

ALQ 0507598/1		
RECEIVED IN REGISTRY		
DESK OFFICER	PA	REGISTRY
INDEX		action taken

ACTION

OO FCO

GPS 1000

CONFIDENTIAL

FM UKREP BRUSSELS 151244Z MAY 82

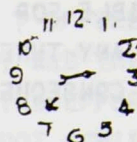
TO IMMEDIATE FCO

TELNO 1961 OF 15 MAY

75 MAY 1982

MY TELNO 1958

58



THE COMMUNITY CRISIS

1. MR JACKSON AND I HAD AN HOUR WITH TINDEMANS THIS MORNING OUTSIDE THE CABINET ROOM. HE WAS OCCASIONALLY DISTRACTED BY MINISTERS AND OFFICIALS COMING OUT TO CONSULT HIM.

FALKLANDS EMBARGO

2. I OPENED BY SAYING THAT YOU AND MR CHEYSSON HAD AGREED YESTERDAY THAT IT WAS ESSENTIAL TO HAVE A MINISTERIAL MEETING TOMORROW AND NOT TO PUSH THE ISSUE TOO HARD AT OFFICIAL LEVEL THIS EVENING. TINDEMANS HAD HAD GENSCHER AND COLOMBO ON THE TELEPHONE, BOTH REFUSING TO COME AND GENSCHER PROPOSING A MEETING IN BRUSSELS ON TUESDAY. COLOMBO SEEMED TO BE IN SUCH AN EXCRUCIATINGLY DIFFICULT POSITION THAT HE DID NOT WANT TO MEET HIS COLLEAGUES. I SAID THAT A TUESDAY MEETING WOULD BE VERY BAD. THE MEASURES EXPIRED ON MONDAY EVENING. WORLD PRESS SPECULATION ABOUT THE DIFFICULTIES WOULD BUILD UP. THE ARGENTINIANS WOULD CONTINUE TO MAKE MALICIOUS PROPAGANDA ABOUT THE STATE OF THE NEGOTIATIONS IN NEW YORK AND TO PUT PRESSURE ON THE ITALIANS AND OTHERS. THE MEETING COULD NOT BE ON MONDAY BECAUSE THE IRISH COULD NOT BE ASKED TO APPEAR IN THE MIDDLE OF THE NATO MEETING. AS I UNDERSTAND IT, THE GERMANS WERE NOT IN DIFFICULTIES AND GENSCHER COULD THEREFORE BE REPRESENTED. BUT OBVIOUSLY COLOMBO NEEDED TO BE PERSUADED TO COME. TINDEMANS AGREED AND SAID HE WAS DOING HIS BEST.

3. TINDEMANS SEEMED ALSO TO BE WORRIED ABOUT THE DANES. I SAID THAT THEIR DIFFICULTY WAS ABOUT THE USE OF ARTICLE 113. THEY MIGHT BE GIVEN ENOUGH TO COPE WITH THEIR PARLIAMENTARY DIFFICULTIES IF THE COUNCIL WERE TO DECIDE THAT THE EMBARGO BE EXTENDED UNDER

ARTICLE 113 AND THAT MEANWHILE AN URGENT STUDY SHOULD BE MADE OF THE POSSIBILITY OF MOVING TO ARTICLE 224. BUT THIS IDEA WOULD REINFORCE THE ALREADY VERY STRONG CASE FOR A MONTH'S EXTENSION. ARTICLE 224 WAS PROBABLY IMPRACTICAL IN ANY EVENT, BUT THERE WAS NO CHANCE WHATEVER OF MOVING TO IT IN UNDER A MONTH. I AM NOT SURE WHETHER TINDEMANS GOT THIS POINT.

LUXEMBOURG COMPROMISE

4. I SAID THAT IT WAS IMPOSSIBLE TO EXAGGERATE THE SERIOUSNESS OF THE SITUATION IF THE OTHER MEMBERS OF THE COMMUNITY MOVED TO A VOTE. THEY WOULD BE PUTTING US UP AGAINST A WALL. IT WOULD BE POLITICALLY IMPOSSIBLE FOR US NOT TO REACT VERY STRONGLY INDEED. WE WERE NOT MAKING ANY THREATS. BUT WE MUST ASK OUR PARTNERS TO EXAMINE THE LIKELY CONSEQUENCES.

