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DESKBY 090800Z

FM WASHINGTON 090146Z NOV 82

TO IMMEDIATE FCO

TELEGRAM NUMBER 3612 OF 8 NOVEMBER

INFO IMMEDIATE AMMAN (FOR PS/S OF S)

PRIORITY TO PARIS, BONN, ROME, COPENHAGEN, UKDEL MATO, UKDEL OECD,

UKREP BRUSSELS AND ROUTINE TOKYO, OTTAWA, BRUSSELS, THE HAGUE.

INFO SAVING DUBLIN, ATHENS AND LUXENBOURG

HIPT:

EAST/WEST ECONOMIC RELATIONS (PIPELINE) : PUBLIC HANDLING.

- 1. MIFT CONTAINS A TEXT WHICH THE STATE DEPARTMENT CIRCULATED AT TODAY'S MEETING OF THE SEVEN PLUS TWO OF POINTS WHICH THEY WOULD WANT TO BE INCLUDED IN PRESIDENT REAGAN'S ANNOUNCEMENT OF AGREEMENT TO THE NON-PAPER. THIS FOLLOWS IN SUMMARY FORM THE DRAFT STATEMENT REPORTED IN MY TELEGRAM NUMBER 3593 (NOT TO ALL).
- 2. WHILE AGREEMENT TO THE HON-PAPER HAS NOW BEEN REACHED, IT REMAINS EXPLICITLY CONTINGENT ON THE SATISFACTION OF OTHER GOVERNMENTS ON THE LIFTING OF SANCTIONS AND ON AGREEMENT TO THE PUBLIC HANDLING.
- 3. WALLIS SAID AT TODAYS MEETING THAT, IF ALL OTHERS CONCERNED WOULD AGREE ON ALL THREE ASPECTS OF THE PACKACE (I.E. NON-PAPER, THE LIFTING OF SANCTIONS AND PUBLICITY) THE PRESIDENT WOULD BE READY TO MAKE THE PUBLIC ANNOUNCEMENT ON WEDNESDAY, 10 NOVEMBER. WALLIS SAID HE HAD NO WISH TO RUSH OTHERS INTO AGREEMENT BUT HE FEARED THAT ONCE THE PRESIDENT'S DECISION WAS TAKEN ON THE LIFTING OF SANCTIONS IT WOULD UNDOUBTEDLY LEAK. HE WAS CONCERNED THEREFORE THAT AN ANNOUNCEMENT SHOULD BE MADE AS SOON AS POSSIBLE THEREAFTER. ANOTHER CONSTRAINT IS THAT THE PRESIDENT IS GIVING ONE OF HIS REGULAR SERIES OF PRESS CONFERENCES ON THURSDAY, 11 NOVEMBER, AT WHICH HE DOES NOT (NOT) WISH TO ANNOUNCE AGREEMENT TO THE PACKAGE BECAUSE OF THE RISK OF PRESSURE FOR ELUCIDATION. AT THE SAME TIME, THE WHITE HOUSE IS UNLIKELY TO BE ABLE TO AVOID QUESTIONS ABOUT THE NSC'S DECISION.
- 4. WALLIS SAID HE WOULD LIKE TO KNOW BY TOMORROW EVENING HOW OTHER GOVERNMENTS REACTED TO THE STATE DEPARTMENT DRAFT POINTS AND HOW THEY INTENDED TO ANNOUNCE THE AGREEMENT THEMSELVES.
- THE FRENCH THOUGHT IT WAS RUSHING THINGS TOO MUCH TO EXPECT THEIR GOVERNMENTS TO RESPOND ON THE QUESTION OF PUBLIC ANNOUNCEMENTS WITHOUT KNOWING WHAT THE AMERICANS INTENDED ON THE LIFTING OF THE SANCTIONS. IN ANY CASE, IT WAS MADE CLEAR AT A SUBSEQUENT COMMUNITY ROUND-UP SESSION THAT THERE WOULD BE PRACTICAL DIFFICULTIES FOR SOME. THE ITALIANS POINTED OUT THAT THERE WERE MANY PEOPLE IN THE ITALIAN COALITION WHO HAD TO BE CONSULTED. THIS WOULD TAKE TIME.

