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Visit of Kenneth DAM, US Deputy Secretary of State, on 7 November 1983

USA

November 1983

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UNCLAS LONDON 23952

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E.O. 12356:N/A

SUBJECT: TEXT OF DEPUTY SECRETARY DAM'S NOVEMBER 7 BACKGROUND BRIEFING

FOLLOWING IS TEXT OF DEPUTY SECRETARY DAM'S NOVEMBER 7 BACKGROUND BRIEFING IN LONDON AFTER MEETING WITH PRIME MINISTER THATCHER.

BEGIN TEXT:

DAM: THIS VISIT IS NOT UNUSUAL. THERE ARE A NUMBER OF DEVELOPMENTS TAKING PLACE AROUND THE WORLD WHICH REQUIRE ESPECIALLY CLOSE, CANDID DISCUSSION AMONG ALLIES. AS YOU KNOW THE PRESIDENT AND THE SECRETARY OF STATE ARE LEAVING FOR ASIA AND THEY WILL BE ABLE TO DISCUSS INTERNATIONAL DEVELOPMENTS THERE. I AM VISITING NOT ONLY BRITAIN BUT A NUMBER OF OTHER EUROPEAN COUNTRIES TO DISCUSS THESE INTERNATIONAL ISSUES. WE MET THIS MORNING OVER BREAKFAST WITH PRIME MINISTER THATCHER. WE HAD A VERY GOOD DISCUSSION THAT LASTED ABOUT AN HOUR AND A HALF OR A LITTLE MORE AND WE WENT OVER A NUMBER OF TOPICS INCLUDING GRENADA, THE GENEVA TALKS ON INF DEPLOYMENT, LEBANON AND THE MIDDLE EAST IN GENERAL. I WOULD SAY THAT THESE TALKS CONSTITUTED CONSULTATIONS IN THE BEST SENSE. I WASN'T TRYING TO CHANGE BRITISH POLICY ON ANY OF THESE SUBJECTS, BUT I

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fax to me as a stickly confidential basis by Mr. Shearer.

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f.a.

EXPLAINED OUR POSITION AND I LISTENED TO HER THOUGHTFUL VIEWS ON THESE TOPICS WE'VE JUST LISTED. ON GRENADA -- OF COURSE OUR DIFFERENCES ARE WELL-KNOWN --BUT BOTH OF US -- BOTH COUNTRIES -- ARE LOOKING AHEAD, LOOKING FORWARD AND THAT'S WHERE THE EMPHASIS WAS AND IS, AND WE ARE WORKING TOGETHER WITH THE -- WHEN I SAY "WE" NOW I MEAN THE UNITED STATES -- BUT I THINK IT'S ALSO FAIRLY TRUE OF THE UK, LOOKING FORWARD TO WORKING WITH THE GOVERNOR-GENERAL AND WITH THE OECS COUNTRIES TO ENSURE A SPEEDY RETURN TO CONSTITUTIONAL GOVERNMENT. I MUST SAY THAT THE BRITISH HAVE A LOT OF EXPERIENCE AND EXPERTISE IN THAT PART OF THE WORLD AND THEY CAN PLAY A CONSTRUCTIVE ROLE THERE. I WAS ABLE TO EXPLAIN TO HER THE CONCERNS THAT LED TO OUR ACTION AND WHAT WE FOUND ON THE ISLAND, AND I'D BE PREPARED TO TAKE ANY QUESTIONS ON THAT, IN ADDITION TO MY CONVERSATIONS WITH HER. WE INDEED HAVE SOME MATERIALS FOR YOU HERE THAT WERE MADE AVAILABLE LATE FRIDAY IN WASHINGTON AND WE HAVE COPIES FOR YOU. GENERALLY SPEAKING THESE DOCUMENTS DESCRIBE THE ARMS INVENTORIES THAT HAD BEEN ARRANGED FOR IN VARIOUS TREATIES WITH THE SOVIETS AND CUBA AND NORTH KOREA AND SOME MINUTES OF THE CENTRAL COMMITTEE OF THE NEW JEWEL MOVEMENT WHICH, I THINK, SHOW THE SLIDE IN EVENTS WITHIN THE NEW JEWEL MOVEMENT THAT LED TO BISHOP'S DETENTION AND MURDER. WE ALSO DISCUSSED LEBANON, INCLUDING THE GENEVA RECONCILIATION TALKS AND THE ROLE OF THE MULTI-NATIONAL PEACEKEEPING FORCE AND, AS THE FOREIGN MINISTERS OF THE FOUR MNF COUNTRIES AGREED 10 DAYS AGO IN PARIS, MRS. THATCHER AND I ALSO AGREED THAT OUR FORCES SHOULD STAY IN LEBANON IN ORDER TO PROVIDE A BACKDROP FOR POLITICAL RECONCILIATION WHICH WE PUT EMPHASIS ON AND TO DEMONSTRATE SUPPORT FOR THE CENTRAL LEBANESE GOVERNMENT. WE ALSO TALKED ABOUT INF, AGREEING THAT WE SHOULD MAKE EVERY EFFORT TO MAKE PROGRESS IN THE GENEVA NEGOTIATIONS PRIOR TO DEPLOYMENT. WE ALSO ADDRESSED THE RECENT ANDROPOV PROPOSALS AND CONCLUDED THAT WHILE THEY MAY REPRESENT SOME PROGRESS, THE SOVIET UNION STILL APPEARS TO BE BENT ON PRESERVING ITS MONOPOLY WITH THE INF MISSILES; AND WE AGREED

THAT THE SOVIET THREAT TO LEAVE THE NEGOTIATIONS COULDN'T BE ALLOWED TO DIVERT THE ALLIANCE FROM KEEPING TO ITS SCHEDULE FOR DEPLOYMENT, WHICH OF COURSE WILL BEGIN BY THE END OF THIS YEAR IF THERE IS NO AGREEMENT. SO I WOULD SAY THE TALKS WE HAD WERE -- AS TALKS WITH HER ALWAYS ARE -- VERY STIMULATING AND HELPFUL. I HAVE TC SAY THAT THERE'S BEEN A LOT OF TALK THAT SINCE GRENADA THE SPECIAL RELATIONSHIP HAS BEEN PLACED IN JEOPARDY, BUT I THINK THAT'S BASED ON PERHAPS SOME MISUNDERSTANDING OF US/BRITISH RELATIONS. WE ALWAYS HAD A STRONG RELATIONSHIP AND IT'S BEEN BASED ON THE FACT THAT WE CAN ON CCCASION DISAGREE AND STILL COOPERATE ACROSS A BRCAD FRONT THRCUGHOUT A WHOLE PACT OF ISSUES ACRCSS THE WORLD, AND CERTAINLY MY TALKS WITH HER REFLECT THE FACT THAT WE ARE UNITED ON BASIC ISSUES AND THUS, CERTAINLY, IN MY JUDGMENT -- IN CUR JUDGMENT -- THAT IS TC SAY THE UNITED STATES' JUDGMENT, THE RELATIONSHIP IS FUNDAMENTALLY SOUND. SO I WOULD BE GLAD TO HAVE QUESTIONS ON THE TALKS, OR AS I SAID I CAN TALK ABOUT GRENADA, OR (INAUDIBLE)

Q: DID MRS. THATCHER RAISE WITH YOU THE QUESTION CF RESUMING AMERICAN ARMS SALES TO ARGENTINA?

DAM: SHE CERTAINLY DID. SHE MADE VERY CLEAR HER CONCERNS IN THIS RESPECT AND I EXPLAINED, AND OF COURSE SHE WAS ALREADY AWARE OF IT, SEVERAL POINTS THAT PERHAPS SHOULD BE BORNE IN MIND. ONE IS THAT THERE IS A PROCESS IN AMERICAN LAW HAVING TO DO WITH CERTIFICATION. THE CONGRESS HAS IMPOSED, IN CERTAIN POLICY THAT THE ADMINISTRATION AGREES WITH, CERTAIN REQUIREMENTS FOR CERTAIN COUNTRIES THAT BEFORE ARMS SALES CAN BE ENTERTAINED, THERE HAS TC BE CERTIFICATION. THIS CERTIFICATION PROCESS IS PART AND PARCEL OF OUR HUMAN RIGHTS POLICY, AND TO CERTIFY WOULD SIMPLY BE A STATEMENT THAT THEY ARE MAKING PROGRESS ON HUMAN RIGHTS, AND OF COURSE WITH THE NEW ELECTIONS AND PROSPECTS OF PROGRESS ON HUMAN RIGHTS, THIS QUESTION WILL ARISE AND WILL HAVE TO BE FACED BY US, AND FRANKLY OUR HUMAN RIGHTS PROGRAM WOULDN'T MAKE SENSE UNLESS WE WCULD BE PREPARED TC CERTIFY WHERE THERE IS SUBSTANTIAL PROGRESS. BUT THAT DOES NOT MEAN THAT THERE WILL NECESSARILY BE ARMS SALES. THERE MAY WELL, BUT THAT'S A QUESTION FOR THE FUTURE, AND MY POINT HERE -- PARTICULARLY FOR THOSE CF YOU HERE IN BRITAIN -- IS THAT THOSE ARE TWO SEPARATE ISSUES.

Q: WHAT'S THE TIMETABLE ON THE CERTIFICATION AND DECISION AS TO WHETHER YOU RESUME SALES?

DAM: WELL, I CAN'T ADDRESS THAT SPECIFICALLY, OTHER THAN TO SAY THAT UNTIL THE NEW GOVERNMENT IS IN POWER THAT WOULD BE THE EARLIEST ANY CERTIFICATION COULD BECOME EFFECTIVE, BECAUSE PROGRESS WOULDN'T BE ACHIEVED UNTIL THEY ARE ACTUALLY IN OFFICE. BUT

CERTAINLY WE WILL BEGIN TO CONSIDER THE QUESTION OF THE SALE IN VIEW OF THE ELECTION RESULTS, AND SO CERTIFICATION IS IN THE FUTURE BUT THE DECISION (INAUDIBLE).

Q: THERE IS 6 MONTH REPORT THAT HAS TO BE

PRESENTED TO CONGRESS?

DAM: I THINK YOU ARE REFERRING TO THIS EL SALVADOR SIX MONTH REPORT WHICH DID EXPIRE BUT I THINK IT WENT BACK INTO THE LAW, AND SO WE HAD TO REPORT ON EL SALVADOR IN SIX MONTHS. I DON'T KNOW IF THERE IS ANY PROVISION; I FRANKLY DON'T BELIEVE THERE IS SUCH A PROVISION REGARDING ARGENTINA. WE HAVEN'T BEEN MAKING SIX MONTH REPORTS BECAUSE WE HAVEN'T BEEN CERTIFYING ARGENTINA AT ALL. IT IS DIFFERENT FROM THE EL SALVADOR SITUATION WHERE WE DO PROVIDE THEM WITH ARMS SALES.

Q: THE BASIC POINT IS THAT THERE WERE NO ASSURANCES GIVEN TO MRS. THATCHER?

DAM: NO THERE WERE NO ASSURANCES GIVEN. WE DID TAKE ON BOARD HER CONCERNS, WE DID AGREE TO CONSULT CAREFULLY WITH THE BRITISH GOVERNMENT AS THE WHOLE SITUATION DEVELOPS.

Q: (INAUDIBLE)

DAM: OUR DISCUSSION THIS MORNING WAS, AS I OUTLINED, ON THE IMPORTANCE OF MAKING PROGRESS IN NEGOTIATIONS. IN THAT CONNECTION WE DISCCUSED THE NEGOTIATIONS AND WE ALSO UNDERSCORED THE IMPORTANCE OF -- IN THE ABSENCE OF AN AGREEMENT -- OF CARRYING FORWARD THE DEPLOYMENT SCHEDULE.

Q: (INAUDIBLE)

DAM: THERE HAS BEEN NO SUCH DECISION BY THE US GOVERNMENT. WE OF COURSE ARE CONSIDERING WHAT WE DO AT THE TABLE IN GENEVA AND WE DID DISCUSS THAT AS WE NATURALLY DO IN CLOSE CONSULTATION WITH ALL OF THE BASING COUNTRIES AND NATO COUNTRIES IN GENERAL. I THINK THAT'S BEEN ONE AREA IN WHICH NO ONE HAS RAISED ANY QUESTIONS ABOUT THE FAULT OF THE CONSULTATIONS, BUT NATURALLY WE DISCUSSED THAT QUESTION.

Q: BUT DID YOU DISCUSS IT IN TERMS OF (INAUDIBLE)?

DAM: WE DISCUSSED THE QUESTION OF WHAT OUR POSITION SHOULD BE IN THE NEAR FUTURE IN GENEVA WITH REGARD TO THE POSSIBILITY OF FLESHING OUT IN SOME WAY OUR PROPOSAL.

Q: (INAUDIBLE)

DAM: THE QUESTION OF THESE SPECIFIC PROPOSALS HAVE BEEN FLOATED IN THE PRESS BUT THAT'S ALL SPECULATION AND I WOULDN'T WANT TO STEER YOU IN THE DIRECTION OF THE KINDS OF THINGS THAT HAVE BEEN IN THE PRESS AT ALL.

Q: DID MRS. THATCHER MAKE IT CLEAR TO YOU WHY SHE

CPPOSED OUR INTERVENTICN IN GRENADA?

DAM: WELL SHE -- WE DID SORT OF GO OVER THE GROUND CF HER CONCERNS AND SO FORTH BUT THE EMPHASIS WAS VERY MUCH ON THE FUTURE AND WHERE WE'LL GO FROM HERE.

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Q: (INAUDIBLE)

DAM: WELL I THINK THAT'S A QUESTION FOR THE GRENADA GOVERNMENT. THERE WILL AN INTERIM ARRANGEMENT AND TO A CERTAIN EXTENT THE OECS COUNTRIES IN CONSULTATION WITH THE BRITISH; IT'S NOT OUR FUNCTION TO MAKE PROPOSALS TO THE BRITISH AS TC WHAT THEY SHCULD BE DOING IN A THIRD CCUNTRY SO THAT'S A QUESTICN BETTER ADDRESSED TO THE BRITISH GOVERNMENT.

