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FM WASHINGTON 150337Z JUL 63
 TO PRIORITY FCO
 TELEGRAM NUMBER 1909 OF 25 JULY

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hand in full

YOUR CALL ON PRESIDENT REAGAN

1. YOU HAD A HALFHOUR MEETING WITH PRESIDENT REAGAN, WHO WAS IMPRESSIVELY FLANKED BY THE VICE PRESIDENT, SECRETARIES SHULTZ AND WENDBERGER, AND MESSRS NEESE, CLARK, MACFARLANE, BURT AND SUMMERS.
2. YOU SAID THAT THE RECENT ELECTIONS IN BRITAIN AND IN THE FRG HAD PROVIDED A SOLID BASIS FOR CO-OPERATION WITH THE UNITED STATES, AND MENTIONED THE MAIN POINTS COVERED IN YOUR TALKS WITH REAGAN AND SHULTZ. REAGAN IN RESPONSE RECEIVED HIS CONGRATULATIONS ON THE ELECTION RESULT AND EXPRESSED APPRECIATION OF OUR RECORD ON DEFENCE SPENDING. HE ALSO WELCOMED THE RESULT OF KOHL'S VISIT TO MOSCOW; HE HAD STOOD FIRM IN A WAY WHICH MIGHT HAVE COME AS A SURPRISE TO THE RUSSIANS. HE AGREED WITH YOU THAT WE MUST EMPHASISE DISARMAMENT AS WELL AS DEFENCE AND SAID THAT HE HAD NEVER BEEN MORE SERIOUS ABOUT ANYTHING IN HIS LIFE. WE COULD NOT GO ON AS WE WERE WITH NUCLEAR WEAPONS POINTING AT EACH OTHER. IT WAS IMPORTANT TO MAKE A START ON THE PATH OF MUTUAL AND VERIFIABLE REDUCTIONS, AND THEN TO MOVE TO THE TOTAL ELIMINATION OF THESE WEAPONS.
3. YOU MENTIONED THE MIDDLE EAST, NAMIBIA AND EAST-WEST ECONOMIC RELATIONS AS AREAS IN WHICH WE HAD COMMON OBJECTIVES BUT WHERE IT WAS NOT ALWAYS EASY TO FIND THE BEST WAY TO ACHIEVE THEM. REAGAN DID NOT RESPOND. NOB DID HE WHEN YOU MENTIONED THE EXPORT ADMINISTRATION ACT, UNITARY TAXATION AND STEEL AS BILATERAL ITEMS WHICH DISTURBED THE WATER A BIT, AND WHERE WE NEEDED TO PROTECT OUR POSITION FIRMLY WHILE TRYING TO FIND SOLUTIONS BY DISCUSSION AND NEGOTIATION.
4. REAGAN RAISED THE QUESTION OF NORTHERN IRELAND, EXPRESSING HIS SYMPATHY OVER WHAT HE DESCRIBED AS THE TRAGEDY OF THE LATEST SENSELESS KILLINGS. YOU THANKED HIM FOR THE ADMINISTRATION'S HELP IN SEEKING TO PREVENT ARMS SUPPLIES. REAGAN NOTED THAT THE PRESENT IRISH AMBASSADOR IN WASHINGTON, LIKE HIS PREDECESSOR, WAS VERY ACTIVE IN SEEKING TO PERSUADE BRISH AMERICANS NOT TO SUPPORT THE IRA. HE ALSO EXPRESSED THE VIEW THAT THE WOMEN'S PEACE MOVEMENT, WHICH SEEMED TO HAVE DISSOLVED, MUST HAVE BEEN SUBJECT TO TERRORIST PRESSURE.

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S SHULTZ

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3. SHULTZ MENTIONED THAT YOU HAD DISCUSSED CENTRAL AMERICA WITH REP. REAGAN SAID THAT IT WAS ONE OF THE FAILINGS OF THE UNITED STATES THAT THEY HAD NOT IN THE COURSE OF THEIR HISTORY BEEN ABLE TO ESTABLISH BETTER RELATIONS WITH LATIN AMERICA AND CANADA ALTHOUGH QUOTE WE ARE ALL AMERICANS UNQUOTE. HE ARGUED THAT THE CONTRAS IN NICARAGUA WERE NOT SOMOCISTAS, BUT HAD BEEN PART OF THE ORIGINAL REVOLUTION WHICH THE UNITED STATES HAD BEEN CAREFUL NOT TO OPPOSE. THE JURTA HAD BROKEN THE PROMISES IT HAD MADE TO THE OAS, AND IT WAS THE CONTRAS WHO WERE FIGHTING TO RESTORE THE TRUE REVOLUTION. YOU SAID THAT WE SHARED US OBJECTIVES IN CENTRAL AMERICA AND UNDERSTOOD THE IMPORTANCE THEY ATTACHED TO THE AREA. YOU TOUCHED BRIEFLY ON BELIZE AND EXPLAINED WHY WE WANTED TO BRING OUR FORCES OUT. REAGAN SAID THAT HE HOPED THAT WE WOULD BE ABLE TO DELAY WITHDRAWAL AND ADDED THAT THE UNITED STATES WERE IN TOUCH WITH GUATEMALA OVER THE TERRITORIAL DISPUTE AND WERE MAKING PROGRESS. SHULTZ INTERVIEWED TO LOWER EXPECTATIONS.

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