THE SECRETARY OF STATE
WASHINGTON

SECRET

February 3, 1982

MEMORANDUM FOR:

AM: PRESIDENT

From

Alexander M. Haig, Jr. (

1. <u>Mubarak Lunch</u>. At my lunch for Mubarak, which included Senator Cohen and Representative Charlie Wilson, he described the dangers posed by Libya and South Yemen to our mutual interests in the region. He urged more economic and military help for our friends declaring that it would cost less now than if they were subverted. In response to direct questions, Mubarak said that our use of the Sinai bases was out of the question. (S)

2. The Allies and Poland. Political and economic directors from the US, UK, France, West Germany and Italy met in London on February 2. Our representatives made clear that we expected stronger measures vis-a-vis Poland and the USSR. The Allies agreed not to compete for U.S. primary contracts affected by our sanctions. We were warned, however, that application of extraterritorial or retroactive sanctions which disrupted existing European contracts with the East would undercut Allied willingness to act against the USSR. The French were the most reluctant on the economic issues; the Germans were a bit more forthcoming, though cautious. The UK is withholding meaningful action until it is satisfied that we will not invoke extraterritorial sanctions. The Italians are the most forthcoming on both political and economic measures.

Today's meeting of the North Atlantic Council produced a sharp public statement criticizing the deteriorating situation in Poland and stating Allied agreement to "pursue and as necessary strengthen" actions under a broad range of categories flowing from the January 11 special Ministerial declaration. Several visible measures will be announced by most Allies in the days ahead, affecting political and diplomatic relations, transportation, commercial, technical, and cultural agreements, and credits. (S)

Visit by German Opposition Figure. Lothar Spaeth, Minister-President of the Baden-Wuerttemberg state and a leading CDU (opposition) figure, met with Walt Stoessel today to reiterate Germany's strong commitment to the NATO alliance. He told Walt that the recent peace demonstrations in Bonn did not reflect public opinion in Germany toward the United States or a growing anti-American movement. The problem was rather lack of information and misperception on both sides of the Atlantic which leads to differences that do not necessarily reflect political values in Germany. On Poland, Spaeth argued that in order to bring Germany along with the NATO alliance, it is important to have a clear definition of the steps to be taken and their effect against Poland and the Soviet Union. He also noted that a U.S. decision which would cut off German firms from using U.S. equipment to meet existing contracts for the Siberian pipeline would have a very negative effect on German public opinion and would make the task of selling any sanctions much more difficult. (C)

RDS 2/3 2/03/02 (HAIG, Alexander M., Jr.)



M453/3#155869 9/2/16 MEMORANDUM

THE WHITE HOUSE

WASHINGTON

February 4, 1982

MEMORANDUM FOR THE PRESIDENT

FROM: WILLIAM P. CLARK

SUBJECT: Secretary Haig's Evening Report

Attached is Al Haig's Evening Report for Wednesday February 3, 1982.

cc: The Vice President
Ed Meese
Jim Baker
Mike Deaver

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