Q: MR. DAM IN VIEW CF BRITAIN'S RATHER UNIQUE POSITION IN THE COMMONWEALTH WOULD YOU THINK THAT A BRITISH ROLE IN SCME FORM -- A PRESENCE OF FORCE IN GRENADA -- WOULD BE ESSENTIAL OR OTHER COMMONWEALTH COUNTRIES COULD BE INCLUDED?

DAM: WELL AGAIN THAT'S A QUESTION THAT'S BETTER LEFT TO BRITAIN AND OTHER COMMONWEALTH COUNTRIES. IT SEEMS TO ME THAT THERE ARE THINGS THAT THE BRITISH CAN DO IN GRENADA THAT WOULD BE QUITE CONSTRUCTIVE. I DON'T HAVE A VIEW CN WHETHER THEIR MILITARY PRESENCE WOULD BE NECESSARY OR THE MILITARY PRESENCE OF OTHER CCMMCNWEALTH COUNTRIES, THAT'S NOT A QUESTION UPON WHICH I HAVE EXPERTISE. OUR EMPHASIS IN OUR DISCUSSIONS HAS BEEN ON THINGS LIKE ELECTIONS, AND RECONSTRUCTICN AND THAT SORT OF THING.

Q: BUT DID YOU DISCUSS THE POSSIBILITY OF THE CCMMONWEALTH PARA-
MILITARY OR AN INTERIM SECURITY FORCE OR ANY OTHER KIND OF OUTSIDE MULTI-LATERAL GRCUP TO REPLACE AMERICANS?

DAM: ONLY IN PASSING, NOT AS A GENERAL TOPIC AT ALL. JUST THE FACT THAT THAT SORT OF THING HAD BEEN PURUSED. FRANKLY IT'S A LITTLE EARLY UNTIL THERE ACTUALLY IS THIS INTERIM GOVERNMENT IN GRENEDA BECAUSE THAT'S THE CNE THAT'S GOING TC HAVE TO REQUEST THE PRESENCE OF OTHER FORCES. THAT IS A QUESTION I KNOW A LOT CF PEOPLE ARE DISCUSSING BUT IT'S BEFORE THE EVENT, BECAUSE IT'S CUR VIEW -- THE US GOVERNMENT'S VIEW -- THAT THESE QUESTIONS ARE QUESTIONS FOR THE INTERIM GCVERNMENT IN GRENADA, TOGETHER WITH THE CECS WHICH HAS A DEFENSE FORCE THERE, AND IT'S NCT A QUESTION REALLY FOR US. WE WILL BE GUIDFD BY THEIR WISHES.

Q: FOLLOWING THE PREVIOUS QUESTION, IS THERE ANY TIMESCALE FOR WITHDRAWAL FROM GRENADA?

DAM: THERE IS NC AGENDA OR, HOW SHALL I SAY, NO SCHEDULE. WE SIMPLY WANT TO WITHDRAW OUR TROOPS AS QUICKLY AS POSSIBLE. THE RANGERS WENT OUT FIRST, AND THE MARINES ARE NCW OUT; WE HAVE SCALED DCWN THE PRESENCE OF THE 2ND AIRBORNE. WE HAVE PUT IN ABOUT 5ØØ MILITARY ENGINEERS, AS WE WANT TO LEAVE THE ISLAND PHYSICALLY IN AT LEAST AS GOOD A SITUATICN AS

WE FOUND IT, AND SC WE ARE TRYING -- NOT ONLY IN TERMS OF MONEY BUT ALSO IN TERMS OF WHAT THE MILITARY ENGINEERS CAN DO TO MAKE A CONTRIBUTION, THAT'S THE QUESTION OF EXACTLY HOW FAST WE CAN COME OUT IS ALSO SOMETHING WE (INAUDIBLE).

Q: (INAUDIBLE).

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DAM: WELL THAT'S ACTUALLY NOT SO FAR AWAY. CERTAINLY NOT AT THE CURRENT LEVEL, IT'S POSSIBLE THAT THERE MAY BE STILL SOME PRESENCE THERE AT THAT TIME I JUST WOULD LIKE TO FRANKLY DUCK THAT QUESTION BECAUSE IT'S TOO SOON, THERE HASN'T BEEN ANY EXTENSIVE DISCUSSION OF THAT YET BECAUSE THERE IS REALLY NOBODY TO DISCUSS IT WITH, OTHER THAN THE GOVERNOR-GENERAL AND HE NEEDS TO HAVE HIS OWN GOVERNMENT IN PLACE SO WE CAN DISCUSS THAT.

Q: THE PEOPLE WHO OBJECT SAY (INAUDIBLE)

DAM: NO I DON'T THINK THERE'S ALL THAT MUCH DAMAGE. I DON'T MEAN THAT EVERY STRUCTURE IS GOING TO BE REBUILT. ALL I MEAN IS THAT WE ARE TRYING TO MAKE A CONTRIBUTION TO THE INFRASTRUCTURE OF THE ISLAND. THERE MAY BE CERTAIN THINGS THAT NOBODY WANTS REBUILT. I AM NOT SAYING WE ARE GOING TO REBUILD EVERY STRUCTURE.

Q: DID YOU AMONG OTHER THINGS DISCUSS THE POSSIBILITY OF AMERICAN RETALIATION (INAUDIBLE)?

DAM: YES WE DID DISCUSS THAT IN THE CONTEXT OF DEFENSE OF THE MULTI-NATIONAL FORCE. IT'S REALLY A QUESTION OF SELF-DEFENCE OF THE FORCE AND THE FACT IS THAT THE UNITED STATES GOVERNMENT IS CONSIDERING ITS OPTIONS, TRYING TO DEVELOP OUR KNOWLEDGE OF WHO WAS RESPONSIBLE, AND WE ARE QUITE ANXIOUS TO DO WHAT THE BRITISH GOVERNMENT IS QUITE ANXIOUS TO DO AND THAT IS THAT IF THERE IS ANY STEP TAKEN WITH A VIEW TO THE DEFENSE OF THE FORCES, THAT IT BE CAREFULLY CONSIDERED AND CARRIED OUT, AND WE HAVE BEEN IN TOUCH WITH THE BRITISH GOVERNMENT, WE WILL BE IN TOUCH WITH THE BRITISH GOVERNMENT FURTHER ON THAT SUBJECT.

Q: BUT DID MRS. THATCHER (INAUDIBLE).

DAM: YES SHE EXPRESSED HER CONCERNS AS TO THE DOWNSIDE OF ANY SUCH STEP AND WE DID DISCUSS THAT.

Q: COULD YOU SAY SOMETHING MORE ABOUT THE CRITERIA THAT WE DISCUSSED ABOUT STAYING IN LEBANON (INAUDIBLE)?

DAM: WE EMPHASIZED THAT IT WAS IN AID OF NATIONAL RECONCILATION, THE WITHDRAWAL OF ALL FOREIGN FORCES AND THE RE-ESTABLISHMENT OF A NEUTRAL LEBANON, AND CERTAINLY A NATIONAL RECONCILIATION IS A VERY IMPORTANT STEP TO ACHIEVING THOSE GOALS, AND RE-ESTABLISHING A LEBANON THAT'S SOVEREIGN OVER ITS OWN TERRITORY AND IS FREE OF FOREIGN FORCES.

Q: DID YOU TALK WITH THE PRIME MINISTER ABOUT THE POSSIBILITY OF REACTIVATING, REACTIVIZING THE REAGAN PEACE PLAN?

DAM: YES, IN A WAY, WE CERTAINLY DID DISCUSS THE

IMPORTANCE OF THE CVERALL PEACE PROCESS. I WANT TO CALL YOUR ATTENTION TO VARIED STATEMENTS IN THIS REGARD AND I GAVE A SPEECH IN PHILADELPHIA, ABOUT TEN DAYS AGO, EMPHASIZING THAT WE WERE GOING TO BE PUSHING HARD ON THE SEPTEMBER 1 INITIATIVE CF LAST YEAR IN THE COMING YEAR OF THE ELECTION. THE STATEMENT MADE THAT OUR ELECTION WOULD STAND IN THE WAY OF THAT, WAS NCT RIGHT; AND WHILE WE HAD TO PRACTICE OUR DEMOCRACY, WE WERE NOT GOING TO LET THAT

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STAN IN THE WAY. . .

Q: HAS THE STATE DEPARTMENT BEEN IN TOUCH WITH KING HUSSEIN ON THIS THING?

DAM: OH, YES, WE'RE IN VERY REGULAR TOUCH WITH KING HUSSEIN.

Q: ON CONSULTATIONS, CLEARLY ONE PURPOSE BEING HERE IS REALLY TO RESUME CONSULTATIONS ON A WIDE AREA, BUT THE WHOLE SUBJECT BECAME EXTREMELY SENSITIVE AS A RESULT OF THE FAILURE IN INFORMING THE BRITISH, IN SUFFICIENT TIME FOR THEM TO TALK WITH THEIR VIEWS ON THE GRENADA ISSUES. IS THERE ANY PROSPECT OF A CHANGE, IN DISCUSSING ANY SPECIFIC WAY TO DEAL WITH THIS KIND OF SITUATION IN THE FUTURE?

DAM: NOT ANY SPECIFIC MECHANISM, IF THAT'S WHAT YOU MEAN, WE HAVE HAD VARIOUS DISCUSSIONS AT VARIOUS TIMES ABOUT IMPROVING CONSULTATION ON OTHER THINGS LIKE, EXTRATERRITORIALITY WHICH YOU (INAUDIBLE). I READ IN THE PAPER YESTERDAY, AND I DON'T VOUCH FOR THE FACT THAT 15,000 AMERICANS COME THROUGH HERE ON OFFICIAL BUSINESS EVERY YEAR, AND I'M ONLY ONE OF THEM AND SO WE DO A GREAT DEAL OF CONSULTATION ON A VERY WIDE RANGE OF SUBJECTS, BUT WE WERE NOT DISCUSSING SOME NEW MECHANISM; WHAT WE WERE EMPHASIZING IS THE VERY GREAT IMPORTANCE OF THE USING OF EXISTENT MECHANISMS AND THAT'S IT.

Q: DO YOU THINK IT WOULD HAVE MADE ANY DIFFERENCE IN THE ADMINISTRATION'S ULTIMATE DECISION ABOUT GRENADA, IF BRITAIN HAD BEEN INFORMED 24 HOURS EARLIER, AND HAD STRESSED ITS RESERVATIONS?

DAM: I WOULDN'T WANT TO SPECULATE ABOUT WHAT WOULD HAVE HAPPENED IF THINGS HAD BEEN DIFFERENT.

Q: DO YOU THINK ITS ABUNDANTLY CLEAR HOW UPSET THE GOVERNMENT WAS?

DAM: YES INDEED, MRS. THATCHER MADE CLEAR HER CONCERNS ON THAT SUBJECT.

Q: WHICH ARE SIMILAR TO THE VIEWS SHE EXPRESSED EARLIER? THERE HAS BEEN SOME SUGGESTIONS IN GERMANY, FOR INSTANCE, THAT THEY MIGHT MODERATE THEIR VIEWS SINCE VARIOUS DISCLOSURES YOU HAVE MADE ABOUT CUBAN INVOLVEMENT. DO YOU DETECT ANY POSSIBLE RE-THINK ON MRS. THATCHER'S PART?

DAM: WELL, WE DIDN'T REALLY DISCUSS IT IN THAT WAY, WE REALLY BASICALLY SPENT OUR TIME, WHICH WAS AFTER ALL WAS NOT UNLIMITED, ON DISCUSSING THE SITUATION WHICH GRENADA FINDS ITSELF IN AND THE QUESTION OF FORMING AN INTERIM GOVERNMENT, ELECTIONS, RE-CONSTRUCTION, ASSISTANCE, THE LAW OF THE OECS COUNTRIES, ALL OF THAT KIND OF THING, SO WE DIDN'T GO

BACK...I OFFERED TO GO BACK AND EXPLAIN OUR LEGAL POSITION AND SO FORTH, BUT THAT WASN'T THE EMPHASIS SHE WANTED TO PUT ON, SHE WANTED TO PUT THE EMPHASIS ON THE FUTURE.

Q: CAN I GET ON WITH THE QUESTION OF THE MIDDLE EAST RETALIATION BECAUSE AFTER ALL IT IS THE SAME KIND OF SITUATION (INAUDIBLE) WITH THE BRITISH

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(INAUDIBLE)
DAM: OF IT ACTUALLY HAPPENING?

Q: WELL, AFTER ALL IT IS A SMALL BRITISH (INAUDIBLE)DIRECT CONCERN (INAUDIBLE). NOW DID YOU DISCUSS WHAT WOULD ACTUALLY HAPPEN, BECAUSE OBVIOUSLY A LOT OF STORIES HAVE BEEN CHOSEN FROM THE UNITED STATES IS CONTEMPLATING (AUDIBLE) REDUCTION, PRESUMABLY SHE MUST HAVE STRESSED HER VIEWS ON THIS, NOW WHAT KIND OF UNDERTAKINGS DID SHE TALK ABOUT, LISTENING TO HER ALLEGATIONS AS WELL CONSULTING?

DAM: WELL, I THINK, ONE: WE CERTAINLY CONSULT; SHE GAVE SOME VIEWS AND I AM SURE WE DEALT WITH OTHER VIEWS IN MORE DETAIL FROM HER GOVERNMENT ALREADY. I THINK, I AM SPEAKING NOW FOR THE U.S. GOVERNMENT POSITION, WE RECOGNIZE THAT, AS MNF PARTNERS, WE'RE THERE TOGETHER AND WE HAVE A CONCERN FOR THE WELFARE OF EACH OTHERS' FORCES. THAT SAID, THEY'RE NOT UNDER COMMON COMMAND, THAT WAS A CONSCIOUS DECISION WHEN WE WENT IN, AND IN THE END EACH MULTI-NATIONAL UNIT HAS TO DEFEND ITS OWN PEOPLE. I DON'T MEAN TO PUT ANY GREAT STRESS ON THAT, EXCEPT THAT IN THE END THAT CERTAINLY -- WHEN THE FRENCH DO THINGS, AS THEY DID, YOU WILL RECALL, REFER TO AIRSTRIKES AND SO FORTH, THEY DON'T ASK OUR PERMISSION TO DO SO -- SO THAT WE ARE CERTAINLY EXTREMELY ANXIOUS TO DISCUSS FURTHER WITH THE BRITISH, BUT THIS IS NOT A SINGLE COMMAND OR CONCENSUS COMMAND SITUATION, YOU ARE TALKING ONLY ABOUT MEASURES NECESSARY IN DEFENSE OF THE FORCES THAT ARE THERE, NOT ABOUT BROAD SCALE KIND OF UNDERTAKING THAT MIGHT IMPLY SOME BIG CHANGE IN THE ROLE OF THE MNF.

