

22763

SECRET

NATIONAL SECURITY COUNCIL  
MESSAGE CENTER

*Peter  
You're famous*

*Free UK*

PAGE 01 OF 03 SECSTATE WASHDC 3845 DTG: 210304Z JUL 83 PSM: 057639  
EOB940 AN001785 TOR: 202/0518Z CSN: HCE578

DISTRIBUTION: BALLY-01 FORT-01 REIS-01 MYER-01 DOBR-01 KEMP-01  
KRAM-01 LEVN-01 DUR-01 SOMM-01 LINH-01 ROBN-01  
MINN-01 SIMS-01 LENC-01 /015 A2

BURT, EB ASSISTANT SECRETARY MCCORMACK, PM DIRECTOR ADMIRAL HOWE, NSC STAFFER PETER SOMMER, AND UK DESK OFFICER STEPHEN GEIS (NOTETAKER). ON THE BRITISH SIDE: AMBASSADOR WRIGHT, FCO PERMANENT UNDER SECRETARY ANTONY ACLAND HOWE'S PRIVATE SECRETARY BRIAN FALL, P. J. GOULDEN (FCO NEWS DEPARTMENT), COMMERCIAL MINISTER BRAITHWAITE, HEAD OF CHANCERY ROBIN RENWICK, AND FIRST SECRETARY STEPHEN WALL (NOTETAKER). END SUMMARY.

WHTS ASSIGNED DISTRIBUTION:  
SIT:  
EOB:

OP IMMED  
DE RUEHC #3845 2020506  
O 210304Z JUL 83  
FM SECSTATE WASHDC

TO ANEMBASSY LONDON IMMEDIATE 0000

SECRET STATE 203845

EO. 12356 DECL: OADR  
AGS: PREL, UK, US  
SUBJ: SECRETARY'S BILATERAL WITH FOREIGN  
SECRETARY HOWE

1. SECRET - ENTIRE TEXT.

2. SUMMARY: SECRETARY OF STATE GEORGE SHULTZ MET THURSDAY, JULY 14, WITH UK FOREIGN SECRETARY HOWE FOR A PERIOD OF THREE HOURS. THE CORDIAL AND INFORMAL DISCUSSIONS COVERED A WIDE RANGE OF MULTILATERAL AND BILATERAL ISSUES. THE SECRETARY AND HOWE MET AT ONE FOR 45 MINUTES AND THEN JOINED THEIR RESPECTIVE AIDS FOR ADDITIONAL DISCUSSION WHICH CONTINUED OVER WORKING LUNCH. THE CONVERSATIONS REFLECTED A BROAD RANGE OF AGREEMENT ON THE POLITICAL APPROACH TO EAST/WEST RELATIONS INCLUDING ISSUES OF CSCE, AFGHANISTAN, AND POLAND. ON THE ECONOMIC SIDE, HOWE EMPHASIZED THE IMPORTANCE OF MAINTAINING ALLIED UNITY TO AVOID PROVIDING THE SOVIETS WITH A "BONUS" OF A DISPUTE IN THE WEST. ON ARMS CONTROL AND DISARMAMENT, BOTH SIDES AGREED TO THE IMPORTANCE OF CLOSE COOPERATION, COORDINATION, AND THE ATTAINMENT OF REAL PROGRESS IN THE TALKS. THE SECRETARY PROVIDED HOWE WITH A READOUT OF HIS MIDDLE EAST TRIP AND HIS PERSONAL ASSESSMENT OF

