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~~RESIDENT CLERK~~

HD Planning Staff

HD ERP.

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IMMEDIATE

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FROM UKREP BRUSSELS 191030Z JAN 82

TO IMMEDIATE FCO

TELEGRAM NUMBER 181 OF 19 JANUARY 1982

INFO IMMEDIATE PARIS BONN WASHINGTON UKDEL NATO

YOUR TELNO 59 TO WASHINGTON; POLAND; ECONOMIC MEASURES TOWARDS THE SOVIET UNION

1. I HAD A TALK WITH VEST ABOUT THIS OVER LUNCH YESTERDAY. HE TOLD ME IN STRICT CONFIDENCE (PLEASE PROTECT) ABOUT A CONVERSATION HE HAD HAD WITH HAIG WHEN THE LATTER WAS HERE FOR THE 11 JANUARY NATO MEETING. HE HAD EXPLAINED TO HAIG THE GREAT DIFFICULTIES WHICH HAD ARISEN OVER EXISTING CONTRACTS IN THE CASE OF IRAN AND HAD ASKED HIM WHETHER IN FACT THE US GOVERNMENT WERE TRYING TO USE THE POLISH CRISIS PERMANENTLY TO BLOCK THE PIPELINE. HAIG HAD SHOWN UNDERSTANDING ABOUT EXISTING CONTRACTS AND HAD SAID CATEGORICALLY THAT THE US GOVERNMENT HAD NOT DECIDED ON A POLICY OF BLOCKING THE PIPELINE. HE HAD IMPLIED THAT HE WOULD PREVENT THIS.

2. VEST SAID THAT HE HAD URGED STRONGLY ON THE STATE DEPARTMENT THE NEED TO DISCUSS THE WHOLE SUBJECT FRANKLY WITH THE MAIN EUROPEAN COUNTRIES SOON IF A CLASH WERE TO BE AVOIDED BETWEEN THE UNITED STATES AND THE EUROPEAN COMMUNITY. HE HAD SUGGESTED A MEETING IN THE MARGIN OF ECSS IN PARIS THIS THURSDAY.

3. THIS SEEMS TO ME A GOOD IDEA. IF WE, THE FRENCH AND THE GERMANS COULD HAVE A FRANK DISCUSSION WITH THE AMERICANS THIS WEEK ALONG THE LINES OF YOUR TELEGRAM UNDER REFERENCE AND IF AS A RESULT YOU, GENSCHER AND CHEYSSON COULD GO INTO DISCUSSIONS WITH YOUR COMMUNITY PARTNERS ON MONDAY OR TUESDAY WITH A BROADLY AGREED POSITION, MOST OF THE COMMUNITY WOULD FOLLOW ALONG. OTHERWISE THE RISK OF CONFUSION AND DISARRAY WITHIN THE COMMUNITY AND BETWEEN THE COMMUNITY AND THE UNITED STATES NEXT WEEK SEEMS SERIOUS.

4. PARIS PLEASE PASS COPY IMMEDIATE TO BRIDGES.

FCO ADVANCE TO:-

FCO - EESD ECD(E) PLANNING STAFF ERD

DOT - CRE4

BUTLER

NNNN

B.R.
PRIME MINISTER

Poland

The answer to your question (below) is that most of the contracts for the pipeline have been awarded but not all. For the outstanding contracts, firms may thus be able to tender in such a way as to take account of US restrictions (though that will depend on future decisions about not undermining US measures).

May I now write to the Foreign and Commonwealth Office on the lines proposed?

Yes

A.J.C. $\frac{15}{1}$

18 January, 1982