

ADVANCE COPY014570
MDADAN 4841

UNCLASSIFIED

FM PARIS

TO DESKBY 191030Z FCO

TELNO 1539

OF 190859Z NOVEMBER 89

AND TO ROUTINE EC POSTS, WASHINGTON, MOSCOW, WARSAW, BUDAPEST
AND TO ROUTINE EAST BERLIN, PRAGUE, SOFIA, BELGRADE, ANAKARA
AND TO ROUTINE VIENNA, UKDEL STRASBOURG

INFORMAL MEETING ON EASTERN EUROPE:

MITTERRAND'S PRESS CONFERENCE

SUMMARY

1. UNANIMOUS JOY AT DEVELOPMENTS IN EASTERN EUROPE AND AGREEMENT
OVER NEED TO ENCOURAGE AND HELP, WITH ECONOMIC ASSISTANCE DEPENDANT
ON PROGRESS TOWARDS DEMOCRACY. TROIKA TO STUDY SPECIFIC MEASURES IN
PARTICULAR PROJECT FOR DEVELOPMENT BANK FOR EASTERN EUROPE.
INSTITUTIONAL LINKS BETWEEN EC AND E. EUROPE POSSIBLE FURTHER DOWN
THE ROAD: MEANWHILE NO ENLARGEMENT, AND SOLIDARITY WITH EAST TO BE
BALANCED BY PROGRESS OVER CONSTRUCTION OF COMMUNITY. STRASBOURG
COUNCIL NOW FREE TO DISCUSS THAT.

DETAIL

2. DESCRIBING THE DISCUSSIONS PRESIDENT MITTERRAND EXPLAINED THAT
QUESTIONS OF EUROPEAN COMMUNITY CONSTRUCTION WOULD BE TACKLED AT THE
STRASBOURG COUNCIL: THE PURPOSE OF THIS MEETING HAD BEEN TO DISCUSS
THE REPERCUSSIONS OF EVENTS IN EASTERN EUROPE ON EUROPE AS A WHOLE,
BOTH EAST AND WEST.

3. ALL REPRESENTATIVE HAD DECLARED THEIR OVER-RIDING REACTION TO BE
ONE OF JOY. THEY WERE ALL DETERMINED TO DO EVERYTHING POSSIBLE TO
ENCOURAGE REFORM IN EASTERN EUROPE. THEY WERE AGREED THAT THE
EXISTENCE OF THE COMMUNITY OF TWELVE WAS A STIMULUS AND AN
INSPIRATION. A STRONG WELL-STRUCTURED COMMUNITY DETERMINED TO MOVE
FORWARD WOULD BE A FACTOR IN MOVES TOWARDS FREEDOM IN EASTERN
EUROPE.

?/ 4. EVOLUTION IN EASTERN EUROPE SHOULD BE BALANCED BY INTEGRATION IN
WESTERN EUROPE. THE MORE EASTERN EUROPE MOVED FORWARD THE MORE
WESTERN EUROPE MUST REAFFIRM ITS DESIRE FOR PROGRSS TOWARD UNITY.
OTHER COUNTRIES WITH LINKS TO THE COMMUNITY MUST NOT BE FORGOTTEN
SUCH AS THE LOME COUNTREIS AND EFTA.

5. THE COMMUNITY MUST SUPPORT ANYTHING THAT HELPED EVOLUTION. THEY WERE READY TO COOPERATE IN CONTRIBUTING TO THE INSTALLATION OF HEALTHY ECONOMIES BUT THE PRECONDITION FOR COMMUNITY COOPERATION WAS A RETURN TO DEMOCRACY, RESPECT FOR HUMAN RIGHTS AND MOVES TOWARDS FREE ELECTIONS.

6. ON POLAND AND HUNGARY A SERIES OF SPECIFIC MEASURES HAD BEEN CONSIDERED. THE INITIATIVE TAKEN AT THE G7 SUMMIT HAD BEEN RECALLED, AND THE MEETING OF THE 24 DUE IN DECEMBER. AN IMF AGREEMENT WAS AN ESSENTIAL FIRST STEP WHICH MUST BE ACHIEVED FAST. POLAND REQUIRED A STABILISATION FUND OF PERHAPD 1 BILLION DOLLARS, HUNGARY BRIDGING CREDITS. MOVES TOWARDS DEMOCRACY IN THE GDR HAD BEEN DISCUSSED WHILE THE CRISIS IN YUGOSLAVIA HAD BEEN EVOKED AND THE NEED FOR AN EMERGENCY PLAN THERE.