THE IMPORTANCE OF CONSTRUCTIVELY ENGAGING THE SYRIANS IN THE PEACE PROCESS. OVER LUNCH THE CONVERSATION RETURNED TO THE SUBJECT OF ARMS CONTROL WITH DISCUSSION OF DEPLOYMENT OF WEAPONS SYSTEMS IN OUTER SPACE. ON CENTRAL AMERICA, THE SECRETARY AGAIN MADE A STRONG PLEA FOR CONTINUED BRITISH PRESENCE IN BELTZE AND OUTLINED US OBJECTIVES FOR ECONOMIC AND POLITICAL DEVELOPMENT IN THE AREA. ON ARGENTINA, HOWE ASKED FOR US SUPPORT IN CONVINCING ARGENTINA TO COMPLY FULLY WITH IMF REQUIREMENTS TO LIFT REMAINING FINANCIAL SANCTIONS AGAINST THE UK. THE TWO FOREIGN SECRETARIES REVIEWED PROSPECTS FOR A SOUTHERN AFRICAN SETTLEMENT AND THE SECRETARY OFFERED A MORE DETAILED BRIEFING FOR HOWE BY ASSISTANT SECRETARY CROCKER. HOWE CONCLUDED THE DISCUSSION WITH MENTION OF SPECIALTY STEEL AND THE EXPORT ADMINISTRATION ACT (EAA), CAUTIONING THAT WE MUST PREVENT THESE ISSUES FROM DISRUPTING OUR OTHERWISE EXCELLENT RELATIONS. ALSO PRESENT DURING THE DISCUSSIONS WERE ON THE US SIDE: THE DEPUTY SECRETARY, UNDER SECRETARY EAGLEBURGER, EUR ASSISTANT SECRETARY

3. AFTER A PRIVATE MEETING LASTING 45 MINUTES, THE SECRETARY AND HOWE SAT DOWN WITH OTHER PARTICIPANTS TO COVER THE TOPICS ENUMERATED IN PARA 2 ABOVE. THE SECRETARY EXPRESSED HIS DELIGHT AT HOWE'S VISIT IN WASHINGTON AND HIS REGRET THAT HE WAS UNABLE TO STOP IN LONDON ON HIS RETURN FROM ASIA IN ORDER TO EXTEND HIS PERSONAL CONGRATULATIONS TO MRS. THATCHER FOR HER ELECTION VICTORY. HOWE RESPONDED THAT THE PRIME MINISTER GREATLY APPRECIATED THE PRESIDENT'S CONGRATULATORY CALL FOLLOWING THE ELECTION. HOWE THEN SAID THAT THE ISSUES WE SHARE ARE OVERWHELMINGLY IMPORTANT AND THAT WE MUST STAY IN CLOSE TOUCH. HE OPINED THAT THE FIRST ORDER OF BUSINESS WAS TO PUT THE WORLD ECONOMY ON A ROAD TO RECOVERY AND BY SO DOING, TO DEMONSTRATE THE VIABILITY OF OUR SYSTEM TO THE THIRD WORLD. CONTINUING HIS OPENING REMARKS, HOWE SAID THAT ON THE ISSUE OF SECURITY, THE WEST HAS DEMONSTRATED ITS STRONG DETERMINATION AND SHOWN THE SOVIETS THAT THEY CANNOT BARGIN WITH THE WESTERN PUBLIC "BEHIND THE BACKS" OF THEIR GOVERNMENTS. HE ADDED THAT ON ARMS

CONTROL NEGOTIATIONS SEARCHING FOR AN AGREEMENT WITH THE SAME EMPHASIS THAT WE HAVE PLACED ON DEFENSE. THE SECRETARY THEN DEFERRED TO HOWE TO SET THE AGENDA FOR THE REMAINDER OF THE SESSION.

4. CSCE: HOWE NOTED THAT ON CSCE, HMG IS ANXIOUS TO SECURE THE RIGHT CONCLUSION TO THE MADRID CONFERENCE, AND HE NOTED THE EFFECTIVENESS OF WESTERN PRESSURE ON THE SOVIET UNION TOWARD THAT END. THE SECRETARY RESPONDED THAT WORK ON A FINAL DOCUMENT HAD PROGRESSSED, BUT THE KEY TO SUCCESS OF MADRID WOULD BE IN PERFORMANCE. THE SECRETARY CONTINUED IT IS GOOD TO HAVE STANDARDS BY WHICH TO MEASURE PERFORMANCE BUT THAT PERFORMANCE ON THE PART OF THE EAST FOLLOWING THE HELSINKI AGREEMENT HAD NOT BEEN GOOD. ON THE QUESTION OF PARTICIPATION OF FOREIGN MINISTERS AT THE CONCLUDING SESSION, THE SECRETARY SAID THE US WILL GO IF THAT IS WHAT IS DESIRED BY THE MAJORITY OF PARTICIPANTS BUT WE ARE NOT PUSHING. HOWE ACKNOWLEDGED THAT HMG'S POSITION IS THE SAME.

