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TO IMMEDIATE WASHINGTON

TELEGRAM NUMBER 2013 OF 13 NOVEMBER 1982

INFO IMMEDIATE (PERSONAL FOR AMBASSADORS) PARIS, BONN, ROME,
UKDEL NATO, UKREP BRUSSELS.

YOUR TELNO 3675 AND TELCONS PAKENHAM/THOMAS:

EAST/WEST ECONOMIC RELATIONS (PIPELINE)

1. FOLLOWING IS TEXT OF PRESIDENT REAGAN'S MESSAGE TO THE PRIME
MINISTER OF 12 NOVEMBER:

BEGINS

I HAVE JUST GIVEN MY APPROVAL TO THE FINAL PROVISIONS OF
THE AGREEMENT AMONG OUR COUNTRIES AND OUR OTHER FRIENDS AND
ALLIES CONCERNING OVERALL ECONOMIC RELATIONS WITH THE EAST.
YOUR AMBASSADOR HAS BEEN INFORMED OF MY SEPARATE DECISION ON
THE ECONOMIC SANCTIONS RELATED TO POLAND. I AM GRATIFIED THAT
WE HAVE REACHED A CONSENSUS ON THESE VITAL QUESTIONS. IT IS
A VICTORY FOR THE WESTERN ALLIANCE WHICH WILL BRING TO AN END
THE SOVIET UNION'S ABILITY TO TAKE ADVANTAGE OF THE DIVISIONS
AMONG US AND REDUCE THE COMMERCIAL BENEFITS OF PLAYING ONE
WESTERN COUNTRY OFF AGAINST ANOTHER.

WE HAVE ALL APPROVED THE TERMS OF THE CURRENT CONSENSUS
WHICH WERE WORKED OUT BY OUR FOREIGN MINISTERS AND AMBASSADORS.
IN THIS LETTER I WOULD LIKE TO EMPHASIZE TWO POINTS WHICH I
CONSIDER OF THE GREATEST IMPORTANCE.

FIRST, I BELIEVE IT IS VITALLY IMPORTANT THAT WE ADOPT A
COMMON APPROACH ON THE PUBLIC PRESENTATION OF OUR AGREEMENT AND,
AVOID THE RISK OF DIFFERING STATEMENTS IN ALLIED CAPITALS, AS
HAPPENED AFTER OUR LAST ECONOMIC SUMMIT. THIS WOULD GIVE THE
ERRONEOUS IMPRESSION OF CONTINUED DISAGREEMENT RATHER THAN THE
REALITY OF AN ALLIED CONSENSUS. FOR MY OWN PART, I PROPOSE

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TO TREAT THE ANNOUNCEMENT TOMORROW MORNING IN MY WEEKLY RADIO ADDRESS. AT THE SAME TIME I WILL ANNOUNCE THE LIFTING OF OUR POLAND-RELATED SANCTIONS IMPOSED ON DECEMBER 29TH AND JUNE 22ND. I REALIZE TIME IS SHORT, BUT I INVITE YOUR APPROVAL OF THIS PROCEDURE. IT ALSO SEEMS TO ME THAT THE OFFICIAL RELEASE OF THE SO-CALLED QUOTE NON-PAPER UNQUOTE IN ALL OUR CAPITALS WOULD BE BY FAR THE BEST APPROACH TO FORGING A COMMON PUBLIC UNDERSTANDING I REALIZE THAT AT THE BEGINNING OF THE DISCUSSIONS BETWEEN OUR FOREIGN MINISTERS IN NEW YORK THAT THERE WAS CONSIDERABLE SENTIMENT FOR KEEPING WHATEVER EMERGED AT THE END OF THE PROCESS A CONFIDENTIAL DOCUMENT. HOWEVER, I FEEL THAT NOW ALL OUR INTERESTS ARE BEST SERVED BY RELEASING THE TEXT AND ALLOWING IT TO SPEAK FOR ITSELF.

