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Foreign and Commonwealth Office

London SW1A 2AH

7 March 1986

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Dear Charles,

EC/Argentina

Thank you for your letter of 5 March recording the Prime Minister's concern about the forthcoming talks between Argentine Ministers and European Commissioners.

We were equally concerned about this development and had already sent a telegram to UKREP Brussels instructing Sir D Hannay to make the points in your letter. He raised the matter in Coreper on 5 March.

The Commission accepted that the elimination of Argentine discrimination against the UK would be a necessary condition for normalisation of relations between Argentina and the EC. In their answer to a recent question in the European Parliament, they have stated that no new EC/Argentine agreement could be concluded so long as the economic relations between the Member States and Argentina had not been completely normalised. They gave assurances that, while contacts would continue at intervals, nothing would be formalised. Sir David Hannay emphasised the need for continuing consultation with the Member States and stressed the importance of raising the question of discrimination/normalisation at the political as well as the technical level.

Yours ever,

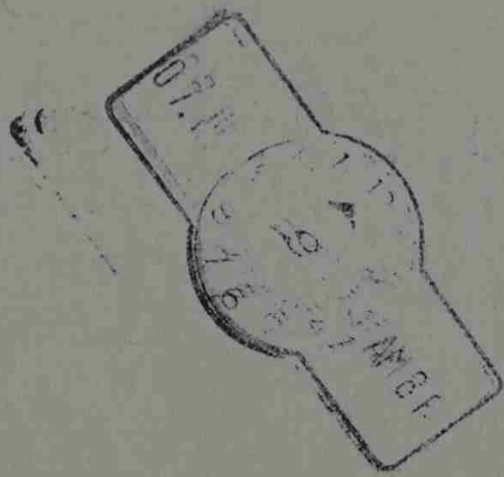
(R N Culshaw)
Private Secretary

C D Powell Esq
PS/10 Downing Street

PS This was raised in Cabinet
yesterday, I believe.

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Ph 16
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10 DOWNING STREET

From the Private Secretary

5 March 1986

ARGENTINA

The Prime Minister has noted UKREP Brussels telegram No. 710 reporting the forthcoming talks between Argentine Ministers and European Commissioners and the apparent intention to regularise meetings at this level.

The Prime Minister takes the view that the Commission has no business to act in this way without consulting Member States in advance and that we should let them know this. There should be no question of institutionalising Ministerial meetings without the authority of the Council. We should also ask that the Commission consult fully with Member States and particularly the United Kingdom about the line they propose to take with Argentine Ministers on 18 and 19 March. The Argentines are unlikely to understand the theological distinction between the Commission representing only themselves and representing the Community.

CHARLES POWELL

Colin Budd Esq.,
Foreign and Commonwealth Office.

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FM UKREP BRUSSELS

TO DESKBY 041200Z FCO

TELNO 710

OF 040930Z MARCH

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Rine Minister

The Commission had no business to do this & should be told so in strong terms. Agree? CDP

FRAME EXTERNAL

EC/ARGENTINA.

SUMMARY

1. THE ARGENTINE FOREIGN MINISTER, ACCOMPANIED BY THE SECRETARY OF STATE FOR INDUSTRY AND TRADE AND THE UNDER-SECRETARY FOR INTERNATIONAL CO-OPERATION, IS COMING TO BRUSSELS FOR TALKS WITH CHEYSSON AND DE CLERCQ ON 18 AND 19 MARCH. THE PRESS REPORT THAT THE COMMISSION AND THE ARGENTINES HAVE AGREED TO HOLD ANNUAL MEETINGS AT COMMISSIONER/MINISTER LEVEL, BUT THE COMMISSION DENY THIS.

