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FRAME GENERAL

PART ONE OF TWO

INFORMAL MEETING OF EC FOREIGN MINISTERS IN DUBLIN: 20 JANUARY

SUMMARY

1. LARGELY HARMONIOUS DISCUSSION AND AGREEMENT ON GUIDELINES FOR EC HELP FOR REFORM PROCESS IN EASTERN EUROPE. FOOD AID PACKAGE FOR POLAND AND ROMANIA, FIRST GENERATION AGREEMENTS WITH EACH COUNTRY, EXTENSION OF G24 OPERATION TO COVER OTHER EASTERN EUROPEAN COUNTRIES ALL BROADLY APPROVED. COMMISSION ASKED TO STUDY ASSOCIATION OPTIONS. DELORS RECANTS ON BUDGETARY PROVISION AND ACCEPTS 'BOTTOM UP' APPROACH TO FURTHER AID. SOME FRICTION BETWEEN DUTCH AND GERMANS/COMMISSION OVER POTENTIAL EAST GERMAN MEMBERSHIP. EUROPEAN ARCHITECTURE REMITTED TO APRIL 'GYMNICH' MEETING.

2. OVERWHELMING SUPPORT FOR IDEA OF 1990 CSCE HEADS OF GOVERNMENT MEETING. SOME SUGGESTIONS FOR INSTITUTIONALISING CSCE PROCESS. POLITICAL DIRECTORS TO PREPARE FURTHER DISCUSSION AT FEBRUARY POCO MINISTERIAL.

3. MINIMAL DISCUSSION OF EC/US. REMITTED TO POLITICAL DIRECTORS.

DETAIL

4. EC FOREIGN MINISTERS MET INFORMALLY IN DUBLIN ON 20 JANUARY. ONLY POLITICAL DIRECTORS AND PERMANENT REPRESENTATIVES WERE PRESENT. ALL COUNTRIES WERE REPRESENTED BY FOREIGN MINISTERS EXCEPT PORTUGAL (STUCK IN VENICE) AND DENMARK (ILL). THE MEETING LASTED THREE HOURS AND VIRTUALLY NO BUSINESS WAS TRANSACTED OVER DINNER.

5. COLLINS (PRESIDENCY) SAID THE STRASBOURG EUROPEAN COUNCIL HAD SET THE COMMUNITY'S POLICY LINES ON EASTERN EUROPE AND ITS OWN DEVELOPMENT. BUT MUCH HAD HAPPENED SINCE THEN AND A POLITICAL UPDATE WAS NEEDED. THE MEETING SHOULD FOCUS ON IMMEDIATE FUTURE. EUROPEAN ARCHITECTURE SHOULD BE LEFT UNTIL LATER. HE THEN RAN THROUGH A LIST



OF POINTS IN THE PRESIDENCY NON-PAPER, MENTIONING THAT EC AID TO OTHER EASTERN EUROPEAN COUNTRIES TO MATCH THE 300 MECU ALREADY COMMITTED IN 1990 TO POLAND AND HUNGARY WOULD TAKE THE FIGURE UP TO 850 MECU.