Q: IT SOUNDS LIKE SHE EXPRESSED HER CONCERNS ON ARGENTINA, SHE EXPRESSED HER CONCERNS ON GRENADA, SHE EXPRESSED HER CONCERNS ON THE MIDDLE EAST, THERE WERE AT LEAST THREE AREAS WHERE SHE SEEMS TO BE GIVING THE UNITED STATES FAIR WARNING OF BRITISH RESERVATIONS ON U.S. POLICY -- THAT'S A FAIR SUMMARY, WOULDN'T YOU SAY.? YOU SAID SHE CERTAINLY DID EXPRESS HER CONCERNS VERY CLEARLY ON LEBANON AND SHE QUITE STRONGLY WARNED AGAINST RETALIATION, WHICH COULD MAKE MATTERS WORSE. SHE EXPRESSED HER CONCERN ABOUT THE WAY THINGS WERE DONE IN GRENADA, THERE IS NO DOUBT ABOUT THAT AND SHE MADE HERSELF VERY CLEAR, AS SHE DID PUBLICLY THIS MORNING IN AN INTERVIEW ON THE SUBJECT OF ARGENTINE ARMS -- SO THERE SEEMS TO BE AT LEAST THREE MAJOR AREAS IN WHICH MRS. THATCHER'S POSITION AT THE MOMENT IS STRONG TO A GREATER PERCENTAGE OF THE PUBLIC VIEWING...

DAM: I DON'T THINK WE HAVE ANY DIFFERENCE WITH REGARD TO POLICY IN GRENADA AT THIS POINT -- THAT IS RETROSPECTIVE. I DON'T THINK WE HAVE ANY DIFFERENCE IN POLICY IN LEBANON; WE DISCUSSED THE FUTURE AND ON ONE OF THOSE, WAS THE QUESTION OF STEPS TO DEFEND

FORCES. SHE HAS MAJOR CONCERNS WITH REGARD TO ARMS SALES TO ARGENTINA -- AND WE DON'T HAVE A DIFFERENT POLICY, IT'S JUST THAT WE HAVEN'T STEPPED UP TO THAT QUESTION YET, BUT I WANT TO POINT OUT THAT WITH REGARD TO LEBANON AND WITH REGARD TO GRENADA, WE ARE TALKING BECAUSE WE BOTH HAVE MAJOR INTERESTS IN THOSE AREAS AND THAT IS WHY WE DISCUSS THESE THINGS. WE ALSO DISCUSSED INF IN SOME DETAIL, AND NOT BECAUSE WE HAVE ANY DIFFERENCES AT ALL. SO THESE ARE SIMPLY

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ISSUES THAT ARE FRCNT AND CENTER IN OUR FCREIGN POLICY -- ARGENTINA IS IN A SLIGHTLY DIFFERENT SITUATION BECAUSE CF THE VERY, VERY, STRONG BRITISH INTEREST, BUT IN GENERAL, THE IMPLICATION OF WHAT YOU ARE SAYING -- THAT IN SOME WAY OR OTHER SHE IS OBJECTING IN EACH OF THESE AREAS TO OUR POLICY, I THINK IS MISTAKEN.

Q: SHE HAS ALSC BEEN STRESSING THE (INAUDIBLE)WAS ASKED TO PLAY A MAJOR PART IN THE RESUMING EAST-WEST DIALOGUE AND ALTOGTHER SEEMS TO BE STRESSING THE DIALOGUE RATHER THAN A CONFRONTATION; THIS CANNOT BE RESOLVED (INAUDIBLE)?

DAM: NOT REALLY, I THINK IT IS JUST A LIMITATION CF TIME. THAT'S AN IMPORTANT SUBJECT WHICH OUR TWO GOVERNMENTS OFTEN DISCUSS AND SHE ACCEPTED IN A MOST GENERAL WAY (INAUDIBLE)

Q: ON THE QUESTION OF GRENADA, THERE IS STILL A LACK OF CLARITY ABCUT WHAT PRECISELY WERE MRS. THATCHER'S OBJECTIONS -- CAN YOU SUMMARIZE FCR US, WHAT YOU UNDERSTAND, AT THIS STAGE AFTER ALL THE CONTACTS BETWEEN THE TWC GOVERNMENTS SINCE THE OPERATION, WHAT YOU UNDERSTAND TO BE THE BRITISH CBJECTIONS TO THE U.S. ACTION, AND DO YOU CCNSIDER THE POSITION OF THE QUEEN WAS A FACTOR IN THIS?

DAM: I DON'T THINK I SHOULD SPEAK FOR THE PRIME MINISTER OR THE BRITISH GOVERNMENT; THEY CAN SPEAK FOR THEMSELVES AS TO WHAT THEIR OBJECTIONS WERE, OBVIOUSLY THERE ARE SOME -- THE BRITISH GCVERNMENT FELT THE LEVEL OF CONSULTATION WAS INADEQUATE. AND AS FOR THE POSITION OF THE QUEEN, I DON'T THINK THERE IS ANY -- I HAVEN'T REALLY PERCEIVED THAT THERE BASED UPON WHAT I HAVE SEEN, THAT THERE IS ANY QUESTION THERE, PERHAPS I HAVE MISSED SCMETHING, BUT THE BRITISH GOVERNMENT DOESN'T GIVE DIRECTION TC THE GOVERNOR GENERAL, AS I UNDERSTAND, PERHAPS YOU CAN CLARIFY THAT FCR ME, BUT MAYBE I REALLY DIDN'T GET INTO THAT QUESTION.?

Q: CAN I ASK YOU TC GIVE SCME IDEA ABCUT THE FLAVOR OF YOUR EXCHANGES ON THE INF TALKS. I MEAN IT WASN'T SIMPLY A CASE OF (INAUDIBLE) OR WAS IT REALLY A CASE OF ONE SIDE URGING (INAUDIBLE)

DAM: NO, THAT WAS NOT THE CASE AT ALL -- THIS WAS A CONSULTATION IN THE PUREST SENSE. WE DESCRIBED TO HER, I DESCRIBED TC HER, THE SITUATION IN GENEVA, SHE DESCRIBED TO ME THE DEBATE IN THE PARLIAMENT HERE, WE LOOKED AT THE FUTURE AND TALKED ABOUT THE FUTUREA BIT AND OBVIOUSLY THERE ARE MUCH, MUCH MORE DETAILED CONSULTATIONS THAT GO ON AMONG OUR GOVERNMENTS AND PERHAPS MR. BURT WOULD LIKE TO SAY SOMETHING ABOUT THE FACT THAT HE ALSC HAS CONSULTATIONS WITH OTHER GOVERNMENTS COMING-UP AND SO IT'S JUST PART CF A

PROCESS THAT GOES ON.

Q: CAN WE FOLLOW THIS UP WITH JUST ONE QUESTION TO MR. BURT? I WONDER IF YOU COULD GIVE US ANY READING OF THE U.S. VIEW OF HOW LONG THIS ROUND OF NEGOTIATIONS ARE LIKELY TO GO ON, WHAT IS YOUR CURRENT PERCEPTION OF THAT?

BURT: OUR VIEW IS THAT WE CAN NEGOTIATE INTO

8 UNCLASSIFIED LONDON 23952

DECEMBER WITH A SHORT RECESS AND THEN GET BACK TO THE
NEGOTIATING TABLE IN EARLY JANUARY..... WE HAVE
CLEARLY EXPLAINED TO THE SOVIETS THAT IT IS OUR
INTENTION TO STAY AT THE NEGOTIATING TABLE. WE HAVE
BEEN WILLING TO NEGOTIATE WHILE SOVIET DEPLOYMENT HAS
BEEN TAKING PLACE. OVER 100 SS-20'S HAVE BEEN
DEPLOYED OVER THE PAST TWO YEARS. WE WOULDN'T
UNDERSTAND WHY DEPLOYMENT ON OUR PART SHOULD STOP THE
NEGOTIATIONS. THANK YOU.ARNOLD

SECRET

10 DOWNING STREET

From the Private Secretary

7 November 1983

Dear Brian,

Visit of Mr. Dam

I enclose a record of the conversation which took place between the Prime Minister and Mr. Dam over a working breakfast at Chequers this morning.

I am copying this letter and enclosure to Richard Mottram (Ministry of Defence) and Richard Hatfield (Cabinet Office). The contents of this record should be made known only to those who have an essential need for operational reasons to be aware of what transpired.

Yours ever

Charles.

Brian Fall, Esq.,
Foreign and Commonwealth Office.

SECRET

SUBJECT
re Malta.

SECRET

RECORD OF A CONVERSATION BETWEEN THE PRIME MINISTER AND MR. DAM OF THE US STATE DEPARTMENT AT 0800 ON MONDAY 7 NOVEMBER 1983 AT CHEQUERS

Present:

Prime Minister
Foreign and Commonwealth Secretary
Sir Julian Bullard
Mr. Coles

Mr. Dam
Mr. Burt
Mr. Streator

* * * * * * * * * *

Opening a discussion of Grenada, the Prime Minister referred to this morning's reports that mass graves have been found on Grenada. Mr. Dam said that it was known that many of the political prisoners were missing but he did not yet know whether this explained the mass graves.

The Prime Minister said that the basic question she needed to ask about Grenada was whether it was a one-off operation. Or were we witnessing a new policy which might embrace other crisis areas such as Nicaragua? Mr. Dam replied that he could not predict far into the future. But Grenada was seen as a very special situation. The United States certainly wished to limit the implications of Grenada as a precedent, not least because the Soviet Union might exploit the precedent. But there would inevitably be some static in the area. There would be statements emanating from Washington designed to make the regime in Nicaragua more uncertain. However, Grenada had been a very unusual situation. There was chaos on the island and much concern about the US students there. As the latter had returned to America it had become clear that they had considered themselves to be in danger. A bipartisan group from Congress which visited Grenada this weekend had also taken the view that there had been danger to US students.

The Prime Minister commented that it was puzzling that the American citizens had not left Grenada if they had felt themselves

in danger. Our Deputy High Commissioner from Barbados had visited Grenada on 23 October and had obtained the impression that our own citizens were not under threat. Mr. Dam said that US consular officers who had gone in at the same time had contacted some 400 American students many of whom said that they did feel insecure. Some had been trying to leave in small boats. There was a curfew in operation and no functioning Government. The Foreign and Commonwealth Secretary pointed out that the curfew was being relaxed in Grenada on 24 October.

Mr. Dam said that it was the request of the OECS countries together with the Governor-General's request which had largely prompted US action. The Prime Minister observed that the Jamaican Prime Minister had recently said that he had seen no written request before 26 October. Mr. Dam replied that this was true but one had to remember that the Governor-General was in a hazardous position. The Prime Minister said that

when contacted by our Deputy High Commissioner on 23 October had not only not requested intervention but had said that if he did so his life would be in danger. Mr. Dam said that the US Government had learnt from Barbados that the Governor-General had made a request. When American forces had entered Grenada their top priority had been to rescue the Governor-General. His house had been surrounded by Cuban troops and the task of extrication had been very complicated. The US Government believed that it had a good case at international law, based on the requests made by the OECS and the Governor-General. The Prime Minister asked when the Governor-General had made his request. Mr. Dam replied that the Americans had received a general, oral request from the OECS on 21 October. They had decided that if they were going to intervene they would need a more formal request. The Premier of Dominica had arrived in Washington on the evening of 24 October and made clear that she was speaking for the OECS. The formal letters issued on 26 October were not a good idea because the Americans had already received a request. They had not been concerned about their power to act.

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FREEDOM OF INFORMATION
ACT 2000

/ The Prime Minister

The Prime Minister said that all the signals we had received had pointed to the fact that the United States was not likely to intervene. The CARICOM meeting on 23 October had ended in a decision to adopt political and economic measures. The National Security Council meeting had, we were told, ended on a very cautious note. Granted, US naval ships had been moved but we had interpreted these as purely precautionary. We could not predict American military action every time ships were moved. She had for example defended US military movements off Honduras as exercises. We ourselves had moved HMS Antrim although our own citizens had not appeared to be in danger. For all these reasons, we had told Parliament on 24 October that we did not consider that the United States was going to invade. There had then been the exchange of messages between herself and President Reagan on the evening of 24 October.

To say that all this had put us in difficulty was to put it very mildly.

Mr. Dam said that the US Government very much regretted this. He was not going to defend the lack of consultation but the Americans had been in touch with our Embassy in Washington throughout the weekend and the newspapers had been full of invasion stories. The British Government was the only government that the Americans had consulted. The affair was very closely held in the US Administration. They had a terrible problem of leaks and had been very concerned, for example, about the leaking a few months ago of American measures to protect President Nimeri. He had not been aware until today that the Governor-General had said on 24 October that if he requested intervention his own life would be threatened. Mr. Dam said that when the US consular officers had flown to Grenada their first attempt to land had been met by a group of teenagers with weapons. The plane had had to take off and then come in a secondtime. As the National Security Council was meeting in Washington they had received reports of the inability of US citizens to leave the island. The Prime Minister commented that in that case it was remarkable that the Governor-General had said that there was no threat.

/ The

The Foreign and Commonwealth Secretary said that the worrying feature was that, despite our close relationship and good secure communications, we had received no indication on 24 October of the shift in American thinking. The closer co-operation was the more one relied on it. The Prime Minister said that she was the first to understand that where the lives of soldiers were at stake, one had to be very careful. But all the information had tended to support the view that America would not intervene. With regard to the airstrip on Grenada, she referred to the press release by Plessey that had pointed out that there were four other airstrips in the Caribbean which were substantially the same. She asked that a copy of this press release be forwarded to Mr. Streator.

