

GRS 290

CONFIDENTIAL

CONFIDENTIAL

DESKBY 260930Z

FM UKREP BRUSSELS 252008Z FEB 82

TO IMMEDIATE FCO

TELEGRAM NUMBER 758 OF 25 FEBRUARY

YOUR TELEGRAM NO 160: POLAND: COMMUNITY TRADE MEASURES AGAINST THE SOVIET UNION

1. I AM DISTURBED TO DISCOVER THAT THE PRODUCTS WHICH WE ARE SEEKING TO HAVE EXCLUDED FROM THE PROPOSED MEASURES AMOUNT TO ABOUT 30 PER CENT (MEASURED IN VALUE OF 1980 IMPORTS) OF THOSE ON LIST A. MOST OF OUR PARTNERS ARE VERY RELUCTANT TO TAKE ACTION AT ALL. IF WE PRESS FOR EXCLUSIONS FROM THE COMMISSION'S LIST ON THIS SCALE, THEY WILL BE HAPPY ENOUGH TO USE OUR REQUEST AS A PRETEXT TO FOLLOW SUIT, IN WHICH CASE THE WHOLE EXERCISE COULD RAPIDLY BE FRUSTRATED AND THE COMMUNITY WILL APPEAR IN DISORDER. THERE WAS ALREADY SOME WARNING OF THIS IN THE ITALIAN INTERVENTION IN COPREPER THIS EVENING. I HOPE THEREFORE THAT THE ARGUMENTS FOR SEEKING EXCLUSIONS ON THIS SCALE CAN BE EXAMINED AGAIN AGAINST THE BACKGROUND OF THE POLITICAL DAMAGE WHICH SUCH ACTION COULD CAUSE.

2. I UNDERSTAND THAT AS REGARDS CHEMICALS THE PROBLEM LIES IN COMPENSATION TRADE. IF WE WERE TO MAKE A STATEMENT FOR THE MINUTES TO THE EFFECT THAT WE INTERPRETED THE EXCLUSION OF PRODUCTS IMPORTED UNDER EXISTING CONTRACTS TO EXTEND TO COMPENSATION TRADE ARRANGEMENTS WOULD THIS ENABLE US TO DROP OUR OPPOSITION TO THE INCLUSION OF CHEMICALS?

FCO ADVANCE TO:

FCO - BRIDGES EVANS BULLARD HANNAY CROWE MS YOUNG GREEN

CAB - GOODENOUGH

IDT - CORLEY

TSY - CARY

ADVANCED AS REQUESTED

BUTLER

POLAND SPECIAL

STANDARD

EC(D)(E)

EESD

CSCE UNIT

NAD

SED

WED

ESID

FED

CAD

SAD

UND

TRED

ERD

SEC D

OLA

CONS D

CONS EM UNIT

CABINET OFFICE

ADDITIONAL DISTN.

POLAND SPECIAL

[COPIES SENT TO NO 10 DOWNING ST]

CONFIDENTIAL