5. FURTHERMORE THIS WAS A MAJOR INSTITUTIONAL QUESTION FOR THE COMMUNITY. WE RESPECTED THE VIEWS OF THOSE WHO HAD NOT LIKED THE LUXEMBOURG COMPROMISE, BUT THE COMMUNITY HAD OPERATED ON THE BASIS OF IT FOR 16 YEARS. THE RULES COULD NOT BE CHANGED IN THE MIDDLE OF THE GAME WITHOUT THE CONSENT OF ALL CONCERNED, ESPECIALLY WHEN THOSE RULES WERE UNDER ACTIVE DISCUSSION ALREADY IN THE GENSCHER/COLOMBO FRAMEWORK. THIS INSTITUTIONAL QUESTION WAS A MATTER FOR THE FOREIGN MINISTERS COUNCIL AND IT WAS THE PRESIDENCY'S RESPONSIBILITY TO ENSURE THAT A DISCUSSION TOOK PLACE IN THAT COUNCIL BEFORE ANY VOTE WAS TAKEN IN THE AGRICULTURE COUNCIL.

6. TINDEMANS SEEMED TO NOD ASSENT TO THIS POINT. BUT WENT ON TO SAY THAT THERE WAS A CLASH OF VERY IMPORTANT INTERESTS. THE NINE'S VERY IMPORTANT INTEREST WAS THAT THE PRICES PACKAGE SHOULD BE AGREED, EVEN IF OURS WAS THE CONTRARY. WHAT SHOULD HAPPEN? I SAID THAT THE PRACTISE OF THE LAST 16 YEARS SHOULD BE FOLLOWED AND THE DISCUSSION SHOULD CONTINUE URGENTLY TO REACH AGREEMENT. TINDEMANS SAID THAT CHEYSSON HAD JUST TELEPHONED TO SAY THAT HE WAS READY TO VOTE ON MONDAY ON EACH REGULATION INDIVIDUALLY. THE PRESIDENCY SHOULD PROCEED IN THIS WAY. I REHEARSED THE REASONS WHY THIS WOULD BE UNACCEPTABLE TO US AND ADDED THAT CHEYSSON HAD CONFIRMED YESTERDAY TO YOU THAT THE FRENCH POSITION ON THE GENSCHER/COLOMBO TEXT ON MAJORITY VOTING WAS THE SAME AS OURS. THE LUXEMBOURG COMPROMISE COULD NOT BE PRESERVED FOR FRANCE BUT NOT FOR THE UNITED KINGDOM? HE AND THYSDAERT PREVARICATED. I SAID THAT EITHER THE FOREIGN MINISTERS MUST DECIDE THAT THE COMPROMISE NO LONGER APPLIED TO ANYONE OR AS WE WISHED THAT IT APPLIED TO ALL, PERHAPS AS SUGGESTED IN THE GENSCHER/COLOMBO

TEXT. BUT THE MATTER MUST BE DISCUSSED IN THE FOREIGN MINISTERS COUNCIL BEFORE ANY VOTE COULD BE TAKEN IN THE AGRICULTURE COUNCIL.

MANDATE

7. TINDEMANS HAD READ YOUR LETTER. HE HAD NO IDEA ABOUT HOW TO PROCEED. HE CLAIMED TO HAVE TRIED TO MAKE A PROPOSAL AT VILLER-LE-TEMPLE FOR 850 MECUS BUT TO HAVE BEEN REJECTED ALL ROUND AND SUPERCEDED BY THORN'S 800 MECUS WITH WHOM HE HAD NOT AGREED. HE WAS OBVIOUSLY TOUCHED BY THE CRITICISM THAT THERE HAD NOT BEEN A PRESIDENCY COMPROMISE PROPOSAL.

8. I DREW HIS ATTENTION TO PARAGRAPH 7 OF THE CONCLUSIONS OF 30 MAY, SAYING THAT IF THE PRESIDENCY AND THE COMMISSION AND OTHER MEMBER GOVERNMENTS NOW THOUGHT THAT THE EFFORT TO RESOLVE THE PROBLEM BY STRUCTURAL CHANGES COULD NOT ACHIEVE SUCCESS FOR 1982, THE AGREED COURSE OF ACTION WAS FOR THE COMMISSION TO MAKE PROPOSALS ALONG THE LINES OF 1980 AND 1981. THYSBAERT SAID THAT COULD MEAN ANY NUMBER OF THINGS. I TOOK HIM THROUGH PARAGRAPHS 1, 2 AND 4. HE SAID WHAT ABOUT THE OVER-PAYMENT. I SAID THAT IF THE COMMISSION FELT IT RIGHT TO PROPOSE A DOWNWARD RISK SHARING FORMULA, I THOUGHT THAT WE OUGHT TO BE ABLE TO AGREE. HE SAID THAT SOMETHING SHOULD BE KNOCKED OFF. I SAID THAT THE COMMISSION SHOULD MAKE A PROPOSAL STRICTLY ALONG THE LINES OF 1980/81. IT WOULD BE FOR MEMBER GOVERNMENTS TO DECIDE IF THEY WANTED TO RAISE THE OVER-PAYMENT QUESTION. THYSBAERT ASKED WHETHER THAT WOULD BE THE END OF THE MANDATE DISCUSSIONS. I SAID OF COURSE NOT. WE VERY MUCH WELCOMED WHAT TINDEMANS AND THORN HAD SAID ABOUT REACHING AGREEMENT ON THE MANDATE BY THE END OF THE YEAR.

