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TO IMMEDIATE LUXEMBOURG

TELEGRAM NUMBER 56 OF 18 MAY

INFO IMMEDIATE WASHINGTON, UKMIS NEW YORK, OTTAWA, CANBERRA, WELLINGTON, OSLO, UKDEL NATO, EC POSTS.

FALKLANDS : EUROPEAN COMMUNITY EMBARGO

SUMMARY

1. AFTER THREE AND A HALF HOURS OF DISCUSSIONS IN THE MARGINS OF THE NATO FOREIGN MINISTERS MEETING IN LUXEMBOURG ON 17 MAY, FOREIGN MINISTERS OF THE TEN AGREED ON THE FOLLOWING ARRANGEMENTS WHICH TAKEN TOGETHER ENSURE THAT THE EMBARGO ON IMPORTS OF ARGENTINE GOODS INTO COMMUNITY COUNTRIES WILL CONTINUE UNTIL 24 MAY INCLUSIVE:

(A) THE COMMUNITY REGULATION OF 16 APRIL WILL BE EXTENDED FOR 7 DAYS AND 7 MEMBER STATES WILL CONTINUE TO APPLY IT:

(B) ITALY AND IRELAND, ACTING ON THE BASIS OF ARTICLE 224 OF THE TREATY OF ROME, WILL NOT CONTINUE TO APPLY THIS REGULATION, BUT WILL URGENTLY CONSULT THE COMMISSION UNDER ARTICLE 225 IN ORDER TO PREVENT MARKET DISTORTION:

(C) DENMARK WILL CONTINUE TO APPLY THE COMMUNITY REGULATION OF 16 APRIL PENDING THE INTRODUCTION OF EQUIVALENT DANISH NATIONAL MEASURES UNDER ARTICLE 224.

DETAIL

2. FOR THE UK, I DESCRIBED THE SITUATION AS I HAD EARLIER TO NATO COLLEAGUES. THIS WEEK WOULD BE CRUCIAL FOR THE SUCCESS OR FAILURE OF THE UN SECRETARY GENERAL'S EFFORTS. FAILURE TO EXTEND THE EMBARGO WOULD ONLY REDUCE THE CHANCES FOR THE PEACEFUL SOLUTION WHICH BRITAIN HOPED FOR NO LESS THAN THE REST OF THE TEN.

3. CHEYSSON (FRANCE) SPOKE STRONGLY IN SUPPORT. THE REASONS WHICH HAD LED THE TEN TO IMPOSE SANCTIONS AGAINST ARGENTINA WERE NO LESS VALID THAN A MONTH AGO. TO LIFT THEM NOW WOULD (A)

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IMPLY THAT THEY SHOULD NOT HAVE BEEN IMPOSED, (B) LEAD OTHERS TO FOLLOW SUIT, (C) RISK CAUSING THE NEGOTIATIONS IN NEW YORK TO FAIL BY ALTERING A KEY PARAMETER AT A KEY MOMENT. CHEYSSON WAS GLAD THAT FRANCE WAS NOT ONE OF THE COUNTRIES WHICH WAS EVEN HESITATING OVER WHETHER TO EXTEND THE EMBARGO.

4. GENSCHER (FRG) CONFINED HIMSELF TO SUBSCRIBING TO EVERYTHING THAT CHEYSSON HAD SAID.

5. VAN DER STOEL (NETHERLANDS) TOO WAS BRIEF: TO LIFT THE EMBARGO NOW WOULD UNDERMINE THE CHANCE OF THE NEGOTIATIONS SUCCEEDING AND THE CONSEQUENCES COULD BE VERY GRAVE.

6. HARALAMBOPOULOS (GREECE) UNRESERVEDLY ASSOCIATED HIMSELF WITH CHEYSSON'S REMARKS. BOTH PRINCIPLE AND CONSISTENCY REQUIRED THE EMBARGO TO BE EXTENDED FOR THE SAME REASONS AS HAD LED TO ITS IMPOSITION.

7. COLLINS (IRELAND) SAID HIS INSTRUCTIONS WERE TO TELEPHONE DUBLIN WHEN HE GOT A FEEL OF THE MEETING, AND THIS WAS WHAT HE PROPOSED TO DO.

8. THUYSAERT (BELGIUM) ADDED COMMUNITY SOLIDARITY TO THE REASONS ALREADY GIVEN FOR EXTENDING THE EMBARGO.

9. MME FLESCH (LUXEMBOURG) ALSO CONCURRED.

10. OLESEN (DENMARK) RECALLED THAT DENMARK DREW A SHARP DISTINCTION BETWEEN TREATY AND NON-TREATY ACTIVITIES. THEY WERE IN FAVOUR OF EXTENDING THE EMBARGO, BUT THE RIGHT WAY TO DO THIS WAS BY A DECISION IN POLITICAL COOPERATION (WHICH COULD BE TAKEN AT ONCE IF THERE WAS A CONSENSUS) FOLLOWED BY NATIONAL ACTION UNDER ARTICLE 224, NOT COMMUNITY ACTION UNDER ARTICLE 113. DENMARK'S AGREEMENT TO THE USE OF ARTICLE 113 LAST TIME HAD BEEN EXCEPTIONAL AND COULD NOT BE REPEATED. THIS WAS NOT A LEGALISTIC QUIBBLE BUT A CONSIDERED POSITION BASED ON LONG DISCUSSIONS IN THE DANISH GOVERNMENT AND PARLIAMENT.

