WONFO 022/25 00 F C 0 GRS 995 CONFIDENTIAL FM WASHINGTON 250316Z JUL 85 TO IMMEDIATE FCO TELEGRAM NUMBER 2222 DATED 24 JULY INFO SAVING PARIS. BONN, UKREP BRUSSELS, UKDEL NATO MIPT: PRIME MINISTER'S VISIT: POLITICAL SUBJECTS NOVEMBER'S REAGAN/GORBACHEV SUMMIT ALREADY CASTS A LONG SHADOW HERE (MY TELNO 2149). THE PRESIDENT WILL BE DETERMINED TO BE FULLY FIT FOR IT. THE FIRST SERIOUS PREPARATIONS WILL BE WHEN SHULTZ MEETS SHEVARDNADZE FOR THE FIRST TIME NEXT WEEK. IF THE PRIME MINISTER IS READY FOR A FIRST RESPONSE TO THE VICE-PRESIDENT'S EARLIER INVITATION (YOUR TELNO 1038) TO GIVE THE AMERICANS OUR THOUGHTS ABOUT THE SUMMIT, THEY WILL CERTAINLY BE HEARD WITH INTEREST. THE END OF ROUND II OF THE GENEVA TALKS BROUGHT NO SURPRISES OR REAL MOVEMENT: WHILE THIS IS AS EXPECTED, THE PRIME MINISTER MIGHT LIKE TO POINT TO THE DESIRABILITY IN THE NPT REVIEW CONFERENCE CONTEXT, OF SOME US/ SOVIET REAFFIRMATION OF DETERMINATION TO SECURE RESULTS. (THE NPTRC WILL BE ALMOST OVER BEFORE ROUND III STARTS IN LATE SEPTEMBER). THE EXPECTATION HERE IS THAT THE SOVIET INSISTENCE ON NO DEALS UNTIL SDI RESEARCH STOPS WILL NOT LAST MUCH LONGER SEMI-COLON BUT IT IS ANYONE'S GUESS WHEN THE RUSSIANS WILL BE READY FOR REAL BUSINESS. 2. ON THE MIDDLE EAST, I BELIEVE IT WOULD BE VALUABLE TO GO OVER WITH BUSH THE GROUND COVERED IN THE PRIME MINISTER'S RECENT CONTACTS WITH KING HUSSEIN. THERE IS A CLEAR GAP BETWEEN THE JORDANIAN EMPHASIS ON A US/PLO DIALOGUE AND AN INTERNATIONAL CONFERENCE AND THE US AIM OF DIRECT ARAB/ISRAELI NEGOTIATIONS. THE AMERICANS ARE NOW GRAPPLING WITH DIFFICULT DECISIONS ON HOW TO RESPOND TO THE LIST OF PALESTINIAN NAMES FOR A MEETING WITH MURPHY IN SUCH A WAY AS TO HELP BRIDGE THE GAP WITHOUT AT THE SAME TIME UPSETTING THE ISRAELIS. IT WOULDER WORTH UNDERLINING THE IMPORTANCE OF FINDING A WAY FORWARD SOON IF KING HUSSEIN'S COURAGEOUS INITIATIVE IS NOT TO FALTER. WE UNDERSTAND THAT THE DRAFT REPLY TO YOUR MESSAGE, WHICH HAS BEEN SUBMITTED TO SHULTZ, EXPRESSES APPRECIATION OF THE LINE TAKEN BY THE PRIME MINISTER WITH KING HUSSEIN ON YOUR OWN MEETING WITH A JORDANIAN! PALESTINIAN DELEGATION. 3. THE ADMINISTRATION'S SOUTHERN AFRICA POLICY IS IN DISARRAY. CONGRESSIONAL DISENCHANTMENT WITH THE POLICY OF QUOTE CONSTRUCTIVE ENGAGEMENT UNQUOTE IS FUELLING PRESSURE FOR SANCTIONS LEGISLATION, AS ARE THE ACTIONS OF THE SOUTH AFRICAN GOVERNMENT.

