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DESKBY 251800Z

FM BRUSSELS 251645Z JUNE 82

TO IMMEDIATE FCO

TELNO 236 OF 25 JUNE

INFO PRIORITY UKREP BRUSSELS

INFO ROUTINE BONN PARIS DUBLIN COPENHAGEN LUXEMBOURG THE HAGUE
ATHENS AND ROME

EUROPEAN COUNCIL: 28/29 JUNE

1. IN AN INTERVIEW ON THE FRONT PAGE OF THIS MORNING'S EDITION OF LIBRE BELGIQUE TINDEMANS DEVOTED HIS REMARKS ENTIRELY TO US/EC TRADE RELATIONS. HIS MAIN POINT WAS THAT IN THE AFTERMATH OF VERSAILLES AND THE AMERICAN DECISION TO EXTEND ITS EMBARGO OVER EQUIPMENT FOR THE EURO-SIBERIAN GAS PIPE-LINE, IT IS ESSENTIAL TO HAVE A BROADER FRAMEWORK FOR THE US/EUROPEAN DIALOGUE. WHAT IS NEEDED, HE SAID, IS AN INSTITUTIONAL LINK WITH REGULAR CONTACTS AT MINISTERIAL LEVEL.

2. TINDEMANS REMINDED HIS INTERVIEWER THAT HE HAD LONG ADVOCATED QUOTE THE CREATION OF A FORUM WHERE THE UNITED STATES AND THE EUROPEAN COMMUNITY COULD DEBATE THE PROBLEMS WHICH EXIST BETWEEN THESE TWO LARGE ECONOMIC ENTITIES UNQUOTE. HE SAID IT WAS NO GOOD INDULGING IN MUTUAL RECRIMINATIONS ABOUT HIGH AMERICAN INTEREST RATES AND EUROPEAN STEEL SUBSIDIES AND PROTECTIONIST AGRICULTURAL POLICIES. AMERICANS AND EUROPEANS SHOULD GET ROUND A TABLE TO TRY TO WORK OUT A COMMON APPROACH OR AT LEAST TO UNDERSTAND EACH OTHER. THIS WOULD HAVE AVOIDED THE QUOTE COMMERCIAL WAR UNQUOTE WHICH NOW SEEMED IMMINENT AND WHICH COULD ENTAIL A RETURN TO THE ECONOMIC NATIONALISM OF THE 1930S, WITH SIMILAR CONSEQUENCES. EVERYTHING SHOULD BE DONE TO AVOID THIS.

3. THESE IDEAS ARE VERY MUCH IN LINE WITH PREVIOUS INDICATIONS OF TINDEMANS' THINKING(C.F. MY TELEGRAM NO 228), BUT TIMING OF THE INTERVIEW COULD PRESAGE AN EFFORT BY THE BELGIAN PRESIDENCY TO PUSH FOR THE ESTABLISHMENT OF SOME KIND OF PERMANENT MACHINERY, AND PERHAPS ALSO FOR A MORE CONCILIATORY COMMUNITY APPROACH TO THE STEEL QUESTION IF ONE CAN BE AGREED.

4. IN THE BROADER CONTEXT THE BELGIANS WILL BE CONSCIOUS OF THE GAP BETWEEN THEIR HOPES AT THE BEGINNING OF THEIR PRESIDENCY AND THE RATHER MEAGRE OUTCOME. FROM THE PROBABLE AGENDA(UKREP TELEGRAM NO 2584), THE PROSPECTS OF THE COUNCIL PRODUCING ANY MAJOR STEP FORWARD SEEM UNPROMISING, AND MARTENS AND TINDEMANS MAY WELL FEAR THAT THE HINTS WHICH THE FRENCH HAVE BEEN DROPPING(UKREP TELEGRAM NO 2574) PRESAGE AN ACRIMONIOUS DISCUSSION ABOUT ENLARGEMENT WHICH WOULD BRING THEIR PRESIDENCY TO AN END ON A SOUR AND NEGATIVE NOTE.

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5. HOWEVER, NOW THAT THE PRESIDENCY HAVE DECIDED NOT TO DELIVER AN INTERIM REPORT ON GENSCHER/COLOMBO(LUXEMBOURG TELEGRAM NO 217), THERE ARE NO VERY OBVIOUS SUBJECTS ON WHICH THE BELGIANS SEEM LIKELY TO BE ABLE TO PUSH FOR A POSITIVE CONCLUSION. IN THE LIGHT OF DEVELOPMENTS IN THE LEBANON IT SEEMS UNLIKELY THAT TINDEMANS WILL FEEL ABLE TO TAKE HIS MIDDLE EAST INITIATIVE VERY MUCH FURTHER. AND ALTHOUGH HE HAS SHOWN SOME DISPOSITION IN THE PAST TO LAY STRESS ON NORTH/SOUTH AND ON THE DESIRABILITY OF LAUNCHING GLOBAL NEGOTIATIONS, THIS SUBJECT DOES NOT SEEM TO OFFER MUCH SCOPE FOR FORWARD MOVEMENT AT THE MOMENT.

6. NOTERDAEME'S COMMENTS REPORTED IN UKREP TELEGRAM NO 2584 SUGGEST THAT MARTENS HIMSELF, WITH DOMESTIC PREOCCUPATIONS OVER THE BELGIAN ECONOMY(SEE MIFT), WILL NOT WANT TO GET INVOLVED IN A FURTHER SESSION ON THE ECONOMIC AND SOCIAL SITUATION, ESPECIALLY SINCE THE BELGIANS ARE CONFIDENT THAT THEY ARE ON THE SIDE OF THE ANGELS.

7. PRESIDENCY TACTICS FOR THE COUNCIL MAY THEREFORE BE LARGELY TO CONCENTRATE ON DAMAGE LIMITATION. IF SUCCESSFUL THIS WILL AT LEAST ENABLE THE BELGIANS TO DRAW SOME COMFORT FROM THE SMALLER SUCCESSES WHICH THEY CHALKED UP IN THE EARLIER MONTHS OF THEIR PRESIDENCY AND TO WHICH TINDEMANS DREW ATTENTION IN HIS SPEECH AT STRASBOURG ON 15 JUNE. THIS WOULD ALLOW THEM TO HAND OVER TO THE DANES WITH THEIR EUROPEAN REPUTATION NOT MUCH ENHANCED BUT STILL INTACT.

JACKSON

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