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GPS 370

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DESKBY 051600Z

FM BONN 051645Z MAY 82

TO IMMEDIATE FCO

TELEGRAM NUMBER 409 OF 05 MAY

INFO ROUTINE DUBLIN PARIS ROME LUXEMBOURG COPENHAGEN THE HAGUE

UKREP BRUSSELS EMBASSY BRUSSELS AND ATHENS

YOUR TELEGRAM NUMBER 96 TO UKREP BRUSSELS AND MIPT: RENEWAL OF EC IMPORT BAN

- 1. RENEWAL OF COMMUNITY SANCTIONS AGAINST ARGENTINA WAS NOT DISCUSSED AT TODAY'S CABINET MEETING. AT VILLERS-LE-TEMPLE GENSCHER MAY ARGUE THAT HE IS NOT ABLE TO COMMIT THE FEDERAL GOVERNMENT.
- 2. AS REPORTED IN MIPT, RECENT EVENTS HAVE MADE THE GERMANS INCREASINGLY INCLINED TO ARGUE THAT OUR USE OF FORCE IS DISPROPORTIONATE TO THE ISSUE AND THAT GERMAN SUPPORT FOR THE UK HAD BEEN FOR ECONOMIC SANCTIONS NOT FOR A SHOOTING WAR, EVEN THOUGH THEY MAY INTELLECTUALLY ACCEPT THAT FORCE IS A LOGICAL RESULT OF OUR MILITARY EFFORT, OF WHICH THEY WERE AWARE. THE ARGUMENT THAT ECONOMIC PRESSURE REDUCES THE NEED FOR MILITARY ACTION FINDS SLIGHTLY LESS SUPPORT NOW. MUCH WILL DEFEND UPON DIPLOMATIC AND MILITARY DEVELOPMENTS IN THE MEANTIME BUT THE RENEWAL OF SANCTIONS MAY WELL POSE POLITICAL DIFFICULTIES HERE.
- 3. THE GERMAN GOVERNMENT WILL WANT TO SHOW THAT THEY HAVE MADE MAXIMUM USE OF THE LEVERAGE OFFERED BY THE NEED TO RENEW SANCTIONS TO URGE MODERATION. THEY WILL ALSO ARGUE THAT THEY MUST KNOW WHAT IT IS THAT THEY ARE SUPPORTING, THAT THEY MUST BE TAKEN MORE INTO OUR CONFIDENCE. CHANCELLOR SCHMIDT IS QUOTED IN THE LATEST EDITION OF SPIEGEL AS SAYING THAT THE GERMANS HAD NOT GIVEN US A BLANK CHEQUE. OUR EVIDENCE SUGGESTS THAT THIS IS INDEED THE CHANCELLOR'S VIEW (MY TELNO 398 NOT TO ALL).



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- 4. NEVERTHELESS I BELIEVE THAT THE GERMANS WILL AGREE TO RENEW THE SANCTIONS. THEY WILL DO SO NOT ONLY OUT OF POLITICAL SOLIDARITY WITH US AND BELIEF IN THE RIGHTNESS OF OUR CAUSE BUT ALSO IN ORDER TO AVOID A DISPLAY OF COMMUNITY DISUNITY. THE LATTER FACTOR COULD WORK AGAINST US IF A MAJORITY OF OUR PARTNERS OPPOSED RENEWAL. THE ATTITUDE OF THE FRENCH IS LIKELY TO BE CRUCIAL. BUT IF WE CAN BRING THE GERMANS DOWN ON THE RIGHT SIDE OF THE FENCE IT MIGHT ULTIMATELY EVEN BE POSSIBLE TO PERSUADE THEM NOT MERELY TO OVERCOME THEIR OWN RESERVATIONS BUT ALSO TO ARGUE THE CASE FOR COMMUNITY SOLIDARITY WITH EG THE IRSH AND THE ITALIANS.
- GENSCHER WILL INEVITABLY PLAY A KEY ROLE HERE: I HOPE THAT YOU WILL BE ABLE TO FIND TIME FOR A PRIVATE DISCUSSION WITH HIM ON 6/9 MAY.

TAYLOR

PCO

ECD (E)

CABINET OFFICE

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