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TEXT
TAGS: PREL, EU, ETRD, UK
SUBJECT: UK AMBASSADOR MEYER'S INTRODUCTORY CONSULTATIONS
WITH UNDER SECRETARY EIZENSTAT - EU PRESIDENCY/CLINATE

CHANGE/NAZI GOLD

1. CLASSIFIED BY: EUR PDAS E. ANTHONY WAYNE, REASON 1.5 (B) AND (D).
2. (C) SUAMARY. DURING NEW BRITISH AMBASSADOR SIR CHRISTOPHER MEYER'S INTRODUCTORY CALL ON UNDER SECRETARY FOR ECONOMIC, BUSINESS, AND AGRICULTURAL AFFAIRS EIZENSTAT JANUARY 8, THE U.S. AND THE UK AGREED TO EXPERT DISCUSSIONS THE FOLLOWING WEEK ON ENHANCED COOPERATIVE MEASURES ON IRAN'S WND PROGRAM AND SUPPORT FOR TERRORISM AND REVIEWED OTHER OPTIONS FOR PROGRESS ON SATISFYING THE TERMS OF THE ACT DURING THE BRITISH PRESIDENCY. EIZENSTAT ENCOURAGED DEVELOPMENT OF AN EU "COMMON POSITION" ON IRAN-RELATED COOPERATIVE MEASURES ANALOGOUS TO THAT THE EU HAS ASSUMED ON DEMOCRACY IN CUBA. EIZENSTAT STRESSED THE NEED FOR INVOLVING DEVELOPING COUNTRIES AND CEMENTING AN EMISSIONS-TRADING REGIME IF THE U.S. IS TO RATIFY THE KYOTO TREATY AND SOLICITED UK-PRESIDENCY SUPPORT. EIZENSTAT AND MEYER ASSESSED PROSPECTS FOR SIGNIFICANTLY EXPANDING U.S. -EU TRADE RELATIONS AND ESTABLISHING A TRANSATLANTIC MARKETPLACE AND REVIEWED TRADE AND AGRICULTURAL DISPUTES. EIZENSTAT THANKED THE UK FOR STRONG SUPPORT ON NAZI GOLD/ASSETS AND OUTLINED PLANNING FOR A WASHINGTON CONFERENCE ON ASSETS THIS SPRING. END SUMMARY.

IRAN

3. (C) UNDER SECRETARY EIZENSTAT NOTED U.S. INTEREST IN ADVANCING THE PROCESS OF CONSULTATIONS ON IRAN ISSUES, INCLUDING WITH THE FRENCH IN THE WAKE OF UNDER SECRETARY PICKERING'S JANUARY 7 PARIS TRIP. EIZENSTAT OBSERVED THAT THE JANUARY 15 VISIT TO WASHINGTON OF FOREIGN SECRETARY COOK OFFERED AN IMPORTANT OPPORTUNITY TO PUSH ENHANCED EU-U.S. COOPERATION ON IRAN. THERE REMAINS, HOWEVER, THE IMPORTANT MATTER OF GETTING THE FRENCH MORE CONSTRUCTIVELY ENGAGED. EIZENSTAT WONDERED WHETHER, IN THE WAKE OF THE COOK VISIT, IT WOULD BE USEFUL TO SCHEDULE A TRILATERAL MEETING INVOLVING THE U.S., THE UK (IN BOTH ITS OWN RIGHT AND/OR AS THE PRESIDENCY COUNTRY), AND FRANCE. IT WOULD BE IMPORTANT NOT TO OVERWHELM THE FRENCH AND THEY MIGHT NOT AGREE, BUT IN THE END WHATEVER HAPPENS IN RESPONSE TO U.S. DIPLOMACY ON IRAN COOPERATION AND OUR DIFFERENCE OVER SANCTIONS MUST BE FITTED INTO AN OVERALL EU EXERCISE, AND IT MIGHT PROVE USEFUL TO GO BACK TO THE FRENCH IN THIS MANNER ONE MORE TIME.
4. (C) MEYER UNDERTOOK TO BRING THIS PROPOSAL TO - LONDON'S ATTENTION AND THOUGHT THERE MIGHT BE SOME INTEREST IN PURSUING IT. (FYI: IN LATER DISCUSSIONS WITH DEPARTMENT OFFICERS, VISITING FCO POLITICAL DIRECTOR GREENSTOCK EXPRESSED RESERVATIONS ABOUT PRESSING THE FRENCH IN THIS MANNER.)

