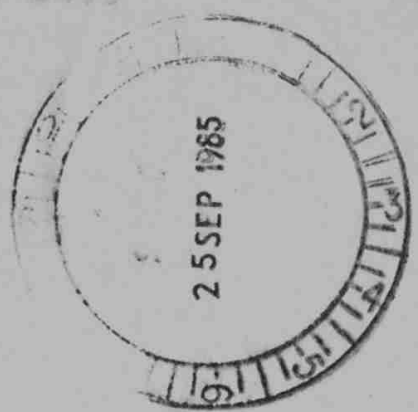


ADVANCE COPY

ZCIC
WRLMAN 2384 ORVRAN 2493
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Mr Powley No 10 D Sr.
Mr MOTTAM MOD.
Hto/DEF D
Mr DANNT
Mr GOODALL

SECRET

UK EYES ALPHA
FM WASHINGTON
TO IMMEDIATE FCO
TELNO 2689
OF 241830Z SEP 85
AND TO MODUK (FOR PRIVATE SECRETARY AND HEAD OF DEFENCE (EXPORT SERVICES)
INFO IMMEDIATE UKMIS NEW YORK (FOR PRIVATE SECRETARY)
NY TELNO 2614: MSE

1. THE PACE ON MSE IS AGAIN QUICKENING. WE HEAR FROM TWO SOURCES THAT THE PENTAGON NOW PLAN AN ANNOUNCEMENT ON 25 OR 26 SEPTEMBER.
2. THE OMENS ARE NOT GOOD. WE KNOW THAT DEPUTY SECRETARY TAFT HELD A MEETING LATE ON 23 SEPTEMBER WITH ARMY UNDER SECRETARY AMBROSE TO DISCUSS THE REPORT OF THE INDEPENDENT COST EVALUATION GROUP, WHICH HAS, WE BELIEVE, SUBSTANTIALLY REDUCED THE COST GAP. WE DO NOT YET KNOW THE OUTCOME OF THE MEETING; ONLY THAT THE ARMY WERE ASKED TO DO SOME FURTHER WORK (CONCEIVABLY THIS COULD HAVE CONCERNED THE ANNOUNCEMENT). BUT WE HAVE PRETTY FIRM INTELLIGENCE THAT AMBROSE PLANNED TO STICK TO HIS GUNS AND INSIST THAT THE ARMY WOULD PREFER THE GTE SYSTEM. GIVEN HIS POSITION, IT IS LIKELY THAT, IF A CLEAR RECOMMENDATION TO WEINBERGER EMERGED, IT WENT AGAINST PTARMIGAN.

3. I HAVE PURSUED THE NSC TODAY, REINFORCING MY MESSAGE OF 20 SEPTEMBER, AND HOPING TO SECURE A REACTION FROM MACFARLANE. BUT ALL I GOT (FROM POINDEXTER) WAS CONFIRMATION THAT THE NSC/WHITE HOUSE STILL HOPE TO LEAVE THE DECISION TO WEINBERGER, AND THAT A REPLY TO THE PRIME MINISTER'S 30 AUGUST MESSAGE HAS BEEN CONSTRUCTED. (I WOULD GUESS THAT THE PLAN IS TO REPLY SHORTLY BEFORE AN ANNOUNCEMENT).

4. ROCKWELL MEANWHILE ARE STRESSING TO THE WHITE HOUSE THAT BACKING PTARMIGAN WOULD FAVOUR REPUBLICAN INCUMBANTS IN NEXT YEAR'S MID TERM ELECTION, WHEREAS GTE'S DOMESTIC POLITICAL SUPPORT IS CONCENTRATED IN DEMOCRATIC CONSTITUENCIES. BUT ROCKWELL SHOW SIGNS OF INCREASING DESPONDENCY.

5. AGAINST THIS BACKGROUND, ANY NEW UK POLITICAL MOVE HAD BEST BE MADE QUICKLY. I UNDERSTAND THAT THE PRIME MINISTER MAY BE CONTEMPLATING A TELEPHONE CALL TO DON REGAN AT THE WHITE HOUSE. I FAVOUR THIS. I STILL THINK OUR BEST TACTIC IS TO ARGUE FOR A CALL FOR RERIDDING, PERMITTING DOD TO COMPARE LIKE WITH LIKE.

6. PLEASE PASS ADVANCE COPIES TO POWELL, NO 10 AND MOTTRAM, MOD.

WRIGHT

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ORWBAN 2493

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