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INFO PRIORITY EUROPEAN COMMUNITY POSTS

FRAME ECONOMIC

ECOFIN COUNCIL AND EMU IGC: 28 JANUARY: SUMMARY TELEGRAM

1. FIRST ECOFIN AND EMU IGC MINISTERIAL OF THE LUXEMBOURG PRESIDENCY EFFICIENTLY CHAIRED BY JUNCKER. MULTILATERAL SURVEILLANCE DISCUSSION BETTER FOCUSED THAN IN THE PAST. ENDORSEMENT OF PRESIDENCY WORK PROGRAMME ON ABOLITION OF FISCAL FRONTIERS. AGREEMENT IN PRINCIPLE TO A 2.2 BECU BALANCE OF PAYMENTS LOAN TO GREECE, AND TO COMMUNITY CONTRIBUTIONS TO G24 LENDING TO CZECHOSLOVAKIA AND HUNGARY.
2. EMU IGC LARGELY A FORMALITY EXCEPT FOR PRESENTATION OF FRENCH AND SPANISH PROPOSALS.
3. A POINTS AGREED. CHANCELLOR OF THE EXCHEQUER REPRESENTED THE UK. SEE MY 7 IFTS. ITEMS MARKED (Z) NOT REPORTED FURTHER.

MULTILATERAL SURVEILLANCE

4. DISCUSSION, IN RESTRICTED SESSION, WAS BETTER FOCUSED THAN PREVIOUS SESSIONS. IT WAS DECIDED NOT TO MAKE PUBLIC THE RESULTS OF THE DISCUSSION, THOUGH THE PRESIDENCY INDICATED THE GENERAL POINTS IT WOULD GIVE TO THE PRESS. GREECE AND PORTUGAL AGREED TO SUBMIT PLANS FOR CORRECTING THEIR CONVERGENCE PROBLEMS. FULL REPORT WILL BE CIRCULATED BY WICKS (HMT).

FISCAL FRONTIERS

5. PRESIDENCY WORK PROGRAMME ENDORSED.

COURT OF AUDITORS REPORT ON EXPORT REFUNDS

6. COUNCIL CONCLUSIONS AGREED PROVIDING FOR DISCUSSION IN EARLY 1992 OF PROGRESS ON ACTION IN HAND TO MEET COURT'S RECOMMENDATIONS. UK STRESSED IMPORTANCE OF THIS SUBJECT AND SPELLED OUT THE AREAS IN

WHICH IT WISHED TO SEE PROGRESS. SOME DUTCH SUPPORT.

ASSISTANCE TO EASTERN EUROPE, RESERVE FOR LOAN GUARANTEES

7. AGREEMENT THAT COMMUNITY WILL PROVIDE DOLLARS 500M OF DOLLARS 1BN G24 LOAN TO CZECHOSLOVAKIA, AND FIFTY PERCENT UP TO DOLLARS 250M OF G24 LOAN TO HUNGARY. COUNCIL DECLARATION AGREEING TO CONSIDER COMMISSION PROPOSALS ON DEALING WITH CONTINGENT LIABILITIES ON THE COMMUNITY BUDGET.

GULF CRISIS: BURDEN-SHARING

8. OVER LUNCH, THE CHANCELLOR SPELLED OUT THE COST TO THE UK OF THE MILITARY OPERATION IN THE GULF. HE NOTED THAT BILATERAL CONTACTS ON THIS WOULD CONTINUE. IT WAS AGREED, IF NECESSARY, TO CONSIDER THE QUESTION OF BURDEN-SHARING AT THE FEBRUARY ECOFIN.(Z)

MEDIUM TERM ASSISTANCE FOR GREECE

9. AGREEMENT IN PRINCIPLE TO A 2.2 BECU BALANCE OF PAYMENTS LOAN TO GREECE. FIRST TRANCHE OF 1 BECU, WITH SUBSEQUENT TRANCHES TO BE RELEASED SUBJECT TO APPROPRIATE CONDITIONS AND WITH THE AGREEMENT ON THE COUNCIL. FORMAL DECISION AT FEBRUARY ECOFIN.

EMU IGC

10. FIRST MINISTERIAL MEETING OF LUXEMBOURG PRESIDENCY FOCUSED ON PROCEDURE, WITH ENDORSEMENT OF PRESIDENCY PROPOSAL TO CONCENTRATE ON DRAFTING TREATY TEXTS. FRANCE AND SPAIN CIRCULATED AND INTRODUCED THEIR CONTRIBUTIONS, BOTH GIVEN WARM WELCOME BY COMMISSION. NEXT MINISTERIAL, 25 FEBRUARY, TO DISCUSS PRESIDENCY DRAFT TEXTS ON EARLY TREATY ARTICLES.

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