The Prime Minister said that in the wake of the Grenada events we had decided to have an early vote in the House of Commons on Cruise missile deployments. We now faced a demand for dual key. People argued that if the Americans did not consult us over Grenada, why should they do so over the firing of missiles. Mr. Burt commented that the debate had gone very well.

The Prime Minister said that it was now more difficult for her if asked, for example, whether the United States would go into Nicaragua, to defend the Administration's actions. She would simply have to say that she did not answer for the United States. Mr. Dam said that Grenada and Nicaragua were two totally different situations.

The Prime Minister said that America's forces would probably be in Grenada for a fairly lengthy period. We had had to remain in Belize much longer than we wanted though we hoped to be out in a few months.

In answer to a question from the Foreign and Commonwealth Secretary about the next steps, Mr. Dam said that there was a good tradition of democracy in the area. The Governor-General was very sensible. Mr. MacIntyre was now in the island. The Americans were anxious to extricate their troops. The Marines and Rangers had already left. Five hundred military engineers had gone in to rebuild the infrastructure. The sum of three quarters of a million dollars had been allocated to the infrastructure and more aid was under consideration. It was hoped that elections would take

place as soon as possible. The Americans would look to the Governor-General and the OECS to take the lead on future steps. The United States would not attempt to determine the date of elections or select a Government. Nor would they decide what to do with Grenadian prisoners who were a matter for the Government of Grenada. As regards the involvement of other forces in a security role, the Americans would be guided by what the Governor-General and the OECS wanted. A recent poll had shown that 91% of the people of Grenada were grateful for American intervention. He would be leaving with us documents showing the threat under which Bishop had been from people to his left. The Foreign and Commonwealth Secretary said that it was important that the American presence should not become counter-productive. It was also important that US troops should leave as soon as possible. No-one could tell what would emerge from the elections. The Governor-General was a Grenadan, not a British creation and we had taken pains not to give him advice. Ramphal was not our creation either and his efforts were important. We were not trying to elbow our way in though we were under pressure to help. The Commonwealth might be able to give help, for example in the form of aid. The Prime Minister commented that she doubted whether this was now necessary, given US aid intentions. The Foreign and Commonwealth Secretary said that another area in which we could help was in advising on the elections. Mr. Dam said that that would be very welcome. The Foreign and Commonwealth Secretary said that we could also help to train a reconstituted police force. The Prime Minister commented that we would respond sympathetically to any request but we would not push ourselves forward. Could Mr. Dam say what had actually happened at the prison which had contained political prisoners? There had been conflicting reports. Mr. Dam said that he did not have information on this point but he would get it together and let us know. Reverting to the elections, the Foreign and Commonwealth Secretary pointed out that if US military withdrawal was not rapid a political party which was anti-American could re-emerge. Mr. Dam said that it was certainly the American wish to withdraw soon.

The Foreign and Commonwealth Secretary pointed out that at the United Nations OECS countries were regarded as part of the invasion

force who ought now to withdraw. The more the OECS could be supplemented by countries who had not taken part in the invasion, the easier it would be to avoid trouble at the UN. We wished to avoid a vote on the Trinidad resolution because if a resolution referring to a Commonwealth presence were rejected, one option would be closed off. Another reason for quick progress was the forthcoming CHOGM meeting. If there were not more agreement before CHOGM on practical steps the conference could be dominated by the Grenada issue. The Prime Minister said that we must do everything to avoid that. We must now address the future. CHOGM should simply make it plain that help was available if it was requested. The Foreign and Commonwealth Secretary said that both Mr. Ramphal and the Indian Foreign Minister were anxious to avoid a row in Delhi. As to the Indian view that no Commonwealth forces could enter the island before the Americans left, one could not have a vacuum for this would be a recipe for disorder. He also wished to refer to the problem of micro-countries. The Prime Minister said that we were reviewing this problem. The Seychelles was an important example. Mr. Dam commented that the Americans would be very interested in discussion with us of this general problem.

/ The Prime Minister

The Prime Minister asked whether there was firm information about the loss of life during the intervention. Mr. Dam said that 18 Americans had been killed and 85 wounded. There had been no US civilian losses. Information on other casualties was less complete though 20 patients at the mental hospital had been killed. Figures of Cuban deaths were unknown but were perhaps in the 50-60 bracket. He would be leaving with us the text of five agreements between Grenada and communist countries as well as minutes of the Central Committee.

Turning to INF deployment, Mr. Dam said that the Americans very much appreciated British resolve. The position of the Alliance in the INF negotiations was very sound. The recent decisions of the Nuclear Planning Group in Canada had not yet received sufficient intention. As for Andropov's latest offer, the only new point had been his willingness to take Asian systems into account. There was now a question of whether, prior to the Bundestag debate, the United States should make one last move. This was being debated internally. If there was to be a further offer, it should be simple and not embrace aircraft. Mr. Burt explained that any new step would be totally compatible with the criteria already laid down. They would insist on a global equality in warheads. One possibility was that the Russians should have 90 SS20s. We could have 270 warheads, 180 to be deployed in Europe, 36 of those to be Pershings. This would be called an "illustrative proposal". The Prime Minister pointed out that if the figure was pitched too low, people would question why it was necessary to deploy at all. Recognising this danger, Mr. Burt pointed out that the figure he had suggested would be well in excess of the proposed first tranche of deployments. The initial deployment to Germany envisaged only 9 Pershings.

Mr. Dam said that he would be grateful for British views. One consideration was whether it would be best to put our figure forward now or wait until, if the Soviet Union broke off the Geneva talks, it was ready to resume them again. The Foreign and Commonwealth Secretary said that that depended on one's objective - was this to influence public opinion now or to persuade the Russians to rejoin the talks after a rupture? Mr. Dam replied that one aim might be to make it clear that Soviet withdrawal from the talks had no justification. The Foreign and Commonwealth Secretary said that if the proposal was tabled after a break-down, it might be argued that it should have been put forward before. We would consider the American ideas and let them have our views.

Mr. Dam said that the Administration was very opposed to the Danish request for a special meeting of Foreign Ministers. The Foreign and Commonwealth Secretary said that he had been in close touch with the Danes. It was clear that the Danish Government did not welcome the outcome of the recent vote in the Danish Parliament but they had to go through the motions. The Prime Minister commented that there would be many efforts to prevent deployment. It must go ahead. Mr. Burt said that if the Danish Government received a quick negative response to their request they would be able to tell the opposition that there was no point in pressing it. Mr. Burt suggested that in considering the American ideas, we should bear in mind that the Russians might come forward with another proposal.

/Turning to

Turning to the Lebanon, the Prime Minister referred to her recent exchange of messages with President Reagan. She had to say that we did not like words such as 'retaliation' and 'revenge'. It was wrong for democratic countries to adopt the tactics of those we opposed. Innocent people were liable to get hurt. She had, however, noted that in his message of 6 November the President had spoken of self-defence. We could understand the need for that. We had noted that the President would be in touch with us again. It was most important not to provoke attacks on the Multi-National Force or to escalate events in the Gulf. Mr. Dam said that he was very conscious of these concerns. The President was leaving for Japan on 8 November and Mr. Shultz would be with him. The Americans had carried out a good deal of planning with relation to possible targets. But he did not know whether there would be retaliation. The Foreign and Commonwealth Secretary again pointed out that that word was inadvisable. It was extremely difficult to identify individuals at the root of the recent attacks. If the response went wider than removing terrorists and appeared to be "group violence", this could be very dangerous. It was also important to avoid creating an impression that the West was set on a long term presence in the Lebanon. The Prime Minister commented that the situation had become much more complex in recent days. The Lebanon was now a cauldron. Mr. Dam said that the intelligence now pointed towards Hussain Moussawi. If he were precisely identified as the perpetrator of the attack on US marines, this would increase the pressure to do something but it would also enable the action to be pin-pointed. He repeated that the Americans were very conscious of the

/points

points we had made and would wish to discuss the matter with us further. Meanwhile, the collective solidarity and resolve of the MNF contributors were very important. The Prime Minister recalled the original mandate of the MNF and said that at present it did not have clear objectives.

Mr. Dam said that he would be meeting tomorrow with Mr. Fairbanks and with the US Ambassadors to the Lebanon and Israel to discuss the situation, including the state of the reconciliation talks. During the recess in these talks, President Gemayel had been authorised to try to negotiate Israeli withdrawal from the Lebanon with the US. This was precisely the wrong approach. Israel had already agreed to withdraw. The negotiating objective now was to persuade others to withdraw. Gemayel's mission was, as far as the United States were concerned, a non-starter. The Israelis might be able to put in abeyance some aspects of the Israel/Lebanon agreement. But it was just not on to say that the Americans had to get the Israelis out of the Lebanon before talking about withdrawal by others. The Foreign and Commonwealth Secretary commented that it might be possible to put together a package covering all aspects. Perhaps the Israel/Lebanon agreement could be left on one side (though without abrogating it) and some matching move on the Syrian side [redacted] agreed. Everything was predicated on the requirement for progress on reconciliation.

Mr. Dam said that the idea that President Gemayel could talk to the United States during the ten day recess in the Geneva talks was odd since President Reagan would be in Asia until 14 November. We had to get on with the

/business

business of reconciliation. Syria could not be allowed to dominate things. The Prime Minister agreed with the need to make progress with reconciliation. It was tempting for Gemayel just to keep the Multi-National Force in the Lebanon. The Foreign and Commonwealth Secretary said we had made it clear that if the parties were not genuine about reconciliation the purpose of the MNF was called into question. On another point, there was a risk of undue identification between American, Israeli and MNF interests. An Israeli spokesman had apparently said yesterday that he was encouraged by the growing closeness of the United States and Israel. It was very important to distinguish the American and MNF position from that of Israel - or the whole Arab world would regard them as being on the side of Israel. Mr. Dam commented that the purpose of Mr. Eagleburger's recent trip to Israel was to discuss bilateral issues, some of which related to quite other parts of the world. The idea of strategic co-operation had been further discussed.

The Prime Minister said that it was necessary to reflect on the position of Syria which had now come to assume great importance in the Middle East. It was possible that our treatment of Syria over the last few years had been responsible for this development. It was worth analysing how this had developed. Assad was a formidable personality. Mr. Dam commented that Syria's willingness to use terrorism was a factor in the equation and explained the reservations of moderate Arabs. The Prime Minister observed that Israel had come into existence as a result of terrorism. We had been on the receiving end of some of it. Israel now occupied the whole of Palestine as well as the Golan Heights. She had drawn attention to the importance of Jordan during her recent visit to Washington. The factor that a Syrian-controlled PLO was now likely posed fresh dangers for Jordan.

/It was

It was disappointing that the US Congress had rejected funding for a Jordanian rapid deployment force. Mr. Dam confirmed that this issue was dead, at least for this year. Yesterday King Hussein had publicly stated his intention to reconvene the Jordanian Parliament. This matter had been broached in confidential messages but was now public. The fat was in the fire and there would be much comment.

The Foreign and Commonwealth Secretary said that closer consultation between MNF contributors was necessary to work out a clearer game plan and to arrange for the more effective co-ordination of our diplomatic influence. Mr. Dam agreed that it was necessary to think ahead. It was also necessary that the peace process should remain part of our thinking.

Turning to the Falklands, the Prime Minister said that we were disappointed that the Americans proposed to vote with Argentina in the UNGA. On Grenada, we had at least abstained. If the United States were now to supply arms to Argentina, this would put us in acute difficulty. It would be seen as having one purpose - to build up the Argentine potential to fight the United Kingdom. She would have to be vigorously critical - and the decision could have other repercussions on public opinion. There had been recent reports of a new wave of anti-Semitism in Argentina. It would be wrong if the United States agreed to certification in these circumstances. The Foreign and Commonwealth Secretary said that all these matters tended to have implications for co-operation on defence and INF. Mr. Dam said that the United States would resist any unhelpful amendments to the current UNGA resolution. But if the resolution was simply like last year's resolution, the United States would have to support it. The Foreign and Commonwealth Secretary pointed

/out

out that the text was already different from that of last year. Mr. Burt said that the Americans were in touch with us daily in Washington about this issue. As of now, the resolution was consistent with last year's. If it were radically changed, the US would reconsider the position. Nor did they intend to lobby on behalf of the existing text.

The Prime Minister said that the US supply of arms to Argentina would be infinitely more serious. Mr. Dam said that our law did not provide for certification. It had been incorporated in United States law as a human rights measure. Since there was now a democratic government in Argentina, it was a foregone conclusion that the Administration would have to certify. But they would look at the question of anti-Semitism. Certification was different from the supply of arms. The Prime Minister commented that it would be seen as a prelude. Mr. Dam said that some relationship between the United States and the Argentine military was in the long term desirable for democracy in Argentina. But the US would not rush into major arms sales - though he could not rule out Argentine attempts to buy commercially. The Prime Minister said that Argentina was short of cash. She trusted that no-one would assist her to use her limited resources to buy arms for use against us. We had been involved in putting together international loans for Argentina. But she might have to warn our commercial banks that HMG would severely disapprove if the result of fresh loans was that Argentina was enable to purchase arms. The Foreign and Commonwealth Secretary said that the further certification could be distanced from the Grenada events the better. First, it

/would be

would be necessary to be sure that Alfonsin was actually in place. It was to be noted that he had given pledges of reductions in military spending. We continued to hope that the Americans would not supply arms. But if they decided to do so, there should be very close consultation with us. We would have views on the type of weapons which could be damaging for our own interests. Mr. Dam said that there would be many stories emanating from Washington about what the Administration planned to sell. That would mean no more than that there had been talks between the military on both sides. But the reality was that there could be no sale without a decision of the Administration. The Prime Minister said that following recent events we would have to be very sure that no Administration decision had been taken. She reiterated that if arms were sold to Argentina, it would be extremely damaging. Alfonsin was even saying that he would not end hostilities formally until there were negotiations about sovereignty. Mr. Dam undertook to report the discussion of this matter to Mr. Shultz and to President Reagan.

