SECRET 18

DW M453/3# 1558

THE SECRETARY OF STATE WASHINGTON

March 8, 1982

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MEMORANDUM FOR: THE PRESIDENT

FROM : Alexander M. Haig, Jr.

1. Discussions with German Foreign Minister Genscher. Genscher and I held another lengthy meeting today which focused on ways of improving policy coordination between the United States and Europe. Genscher agreed that the main goal of the NATO Summit should be a greater sense of political identity within the Alliance, and in this connection, suggested that NATO Foreign Ministers meet once or twice each year for an informal weekend for a concentrated discussion of broader issues facing the Alliance. He also urged strongly that you make a major speech on East-West relations before the NATO Ministerial in May. Genscher agreed on the need for careful preparation of the Versailles Summit and for concerted action on one or two important issues. Concerning questions of trade with the East, Genscher argued that German trade with the Soviet Union was falling, that it amounted to less than one-third of trade with countries such as Austria or Switzerland and that the FRG was not dependent on dealings with the East. He agreed, however, that there should be common action on questions such as credits and promised to listen carefully to proposals presented next week by Under Secretary Buckley. I believe you can expect a similar approach during your meeting with Genscher Tuesday, and suggest that you respond by stressing again the importance of agreement among the Allies on concrete steps vis-a-vis the Soviet Union in weeks to come. (C)

- 2. Madrid CSCE Conference. Confronted with an unexpectedly tough Allied demand to end further drafting work, the Soviets today acceded to a "gentlemen's agreement" to recess the Madrid meeting on Friday, March 12, until the fall. The agreement followed a weekend of marathon sessions precipitated by a showdown -- initiated and led by our European allies -- to force a recess. Assuming the Soviets do not back out of the agreement, we will have achieved all of our major objectives for the Madrid meeting -- a thorough condemnation of repression in Poland, a united Western front against business-as-usual at Madrid, and a recess until the fall. (C)
- 3. Habib: Meeting with Saudi Crown Prince Fahd. Phil Habib reports that he had a good meeting on Saturday with Fahd, who responded positively to his urgings: (a) that he use all his influence with the Palestinians and Syrians to forestall developments which could jeopardize the cease-fire; and (b) that Saudi Arabia resume its strong role in Lebanon and work inter alia for a gradual Syrian withdrawal. Fahd promised that he personally would do everything possible with the Palestinians, Syrians, and Lebanese, and noted that he would see Arafat the next day. As for the Lebanese situation itself, he said that he was "more than ever" committed for the long run, that he would soon invite Prime Minister Wazzan and other Lebanese political leaders to Saudi Arabia. (S)

SECRET

MEMORANDUM

THE WHITE HOUSE WASHINGTON

WASHINGTON

SECRET ATTACHMENT

March 9, 1982

MEMORANDUM FOR THE PRESIDENT

PR

FROM:

WILLIAM P. CLARK

SUBJECT:

Secretary Haig's Evening Report

Attached is Al Haig's Evening Report for Monday, March 8, 1982.

cc: The Vice President
Ed Meese
Jim Baker
Mike Deaver

'82 MR -9 MI:14