

GRS 442

CONFIDENTIAL

FM FCO

IMMEDIATE UKDEL NASSAU

TELNO 68

OF 211700Z OCTOBER 85

INFO WASHINGTON, UKMIS NEW YORK

FOLLOWING FOR PRIME MINISTER'S AND SECRETARY OF STATE'S PARTIES

WASHINGTON TELNO 06 AND FCO TELNO 50 : PRIME MINISTER'S MEETING WITH PRESIDENT REAGAN

1. WE GENERALLY ENDORSE THE ADVICE IN FIRST TUR ON SUBJECTS THE PRIME MINISTER MIGHT RAISE.
2. A REVISED BRIEF COVERING OUR APPROACH TO THE 19/20 NOVEMBER SUMMIT AND INCLUDING ARMS CONTROL AND SDI IS BEING TELEGRAPHED SEPARATELY. IT IS DESIGNED FOR BOTH THE BILATERAL AND THE WIDER MEETING.
3. BRIEFING HAS BEEN SENT BY COURIER ON TERRORISM AND INTERNATIONAL TRADE ISSUES.
4. MSE. PRIME MINISTER WILL WISH TO REAFFIRM HER CONTINUED PERSONAL INTEREST. NEED TO STRESS BOTH THE TECHNICAL/ OPERATIONAL SUPERIORITY OF PTARMIGAN, AND THE IMPORTANCE OF CONTRACT TO UK INDUSTRY AS WELL AS THE POLITICAL SIGNIFICANCE OF AWARD (WHICH IS STILL IMMINENT).
5. PRESIDENT'S RESPONSE MAY BE THAT HE CANNOT INTERVENE IN COMPETITIVE PROCESS. PM MIGHT REPLY THAT AN ELEMENT OF POLITICAL JUDGEMENT IS INEVITABLE, PARTICULARLY WHEN THE TWO COMPETING SYSTEMS ARE NOT WHOLLY COMPARABLE.

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5. WE WOULD RECOMMEND THAT PM SHOULD NOW ARGUE PTARMIGAN CASE ON ITS OWN MERITS. FOLLOWING LEAKS OF PREVIOUS HIGH LEVEL MESSAGES WHICH INCLUDED SOME IMPLIED CRITICISM OF FRANCE, FURTHER LOBBYING ON THIS TACK WOULD BE COUNTER-PRODUCTIVE.

7. THE PM SHOULD BE AWARE THAT ACCORDING TO PLESSEY, THE GOVERNMENTS OF ITALY AND SOUTH KOREA ARE DELAYING THEIR AWARD OF CONTRACTS FOR MILITARY COMMUNICATIONS SYSTEMS UNTIL AFTER THE US DECISION IS ANNOUNCED. THESE WOULD BE ONLY THE FIRST OF MANY LIKELY QUOTE FOLLOW-UP UNQUOTE ORDERS.

8. NORTHERN IRELAND. WE AGREE WITH PARA 10 OF FIRST TUR THAT IF TIME PERMITS, IT WOULD BE USEFUL FOR THE PRIME MINISTER TO BRING THE PRESIDENT UP TO DATE IN GENERAL TERMS ON THE STATE OF THE ANGLO-IRISH NEGOTIATIONS. WE ALSO AGREE THAT IT WOULD BE WORTH PUTTING DOWN A MARKER WITH THE PRESIDENT ABOUT THE IMPORTANCE TO US OF THE UK/US SUPPLEMENTARY EXTRADITION TREATY. IN DECIDING HOW FAR TO PRESS FOR THE PRESIDENT'S PERSONAL INVOLVEMENT AT THIS STAGE, THE PRIME MINISTER WILL WISH TO BEAR IN MIND THE NEED TO KEEP SOME AMMUNITION IN RESERVE FOR LATER, IF IT BECOMES CLEAR THAT THERE IS A REAL RISK OF THE TREATY BEING BLOCKED OR UNACCEPTABLY AMENDED, FOR EXAMPLE WHEN IT REACHES THE FLOOR OF THE SENATE.

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