

GPS-800  
CONFIDENTIAL

CONFIDENTIAL

FM UKREP BRUSSELS 041655Z FEB 82

TO IMMEDIATE FCO

TELNO 437 OF 4 FEBRUARY

INFO PRIORITY UKDEL NATO WARSAW MOSCOW WASHINGTON ROME PARIS BONN  
INFO SAVING BRUSSELS COPENHAGEN THE HAGUE LUXEMBOURG ATHENS

COREPER (AMBASSADORS): 4 FEBRUARY

POLAND

SUMMARY

1. FRENCH LIFTED THEIR RESERVE ON PROPOSED UPGRADING OF SOVIET UNION IN OECD EXPORT CREDIT CONSENSUS. TO 11 FEBRUARY COUNCIL AS AN 'A' POINT.

2. WORKING GROUP TO REPORT NEXT WEEK ON POSSIBLE TRADE MEASURES AGAINST THE SOVIET UNION. AIM WILL BE TO PRESENT MINISTERS ON 22 FEBRUARY WITH A LIMITED RANGE OF OPTIONS FOR DECISION.

DETAIL

HUMANITARIAN AID

2. AGREEMENT IN PRINCIPLE TO COMMISSION PROPOSAL FOR 8 MILLION ECU EMERGENCY HUMANITARIAN AID, SUBJECT TO EXAMINATION BY GROUP OF THE DETAILS. BUDGET COMMITTEE TO AGREE NECESSARY TRANSFER OF FUNDS ON 9 FEBRUARY. FORMAL APPROVAL BY FOREIGN AFFAIRS COUNCIL ON 22 FEBRUARY.

EXPORT CREDITS

3. FRANCE LIFTED ITS RESERVE ON THE PROPOSED UPGRADING OF THE SOVIET UNION IN THE OECD EXPORT CREDIT CONSENSUS, WHILE MAKING A STATEMENT FOR THE MINUTES TO THE EFFECT THAT THIS DID NOT PRE-EMPT ITS POSITION WHEN INSTRUCTIONS TO THE COMMISSION ON THE MORE GENERAL ISSUE OF CHANGES TO THE OECD CONSENSUS WERE DEBATED. I ASKED FOR AN OBTAINED CONFIRMATION THAT THIS OPENED THE WAY FOR EARLY ACTION IN THE OECD ON THE SOVIET ASPECT AS A SEPARATE EXERCISE. PRESIDENCY SAID THAT THE MATTER SHOULD NOW GO TO THE NEXT COUNCIL AS AN 'A' POINT. THIS LED TO A BRISK EXCHANGE BETWEEN FRANCE AND GREECE ON WHETHER OR NOT A VOTE HAD ACTUALLY BEEN TAKEN AT THE FOREIGN AFFAIRS COUNCIL ON 26 JANUARY. PRESIDENCY QUELLED FURTHER DISCUSSION BY INSISTING THAT TINDEMANS HAD CONFIRMED AT THE JANUARY COUNCIL THAT THE CONDITIONS EXISTED FOR A DECISION TO BE TAKEN. IN SUBSEQUENT DISCUSSION OVER LUNCH, NOTERDAEME CONFIRMED HIS INTENTION TO HAVE THE DECISION ADOPTED AS AN 'A' POINT BY THE COUNCIL ON 11 FEBRUARY, WITH THE NEGATIVE POSITION OF GREECE FIRMLY RECORDED. THIS APPEARED TO BE ACCEPTED BY ALL.

