

GRS 1000

CONFIDENTIAL  
 FRAME EXTERNAL  
 DESKBY 092100Z FCO  
 DESKBY 100800Z EC POSTS  
 OO STRASBOURG 100800Z  
 FM UKREP BRUSSELS 092005Z APR 82  
 TO IMMEDIATE FCO

678  
see 71  
see 72

ALD 050/598/1		
RECEIVED IN REGISTRY		
DESK OFFICER		REGISTRY
INDEX	PA	Action Taken

TELEGRAM NUMBER 1460 OF 9 APRIL  
 INFO IMMEDIATE BRUSSELS COPENHAGEN THE HAGUE ROME DUBLIN PARIS  
 BONN LUXEMBOURG ATHENS STRASBOURG UKMIS NEW YORK WASHINGTON  
 UKMIS GENEVA UKDEL NATO OTTAWA TOKYO CANBERRA WELLINGTON

COREPER (AMBASSADORS) 9 APRIL: EC/ARGENTINA

## SUMMARY

1. NINE DELEGATIONS ABLE TO ACCEPT A DECISION TO IMPOSE A TOTAL EMBARGO ON IMPORTS FROM ARGENTINA, THE DECISION TO BE EMBODIED IN THE PROPOSED STATEMENT OF THE TEN TOMORROW. ITALY TO GIVE ITS REACTION TOMORROW MORNING. PROBLEMS REMAIN OVER LEGAL FORM OF IMPLEMENTING THE EMBARGO.

## DETAIL

2. WHEN DISCUSSION REPORTED IN MY TELNO 1458 RESUMED LATER THIS EVENING, PRESIDENCY PROPOSED THAT A COMMUNITY DECISION ON AN EMBARGO ON IMPORTS FROM ARGENTINA BE EMBODIED IN THE STATEMENT OF THE TEN TO BE ISSUED ON 10 APRIL (TEXT ALREADY SENT BY COREU). THIS WOULD BE DONE BY ADDING A THIRD SUB-PARAGRAPH TO PARA 4 OF THE PRESIDENCY COREU WHICH WOULD READ:

'ILS PRENDRONT EGLEMENT LES MESURES NECESSAIRES POUR INTERDIRE TOUTE IMPORTATION ORIGINAIRE D'ARGENTINE DANS LA COMMUNAUTE'.

A FURTHER COREU WOULD ISSUE PROPOSING THIS AND THE DEADLINE FOR REPLIED EXTENDED UNTIL 1100Z ON 10 APRIL.

3. SUBSEQUENT TOUR DE TABLE SHOWED THAT, FOLLOWING CONSULTATIONS WITH CAPITALS, EIGHT MEMBER STATES COULD ACCEPT A DECISION IN THESE TERMS. FRANCE AND ITALY WERE URGED TO OBTAIN INSTRUCTIONS IN TIME FOR A FURTHER COREPER AT 1000Z TOMORROW. FRANCE SUBSEQUENTLY TELEPHONED TO SAY THAT IT COULD ACCEPT. IT WAS CLEARLY UNDERSTOOD THAT, IF THE PROPOSED ADDITION WAS NOT ACCEPTED BY ALL, THE POCO STATEMENT WOULD ISSUE IN ITS ORIGINAL FORM BUT THAT DISCUSSIONS ON A TOTAL OR PARTIAL EMBARGO OF IMPORTS FROM ARGENTINA WOULD CONTINUE.

4. COMMISSION SUBSEQUENTLY CIRCULATED THEIR PROPOSAL FOR A COUNCIL REGULATION IMPOSING A COMPLETE EMBARGO ON IMPORTS FROM ARGENTINA (TEXT IN MY FIRST I.F.T. (NOT TO ALL)). I SAID THAT THIS MIGHT POSE PROBLEMS OF ARTICULATION



WITH THE MEASURES WHICH WE HAD ALREADY TAKEN BUT THESE WERE SOLUBLE. I REGARDED THE PROPOSED INITIAL PERIOD OF APPLICATION OF THE EMBARGO OF 15 DAYS AS DERISORY, THOUGH WAS OPEN TO THE IDEA OF A REVIEW AFTER A PERIOD. COMMISSION EXPLAINED THAT THIS WAS TO ENABLE A PROPER DISCUSSION AT THE FIRST REGULAR MEETING OF THE COUNCIL. ITALY SAID THAT SHORT INITIAL PERIOD MAKE IT EASIER FOR ITALIAN GOVERNMENT TO ACCEPT THE PROPOSED DECLARATION (PARA 2 ABOVE). RIBERHOLT (DENMARK) SAID THAT HE HAD CONSULTED OLESEN ON THE TELEPHONE ON THE PROPOSED "THREE TIER" LEGAL JUSTIFICATION FOR COMMUNITY MEASURES AND HIS FIRST REACTION HAD BEEN NEGATIVE. PRESIDENCY PROPOSED THAT TEXT BE TRANSMITTED TO CAPITALS AND CONSIDERED BY COREPER ON 14 APRIL. IT SHOULD NOT GET CONFUSED WITH DISCUSSION OF THE PROPOSED STATEMENT.