5. (C) MEYER SAID UK INTENTIONS AT THIS JUNCTURE ARE TO BRING TO WASHINGTON A "EUROPEANIZED: OR COMMUNITIZED" VERSION OF THE UK RESPONSES TO QUESTIONS REGARDING ENHANCED COOPERATION ON IRAN THE DEPARTMENT HAD POSED, WHICH POLDIR GREENSTOCK HAD DELIVERED TO U/S PICKERING EARLIER IN THE DAY (COPY BEING FAXED TO EZNBASSY LONDON). THAT DOCUMENT WAS BEING SUBMITTED TO THE EU IRAN WORKING GROUP FOR REVIEW.

6. (C) EUR PDAS WAYNE OBSERVED THAT U.S. AND UK EXPERTS MIGHT, AS GREENSTOCK HAD SUGGESTED TO U/S PICKERING, WANT ALSO TO CONFER ON THE SPECIFIC MEASURES THE U.S. HAS BEEN PROPOSING TO EU MEMBER STATES. GREENSTOCK'S TRAVEL TO WASHINGTON JANUARY 14 IN ADVANCE OF THE COOK VISIT MIGHT OFFER AN OPPORTUNITY IF THE APPROPRIATE UK EXPERTS COULD ACCOMPANY HIM. U/S EIZENSTAT STRESSED THAT EXPERT LEVEL DISCUSSIONS WOULD BE QUITE USEFUL AND OBSERVED THAT THEY WOULD BE MOST EFFECTIVE IF CONFINED FOR NOW TO PURELY IRAN-RELATED ISSUES, AS OPPOSED TO CASPIAN-PIPELINE OR TRAQ MATTERS. HE THEREFORE SUGGESTED THAT GREENSTOCK BRING WITH HIM EXPERTS ON NON-PROLIFERATION/WMD AND COUNTER-TERRORISM. MEYER NOTED THAT, IN REVIEWING THE U.S. QUESTIONS, THE UK HAD SEEN ADVANTAGE IN FURTHER EXPERT EXCHANGES AND SUGGESTED DEPARTMENT OFFICERS FIRM UP PLANS WITH GREENSTOCK DIRECTLY. (FYI: IN SUBSEQUENT DISCUSSIONS WITH EUR A/S GROSSMAN AND WAYNE, GREENSTOCK AGREED TO AN AGENDA FOR JANUARY 14 INVOLVING EXPERT EXCHANGES AND, SEPARATELY, DISCUSSIONS WITH APPROPRIATE PRINCIPAL(S) ON IRANIAN DEVELOPMENTS GENERALLY. THIS APPROACH, GREENSTOCK STRESSED, WOULD BEST ENABLE HIM TO FOLD THE EXPERT MEETINGS INTO AN ACCEPTABLE EU REPORT ON THE VISIT.)