5. AFGHANISTAN: THE SECRETARY RECOUNTED HIS IMPRESSIONS FROM HIS RECENT VISIT TO THE REFUGEE CAMPS ON THE PAKISTAN/AFGHANISTAN BORDER. HE SAID THAT THE AFGHANS'S DETERMINATION TO REGAIN THEIR COUNTRY WAS INSPIRING BUT THAT IT PRESENTED US WITH A CLASSIC PROBLEM. SINCE THE AFGHANS DO NOT HAVE THE CAPABILITY OF REGAINING THE COUNTRY THROUGH MILITARY MEANS, THE ONLY ANSWER LIES IN A NEGOTIATED OUTCOME. BUT THE AFGHANS ARE AFRAID OF BEING SOLD OUT. THE PAKISTANIS SEE ENOUGH PROGRESS IN THE CURRENT TALKS TO JUSTIFY A CONTINUATION OF THE NEGOTIATIONS BUT NOT ENOUGH TO INDICATE THAT A SOLUTION IS NEAR. THE PAKISTANIS EMPHASIZED TO THE SECRETARY THE IMPORTANCE OF KEEPING PRESSURE ON THE SOVIET UNION. IN RESPONSE TO ACKLAND'S QUESTION AS TO WHETHER OR NOT THE PAKISTANIS WERE ACTIVELY WORKING ON AN UNGA RESOLUTION, THE SECRETARY

DECLASSIFIED

NLRR FOL-050/22763

BY RW NARA DATE 1/3/11

SECRET

SECRET

NATIONAL SECURITY COUNCIL  
MESSAGE CENTER

PAGE 02 OF 03 SECSTATE WASHDC 3845 DTG:210304Z JUL 83 PSN:057639

AGREED THAT WE SHOULD MAKE SURE THAT WE ARE NOT TAKING A PAKISTANI INITIATIVE AT THE UNGA FOR GRANTED.

6. POLAND: HOWE EMPHASIZED THE IMPORTANCE OF MAINTAINING CONTACT WITH THE POLISH PEOPLE AND SAID THAT IF THE POLISH GOVERNMENT UNDERTOOK SIGNIFICANT POSITIVE CHANGES, WE SHOULD BE PREPARED TO RESPOND WITH PRACTICAL STEPS SUCH AS RESCHEDULING. THE SECRETARY SAID THAT CHANGE ON OUR SIDE BE WARRANTED BY CHANGES IN THE SITUATION IN POLAND. HE AGREED THAT IF SUCH CHANGES OCCUR, THE WEST SHOULD BE READY TO RESPOND AND THAT WE SHOULD KEEP IN CLOSE TOUCH SO THAT WE HAVE A

COORDINATED RESPONSE. THE SECRETARY ALSO NOTED THAT THE UNITY OF THE NATO ALLIES ON POLAND HAD SERVED US

WELL.

7. EAST/WEST ECONOMIC: ON COMMERCIAL RELATIONS WITH THE SOVIETS, HOWE SAID THAT IT WAS IMPORTANT THAT SUCH RELATIONS SUPPORT OUR STRATEGIC OBJECTIVE. HE EMPHASIZED THAT WE MUST AVOID GIVING THE SOVIETS A "BONUS" OF A DISPUTE IN THE WEST. THIS REQUIRES GOVERNMENTAL COOPERATION TO KEEP TENSION OUT OF ALLIED RELATIONSHIPS. THE SECRETARY RESPONDED THAT THE WEST WAS IN MUCH BETTER SHAPE THAN LAST YEAR. THE NATO STUDIES WERE PROCEEDING SATISFACTORIALLY. WE HAD ACHIEVED AGREEMENT ON AN OECD COMMUNIQUE AND WERE MOVING FORWARD ON STRENGTHENING THE COCOM LIST AND COCOM'S ADMINISTRATIVE FRAMEWORK. THE SECRETARY ACKNOWLEDGED THAT IT WAS UP TO THE UNITED STATES TO MAKE A PERSUASIVE CASE FOR EXPANDING THE COCOM LIST TO OTHER STRATEGICALLY IMPORTANT ITEMS. HE NOTED THAT THE IDEA OF SUBSIDIZING THE SOVIET UNION HAS NO APPEAL, BUT WE DO NOT WANT TO INHIBIT BENEFICIAL COMMERCIAL RELATIONS.

