SECRET

THE SECRETARY OF STATE
WASHINGTON

SENSITIVE

May 19, 1982

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MEMORANDUM FOR:

THE PRESIDENT

From

Alexander M. Haig, Jr.

1. Deterioration in British-European Community Relations. Due to the dispute over the British contribution to the European Community (EC) budget, the British had blocked agreement on the level of EC farm prices for 1982. But on May 18, EC Agriculture Ministers passed the farm price package over UK objections. This unprecedented move (EC decisions had been taken by consensus) comes at a time when British-EC frictions are growing. The British are concerned over sagging EC support for Britain's position in the Falklands; the budget issue is still at an impasse. A sharp British reaction to the unilateral action on farm prices could set the stage for general EC disunity at the Versailles Summit.

The farm package itself calls for a substantial increase in overall prices, including grains. This will widen further the gap between US and EC prices. As a consequence, internal EC pressures for restrictions on US feed grain substitutes will continue. (C)

Consultations with Singapore Deputy Prime Minister on Khmer Resistance. Walt Stoessel met today with Singapore Deputy Prime Minister Goh Keng Swee and discussed efforts by Thailand, Malaysia and Singapore to extend assistance to the non-communist Khmer in their resistance against the Vietnamese occupation of Kampuchea. The plans of ASEAN (Association of Southeast Asian Nations) have advanced but are not yet definitive, with questions remaining about modalities and timing. Walt informed Goh that the US is prepared to consider supporting ASEAN's efforts with non-military assistance when their own plans evolve. We agreed to keep in close touch in preparation for the ASEAN ministerial dialogue in mid-June. (SECRET/SENSITIVE)

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RDS 2/3 5/19/02 (HAIG, Alexander M., Jr.)

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**MEMORANDUM** 

THE WHITE HOUSE

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WASHINGTON

SECRET ATTACHMENT

May 20, 1982

MEMORANDUM FOR THE PRESIDENT

Br

FROM:

WILLIAM P. CLARK

SUBJECT:

Secretary Haig's Evening Report

Attached is Al Haig's Evening Report for Wednesday, May 19, 1982.

cc: The Vice President
Ed Meese
Jim Baker
Mike Deaver