

S E C R E T

GRS 400

SECRET

FM WASHINGTON 122000Z NOV 82
TO FLASH FCO
TELEGRAM NUMBER 3669 OF 12 NOVEMBER

INFO IMMEDIATE PARIS BONN ROME UKREP BRUSSELS
BTDO NEW YORK FOR PS/SOST

EAST-WEST ECONOMIC RELATIONS (PIPELINE) : LIFTING OF US
SANCTIONS.

1. THE STATE DEPARTMENT CALLED A MEETING WITH THE FOUR THIS AFTERNOON AT AN HOUR'S NOTICE TO INFORM US OF THE PRESIDENT'S DECISION, EFFECTIVE FROM TODAY, TO LIFT IN THEIR ENTIRETY THE DECEMBER AND JUNE SANCTIONS AS WELL AS THE ASSOCIATED DENIAL ORDERS IMPOSED ON EUROPEAN COMPANIES. OLMER, WHO WAS PRESENT ALONG WITH NSC STAFF, CONFIRMED THAT THE EFFECT OF THIS DECISION WAS TO RESTORE US CONTROLS ON EXPORTS AND RE-EXPORTS TO WHAT THEY HAD BEEN BEFORE THE DECEMBER MEASURES WERE IMPOSED. FULL DETAILS WOULD BE ANNOUNCED AS SOON AS POSSIBLE IN THE FEDERAL REGISTER.

2. IN THE MEANTIME, THE STATE DEPARTMENT ASKED ALL CONCERNED TO RESPECT THE ABSOLUTE SECRECY OF THE PRESIDENT'S DECISION UNTIL THE QUESTION OF PUBLIC-HANDLING OF THE EXERCISE ON EAST/WEST ECONOMIC RELATIONS HAD BEEN RESOLVED. A FURTHER MEETING HAS BEEN CALLED FOR LATER TODAY TO DISCUSS THIS QUESTION. THE STATE DEPARTMENT EXPLAINED HOWEVER THAT THE PRESIDENT WISHED IF POSSIBLE TO MOVE VERY QUICKLY ON THIS. THEY WOULD STRONGLY PREFER TO RELEASE THE NON-PAPER. THERE WOULD THEN BE NO NEED FOR ANYTHING BUT A SHORT PUBLIC STATEMENT. THE PRESIDENT HOPED THIS COULD BE DONE TOMORROW (EVIDENTLY WITH A VIEW TO SAYING A WORD ABOUT IT DURING HIS WEEKLY BROADCAST TOMORROW AFTERNOON.)

3. THE FRG AMBASSADOR ASKED ABOUT COMPENSATION FOR FIRMS WHICH MAY HAVE BEEN DAMAGED THROUGH LOSING BUSINESS AS A RESULT OF THE SANCTIONS, OLMER (DEPARTMENT OF COMMERCE) MADE IT CLEAR THAT THE PRESIDENT'S DECISION WAS EFFECTIVE FROM TODAY. THERE WAS NO SUGGESTION THAT THE DECEMBER AND JUNE MEASURES HAD BEEN IMPROPER IN ANY WAY DURING THE PERIOD THEY APPLIED. THE MATTER OF COMPENSATION DID NOT THEREFORE ARISE.

S E C R E T

/4. THOMAS

S E C R E T

4. THOMAS SAID THAT IF THE PRESIDENT'S DECISION MEANT WHAT IT APPEARED TO MEAN, IT WOULD BE WARMLY WELCOMED IN LONDON AS A WISE AND STATESMANLIKE MOVE. THIS VIEW WAS SUPPORTED GENERALLY BY THE OTHERS.

WRIGHT

EAST/WEST ECONOMIC ISSUES - SIBERIAN PIPELINE

LIMITED

TRED
EESD
NAD
PLANNING STAFF
DEFENCE D
ECD (E)
WED
ESID
FUSD
ES & SD
NEWS D

ERD
PS
PS/MR HURD
PS/MR RIFKIND
PS/PUS
SIR J BULLARD
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2
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