SECOND, THE DECISION BY THE UNITED STATES TO MODIFY OUR SANCTIONS WAS TAKEN WITH THE CLEAR EXPECTATION THAT THE JOINT WORK PROGRAM LAID OUT IN THE AGREEMENT ON EAST-WEST TRADE WILL BE CONDUCTED EXPEDITIOUSLY. IT IS MY STRONG HOPE THAT IN A MATTER OF MONTHS WE WILL HAVE JOINT POLICIES WHICH WE ALL CAN SUPPORT IN THE AREAS OF ENERGY ALTERNATIVES TO ADDITIONAL CONTRACTS FOR IMPORTS FROM THE SOVIET UNION, TIGHTENED CONTROLS ON HIGH TECHNOLOGY ITEMS AND HARMONIZED CREDITS POLICIES. I EXPECT THAT WE WILL BE ABLE TO ACHIEVE CONCRETE RESULTS IN A FEW MONTHS' TIME. I INTEND TO ASSIGN HIGH-LEVEL, KNOWLEDGEABLE PEOPLE TO THESE STUDIES, AND WILL PERSONALLY FOLLOW THE DEVELOPMENT OF THE IMPLEMENTING PROCESS. WE MUST DEVELOP A SECURITY-MINDED, REALISTIC, DURABLE AND JOINT SET OF POLICIES TOWARDS THE EAST IN THE ECONOMIC AREA. WE OWE NO LESS TO OUR OWN PEOPLE, WHO PAY THE PRICE FOR THE MILITARY FORCES WE MUST FIELD TO DETER THOSE OF THE SOVIET UNION. WE OWE NO LESS TO THE PEOPLE, OF POLAND, WHOSE SUFFERING UNDER A MARTIAL LAW REGIME HAS BROUGHT HOME TO ALL OF US THE REPRESSIVE AND AGGRESSIVE NATURE OF THE SOVIET SYSTEM. I AM CONFIDENT THAT THE POLICIES WHICH RESULT FROM OUR STUDIES WILL BOTH PROTECT OUR VITAL INTERESTS AND HAVE A MORE SUBSTANTIAL IMPACT ON THE PRESENT AGGRESSIVE BEHAVIOR OF THE SOVIET UNION THAN THE UNILATERAL U.S. MEASURES WHICH WE HAVE

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BEEN OBLIGED TO TAKE IN THE PAST YEAR.

MARGARET, I WOULD LIKE TO EXPRESS PARTICULAR APPRECIATION TO YOU, FOREIGN MINISTER PYM AND AMBASSADOR WRIGHT FOR THE CONSTRUCTIVE ROLE THE UNITED KINGDOM HAS PLAYED IN WORKING OUT THIS CONSENSUS. I THINK WE HAVE SUCCEEDED IN MOVING OUR FRIENDS CLOSER TO THE U.S./U.K. POINT OF VIEW OF EAST-WEST ECONOMIC RELATIONS THAN MANY WOULD HAVE THOUGHT POSSIBLE A YEAR AGO.

ENDS.

2. FOLLOWING IS TEXT OF PRIME MINISTER'S REPLY:
BEGINS.

THANK YOU FOR YOUR MESSAGE TELLING ME OF YOUR DECISION TO LIFT THE SANCTIONS IMPOSED IN DECEMBER AND JUNE. THIS IS VERY GOOD NEWS. I AM PLEASED THAT WE HAVE ALL BEEN ABLE TO REACH AGREEMENT ON A COMMON APPROACH TO THE HANDLING OF EAST/WEST ECONOMIC RELATIONS, PARTICULARLY AT A TIME WHEN WE MUST BE SEEN TO BE STANDING TOGETHER.

I AGREE WITH THE WAY YOU PROPOSE TO HANDLE THE ANNOUNCEMENT AND THAT THE NON-PAPER OR SUMMARY OF CONCLUSIONS AS IT HAS COME TO BE CALLED SHOULD BE PUBLISHED. WE HAD ALREADY ASKED OUR AMBASSADOR IN PARIS TO URGE THIS COURSE ON THE FRENCH.

AS TO THE FUTURE, ALTHOUGH AS GEORGE SHULTZ KNOWS WE CANNOT BE COMMITTED IN ADVANCE TO THE OUTCOME, I WILL INSTRUCT MY OFFICIALS TO CONTRIBUTE WHOLEHEARTEDLY AND EXPEDITIOUSLY TO THE AGREED PROGRAMME OF WORK.

I AM GRATEFUL FOR YOUR KIND WORDS ABOUT THE BRITISH CONTRIBUTION. FOR OUR PART WE HAVE ADMIRERD THE ROLE PLAYED BY GEORGE SHULTZ AND YOUR SENIOR OFFICIALS IN STEERING THE NEGOTIATIONS TO THIS SUCCESSFUL CONCLUSION. *ENDS.*

PYM

LIMITED
HD/TRED
" EESD
" NAD
" PLANNING STAFF
" ECD (E)

AS
PS/MR HURD
PS/MR RIFKIND
PS/PUS
MR EVANS
MR THOMAS

COPIES TO
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