

SOVIET UNION. 217A



Foreign and Commonwealth Office

Prime Minister:

London SW1A 2AH

The latest draft of
the US non-paper is attached
at flag A

29 October 1982

Dear John,

JF 29/10

Pipeline

We discussed before despatch Bonn telno 924, a copy of which I attach for ease of reference. Jeremy Thomas had the point very much in mind when he met his Whitehall colleagues this morning in MISC(64) to agree the line Sir O Wright should take at this evening's meeting in Washington of the Seven economic summit countries (plus Presidency and Commission).

You will see from the attached telegram of instructions, which has been agreed interdepartmentally, that we think the latest American redraft is helpful on this point; the Americans have moved some way to meet the European concerns. But to emphasise our determination not to be dragged down a slippery slope on this issue, the Ambassador has been instructed to repeat what he told Mr Shultz on 24 October, namely that we could not commit ourselves to the outcome of the studies which the paper envisages.

I understand that the officials represented at the MISC(64) meeting will be briefing their Ministers accordingly.

(B J P Fall)
Private Secretary

A J Coles Esq
10 Downing Street

NO DISTRIBUTION

DEDIP

DESKBY 290930Z

FM BONN 290730Z OCT 82

TO IMMEDIATE FCO

TELEGRAM NUMBER 924 OF 29 OCTOBER

TH PS

FOLLOWING PERSONAL FROM PRIVATE SECRETARY FOR BONE (PRIVATE OFFICE)

PIPELINE

1. THE PRIME MINISTER HAS SEEN THE SECRETARY OF STATE'S MINUTE OF 28 OCTOBER AND THE TEXT OF THE US PAPER CIRCULATED WITH IT. THE ONE POINT ON WHICH SHE HAS EXPRESSED SOME CONCERN IS THE COMMITMENT IN RELATION TO OIL AND GAS TECHNOLOGY. WHILE SHE RECOGNISES THAT THIS IS ONLY A COMMITMENT TO EXAMINE SHE DOES NOT WISH US TO GET INTO A POSITION WHERE WE MIGHT LATER BE OBLIGED TO PUT BRITISH FIRMS AT A DISADVANTAGE VIS A VIS THEIR EUROPEAN COMPETITORS.
2. AS I UNDERSTAND WHAT IS LIKELY TO EMERGE FROM THIS EXERCISE, THE DANGER SEEMS UNLIKELY TO ARISE IN PRACTICE. BUT IT IS IMPORTANT THAT THE DEPARTMENTS OF ENERGY, INDUSTRY AND TRADE SHOULD BE SATISFIED THAT WE CAN PLAY THE HAND IN A WAY WHICH AVOIDS IT. SUBJECT TO THE DEPARTMENT'S VIEW I THINK IT WOULD BE HELPFUL IF CONTACT COULD BE MADE IN THE COURSE OF TODAY TO MAKE SURE THAT WE HAVE A GAME PLAN WITH WHICH WE ARE BROADLY CONTENT. THIS MAY ALREADY HAVE BEEN DONE AT OFFICIAL LEVEL BUT THE VITAL POINT IS OF COURSE THAT THE MINISTERS CONCERNED SHOULD BE ON BOARD.
3. PLEASE COPY TO COLES (NO 10).

TAYLOR

Mr. Howe

We agree

NNNN

Mr. Aslows

Mr. S. Bellard

Mr. Evans

Mr. Steward (TRSD)

SENT AT 290812Z

Copy to No 10 (for Mr. Piles)