The Prime Minister said that the Iran/Iraq situation was very worrying. The Etendards had been delivered. We must keep closely in touch. Mr. Dam said that the Americans had worked with us at the planning level on various options for keeping the Gulf open to navigation. He was not aware that there was any real differences with us on this subject. The Prime Minister observed that the US had doubtless given certain guarantees to the Gulf countries. We also had understandings with them, for example about the role of loan service personnel. The Foreign and Commonwealth Secretary said that any response to an escalation of the situation in the Gulf should be

/limited

limited to what was necessary to keep open the Straits. Surprise action by the United States would be disastrous. The Prime Minister firmly agreed with this. She also hoped that the Americans would take into account the fact that retaliation against an Iranian group in the Lebanon would have implications for the Gulf. Mr. Dam said that retaliation was more likely to be directed against Lebanese Shia.

It was agreed that in briefing the press about the meeting both sides would emphasise that, with regard to Grenada, it was the future that was important and that it was for the legitimate authority in Grenada and for the OECS to consider the next steps. With regard to the MNF, we would emphasise that its purpose was to contribute towards reconciliation.

The meeting ended at 0935.

A. J. C.

7 November 1983

10 DOWNING STREET

From the Private Secretary 7 November 1983

You will recall that during the discussion at Chequers today the Prime Minister referred to a statement by the British firm Plessey about the international airport in Grenada. I enclose a copy of this Press Statement for your information.

A. J. COLES

The Honourable E.J. Streator

LIST OF GUESTS ATTENDING THE WORKING BREAKFAST
ON MONDAY, 7 NOVEMBER 1983

The Prime Minister	
The Hon. Kenneth Dam	Deputy Secretary of State
The Hon. Richard Burt	Assistant Secretary of State for European Affairs
The Hon. Edward Streator	US Embassy
Rt. Hon. Sir Geoffrey Howe, MP	
Sir Julian Bullard	
Mr. John Coles	

Prime Minister.

I am sorry that there was no time on Friday to consult you about this guest list. I hope it is acceptable.

A. J. Coles.

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TELEGRAM NUMBER 421 OF 5 NOVEMBER 83
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FOR RESIDENT CLERK

FOR MEETING WITH MR DAM

GRENADA AND THE US

1. IF US ARE IN A MOOD TO ACCEPT ADVICE FROM US, THE FOLLOWING POINTS COULD USEFULLY BE MADE.
2. COMMONWEALTH PEACEKEEPING FORCE: THERE IS LITTLE ENTHUSIASM FOR THIS IDEA AMONG US OFFICIALS I HAVE MET, AND NONE AT ALL AMONG OECS PRIME MINISTERS. YET IT DOES LOOK FROM HERE TO BE THE ONLY WAY IN WHICH THE US CAN WITHDRAW THEIR TROOPS SPEEDILY. THE LONGER THEY REMAIN, THE MORE RISK THEY RUN OF GUERILLA ATTACKS, SHOULD THE REMNANTS OF THE PRA BE ABLE TO REGROUP. THESE IN TURN WOULD BECOME THE REASON FOR THE TROOPS STAYING ON, A KIND OF AFGHANISTAN IN MINIATURE. I CANNOT SEE THE CARIBBEAN POLICE FORCE ENVISAGED BY GILLESPIE HOLDING THE RING TO THE AMERICANS' SATISFACTION.
3. CIVILIAN V MILITARY. YESTERDAY WE HAD THE MIX-UP OVER THE CORDOVEZ MISSION'S FLIGHT AND THE ABORTIVE MEETING BETWEEN CORDOVEZ AND THE CUBAN AMBASSADOR, BOTH OF WHICH INCIDENTS COULD HAVE DONE UNNECESSARY DAMAGE TO THE PICTURE THE US GOVERNMENT PRESUMABLY WANTS TO PAINT OF ITSELF IN GRENADA. CIVILIAN AIRCRAFT ARE STILL I UNDERSTAND BANNED BY THE US MILITARY FROM LANDING AT PEARLS AND THIS IS CAUSING INCREASING RESENTMENT NOW THAT THE FLOW IS NO LONGER OUT OF GRENADA BUT INTO IT. NOW THAT THE FIGHTING IS EFFECTIVELY OVER, THE SOONER US CIVILIAN AUTHORITY PREVAILS OVER THE MILITARY THE BETTER.
4. GOVERNOR GENERAL AND HIS STAFF. THE AMERICANS, HAVING AT FIRST GREETED THE GOVERNOR GENERAL AS A QUAINT AND UNIMPORTANT ANACHRONISM, ARE NOW THREATENING TO SWAMP HIM AND HIS ADVISERS WITH REQUESTS, QUERIES AND CALLS. THE TEMPTATION TO DO THE WORK THEMSELVES MUST BE STRONG, BUT HAS TO BE RESISTED. GILLESPIE UNDERSTANDS THIS, BUT SOME OF HIS STAFF ARE LESS SENSITIVE. POSITION SHOULD BE EASIER ONCE PROVISIONAL ADMINISTRATION IS APPOINTED, BUT NEXT FEW DAYS WILL BE DIFFICULT FOR BOTH SIDES.
5. PROBLEMS OF SCALE. US DIPLOMATIC PRESENC E IN GRENADA IS SMALL BY AMERICAN STANDARDS, BUT US EMBASSY IS ALREADY BIGGER THAN THE OLD SOVIET EMBASSY, WHOSE SIZE ATTRACTED SUCH UNFAVOURABLE COMMENT FROM GRENADIANS. IT HAS ALSO TAKEN OVER ONE OF THE ISLAND'S BEST-KNOWN AND MOST PROMINENTLY SITUATED HOTELS, THE ROSS POINT INN. US OFFICIALS MIGHT LIKE TO CONSIDER HOW FEW PEOPLE THEY CAN DO THE JOB WITH, RATHER THAN HOW MANY THEY THINK THEY NEED.

6. HEARTS AND MINDS. SURPLUS TROOPS BEFORE LEAVING THE ISLAND COULD WELL BE DEPLOYED MENDING ROADS, PAINTING CHURCHES, GIVING CHILDREN'S PARTIES AND BEING PHOTOGRAPHED DOING SO. THEY COULD EVEN HAVE A SHOT AT PLAYING CRICKET. LET THE GRENADIANS TEACH THEM SOMETHING.

BULLARD

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PS/MR WHITNEY
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INFO IMMEDIATE UKMIS NEW YORK, WASHINGTON, HAVANA
INFO SAVING ST GEORGE'S (GRENADA) (PASSED LOCALLY)

FOR RESIDENT CLERK

FOR MEETING WITH MR DAM

GRENADA: CORDOVEZ MISSION

1. I HAD AN HOUR WITH CORDOVES ZAT GRANTLEY ADAMS AIRPORT THIS EVENING BEFORE HE AND HIS COLLEAGUES LEFT FOR NEW YORK. THEY WILL START DRAFTING THEIR REPORT ON THE PLANE AND HAVE NOT REACHED ANY FIRM CONCLUSIONS, BUT THEY BROUGHT THE FOLLOWING INFORMATION WITH THEM FROM GRENADA.

2. ELECTIONS: DATE FOR FORMATION OF PROVISIONAL ADMINISTRATION HAS SLIPPED AGAIN, TO WEDNESDAY OR THURSDAY OF NEXT WEEK, 9/10 NOVEMBER. ESTIMATES OF ITS SIZE VARY BETWEEN 7 (GILLESPIE) AND A MAXIMUM OF 12 (SCOON). NEGOTIATIONS BETWEEN MACINTYRE AND GOVERNOR GENERAL ARE PROCEEDING ON ASSUMPTION THAT MACINTYRE WILL BE ITS CHAIRMAN (EFFECTIVELY CHIEF MINISTER). PROBLEM IS THAT MACINTYRE DOES NOT WANT TO SPEND MORE THAN SIX MONTHS IN GRENADA, AND GOVERNOR GENERAL SEES ELECTIONS BEING HELD BETWEEN SIX MONTHS AND A YEAR FROM NOW.

3. WITHDRAWAL OF US TROOPS: GILLESPIE TOLD CORDOVEZ THAT US WERE PAT PRESENT GOVERNED BY THE WAR POWERS ACT WHICH REQUIRES ALL US TROOPS OUT OF GRENADA AFTER 60 DAYS - 'BUT THIS COULD BE EXTENDED'. BRIGADIER FARRIS, WHO WILL SHORTLY TAKE OVER THE MILITARY COMMAND OF THE ISLAND, SPOKE OF STILL FINDING THE ODD CUBAN AND PRA SOLDIER HERE AND THERE, AS WELL AS CACHES OF ARMS. NUMBER OF TROOPS, WHICH AT ONE TIME HAD BEEN AS HIGH AS 9,000, WAS NOW DOWN TO 5,000 AND WOULD SOON BE REDUCED TO 3,000. US WERE NOT YET IN A POSITION TO FORECAST FURTHER REDUCTIONS.

4. REPATRIATION OF CUBANS: (A) CORDOVES SUCCEEDED IN TALKING TO THE CUBAN AMBASSADOR YESTERDAY. LATTER SAID THAT GRENADA HAD NOT (REPEAT NOT) BROKEN OFF DIPLOMATIC RELATIONS WITH CUBA, BUT THAT GOVERNOR GENERAL HAD ASKED ALL CUBAN DIPLOMATIC STAFF BUT ONE TO LEAVE. AMBASSADOR HAD COUNTERED WITH PROPOSAL THAT FOUR SHOULD REMAIN, INCLUDING HIMSELF. GG HAD SUGGESTED TWO, NEITHER OF THEM THE AMBASSADOR. CORDOVEZ, WHO HAD CONVEYED THESE MESSAGES, DID NOT KNOW WHAT THE RESULT WOULD BE.

(B) CUBAN AMBASSADOR HAD TOLD CORDOVES THAT HIS GOVERNMENT NO LONGER RECOGNISED THE GG AS HEAD OF STATE, SINCE HIS INVITATION TO THE US TO INVADE GRENADA HAD BEEN A BREACH OF HIS CONSTITUTIONAL AUTHORITY. I SUGGESTED THAT THIS WITHDRAWAL OF RECOGNITION MIGHT AFFECT THE AMBASSADOR'S OWN STATUS, SINCE IT WAS PRESUMABLY TO THE GG THAT HE HAD PRESENTED HIS CREDENTIALS.

(C) CUBAN NON-DIPLOMATS WERE BEING FLOWN OUT IN BATCHES AND WOULD SOON ALL BE BACK IN HAVANA. THE DEAD CUBANS PRESENTED A PROBLEM. MOST COULD NOT BE IDENTIFIED, AND US WERE RELUCTANT TO SHIP THEM OUT WITHOUT KNOWING WHO THEY WERE. CUBANS SAY IDENTIFICATION WILL BE EASIER IN HAVANA, BUT THIS MISSES THE US POINT. CORDOVES THINKS WHEN THE TOTALS ARE ADDED UP THERE WILL NOT BE MORE THAN 20 OR 30 CUBANS UNACCOUNTED FOR..

(D) CUBANS HAD ASKED THE US MILITARY TO HELP GET BACK TO CUBA THE EQUIPMENT THEY WERE USING TO BUILD POINT SALINES AIRPORT. ESTIMATE OF ITS VALUE IS US DOLLARS ONE MILLION.

5. ROLE OF GOVERNOR GENERAL: CORDOVES SHOWED KEEN INTEREST IN CONSTITUTIONAL STATUS OF GOVERNOR GENERAL, WHOM HE REPEATEDLY REFERRED TO AS GOVERNOR. HE THOUGHT THAT SIR PAUL SEEMED TO BE ENJOYING HIS NEW FOUND AUTHORITY. DID I THINK HE WAS ENTITLED TO IT? I SAID I WAS NOT AN EXPERT, BUT I COULD NOT SEE HOW IT COULD EASILY BE CHALLENGED. SIR PAUL HAD BEEN APPOINTED BY THE QUEEN ON THE ADVICE OF THE THEN PRIME MINISTER, AND HAD BEEN CONFIRMED IN OFFICE BY BISHOP. I GAVE CORDOVES A PHOTOCOPY OF ARTICLE 57 OF T THE 1973 CONSTITUTION, WHICH HE SAID HE HAD NOT PREVIOUSLY SEEN. IF THE FULL TEXT OF THE CONSTITUTION COULD BE MADE AVAILABLE TO HIS STAFF IN NEW YORK I THINK THIS MIGHT BE USEFUL.

6. PUBLIC OPINION: CORDOVES SAID HE HAD NOT HAD AN OPPORTUNITY TO LEARN WHAT THE GRENADIAN PEOPLE THOUGHT OF THE INVASION.

7. BISHOP: JUST BEFORE LEAVING CORDOVES HAD BEEN TOLD THAT THE AMERICANS HAD FOUND A MAN WHO CLAIMED TO HAVE DRIVEN THE BODIES OF BISHOP AND HIS CABINET COLLEAGUES TO A SITE NEAR THE AIRPORT FOR BURIAL. THE AMERICANS WERE LOOKING FOR THE GRAVE.

8. I INTRODUCED TO CORDOVEZ FLIGHT LT S BARTLES AND ROBERTS, THE RAF PILOTS WHO HAD TAKEN HIM TO GRENADA AND BACK . CORDOVEZ EXPRESSED HIS SINCERE THANKS TO THEM AND THEIR CREWS, AND SPOKE WARMLY OF KELLY WHO HE SAID HAD BEEN OF GREAT HELP TO HIM IN GRENADA.

9. PLEASE DO NOT (REPEAT NOT) QUOTE CORDOVEZ' VIEWS TO A THIRD PART OR MENTION HIM AS THE SOURCE OF ANY OF THIS INFORMATION.

BULLARD

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FM WASHINGTON 032053Z
TO IMMEDIATE FCO
TELEGRAM NUMBER 3332 OF 4 NOVEMBER 1983
INFO UKMIS NEW YORK, BRIDGETOWN.

MIPT: THE PRIME MINISTER'S MEETING WITH KENNETH BAM

GRENADA

1. THE AMERICANS CONTINUE TO EXPRESS REGRET ABOUT THE LACK OF ANY ADEQUATE CONSULTATION, THOUGH THEY DO NOT CONSIDER THAT MATTERS HAD ADVANCED TO A POINT AT WHICH THEY SHOULD HAVE WARNED US UNTIL VERY LATE IN THE DAY. THE MILITARY OPERATIONS WERE IMPROVISED. THE DIFFICULTY IN OVERCOMING CUBAN RESISTANCE WAS COMPOUNDED BY THE FACT THAT, IN THE HASTE WITH WHICH THE OPERATION WAS MOUNTED, THE AMERICANS WERE OBLIGED TO CONDUCT LANDINGS WITHOUT RECONNAISSANCE.

