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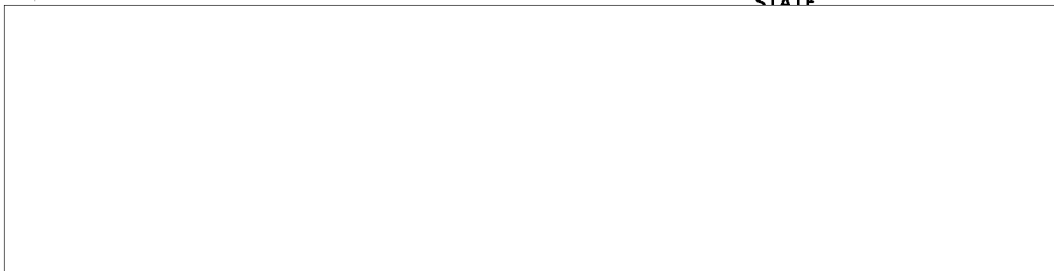
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EXDIS

E.O. 12956: DECL: OADR  
 TAGS: US, UK, PARM, NATO, PREL  
 SUBJECT: AMBASSADOR'S DECEMBER 14 CALL ON MICHAEL HESELTINE

REF: LONDON 27304

1. CONFIDENTIAL - ENTIRE TEXT.

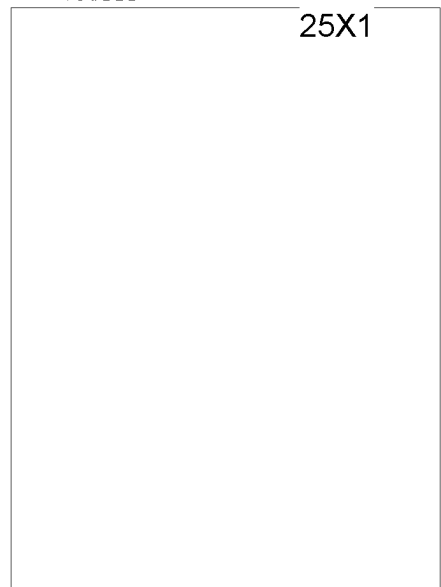
2. SUMMARY: DURING A DECEMBER 14 CALL BY THE AMBASSADOR AND SENATOR EAGLETON, UK DEFENSE SECRETARY MICHAEL HESELTINE VOICED STRONG PERSONAL DISLIKE OF THE NUNN AMENDMENT AND ASKED THAT THE SENATOR CONVEY THESE FEELINGS TO HIS COLLEAGUES IN WASHINGTON. HESELTINE EXPRESSED CONFIDENCE IN THE PRESIDENT'S COMMITMENT TO ARMS CONTROL AND PROMISED THE AMBASSADOR AN EARLY READOUT ON THE JANUARY 29 MEETING OF WEU DISARMAMENT EXPERTS (REFTEL). IN RESPONSE TO THE AMBASSADOR'S QUESTION, HE DENIED THAT THE 2.4 BILLION-POUND OVERSHOOT OF PLANNED DEFENSE BUDGET LEVELS WOULD CAUSE BUDGET PROBLEMS. IN AN EXCHANGE ON CURRENT POLITICAL DEVELOPMENTS, HESELTINE PREDICTED THAT, ONCE THE MINERS' STRIKE IS SETTLED, POCKETBOOK ISSUES WILL DECIDE THE ATTITUDE OF BRITISH VOTERS. END SUMMARY.

3. NUNN AMENDMENT:

HESELTINE DID NOT MINCE WORDS IN HIS RESPONSE TO SENATOR EAGLETON'S QUESTION REGARDING HOW THE NUNN AMENDMENT WAS PERCEIVED BY HMG:

-- "AS LIKELY A FORCE FOR FRAGMENTATION OF THE ALLIANCE AS CAN HAVE BEEN CONCEIVED;"

-- "IF YOU WANT TO UNDERMINE THE CREDIBILITY OF YOUR ALLIES AND YOUR SECURITY, JUST PRESS THAT AMENDMENT;"



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-- "YOU WOULD BE UNLEASHING A TECHNIQUE AS CALCULATED AS POSSIBLE TO DESTROY AMERICAN INTERESTS."

4. HESELTINE MADE OBLIGATORY REFERENCE TO THE CONCERNS OF OTHER ALLIED GOVERNMENTS BUT RESERVED HIS STRONGEST SALVO FOR DEFENDING BRITISH HONOR. WHY SHOULD THE UK, WHICH HAS MET THE THREE PERCENT COMMITMENT, BE TREATED BY THE US IN THE SAME WAY AS OTHER ALLIES WHO HAVE NOT? WAS IT BECAUSE THE UK SIMPLY HAS THE BAD LUCK TO BE IN EUROPE? THE US WOULD HAVE TO MAKE A JUDGEMENT ABOUT LUMPING THE UK IN WITH THE DUTCH AND BELGIANS, WHO WERE NEUTRAL IN THE 30'S. BY MAKING SUCH THREATS, THE US WAS PUTTING ITS FRIENDS IN AN IMPOSSIBLE POSITION. THE TECHNIQUE IS NOT ACCEPTABLE AND LEAVES ALLIED GOVERNMENTS IN THE POSITION OF HAVING TO ANSWER OPPOSITION CHARGES OF SUBSERVIENCE TO AMERICAN INTERESTS, WITH THE LIKELY EFFECT THAT NATIONAL PARLIAMENTS WOULD PASS BILLS OF THEIR OWN CONSTRAINING US INFLUENCE. THE REVERSE WOULD BE FOR EUROPEANS TO PROTEST THE SIX-TO-ONE IMBALANCE IN ARMS COOPERATION, WHICH, HESELTINE WAS CERTAIN, THE US WOULD SUMMARILY DISMISS.