CONFIDENTIAL

/TRADE

## CONFIDENTIAL

### TRADE POLICY MEASURES AGAINST THE SOVIET UNION

4. NOTERDAEME (CHAIRMAN) CALLED FOR WORK ON POSSIBLE COMMERCIAL MEASURES AGAINST THE SOVIET UNION TO BE SPEEDED UP. THE WORKING GROUP'S TASK WAS NOT TO REVISE THE WHOLE OF THE COMMUNITY'S COMMERCIAL POLICIES VIS-A-VIS THE SOVIET UNION, BUT TO IDENTIFY A LIMITED RANGE OF POSSIBLE MEASURES WHERE THE COMMUNITY COULD TAKE ACTION WITHOUT DAMAGE TO ITS OWN INTERESTS. IDENTIFYING POSSIBLE MEASURES WOULD NOT PREJUDICE MINISTERS' RIGHT OF DECISION AT THE COUNCIL ON 22 FEBRUARY. MEMBERS OF THE WORKING GROUP SHOULD BE INSTRUCTED TO ALLOW MATTERS TO MOVE FORWARD. RUTTEN (NETHERLANDS), EXPRESSED DOUBTS ABOUT GOING TO THE COUNCIL ON 22 FEBRUARY. HIS UNDERSTANDING WAS THAT WE WERE ONLY STUDYING MEASURES TO BE TAKEN IF THINGS GOT WORSE. NOTERDAEME AND I MADE CLEAR THAT THAT WAS NOT OUR VIEW. I SAID THAT COREPER MUST SOON HAVE A THOROUGH DISCUSSION. THERE WOULD BE A REAL RISK TO COMMUNITY INTERESTS IF NO AGREEMENT COULD BE REACHED ON MEASURES ON 22 FEBRUARY. WE MUST BE ABLE TO OFFER THE AMERICANS SOME COMMUNITY ACTION ON SOVIET EXPORTS IF THOSE IN WASHINGTON WHO WANTED TO WORK WITH THE COMMUNITY WERE TO WIN THE DAY. RUGGIERO (ITALY) SUGGESTED THAT THE AMERICANS WERE TRYING TO BLOCK THE SOVIET PIPELINE DEAL. I SAID THAT I DID NOT BELIEVE THAT THOSE WHO WANTED TO USE THE POLISH ISSUE TO BLOCK THE PIPELINE NECESSARILY HAD THE UPPER HAND. THERE WAS STILL REASON TO HOPE THAT SOMETHING COULD BE WORKED OUT WITH THE AMERICANS TO AVOID COMPLICATIONS TO EXISTING CONTRACTS. THE PRESIDENCY WOULD NEED A COHERENT POSITION FOR THEIR VISIT TO WASHINGTON ON 16 FEBRUARY. IT WAS MORE IMPORTANT THEREFORE THAT COREPER SHOULD START NEXT WEEK TO PREPARE FOR DECISIONS TO BE TAKEN AT THE COUNCIL ON 22 FEBRUARY, EG ON QRS ON MANUFACTURED GOODS UNDER A COMMUNITY UMBRELLA. IT WOULD NOT BE ESSENTIAL FOR THE GREEKS TO JOIN IN SUCH ACTION. I THEREFORE STRONGLY SUPPORTED THE NEED FOR THE GROUP TO PRODUCE A LIMITED RANGE OF OPTIONS SOON. RUGGIERO DOUBTED WHETHER PROGRESS COULD BE MADE IN THE GROUP WHILE SO MANY DELEGATIONS HAD POLITICAL RESERVATIONS. RUTTEN SUGGESTED THAT THE PRESIDENCY MIGHT HAVE TO DRAW CERTAIN CONCLUSIONS ON ITS OWN RESPONSIBILITY FROM THE WORK OF THE GROUP FOR SUBMISSION TO MINISTERS.

# CONFIDENTIAL

5. NOTERDAEME CONCLUDED THAT THE GROUP SHOULD SET DOWN A LIMITED NUMBER OF OPTIONS, BUT NOT TRY TO COVER THE WHOLE FIELD. COREPER SHOULD CONSIDER THE MATTER AGAIN NEXT WEEK IN PREPARATION FOR THE PRESIDENCY VISIT TO WASHINGTON.

FCO ADVANCE TO:

FCO - BRIDGES, BULLARD, EVANS, GOODISON, HANNAY, CROWE, GREEN  
BROOKFIELD, MS YOUNG

CAB - JOHNSTON

DOT - CORLEY

MAFF - PARKHOUSE

TSY - MOUNTFIELD

FCO PASS SAVING TO:

COPENHAGEN THE HAGUE DUBLIN LUXEMBOURG ATHENS

BUTLER

(REPEATED AS REQUESTED)

(ADVANCED AS REQUESTED)

COPIES SENT TO  
No. 10 DOWNING STREET

POLAND SPECIAL  
STANDARD

EESD  
CSCE UNIT  
NAD  
SED  
WED  
ECD (E)  
ESID  
FED  
CAD  
SAD

PUSD  
UND  
TRED  
ERD  
SEC D  
OLA  
NEWS.D  
PLANNING STAFF  
DEF D  
CABINET OFFICE

ADDITIONAL DISTN.  
POLAND SPECIAL

COPIES TO :  
MR FRANKLIN  
MR CAINE } OT DOT  
MR CORLEY  
MR POWNALL  
MR PARKHOUSE MAFF  
MR MOUNTFIELD TREASURY

3

# CONFIDENTIAL