9. TINDEMANS WRUNG HIS HANDS AT THE IDEA OF THE DELAY INVOLVED. AGRICULTURE PRICES COULD NOT WAIT. I SAID THAT HE AS PRESIDENT MIGHT WANT TO SAY AT THE END OF THE FALKLANDS ISLAND DISCUSSION TOMORROW, IF IT TOOK PLACE, THAT THE TIME HAD COME TO IMPLEMENT THE AGREEMENT ABOUT THE THIRD YEAR UNDER THE 30 MAY MANDATE AND THEREFORE FOR THE COMMISSION TO MAKE URGENT PROPOSALS ON WHICH THE COUNCIL COULD ACT. I WAS READY TO NEGOTIATE AT ANY TIME, ON MONDAY MORNING IF OTHERS WERE. BUT REALISTICALLY I THOUGHT IT WOULD BE DIFFICULT FOR OTHERS TO GET INSTRUCTIONS BEFORE WEDNESDAY. EVEN THIS WOULD ALLOW A DECISION TO BE TAKEN ON 24 MAY AFTER PREPARATION IN COREPER ON 19 MAY. WE WOULD CERTAINLY BE READY TO GO FASTER IF OTHERS WERE, ON THE BASIS OF A PROPOSAL GENUINELY ALONG THE LINES OF PARAGRAPHS 1 TO 4 INCLUDING THE ESSENTIAL ELEMENT OF RISK SHARING.

10. TINDEMANS SHOWED HIS USUAL TENDENCY TO WANT TO GET PEOPLE TO AGREE BEFORE THE DISCUSSION HAD TAKEN PLACE. I URGED THAT THE COMMISSION HAD A DUTY TO MAKE PROPOSALS AND THAT THEY COULD THEN BE DISCUSSED VERY RAPIDLY INDEED.

COMMENT

11. APART FROM HIS FULL COOPERATION IN TRYING TO CALL A MEETING ON THE FALKLANDS' EMBARGO TOMORROW, TINDEMANS GAVE NO COMMITMENT. BUT I THINK I MADE SOME IMPRESSION ON HIM WHEN I SAID THAT THE PROCEDURE WE HAD BEEN DISCUSSING SEEMED TO ME TO BE THE ONLY WAY IN WHICH THE MUCH WORSE CONSEQUENCES OF A MAJOR CRISIS COULD BE AVOIDED. HE WILL BE SEEING THORN AND DAVIGNON AT 7.00 PM AND WE WILL HEAR FURTHER IN THE LIGHT OF THAT.

12. I HAVE PUT TUGENDHAT IN THE PICTURE AND URGED HIM TO GET IN ON THE DISCUSSIONS WHICH WE KNOW ARE GOING ON IN THE COMMISSION.

BUTLER

NNNN

1630 NN

A19 050/59871		
RECEIVED IN REGISTRY		
DESK OFFICER		REGISTRY
INDEX	PA	Action taken
		cc PS

PS/PUS

Mr Hannay
ECD(E)
WED

Ring David Hannay
(994. 7004) and
give him gist of (30)
Rome 263 & para
3 below. And
UK Rep Brussels
1961 (below)

RENEWAL OF EC IMPORT BAN

1. Mr Butler telephoned from Brussels at 1 pm on Saturday 15 May. Referring to a telegram of instruction from the FCO (presumably FCO telno 430 to UKREP Brussels attached), Mr Butler said that he had seen Tindemans during the morning to ask that arrangements be made for a fallback Ministerial meeting on Sunday afternoon 16 May, in Luxembourg. It was his assumption that a decision would not emerge from the Political Committee meeting on 15 May.

2. Tindemans had responded positively. Genscher would certainly not attend a meeting on 16 May, but as he would be represented and the FRG would not raise objections, his absence would not be critical. Tindemans thought that Colombo was showing reluctance to attend. Given Italian nervousness over renewal, his absence would certainly prejudice the value of a meeting.

3. Mr Butler said that Tindemans had asked that the UK should do what it could to persuade Colombo to attend a meeting. In view of Rome telno 263 which reports action already taken with the Italians on the morning of 15 May, I sent no instructions to Rome. I spoke instead to Mr Arculus on the telephone. He thought that there was nothing more to be done until the outcome of the Political Committee meeting in Brussels was known. He would then be ready to speak again to the Italians to urge Colombo to attend a Ministerial meeting on 16 May.

A J Payne

A J Payne
Emergency Unit

15 May 1982