



Foreign and Commonwealth Office

London SW1A 2AH

21 January 1982

*The J.R. will not have
time to see this.*

A.J.C. ²¹/₁

Dear John,

Prime Minister's Dinner with the American Ambassador on
21 January 1982

In paragraph (vii) of my letter of 19 January I promised to send you separate briefing on any problems which might have arisen at the COCOM High Level Meeting in Paris, 19 - 20 January, which was the subject of the Prime Minister's recent exchange of letters with President Reagan.

The Prime Minister will be glad to know that the meeting was a success. The Americans did not press their proposals for revision of the COCOM strategic criteria and for extension of blanket coverage to a wide range of Soviet industries involved in defence. With the risk of strains between the US and her COCOM partners thus reduced, the meeting was able to proceed to constructive consideration of major areas of concern; the provision of guidelines for COCOM's future work, and, in particular, ways and means of preventing the erosion of the West's technological advantage by lack of effective control over the transfer of technology. (A brief summary of the main heads of agreement is attached.)

The Prime Minister might wish to say to the Ambassador that she understands that the meeting was successful in reaching unanimous conclusions satisfactory to all COCOM partners, and express her pleasure that the US and her COCOM partners were able to agree on how COCOM should be made more effective.

Yours ever
RM/Lyne

(R M J Lyne)
Private Secretary

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COCOM HIGH LEVEL MEETING (HLM) PARIS, 19 - 20 JANUARY:
SUMMARY OF CONCLUSIONS

- * No reference to possible revision of strategic criteria but US list of defence priority industries accepted as subject for further study (with a view to inclusion in the COCOM lists) without commitment to any particular item.
- * US proposal on harmonisation of national procedures accepted but remitted to an existing (rather than new) Sub-Committee.
- * US proposal for a new defence sub-Committee modified to provide for the holding of sessions by COCOM itself with defence experts present.
- * UK proposal (tabled during run-up to HLM) for speeding up processing of applications generally welcomed.
- * US proposal for further HLM in January 1983 not accepted.

Prime Minister

A.J.C.



Foreign and Commonwealth Office

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19 January 1982

Dear John,

Prime Minister's dinner with the American Ambassador on 21 January

In your letter of 12 January you asked for briefing for the Prime Minister's dinner with the American Ambassador on 21 January. The US Embassy have told us that they do not expect substantive points of business to be raised at dinner: this is borne out by the nature of the guest list. The Prime Minister may also wish to know that the Ambassador had an hour's informal tour d'horizon yesterday with Lord Carrington (at our prompting; record enclosed).

In case, however, the Ambassador were to turn to more substantive matters in private discussion, the Prime Minister may wish to be reminded of the following points:

(i) As regards Poland, in reacting to the imposition of martial law we are working to harmonise the positions of certain of our Community partners and NATO allies with the views of the Americans. The treatment of existing contracts under the American measures will be crucial, more especially, those for the gas pipeline. In our case, John Brown would incur very serious damage unless provision is made for existing contracts to be honoured. This may need putting to the Americans at the highest level, and Lord Carrington has already mentioned it to Mr Haig. (By way of background, I enclose an outward telegram of 18 January on economic measures against the Soviet Union.)

(ii) The Prime Minister will know that we may be out of line with the Americans in the Security Council debate about the Golan Heights. If an Arab resolution calling for mandatory sanctions against Israel is brought forward, we would not expect to join an American veto. Our views on sanctions are well known. We would therefore intend to abstain together with the French; but we think it important to show clearly our strong disapproval of the Israeli action. Since the Syrians have been unable to assemble nine positive votes for their draft, it is possible either that no vote at all will be taken in the Council or that they will now prove more amenable to a compromise resolution.

(iii) The Prime Minister could be asked whether we intend to accept the request from the Government of El Salvador for the UK to send observers to their forthcoming elections. Ambassador Louis recently called on Lord Trefgarne in order to urge us to do so, and mentioned the point again to Lord Carrington yesterday. We are still considering, in consultation with our EC and Commonwealth partners, how to respond to the invitation.

/ (iv)



(iv) The Ambassador raised with Lord Carrington yesterday the possible visit to Britain by President Reagan. The Ambassador spoke to the Prime Minister about this on 9 December, since when the White House have told the Embassy in Washington that it is not feasible to make plans for the President to visit Western Europe in the first half of 1982 other than for his attendance at the Paris Summit in June; although they offered a faint hope that the President might be able to visit another European country before or after the Paris meeting. The Ambassador seemed unaware of this and spoke as if a visit immediately after the Paris Summit might be on the cards. (This would suit us very well.) He also seemed not to have understood that the President had been expressly invited by The Queen to stay at Windsor (he seemed to think that the Windsor idea is something that we had thought up for security reasons). Lord Carrington put the record straight.

(v) If there is any discussion of trade matters, the Prime Minister may wish to express our concern, which is shared by our Community partners, about the threat to our steel exports to the US posed by the recent action of American steel producers in instituting anti-dumping investigations against European producers. We do not accept the US industry's case. The EC share of the US market has actually declined. As regards alleged subsidies, the aid to the British Steel Corporation is for restructuring and is not an operating subsidy. The Prime Minister could express the hope that the American Administration will resume talks urgently with the EC Commission to find a mutually-acceptable solution, and also urge the US industry to drop its anti-dumping and counter-vailing (anti-subsidy) actions.

(vii) Following her recent correspondence with President Reagan, the Prime Minister may wish to reassure the Ambassador that we do not consider that we are as far apart from the Americans as was earlier thought to be the case. The COCOM meeting to which the correspondence referred opened in Paris this morning. If problems arise there of which the Prime Minister should be warned before seeing Mr Louis, we shall send you separate briefing.

Yours ever
Roderic Lyne

(R M J Lyne)
Private Secretary

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9 JAN 1982