2. NOR DO THE AMERICANS ACCEPT THAT THEY WERE WRONG TO TAKE THE ACTION THEY DID. THE SUBSEQUENT FRACAS HAS LEFT BRUISES ON BOTH SIDES. GIVEN THE PARLIAMENTARY REACTIONS IN BRITAIN AND THE FACT THAT HERE, WITH THE DEMOCRATS EVASIVE AND THE OTHER EUROPEANS SHOWING A LOWER PROFILE, WE HAVE BEEN DEPICTED OVER THE LAST WEEK AS THE PRESIDENT'S LEADING CRITIC. THIS HAS PRODUCED QUITE A STRONG REACTION, BOTH ON THE REPUBLICAN SIDE AND FROM THE AMERICAN PUBLIC, WHO FELT SURPRISED THAT WE SHOULD HAVE BEEN SO STRONGLY OPPOSED AND THAT THE DISAGREEMENT HAS BEEN SO PUBLIC. WE HAVE TAKEN STEPS TO PUT THE RECORD STRAIGHT. I HAVE DRAWN ATTENTION TO THE EMPHASIS YOU AND OTHER MINISTERS HAVE PLACED IN PARLIAMENT ON THE REALITY OF THE CUBAN PRESENCE, THE CHARACTER OF THE GRENADIAN REGIME AND THE POSITIVE STEPS WE ARE NOW TAKING TO TRY TO HELP. I HAVE EMPHASISED THE DETERMINATION DISPLAYED BY YOU AND THE PRIME MINISTER TO ENSURE THAT THE DISAGREEMENT ABOUT GRENADA DOES NOT SPILL OVER ON TO OTHER ISSUES. THE VERY FIRM LINE TAKEN ON JNF DEPLOYMENT ETC. WHAT IS NOW REQUIRED IS TO PUT THE PAST BEHIND US AND CONCENTRATE ON THE FUTURE. YOUR SPEECH IN THE FOREIGN AFFAIRS DEBATE STRUCK EXACTLY THE RIGHT NOTE AND HAS BEEN WELCOMED HERE.

3. ON PEACE-KEEPING, THE AMERICANS WILL WANT TO GET THEIR TROOPS OFF THE ISLAND WITHIN A REASONABLE TIME. THOUGH THERE ARE STILL SOME ELEMENTS OF THE PRA, AND IT WILL TAKE TIME TO ROUND THEM UP. THEY HAVE NO OBJECTION TO SOMEWHAT WIDER PARTICIPATION IN A PEACE-KEEPING FORCE, PARTICULARLY FROM WITHIN THIS HEMISPHERE (EG CONTINGENTS FROM CANADA AND TRINIDAD). BUT THEY WOULD OBJECT STRONGLY TO RAMPHAL'S IDEA THAT THE EAST CARIBBEAN CONTINGENTS SHOULD BE WITHDRAWN, AND THEY WILL NOT WANT THE WHOLE OPERATION TAKEN OVER BY RAMPHAL. IT IS FOR THE GOVERNOR GENERAL TO DECIDE WHO HE WANTS TO HELP, AND HE WILL NO DOUBT FORM HIS JUDGEMENT IN CONSULTATION WITH THE OECS.

4. THE AMERICANS ARE BEGINNING TO REALISE THAT WHAT WILL BE REQUIRED WHEN THEY WITHDRAW MAY NOT BE A VERY LARGE PEACE-KEEPING FORCE, BUT RATHER A REALLY EFFECTIVE AND IMPARTIAL POLICING OPERATION. DEPENDING ALSO ON THE GOVERNOR GENERAL'S WISHES AND THE ATTITUDE OF THE GECS, THE AMERICANS SEE A POTENTIALLY IMPORTANT ROLE FOR US IN HELPING TO RE-ORGANISE THE POLICE AND PERHAPS ALSO IN HELPING TO ORGANISE THE ELECTION. THEY NOTED YOUR POSITIVE REMARKS ON THIS IN THE HOUSE. IT IS VERY MUCH IN OUR INTERESTS THAT THE US INTERVENTION SHOULD BE FOLLOWED BY AN ELECTION WHICH DEMONSTRABLY IS FREE AND FAIR AND NOT TOO LONG DELAYED. WITH ALL OUR EXPERIENCE, THERE IS NO-ONE BETTER QUALIFIED TO HELP. THE AMERICANS REALISE THAT THE ELECTIONS, WHEN HELD, WILL ATTRACT A HOST OF OBSERVERS INCLUDING, NO DOUBT, COMMONWEALTH AND UN TEAMS.

MIDDLE EAST

5. ON LEBANON AND THE MNF, SHULTZ REGARDED AS VERY POSITIVE HIS CONVERSATIONS WITH YOU AND THE FOREIGN MINISTERS OF FRANCE AND ITALY IN PARIS ON 27 OCTOBER. THE PRESIDENT HAS RE-AFFIRMED HIS DETERMINATION NOT TO BE RUN OUT OF BEIRUT. THE AMERICANS WOULD AGREE ON DIS-ENGAGEMENT AS A LONGER TERM OBJECTIVE, BUT DO NOT WANT TO LEAVE BEHIND ANARCHY OR A COMPLETELY SYRIAN-DOMINATED REGIME. THEY ARE PREPARED TO PUT PRESSURE ON GEMAYEL TO CONTRIBUTE TO NATIONAL RECONCILIATION.

6. ON THE BEIRUT BOMBINGS, THE AMERICANS BELIEVE THAT THE EVIDENCE POINTS TOWARDS MUSAWI AND THE IRANIAN HEZBULLAH GROUP BASED AT BAALBEK. THEY BELIEVE THAT THERE WAS OFFICIAL IRANIAN INVOLVEMENT., AND THAT MUSAWI AND HIS GROUP COULD NOT OPERATE FROM BAALBEK WITHOUT THE KNOWLEDGE OF THE SYRIANS. THE AMERICANS ARE COMMITTED TO RETALIATE, THOUGH THEY MAY NOT WISH TO DO SO WHILE THE GENEVA TALKS ARE CONTINUING. YOU WILL WANT TO PRESS DAM ON WHAT PRECISELY THEY ARE CONTEMPLATING I HAVE LEFT HIM IN NO DOUBT THAT WE MUST BE CONSULTED. ANOTHER POINT TO BE WATCHED CLOSELY IS THE FEELING IN THE STATE DEPARTMENT (THOUGH LESS SO ON THE PART OF WEINBERGER) THAT THE ISRAELIS SHOULD SOMEHOW BE CALLED TO REDRESS THE BALANCE VIS A VIS SYRIA, WHOSE CONTINUING INTRANSIGENCE IS SEEN HERE AS THE GREATEST OBSTACLE TO PROGRESS TOWARDS NATIONAL RECONCILIATION. YOU WILL ALSO WISH TO ASK THE AMERICANS HOW THEY PROPOSE TO DEAL WITH GEMAYEL'S APPARENT INTENTION TO TRY TO RE-NEGOTIATE THE LEBANON/ISRAEL AGREEMENT.

7. THE AMERICANS HAVE BEEN CARRYING FORWARD THEIR CONTINGENCY PLANNING IN RELATION TO IRAN/IRAQ. HERE TOO WE MUST INSIST ON THE NEED FOR FULLY ADEQUATE CONSULTATIONS. BUT IF WE WISH TO BE CONSULTED, WE MUST ALSO BE PREPARED TO CONTRIBUTE IF WE ARE OURSELVES CONVINCED THAT HELP WOULD BE JUSTIFIED. THE AMERICANS ARE NOT HANKERING AFTER INTERVENTION IN THE GULF.

THEY.

THEY REALISE ALL THE PROBLEMS THAT WOULD CAUSE AND HAVE MORE THAN ENOUGH ON THEIR HANDS ALREADY. BUT, REALISTICALLY, THEY HAVE TO CONSIDER THE POSSIBILITY OF A DETERIORATION IN THE SITUATION WHICH COULD LEAD BAHRAIN OR OMAN ACTIVELY TO REQUEST THEIR HELP. IF THEY DID, THE AMERICANS WOULD CONSIDER THEMSELVES BOUND TO RESPOND, PARTICULARLY IF THE SAUDIS WANTED THEM TO. THE OTHER SCENARIO IN WHICH THEY WOULD HAVE TO BECOME INVOLVED IS OF COURSE CLOSURE OF THE STRAITS OF HORMUZ. WHILE IMPRESSING ON THEM OUR CONCERN THAT THEY SHOULD EXERCISE THE GREATEST CAUTION BEFORE CONSIDERING INVOLVING THEMSELVES DIRECTLY, WE SHOULD BE PREPARED TO INDICATE WHETHER WE COULD HELP EG WITH MINE-CLEARING OPERATIONS, IF THIS SHOULD BECOME NECESSARY AND WE SHOULD OURSELVES BELIEVE SUCH INVOLVEMENT TO BE JUSTIFIED.

ARGENTINA

8. ON ARGENTINA AND CERTIFICATION, THE AMERICANS HAVE BEEN IMPRESSED BY THE CONDUCT OF THE ARGENTINE ELECTIONS AND WILL WANT TO MOVE FAST TO GET ON TERMS WITH ALFONSIN. WE HAVE IMPRESSED ON THEM THE FACT THAT AN ANNOUNCEMENT OF THEIR INTENTION TO CERTIFY ARGENTINA FOR THE RESUMPTION OF ARMS SUPPLIES WILL PROVOKE PARLIAMENTARY CRITICISM IN BRITAIN: AND THAT, AS A MINIMUM, THEY WOULD BE WELL ADVISED TO DELAY THIS UNTIL CIVILIAN RULE HAS ACTUALLY BEEN RE-ESTABLISHED. ONCE THEY DO CERTIFY, WE MUST TAKE STEPS TO SPECIFY TO THEM IMMEDIATELY THOSE ITEMS OF MILITARY EQUIPMENT IT WOULD CAUSE US PARTICULAR CONCERN IF THEY DID SUPPLY. WE HAVE BEEN IN TOUCH WITH THE DEPARTMENT AND THEY HAVE WORK IN HAND ON THIS.

9. BEYOND THAT, THERE IS NO DOUBT THAT THE AMERICANS HOPE THAT WE MIGHT TAKE THE OPPORTUNITY OF THE INSTALLATION OF A NEW CIVILIAN GOVERNMENT OURSELVES TO TRY TO GET BACK ON TERMS WITH ARGENTINA. FAILING THAT, THEY CONTEND, A FRESH START IS UNLIKELY TO BE POSSIBLE THEREAFTER. WHAT THEY MEAN BY THIS OF COURSE IS THAT WE SHOULD BE PREPARED TO GO BACK TO DISCUSSING EVERYTHING WITH THE ARGENTINIANS, INCLUDING THE FUTURE OF THE ISLANDS. WE HAVE POINTED OUT TO THE AMERICANS THAT WE HAVE BEEN PRESSING FOR MONTHS FOR A RESUMPTION OF FULL ECONOMIC RELATIONS AND COOPERATION GENERALLY: AND FOR THE ARGENTINIANS TO RENOUNCE THE USE OF FORCE. BUT WE ARE NOT PREPARED TO DISCUSS THE FUTURE OF THE ISLANDS ON ANY BASIS CONTRARY TO THE WISHES OF THE ISLANDERS. DAM IS UNLIKELY TO PRESS THIS POINT: BUT YOU SHOULD KNOW THAT IT IS IN AMERICAN MINDS.

10. FOR US THINKING ON INF, PLEASE SEE MIFT.

FCO PLEASE PASS TO MOD AS REQUESTED

WRIGHT

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3

COPY OF WASHINGTON TELEGRAM No. 3333 OF 4 NOVEMBER

MIPT and my telegram no. 3325: INF

1. Although Mr. Dam is likely to raise INF in his talks with the Prime Minister, it has not yet been decided here whether he will be authorised to explore the possibility of fleshing out the allied negotiating position by placing some numbers on the table in Geneva, at any rate on an illustrative basis.

2. There is little support here for Nitze's proposal that each side should be allowed 300 INF warheads in Europe, with the Soviet Union being allowed an additional 300 warheads in Soviet Asia. The 600 total is regarded as too high. Neither the Pentagon nor the State Department like the fifty/fifty ratio between European and Asian systems. The ratio of GLCMs to Pershing lls would also be affected.

3. Thought is being given here to the alternative of either
A) proposing that there should be a global total of 300 warheads on each side, or
B) proposing that the global total should be 270. Within that total, the Soviet Union would be permitted 90 warheads on SS20s in Soviet Asia. The US would have the right to match these, but would not exercise that right. Thus there would be 180 warheads deployed on US systems in Europe. 36 of these warheads would be on the Pershing lls, with the remainder on GLCHs, thus preserving the GLCM/Pershing ll ratio.

4. These details of US thinking have been given us in confidence. The civilian side of the Pentagon would still like any move to be minimal, or delayed until next year. The State Department consider that to put forward a global number without any breakdown of this kind would serve little purpose. Their preferred option is at (B) above.

5. FCO please pass to No.10

WRIGHT.

ADVANCE [illegible] STANDARD

RR BRIDGETOWN

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FM WASHINGTON 050552Z NOV 83
TO IMMEDIATE FCO
TELEGRAM NUMBER 3331 OF 4 NOVEMBER
INFO UKMIS NEW YORK AND BRIDGETOWN

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THE PRIME MINISTER'S MEETING WITH KENNETH DAM

1. WHEN I CALLED ON DAM THIS EVENING TO EMPHASISE OUR OPPOSITION TO THE RESUMPTION OF U S ARMS SALES TO ARGENTINA (MY TELNO 3329) AND MAKE CLEAR OUR DESIRE TO WORK WITH THE U S FOR THE RESTORATION OF DEMOCRACY IN GRENADA (MY TELNO. 3330), HE TOLD ME THAT HE SAW THE PURPOSE OF HIS TRIP TO EUROPE AS ESSENTIALLY THREEFOLD:-
A) TO CONSULT EUROPEAN ALLIES ON INF DEPLOYMENT, AND TO SEEK THEIR VIEWS ON HOW THE U S SHOULD HANDLE THE GENEVA TALKS IN THE WEEKS AHEAD.
B) TO DESCRIBE THE BASIS FOR THE U S INTERVENTION IN GRENADA, AND TO DISCUSS THE SIGNIFICANCE OF THE MILITARY EQUIPMENT WHICH THE AMERICANS HAVE FOUND ON THE ISLAND.
C) TO DISCUSS THE SITUATION IN THE LEBANON AND MIDDLE EAST IN GENERAL.