OUT TELEGRAM

Classification and Caveats	Precedence/Deskby
SECRET	IMMEDIATE

ZCZC 1 ZCZC
 GRS 2 GRS
 CLASS 3 SECRET
 CAVEATS 4
 DESKBY 5
 FM FCO 6 FM FCO 291645Z OCT 82
 PRE/ADD 7 TO IMMEDIATE WASHINGTON
 TEL NO 8 TELEGRAM NUMBER
 9 AND TO INFO PRIORITY UKREP BRUSSELS, COPENHAGEN, ROME, PARIS,
 10 UKDEL OCED, BONN, UKDEL NATO
 11 ROUTINE OTTAWA, TOKYO, BRUSSELS, THE HAGUE
 12 AND INFO SAVING DUBLIN, ATHENS
 13 YOUR TELS 3490-1 EAST/WEST ECONOMIC RELATIONS (PIPELINE)
 14 1. Officials have examined inter-departmentally the latest
 15 version of the Shultz text. (Your tel 3491) You should
 16 continue to be guided by my tels 1862-3 and 1878. We wish to
 17 resolve this problem as rapidly as possible. You should
 18 repeat your earlier statement (para 11 of your tel 3443) of
 19 the conditions on which we can accept this paper - that it is
 20 in exchange for the lifting of sanctions, and without any
 21 commitment on the outcome of the studies. (For your own
 22 information only, we are determined to avoid any commitments
 23 under which our companies might eventually suffer any
 24 competitive disadvantage in the oil and gas technology field.)
 25

NNNN ends telegram	BLANK	Catchword 2. At
File number	Dept TRED	Distribution TRED, EESD, NAD, ESSD, ECD(E), ESID, ERD, PS, PS/MR HURD, PS/MR RIFKIND PS/PUS SIR J BULLARD MR EVANS MR THOMAS MR GOODISON MR ADAMS LIMITED
Drafted by (Block capitals) M GOWLLAND		
Telephone number 233 3703		
Authorised for despatch <i>M. Gowlland</i>		
Comcen reference	Time of despatch	
		ADDITIONAL DISTRIBUTION: POLAND SPECIAL AND NO 10

OUT TELEGRAM (CONT)

Classification and Caveats

SECRET

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- 1 <<<<
- 2 2. At your meeting today the Americans should be invited to
- 3 explain the reasoning behind the latest changes to the Shultz
- 4 text (which, as Thomas said, we generally welcome).
- 5 3. We note the third criterion has reverted to its original
- 6 wording. We can accept this (or the alternative if others
- 7 prefer) provided the fourth criterion, to which we attach the
- 8 greatest importance, stays unaltered. We are content with the
- 9 deletion of quote and obligations unquote.
- 10 4. We welcome the less specific wording of analysis area ii).
- 11 5. The promotion of 3(D) to the preambular section is helpful,
- 12 if only presentationally, in that it sets it apart from the
- 13 other studies. We believe that the existing wording safeguards
- 14 our interests, (a) by the proposal being for an examination;
- 15 (b) by the reference to this being quote whether or not unquote
- 16 there should be any new controls; and (c) by this being quote
- 17 jointly determined unquote.
- 18 6. On 3(B) we welcome the reference to the criteria (including
- 19 the last one) replacing the earlier reference to quote not
- 20 subsidising unquote. We could accept a specific, limited,
- 21 reference to French difficulties (para 2 of UKREP Brussels
- 22 3982 to FCO).
- 23 7. We assume the rewording of 3(C) is to meet French and
- 24 Italian susceptibilities. We can accept it.
- 25 8. Our basic aims on extraterritoriality (para B(C) of my tel
- 26 1862) remain unaltered. You should seek an insertion of an
- 27 appropriate reference in the text, perhaps in the context of
- 28 the overall analysis, or encourage the Commission or Canadians
- 29 to do so, if this seems tactically better.
- 30 9. If the discussion makes sufficient progress towards a final
- 31 text you should ask the Americans how they envisage delivering
- 32 the package: both as regards the timing of the lifting of
- 33 sanctions in exchange for the agreed text, and announcing the
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NNNN ends
telegram

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Catchword
agreement.

OUT TELEGRAM (CONT)

Classification and Caveats

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2 agreement. It is essential that any American public statement
3 should not go beyond the wording of the text, or imply in any
4 way that we have entered into commitments as to the outcome of
5 the studies. We remain opposed to the publication of the full
6 text itself.

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8 PYM

9 NNNN

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NNNN ends
telegram

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Catchword