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PRIME MINISTER

Cabinet: Community Affairs

The Foreign and Commonwealth Secretary will report on the Foreign Affairs Council of 27 October. An otherwise highly productive Council was overshadowed by the feeble response of some other member states, in the political co-operation framework, to the United Kingdom's request for a strong common position towards Syria following the evidence in the Hindawi case of the Syrian Government's involvement in terrorist acts. The Council did, however, agree on:

- a. The opening of a GATT Article XXIII test case action against Japanese discrimination on imported alcoholic drinks (including whisky), with a commitment to quick procedures in the GATT and a 30 day deadline for consideration of Community action if, as we expect, the GATT finds against Japan. The Commission is also examining other product sectors.
- b. Final approval of the agreement on citrus and pasta with the United States, thus removing another potential cause of trade conflict.
- c. The approach to trade negotiations with Comecon and individual East European countries.
- d. The extension of aid and trade measures to Palestinians of the West Bank and Gaza (the absence of this was an anomaly under the earlier arrangements with Israel, Jordan and Egypt).



e. Two important regional fund projects on advanced telecommunications (STAR) and indigenous energy (VALOREN).

f. The implementation of the measures against South Africa on gold coins and investment, on lines entirely consistent with out existing decision on gold coins and our non-legislative approach (for which the decision of the member states explicitly provides) to the investment ban.

The United Kingdom also made a formal statement on its future approach to international commodity agreements.

2. On Syria there was a long and difficult session among Ministers only at which the Foreign and Commonwealth Secretary proposed a number of specific measures which should be agreed there and then. The majority of member states were prepared to act but, as there was not unanimity, the Netherlands suggested that as a measure of Community solidarity member states should withdraw their Ambassadors for consultation on the appropriate action to be agreed by all member states on 10 November. In the end it was decided by 11 member states - Greece dissenting - that they expressed support for the United Kingdom's action; agreed not to accept Syrian diplomats expelled from the United Kingdom (this is an existing obligation); and decided to consult before the Ministerial meeting on 10 November on arms sales, high level visits, activities of Syrian Embassies and security arrangements affecting Syrian Arab Airlines operations. Progress was severely hindered by the absence of six foreign ministers, including those of France, Germany and Italy, whose deputies were unable to take as much responsibility as we wished. The Foreign and Commonwealth Secretary made clear that the result fell far short of what we wanted - and this is strongly reflected in the British press - and that we would want a better response on 10 November.



3. It is possible that the Secretary of State for Trade and Industry may mention the Consumer Affairs Council on 29 October. It is likely that the Council will adopt a resolution committing the Community to give the consumer interest a higher profile in other areas of Community policy. It may also make progress on strengthening a useful system of swift notification between member states of potentially dangerous consumer products; and on a draft directive on consumer credit which is based on the United Kingdom's Consumer Credit Act.

4. There will be an Internal Market Council on 3 November and a Fisheries Council on 5 November.

REA

ROBERT ARMSTRONG

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