7. (C) EIZENSTAT STRESSED TO MEYER THAT ECONOMIC MEASURES WILL ALSO BE CRUCIAL: IN SQUARING US - EU DIFFERENCES OVER HOW TO DEAL WITH IRAN. HE RECALLED THAT, AS A RESULT OF HIS CONSULTATIONS IN ROME, ITALIAN OFFICIALS HAD SHOWN WILLINGNESS TO TAKE A USEFUL POSITION ON CREDIT CAPS. WHILE ITALY CURRENTLY HAS NO OFFICIAL CREDITS IN PLAY, THE STANCE MAY PROVE USEFUL. THE ECONOMIC ASPECTS OF DUAL-USE PROVISIONS ARE ALSO IMPORTANT, EIZENSTAT OBSERVED, BUT ADDITIONAL ECONOMIC MEASURES ARE BETTER. EIZENSTAT ALSO NOTED THAT THE U.S. UNDERSTANDS HOW DELICATE AND SENSITIVE IT MAY PROVE TO SEEK DECISIONS AND POSITIONS OF USE FOR ILSA PURPOSES IN A PARIS CLUB CONTEXT. THE USG, HOWEVER, IS NOT SO MUCH PRESSING FOR ACTIONS TAKEN FORMALLY THROUGH THE PARIS CLUB AS IT IS ENCOURAGING THE APPLICATION OF THE HIGHEST PARIS CLUB STANDARDS TO DEBT RESCHEDULING.

8. (C) MEYER CAUTIONED THAT ECONOMIC MEASURES REMAIN HIGHLY "NEURALGIC" IN THE EU. ACTIONS TAKEN IDENTIFIABLY UNDER THIS HEADING HAVE THE APPEARANCE OF BEING TAKEN UNDER DURESS.

9. (C) EIZENSTAT ENCOURAGED REFLECTION ON THE EU'S ABILITY, IN THE QUITE SEPARATE HELMS-BURTON CONTEXT, TO GENERATE A "COMMON POSITION.11 COULDN'T THE EU DO THIS ON

SOME IRAN-RELATED MEASURES ALSO- -ESPECIALLY ON NON-PROLIFERATION AND COUNTER-TERRORISM? MEYER SAID THE UK IS DETERMINED TO GENERATE CREDIBLY USEABLE MATERIAL WHICH SHOWS THAT EUROPEANS ARE SERIOUS, ESPECIALLY ABOUT OPPOSING AND COMBATTING IRANIAN SUPPORT FOR TERRORISM. EIZENSTAT CAUTIONED THAT IF ALL THAT RESULTS IS THE SUMMARY OF EU ACTIONS EARLIER TENDERED BY COMMISSIONER SIR LEON BRITAN, THAT WON'T PROVE SUFFICIENT.

CLIMATE CHANGE

10. (C) EIZENSTAT THANKED MEYER FOR UK SUPPORT AT KYOTO. WITHOUT DEPUTY PM PRESCOTT'S AND ENVIRONMENT MINISTER MEECHER'S EFFORTS, THERE WOULDN'T HAVE BEEN AN AGREEMENT. EIZENSTAT STRESSED, HOWEVER, THAT GETTING U.S. RATIFICATION WILL REQUIRE DEVELOPING COUNTRY PARTICIPATION IN EMISSION REDUCTIONS. THE EU, FRANKLY, HADN'T OFFERED MUCH HELP ON THIS AT KYOTO. REQUIREMENTS IMPOSED ON DEVELOPING COUNTRIES WOULD NOT HAVE TO ARISE FROM THE SAME BASIS AS THOSE WHICH WOULD CONSTRAIN CURRENT SIGNATORIES. THEY COULD BE RELATED TO EMISSIONS AND/OR ENERGY USE PER UNIT OF GDP-OR COULD BE GOVERNED BY A RANGE OF BILATERAL AGREEMENTS. EIZENSTAT STRESSED THAT THE FEBRUARY 25-26 U.S. -EU HIGH-LEVEL ENVIRONMENT MEETINGS TO BE CHAIRED BY OES A/S KIMBLE OFFER AN OPPORTUNITY TO BEGIN WORKING COPY IN EARNEST TO PREPARE FOR THE FOURTH CONFERENCE OF PARTIES IN BUENOS AIRES IN NOVEMBER.

