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INFO SAVING TO UKMIS NEW YORK, UKDEL NATO, OTTAWA, PEKING, TOKYO,  
TEL AVIV, CAIRO, JEDDA, AMMAN, MOSCOW, WARSAW, CAPETOWN, NEW DELHI,  
E.C. POSTS.

US FOREIGN POLICY

1. BEFORE YOUR VISIT HERE, AND BEFORE OTTAWA, YOU MIGHT LIKE A  
REVIEW OF US FOREIGN POLICY.

2. THE DECISION MAKING PROCESS REMAINS INCOHERENT. HAIG IS NOT  
FIRMLY IN THE SADDLE: HE DOES NOT HAVE THE PRESIDENT'S TRUST IN THE  
WAY THAT WEINBERGER DOES, AND IS ACTIVELY DISTRUSTED BY REAGAN'S  
CLOSEST WHITE HOUSE ADVISERS, WHO MAY WELL BE DOING LITTLE TO COUNTER  
PRESS CRITICISM OF HIM. HE HAS ALSO PROVED A CONSISTENT OWN-GOAL  
SCORER.

3. THE WHITE HOUSE'S ROLE IN FOREIGN POLICY IS ALSO IN DOUBT. ALLEN'S  
CONTRIBUTION IS UNCERTAIN EXCEPT THAT HE CAN BE RELIED UPON TO  
OPPOSE HAIG. I THINK THAT MEESE'S INFLUENCE IS STRONG ACROSS THE  
WHOLE BOARD OF POLICY, BUT HE WILL BE URGING PRIORITY FOR THE  
DOMESTIC: AND IT MUST BE SAID THAT, STEADY MAN THOUGH HE UNDOUBTEDLY  
IS, HE IS NOT A MASTER OF THE FOREIGN SCENE. THERE HAS BEEN MUCH  
PUBLIC CRITICISM RECENTLY OF THE PRESIDENT'S CAPACITY AS A FORMULATOR  
OF FOREIGN POLICY AND OF THE ABSENCE OF A GENERAL THEME, SET OUT IN  
A MAJOR FOREIGN POLICY SPEECH. THE PRESIDENT HAS REPLIED, SAYING  
THAT YOU DO NOT NEED TO MAKE A SPEECH TO PROVE THAT YOU HAVE A  
FOREIGN POLICY. BUT IT REMAINS TRUE THAT REAGAN HIMSELF IS NOT DEEPLY  
VERSED IN FOREIGN AFFAIRS. HE HAS A CLEAR VISION OF THE IMPORTANCE  
OF RESTORING AMERICA'S STRENGTH AND TOUGHNESS IN ITS RELATIONS WITH  
THE SOVIET UNION, AND OF BEING SEEN TO STAND BY AMERICA'S FRIENDS.  
BUT HE IS STILL NOT AT HOME WITH THE INTRICACIES OF FOREIGN POLICY  
ISSUES. MOREOVER HE HAS BEEN HANDICAPPED BY THE EFFECT ON HIS HEALTH  
OF THE ATTEMPT ON HIS LIFE AND HAS WISHED, IN ANY CASE, TO FOCUS  
GOVERNMENT AND PUBLIC ATTENTION ON THE ECONOMY - AND HE MAY WELL  
CONTINUE TO DO SO UNTIL HE HAS SEEN THE BUDGET THROUGH ALL ITS STAGES  
IN CONGRESS I.E. WELL INTO THE AUTUMN. THIS MEANS, INCIDENTALLY,  
THAT HE WILL NOT BE VISITING EUROPE BEFORE NEXT YEAR. WE KNOW THE  
PRINCIPLES AND PREJUDICES WITH WHICH HE ARRIVED AT THE WHITE HOUSE:  
BUT WE DO NOT YET KNOW HOW THESE HAVE DEVELOPED OR BEEN MODIFIED BY  
OFFICE.

4. THE MAIN THEME AND AIM OF THE NEW ADMINISTRATION'S FOREIGN POLICY,  
AS PROMULGATED FROM THE OUTSET, WAS TO CORRECT A SUPPOSED SHIFT IN  
THE GLOBAL BALANCE OF POWER IN FAVOUR OF THE SOVIET UNION (MILITARY  
SUPERIORITY, CUBAN PROXIES, AFGHANISTAN ETC) RELYING, TO ACHIEVE /THEIR