8. ARMS CONTROL AND DISARMAMENT: HOWE SAID WE MUST SHOW OUR PEOPLE THAT WE CARE AND ARE TRYING TO ACHIEVE REAL PROGRESS AND NOT MERELY THE ILLUSION OF PROGRESS. THE KEY, HE SAID, IS TO KEEP AS CLOSELY COORDINATED AS POSSIBLE. THE SECRETARY AGREED THAT THE BENEFITS OF CLOSE COOPERATION HAVE BECOME EVIDENT IN THE LAST EIGHT OR NINE MONTHS. OUR POSITION TO BE CLOSELY COORDINATED AND, AS A RESULT, PEOPLE FEEL UNITY ABOUT OUR APPROACH. HE EMPHASIZED US WILLINGNESS TO BE FLEXIBLE AT THE NEGOTIATING TABLE BUT CAUTIONED THAT DESIRE FOR AN AGREEMENT SHOULD NOT OVERCOME OUR SECURITY NEEDS. WE WERE ENCOURAGED, HE SAID, BY THE REPORT OF THE KOHL VISIT AND THE STRONG POSITION WHICH THE FRG TOOK WITH THE SOVIETS. TURNING TO THE TECHNICAL LEVEL, THE SECRETARY SAID THAT WE COULD COMPLETE DEPLOYMENTS OF THE PERSHING IIS BY THE END OF THE YEAR WITH NO DELIVERY OF MISSILES UNTIL MID-NOVEMBER.

9. MIDDLE EAST: HOWE REMARKED THAT HMG SHARED A COMMITMENT TO PROGRESS IN THE MIDDLE EAST-PEACE PROCESS AND ASKED WHAT HMG COULD DO. THE SECRETARY RESPONDED THAT THE ARABS MUST SIT DOWN AND NEGOTIATE WITH ISRAEL, BUT THIS IS EXTREMELY DIFFICULT. KING HUSSEIN IS READY BUT NEEDS A GO AHEAD FROM THE OTHER ARABS. THE SAUDIS MUST BE KEPT ENGAGED. AS TO THE PLO, THE SECRETARY NOTED THAT THE SYRIANS HAVE INCREASED THEIR CONTROL

OVER THE PLO AND THE PROSPECTS THAT THE PLO WILL CARRY OUT ITS AGREEMENT WITH JORDAN ARE PROBABLY LESS. IF ARAFAT PUTS HIMSELF UNDER SYRIAN DOMINATION, HE WON'T

LAST. THE SECRETARY THEN TURNED TO THE SUBJECT OF THE FATE OF THE PALESTINIANS WHOSE VERY LIVES ARE AT RISK IN LEBANON. THOSE PALESTINIANS ON THE WEST BANK HAVE NO REASONABLE PROSPECTS FOR HOPE. THE PALESTINIANS ARE ENDANGERED REFUGEES BEING EXPLOITED BY THE ARABS. HOWE NOTED THAT 25 YEARS AGO WHEN HE HELPED INSTITUTE THE IDEA OF WORLD REFUGEE YEAR, THE PALESTINIANS WERE AMONG THE MOST NUMEROUS REFUGEES AND STILL ARE TODAY.