11. (C) EIZENSTAT STRESSED, HOWEVER, THAT IT WILL NOT BE POSSIBLE FOR THE U.S. TO ACCEPT CONSTRAINS ON EMISSIONS TRADING. WE ARE NOT, AS UNFOUNDED ACCUSATIONS ALLEGE, "BUYING OUR WAY OUT" OF KYOTO REQUIREMENTS. GREENHOUSE GASES ARE A GLOBAL PROBLEM, WHICH MUST BE SEEN IN A GLOBAL--NOT NATIONAL--CONTEXT, AND THE U.S. WILL HAVE TO PAY DEARLY FOR WHAT IT OBTAINS UNDER A TRADING REGIME. AT THE SAME TIME, A WELL-DESIGNED EMISSIONS TRADING SYSTEM ALLOWS US TO ACHIEVE THE REDUCTIONS AT LEAST COST, AND TO MAKE EFFICIENT USE OF GLOBAL OPPORTUNITIES FOR REDUCTIONS. EMISSIONS TRADING WILL BE ABSOLUTELY CRITICAL TO U.S. RATIFICATION. ATTEMPTS TO DO A DEAL ON THE BASIS OF DRAFT ARTICLE 10 FELL THROUGH AT KYOTO. WHAT WE HAVE IN VIEW IS A FREE-MARKET BASED SYSTEM WHICH SHOULD APPEAL PARTICULARLY TO THE UK, BUT WE MUST MAKE PROGRESS ON IT BEFORE NOVEMBER.

12. (C) MEYER SAID DEPARTMENT OF ENVIRONMENT, TRANSPORT, AND REGIONS CHIEF SCIENTIST FISKE WOULD BE COMING TO WASHINGTON JANUARY 24 FOR CONSULTATIONS. THIS WOULD HELP TO SHAPE A PRESIDENCY APPROACH TO KYOTO ISSUES.

HELMS - BURTON

13. (C) MEYER RAISED SIR LEON BRITTAN'S LETTER TO EIZENSTAT ON CONFISCATED PROPERTY, ASKING WHEN THE U.S. WOULD REPLY. EIZENSTAT SAID HE WOULD BE SEEING BRITTAN THE NEXT WEEK ON THE MARGINS OF THE U.S. -EU MINISTERIAL. THE REAL PROBLEM ON HELMS-BURTON, EIZENSTAT SAID, IS EU INSISTENCE ON LINKAGE WITH ILSA. MEYER EXPRESSED UNDERSTANDING BUT SAID THE LINKAGE HAD NOW BEEN MADE AND WOULD HAVE TO BE RECKONED WITH.

ECONOMIC/TRADE ISSUES

14. (C) EIZENSTAT STRESSED U.S. INTEREST IN MOVING U.S. -EU TRADE RELATIONS TO A HIGHER LEVEL. HE AND THE USG TAKE PRIDE IN BRINGING THE NEW TRANSATLANTIC AGENDA INTO BEING, BUT WE NEED A LARGER VISION STILL. SOME OF SIR LEON BRITTAN'S IDEAS ON THIS ARE WORTHY OF STUDY, EIZENSTAT NOTED, AND BRITTAN WOULD BE SENDING GERARD DEPAYRE FOR DISCUSSIONS NEXT WEEK.

15. (C) MEYER SAID PM BLAIR HAS MADE VERY FAVORABLE REFERENCES TO THE TRANSATLANTIC MARKETPLACE ALREADY. THERE ARE, HOWEVER, FORMIDABLE PROBLEMS OF DETAIL. MEYER WONDERED WHETHER THE U.S. ENVISIONS LAUNCHING SUCH AN INITIATIVE AT THE U.S. -EU SUMMIT THIS SPRING. EIZENSTAT SAID HE WAS INTRIGUED BY BRITTAN'S IDEAS BUT CAUTIONED THAT THE U.S. HAD NOT YET HAD THE OPPORTUNITY TO UNDERTAKE ANY OF THE INTER-AGENCY, CONGRESSIONAL, OR BUSINESS-COMMUNITY CONSULTATIONS WHICH THAT WOULD REQUIRE AND EMPHASIZED THAT IT WOULD BE IMPORTANT FOR BRITTAN AND OTHERS IN THE EU TO AVOID ANY PUBLIC COMMENTARY ON THIS SUBJECT NOW. MEYER NOTED THAT SECRETARY GENERAL HUTTON OF THE UK DEPARTMENT OF TRADE AND INDUSTRY WOULD BE IN WASHINGTON JANUARY 26-27 AND COULD DISCUSS THIS ISSUE.