5. THE AMBASSADOR NOTED THAT THE ADMINISTRATION HAS PROPOSED AN EARLY VISIT TO EUROPE BY SENATOR NUNN, AND SENATOR EAGLETON SUGGESTED THAT HESELTINE HIMSELF SHOULD TALK WITH SENATOR NUNN DIRECTLY. HESELTINE SAID HE WOULD WELCOME THE OPPORTUNITY BUT HOPED IN THE MEANTIME THAT THERE WOULD BE NO MISTAKE IN WASHINGTON ABOUT THE STRENGTH OF HIS FEELINGS ON THIS ISSUE.

#### 6. ARMS CONTROL:

ALLUDING TO THE UPCOMING SHULTZ/GROMYKO TALKS, HESELTINE SAID HE HAD NOT THE SLIGHTEST DOUBT THAT THE PRESIDENT WOULD SEEK FOR HIMSELF A ROLE IN HISTORY ON ARMS CONTROL AND THAT HE WAS GENUINE AND ENTHUSIASTIC ABOUT ACHIEVING RESULTS. THE AMBASSADOR RAISED OUR CONCERNS OVER THE JANUARY 29 MEETING OF WEU DISARMAMENT EXPERTS, ESPECIALLY OVER THE POSSIBILITY THAT AN UNHELPFUL ANNOUNCEMENT MIGHT RESULT. HESELTINE EMPHASIZED THAT HMG WAS EQUALLY CONCERNED BUT ADDED THAT HE DID NOT THINK THERE WAS ANY IDEA OF A EUROPEAN INITIATIVE OR ALTERNATIVE STRATEGY. HE PROMISED AN EARLY READOUT BY THE BRITISH REPRESENTATIVE (WESTON).

EXDIS

E.O. 12356: DECL: OADR

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#### 7. DEFENSE BUDGET:

THE AMBASSADOR ASKED WHETHER THE GOVERNMENT'S ANNOUNCEMENT THIS WEEK THAT POST-FALKLANDS CHANGES HAD ADDED 2.4 BILLION POUNDS TO DEFENSE COSTS OVER THE AMOUNT ESTIMATED IN JOHN NOTT'S DEFENSE REVIEW WOULD CAUSE BUDGET PROBLEMS IN THE OUT YEARS. HESELTINE EMPHASIZED THAT THERE WOULD BE NO SUCH PROBLEMS, AS THE AMOUNT IN QUESTION WAS FUNDED BY THE TREASURY OVER AND ABOVE THE DEFENSE BUDGET. ("MY BUDGET IS FALKLANDS-PROOF FOR THE

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FORESEEABLE FUTURE.")

## 8. BRITISH POLITICS:

POINTING TO POLLS SHOWING THAT MANY AMERICANS BELIEVE THE DEMOCRATIC PARTY HAS NOT COME UP WITH NEW AND APPEALING IDEAS, SENATOR EAGLETON DEVELOPED AN ANALOGY BETWEEN THE DEMOCRATS' DEFEAT IN THE 1984 US ELECTION AND THE SITUATION WITH THE LABOR PARTY IN THE UK. HE ASKED IF HESELTINE THOUGHT THE CONSERVATIVE TREND IN THE UK AND EUROPE WAS HERE TO STAY, GIVEN RECENT ELECTORAL RESULTS IN THE UK AND FRG AND THE DECLINING FORTUNES OF MITTERRAND'S GOVERNMENT.

9. IN RESPONSE, HESELTINE NOTED THAT THE MINERS' STRIKE WAS EXTREMELY UNPOPULAR IN BRITAIN AND THAT THE THATCHER GOVERNMENT WOULD WIN ANY ELECTION TODAY. THE FALKLANDS WAR WAS AN IMPORTANT FACTOR IN THE 1983 ELECTION, BUT, IN THE ABSENCE OF THE POSITIVE ECONOMIC FACTORS ALSO PRESENT AT THAT TIME, THE FALKLANDS COULD JUST AS WELL HAVE BEEN VIEWED AS A GIGANTIC EXPENDITURE ON A ROCK OF NO SPECIAL IMPORTANCE.

10. POCKETBOOK ISSUES, HESELTINE EMPHASIZED, WERE OF UPPERMOST IMPORTANCE IN THE UK, AS IN OTHER DEMOCRACIES. HE THOUGHT THAT, ONCE THE STRIKE WAS SETTLED -- AND WITH MODIFICATIONS IN SOME OF ITS POLICIES (E.G., UNILATERAL DISARMAMENT) -- THE LABOR PARTY WOULD MOVE BACK UP FAIRLY STRONGLY. PRIOR TO THE STRIKE, HE RECALLED, LABOR HAD IN FACT MOVED AHEAD IN THE POLLS. KINNOCK IS OBVIOUSLY NOT AS STRONG AS HE SHOULD BE, BUT HE IS AN ARTICULATE LEADER. HESELTINE'S NET ASSESSMENT WAS THAT THINGS MIGHT LOOK GOOD FOR THE TORIES AT THE MOMENT, BUT, ONCE THE STRIKE WAS SETTLED, THE ISSUES WOULD BE GROWTH AND WHAT WAS IN THE VOTER'S POCKET.  
PRICE

END OF MESSAGE

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