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FM VIENNA 180930Z NOV 81
TO IMMEDIATE FCO
TELEGRAM NUMBER 245 OF 18 NOVEMBER

GLOBAL NEGOTIATIONS.

1. LENKX (PS/CHANCELLOR KREISKY) HAS TOLD US IN STRICT CONFIDENCE (PLEASE PROTECT) OF AN APPROACH WHICH THE AUSTRIAN GOVERNMENT (ACTING ALSO ON BEHALF OF THE MEXICAN, CANADIAN AND AUSTRALIAN GOVERNMENTS) PROPOSES TO MAKE SHORTLY TO THE UK AND CERTAIN OTHER GOVERNMENTS WITH A VIEW TO GIVING IMPETUS TO GLOBAL NEGOTIATIONS. LENKX SAID HE EXPECTED THE PRECISE FORM OF THE PROPOSAL, TO BE AGREED WITH NAVARETE (DEPUTY MINISTER, MEXICAN MFA) BEFORE 20 NOVEMBER.

2. LENKX SAID THAT FOLLOWING CANCUN, INFORMAL DISCUSSIONS HAD BEEN TAKING PLACE IN NEW YORK ON HOW TO PROCEED OVER GLOBAL NEGOTIATIONS. THE AMERICANS HAD CIRCULATED A PAPER ON HOW THEY VISUALISED MATTERS MIGHT BE TAKEN FORWARD. KITTANI HAD ALSO BEEN TALKING TO SMALL GROUPS ON GLOBAL NEGOTIATIONS. THE AUSTRIANS HAD PROPOSED THE DRAFTING OF A LOOSELY WORDED UNGA RESOLUTION TO BE FOLLOWED BY A CONSULTATION PROCESS INVOLVING MEMBER STATES, THE SPECIALISED AGENCIES AND OTHERS (CALICE'S CALL ON BAYNE ON 12 NOVEMBER).

3. LENKX SAID THE AUSTRALIANS HAD RECENTLY EXPRESSED DOUBTS ABOUT THE SUCCESS OF THESE VARIOUS INITIATIVES AND HAD SUGGESTED TO NAVARETE THAT AN INFORMAL MEETING OF SENIOR OFFICIALS (UNDER-SECRETARY LEVEL) FROM SOME 10-12 INDUSTRIALISED AND DEVELOPING COUNTRIES BE CONVENED IN NEW YORK BY THE CANCUN QUOTE CO-CHAIRMEN UNQUOTE, INCLUDING AUSTRIA, TO TRY TO FIND A SOLUTION. THE MEETING WOULD BE INFORMAL AND LAST A COUPLE OF DAYS. THE AUSTRALIANS ENVISAGED THAT THE OFFICIALS (AS IN THE LEAD UP TO CANCUN) WOULD FORM THE NUCLEUS OF A LARGER CONFERENCE TO BE CONVENED THEREAFTER.

4. LENKX SAID THE MEXICANS HAD CONSULTED THE CANADIANS AND AUSTRIANS ON THE AUSTRALIAN SUGGESTION. THE CANADIANS HAD NOT YET GIVEN A DEFINITIVE RESPONSE (LARRY SMITH, UNDER SECRETARY FOR ECONOMIC AFFAIRS MFA WAS IN HOSPITAL) BUT WERE UNDERSTOOD TO BE IN FAVOUR. THE AUSTRIANS HAD INITIALLY EXPRESSED DOUBTS. THEY HAD SAID IT WAS IMPORTANT NOT TO DISTURB THE INFORMAL DISCUSSIONS TAKING PLACE IN NEW YORK PARTICULARLY IF PROGRESS SEEMED POSSIBLE. ON THE OTHER HAND THEY ACCEPTED THAT KITTANI WAS UNLIKELY TO BE SUCCESSFUL IN HIS INITIATIVE AND THEY REALISED THAT BECAUSE OF THE UNCERTAINTIES OVER HIS RE-ELECTION, WALDHEIM COULD NOT BE EXPECTED TO PLAY A PROMINENT PART IN THIS EXERCISE.

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THEY FELT ALSO THAT SOME POSITIVE STEP WAS EXPECTED ON GLOBAL NEGOTIATIONS IN NEW YORK FOLLOWING THE CANCUN CHAIRMEN'S STATEMENT. IN THE LIGHT OF THESE CONSIDERATIONS KREISKY HAD BEEN PERSUADED TO ACCEPT THE AUSTRALIAN SUGGESTION AND HAD AGREED THAT AUSTRIA WOULD TAKE ON RESPONSIBILITY FOR SOUNDING OUT THE VIEWS OF CERTAIN OTHER GOVERNMENTS. THIS WAS ON THE UNDERSTANDING THAT IF SIGNIFICANT PROGRESS WERE MADE IN THE DISCUSSIONS ALREADY TAKING PLACE THE AUSTRALIAN INITIATIVE WOULD BE UNNECESSARY.

5. LENNKH SAID A DECISION HAD STILL NOT BEEN REACHED ON WHICH GOVERNMENTS SHOULD BE CONSULTED AND INVITED TO THE OFFICIAL TALKS. A REASONABLE BALANCE HAD TO BE STRUCK BETWEEN INDUSTRIALISED AND DEVELOPING COUNTRIES. THE PRELIMINARY LIST (NOT YET APPROVED) IN ADDITION TO AUSTRIA, MEXICO, CANADA, AUSTRALIA, INCLUDED THE UK, WEST GERMANY, FRANCE, THE NETHERLANDS, YUGOSLAVIA, INDIA, NIGERIA AND KUWAIT.
6. THERE HAD BEEN DISAGREEMENT OVER WHETHER THE AMERICANS AND ALGERIANS, REPRESENTING THE TWO EXTREMES AT CANCUN, SHOULD BE INVITED. AUSTRIA THOUGHT IT WOULD BE USEFUL TO HAVE EXTREME VIEWS DISCLOSED AT THE OUTSET BUT OTHERS HAD NOT BEEN CONVINCED. THE AMERICANS HAD NOT YET BEEN CONSULTED. IT WAS NOT THE INTENTION TO INVITE CHINA, THE SOVIET UNION OR CUBA. NAVARETE AND REISCH (UNDER SECRETARY, ECONOMIC DIVISION, MFA) WOULD REPRESENT MEXICO AND AUSTRIA.
7. THE DATE FOR THE PROPOSED MEETING HAS NOT YET BEEN AGREED. THE MEXICANS HAVE SUGGESTED A MEETING AS EARLY AS THE SECOND HALF OF NEXT WEEK (26/27 NOVEMBER). THE AUSTRIANS BELIEVE THIS PREMATURE ESPECIALLY AS THE AMERICANS ARE IN THE MIDST OF THEIR SOUNDINGS. IT WOULD BE COUNTER-PRODUCTIVE TO OFFEND THEM. LENNKH THOUGHT EARLY DECEMBER A LIKELY COMPROMISE.
8. THE AUSTRIANS ARE AWARE THAT GOVERNMENTS NOT INVITED TO THE MEETING ARE LIKELY TO BE RESENTFUL AND SUSPICIOUS. THEY HOPE THEREFORE THAT IF THE MEETING GETS OFF THE GROUND IT WILL BE POSSIBLE TO PRESENT IT AS A ROUTINE MEETING OF OFFICIALS PRESENT AT NEW YORK TO DISCUSS GLOBAL NEGOTIATIONS AND ASSOCIATED ECONOMIC ISSUES. IN THIS WAY THEY HOPE TO PLAY DOWN THE SIGNIFICANCE OF THE MEETING. BUT THEY RECOGNISE THAT THIS MAY BE NAIVE.
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