2. I STRESSED THAT HE WOULD BE MOST WELCOME IN LONDON AND AT THE NATO COUNCIL. HE SAID HE WAS MUCH LOOKING FORWARD TO HIS MEETING WITH YOURSELF AND THE PRIME MINISTER. I SAID I THOUGHT THAT IN ADDITION TO THE ABOVE SUGGESTIONS THE QUESTION OF ARMS SALES TO ARGENTINA WAS LIKELY TO COME UP. HE WELCOMED THIS.

3. PLEASE SEE M.I.F.T.

FCO PLEASE PASS TO NO. 10 DOWNING STREET.

WRIGHT

[illegible]

CONFIDENTIAL COVERING SECRET

Foreign and Commonwealth Office

London SW1A 2AH

4 November 1983

Prime Minister.

Dear John,

Visit to London by Mr Dam on 7 November

I enclose briefs for the meeting at Chequers on Monday morning, which are being submitted in parallel to the Foreign Secretary.

The American Embassy have told us that Washington sees the visit as 'an exercise in quiet consultation, and not to press a specific course of action'. Between 7-9 November Mr Dam will also visit Rome, Paris, Bonn, Brussels (possibly including NATO) and The Hague. The Americans expect the principal subjects for discussion to be Grenada, INF and the Lebanon, but have made clear that Mr Dam will be happy to talk about other matters of mutual concern. His visit thus presents a useful opportunity to raise two matters on which we are anxious to keep in close touch with the Americans, namely Iran/Iraq and Falklands/Argentina.

A brief is also included on the general question of improved contacts with senior Americans. It would be particularly useful to underline to Mr Dam the importance we attach to Mr Rifkind's forthcoming meeting with him: we need a better way of handling problems such as those presented by the Export Administration Act.

The Embassy in Washington have commented that Mr Dam is open-minded and highly intelligent. As his biography indicates, he is especially close to Mr Shultz. Although his main expertise is in international economic relations, he has developed a good grasp of arms control issues and policy towards the Middle East. He regularly receives senior British visitors, most recently Mr Prior on 1 November. He has shown himself to be sensitive to the concerns of Western Europe.

Yours ever,

(B J P Fall)
Private Secretary

A J Coles Esq
10 Downing Street

CONFIDENTIAL COVERING SECRET

Private Secretary

cc: (with sets of Briefs):
PS/PUS
Sir J Bullard
Mr Giffard
Mr Ure

VISIT TO LONDON BY MR DAM ON 7 NOVEMBER

1. I submit briefing for Mr Dam's meeting at Chequers with the Prime Minister and the Secretary of State, together with a draft Private Secretary letter to No 10 conveying the copies of the briefs for the Prime Minister.

2. Mr Dam will be accompanied by Mr Richard Burt, the Assistant Secretary for European Affairs in the State Department and by the latter's Deputy for Policy, Mr Richard Haass, and other officials. It is not yet known who will attend the meeting with the Prime Minister but the Americans have asked whether Mr Streator and either Mr Burt or Mr Haass could accompany Mr Dam.

3. Briefs A-E have been prepared by the Departments concerned. Brief F was prepared by NAD in consultation with Planning Staff, Information Department and Mr Thomas.

—

Noël Marshall

4 November 1983

N H Marshall
North America Department

DSR 11 (Revised)

CONFIDENTIAL COVERING SECRET

DRAFT: ~~Minute/letter/telegram/despatch/note~~

TYPE: Draft/Final 1+

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Private Secretary

DEPARTMENT:

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TO: PS/No 10

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SUBJECT: VISIT TO LONDON BY MR DAM ON 7 NOVEMBER

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The American Embassy have told us that Washington sees the visit as 'an exercise in quiet consultation, and not to press a specific course of action.' The Americans expect the principal subjects for discussion to be Grenada, INF and the Lebanon but have made clear that Mr Dam will be happy to talk about other matters of mutual concern. His visit thus presents a useful opportunity to raise two matters on which we are anxious to keep in close touch with the Americans, namely Iran/Iraq and Falklands/Argentina.

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/his

his main expertise is in international economic relations, he has developed a good grasp of arms control issues and policy towards the Middle East. He regularly receives senior British visitors, most recently Mr Prior on 1 November. He has shown himself to be sensitive to the concerns of Western Europe.

VISIT TO LONDON BY MR DAM ON 7 NOVEMBER

LIST OF BRIEFS

A. Grenada

B. INF

C. Lebanon

D. Iran/Iraq

E. Falklands/Argentina

F. High level British-American contacts

G. Personality Note

A

VISIT TO LONDON BY MR DAM ON 7 NOVEMBER: GRENADA

Points to Make

Situation on Ground

1. What is situation? Any resistance continuing in the hills? If so, how long to mop up? How many Cubans are unaccounted for?

Cuban Threat

2. Interested to learn more about evidence of Cuban involvement in Grenada; and about their intention of taking over the island.

The Way Forward

3. How do you see the prospects? How quickly do you hope US troops will be able to withdraw? Important to get out as soon as security situation permits.

The Governor General

4. Vital that nothing is done to undermine authority of Governor General. Must be seen to be independent. Must be guided by his wishes and by those of interim administration once established.

The Commonwealth

5. Ramphal capable and energetic. Don't alienate him. Commonwealth has a role to play. Ramphal wants to establish a Commonwealth presence but may be thinking more in terms of policing than military role. Would help ensure stability and help create conditions in which US troops can withdraw. Commonwealth will probably also be able to help in other ways: administration; training; supervision/observation of elections etc.

The UK Position

6. We are restoring UK aid programme to Grenada. We will consider participating in Commonwealth security presence on certain conditions. May be prepared to offer help with police and security training. We shall be guided by requests of Governor General and interim administration. No-one should prejudge/interfere with these. Vital not to compromise credibility of Grenadian authorities.

The US Position

7. What help do you intend to give?

Security of small states

8. Grenada demonstrates ease with which small states can be taken over by extremists. We are examining ways in which their security might be strengthened against Marxist and other subversive threats. Will want to discuss our ideas with you in due course, and with other close allies.

Essential Facts

Cubans

1. The US Administration has made much of the Cuban factor in justifying the intervention. President Reagan claimed in his 27 October television broadcast that the Cubans had been preparing to occupy Grenada and use it as a base to export terror and undermine democracy in the region. It would be interesting to know the evidence for this.

2. The Americans have also stressed the important role played by the Cubans in resisting the intervention. But the estimates they have given for the number of Cubans in Grenada have fluctuated widely. It would be interesting to know the figure they now put on the Cuban presence, and how many Cubans they think may have taken to the hills.

The Governor General

3. In the past few days the Americans seem to have acquired a better understanding of the Governor General's role and the need to do nothing to compromise him. Fortunately, they decided not to pursue the idea, mooted in Washington at the beginning of last week, that Sir Paul Scoon should be flown out by them to appear at the United Nations. But it would be useful to underline again the need to respect his position scrupulously.

The Commonwealth and the Commonwealth Secretary General

4. The Americans are suspicious of Ramphal, partly because of his Guyanese origins and partly because of his condemnation of the intervention. However, they are now in direct contact with him and should be encouraged to explore with him what the Commonwealth can offer.

/5.

5. The Americans have reservations about Ramphal's efforts to establish a Commonwealth security presence in Grenada. They say they will agree to whatever sort of force the Governor General and the Organsation of Eastern Caribbean States (OECS) want. But Ramphal's ideas and those of the Governor General and the OECS may prove to be compatible, particularly since Ramphal appears to be moving in the direction of a policing rather than a military role for the Commonwealth. At a minimum, the Americans should be encouraged to keep an open mind.

The UK Position

6. Ramphal has written to the Prime Minister asking whether the UK would be willing to participate in a Commonwealth security presence. The Prime Minister has been advised to say that we might be willing to help but there would, for example, have to be a properly constituted command structure, a clearly defined objective, and a definite time limit set on the Commonwealth presence.

Foreign & Commonwealth Office
4 November 1983

13

VISIT TO LONDON BY MR KENNETH DAM, US DEPUTY SECRETARY OF STATE, 7 NOVEMBER

INF: POINTS TO MAKE

1. British commitment to deploy first cruise missiles by end of 1983 remains firm. Events in Grenada encouraged opponents of cruise missile programme but House of Commons overwhelmingly endorsed Government's position on 31 October. House also trounced amendment to Government motion which had proposed that we should seek a dual key for cruise missiles. UK and US have now made satisfactory arrangements for deliveries of missiles and other major items of equipment to Greenham Common.

2. If Russians suspend INF negotiations NATO Governments will need to emphasise that

(a) NATO has been prepared to negotiate for two years while SS20 deployments have continued;

(b) NATO programme for cruise and Pershing II missile deployments could be reversed if success at Geneva warranted it.

/If Dan raises possible figures for a division between SS20 warheads within range of Western Europe and those in Central Asia and the Far East (e.g. 180 - 90)/

Would want to consider carefully any US proposal for putting figures on NATO's September offer to distinguish European and Asian SS20s. But a two-thirds - one third split looks about right to us.

/ESSENTIAL

ESSENTIAL FACTS

4. We do not know whether Mr Dan knows about the details of the cruise missile delivery programme. However he is not an official who is normally involved in NATO consultations about INF and discussion of the details of the next few weeks will probably be less important to him than a general reassurance that the British commitment to deployment is unchanged.

C

VISIT TO LONDON BY KENNETH DAM ON 7 NOVEMBER

LEBANON

Points to Make

1. 17 May withdrawal Agreement must not become obstacle to national reconciliation and withdrawal of foreign forces. If Syrians prepared to accept some new Israel/Lebanon withdrawal agreement which gives guarantees of Israeli security, Israel and US must be prepared to set aside 17 May Agreement. US should press Israel to accept arrangements which will allow Lebanese Government to survive.

2. Important to keep up pressure on all parties for conciliation. Must use what leverage we can. We have made clear (Secretary of State most recently in Foreign Affairs Debate) that our patience as MNF troop contributor is not limitless.

3. Important now to get together to work out longer term strategy including common approach to future of MNF. We are agreed on need for withdrawal of all foreign forces and to create conditions for MNF withdrawal. Perhaps a package incorporating some new Israel/Lebanon arrangements within a wider framework of a phased withdrawal of all foreign forces (including MNF) to be implemented as Lebanese Government restores authority. See attraction in King Hussein's idea of timetable for this. Coordinated programme of reconstruction aid (not necessarily from MNF countries only) could be offered as additional incentive. UK/US officials should meet soon to discuss.

4. Possible US retaliation for bomb attacks. Priority is reconciliation. Hope no action will be taken which would damage prospects for this. Military action a danger to all MNF contingents. Could suck all deeper into Lebanese quagmire. In any event, we expect to be fully consulted.

5. Jordanian Rapid Deployment Force. Regret that Senate and Lower House have now eliminated funding for a Jordanian Rapid Deployment Force. Appears to be an easy cave-in to the American Pro-Israel Lobby. Can only serve to undermine further the already low level of confidence the Jordaninans have in US Middle East policies.

VISIT TO LONDON BY MR DAM ON 7 NOVEMBER

LEBANON

Background

1. Reconciliation talks. There appears to have been a compromise on main sticking point, 17 May Israel/Lebanon Agreement. President Gemayel mandated to 'undertake the necessary contacts to end the Israeli occupation'. This formula side-steps the problem of abrogation or freezing of the Agreement. Talks continue (pm 4 November) but likely to recess to allow President Gemayel to travel at once to Washington and certain Arab and European countries for talks on the Agreement.

2. Syria had been insisting on revocation (unacceptable to Christian Lebanese, US and Israel) but may now be prepared to support some new Israel/Lebanon arrangements giving security to both countries in the border zone on condition the 17 May Agreement is set aside. One suggested means of compromise is referral of Agreement to a new government of national unity for consideration (de facto freeze).

3. US attitudes. Indications are that Fairbanks (acting US Middle East negotiator until Rumsfeld takes over) is not wedded to retention of Agreement. But Dam and Shultz have been firmer. Israel remains keen to get out of Lebanon in the context of withdrawal of all foreign forces and has hinted that she will be prepared to go before Syria as long as Syrian withdrawal could be assured. Shamir made clear during Mr Luce's visit (1-3 November) that they remain committed to the 17 May Agreement. But there is no reason why their major concern, security arrangements for their northern border, should not be guaranteed by some other means. All Lebanese parties now seem to recognise Agreement as dead letter. Important to get US to do so and to put pressure on Israel to compromise.

4. Equally important to get US to focus on long term strategy. Some Americans share our wish to extricate MNF as part of a peaceful solution, though some are more sensitive to what they see as a defeat. American troops in Lebanon could be Reagan's Achilles Heel in coming electoral year. Sir G Howe sketched out our ideas at the meeting of MNF foreign ministers in Paris on 27 October. The Italians with US backing suggested a new reconstruction fund. But there was a reluctance among MNF contributors to coordinate further. An agreement was only reached to meet again in the margins of the NATO ministerial meeting in December.

5. Retaliation. Evidence is that Iranians or Islamic AMAL (Lebanese Shia backed by Iran) were responsible for 23 October bomb attacks. President Reagan remains committed to retaliation but has no realistic options. US seems to have excluded action outside Lebanon. Attack on Iranians or Islamic AMAL HQ in Bekaa would risk large civilian casualties. There have been other hairy schemes: Eagleburger's original mission during his recent visit to Israel was apparently to persuade the Israelis to mount attacks against suspected culprits in the Bekaa in exchange for greater US financial assistance in development of the Lavi fighter aircraft. The idea had Shultz's endorsement but was overruled by the President on Weinburger's advice. Reports are also circulating that there may be some covert American action. It seems certain there will be some retaliation if only on diplomatic front: Americans have asked Lebanese Government to close Iranian Embassy in Beirut after Geneva talks.