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THEIR AIM, ON TOUGH LANGUAGE, HEIGHTENED DEFENCE PREPAREDNESS, AND A DELIBERATE ATMOSPHERE OF UNCERTAINTY. WHILE THIS THEME HAS NOT BEEN RENOUNCED, I SENSE A NEW AWARENESS OF THE NEED TO PERSUADE THE SOVIET UNION THAT THE UNITED STATES, THOUGH FIRM, IS NOT CONFRONTATIONAL AND TO REASSURE THE ALLIES THAT THE AMERICAN GOVERNMENT IS READY TO NEGOTIATE, I THINK THEREFORE THAT AN IMPORTANT INGREDIENT OF POLICY OVER THE NEXT SIX MONTHS OR SO WILL BE A MORE SERIOUS FOCUS ON ARMS CONTROL, WITH THE AIM OF GETTING INTO NEGOTIATIONS WITH THE SOVIET UNION AND OF TRYING TO STEM WHAT THE AMERICANS ARE INCREASINGLY AFRAID OF, NAMELY THE RISING TIDE OF NEUTRALISM IN EUROPE. IT IS TOO EARLY TO SAY WHAT WILL BE IN THE AMERICANS' ARMS CONTROL QUIVER. THEY ARE LIKELY TO GO FOR DEEP CUTS IN THE STRATEGIC ARMS FIELD WHILE, PROBABLY, ADOPTING A TNF APPROACH SOMEWHAT CLOSER TO THAT OF THE CARTER ADMINISTRATION. THEY ARE CONSCIOUS OF THE DANGERS VIS A VIS THE GERMANS OF TOO RADICAL A DEPARTURE FROM EARLIER POSITIONS IN THAT AREA. THE FIRST STAGE MAY BE THE SPEECH BY HAIG ON 14 JULY WHICH, SO EAGLEBURGER HAS TOLD ME, WILL GIVE A NON-CONFRONTATIONAL SIGNAL TO MOSCOW. EAGLEBURGER AND HAIG HAVE GOT THE MESSAGE, BUT THEY WILL CONTINUE TO HAVE TROUBLE WITH THE HARD-LINERS.

5. A FURTHER MODIFICATION OF US POLICY MAY BE SOME ADJUSTMENT TO THE ANTI-UN, ANTI-HUMAN RIGHTS, ANTI-LIBERAL TONE OF EARLY DAYS. THIS WILL AMOUNT TO A CHANGE OF TACTICS AND PRESENTATION, RATHER THAN OF HEART. ATTEMPTS TO DRAW DISTINCTIONS BETWEEN AUTHORITARIAN AND TOTALITARIAN REGIMES HAVE BEEN DROPPED. EVEN MRS KIRKPATRICK HAS LEARNED THAT THE UN CAN OCCASIONALLY BE USED TO AMERICAN ADVANTAGE. THEY ARE NO LONGER BEATING THE DRUM ON EL SALVADOR EXCEPT TO MAINTAIN THAT, THANKS TO THEIR SUPPORT FOR THE GOVERNMENT THERE, THE WAR AGAINST THE GUERRILLAS IS AS GOOD AS WON. SIMILARLY, AND JUST AS OVER-OPTIMISTICALLY, THEY ARE TRYING TO COUNTER CUBAN INFLUENCE IN THE CARIBBEAN BY MEANS OF THEIR CARIBBEAN BASIN SCHEME, WHICH INVOLVES ENCOURAGING OTHERS TO HELP DEVELOP A MULTINATIONAL APPROACH TO THE ECONOMIC PROBLEMS OF THE AREA. MORE GENERALLY IN CENTRAL AMERICA, THEY ARE CONCERNED TO IMPROVE RELATIONSHIPS WITH THE REGIMES IN AMERICA'S BACKYARD. REAGAN HIMSELF ATTACHES PARTICULAR IMPORTANCE TO CULTIVATING THE MEXICAN RELATIONSHIP AND WORKING WITH THE MEXICAN GOVERNMENT TO REDUCE THE POLITICAL AND ECONOMIC STRAINS BETWEEN THE TWO COUNTRIES. THIS WAS A MAJOR DETERMINANT IN HIS DECISION TO ATTEND THE MEXICAN SUMMIT IN OCTOBER.

6. IN PRACTICE AID EXPENDITURE IS NOT BEING CUT - INDEED SO FAR IT IS TO BE SLIGHTLY INCREASED OVER PREVIOUS LEVELS. BUT THERE IS A PRESUMPTION, SHARED BY CONGRESS, THAT THE MULTI-LATERAL INSTITUTIONS, SUCH AS THE IDA AND THE REGIONAL DEVELOPMENT BANKS, ARE WASTEFUL CHANNELS FOR US CONTRIBUTIONS TO WORLD DEVELOPMENT, BOTH IN ECONOMIC AND POLITICAL TERMS. THERE IS ALSO DEEP SCEPTICISM ABOUT THE VALUE TO THE US OF WIDE-RANGING DISCUSSIONS ON ECONOMIC ISSUES, WHETHER IN THE UN OR ANY OF ITS PARTS, WHERE THE WEIGHT OF OPINION IS SKewed AGAINST THE FREE MARKET SYSTEM. BUT THERE IS INCREASING RECOGNITION HERE THAT THIS WILL ADD UP TO A SET OF US POLICIES THAT WILL LOOK UNCARING AND NEGATIVE IN THE DEVELOPING WORLD. I UNDERSTAND THAT THE PRESIDENT MAY SHORTLY DEVOTE A SPEECH TO THE PROBLEM OF RELATIONS /WITH

