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FM WASHINGTON 112250Z JAN 85

TO IMMEDIATE FCO

TELEGRAM NUMBER 101 OF 11 JANUARY

INFO PRIORITY MOSCOW, UKDEL NATO, BONN, PARIS, ROUTINE OTHER

NATO POSTS, UKDIS GENEVA, UKDEL VIENNA

INFO SAVING BELGRADE, BUCHAREST, BUDAPEST, EAST BERLIN, PRAGUE,

SOFIA, WARSAW.

GENEVA MEETING: US REACTIONS MT

## SUMMARY

1. 'SO FAR SO GOOD' IS THE ALMOST UNIVERSAL US REACTION. CONGR-  
 ESSIONAL VIEWS ALSO LIKELY TO BE POSITIVE. SHULTZ'S STANDING ENHA-  
 NCED. MOST IMPORTANT, THE PRESIDENT NOW ENGAGED ON THE ISSUES.

## DETAIL

2. THE US MEDIA REACTION TO THE OUTCOME OF THE SHULTZ/GROMYKO MEET-  
 ING IN GENEVA HAS BEEN ALMOST UNIVERSALLY POSITIVE. AT THE SAME TIME,  
 COMMENT HAS BEEN RESTRAINED AND REALISTIC AND HAS RECOGNISED THAT  
 EARLY AND SATISFACTORY AGREEMENT ON PROCEDURAL MATTERS DOES NOT  
 REFLECT MAJOR MOVES BY EITHER SIDE ON SUBSTANTIVE ISSUES. IT IS  
 RECOGNISED THAT PROGRESS ON THE LATTER WILL BE SLOW AND DIFFICULT:  
 THAT SDI IS LIKELY TO BE THE TOUGHEST ISSUE IN NEGOTIATION WITH  
 THE RUSSIANS: THAT PROGRESS ON NUCLEAR/OFFENSIVE MATTERS WILL BE  
 DIFFICULT UNLESS OR UNTIL COMMON GROUND IS FOUND ON SPACE/DEFENSIVE  
 MATTERS: AND THAT SOVIET ATTEMPTS AT WEDGE-DRIVING WITHIN THE ALL-  
 IANCE ON SDI WILL CONTINUE. IT IS BEING SAID HERE THAT GROMYKO  
 INDICATED THAT THE RUSSIANS HAD NO INTENTION OF THEMSELVES GOING  
 DOWN THE SDI RESEARCH DEPLOYMENT ROUTE.

3. IT IS TOO EARLY TO BE SURE OF REACTIONS ON THE HILL (THE HOUSE  
 AND SENATE HAVE ONLY JUST RECONVENED). BUT IT SEEMS LIKELY THAT THE  
 ADMINISTRATION WILL HAVE WON ITSELF AT LEAST SOME RUNNING ROOM WITH  
 CONGRESS AND THAT THIS WILL APPLY TO THE DEMOCRATS AS WELL AS THE  
 REPUBLICANS. THIS MAY HELP THEM WITH KEY STRATEGIC PROGRAMMES, E.G.  
 MX. DEMOCRATS WILL CERTAINLY FIND IT HARD TO CARP AT THE GENEVA  
 OUTCOME PARTICULARLY GIVEN THE DECREASING INCLINATION IN CONGRESS  
 TO TACKLE THE PRESIDENT HEAD-ON ON THE SDI.

4. THE GENEVA MEETING HAS BROUGHT INTO CLEARER FOCUS TWO OTHER  
 DEVELOPMENTS WHICH I BELIEVE TO BE OF IMPORTANCE. THE FIRST IS THAT  
 SHULTZ'S PERSONAL POSITION WITHIN THE ADMINISTRATION WILL HAVE BEEN  
 ENHANCED. HE HAS NOW ESTABLISHED HIMSELF FIRMLY AS THE MAIN ARCH-  
 ITECT OF THE ADMINISTRATION'S POLICY ON ARMS CONTROL MATTERS AS  
 WELL AS ITS CHIEF NEGOTIATOR. THE HARMONIOUS WORKING RELATIONSHIP  
 HE APPEARS TO HAVE ESTABLISHED WITH MCFARLANE HAS HELPED HIM IN  
 THIS, AND THERE IS MUCH ADMIRATION WITHIN THE ADMINISTRATION FOR HIS  
 HANDLING OF THE DIFFICULT NEGOTIATIONS WITHIN HIS OWN DELEGATION

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IN GENEVA. REACHING INTER-AGENCY AGREEMENT ON US POSITIONS FOR THE FORTHCOMING NEGOTIATIONS WILL OF COURSE CONTINUE TO INVOLVE LONG AND BLOODY BATTLES. BUT SHULTZ, SUPPORTED BY NITZE, WORKING WITH MCFARLANE AND WITH THE CONFIDENCE OF THE PRESIDENT, WILL HAVE ENHANCED AUTHORITY FOLLOWING GENEVA. INDEED THIS MAY SPILL OVER FROM ARMS CONTROL TO FOREIGN POLICY MATTERS GENERALLY.

5. THE SECOND DEVELOPMENT IS THAT THE PRESIDENT'S PRESS CONFERENCE PERFORMANCE ON 9 JANUARY (MY TELNO 72) SHOWED HIM NOW MORE ENGAGED IN THESE COMPLEX AND DIFFICULT ISSUES. HE APPEARED CONFIDENT IN HIS VIEWS AND COMFORTABLE WITH THEM. HIS INCLINATION WILL CONTINUE TO BE NOT TO TAKE DECISIONS UNTIL HE BELIEVES THEY ARE REQUIRED, AND SOME OF THESE DECISIONS WILL NOT NECESSARILY BE WHOLLY TO OUR LIKING. BUT I BELIEVE THAT HE HAS BENEFITTED FROM THE PRE-GENEVA DEBATES HERE, AND WILL NOW BE BETTER ABLE TO ENSURE THAT REAL US NEGOTIATING POSITIONS ARE IN FACT DECIDED ON. IF TRUE, THIS MAY BE THE MOST IMPORTANT DEVELOPMENT OF ALL.

6. SEE MIFT (NOT TO ALL)

FCO PLEASE PASS SAVING TO BELGRADE, BUCHAREST, BUDAPEST, EAST BERLIN, PRAGUE, SOFIA, WARSAW.

REPEATED AS REQUESTED

WRIGHT

( Repetition to REYKJAVIK  
referred for departmental decision,  
repeated as requested to other posts. )

[ COPIES SENT TO NO 10 DOWNING ST ]

EAST WEST & US/SOVIET RELATIONS

LIMITED

~~NAD~~

SOVIET D

DEFENCE D

RESEARCH D

PLANNING STAFF

EED

WED

ACDD

FED

PS

PS/LADY YOUNG

PS/MR RIFKIND

PS/MR LUCE

PS/PUS

MR DEREK THOMAS

SIR W HARDING

MR FERGUSSON

MR GOODALL

MR JENKINS

MR WESTON

MR DAVID THOMAS

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