2. WE CANNOT STOP THE MEETING TAKING PLACE. BUT WE SHOULD ENSURE THAT THE COMMISSION RAISE NORMALISATION OF ARGENTINE TRADE RELATIONS WITH THE UNITED KINGDOM AND THAT THEY DO NOT INSTITUTIONALISE MINISTERIAL LEVEL MEETINGS WITHOUT DISCUSSION IN THE COUNCIL. I RECOMMEND THAT I BE INSTRUCTED TO SPEAK ACCORDINGLY TO CHEYSSON AND DG I AND TO RAISE THE POINT OVER LUNCH AT COREPER ON 5 MARCH.

DETAIL

3. AGENCE EUROPE, A LOCAL DAILY PRESS BULLETING SPECIALISING IN COMMUNITY NEWS, REPORTED ON FRIDAY AND SATURDAY LAST WEEK THAT THE ARGENTINE FOREIGN MINISTER WILL VISIT THE COMMISSION ON 18 MARCH TO HOLD TALKS WITH DE CLERCQ AND CHEYSSON AND PROBABLY ALSO TO MEET DELORS. THE FRIDAY REPORT, DATED BUENOS AIRES, STATED THAT BOTH PARTIES WERE SEEKING THE MEANS FOR COMPLETE NORMALISATION IN THEIR RELATIONS THAT MIGHT GO AS FAR AS THE CONCLUSION OF A NEW AGREEMENT FOR CO-OPERATION. IT ALSO NOTED ARGENTINA'S COMPLAINTS CONCERNING THE COMMON AGRICULTURAL POLICY. THE SATURDAY REPORT, DATED BRUSSELS, GAVE MORE DETAILS. THE ARGENTINE DELEGATION WOULD INCLUDE, AS WELL AS CAPUTO, THE SECRETARY OF STATE FOR INDUSTRY AND EXTERNAL TRADE, LAVAGNA, AND THE UNDER-SECRETARY FOR INTERNATIONAL CO-OPERATION, YUJNOVSKY. THE CONSULTATIONS WOULD DEAL WITH THE ECONOMIC AND POLITICAL SITUATION OF BOTH PARTIES, INTERNATIONAL QUESTIONS (DEBT, NEW GATT ROUND, ETC), BILATERAL TRADE RELATIONS (WITH PARTICULAR ATTENTION BEING PAID TO PROBLEMS IN TRADE IN CERTAIN AGRICULTURAL PRODUCTS, SUCH AS MEAT AND VEGETABLE OILS), AND CO-OPERATION BETWEEN BOTH PARTIES. THE ARTICLE CLAIMED THAT THIS MEETING WOULD INAUGURATE ANNUAL MEETINGS TO BE HELD AT MINISTERIAL LEVEL BETWEEN THE COMMISSION AND THE ARGENTINE GOVERNMENT AND THAT IT HAD BEEN AGREED THAT THE SECOND OF THESE MINISTERIAL MEETINGS WOULD TAKE PLACE IN BUENOS AIRES AT THE BEGINNING OF 1987.

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4. WE HAVE SPOKEN SEPARATELY TO GIUNTI, HEAD OF THE LATIN AMERICA DIVISION IN DG I AND TO MME VIGNAL IN CHEYSSON'S CABINET. NEITHER HAD SEEN THE REPORTS OR WAS AWARE THAT THE COMMISSION HAD PUBLICISED THE MEETING. THEY CONFIRMED MOST OF THE DETAILS. THE MEETING WOULD TAKE PLACE ON 18 AND 19 MARCH AND WOULD BE LARGELY WITH CHEYSSON. BUT THEY DENIED THAT THERE WAS FORMAL AGREEMENT TO HOLD ANNUAL MEETINGS OR THAT IT HAD BEEN AGREED A SECOND MEETING WOULD TAKE PLACE IN BUENOS AIRES AT THE BEGINNING OF NEXT YEAR. BUT GIUNTI ADDED THAT THE COMMISSION AND THE ARGENTINE GOVERNMENT HAD AGREED TO MEET AT MINISTERIAL/COMMISSIONER LEVEL PERIODICALLY AND HE SUPPOSED THAT A SECOND MEETING WOULD TAKE PLACE, PROBABLY IN ARGENTINA, IN A YEAR'S TIME. GIUNTI RECALLED THAT THE IDEA FOR SUCH MEETINGS HAD BEEN MOOTED DURING HIS TECHNICAL MISSION TO ARGENTINA AND URUGUAY IN MAY LAST YEAR. (BISBA TELEGRAM 359 OF 22 MAY AND THE COMMISSION'S WRITTEN REPORT OF THE TECHNICAL MISSION DATED 14 JUNE BOTH REFER).