12-w tough  
TNF reg. ←  
S.A.T. - Eugene  
Roller. - Don't know  
Start 9/14

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WITH DEVELOPING COUNTRIES: BUT THE OVERALL US APPROACH TO THE DEVELOPING WORLD WILL BE HARDER-HEADED THAN THAT OF CARTER: THE AIM WILL BE TO HELP FRIENDS AND TO THWART THE SOVIETS.

7. IN THE FAR EAST THE ADMINISTRATION WILL CONTINUE TO PLACE PRIME IMPORTANCE ON THEIR RELATIONS WITH JAPAN AND ON THEIR NEW-FOUND LIKING FOR CHINA. GALLING THOUGH IT MAY BE FOR US, WE HAVE TO RECKON WITH THE FACT THAT WHEN THE US GOVERNMENT TALKS OF ALLIES THEY HAVE IN MIND JAPAN JUST AS MUCH AS EUROPE. HAIG IS ALSO PLACING IMPORTANT EMPHASIS ON KAMPUCHEA, PERHAPS AS A REFLECTION OF CHINESE PREOCCUPATION WITH THE ISSUE. IN THIS, AS IN SO MANY ASPECTS OF FOREIGN POLICY, THE ADMINISTRATION IS SUBJECT TO CONFLICTING POLITICAL INFLUENCES. ONE ELEMENT SEES ADVANTAGE IN INTENSIFYING RELATIONS WITH CHINA, LARGELY TO OFFSET THE SOVIET UNION. ANOTHER PLACES EMPHASIS ON BASIC LOYALTIES TO OLD ALLIES, IN THIS CASE TO TAIWAN. I SUSPECT THAT THE US GOVERNMENT WILL CONTINUE TO PAY ELOQUENT LIP-SERVICE TO THE TAIWAN TREATY WHILE IN PRACTICE DOING JUST ENOUGH TO SATISFY TAIWAN BUT FALLING WELL SHORT OF ANTAGONISING THE CHINESE. IN ALL THIS THE REGIONAL ASPECTS CARRY LESS WEIGHT IN US THINKING THAN THE STRATEGIC. THE ADMINISTRATION DO NOT SEEM TO FACE UP TO THE DANGEROUS IMPLICATIONS OF THEIR NEW FOUND RELATIONSHIP WITH CHINA AND WITH PAKISTAN FOR THEIR LONG TERM INTERESTS IN INDIA. NOR DO THEY SEEM MUCH CONCERNED ABOUT THE IMPACT ON RELATIONS WITH MOSCOW.

8. FOR SIMILAR REASONS, POLICY TOWARDS AFRICA WILL BE GOVERNED BY A POLITICAL REFLEX IN FAVOUR OF SOUTH AFRICA, LINKED TO THE DESIRE TO EVICT THE CUBANS. THE AMERICANS DO NOT FEEL ANY PARTICULAR CONCERN ABOUT TAKING A NEW COURSE ON NAMIBIA, CONFIDENT THAT THEY CAN WITHSTAND THE BROUHAHA AT THE UNITED NATIONS AND THAT, HOWEVER IRRITATED THEIR PARTNERS AMONG THE FIVE MIGHT BE, THEY WILL, AT LEAST FOR THE TIME BEING, HAVE LITTLE OPTION BUT TO ALLOW THE AMERICANS TO EXPLORE POSSIBLE MODIFICATIONS TO THE UN PLAN.