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- 6. AT THE MEETING AT THE STATE DEPARTMENT, VERNIEZ-PALLIEZ MADE TWO PRELIMINARY COMMENTS ON THE STATE DEPARTMENT'S POINTS. FIRST, HE THOUGHT HIS GOVERNMENT WOULD OBJECT TO THE USE OF THE WORD QUOTE SUBSIDIZE UNQUOTE. SECOND, THE LAST PARAGRAPH AND THE REFERENCE TO POLISH EVENTS DID NOT SIT WELL SINCE THERE WAS NO LINKAGE IN THE FRENCH GOVERNMENTS VIEW BETWEEN THE MATTERS COVERED IN THE NON-PAPER AND EVENTS IN POLAND.
- 7. WALLIS SAID HE WAS GRATEFUL FOR THESE COMMENTS AND LOOKED FORWARD TO RECEIVING OTHERS.
- 8. TURNING TO THE NON-PAPER ITSELF WALLIS IN ANSWER TO QUESTIONS,
  THOUGHT IT SHOULD BE HEADED QUOTE SUMMARY OF CONCLUSIONS UNQUOTE.
  HE SAID HE KNOWS THAT OTHER GOVERNMENTS WERE WORKING ON THE BASIS
  THAT IT WOULD REMAIN CONFIDENTIAL. THE STATE DEPARTMENT WOULD RESPECT
  THE CONFIDENTIALITY OF THE DOCUMENT IF THAT WAS WHAT OTHER
  GOVERNMENTS WANTED. BUT HE SUGGESTED THAT PUBLICATION OF THE PAPER
  MIGHT DE THE BEST WAY TO AVOID PUBLIC DIFFERNSES OF INTERPRETAT—
  10% LEADING TO DAMAGING SPECULATION IN THE PRESS. THE PAPER WOULD
  UNDOUBTEDLY LEAK ANYWAY IN DUE COURSE. THE MOST PRUDENT COURSE
  MIGHT THEREFORE BE FOR ALL CONCERNED TO AGREE TO ITS PUBLICATION.
  THE CANADIAN AMBASSADOR AGREED THAT PUBLICATION WOULD BE THE BEST
  COURSE. MILES SUBSEQUENTLY INFORMED BORCH THAT IF THE OTHER
  GOVERNMENTS COULD AGREE TO PUBLISH THE NON-PAPER, THE PRESIDENT
  NEED MAKE ONLY A VERY SHORT STATEMENT RATHER THAN SOMETHING ON THE
- 9. VERNIER-PALLIEZ SAID THAT HIS PRESENT INSTRUCTIONS WERE THAT HIS GOVERNMENT WISHED THE FULL TEXT TO REMAIN CONFIDENTIAL. NONETHELESS, HE PERSONALLY SAW MERIT IN WALLIS' ARGUMENT AND WOULD RECOMMEND THAT HIS GOVERNMENT AGREE TO PUBLICATION OF THE TEXT. THOMAS SAID HE TOO WOULD SEEK INSTRUCTIONS. DOHNES (FRG) SAID HIS GOVERNMENT WAS OPPOSED TO PUBLICATION BUT HE WOULD REPORT THE ARGUMENTS WHICH HAD BEEN PUT FORWARD AND SEEK REACTIONS. THE DUTCH AND BELGIAN REPRESENTATIVES SPOKE IN SIMILAR TERMS.
- 10. GRATEFUL FOR INSTRUCTIONS ON THIS QUESTION BY 092100Z

FCO PASS SAVING ATHENS, DUBLIN AND LUXEMBOURG

WRIGHT

## EAST/WEST ECONOMIC ISSUES - SIBERIAN PIPELINE

LIMITED	(REPEATED AS REQUESTED)	ADDITIONAL DISTRIBUTION
TRED EESD NAD	ERD PS PS/MR HURD	POLAND SPECIAL
PLANNING STAFF PS/MR RIFKIND DEFENCE D PS/PUS ECD (E) SIR J BULLARD WED MR GOODISON ESID MR ADAMS PUSD MR HANNAY ES & SD MR THOMAS	PS/MR RIFKIND PS/PUS SIR J BUILARD MR GOODISON	COPIES TO:-
		MR SUNDERLAND DOT
		MR KNIGHTON DOT
	MR HANNAY	COPIES SENT TO
NEWS D		No. 10 DOWNING STREET
	MR GILLHORE CC	ONFIDENTIAL