6. ANDRIESSEN (COMMISSION) REPORTED ON HIS RECENT VISITS TO CZECHOSLAVKIA, ROMANIA AND BULGARIA. DEMOCRACY WAS DEVELOPING WELL IN THE FIRST BUT THE SITUATION IN THE LATTER TWO WAS FRAUGHT: THERE WAS A SIMILAR PATTERN ON MOVES TO A MARKET ECONOMY. THERE WAS MUCH ANTAGONISM TOWARDS COMECON, PARTICULARLY IN CZECHOSLOVAKIA AND ROMANIA AND EVEN THREATS TO LEAVE THE ORGANISATION. BUT THOSE COUNTRIES' 60-70 PERCENT DEPENDENCE ON INTRA-COMECON TRADE MEANT THAT REFORM OF COMECON WAS PROBABLY A BETTER ECONOMIC OPTION THAN ITS DISSOLUTION. THE EC NEEDED A SHORT AND MEDIUM TERM FRAMEWORK FOR ACTION. FIRST GENERATION AGREEMENTS (TRADE AND ECONOMIC COOPERATION) SHOULD BE COMPLETED BY MID-1990. THERAFTER ASSOCIATION OPTIONS COULD BE EXAMINED. THESE SHOULD BE DIFFERENTIATED TO TAKE ACCOUNT OF THE SPECIFIC SITUATION OF EACH COUNTRY, WITH A FREE TRADE AREA AS THE ULTIMATE OBJECTIVE AND PROVISION FOR COOPERATION ON RESEARCH FOR FINANCIAL AID AS APPROPRIATE. NEW COMMUNITY INSTRUMENTS FOR TRAINING, YOUTH EXCHANGE WERE NEEDED: EXPORT CREDITS AND INVESTMENT PROTECTION COULD BE ADDED. ON BUDGETARY ISSUES THE FINANCIAL PERSPECTIVES WOULD NEED TO BE RAISED AND A MULTI-ANNUAL BUDGET ENDORSEMENT AGREED. THE G24 OPERATIONS SHOULD BE EXTENDED TO CZECHOSLOVAKIA, ROMANIA AND BULGARIA TO THE EXTENT THAT POLITICAL AND ECONOMIC CRITERIA WERE FULFILLED. POLAND AND ROMANIA URGENTLY NEEDED FOOD AID AT A COST OF ROUGHLY 50 MECU EACH. THIS SHOULD BE HALF FINANCED OUT OF FEOGA GUARANTEE AND HALF BY AN ADVANCE ON A SUBSEQUENT SUPPLEMENTARY BUDGET (COMMISSION PROPOSAL CIRCULATED AT THE MEETING IS BEING REPORTED SEPARATELY). HE THEN REFERRED BRIEFLY TO EVENTS IN THE SOVIET UNION, EAST GERMANY AND TO THE NEED NOT TO OVERLOOK YUGOSLAVIA WHERE THE SITUATION WAS QUITE DIFFERENT.

7. DUMAS (FRANCE) SUPPORTED THE FOOD AID PROPOSAL. THE SITUATION IN ROMANIA WAS DESPERATE. FRANCE HAD ALREADY SENT SOME CHICKEN AND PORK. THERE WAS AN URGENT NEED FOR ENERGY SUPPLIES BUT THAT WAS COMPLICATED BY RELIANCE ON THE SOVIET UNION. TRAINING AND AGRICULTURAL REFORM WERE TOP PRIORITIES. THE POLITICAL SITUATION WAS VERY UNSTABLE. G24 COORDINATION WAS NEEDED. IN HUNGARY THE PEOPLE WERE RESISTING ECONOMIC REFORMS AND PRICE INCREASES. THE GOVERNMENT DESERVED HELP AND WE MUST ENSURE THE IMF DID NOT BEAR DOWN ON THEM TOO HARD. THE GORBACHEV PROPOSAL FOR A CSCE SUMMIT IN 1990 WAS A GOOD ONE. ACCEPTANCE WOULD GIVE A SIGNAL OF HOPE TO ALL EASTERN EUROPEAN COUNTRIES AFTER THEIR ELECTIONS.



8. GENSCHER (FRG) ALSO SUPPORTED THE FOOD AID PROPOSALS. GERMANY WAS PROVIDING ROMANIA WITH 350 MEGAWATTS OF ELECTRICITY MONTHLY. EMERGING DEMOCRATIC PARTIES MUST BE SUPPORTED. THE G24 PROCEDURES SHOULD BE APPLIED TO CZECHOSLOVAKIA AND EAST GERMANY AS TO ROMANIA AND BULGARIA. IT WAS IMPORTANT FOR THE SOVIET UNION THAT IT SHOULD BE ACCEPTED AS A POTENTIAL BORROWER FROM THE EBRD WHICH SHOULD BE SITED IN BERLIN. HE WELCOMED COMMISSION RECOGNITION OF THE SPECIAL POSITION OF EAST GERMANY AND THEIR SUPPORT FOR AN EVENTUAL MEMBERSHIP APPLICATION. MODROW'S POSITION WAS MUCH WEAKER NOW. EMIGRATION TO THE FRG WAS ON A RISING TREND (70 - 80,000 IN JANUARY, GETTING CLOSE TO 3,000 A DAY NOW). THE OFFER OF A EUROPEAN PERSPECTIVE WAS THE SORT OF CONFIDENCE BUILDING MEASURE THAT WAS NEEDED TO STEM THIS. NEW DEMOCRATIC PARTIES WERE EMERGING IN EAST GERMANY OF WHICH THE SPD LOOKED LIKE BEING THE STRONGEST. THE SOVIET UNION WAS HIGHLY UNSTABLE AND BOTH COMECON AND THE WARSAW PACT WERE TOTTERING. THE EC MUST DO WHAT IT COULD TO MAINTAIN SOME STABILITY AND THE CSCE WAS A KIND OF SAFETY NET IF COMECON AND THE WARSAW PACT GAVE WAY: IT WAS ALSO AN INSURANCE AGAINST RESURGENT NATIONALISM. SO THE EC SHOULD SIGNAL ITS ACCEPTANCE OF A 1990 SUMMIT.