? 7. THE TROIKA HAD RECEIVED A MANDATE TO CARRY OUT PROMPTLY A STUDY FOR A PROJECT OF SETTING UP A DEVELOPMENT BANK FOR EASTERN EUROPE. THEY WERE ALSO TO BRING FORWARD PROPOSALS FOR MANAGEMENT TRAINING AND OTHER EDUCATIONAL PROGRAMMES.

8. THE POSSIBILITY OF OPENING CERTAIN INSTITUTIONS SUCH AS THE COUNCIL OF EUROPE TO EASTERN EUROPEAN COUNTRIES AS THEY MADE PROGRESS TOWARDS DEMOCRACY HAD ALSO BEEN EVOKED.

9. TO SUM UP THE MEETING HAD REFLECTED THE NEED FOR SOLIDARITY WITH THE WHOLE OF EUROPE, DEMOCRACY BEING THE COMMON FACTOR, AND FOR UNITY, IE FIRM STRUCTURES WITHIN THE EC AND WITH THOSE WHO FURTHER DOWN THE ROAD MIGHT JOIN THE COMMUNITY WHEN THEY WERE ABLE TO ASSUME THE OBLIGATIONS.

10. IN ANSWER TO QUESTIONS MITTERRAND MADE THE FOLLOWING ADDITIONAL POINTS:

A) THE DEVELOPMENT BANK. WHILE THE PRINCIPLE HAD BEEN ACCEPTED BY ALL PARTICIPANTS THE TERMS OF REFERENCE AND CONDITIONS WOULD BE PROPOSED BY THE TROIKA AND COMMISSION STUDY.

B) ENLARGEMENT WAS NOT A REASONABLE PROPOSITION UNTIL 1993. TURKEY'S APPLICATION WOULD RECEIVE NEITHER A REFUSAL NOR AN ACCEPTANCE. THE COMMUNITY NEEDED A PERIOD FOR DIGESTION. THE SAME WOULD APPLY TO AUSTRIA AND ANY OTHER APPLICANTS FOR MEMBERSHIP. THE OBJECTIVE AND FINAL GOAL REMAINED EUROPE IN ITS ENTIRETY: THUS THE EVENTS IN BULGARIA HAD BEEN WELCOMED AS A FIRST STEP.

C) HE, LIKE OTHER EUROPEAN LEADERS, WAS IN FREQUENT CONTACT WITH GORBACHEV AND BUSH. THERE WOULD BE NO FORMAL MESSAGE FROM THE 12 BEFORE THE MALTA SUMMIT BUT THEIR DISCUSSION TODAY WOULD IN THE NATURE OF THINGS INFORM THAT MEETING.

D) THE DISCUSSION TONIGHT HAD BEEN POLITICAL IN THE FULLEST SENSE OF THE TERM. IT REPRESENTED A PROMPT RESPONSE TO DEVELOPMENTS IN A WAY THAT LEFT THE STRASBOURG COUNCIL FREE TO TACKLE QUESTIONS RELATING TO COMMUNITY CONSTRUCTION AND TAKE DECISIONS ON THEM. THERE WOULD OF COURSE BE POLITICAL DISCUSSION AT STRASBOURG AS WELL, INCLUDING THE CUSTOMARY TOUR DE TABLE WHICH WOULD COVER ISSUES OTHER THAN EASTERN EUROPE, FOR EXAMPLE LATIN AMERICA AND NORTH/SOUTH QUESTIONS. BUT THE BASIS OF THE AGENDA REMAINED ECONOMIC AND MONETARY UNION, THE SOCIAL CHARTER AND THE OTHER ITEMS ALREADY PUT FORWARD.

11. FCO ADVANCE TO RESIDENT CLERK AND NO 10 (FOR INGHAM) AND TO NEWS DEPT

FERGUSSON

YYYY

DISTRIBUTION

15

ADVANCE

15 18

.BERLIN/INNER-GERMAN RELATIONS
.(WIDE)
PS/NO 10 DOWNING ST
MR INGHAM, NO 10 DOWNING ST
PS (6)
PS/PUS
PS/SIR J FRETWELL
MR RATFORD

HD/WED
HD/SOVIET
HD/NEWS
RESIDENT CLERK
MR S MCCARTHY SEC(NATO/UKP)MOD
WG CDR ANDREWS DCTS NATO MOD
MRS GLOVER LEGAL ADV

NNNN