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THE SECRETARY OF STATE
WASHINGTON

May 10, 1982

MEMORANDUM FOR: A C PRESIDENT

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From

Alexander M. Haig, Jr.

- 1. Action and Reaction in Lebanon: the Cease-Fire Holds. In the wake of Sunday's attacks, we made major efforts with Israel and asked other governments and the UN to urge caution on the PLO. We now have authoritative word that the PLO will be content with its limited response. We are also discouraging the Lebanese from bringing the Israeli airstrikes issue before the Security Council for action. It will be doubly difficult, however, to keep the situation from escalating if there is a future cycle of violence. (8)
- 2. Meeting with Austrian Vice Chancellor Sinowatz. Vice Chancellor Sinowatz is considered likely to succeed Chancellor Kreisky, and this visit gave us a good opportunity to get a look at him. Sinowatz expressed strong admiration for the United States; he appeared anxious to assure us of Austrian support despite some criticism of our positions by Kreisky. I briefed Sinowatz on your speech yesterday. He expressed understanding for our position and said he was convinced that your proposal will be welcomed in all of Europe.
- 3. George Shultz. George met with Spadolini, Thatcher and Thorn over the weekend. He reports a consistent message: the importance of U.S. leadership at Versailles. Two sticking points also come up consistently: first, the problems of exchange rate volatility; second, "Global Negotiations" at the UN. Our views on both subjects are understood, but George reports that we are perceived to be too inflexible on both issues. On our Soviet credit initiative, George reports general support, but urges that we be careful to distinguish our proposals from sanctions. The Falklands situation has also come up in each meeting. The Continentals are most concerned that the affair be wrapped up quickly before European unity behind Britain crumbles. Regarding our NATO initiative on conventional defenses, there is unanimous concern about where to find the money. (e)
- 4. Autonomy Talks: Fairbanks in Israel. During a full day of meetings, Begin, Shamir, and Dr. Burg emphasized to Dick Fairbanks their requirement that Egypt agree to meet in Jerusalem for the autonomy talks. Fairbanks stressed that this issue must not be allowed to undermine the autonomy negotiations. The burden, he said, is now on Israel and Egypt to find a way out of this labyrinth. The only hints of a possible Israeli solution came from Dr. Burg and his aides who suggested that if Egypt would agree in principle to meet later in Jerusalem, Begin might be persuaded to have the first session take place in Washington.

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BY CI NARADATE 1/29/08

MEMORANDUM THE WHITE HOUSE OF CLASSIFIED UPON REMOVAL OF CLASSIFIED ENCLOSURE(S) (X1 L) 1 WASHINGTON SECRET ATTACHMENT May 11, 1982 MEMORANDUM FOR THE PRESIDENT FROM: WILLIAM P. CLARK SUBJECT: Secretary Haig's Evening Report Attached is Al Haig's Evening Report for Monday, May 10, 1982. cc: The Vice President Ed Meese Jim Baker Mike Deaver .85 WALL TO 33