GR 500 CONFIDENTIAL CONFIDENTIAL DESKBY 130800Z FM WASHINGTON 130200Z NOV 82 TO IMMEDIATE FCO TELEGRAM NUMBER 3682 OF 12 NOVEMBER INFO IMMEDIATE TO BTDO NEW YORK (FOR PS/SOFSTRADE) PRIORITY TO PARIS, BONN, ROME, COPENHAGEN, UKDEL NATO, UKDEL OECD, UKREP BRUSSELS ROUTINE TO TOKYO, OTTAWA, BRUSSELS, THE HAUGE AND MOSCOW INFO SAVING ATHENS, DUBLIN AND LUXEMBOURG.

MY THREE IPTS (NOT TO ALL): EAST/WEST ECONOMIC RELATIONS (PIPELINE): PUBLIC HANDLING

FOLLOWING FROM THOMAS IN ABSENCE OF SIR O WRIGHT ON WEST COAST.

- 1. WITH THE PRESIDENT'S DECISION ON SANCTIONS UNDER OUR BELT, WE HAVE MADE ANOTHER STEP FORWARD TODAY. THE ONLY REMAINING PROBLEM IS HOW TO MAKE PUBLIC THE NATURE OF THE AGREEMENT WE HAVE REACHED ON EAST/WEST ECONOMIC RELATIONS.
- 2. I SUSPECT THE FRENCH HAVE A HIDDEN AGENDA ON THIS ISSUE. THEIR REAL CONCERN IS SURELY NOT THE RISK OF CONTRADICTORY COMMENTARIES, WHICH HAS NEVER BEEN KNOWN TO WORRY THEM IN THE PAST. IT IS RATHER THAT THEY WOULD PREFER A UNILATERAL STATEMENT BY THE US PRESIDENT AS SOMETHING FROM WHICH THEY CAN DISTANCE THEMSELVES IF THEY WISH. MOREOVER. A UNILATERAL U.S. STATEMENT WOULD HAVE LESS OF A FLAVOUR OF BEING THE RESULT OF A NEGOTIATION, TO WHICH THE FRENCH HAVE ALWAYS OBJECTED. FINALLY, IT WOULD BE THE CLOSEST THEY COULD COME TO GETTING PRESIDENT REAGAN TO EAT HUMBLE PIE.
- 3. I UNDERSTAND THAT SIR J FRETWELL HAS SPOKEN TO ANDREAN! ABOUT THIS TODAY AND THAT ANDREAN! UNDERTOOK TO CONSULT PRESIDENT MITTERRAN D URGENTLY. PERHAPS THERE WILL BE SOME RESPONSE TO THAT APPROACH TOMORROW. IF NOT, HOWEVER, YOU MAY THINK IT WOULD BE WORTH TRYING TO CUT THE KNOT BY HAVING A FURTHER WORD WITH GENSCHER, OR CHEYSSON, OR BOTH. THE GERMAN AMBASSADOR INCIDENTALLY WAS ARGUING VERY STRONGLY TODAY IN FAVOUR OF PUBLICATION OF THE TEXT, PRESUMABLY ON INSTRUCTIONS.
- 4. IT WOULD NOT BE THE END OF THE WORLD IF WE CANNOT GET AGREEMENT TO PUBLICATION OF THE DOCUMENT. THE FRENCH NOW SEEM TO BE RESIGNED TO A US PRESIDENTIAL STATEMENT ON THE LINES OF THE POINTS SET OUT IN MY TELEGRAM NO 3613, PROVIDED ANOTHER WORD CAN BE FOUND FOR QUOTE SUBSIDISE UNQUOTE AND PROVIDED THE REFERENCE TO POLAND IS DROPPED. THERE IS GENERAL AGREEMENT AMONG THE SIX HERE ON THIS LATTER POINT ESPECIALLY IN PRESENT CIRCUMSTANCES. IT SHOULD NOT BE IMPOSSIBLE THEREFORE TO REACH AGREEMENT ON WHAT PRESIDENT REAGAN SHOULD SAY AS AN ALTERNATIVE TO PUBLICATION OF THE TEXT. NEVERTHELESS, IT WOULD BE A POOR START FOR THE PROCESS OF FORGING A COMMON ALLIANCE APPROACH ON THESE QUESTIONS IS WE COULD NOT EVEN AGREE TO SAY IN PUBLIC WHAT WE HAD AGREED IN PRIVATE. THE PITY IS THAT THERE IS SO LITTLE TIME TO GET AGREEMENT IF PRESIDENT REAGAN IS TO BE ABLE TO SAY WHAT HE HOPES IN HIS BROADCAST TOMORROW. IFCO CONFIDERTIAL

## CONFIDENTIAL

FCO PASS SAVING ATHENS, DUBLIN AND LUXEMBOURG

WRIGHT

CCN

3. I UNDERSTAND THAT SIR J FRETWELL HAS SPOKEN TO ANDREANI ABOUT THIS TODAY AND THAT ANDREANI UNDERTOOK TO CONSULT PRESIDENT MITTERRAND URGENTLY. PERHAPS THERE WILL BE SOME RESPONSE TO THAT APPROACH TOMORROW. IF NOT, HOWEVER, YOU MAY THINK IT WOULD BE WORTH

## (REPEATED AS REQUESTED)

## EAST/WEST ECONOMIC ISSUES - SIBERIAN PIPELINE

LIMITED		ADDITIONAL DISTRIBUTION
TRED	ERD PS	POLAND SPECIAL
NAD PLANNING STAFF	PS/MR HURD PS/MR RIFKIND	COPIES TO:-
DEFENCE D ECD (E)	PS/PUS SIR J BULLARD	MR SUNDERLAND DOT
WED	MR GOODISON	MR KNIGHTON DOT
FUSD ES & SD	MR ADAMS MR HANNAY MR THOMAS	COPIES SENT TO
NEWS D	MR EUANS MR GILLHORE - 1	
	CON	IDENTIAL