

CONFIDENTIAL

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FM FCOLN TO LUXEM
021800Z DEC
GRS 372

CP

Do we have to?

CONFIDENTIAL
FM FCO
TO IMMEDIATE LUXEMBOURG
TELNO 187
OF 021800Z DECEMBER 85
INFO IMMEDIATE THE HAGUE, BONN, UKREP BRUSSELS

HRN

3/12.

GR's looking.

FOLLOWING FOR PRIVATE SECRETARY TO FOREIGN SECRETARY

TIN

1. MINISTERS AGREED THIS MORNING THAT THE UK SHOULD VERY SOON MOVE - DURING THE PRESENT MEETING OF THE ITC - TO SUPPORT EFFORTS TO PROMOTE A PRAGMATIC SOLUTION TO THE INTERNATIONAL TIN CRISIS.. SUCH A SOLUTION WOULD HAVE TO INVOLVE AN ELEMENT OF BURDEN-SHARING BETWEEN GOVERNMENTS, CREDITOR BANKS AND LME BROKERS. WE HOPE THAT MEMBERS OF THE TIN COUNCIL WILL ADDRESS SERIOUSLY AND URGENTLY THE FORMULATION OF A PACKAGE WHICH COULD BE PUT TO THE ITC'S CREDITORS.

X 2. PETER GRAHAM, DEPUTY CHAIRMAN OF STANDARD CHARTERED AND LEADER OF THE GROUP OF 16 FINANCIAL INSTITUTIONS OWED MONEY BY THE ITC, HAS TODAY WRITTEN TO THE PRIME MINISTER COMPLAINING ABOUT THE ITC'S FAILURE TO COMPLY WITH ITS 'CLEAR CONTRACTURAL OBLIGATION' AND THE ABSENCE OF MOVES TOWARDS A CONSTRUCTIVE SOLUTION, AND REQUESTING THE PRIME MINISTER IF THERE IS NO MOVEMENT TOWARDS A SOLUTION TO CONSIDER REVOKING OR VARYING IMMUNITY ENJOYED BY THE ITC, ITS MEMBERS, OFFICERS OR OTHERS IN ORDER TO ENABLE CREDITORS 'FULL AND EQUAL ACCESS TO THE ENGLISH COURTS'.

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3. WE SHALL PREPARE A DRAFT REPLY FOR THE PRIME MINISTER. BY WRITING TODAY, GRAHAM HOPES TO ENCOURAGE HMG TO BRING EVERY PRESSURE TO BEAR ON ITS FELLOW ITA MEMBERS, ESPECIALLY THE COMMUNITY. BUT WE ARE BOUND BY THE HEADQUARTERS AGREEMENT BETWEEN THE UK AND THE ITC TO MAINTAIN THE IMMUNITIES SET OUT IN THE AGREEMENT. NOR DO WE CONSIDER THAT THE THREAT OF LEGAL ACTION AND A REUEST TO REVOKE IMMUNITIES WOULD GREATLY IMPRESS OTHER GOVERNMENTS. WE DO NOT RECOMMEND THAT THE SECRETARY OF STATE OR PRIME MINISTER SHOULD MENTION THIS AT THE EUROPEAN COUNCIL.

4. IT MIGHT HOWEVER BE USEFUL IF THE SECRETARY OF STATE COULD URGE HIS DUTCH AND GERMAN COLLEAGUES TO INSTRUCT THEIR PEOPLE IN THE ITC TO CONTRIBUTE POSITIVELY TO THE SEARCH FOR A PRAGMATIC SOLUTION. THE RESERVATIONS THEIR REPRESENTATIONS EXPRESSED TODAY ON THIS POINT EFFECTIVELY INHIBITED THE COMMISSION FROM ADVANCING PROPOSALS TO THIS END.

HOWE

INTERNATIONAL TIN AGREEMENT

FRAME EXTERNAL

ERD
SEAD
SAMD
PUSD
WAD
CAFD
LEGAL ADVISERS
FED
SAD
NAD
UND

SIR W HARDING
MR DAVID THOMAS

COPIES TO :

MR M LUNN (MM)	DTI	ASHDOWN HSE
MR J DENISON CROSS	"	"
MR K HALL (MM)	"	"
MR T VENESS ITP2	DTI	1 VICTORIA ST
MR R TAYLOR ITP2	"	"
MR BRIAN MURRAY	"	"
MR R THOMAS,	MAFF	
MR D FRY,	MAFF	
MR MOUNTFIELD,	HM TREASURY	
MR M REDLEY,	HM TREASURY	
MR B GUNN,	BANK OF ENGLAND	

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