

Mr. Norgrove
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DD 200015Z TOKYO
FM FCOLN TO TOKYO
192015Z DEC
GRS 292

Prime Minister 2

DBS
20/12.

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FM FCO
TO DESKBY 200015Z TOKYO
TELNO 602
OF 192015Z DECEMBER 85
INFO ROUTINE UKREP BRUSSELS

mb

YOUR TELNO 914: TIN

1. THERE IS SOME INDICATION THAT THE JAPANESE MAY BE MOVING TOWARDS A RATHER MORE FLEXIBLE POSITION IN THE INTERNATIONAL TIN COUNCIL. AT A MEETING OF CONSUMERS ON 18 DECEMBER, THE JAPANESE REPRESENTATIVE ADMITTED THAT A 'SOFT LANDING' WAS PROBABLY THE BEST AND MOST DESIRABLE OUTCOME, PROVIDED THAT THE VARIOUS CONDITIONS WERE MET. BUT THE JAPANESE WERE UNABLE TO RESPOND TO A PRESENTATION BY THE PRODUCERS MADE DURING THE AFTERNOON SESSION OF THE ITC ON 18 DECEMBER. IN THIS PRESENTATION THE PRODUCERS EXPRESSED READINESS TO AGREE TO THE COUNCIL'S ENTERING INTO NEGOTIATIONS WITH THE BANKS AND BROKERS ON THE EXPRESS UNDERSTANDING THAT ALL DISCUSSIONS WOULD BE WITHOUT PREJUDICE TO LEGAL LIABILITY AND THAT THE OUTCOME WOULD BE REFERRED TO AND CONSIDERED BY GOVERNMENTS. TODAYS SESSION OF THE ITC IS STILL CONTINUEING.

2. PLEASE THEREFORE TELL KUNIHIRO THAT WE WELCOME JAPAN'S RECOGNITION OF THE ADVANTAGES OF A SOFT LANDING. ITA MEMBERS CANNOT TURN THEIR BACKS ON THE TIN COUNCIL'S OBLIGATIONS AND IT IS IN THE INTERESTS OF ALL TO MINIMISE THE DAMAGE BY NEGOTIATING AN ORDERLY SETTLEMENT. YOU SHOULD ALSO DRAW AS

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APPROPRIATE ON PARAGRAPHS 8 AND 9 OF MY TELNO 473 TO UKREPS
BRUSSELS.

3. IF KUNIHIRO ASKS ABOUT THE POSITION OF THE EEC, YOU SHOULD
SAY THAT BECAUSE MEMBERS TAKE DIFFERENT VIEWS OF LEGAL LIABILITIES
IT HAS NOT BEEN POSSIBLE FOR THE COMMUNITY TO AGREE A COMMON LINE.
WE REGRET THIS, BUT BELIEVE THAT COMMUNITY MEMBERS WILL NOT STAND
IN THE WAY OF NEGOTIATIONS BETWEEN THE ITC AND ITS CREDITORS.
THE UK INTENDS TO PLAY AN ACTIVE PART IN THE TIN COUNCIL, IN
COOPERATION WITH LIKE-MINDED DELEGATIONS. WE HOPE THAT JAPAN WILL
BE AMONGST THESE.

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 E LUNN (ME)	DTI	ASHDOWN HSE
MR J DENISON CROSS	"	"
MR K HALL (ME)	"	"
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 E REDLEY, HM TREASURY		
MR B GUNN, BANK OF ENGLAND		
MR M SAUNDERS, LAW OFFICERS DEPT,		
ROYAL COURTS OF JUSTICE, THE STRAND		

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