

CONFIDENTIAL

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MDADAN 2838

CONFIDENTIAL  
 FM UKREP BRUSSELS  
 TO IMMEDIATE FCO  
 TELNO 2466  
 OF 031730Z SEPTEMBER 90

*Wildly over-ambitious  
 proposals by the Commission  
 C.A.*

INFO IMMEDIATE EUROPEAN COMMUNITY POSTS, WASHINGTON, UKMIS NEW YORK  
 INFO IMMEDIATE TOKYO, ANKARA, UKMIS GENEVA, AMMAN, DAMASCUS, CAIRO  
 INFO IMMEDIATE RIYADH, JEDDA, ABU DHABI, WARSAW, PRAGUE, SOFIA  
 INFO IMMEDIATE BUDAPEST, BELGRADE, BUCHAREST  
 INFO IMMEDIATE UKDEL IMF/IBRD WASHINGTON

JEDDA FOR SECRETARY OF STATE'S PARTY

YOUR TELNO 231: IRAQ/KUWAIT SANCTIONS: ECONOMIC ASSISTANCE FOR  
 THIRD COUNTRIES

## SUMMARY

1. COMMISSION TO CONSIDER LATER THIS WEEK PROPOSAL BY MATUTES SUPPORTED BY DELORS FOR 300 MECU BALANCE OF PAYMENTS GRANT TO EGYPT, JORDAN AND TURKEY THIS YEAR WITH FURTHER COMMITMENT OF 1000 MECU IN 1991. DELORS MAY RAISE THESE IDEAS AT FOREIGN MINISTERS MEETING IN ROME ON 7 SEPTEMBER (THOUGH THE FIGURE MAY NOT BE MENTIONED) AND COMMISSION MAY SEEK AGREEMENT ON THEM (AND OTHER POINTS BELOW) AT 17/18 SEPTEMBER FOREIGN AFFAIRS COUNCIL.

## DETAIL

2. WILLAMSON TOLD ME IN CONFIDENCE THIS MORNING THAT COMMISSIONER MATUTES HAD PUT FORWARD THE FOLLOWING IDEAS, WHICH HAD THE ENTHUSIASTIC BACKING OF PRESIDENT DELORS:

(A) A SMALL CHANGE TO THE REGULATION IMPLEMENTING SANCTIONS TO EXCLUDE CERTAIN TOXIC PRODUCTS FROM THE LIST OF HUMANITARIAN EXCEPTIONS. (IT HAD BEEN ESTABLISHED THAT THE PRODUCTS IN QUESTION HAD POTENTIAL CW SIGNIFICANCE).

(B) A PROPOSAL TO THE COUNCIL FOR AN ADDITIONAL 10 MECU EMERGENCY AID FOR HELP WITH REFUGEES (THE 3 MECU ALREADY PROVIDED HAVING EXHAUSTED THE FUNDS AVAILABLE TO THE COMMISSION WITHOUT FURTHER RECOURSE TO THE COUNCIL).

(C) SPEEDING UP ACTION WITHIN THE GCC FRAMEWORK.

(D) BALANCE OF PAYMENTS SUPPORT FOR EGYPT, JORDAN AND TURKEY

AMOUNTING OT 300 MECU IN GRANT FORM THIS YEAR WITH 1000 MECU TO FOLLOW (SOME PERHAPS IN LOAN FORM) IN 1991.

3. I ATTACKED (D) AS MISCONCEIVED. A PRIORITY MUST BE TO PERSUADE OTHERS, SUCH AS THE KUWAITI GOVERNMENT IN EXILE, THE SAUDIS, AND THE JAPANESE, TO SHELL OUT. WE HAD YET TO HEAR THE DETAILS OF THE US PROPOSALS ON BURDEN SHARING. AS FOR THE EUROPEAN SHARE, ACCOUNT WOULD HAVE TO BE TAKEN OF NATIONAL FORCE COMMITMENTS, WHICH POINTED TO CONTRIBUTIONS BY COMMUNITY COUNTRIES RATHER THAN A CONTRIBUTION FROM THE COMMUNITY BUDGET. WILLIAMSON DID NOT DISAGREE, AND ADMITTED THAT MATUTES FIGURES WERE TOO BIG: BUT HE THOUGHT THE COMMISSION WOULD AGREE TO SOMETHING ON THESE LINES ON WEDNESDAY 5 SEPTEMBER WITH A VIEW TO DELORS SURFACING IT AT THE FOREIGN MINISTERS MEETING IN ROME ON 7 SEPTEMBER.

4. I SUBSEQUENTLY LOBBIED TRUMPF (GERMAN PERMANENT REPRESENTATIVE) WHO WAS UNSIGHTED, BUT AGREED THAT THE FIGURES LOOKED OUT OF SCALE. HE ALSO THOUGHT NATIONAL CONTRIBUTIONS WOULD BE BETTER: IN HIS PERSONAL VIEW THE FRG WAS ALREADY VIRTUALLY COMMITTED TO A POSITIVE NATIONAL RESPONSE TO THE BRADY APPROACH.

5. WE WILL BRIEF THE BRITISH COMMISSIONERS ON THESE LINES, DRAWING ON TUR, BEFORE THE COMMISSION DISCUSSION ON WEDNESDAY.

## COMMENT

6. IF DELORS DOES INDEED SURFACE THESE AMBITIOUS FIGURES IN ROME ON FRIDAY IT MAY BE CONVENIENT IF HE MAKES CLEAR THAT TURKEY WOULD BE A RECIPIENT, FOR THE LIKELY GREEK OBJECTIONS, PLUS THE SUBSTANTIVE ARGUMENTS FOR HELPING TURKEY, COULD STRENGTHEN THE CASE FOR NATIONAL CONTRIBUTIONS RATHER THAN EC BUDGET PAYMENTS.

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ADVANCE 40

IRAQ/KUWAIT

PS(\*)

PS/MR WALDEGRAVE

PS/PUS

MR TOMKYS

~~MR GORE-BOOTH~~

MR FAIRWEATHER

MR GOULDEN

MR BERMAN (LEGAL ADVISERS)

HD/MED

HD/NENAD

HD/NAD

HD/SED

HD/UND(0)

HD/CONSULAR D

HD/NEWS D

HD/NPDD

HD/SECPOL D

HD/AMD

HD/ECD(E)

MR PRIDDLE, DEPT OF ENERGY

MR APPLEYARD CABINET OFFICE

(BY TUBE H29)

MR W D REEVES CABINET OFFICE  
(BY TUBE H29)MR D J GOWAN CABINET OFFICE  
(BY TUBE H29)MR BARRASS, CABINET OFFICE  
(BY TUBE H29)

PS/NUMBER 10 DOWNING ST

SIR P CRADOCK,  
(NO 10 DOWNING ST)CABINET OFFICE DIO  
(BY TUBE H29)SIR ROBIN BUTLER, CAB OFFICE  
AUS (C) MODUK

HD/SEC (0) (C) MODUK

MR LS SMITH BANK ENGLAND(1)

~~EMERGENCY UNIT~~

SPELLER ECD(E)

R ANDERSON CAB OFFICE

PAUL HARRIS TSY

MOUNTFIELD TSY

WICKS TSY

RIG ALLEN TSY

RESIDENT CLERK

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