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DEPARTMENT OF STATE WASHINGTON

WHITE HOUSE November 13, 1981

THE PRESIDENTION ROOM MEMORANDUM FOR:

From William P. Clark, Acting WPC

1. China - Stoessel Visit. Walt Stoessel completed on November 12 two days of talks with Chinese Foreign Ministry officials. Talks focused on multilateral issues, since more time is needed to reflect on bilateral discussions Huang Hua recently had with you and the Secretary in Washington. Topics included a Soviet proposal to resume Sino-Soviet border talks (PRC indicated coolness to this proposal, but said its decision would not be related to Sino-U.S. relations); Afghanistan (PRC believes bogging down the Soviets promotes our joint opposition to Soviet expansionism); chemical warfare (PRC applauds our efforts to publicize these Soviet activities); and the election of the UN SYG (Huang urges we dropour veto of Salim as a means of reaping goodwill in Africa and isolating the Soviets). At a later press conference, Walt reiterated that no decision has been made on the sale of aircraft to Taiwan. (CONFIDENTIAL)

Exxon's Announced Withdrawal from Libya. There has been major media interest in Exxon's announced withdrawal from Libya. The pull-out will have a psychologically worrying effect on Qaddafi, although Exxon is not a major producer in Libya. We have seen no Libyan statement or reaction. other company has made a similar announcement. Occidental Petroleum, the second largest producer in Libya, said it is not "presently considering" a pull-out. The largest foreign producer, the Oasis Group (Amerada-Hess, Conoco, and Marathon), has not commented. An AP report claims Mobil also intends to withdraw, but there has been no confirmation or denial from

Mobil. (LIMITED OFFICIAL USE)

Ministerial Autonomy Talks in Cairo. Although no substantive progress was made in autonomy talks, they can be regarded as successful. Israel achieved its main goal -- a recommitment by Egypt to stay with the Camp David process. Israel also hoped for an understanding that topics in "final status" negotiations (to begin three years after autonomy starts) would not now be raised. The Egyptians assented. Our delegation presented a "nonpaper" which portrayed substantive areas in which Egyptian and Israeli positions are in phase. Both sides welcomed it. Bad press play was caused by a misguided attempt by Israel in the late hours of the session to move ahead on major topics. Egypt was unprepared, and the move failed. Working Groups are still in session and will continue in Cairo into next week.

Portugal. Chet Crocker and I met separately this afternoon with Portuguese Secretary of State Leonardo Mathias and Portuguese Ambassador Vasco Futscher Pereira. Mathias said that his Government was hopeful of an early settlement in Namibia. He told Crocker that there are increasing indications that Angola, faced with half a million refugees from the South and with difficult administrative and economic problems, would like to see Cuban troops leave as soon as possible. He said this is a propitious moment to seek Angolan support for a Namibia settlement. Crocker agreed with Mathias' view and gave him an encouraging account of Crocker's recent trip to Africa. (C)

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