11. COLOMBO, AFTER A STIRRING PREAMBLE, SAID THAT HE WAS NOT IN A POSITION TO ENDORSE THE EXTENSION OF THE EMBARGO: IT HAD CAUSED GREAT CRITICISM AND DISQUIET, NOT LEAST BECAUSE A LARGE PART OF THE ARGENTINE POPULATION WAS OF ITALIAN ORIGIN.

12. AFTER THIS FIRST TOUR DE TABLE, DISCUSSION DEVELOPED ROUND THE QUESTION HOW TO GIVE EFFECT TO THE CLEAR MAJORITY WISH TO

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CONTINUE THE EMBARGO WHILE SOMEHOW TAKING ACCOUNT OF THE DANISH, ITALIAN AND IF NECESSARY IRISH SPECIAL POSITIONS. COLLINS REPEATED AT INTERVALS THAT UNTIL HE HAD TELEPHONED DUBLIN THERE WAS NO IRISH POSITION. TINDEMANS (PRESIDENCY) GAVE A STRONG BUT NOT ALWAYS WELL-JUDGED LEAD.

13. IT WAS THORN (COMMISSION) WHO PRODUCED THE IDEA OF A SHORT EXTENSION IN ORDER TO PREVENT A LEGAL VOID AND ALLOW TIME FOR DENMARK AND OTHERS TO SWITCH FROM COMMUNITY TO NATIONAL MEASURES. CHEYSSON LATCHED ON TO THIS ON THE GROUNDS THAT THE UN SECRETARY GENERAL HIMSELF HAD SAID THAT HIS INITIATIVE WOULD BE LIKELY TO COME TO AN END ONE WAY OR ANOTHER IN THE NEXT FEW DAYS. ORIGINALLY AN EXTENSION OF 6 DAYS WAS MENTIONED, BUT THIS WAS LENGTHENED TO 7 AFTER IT HAD BEEN POINTED OUT THAT FOREIGN MINISTERS OF THE TEN WOULD BE MEETING AGAIN ANYWAY ON 24 MAY. COLOMBO CAME UNDER STRONG PRESSURE, WHICH EVIDENTLY CAUSED HIM SOME DISTRESS: HE RESPONDED THAT HIS OWN RECORD ON EUROPEAN SOLIDARITY SPOKE FOR ITSELF AND THAT THIS WAS NOT THE ONLY ISSUE WHERE THE COMMUNITY'S IMAGE WAS IN DANGER OF DAMAGE.

14. AT ONE POINT TINDEMANS PROPOSED THAT THE MATTER BE PUT TO THE VOTE, BUT OLESEN MAINTAINED THAT THIS WAS A MEETING IN POLITICAL COOPERATION WHERE THE RULE OF CONSENSUS MUST APPLY. GENSCHER THEN SUGGESTED THAT THE MEETING TRANSFORM ITSELF INTO A COUNCIL SO AS TO PERMIT A VOTE TO BE TAKEN, BUT THIS TOO WAS PREVENTED BY OLESEN'S INSISTENCE THAT IT WOULD REQUIRE A UNANIMOUS DECISION TO MOVE INTO THE COUNCIL FORMAT.

15. THORN REFINED HIS PROPOSAL BY INTRODUCING THE REFERENCE TO ARTICLE 225. THERE WAS THEN AN ADJOURNMENT OF 90 MINUTES FOR CONSULTATION WITH CAPITALS.

16. WHEN THE MEETING RESUMED, COLOMBO SAID THAT ITALY COULD ACCEPT THORN'S PROPOSAL. COLLINS SAID THAT IRELAND MUST HAVE THE SAME EXEMPTION AS ITALY. BOTH WERE ASKED FOR AND GAVE ASSURANCES THAT EVERYTHING POSSIBLE WOULD BE DONE TO PREVENT ENTRY OF ARGENTINE GOODS. VAN DER STOEL DESCRIBED THE OUTCOME AS A MONSTROSITY AND A CLEAR VIOLATION OF COMMUNITY TRADE POLICY: HE ACCEPTED IT ONLY WITH REGRET.

17. THE MEETING CLOSED TOWARDS MIDNIGHT AFTER A WASPISH

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REFERENCE BY CHEYSSON TO 'THIS BRILLIANT SESSION', AN ASSURANCE FROM COLOMBO THAT INABILITY TO EXTEND THE IMPORT EMBARGO IN NO WAY AFFECTED ITALY'S SOLIDARITY OR THE BAN ON ITALIAN SUPPLIES OF DEFENCE EQUIPMENT TO ARGENTINA, AND A HANDSOME ACKNOWLEDGEMENT BY GENSCHER OF COLOMBO'S PERSONAL QUALITIES AND POLITICAL DIFFICULTIES. I EXPRESSED APPRECIATION OF THE SUPPORT GIVEN TO BRITAIN AND OF TINDEMAN'S CHAIRMANSHIP.

18. AT CHEYSSON'S SUGGESTION IT WAS AGREED TO PRESENT THE OUTCOME ESSENTIALLY AS A DECISION TO EXTEND THE MEASURES ADOPTED A MONTH AGO AND TO PLAY DOWN THE ARGUMENT ABOUT TECHNICALITIES.

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