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GENEVA FOR USTR

BRUSSELS FOR USEC

E.O. 12356: NA
TAGS: DREP ECON ETRD BEXP PREL EEC BU US
SUBJECT: BULGARIA AND THE GATT STANDARD CODE

REF: A. 83 SOFIA 4680 B. SOFIA 195

1. SUMMARY: THE BULGARIANS TAKE THE POSITION THAT THEY HAVE NOT MOVED FROM THEIR 1982 POSITION ON CONDITIONS FOR ADHERENCE TO THE GATT STANDARDS CODE AND IT IS THE EC WHICH IS SEARCHING FOR A COMPROMISE. WHILE ADMITTING THAT CONDITIONS OF BULGARIAN ADHERENCE TO THE CODE WOULD CREATE A PRECEDENT, THEY CLAIM SOVIET INTEREST AT PRESENT IS LIMITED TO OBSERVER STATUS IN THE GATT. GIVEN WHAT THE BULGARIANS HAVE NOW TOLD US TWICE ABOUT THEIR POSITION ON ADHERENCE, WE THINK WE SHOULD DISCOURAGE THE EC FROM PURSUING THE ISSUE FURTHER WITH THE GOB. END SUMMARY.

2. FOLLOWING A CONVERSATION ON OTHER SUBJECT, AMBASSADOR ASKED BULGARIAN DEPUTY FOREIGN TRADE MINISTER PIRINSKI IF HE COULD CLARIFY THE SEEMING CONTRADICTION BETWEEN BULGARIAN ACTIVITY ON THE STANDARDS CODE ISSUE IN GENEVA AND A "SENIOR OFFICIAL'S" COMMENT TO CODEL GIBBONS THAT THE GOB HAD PUT THE ISSUE IN THE DEEP FREEZE. (DEP PRIME MINISTER LUKANDV, REF A).

3. PIRINSKI REPLIED THAT THE GOB POSITION HAD NOT CHANGED FROM ITS OCTOBER 1982 DRAFT, WHICH THE EC HAD REJECTED. THE EC NEGOTIATIONS, HE SAID, HAD RECENTLY TRIED TO BRIDGE THE GAP IN GENEVA AND HAD PREPARED A NEW DRAFT WITH SOME MINOR EDITORIAL CHANGES. THE GOB HAD GIVEN THE EC THE GREEN LIGHT TO TRY THE NEW DRAFT OUT ON EC MAJOR TRADING PARTNERS (E.G., THE US). BUT NO NEW DRAFT HAD BEEN TABLED, AND THERE WAS NO CONTRADICTION BETWEEN THE POLITICAL "DEEP FREEZE" COMMENT BY A SENIOR BULGARIAN OFFICIAL AND ACTIVITY BY "NEGOTIATORS" IN GENEVA. THE GOB HAD NOT ABANDONED

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ITS OCTOBER 1982 POSITION.

4. AMBASSADOR NOTED THE PRECEDENT-SETTING EFFECT OF BULGARIAN ACCESSION TO THE CODE AND ASKED ABOUT SOVIET INTENTIONS. PIRINSKI SAID THAT AS FAR AS HE KNEW, SOVIETS HAD ONLY EXPRESSED INTREST IN OBSERVER STATUS IN GATT. HE ACKNOWLEDGED THAT BULGARIAN ACCESSION WOULD SET A SORT OF PRECEDENT, BUT SAID THAT EACH CASE SHOULD BE TREATED ON ITS OWN MERITS. THE "MEXICAN CASE" WAS, AFTER ALL, MORE OF A PROBLEM THAN THE PUTATIVE SOVIET CASE. HE DID NOO KNOW WHETHER THE SOVIETS MIGHT EVENTUALLY HAVE AN INTREST IN THE STANDARDS CODE OR ONE OF THE OTHER CODES.

5. COMMENT: THE BULGARIANS HAVE, IN EFFECT, CONFIRMED LUKANOV'S "DEEP FREEZE" COMMENT, AND IT SEEMS TO US THAT THIS GIVES US AN ADEQUATE RATIONALE FOR DISCOURAGING THE EC FROM GOING AHEAD WITH NEGOTIATIONS FOR THE PRESENT IF THIS IS THE COURSE WASHINGTON AGENCIES PREFER. BARRY
END OF MESSAGE

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