9. SAVNARAS (GREECE) SUPPORTED THE FOOD AID PROPOSALS. HE WONDERED WHETHER THE EAST EUROPEANS WOULD RESPECT THE SOVIET DESIRE NOT TO UNDERMINE THE WARSAW PACT. GORBACHEV NEEDED A BREATHING SPACE. THE EC SHOULD HELP THE EAST EUROPEANS BUT THE REFORMS WERE UP TO THEM. HE LIKED THE IDEA OF ASSOCIATION AGREEMENTS.

10. VAN DEN BROEK (NETHERLANDS) SAID THE CONDITIONS FOR SOME EC AND G24 HELP TO CZECHOSLOVAKIA, ROMANIA AND BULGARIA WERE FULFILLED. ASSOCIATION WAS FURTHER DOWN THE ROAD AND WOULD REQUIRE DECISIVE PROGRESS TOWARDS DEMOCRACY AND A MARKET ECONOMY. HE ENDORSED THE FOOD AID PROPOSALS AND THE CREATION OF A SEPARATE BUDGET LINE FOR EASTERN EUROPE. G24 BURDEN SHARING WAS CRUCIAL SINCE THE EC COULD NOT BEAR THE BURDEN ALONE. HE HAD BEEN SURPRISED AT THE FIGURES DELORS HAD MENTIONED IN THE EUROPEAN PARLIAMENT WHICH WOULD ONLY RAISE FALSE EXPECTATIONS. HE STUCK FIRMLY TO THE STRASBOURG FORMULATION ON GERMAN UNITY. BUT THERE HAD BEEN NO MENTION OF EAST GERMAN MEMBERSHIP THERE. WHY WAS THIS NEW ELEMENT BEING INTRODUCED? WAS IT ABOUT EAST GERMANY AS AN INDEPENDENT STATE? WAS IT TO BE ADMITTED EVEN IF IT DID NOT FULFIL THE NORMAL CRITERIA? ALL THIS NEEDED CLARIFYING. HE SUPPORTED THE IDEA OF A CSCE SUMMIT WHICH WAS BOUND TO TAKE PLACE. THE EC SHOULD GET ON WITH PREPARING IT. PERHAPS THERE SHOULD IN FUTURE BE INTER-CALARY MINISTERIAL MEETINGS BETWEEN THE MAIN CSCE SESSIONS. THERE MIGHT BE A SMALL SECRETARIAT.



SHOULD THERE BE A PREPARATORY CONFERENCE BEFORE A SUMMIT? ON THE EBRD HE RECALLED THE DUTCH BID FOR BOTH THE SITE AND THE DIRECTOR.

