

Talk
Non-Tariff
Business

GRS600

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FRAME EXTERNAL

FROM UKREP BRUSSELS 181752Z SEP

TO IMMEDIATE FCO

TELEGRAM NUMBER 2920 OF 18 SEPTEMBER

INFO PRIORITY PARIS MADRID ROUTINE COPENHAGEN THE HAGUE ROME

DUBLIN BONN LUXEMBOURG ATHENS

INFO SAVING BRUSSELS

FOREIGN AFFAIRS COUNCIL, 17/18 SEPTEMBER

ENLARGEMENT: INDUSTRIAL SECTOR TARIFFS

SUMMARY

1. AGREEMENT TO TEXT (IN MIFT) STATING THAT THE COMMUNITY STICKS TO ITS POSITION ON THE GENERAL ABOLITION OF INDUSTRIAL TARIFFS, INCLUDING HIGH TARIFFS, AND THAT THE COMMISSION WILL HOLD EXPLORATORY TALKS WITH SPAIN. CONFIRMED THAT COMMISSION WOULD BASE ITS POSITION IN TALKS ON ITS PROPOSALS.

DETAIL

2. DUMAS (FRANCE) OPPOSED THE PRESIDENCY PROPOSAL THAT THE COMMUNITY SHOULD PRESENT TO THE SPANIARDS A DECLARATION BASED ON THE TEXT IN WD 266(E), ON GROUNDS OF PRINCIPLE (THE TRANSITIONAL PERIOD SHOULD PROTECT THE INTERESTS OF BOTH SIDES IN THE NEGOTIATION) AND OF THE LIKELIHOOD OF PROVOKING SPANISH DEMANDS IN OTHER SECTORS.

3. DAVIGNON (COMMISSION) POINTED OUT THE DANGER OF MOVING AWAY FROM THE COMMUNITY POSITION AGREED IN JUNE. THERE WAS NO REASON FOR THE COMMUNITY TO CHANGE ITS VIEW NOW: AND THE COMMISSION SUPPORTED THE TEXT. THE COMMISSION WOULD NOT PROPOSE MODIFICATIONS, SO ANY CHANGES WOULD HAVE TO BE ADOPTED UNANIMOUSLY BY THE COUNCIL. DUMAS ARGUED THAT THE COMMISSION DOCUMENT WENT FURTHER THAN THE COMMUNITY POSITION IN JUNE. YOU EMPHASISED THE POLITICAL AND ECONOMIC IMPORTANCE OF THIS QUESTION TO THE UK, AND MADE IT CLEAR THAT A DECISION TO APPROVE THE DOCUMENT, AS PROPOSED BY THE PRESIDENCY, WAS ESSENTIAL FOR UK ACCEPTANCE OF THE PACKAGE.

4. DUMAS THEN ACCEPTED A SUGGESTION BY DAVIGNON THAT THE COMMISSION BE GIVEN AN EXPLORATORY MANDATE. DAVIGNON COMMENTED THAT WHILE THIS MIGHT RAISE SOME PRESENTATIONAL PROBLEMS WITH THE SPANIARDS, IT WAS UNLIKELY TO ENTAIL SUBSTANTIAL LOSS OF TIME. THE COMMISSION WOULD HAVE TO WORK ON THE BASIS OF CLEAR GUIDELINES SO AS TO AVOID ERODING THE COMMUNITY POSITION.

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5. IN DISCUSSION OF A PRESIDENCY DRAFT, YOU DREW ATTENTION TO THE NEED TO AVOID ANY EROSION OF A POSITION ON WHICH THERE WAS CLEAR AGREEMENT BY ALL MEMBER STATES EXCEPT FRANCE. THE COMMISSION MUST OPERATE ON THE BASIS OF THE SPECIFIC PROPOSALS ON THE TABLE. YOU REAFFIRMED THE IMPORTANCE TO THE UK OF RESOLVING THE PROBLEM OF HIGH TARIFFS AT AN EARLY STAGE. THE COMMUNITY ITSELF WAS COMMITTED TO DOING THIS, AS A RESULT OF THE FRENCH PRESIDENCY'S EFFORTS.

6. ANDREOTTI (ITALY) COMMENTED THAT THE PRESIDENCY'S ORIGINAL FORMULA WAS BEST. THE LIST SHOULD IDEALLY BE AGREED BEFORE IT WAS PUT TO SPAIN. BUT HE HAD NO DIFFICULTY WITH THE COMPROMISE PROPOSED.

7. A PRESIDENCY TEXT WAS CIRCULATED LATER, AND ADOPTED WITH MINOR AMENDMENTS (TEXT IN MIFT). IN RESPONSE TO YOUR QUESTION, NATALI CONFIRMED THAT THE COMMISSION WOULD TAKE AS ITS STARTING POINT FOR THE DISCUSSION WITH SPAIN THE DRAFT STATEMENT IN WD 26(E).

8. MOEHLER (COMMISSION) SUBSEQUENTLY DISCUSSED THE HANDLING OF THE EXPLORATORY TALKS WITH US PRIVATELY. THE FIRST SPANISH REACTION WAS TO HIDE BEHIND THE ABSENCE OF A FORMAL COMMUNITY POSITION AND TO LINK THE HIGH TARIFFS WITH THE GENERAL MODALITIES OF TARIFF DISMANTLEMENT. MOEHLER FEARED THAT HE WOULD NOT GET FAR WITH SPAIN WITHOUT THE ADOPTION OF THE DECLARATION BY THE COUNCIL AND WOULD HAVE TO REPORT IN THIS SENSE TO THE 1/2 OCTOBER COUNCIL. WE AGREED THAT ADOPTION OF THE DECLARATION REMAINED OUR PRIORITY. MEANWHILE WE RELIED ON THE COMMISSION TO MAKE WHAT PROGRESS THEY COULD.

FCO ADVANCE TO:

FCO - PS/SOS PS/MOS PS/PUS RENWICK CROWE MISS EVANS ECDE

CAB - WILLIAMSON LAMBERT

DTI - BROTHERTON LACKEY ECIP WILLIAMS PS/MFT

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