5. WE RECALLED THAT SIR M BUTLER HAD RAISED THE OUTCOME OF THE VISIT OF THE COMMISSION'S TECHNICAL MISSION IN COREPER ON 6 JUNE LAST YEAR (UKREP TELNO 2146) AND HAD EXPECTED THAT THE COMMISSION WOULD HAVE DISCUSSED ANY FURTHER MOVES ON RELATIONS WITH ARGENTINA WITH THE MEMBER STATES BEFORE TAKING ANY DECISIONS. BOTH GIUNTI AND MME VIGNAL REPEATED THAT THERE WAS NO FORMAL AGREEMENT OR INSTITUTIONAL FRAMEWORK FOR THESE VISITS. THEY STRESSED THAT THE COMMISSION WOULD ONLY BE REPRESENTING THEMSELVES, NOT THE COMMUNITY. GIUNTI ADDED THAT IT WAS THE COMMISSION'S INTENTION TO INFORM THE MEMBER STATES OF WHAT HAD TAKEN PLACE AFTER THE 18 MARCH MEETING THROUGH THE USUAL ANTICI CHANNEL. REFERRING TO THE REPORTED LIST OF ITEMS ON THE AGENDA, WE ASKED WHETHER THE COMMISSION INTENDED TO RAISE ARGENTINE RESTRICTIONS ON IMPORTS FROM THE UNITED KINGDOM. GIUNTI REPLIED THAT THE COMMISSION WERE NOT INTENDING TO RAISE THIS POINT. BOTH THE COMMISSION AND PRESIDENCY HAD DONE SO IN THE PAST. BUT THEY COULD DO SO IF WE WISHED THEM TO. MME VIGNAL CONFIRMED THIS, BUT ADDED THAT SHE THOUGHT THAT ARGENTINE RESTRICTIONS ON IMPORTS FROM THE UK WOULD BETTER BE HANDLED IN THE MARGINS OF THE MEETING THAN IN PLENARY.

COMMENT

6. WE CANNOT PREVENT THE MEETING FROM TAKING PLACE. BUT WE SHOULD ENSURE THAT THE COMMISSION MAKE THE POINT THAT ACTION BY THE ARGENTINES TO RESTORE MORE NORMAL BILATERAL TRADING RELATIONS WITH THE UNITED KINGDOM WOULD REMOVE AN IMPEDIMENT TO THE DEVELOPMENT OF BROADER EC/ARGENTINE CO-OPERATION. WE SHOULD ALSO REMIND THE COMMISSION THAT IN COREPER ON 6 JUNE LAST YEAR CHEYSSON SAID THAT HE SHARED OUR WISH TO DISCUSS FUTURE STEPS IN DEVELOPING RELATIONS WITH ARGENTINA AND WE SHOULD SEEK ASSURANCES THAT THE COMMISSION WILL NOT INSTITUTIONALISE MEETINGS WITH THE ARGENTINES. I RECOMMEND THAT I SHOULD BE INSTRUCTED TO SPEAK ACCORDINGLY TO CHEYSSON AND TO DG I AND TO RAISE THE MATTER OVER LUNCH AT COREPER ON 5 MARCH. IF YOU WISH ME TO RAISE IT AT THE COREPER LUNCH, PLEASE LET ME KNOW IN TIME TO FOREWARN RUTTEN.

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7. WE SHALL, OF COURSE, NEED A LINE FOR THE PRESS WHEN THE COMMISSION/ARTNETINE MEETING TAKES PLACE.

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FRAME EXTERNAL

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