11. YOU SAID THE HEROIC PHASE OF THE REVOLUTIONS WAS COMPLETE, THE NEXT STAGE WOULD BE LONGER AND MORE DIFFICULT. THERE WAS MUCH POLITICAL AND ECONOMIC UNCERTAINTY BUT CONTINUING EC SUPPORT WAS ESSENTIAL. WHAT WAS NEEDED WAS NOT HEADLINE FIGURES BUT THE IDENTIFICATION AND TARGETTING OF REAL NEEDS. DIFFERENTIATION WAS ESSENTIAL: EAST EUROPEAN COUNTRIES SHOULD NOT BE TREATED AS A BLOC. ACCESSION TO THE EUROPEAN CONVENTION ON HUMAN RIGHTS, MEMBERSHIP IN DUE COURSE OF THE COUNCIL OF EUROPE, PARLIAMENTARY LINKS BOTH WITH THE EUROPEAN PARLIAMENT AND WITH THE NATIONAL PARLIAMENTS SHOULD BE ENCOURAGED. THE IDEAS FOR ASSOCIATION WHICH WE HAD CANVASSED NEEDED MORE STUDY: IT WOULD HELP IF THE COMMISSION COULD PRODUCE A PAPER. YOU SUPPORTED THE FOOD AID, COMPLETION OF FIRST GENERATION AGREEMENTS AND EARLY DECISIONS ON THE TRAINING FOUNDATION. THE G24 SHOULD NOW EXTEND ITS ACTIVITIES BEYOND POLAND AND HUNGARY. IT WAS CRUCIAL TO INVOLVE NON-EC COUNTRIES IN THE SUPPORT FOR REFORM. WE SUPPORTED A SEPARATE BUDGET LINE BUT SHOULD AVOID TRYING TO SET TOTALS FOR SEVERAL YEARS AHEAD. ONE NEEDED A 'BOTTOM UP' APPROACH WITH SOME FLEXIBILITY ON BUDGET ARRANGEMENTS. THE US AND JAPAN SHOULD BE BROUGHT IN ON THE LOAN TO HUNGARY. LONDON WAS A CANDIDATE FOR THE EBRD SITE. THE SOVIET UNION SHOULD PARTICIPATE BUT SHOULD ONLY BE ABLE TO BORROW FROM THE BANK IF IT FULFILLED THE POLITICAL AND ECONOMIC CRITERIA WE WERE REQUIRING FROM EASTERN EUROPEAN COUNTRIES. WE DID NOT WANT TO LOSE THE US AND JAPAN. AS TO A CSCE SUMMIT, THE IDEA WAS OPPORTUNE. IT WOULD NEED CAREFUL PREPARATION.

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12. EYSKENS (BELGIUM) SUPPORTED MOST OF ANDRIESSAN'S IDEAS. ASSOCIATION SEEMED A BIT OVER-AMBITIOUS FOR QUITE A LONG TIME AND EASTERN EUROPE SHOULD NOT GET OUT IN FRONT OF EFTA. THE SOVIET UNION SHOULD BE IN THE EBRD. BUT THE CRITERIA FOR ELIGIBILITY FOR LOANS MUST BE CLEAR AND RELATE TO POLITICAL AND ECONOMIC REFORM. HE COULD AGREE TO A CSCE SUMMIT SO LONG AS IT WAS LINKED TO SIGNATURE OF A CFE AGREEMENT AND LOOKED FORWARD TO CFE II. HE PREFERRED A SHERPA SYSTEM FOR PREPARING THE SUMMIT TO ANY SECRETARIAT. HE SUPPORTED DELORS' IDEAS FOR MAKING PROGRESS TOWARDS POLITICAL UNION OF THE TWELVE AND THIS SHOULD BE DISCUSSED AT THE GYMNIICH MEETING IN APRIL.

13. DE MICHELIS (ITALY) SAID THE EC MUST USE ITS INFLUENCE TO REDUCE THE RISKS OF INSTABILITY. HE SUPPORTED FOOD AID, HAD NOT BEEN SHOCKED BY DELORS' FIGURES BUT AGREED A 'BOTTOM UP' APPROACH WAS RIGHT. EVEN THAT WOULD COST HUNDREDS OF MILLIONS, IF NOT BILLIONS. THERE SHOULD BE AN EC INITIATIVE ON A CSCE SUMMIT WHICH SHOULD NOT



BE DEPENDENT ON THE CFE OUTCOME.

14. MOLLER (DENMARK) SUPPORTED FOOD AID AND THE EXTENSION OF G24 ACTIVITIES TO OTHER EASTERN EUROPEAN COUNTRIES. COPENHAGEN WAS A CANDIDATE FOR THE SITE OF EBRD AND THE SOVIET UNION SHOULD BE ACCEPTED AS BOTH PARTICIPANT AND BORROWER WITHIN LIMITS. HE SUPPORTED BOTH A CSCE SUMMIT AND A POSITIVE RESPONSE TO BAKER'S IDEAS ON US/EC. A COMMON POLICY ON VISAS FOR EASTERN EUROPE WAS IMPORTANT.

15. FERNADEZ ORDONEZ (SPAIN) SUPPORTED FOOD AID, EXTENSION OF G24 ACTIVITY, ASSOCIATION, A CSCE SUMMIT AND WAS CAUTIOUS ON THE EBRD AND BUDGETARY QUESTIONS. THE 850 MECU MENTIONED BY COLLINS WAS HALF A LOME. LIKE LOME THERE MIGHT NEED TO BE NATIONAL CONTRIBUTIONS.

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