



Lord Carrington thinks it important that the Americans should not feel that they are leaving London empty-handed. He therefore believes that our representatives should express willingness to attend the meeting of credit-granting countries which the Americans are planning (details are given in Washington tel no 813). Lord Carrington would also suggest, subject to the views of his colleagues, that our representatives should have discretion to indicate willingness on our part to impose some limit on Section 2 (national interest) cover for the Soviet Union.

The Americans may seek to avoid substantive discussion of the question of British contracts affected by the American measures of 29 December and the related issue of 'not undermining'. Lord Carrington thinks that our representatives should press strongly on these issues. Our own firms, notably John Brown, will need decisions soon.

More generally, the talks will provide an opportunity to review the economic and financial situation of the Soviet Union and other countries in Eastern Europe and the implications for policy to be drawn from it. It is important that we should achieve as much common ground as possible with the Americans in this complex field.

Lord Carrington hopes that the Prime Minister and other colleagues will be content with this suggested approach, which is based on conclusions reached by the Cabinet Office Official Group on Economic Policy towards Eastern Europe (MISC 64). He proposes that the question of a possible reply to President Reagan's message of 8 March should be considered in the light of the outcome of the Buckley mission.

I am sending copies of this letter to the Private Secretaries of members of OD, the Minister of Agriculture and Fisheries, the Minister for Industry and to Sir R Armstrong.

Yours ever,

(F N Richards)
Private Secretary

A J Coles Esq
10 Downing St

Content with this approach?

A.T.C. 15/3



Foreign and Commonwealth Office

London SW1A 2AH

12 March 1982

I don't think this will begin to fit to fits with the situation.

Dear John,

Somewhere in the telegram like weekend I saw it, proposed that he should attempt to stop the system under which the Warsaw Pact countries can acquire all the latest technology

Poland: The Buckley Mission

We have now heard that Mr Buckley and his colleagues will visit Bonn, Paris, London, Rome and also Brussels (for talks with the Commission and in NATO), in that sequence, next week. They will be in London on Wednesday, 17 March. This letter sets out some of the background and suggests the line which our representatives might take

The Buckley mission results from continuing debate within the Administration about the future direction of American policy towards Poland and the Soviet Union. Some voices have been pressing for a further round of American measures against the Soviet Union. Others have been urging a more flexible line, to avoid a damaging split in the Alliance. Faced with this disagreement, President Reagan has decided to send the Buckley mission to Europe. Meanwhile, he has postponed any decisions.

In his message to the Prime Minister of 8 March, the President stressed the need to halt or restrict the grant of export credit to the Soviet Union, particularly credit subsidised by governments. It is clearly the main objective of the Americans to obtain undertakings in this field. But they will also wish to discuss a wide range of questions affecting our economic relations with the Soviet Union and Eastern Europe; they will urge us to consider them in a strategic context and will want the visit of the Buckley mission to mark the beginning of a longer-term review of economic relations with the Soviet Union.

Lord Carrington believes that the objectives of our representatives should be:

- to avert a further round of unilateral American measures which would do serious damage to Alliance unity;
- to obtain exemption from the American measures of 29 December for existing contracts held by European firms;
- to ensure that any measures taken over export credits should follow detailed consultation with the developed countries chiefly concerned, including Japan.

Lord Carrington suggests that our general approach should be receptive but interrogative. Our representatives should stress the efforts we have already made for the sake of Alliance unity. They should then enquire what precisely the Americans now propose, what their objectives might be and how the action proposed would help achieve these objectives.

/Lord Carrington

machines by → value of the willigness to offer competitive credit - The proposals here would seem to lead to a further round of frustration without solving anyone's problem