9. AS REGARDS THE MIDDLE EAST IT LOOKS AS THOUGH HAIG'S QUOTE STRATEGIC CONSENSUS UNQUOTE IS GOING TO CLOCK UP JUST AS SHORT A SHELF-LIFE AS THE CARTER DOCTRINE. NOTHING IS EMERGING TO PUT FLESH AND BLOOD ON THE IDEA. YET THE GAP REMAINS: THE AMERICANS NEED SOME FRAMEWORK FOR THEIR STRATEGIC REQUIREMENTS IN THE AREA, AND THIS WILL HAVE TO AMOUNT TO MORE THAN THE SIMPLE ATTEMPT TO BUY THEIR WAY IN THROUGH EVER MORE SOPHISTICATED ARMS SALES, WHICH IS WHAT THE CURRENT POLICY CONCENTRATES UPON. THE U.S. SHORT TERM AIM IS TO PREVENT THE EGYPT/ISRAEL TREATY FROM UNRAVELLING AND TO ENABLE ISRAELI WITHDRAWAL FROM SINAI TO TAKE PLACE AS SCHEDULED IN /APRIL



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APRIL 1982. THEY ARE AT THE POINT OF SECURING FIRM AGREEMENT ON A MULTINATIONAL FORCE FOR SINAI. THEY SEE NO ALTERNATIVE TO THE AUTONOMY TALKS AS A MEANS OF CONTINUING THE PEACE PROCESS: OFFICIALS ARE NOW TRYING TO DEVISE IDEAS FOR BREATHING LIFE INTO THEM WHICH MIGHT BE DISCUSSED WITH SADAT AND BEGIN ON THEIR VISITS TO WASHINGTON IN EARLY AUGUST AND SEPTEMBER RESPECTIVELY. THEY REMAIN CONCERNED THAT EUROPEAN ACTIVITY SHOULD NOT CUT ACROSS THEIR OWN (THOUGH SOME OFFICIALS SEE MERIT IN IT AS A MEANS OF COUNTERING THE STRONG PRO-ISRAELI ELEMENT IN WASHINGTON). THE US FACE TWO OTHER IMMEDIATE PROBLEMS IN THE MIDDLE EAST - HOW TO RESUME F16 DELIVERIES TO ISRAEL, SUSPENDED AFTER THE ISRAELI ATTACK ON THE OSIRAK REACTOR - WITHOUT OFFENDING MODERATE ARAB STATES, AND THE DIFFICULTY OF SECURING CONGRESSIONAL APPROVAL FOR THE SALE OF AWACS TO SAUDI ARABIA WHICH THE ADMINISTRATION SEE AS ESSENTIAL NOT ONLY FOR BILATERAL RELATIONS WITH SAUDI ARABIA BUT FOR THEIR OVERALL STRATEGIC OBJECTIVES IN THE REGION.

10. APART FROM CONCERN REGARDING EUROPEAN RESOLUTION ON DEFENCE QUESTIONS, I THINK IT CAN BE ASSUMED THAT THERE IS A WIDER ANXIETY DEVELOPING HERE ABOUT EUROPE: ABOUT POLITICAL TRENDS IN FRANCE AND GERMANY, AND ABOUT THE CONTINUED ECONOMIC WEAKNESS OF THE UK COMPOUNDED NOW BY VIOLENCE IN MANY ENGLISH CITIES AS WELL AS IN NORTHERN IRELAND. REAGAN, LIKE HAIG, DOES SEE A NEED TO STRENGTHEN RELATIONS WITH THE ALLIES. I BELIEVE THAT THE ADMINISTRATION HAVE TAKEN ON BOARD THE IMPORTANCE FOR THE ALLIANCE OF MAKING A SERIOUS ATTEMPT AT NEGOTIATIONS WITH THE SOVIET UNION. TO SOME EXTENT. THIS CHANGE OF TACK REFLECTS THE TRIUMPH OF EXPERIENCE OVER RHETORIC. BUT I MUST EMPHASISE THAT IT REPRESENTS A CHANGE OF TONE, RATHER THAN DIRECTION. DETENTE REMAINS A DIRTY WORD. THE ANGEL OF POWER IS ABROAD IN REPUBLICAN CIRCLES THROUGHOUT THE LAND AND HAIG CANNOT BUT HEAR THE BEATING OF ITS WINGS. THE ADMINISTRATION WILL NOT DISAVOW THE STRONG STAND THEY HAVE TAKEN SO FAR. THE TONE THEY HAVE ADOPTED DURING THE FIRST FEW MONTHS HAS SERVED THEM QUITE WELL DOMESTICALLY AND MAY MAKE IT EASIER FOR THEM TO ADOPT A SLIGHTLY Milder TONE, LESS CONFRONTATIONAL AND ABRASIVE, OVER THE COMING MONTHS.

FCO PASS SAVING ATHENS, BONN, BRUSSELS, COPENHAGEN, DUBLIN, UKREP BRUSSELS, LUXEMBOURG, PARIS, ROME, THE HAGUE, UKDEL NATO, OTTAWA, PEKING, TOKYO, TEL AVIV, CAIRO, JEDDA, AMMAN, MOSCOW, WARSAW, CAPETOWN, NEW DELHI.

HENDERSON

[REPEATED AS REQUESTED]

FCO/WHITEHALL  
NAD