5. FINALLY COMMISSION CIRCULATED NEW CONSIDERANTS (TEXT IN MY SECOND IFT (NOT TO ALL)) FOR GSP REGULATIONS.

COMMENT

6. WE HAVE NOT YET REACHED AGREEMENT EITHER ON THE SUBSTANCE OF THE SANCTIONS, OR ON THE FORM THEY WILL BE GIVEN.

7. WHEN THE DISCUSSION - WHICH LOOKED AS IF IT WAS HEADING FOR STALEMATE - THREW UP THE IDEA OF USING COMMUNITY TRADE MEASURES INSIDE A DECISION TAKEN BY THE MEMBER STATES IN THE COURSE OF THEIR ART 224 CONSULTATIONS IT ALSO OPENED THE WAY TO UNCOUPLING THE DECISION TO MOUNT A TRADE EMBARGO FROM THE MEANS OF DOING IT. THIS LEFT ONLY THE ITALIANS UNABLE TO JOIN IN A CONSENSUS TONIGHT.

8. BUT WE ARE STILL NOT OUT OF THE WOOD ON THE FORM, SINCE THE DANES SAY THEIR FOREIGN MINISTER WILL NOT ACCEPT THE CITATION OF ART 113 IN ANY FORM. NOBODY WANTED TO TALK THIS OUT TONIGHT, BECAUSE IT COULD BLOW BACK INTO THE PROPOSED ANNOUNCEMENT OF THE IMPORT EMBARGO. ESPECIALLY IF THE ITALIANS WANT TO WEAKEN OR DELAY THAT ANNOUNCEMENT IT MAY COME UP AGAIN TOMORROW AND TODAY'S WORK IN COREPER COULD BE WIPED OUT.

9. IF THAT HAPPENS WE WILL BE BACK TO DEMANDING NATIONAL MEASURES UNDER ART 224 AND NO OTHER COMMUNITY DIMENSION.

10. IN THE DISCUSSION OF THE IMPORT EMBARGO ITALY ENDED ALMOST ALONE. IN THE DISCUSSION OF WITHDRAWING EXPORT CREDIT GUARANTEE FACILITIES THEY ALSO WITHHELD AGREEMENT AND THIS TIME HAD THE BELGIANS WITH THEM. IT SEEMED TO ME BEST TO LEAVE EXPORT CREDIT AS IT STANDS FOR THE MOMENT, STILL BEING EXAMINED BUT A NUMBER OF MEMBER STATES ALREADY CONCLUDING THAT UNDER PRESENT CONDITIONS ON THE ARGENTINE MARKET THERE

CONFIDENTIAL

ARE HARDLY LIKELY TO BE NEW OFFERS OF COVER. SIMILARLY FOR THE BANKS - THERE HAVE BEEN CONSULTATIONS BETWEEN THEM AND A NUMBER OF GOVERNMENTS FROM WHICH THE CONCLUSION IS THAT PRUDENCE ALONE WOULD RULE OUT NEW LENDING.

11. ON THE GSP WE HAVE THE COMMISSION PROPOSAL FOR WHICH WE ASKED AND A CERTAIN AMOUNT OF TIME IS NEEDED TO ACT ON IT, INCLUDING THE CONSULTATION WITH THE EUROPEAN PARLIAMENT. IF A COMPLETE IMPORT EMBARGO IS IMPOSED, ACTION ON GSP WILL BE OF NO PRACTICAL SIGNIFICANCE.

12. IF WE GET THE STATEMENT TOMORROW, I HOPE THAT GIVES US ENOUGH FOR THE NEXT FEW DAYS. I SEE NO PROSPECT OF GETTING MORE.

FCO ADVANCE TO:-

FCO - BRIDGES, EVANS, BULLARD, GIFFORD, HANNAY, CROWE, DEW BAYNE

CAB - GOODENOUGH, COLVIN, WADE-GERY

IDT - NEAL (ITP DIV) CORLEY, GRAY

TSY - CAREY

PMG OFFICE - FULLER, HATFIELD

NICOLL

[ADVANCED AS REQUESTED]

FRAME EXTERNAL

ECD(E)  
S AM D  
EMERGENCY UNIT  
ERD  
TRED  
MAED  
ESID  
SED  
UND

ADDITIONAL DISTRIBUTION

FALKLAND ISLANDS

COPIES TO:

ADVANCE ADDRESSEES

CONFIDENTIAL