



Prime Minister.

CONFIDENTIAL

Qz.03539

mf

MR COLES

A.S.C. 13.1

UNITED STATES MEASURES AGAINST SUPPLY OF SPECIAL STEELS FROM THE EUROPEAN COMMUNITY

The Prime Minister is aware from earlier discussions in Cabinet of the United States' restrictions on special steels. I think that you may wish, however, to draw her attention to telegram No. 75 of 12 January from UKREP Brussels which indicates that the Community is now going to notify GATT of its intention to retaliate. The United States has not made a substantial improvement in its offer and the Community's decision is therefore justified.

I am sending copies to Roger Bone (FCO), Callum McCarthy (DTI) and Sir Robert Armstrong.

Df Williamson

D F WILLIAMSON

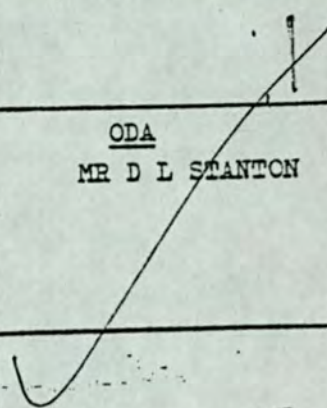
13 January 1984

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PS PS/LADY YOUNG PS/MR RIFKIND SIR J BULLARD SIR C TICKELL MR GIFFARD MR HANNAY	RESIDENT CLERK HD/ECD(E) (3) HD/NEWS DEPT HD/ERD HD/ HD/ HD/	PLUS FCO Mr. WARREN ECD(E)
CABINET OFFICE MR D. WILLIAMSON MR G STAPLETON MISS S J LAMBERT	DTI (Victoria St) MR R GRAY MR GR SUNDERLAND, OT2 MR. R. WILLIAMS MR. HEALEY MR. BOURKE MR. MOGG MR. BENDER	ODA MR D L STANTON
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FM UKREP BRUSSELS 121523Z JAN 84

TO IMMEDIATE FCO

TELEGRAM NUMBER 075 OF 12 JANUARY

INFO PRIORITY UKMIS GENEVA, UKDEL OECD, WASHINGTON

COREPER (AMBASSADORS) : 12 JANUARY

EC/US SPECIAL STEELS

SUMMARY

1. EC TO NOTIFY GATT OF ITS INTENTION TO RETALIATE.

DETAIL

2. IN A BRIEF REPORT LUYTEN (COMMISSION) SAID THAT THE U S HAD NOT MET THE CONDITION LAID DOWN BY THE NOVEMBER FAC OF A SUBSTANTIAL IMPROVEMENT IN THE U S OFFER. THE COMMISSION THEREFORE SAW NO OPTION BUT TO NOTIFY THE GATT OF THE EC'S INTENTION TO RETALIATE. THIS WOULD BE DONE TOMORROW EVENING 13 JANUARY. THE NECESSARY IMPLEMENTING REGULATIONS WOULD HAVE TO BE AGREED BY THE COUNCIL BY MID-FEBRUARY FOR RETALIATION TO TAKE EFFECT ON 1 MARCH. THESE WILL BE DISCUSSED BY 113 (DEPUTIES) TOMORROW.

3. NO-ONE DISSENTED.

FCO ADVANCE TO:

FCO - CROWE, WARREN

DTI - GRAY, R WILLIAMS, SUNDERLAND, HEALEY, BOURKE, MOGG, BENDER

BUTLER