/US Relations I enclose a copy of the text of a letter which President Carter has addressed to the Prime Minister, and which was delivered to No. 10 by the American Embassy over the weekend, setting out his Administration's approach to a number of international issues including SALT, the security of the NATO Alliance, Turkey, Southern Africa, the Middle East and the Tokyo Economic Summit. I should be grateful for advice, in the first place, on whether it would be desirable for the Prime Minister to send at least an interim reply to President Carter before the Foreign and Commonwealth Secretary's discussions with Mr. Vance This initial response could perhaps promise a on 22 May. more substantive reply after the talks with Mr. Vance have taken place. It would be helpful if advice, accompanied by a draft if appropriate, could reach me by 1700 on Thursday 17 May. I am sending copies of this letter and enclosure to Roger Facer (Ministry of Defence) and Martin Vile (Cabinet Office). B. G. DARTLEDGE G.G.H. Walden, Esq., Foreign and Commonwealth Office. SECRET

PRIME MINISTER

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Message from President Carter

The attached letter to you from

President Carter was delivered to No.10 by the

American Embassy on Sunday. It sets out the

President's views on a number of issues and is

evidently designed to open up a dialogue

between you.

I have asked for Lord Carrington's advice on whether it might be appropriate for you to send the President a short interim response before Mr. Vance's visit to London next week, followed by a substantive reply after Lord Carrington's talks with Mr. Vance have taken place.

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EMBASSY OF THE UNITED STATES OF AMERICA London

May 13, 1979

Duty Clerk
Prime Minister's Office
10 Downing Street
London S.W. 1

Dear Sir:

The Embassy has been asked to deliver the attached message to the Prime Minister from President Carter.

The message was received at the Embassy early this morning. The signed original will be forwarded to your office in due course.

Sincerely,

John W. Kimball

Embassy Duty Officer

Enclosure