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US DETERMINATION TO CONTINUE RESISTING SANCTIONS IN THE UN

(EG OVER NAMIBIA) EVEN IF CONGRESS GETS ITS WAY ON THEM

DOMESTICALLY OVER APARTHEID, IS WELCOME. GIVEN THE IMPORTANCE

FOR OUR OWN EXPOSED POSITION IN NEW YORK, THIS COULD BE WORTH

NAILING DOWN, (PARTICULARLY IN THE LIGHT OF TODAY'S DECISION

BY THE FRENCH TO CALL A SECURITY COUNCIL MEETING ON SOUTH

AFRICA). BUT SOME RE-THINKING OF QUOTE CONSTRUCTIVE ENGAGEMENT

UNQUOTE NOW LOOKS INEVITABLE: AND BUSH WILL PLAY, AN IMPORTANT

ROLE (THOUGH HE IS BOUND TO BE LOOKING OVER HIS SHOULDER AT

KEMP, WHOSE CRITICISM OF CONSTRUCTIVE ENGAGEMENT IS COUPLED WITH

ADVOCACY OF SANCTIONS).

- 4. TERRORISM IS BOUND TO COME UP, SINCE THE VICE-PRESIDENT HAS BEEN GIVEN A CLEAR ROLE IN THAT FIELD. THERE MAY NOT BE TOO MUCH TO ADD TO WHAT WAS SAID ON THE SUBJECT WHEN THE PRIME MINISTER SAW HIM ON 3 JULY IN LONDON. BUT THE IDU MEETING TOO WILL TOUCH ON IT.
- 5. THE CALL ON WEINBERGER WILL PROVIDE A VALUABLE OPPORTUNITY TO FOLLOW UP THE DEFENCE SECRETARY'S TALKS ON 22 JULY AND IN PARTICULAR TO PRESS HOME OUR POINTS ON ACCESS TO TECHNOLOGY AND A SUBSTANTIAL US FINANCIAL COMMITMENT TO UK RESEARCH. THE SCALE OF OUR BID TOOK THE PENTAGON BY SURPRISE, BUT I AM SURE IT WAS RIGHT TO AIM HIGH: THAT IS HOW THE AMERICANS THEMSELVES NEGOTIATE. BUT OUR PROPOSAL CAUSES THEM REAL STATUTORY, CONGRESSIONAL AND POLITICAL PROBLEMS, WHICH WEINBERGER WILL NO DOUBT EXPLAIN. THE BALL IS NOW IN HIS COURT: HE OWES US AN ANSWER ON THE TERMS OF REFERENCE FOR THE BILATERAL WORKING GROUP. THE PRIME MINISTER MIGHT ALSO WISH TO RECORD OUR APPRECIATION OF THE RECENT CHANGE OF TONE IN THE ADMINISTRATION'S SDI PRESENTATION - NOW LESS VISIONARY, MORE ATTUNED TO EUROPEAN CONCERNS, AND NO LONGER HARPING ON THE QUOTE IMMORALITY UNQUOTE OF NUCLEAR WEAPONS. (THERE ARE OF COURSE STILL SOME VISIONARIES AROUND - AND WEINBERGER IS ONE OF THEM).

Plan 5 an

- PRESUMABLY MENTION MSE. IT WOULD ALSO BE USEFUL TO SAY A WOPD ABOUT US CONSIDERATION OF POSSIBLE ARMS SALES TO ARGENTINA, ON WHICH MOST OF THE PRESSURE SEEMS TO BE COMING FROM THE PENTAGON RATHER THAN STATE. BOTH THE OTHER KEY ISSUES ON WHICH WE ARE ACTUALLY OR POTENTIALLY AT LOGGERHEADS WITH WEINBERGER'S PEOPLE CW AND MBFR ARE BEST TACKLED FIRST WITH SHULTZ, IE DURING YOUR MEETING WITH HIM IN HELSINKI NEXT WEEK.
- 7. ON ECONOMIC SUBJECTS, SEE MIFT.

FCO PASS SAVING PARIS, BONN, UKREP BRUSSELS, UKDEL NATO.

WRIGHT