16. (C) EIZENSTAT CAUTIONED THAT THE EU'S SRM BAN WILL BE A VERY SERIOUS PROBLEM DURING THE UK PRESIDENCY. IT AFFECTS LARGE VOLUMES OF U.S. EXPORTS AND A WIDE VARIETY OF INDUSTRIES. IT WILL NOT BE PRACTICAL TO DEAL WITH THIS VIA CASE-BY-CASE AND DRUG-BY-DRUG APPROACHES. THE USG IS SENSITIVE TO BRITAIN'S AND THE EU'S BSE PROBLEMS, BUT THE U.S. HAS NO BSE AND MAINTAINS VERY HIGH STANDARDS TO

PREVENT IT. EIZENSTAT HOPED THE THREE-MONTH BAN COULD BE USED WISELY AND FOR GOOD SCIENTIFIC PURPOSES TO ACHIEVE AN OVERALL SOLUTION.

17. (C) PDAS WAYNE RECALLED THAT THERE ARE OTHER TRADE AND AGRICULTURAL PROBLEMS TO ADDRESS IN THE NEAR TERM, NOTABLY VETERINARY EQUIVALENCY AND GMOS. WAYNE OBSERVED THAT RECENT TALKS BETWEEN AGRICULTURE SECRETARY GLICKMAN

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AND EU COMMISSIONER FISCHLER HAD BEEN BETTER IN ATMOSPHERIC BUT HAD MADE LITTLE REAL PROGRESS. MEYER REPLIED THAT IT IS IMPORTANT TO TRY TO KEEP THESE ISSUES FROM BLOWING THE U.S. -EU RELATIONSHIP OFF COURSE, AS HAPPENED WITH THE U.S. SURPRISE ANNOUNCEMENT ON RUMINANTS, BUT STRESSED THAT TRADE DISPUTES ARE VERY HIGH ON THE UK'S POLITICAL AGENDA FOR THE PRESIDENCY.

NAZI GOLD

18. (C) EIZENSTAT STRESSED TO MEYER HIS STRONG APPRECIATION FOR UK COOPERATION ON NAZI GOLD ISSUES AND FOR MAKING THE LONDON CONFERENCE IN DECEMBER SUCCESSFUL BEYOND U.S. HOPES. HE THANKED THE UK FOR ENDORSING THE U.S. PROPOSAL FOR A WASHINGTON CONFERENCE IN LATE SPRING AND OBSERVED THAT WE MUST NOW WORK TOGETHER ON CLOSING DOWN THE TRIPARTITE GOLD COMMISSION. MYERINQUIRED WHAT THE WASHINGTON CONFERENCE WOULD ADDRESS. EIZENSTAT SAID PRELIMINARY PLANNING WAS FOR IT TO LOOK ESPECIALLY AT ART TREASURES AND INSURANCE BUT OBSERVED THAT RUSSIAN SENSITIVITIES, AMONG OTHERS, ON ART WOULD REQUIRE A CAREFUL APPROACH. IT MIGHT PROVE PREFERABLE TO LIMIT THE CONFERENCE'S PURVIEW TO ART STOLEN FROM INDIVIDUALS RATHER THAN FROM STATES OR INSTITUTIONS. MAYER NOTED HIS RECENT EXPERIENCE AS UK AMBASSADOR IN BONN HAD UNDERSCORED FOR HIM GERMAN SENSITIVITIES ON ART ISSUES ALSO.

19. (C) U/S EIZENSTAT DID NOT HAVE THE OPPORTUNITY TO CLEAR THIS CABLE.
ALBRIGHT

ADMIN
END OF MESSAGE

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