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INFO PARIS, BONN, MOSCOW, PEKING, UKDEL NATO, UKMIS NEW YORK, TOKYO.

INFO SAVING OTHER EC POSTS, CAIRO, TEL AVIV, AMMAN, JEDDA, BAGHDAD, DAMASCUS, ANKARA, LISBON, OTTAWA, OSLO, REYKJAVIK.

M I P T (NOT TO ALL)

SHULTZ CONFIRMATION HEARINGS

1. THERE IS NO DOUBT THAT SHULTZ WILL BE CONFIRMED BY AN OVERWHELMING VOTE IN THE SENATE. BOTH DEMOCRATS AND REPUBLICANS IN THE FOREIGN RELATIONS COMMITTEE HAVE WELCOMED HIS NOMINATION AND HE HAS DEALT REASSURINGLY BUT UNAMBIGUOUSLY WITH QUESTIONS THAT HAVE BEEN RAISED AS TO WHETHER HIS LONG ASSOCIATION WITH BECHTEL, WITH ITS CONSIDERABLE MIDDLE EASTERN INTERESTS, WOULD IN ANY WAY AFFECT HIS JUDGEMENT ON ISSUES OF POLICY.

2. AT THE SAME TIME, IT IS CLEAR THAT SHULTZ'S APPROACH TO MIDDLE EASTERN ISSUES WILL BE DIFFERENT FROM THAT OF HIS PREDECESSOR. I WOULD NOT EXPECT A CHANGE OF POLICY. SHULTZ HIMSELF INDICATED DURING THE HEARINGS, WHEN ASKED IF HE WOULD GET TOUGH WITH ISRAEL, THAT HIS EFFORTS MUST REFLECT THE SUPPORT THEY COULD COMMAND WITHIN CONGRESS AND THE COUNTRY. ALTHOUGH THERE IS CONSIDERABLE DISMAY HERE AT ISRAELI ACTIONS THERE IS NO SIGN OF THAT DISMAY BEING TRANSLATED INTO PRESSURE FOR A DIFFERENT POLICY. WHAT DID COME THROUGH CLEARLY AND REPEATEDLY IN SHULTZ'S TESTIMONY WAS HIS FEEL FOR THE ARAB WORLD, A STRONG PERSONAL CONVICTION THAT SOMETHING MUST BE DONE TO HALT THE BLOODSHED AND HIS DETERMINATION THAT THE U.S. SHOULD PLAY AN ACTIVE PART IN TRYING TO RESOLVE THE CENTRAL ISSUE OF THE PALESTINIANS, SHULTZ'S ATTITUDE TO MIDDLE EAST ISSUES AND HIS AWARENESS OF ARAB CONCERNS, AS WELL AS U.S. INTERESTS IN THE ARAB WORLD, ARE DIFFERENT FROM THOSE OF HIS PREDECESSOR.

3. ON EAST/WEST RELATIONS AND RELATIONS WITH CHINA/TAIWAN SHULTZ TOOK AN ORTHODOX ADMINISTRATION LINE. HE STUCK TO HIS VIEW OF ECONOMIC SANCTIONS IN GENERAL, NAMELY THAT THEY ARE A BAD IDEA, BUT GAVE QUITE A CONVINCING IMPRESSION THAT HE ACCEPTS THAT THERE CAN BE OVERRIDING POLITICAL CONSIDERATIONS, AS IN PRESIDENT REAGAN'S DECISION OVER THE PIPELINE.

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4. THE OTHER AREA WHERE SHULTZ'S EMPHASIS WAS DIFFERENT FROM HAIG WAS ON LATIN AMERICA. SHULTZ SAID THAT HE KNEW SOUTH AMERICA QUITE WELL, CENTRAL AMERICA LESS WELL. BUT HE LAID STRONG EMPHASIS ON THE UNDERLYING ECONOMIC AND SOCIAL PROBLEMS OF THE REGION, MAKING CLEAR THAT MILITARY SUPPORT WAS ONLY A MEANS TO AN END AND NOT AN END IN ITSELF. HE ALSO SPOKE UP STRONGLY FOR MULTILATERAL AID AND IN PARTICULAR FOR THE INTER-AMERICAN DEVELOPMENT BANK, SUGGESTING THAT HE AGREED WITH THOSE SENATORS WHO THOUGHT IT A MISTAKE FOR THE ADMINISTRATION TO BE FUNDING A CARIBBEAN BASIN INITIATIVE AT THE EXPENSE OF THE U.S. CONTRIBUTION TO THE IADB.

5. SHULTZ SAID A NUMBER OF TIMES THAT FOREIGN POLICY WOULD BE MADE BY THE PRESIDENT THOUGH HE WOULD BE CLOSELY INVOLVED IN ITS FORMULATION AND EXECUTION. HE HAD BEEN PROMISED DIRECT ACCESS TO THE PRESIDENT WHENEVER HE WANTED AND IT WAS FROM THE PRESIDENT HE WOULD TAKE HIS ORDERS. AT THE SAME TIME, HE WOULD WORK CLOSELY WITH JUDGE CLARK. THROUGHOUT THE HEARINGS, HIS MANNER WAS AS RELAXED AND LOW KEY AS HAIG'S HAD BEEN TENSE AND COMBATIVE. BUT HE DEALT FIRMLY WITH ONE SENATOR WHO WAS CLEARLY NEEDLING HIM AND THREW OFF ONE OR TWO OTHERS WHO WERE NIPPING AT HIS HEELS WITH EASE AND GOOD HUMOUR. THERE IS CONFIDENCE THAT HE WILL BE A MAJOR ASSET TO THE ADMINISTRATION.

FCO PASS SAVING ATHENS, BRUSSELS, COPENHAGEN, DUBLIN, UKREP
BRUSSELS, LUXEMBOURG, ROME, THE HAGUE, ANKARA, LISBON, OTTAWA,
OSLO, REYKJAVIK, CAIRO, TELAVIV, AMMAN, JEDDA, BAGDAD, DAMASCUS.

HENDERSON

(REPEATED AS REQUESTED)

THIS TELEGRAM
WAS NOT
ADVANCED

Fco
NAD
CABINET Office

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