10. THE SECRETARY SAID THAT THE PURPOSE OF HIS RECENT VISIT TO DAMASCUS WAS TO TRY TO ESTABLISH DIALOGUE WITH THE SYRIANS. THE SITUATION WITH SYRIA IS EXPLOSIVE. THERE ARE SEVEN THOUSAND RUSSIAN TROOPS WITH THE SYRIAN FORCES. ANY CONFLICT IN THE BEKAA VALLEY COULD QUICKLY ESCALATE. HOWE AGREED THAT WE MUST SUSTAIN ALL EFFORTS TO ACHIEVE PEACE IN LEBANON.

11. TURNING TO LEBANON THE SECRETARY PRAISED THE MEMBERS OF THE GOVERNMENT OF LEBANON AS REAL HEROES WHOSE LIVES ARE DAILY AT RISK. THEY ARE MAKING A REAL EFFORT ON BEHALF OF THEIR COUNTRY, AND WE WANT THEM TO SUCCEED FOR PERSONAL AND POLITICAL REASONS.

12. RESPONDING TO A QUESTION FROM ACLAND ABOUT WHAT PRESSURES MIGHT BE BROUGHT TO BEAR AGAINST SYRIA, THE SECRETARY STATED THAT WE NEED TO OFFER THEM MORE OF A CARROT THAN A STICK. THE SYRIANS HAVE LEGITIMATE SECURITY CONCERNS IN LEBANON. THEY SHOULD SIT DOWN AND TALK WITH THE GOVERNMENT OF LEBANON, BUT IT IS DIFFICULT TO GET THEM ENGAGED IN SUCH DISCUSSIONS.

13. ARMS CONTROL PART TWO, OUTER SPACE: RESPONDING TO SIR GEOFFREY'S QUIRY ABOUT OUTER SPACE RELATED ARMS CONTROL, PM DIRECTOR HOWE SAID THAT AT PRESENT THERE WERE NO NEAR TERM PROSPECTS FOR PROGRESS ON SPACE ARMS CONTROL, ALTHOUGH IT WAS BEING DISCUSSED IN THE CD. THE PROBLEMS OF VERIFICATION AND NET TECHNOLOGICAL ADVANTAGE CAUSE US TO APPROACH SPACE ARMS CONTROL WITH CAUTION, EVEN THOUGH THE SOVIETS HAD A FUNCTIONAL ASAT SYSTEM. THE IMPORTANT THING IS FOR THE WESTERN ALLIES TO MOVE WITH UNITY ON THIS ISSUE. EUR ASSISTANT SECRETARY BURT, REMARKING THAT NEW TECHNOLOGY IS NOT ALWAYS DESTABILIZING, SAID THAT WE ENJOY AN IMPORTANT TECHNOLOGICAL ADVANTAGE BUT WE MUST CAREFULLY THINK THROUGH PROPOSED DEVELOPMENTS. BURT FURTHER NOTED THAT SPACE IS ALREADY IMPORTANT FOR COMMUNICATIONS AND

RECONNAISSANCE. WE CAN BETTER EXPLOIT SPACE THAN THE SOVIETS, BUT WE ARE MORE VULNERABLE THAN THE SOVIETS. PM DIRECTOR HOWE NOTED THAT SPACE IS A NEW DIMENSION. WARFARE IN THE FALKLANDS POINTED UP ITS IMPORTANCE IN COMMUNICATIONS. ADMIRAL HOWE CONCLUDED THAT VERIFICATION OF ARMS CONTROL MEASURES RELATED TO SPACE SYSTEMS WOULD BE AN EXTREMELY COMPLICATED AND COMPLEX PROBLEM.

14. BELIZE: THE SECRETARY EXPRESSED THE HOPE THAT THE BRITISH WOULD MAINTAIN THEIR GARRISON IN BELIZE. HOWE REPLIED THAT PERHAPS THE PROPOSED CARIBBEAN TRAINING FACILITY COULD BE A SUBSTITUTE FOR IT. THE SECRETARY REPLIED THAT A CTF COULD NOT REPLACE THE BRITISH PRESENCE, WHICH WAS VERY IMPORTANT WITH REGARDS TO GUATEMALA. HOWE SAID THAT IT IS VERY DIFFICULT FOR HMG TO MAINTAIN A MILITARY PRESENCE IN AN INDEPENDENT COUNTRY. SUCH PRESENCE IS INCONSISTENT WITH THE OBJECTIVE OF GIVING INDEPENDENCE TO FORMER COLONIES.

