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TO PRIORITY FCO

TELEGRAM NUMBER 55 OF 1 FEBUARY

INFO PRIORITY BANGKOK, JAKARTA, KUALA LUMPUR, SINGAPORE, HANOI

INFO ROUTINE PEKING, WASHINGTON, UKMIS NEW YORK, HONG KONG.

SECRETARY OF STATE'S VISIT: OFFICIAL TALKS ON 1 FEBUARY

FOLLOWING FROM PRIVATE SECRETARY

1. LORD CARRINGTON HAD A FORMAL SESSION OF TALKS WITH GENERAL ROMULO LASTING FOR TWO HOURS, FOLLOWED BY A CALL ON PRESIDENT MARCOS WHICH PROVIDED THE OCCASION FOR A FURTHER ONE HOUR DISCUSSION OF FOREIGN AFFAIRS. MAIN SUBJECT WAS CAMBODIA/VIETNAM, FOR WHICH PLEASE SEE MIFT. FOLLOWING IS SUMMARY OF OTHER POINTS.

EAST-WEST RELATIONS

2. LORD CARRINGTON REVIEWED AT ROMULO'S REQUEST, WITH PARTICULAR EMPHASIS ON US/SOVIET RELATIONS AND POLAND. ROMULO ASKED WHETHER THE EUROPEANS HAD BEEN CONSULTED BEFORE THE AMERICANS INTRODUCED SANCTIONS ALDINST THE SOVIET UNION, AND HOW THE ALLIANCE WAS LIKELY TO REACT IF THE SOVIET UNION INTERVENED DIRECTLY OR IF THE SITUATION IN POLAND IMPROVED. LORD CARRINGTON REPLIED ON STANDARD LINES AND CONCLUDED THAT HE WAS NOT HOPEFUL ABOUT POLAND, WHICH WAS LIKELY TO BEDEVIL EAST-WEST RELATIONS FOR SOME TIME.

AFGHANISTAN.

3. ROMULO SAID THAT THE PHILIPPINES AGREED THAT THE SOVIET UNION NEEDED A WAY OF ESCAPE. THEY HAD THEREFORE SUPPORTED THE EC PROPOSAL. HE DID NOT REACT WHEN LORD CARRINGTON SUGGESTED THAT IT WOULD BE USEFUL IF SOMEONE WERE TO CALL A CONFERENCE ON AFGHANISTAN REFUGEES.

CHINA.

4. ROMULO SAID HE SAW NO DANGER OF CHINA TURNING TO THE SOVIET CAMP IN THE NEAR FUTURE, BUT IT WAS IMPORTANT THAT OTHER COUNTRIES SHOULD DO NOTHING TO PUSH THEM IN THAT DIRECTION. THE CHINESE HAD BEEN VERY BITTER ABOUT PRESIDENT REAGAN'S POLICY TOWARDS TAIWAN AND GOODNESS KNOWS WHAT LINE THEY WOULD TAKE IN FOREIGN POLICY IN FIFTEEN OR TWENTY YEARS. THEY HAD A LONG TIME HORIZON AND REGARDED TAIWAN AS A FRUIT WHICH WOULD DROP INTO THEIR HANDS WHEN IT WAS RIPE.

5. PRESIDENT MARCOS EMPHASISED THE SIGNIFICANCE FOR THE FUTURE DEVELOPMENT OF CHINA OF THE POLICY OF ENCOURAGING SMALL FIRMS AND SMALL BUSINESSES (IN INCENTIVES). ON AMERICAN POLICY TOWARDS TAIWAN, HE ARGUED THAT REAGAN WAS IN FACT RESISTING PRESSURE FROM SOME OF HIS ADVISERS TO MOVE FURTHER TOWARDS TAIWAN. LORD CARRINGTON ASKED HIM WHETHER HE THOUGHT THE CHINESE PROPOSALS ABOUT TAIWAN WERE SERIOUSLY MEANT. MARCOS SAID THAT HE THOUGHT

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THEY WERE. LORD CARRINGTON ALLUDED TO THE POSSIBLE RELEVANCE OF THIS TO THE FUTURE OF HONG KONG: THE CHINESE WOULD NO DOUBT WANT THEIR SOVEREIGNTY TO BE ACKNOWLEDGED, BUT THEIR PRESENT "HEARTS AT EASE" LINE WOULD NOT BE SUFFICIENT TO MAINTAIN BUSINESS CONFIDENCE.

GLOBAL NEGOTIATIONS.

6. LORD CARRINGTON REHEARSED TO ROMULO THE EFFORTS THE TEN HAD MADE TO REACH A COMPROMISE IN NEW YORK. ROMULO THOUGHT THAT THIS HAD BEEN HELPFUL BUT AGREED (AS DID MARCOS LATER) THAT THE AMERICANS WERE SHOWING LITTLE INTEREST. MARCOS SAID THAT THE MEETING IN NEW DELHI WOULD LOOK FOR A POSSIBLE COMPROMISE, BUT HE DID NOT APPEAR OPTIMISTIC. BOTH DISCUSSIONS OF THIS SUBJECT WERE IN A CONSPICUOUSLY LOW KEY.

MIDDLE EAST.

7. NOT DISCUSSED WITH ROMULO . LORD CARRINGTON EXPRESSED TO MARCOS HIS CONCERN ABOUT THE ALIENATION OF MODERATE ARABS FROM THE UNITED STATES AND BRIEFED HIM ON THE SITUATION IN THE LIGHT OF FEZ AND THE ISRAELI ACTION OVER GOLAN. BEGIN HAD WON TACTICAL VICTORIES, BUT HIS STRATEGY WAS A VERY DANGEROUS ONE FOR ISRAEL. MARCOS LISTENED WITH INTEREST AND SUMMED UP SUCCINCTLY: "WHAT A MESS".

BILATERALS.

9. ROMULO AGREED WITH LORD CARRINGTON THAT RELATIONS WERE GOOD. IMMIGRANTS AND DOGS WERE DISPOSED OF QUICKLY AND WITH GOOD HUMOUR. ROMULO, READING FROM HIS BRIEF, EXPRESSED CONCERN ABOUT EXPORTS OF ARMS FROM BRITAIN ON THE BASIS OF FALSE DOCUMENTATION. LORD CARRINGTON REPLIED THAT THE TELEVISION PROGRAMME ON WHICH THIS AND OTHER ALLEGATIONS WERE BASED WAS FULL OF INACCURACIES. HE COULD CATEGORICALLY DENY THE ALLEGATIONS ABOUT ARMS.

MORGAN

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