6. Lebanon sitrep. 26 September ceasefire continues to hold. Recent violations (Phalange attacks on Druze positions) died down after instructions to Druze from Jumblatt to hold fire as developments 'going our way' in Geneva. BRITFORLEB continue to guard meetings of Quadripartite Ceasefire Security Committee. No progress on deployment of 800 Greek/Italian observers into Shouf to oversee ceasefire. Measures already taken to improve security of BRITFORLEB and British Embassy in light of recent bomb attacks.

/7.

7. Latest reports from Tyre are that three Israelis were killed and 32 are missing following the suicide bomb attacks on the Israeli Governor's HQ; there may be more Lebanese and Palestinian dead. In Tripoli 60 are reported dead as rebel PLO forces press attacks against Arafat and loyalists with Syrian assistance.

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VISIT TO LONDON BY MR DAM ON 7 NOVEMBER

IRAN/IRAQ

POINTS TO MAKE

1. Useful Politico/military talks in Washington on 18/19 October. Would like to continue in very close contact. We have responsibilities in this area. Allied cooperation essential. [Unpleasant surprises on such an important problem would be a severe blow to Anglo/US relations.]

2. Adoption of UN Security Council Resolution 540 no guarantee that Gulf crisis is over. Important that both belligerents observe its provisions in practice, even if Iran has objections of principle. Do not accept Iraqi claim that Iranian offensive in Kurdistan breaches the resolution, which applies to Gulf only.

3. Iraq is now uttering very specific threats against Iranian targets "whatever they may be", and saying it cannot be deprived of freedom of navigation in the Gulf. Furthermore, Iraqi Foreign Minister, Tariq Aziz, told Paris newspaper on 2 November that Etendard aircraft have arrived. What do US think? How long before they are operational?

4. (Defensive): Our military reserves already stretched. In our view, any military intervention must be minimal in scope and duration, and restricted to preserving freedom of navigation through the Straits of Hormuz.

/[If necessary]

[If necessary]

5. Grateful for advance warning of US plans for military action in the Gulf area. Cannot comment without consulting military advisers. Nor commit British forces. What is US assessment of likely Soviet reaction; Iranian reaction? Have the Gulf states been consulted?

ESSENTIAL FACTS

US Intervention

1. Mr Murphy, Assistant Secretary at the State Department, told Mr Luce on 25 october that the options for retaliation to bombings in Lebanon were still under consideration. He added that it was important not to string out consultations on contingency planning on how to respond to an Iranian threat to close the Straits of Hormuz since 'events were now forcing policy'. Mr Luce urged caution and the need for close consultations. There is still a danger that despite continuing contacts between officials, the Americans might opt for action sooner rather than later.

Etendards

2. On 4 November Iraqi newspapers reported arrival of Etendards in Iraq. We have no separate confirmation, though France has mounted series of flights to Baghdad by transport aircraft which could include spare parts and Exocet missiles.

The War

3. Iranian offensive launched on 20 October continues. So far minimal gains and heavy casualties on both sides. Iran preparing second, smaller offensive in central sector. Iraqis hit Greek ship in approaches to Bandar Khomeini on 3 November, and have claimed other hits.

Outlook

4. Iraq may decide to wait until Iran tries to interfere with resumption of Iraqi oil exports through Gulf before using Etendards. But may also wish to push Iran towards premature retaliation, eg by continuing rocket attacks on Iranian towns 5o miles or more from fighting. Iran has denounced Security Council

/resolution

resolution but has been careful to preserve possible role for UN Secretary-General's Special Representative in future. Japanese,worried by Iraqi threats against Bandar Khomeini Petro-chemical facility, have been in touch with both belligerents in last week. Japanese believe vigorous debate taking place in Iran on how to end war. Iran has moved naval units closer to Straits of Hormuz and is collecting information on possible French maritime targets. Our assessment is that serious attack on maritime traffic to Iran would provoke Iranian response, but not action to close the Straits of Hormuz unless majority of Iran's existing oil exports had already been cut off.

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VISIT TO LONDON BY MR K DAM, ON 7 NOVEMBER 1983

FALKLANDS/ARGENTINA

Points to Make

UNGA

1. Have been disappointed to learn that United States proposes to vote with Argentina and directly opposite to us on a resolution about the Falkland Islands at the General Assembly. This is an extraordinary posture for one close ally to adopt towards another at the United Nations. In the case of Grenada, despite our different views, we immediately ruled out any idea of voting directly opposite the United States on an issue of such direct and immiediate interest to you.

2. Moreover, the long notice you gave the Argentines of your intentions will have enabled them to make maximum use of it in lobbying the Europeans and others. This is very unhelpful.

3. A vote for Argentina will merely suggest to the new Argentine Government that there is merit in pursuing their predecessors' sterile and unrealistic insistence on negotiations about sovereignty. This is not the way forward. We would instead expect our allies to encourage Argentina to respond to our attempts to re-establish fundamentals of our bilateral relationship.

US ARMS SALES

4. An even more important question is the possibility of resumed US arms sales to Argentina, following certification of human rights there. As Sir Oliver Wright has made clear to you, we are concerned both about the resumption of arms sales in itself and about the timing of any announcement either of certification itself or of an intention to certify at a future date. An early announcement, so soon after the Grenada operation, would create particular difficulties for our relations. Hope no such announcement will be made before Alfonsin government has assumed power.

5. We shall need time to assess the new government's attitude towards the Falklands. For the present we continue to see every need to maintain our defence of the Islands. We hope that Alfonsin will honour his campaign pledges to cut military expenditure.

<u>If it becomes apparent that Mr Dam has been instructed to inform us of a firm US decision to announce certification</u>:

6. You have promised consultation on prospective arms sales in the event of certification. Hope these can be really detailed exchanges in which full account will be taken of our concerns over particular items of weaponry. Important that we should establish clear understanding on this procedure before certification decision is made public.

<u>Possible implications for British financial assistance to Argentina</u>

7. If Americans do sell arms to Argentina, Parliamentary and public reactions here could put us under pressure regarding British participation in the international commercial loan to Argentina.

FALKLANDS/ARGENTINA

Essential Facts

UNGA

1. The Americans told us on 9 October that, primarily on grounds of policy consistency, the US would vote for an Argentine draft Resolution on the Falklands at the General Assembly which was "legally equivalent" to Resolution 37/9. On 1 November the Minister at HM Embassy Washington told the Assistant Secretary for European Affairs in the State Department that the Prime Minister and the Foreign Secretary were disappointed at the US intention. He contrasted that intention with our attitude to the vote on 27 October in the Security Council on Grenada.

US ARMS SALES

2. Washington report that recent hearings indicate that there is now no significant Congressional opposition on human rights grounds to the certification of Argentina. With the resounding victory of Sr Alfonsin's Radical party the US Administration may see a need to make an announcement soon, perhaps even before the new government assumes power (which may occur as early as December). Sir O Wright plans to see Mr Dam in Washington on 4 November to put to him the point that an announcement to certify would be particularly regrettable so soon after the Grenada operation. The Ambassador's report of this conversation, in response to FCO telno 1851 (attached) will set the scene for Mr Dam's conversations in London on 7 November.

3. The Americans have repeatedly promised to inform and consult us about any final decision to certify. Mr Dam may come with instructions to do this. In these circumstances it might be appropriate to urge on him the seriousness with which the Americans should approach consultations. We would expect them to take note of the items of weaponry which we assess would seriously enhance the

Argentine threat to the Falklands. There are indications that the US view of what would constitute a 'major' sale is very different to our own. Consultations would need to take place before any announcement: the Americans would otherwise find themselves having to reconcile UK and Argentine pressures after the event.

4. Mr Dam may argue that there is no great danger of arms sales since the Radical party have made statements of their intent to cut military spending. Even if, in government, Sr. Alfonsin carries out these pledges to the full, the signs are that the Argentine armed forces would still have sufficient resources for purchases from the USA.

5. In Cabinet on 3 November, the Prime Minister drew attention to the possible implications of US arms sales for British participation in commercial loans to Argentina. This is reflected in Point to Make 7.

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TO IMMEDIATE WASHINGTON
TELEGRAM NUMBER 1851 OF 3 NOVEMBER
YOUR TELNO 3243: AMERICAN ARMS FOR ARGENTINA

1. THOMAS SPOKE WELL. I WOULD HOWEVER BE GRATEFUL IF YOU COULD NOW TAKE TNIS UP YOURSELF. YOU SHOULD EMPHASISE THAT OUR OPPOSITION TO THE RESUMPTION OF US ARMS SALES TO ARGENTINA REMAINS AS FIRM AS EVER.

2. YOU SHOULD ADD THAT I AM ALSO VERY CONCERNED ABOUT THE QUESTION OF TIMING. ANNOUNCEMENT OF A DECISION TO CERTIFY WOULD BE BAD. BUT FOR THE US ADMINISTRATION TO ANNOUNCE THEIR INTENTION TO CERTIFY WELL IN ADVANCE OF CERTIFICATION ITSELF WOULD BE VERY MUCH WORSE. I STRONGLY HOPE THAT ANNOUNCEMENT EVEN OF AN INTENTION TO CERTIFY WILL NOT BE MADE BEFORE THE ALFONSIN GOVERNMENT HAS TAKEN OVER POWER. ANY ANNOUNCEMENT IN THE NEXT FEW WEEKS THAT THE AMERICANS INTEND TO TAKE STEPS TOWARDS THE RESUMPTION OF ARMS SALES TO ARGENTINA WOULD CREATE DIFFICULTIES FOR OUR RELATIONS THAT WOULD BE ESPECIALLY SERIOUS SO SOON AFTER THE INVASION OF GRENADA.

3. PLEASE LET ME KNOW IMMEDIATELY IF YOU THINK YOUR FURTHER REPRESENTATIONS SHOULD BE REINFORCED BY A MESSAGE FROM MYSELF TO SHULTZ, OR BY A TELEPHONE CALL TO HIM.

HOWE

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CONFIDENTIAL

VISIT TO LONDON BY MR DAM ON 7 NOVEMBER:

HIGH-LEVEL BRITISH-AMERICAN CONTACTS

POINTS TO MAKE

1. Attach great value to my recent visit to Washington; and other visits in both directions by senior government representatives.

2. From the Foreign and Commonwealth Office Mr Luce was recently in Washington and Lady Young will be there in the middle of November. Mr Rifkind is particularly looking forward to his discussion with Mr Dam on 17 November which we hope will lead to a more satisfactory way of handling problems relating to Extraterritoriality.

3. We should also like to see a broadening of high-level contacts and consultation. In particular would value greater participation at Ditchley Park Conferences by senior Americans, including more Senators and Congressmen as well as leading administration figures. Grateful for anything Mr Dam could do to encourage this.

4. The same applies to Wilton Park. Note that Mr Dam has been invited to address Conference in March 1984 which is to be jointly organised with the US Mission to the EC. The Foreign and Commonwealth Secretary has agreed to give the opening speech.

ESSENTIAL FACTS

1. Extensive visiting by British Ministers to US. Total for 1984 expected to be 11 visits by Cabinet Ministers and 22 by Junior Ministers.

2. Fewer Heads of American Government Departments came to London. But US visitors in 1983 have included the Vice-President (twice), Senior White House Staff (Mr Deaver, Mr Meese) Mr Shultz, Mr Weinberger, Mr Volcker, Mr Block (Agriculture), Mr Hodel (Energy), Mr Lehman (Navy) Mr Brock (US Trade Representative), General Rowny and Mr Nitze, the leaders of the principal US Arms Control Delegations. There are no Junior Ministers as such in US Government Departments and their approximate opposite-numbers tend to travel less.

3. Fifteen individual Congressional Leaders or Congressional Groups have visited London for consultations during 1983. These have included members of key committees (such as Senator Tower, Chairman, Senate Armed Services Committee) whose position gives them more weight in Washington than their British equivalents.

4. But American representation at Conferences at Ditchley Park, an essentially Anglo-American Foundation, has declined in status in recent years in comparison with British and other European participation.

5. Although Wilton Park is aimed at a wider (mainly OECD countries) catchment area it would be in both American and British interests to have higher-level American participation.

6. The March 1984 Conference is the second to be organised jointly with the Americans and will be entitled " The USA and Europe: Partners or Rivals?"

Foreign & Commonwealth Office
4 November 1983

G

KENNETH W DAM

US Deputy Secretary of State

Born 1932. Married with two children. Educated at the University of Kansas and the University of Chicago. Joined the faculty of the University of Chicago Law School in 1969.

Dam left the University of Chicago in 1971 to become Assistant-Director for National Security and International Affairs in the US Office of Management and Budget under George Shultz. Returned to the University of Chicago in 1974 as Professor of Law. He served as a Consultant to the Office of Management and Budget, the US Treasury and the Federal Trade Commission until the end of the Ford Administration. He was also consultant to the Rand Corporation, 1974-1982.

Professor of International Legal Studies at the University of Chicago Law School from 1976 and Provost of the University of Chicago 1980. He is associated with the 'Chicago School' and is a friend of Milton Friedman. Was a member of the Board of Directors of the Chicago Council on Foreign Relations from 1979 to 1982.

Dam was Professor of Law at the University of Chicago when George Shultz was Dean there. When Shultz was Secretary of the Treasury, Dam was named Executive Director of the Council on Economic Policy. In 1978, the two men collaborated on a book 'Economic Policy beyond the Headlines'. Shultz moved, within days of his own appointment in July 1982, to have Dam nominated as Deputy Secretary of State.

Dam has also written a number of other works on legal, economic and energy matters. In researching his writing on energy policy, Dam spent long periods of time in the United Kingdom and knows Britain well. He lived for a year in the FRG.

X Mark FCO are trying to find out.

D 4/11

10 DOWNING STREET

Mr. Barclay. ✓

~~David~~
I have informed Vera at Chequers.
Steve 3/11/83

The P.M. has agreed to give a working breakfast at Chequers at 0800 on Monday for Mr. Dam of the U.S. State Dept. The Foreign Secretary, S and perhaps 2 others will attend.

X || Please tell Chequers.

A.J.C. 3/11