SECRET

SECRET

NATIONAL SECURITY COUNCIL  
MESSAGE CENTER

PAGE 03 OF 03 SECSTATE WASHDC 3845

DTG:210304Z JUL 83 PSN:057639

15. CENTRAL AMERICA: THE SECRETARY SAID THAT THE AREA NEEDS THREE THINGS: ECONOMIC DEVELOPMENT, REDISTRIBUTION OF INCOME, AND PLURALISTIC GOVERNMENT. TO THESE ENDS THE US IS PROVIDING THREE QUARTERS OF A BILLION DOLLARS IN ECONOMIC AID A YEAR AND WOULD PROVIDE MORE IF IT COULD BE ABSORBED. IT IS IMPOSSIBLE FOR THESE COUNTRIES TO SUCCEED IN THEIR DEVELOPMENT EFFORTS IN THE FACE OF THE PRESENT SECURITY THREAT; BASIC SECURITY IS NECESSARY FOR SUCCESS OF AN ECONOMIC PROGRAM. CITING THE NEED FOR EUROPEAN SUPPORT, THE SECRETARY WAS PLEASED TO NOTE THAT THE FRG IS SENDING AN AMBASSADOR TO EL SALVADOR. HOWE REMARKED THAT IT IS DIFFICULT TO EDUCATE THE BRITISH PEOPLE ABOUT THE PROBLEM OF CENTRAL AMERICA AND THAT SOURCES OF DIRECT INFORMATION ARE LIMITED. THE SECRETARY PROMISED TO KEEP HMG INFORMED.

16. ARGENTINA: SIR GEOFFREY MENTIONED THAT HE HAD DISCUSSED THE ISSUE OF ARGENTINE FINANCING IN THE IMF

WITH THE TREASURY DEPARTMENT THAT MORNING, BUT HE WANTED TO STATE THE IMPORTANCE TO HMG OF ARGENTINA'S WITHDRAWING FINANCIAL DISCRIMINATIONS AGAINST BRITAIN. IT IS IMPORTANT TO KEEP PRESSURE ON ARGENTINA. THE GOA HAS REFUSED TO AGREE TO A CESSATION OF HOSTILITIES, REDUCTION OF THE EXCLUSION ZONE IS RISKY. THERE COULD BE NO DISCUSSIONS ABOUT SOVEREIGNTY.

17. THE SECRETARY NOTED THAT WE HAVE AN INTEREST IN SEEING DEMOCRACY AND CIVILIAN RULE RESTORED IN

ARGENTINA. THE US WOULD CONSULT CLOSELY WITH HMG ON THE IMF MATTER. WE DO NOT WANT ARGENTINA TO DISRUPT THE INTERNATIONAL FINANCIAL SYSTEM. WE WILL TAKE ANOTHER LOOK AT ARGENTINA AFTER THE ELECTIONS. AT PRESENT IT IS DIFFICULT TO KNOW WITH WHOM ONE SHOULD DEAL IN THE GOA.

18. IN RESPONSE TO THE SECRETARY'S QUESTION AS TO HOW THE FALKLANDS MIGHT LOOK TEN YEARS HENCE, HOWE SAID THAT IT WAS DIFFICULT TO SAY. HMG IS WILLING TO TALK ABOUT REESTABLISHING RELATIONS WITH ARGENTINA BUT NOT ABOUT SOVEREIGNTY. ACLAND COMMENTED THAT TO THE ARGENTINES, TALKS MEAN ONLY HOW SOVEREIGNTY IS TO BE TRANSFERRED. THAT IS IMPOSSIBLE.

