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48351 - 1

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TO IMMEDIATE UKREP BRUSSELS

TELEGRAM NUMBER 103 OF 5 FEBRUARY

INFO PRIORITY PARIS, BONN, UKDEL NATO, WASHINGTON

INFO SAVING MOSCOW, WARSAW, OTHER EC POSTS

RESTRICTED GROUP OF AMBASSADORS' ADVISERS,

8 FEBRUARY: POLAND

LINE TO TAKE

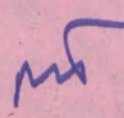
1. ESSENTIAL THAT GROUP SHOULD FULFIL REMIT FROM COREPER TO IDENTIFY LIST OF PRODUCTS AGAINST WHICH MEASURES COULD BE TAKEN TO REDUCE SOVIET EXPORTS. IMPORTANT NOT ONLY TO HAVE DOSSIER READY FOR DECISION BY MINISTERS ON 22 FEBRUARY BUT ALSO THAT PRESIDENCY SHOULD HAVE SOMETHING POSITIVE TO SAY FOR ITS HIGH LEVEL VISIT TO WASHINGTON ON 15/16 FEBRUARY. IT WILL BE FOR THE COUNCIL TO TAKE DECISIONS IN THE LIGHT OF DEVELOPMENTS OVER THE TOTAL ECONOMIC MEASURES PACKAGE.

2. SUPPORT FRENCH ARGUMENT AT LAST MEETING OF GROUP THAT COMMUNITY SHOULD TAKE ACTION ON ACTUAL TRADE FLOWS RATHER THAN SIMPLY ON QUOTAS WHICH DO NOT BITE. UK PREPARED TO ENVISAGE REDUCTION IN EXISTING QUOTAS TO SAY 1980 TRADE LEVELS (1981 IF LOWER, BUT UK FIGURES FOR 1981 NOT AVAILABLE) AND IMPOSITION OF NEW RESTRICTIONS AGAIN AT SIMILAR LEVELS (TAKING ACCOUNT WHERE NECESSARY OF OUR TRADERS' EXISTING COMMITMENTS). READY TO CONSIDER EVEN LOWER LEVELS IF OTHERS WILL TOO. THIS WOULD SEND THE RIGHT SIGNALS WITHOUT GREAT RISK OF UNDUE DAMAGE TO COMMUNITY TRADING INTERESTS.

3. (IF APPROPRIATE) READY TO CONSIDER ANY OTHER SUGGESTIONS FROM PARTNERS.

4. SUGGEST COUNCIL BE INVITED TO AGREE TO RESTRICTING SOVIET IMPORTS INTO THE COMMUNITY ON SELECTED ITEMS FROM THE FOLLOWING LIST (PLUS ANY OTHERS WE CAN ALL AGREE ON). PRODUCTS MUST BE CAREFULLY CHOSEN TO ENSURE APPROXIMATE BALANCE BETWEEN

Especially para. 4.



CONFIDENTIAL

48351 - 1

MEMBER STATES AND TO PRESENT WELL PUBLICLY.

- CARS
- TEXTILES (INCLUDING CARPETS)
- STEEL
- WATCHES AND CLOCKS
- MONOCHROME TELEVISION SETS (FOR YOUR INFORMATION)
- NO PRESENT ACCESS FOR COLOUR TVS)
- RADIOS AND RADIOGRAMS
- CAMERAS
- BINOCULARS
- TOYS
- REFRIGERATORS AND OTHER DOMESTIC ELECTRICAL GOODS
- TRACTORS
- MATCHES

5. (IF NECESSARY TO KEEP THE GREEKS ON BOARD) COUNCIL DECISION WOULD NEED TO BE IN A FORM WHICH ENABLED GREECE NOT TO RESTRICT TRADE. THIS MANAGEABLE SINCE QUOTA LEVELS SET BY AGREEMENT BETWEEN EACH MEMBER STATE, COMMISSION AND COUNCIL.

BACKGROUND

6. WILLINGNESS OF MEMBER STATES TO ALLOW COMMUNITY DECISIONS WILL DEPEND ON PROGRESS WITH THE AMERICANS ON EXISTING CONTRACTS AND ACCEPTABLE ARRANGEMENTS OVER NON-UNDERMINING. BUT PROGRESS NOW IS NECESSARY TO PUT MINISTERS IN A POSITION TO TAKE ACCOUNT OF ALL FACTORS AND DECIDE APPROPRIATELY AT THE FOREIGN AFFAIRS COUNCIL.

7. WE LIKE THE BELGIAN PRESIDENCY'S IDEA OF COMMUNITY-WIDE ACTION ON A SHORT LIST OF PRODUCTS. IT WOULD BE SIMPLE TO ADMINISTER AND THERE WOULD BE NO PROBLEMS OF DIVERSION. BUT WE SHOULD NEED TO EXAMINE THE LIKELY LIST CAREFULLY. THE PRODUCTS LISTED IN PARA 4 ARE IN OUR APPROXIMATE ORDER OF PREFERENCE. WE ARE READY TO CONSIDER OTHER PRODUCTS WHICH MAY BE SUGGESTED BY OTHER MEMBER STATES OR THE COMMISSION, BUT NOT (NOT) DIAMONDS IN WHICH WE HAVE AN IMPORTANT ENTREPOT AND PROCESSING TRADE (AS DO THE DUTCH, WHO CAN BE EXPECTED TO OPPOSE THEIR INCLUSION), FURS (DITTO) AND CHEMICALS (THE USSR IS A SIGNIFICANT SOURCE OF SUPPLY AND MARKET FOR THE UK CHEMICAL INDUSTRY). IF SOME

CONFIDENTIAL

48351 - 1

MEMBER STATES INSIST THAT THEY CANNOT TAKE ACTION ON SOME ITEMS WHICH OTHER MEMBER STATES INSIST ON INCLUDING, WE MAY HAVE TO CONSIDER COUNCIL APPROVAL OF AN A LA CARTE LIST BUT THIS IS VERY MUCH A FALL-BACK.

8. WE DO NOT HAVE CLEARANCE TO GO ALONG WITH MEASURES ON LUXURY FOODS (VODKA, CAVIAR ETC). IF OTHERS RAISE THEM, YOU SHOULD TAKE NOTE.

CARRINGTON

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STANDARD

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