19. SOUTHERN AFRICA: TURNING TO THE SUBJECT OF SOUTHERN AFRICA, HOWE SAID HMG IS INTERESTED IN THE POLITICAL AND ECONOMIC STABILITY OF THE WHOLE AREA. HE ADDED THAT THE CONTACT GROUP COUNTRIES OUGHT TO BE ADDRESSING THE ISSUE ON A CONTINUING BASIS. CITING ZIMBABWE AS AN EXAMPLE, HOWE SAID THAT HMG'S POLICY IS TWOFOLD. THE UK IS "ROBUST" WITH THE GOZ ON THE POLITICAL SIDE AS THE MAINTENANCE OF THE CURRENT POLITICAL SYSTEM IS NECESSARY TO KEEP THE CONFIDENCE OF THE WHITES. AT THE SAME TIME HMG IS PROVIDING ECONOMIC ASSISTANCE TO THE GOZ BECAUSE, "WE HAVE TO HELP THEM DO THE RIGHT THING."

20. ACLAND NOTED THAT THIS YEAR'S COMMONWEALTH CONFERENCE WILL LIKELY CONCENTRATE ON SOUTHERN AFRICA. THE SECRETARY RESPONDED THAT HE FELT THE NAMIBIA NEGOTIATIONS ARE CLOSE ENOUGH TO A RESOLUTION THAT THE REMAINING TECHNICAL ISSUES WILL NOT STAND IN THE WAY IF

BOTH SIDES WANT A SOLUTION. THE SECRETARY ALSO NOTED THE DEBATE WITHIN THE ANGOLAN GOVERNMENT OVER CUBAN TROOP WITHDRAWAL. THE CUBAN PRESENCE IS COSTLY FOR ANGOLA, BUT RECENT UNITA SUCCESSES HAVE MADE THE GOA WARY ABOUT THEIR SECURITY. FALL ASKED IF THE SOVIETS WERE BEING UNHELPFUL IN ANGOLA. THE SECRETARY RESPONDED THAT THE RUSSIANS HAD CERTAINLY PUT PRESSURE ON DOS SANTOS WHEN HE WAS IN MOSCOW. THE SECRETARY THEN OFFERED HOWE A BRIEFING BY ASSISTANT SECRETARY FOR AFRICAN AFFAIRS CROCKER WHICH HOWE ACCEPTED.

21. SPECIALTY STEEL: HOWE BEGAN HIS PRESENTATION BY SAYING THAT IT IS IMPORTANT THAT SUCH BILATERAL DISPUTES DO NOT UPSET THE ALLIANCE, BUT IN THE CASE OF SPECIALTY STEEL HMG HAS TO DEFEND ITS INTERESTS. WILLIAMSBURG TRIED TO SET THE INDUSTRIALIZED COUNTRIES

ON A PATH AWAY FROM PROTECTIONISM, BUT THE US ACTION WAS PROTECTIONISM. THE SECRETARY SAID HE BELIEVED THAT THE ACTIONS TAKEN BY THE US WERE CONSISTENT WITHIN THE FRAMEWORK OF THE GATT. THE PRESIDENT HAD NO CHOICE BUT TO ACT, BUT DID NOT EXERCISE HIS MOST SEVERE OPTION. THE SECRETARY SUGGESTED TO HOWE THAT THE BRITISH PURSUE THE ISSUE IN GATT.

22. EXPORT ADMINISTRATION ACT: ON THE EAA HOWE SAID THAT THE LEGISLATION HAS EXTRATERRITORIAL PRESSURE ON THE UK ECONOMY. IF SUCH LEGISLATION CANNOT BE AVOIDED, THEN WE SHOULD TRY TO LIMIT POTENTIAL CONFLICTS IN ITS ADMINISTRATION. THE SECRETARY SAID THAT HE AGREED WITH HOWE'S SENTIMENTS AND NOTED THAT THE US HAS TRIED TO MEET THESE CONCERNS THROUGH THE CONTRACT SANCTITY PROVISION OF THE EAA. HE ADDED, HOWEVER, THAT CONDITIONS ON REEXPORT OR TRANSFER ATTACHED TO EXPORT LICENSES ARE A PROPER EXERCISE OF US CONTROL. ORDINARILY, THESE ARE APPLIED BEFORE THE ITEM IS SOLD OR LICENSED AND NOT APPLIED EX POST FACTO. SHULTZ BT

SECRET