

COMMISSION
OF THE
EUROPEAN COMMUNITIES

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The President

Dear Prime Minister,

Thank you for your letter of 10 October about financial assistance for the countries most immediately affected by the Gulf Crisis (Turkey, Egypt and Jordan).

I attach a full list of all the meetings which prepared this decision. This shows that despite the urgency of the situation and the pressures from our international partners for action, the process was long, thorough and correct. However, it was also complex, as it involved both Political Cooperation and the standard Community procedures.

At the moment a decision of this kind has to involve both these sets of procedures, and it is precisely because the resulting complexity can result in a lack of transparency that I consider that the second Intergovernmental conference should result in uniting the two.

Sincerely yours.


Jacques DELORS

The Rt Hon
Mrs Margaret Thatcher, MP, FRS
Prime Minister
10 Downing Street
London SW1A 2AA

Financial aid for countries particularly affected by the
Gulf crisis

21 August

Meeting of Ministers on Political Cooperation in Paris. Positive welcome for the Commission's intention to make financial proposals in favour of countries particularly affected by the Gulf crisis. From 31 August the Commission launched consultations with the International Monetary Fund, the World Bank and the US Department of Treasury.

5 September

The Commission presented a working document "The Community and the Gulf crisis". We indicated the three potential beneficiary countries (Turkey, Egypt, Jordan) without setting out in detail the amount of the aid nor the division between the beneficiaries.

6 September

Meeting of COREPER. No delegation contested the necessity for some financial assistance to the countries which were particularly affected by the crisis.

7 September

Extraordinary meeting of Ministers for Political Cooperation at Rome on the basis of the working document of the Commission. The Ministers declared

"The Community and its Member States have taken a decision on the principle of extending such short-term financial assistance to these three countries. This assistance will take place in the framework of concerted action with other industrialised countries as well as with the countries of the region. The General Affairs Council will take appropriate decisions at its forthcoming meeting on the basis of Commission proposals and the results of consultations with third countries".

8 September

The Ministers of Economy and Finance at their informal meeting in Rome were informed of the situation and the position taken by their colleagues in Political Cooperation.

12 September

Meeting of COREPER. First discussion on the Commission's communication which set out the amount of the international financial assistance, the division of the charge between the contributing countries (2/3 for the Gulf countries exporting petrol, 1/3 for OECD countries, of which 2/3

would be for the Community and its Member States) and the procedures for coordination. It also set out some of the working details of the proposed Community contribution (1.5 billion ECUS, of which 750 million ECUS would be on the Community budget and 750 million ECUS in the form of voluntary national contributions, taking account in particular of the military expenses undertaken by certain Member States) and the budgetary implications.

13 September

Meeting of COREPER for further discussion.

17 September

Meeting of the Council (General Affairs). Declaration confirming the willingness to provide short term assistance in favour of countries particularly affected by the crisis.

20 September

Meeting of COREPER. Discussion on the proposed regulation presented by the Commission concerning the implementation of the financial assistance. Question submitted to Foreign Affairs Ministers in the margin of the United Nations meeting in New York.

26 September

Meeting of COREPER. New exchange of views on the Commission's proposal with a view to the political decision.

1 October

Political decision by Ministers of Foreign Affairs at New York foreseeing a financial assistance of 500 million ECUS, mainly in the form of gifts and to be imputed to the budget. 1 billion ECUS to be paid by Member States in the form of voluntary contributions.

3 October

Meeting of COREPER. An amended proposal was dealt with at this session, taking account of the changes made by the Foreign Affairs Ministers in New York. There was a Greek reserve on the division of the aid between the three beneficiary countries and a British reserve on Article 2 relating to the figure of 500 million ECUS "mainly in the form of aid and for the rest in the form of loans to be attributed to the 1991 budget". This British reserve was lifted at the COREPER meeting on 4 October.



Foreign and Commonwealth Office

London SW1A 2AH

26 October 1990

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Dear Charles,

The Gulf: Economic Assistance to Turkey, Jordan and Egypt

I enclose the top copy of Mr Delors' reply to the Prime Minister's letter to him of 10 October. Michael Jay sent Patricia Parkin a copy of the reply, together with a contingency press line, on 24 October.

The terms of the press reporting have been neutral, and it appears that Mr Delors intended the letter to be conciliatory. The Foreign Secretary suggests that we have little to gain by continuing the correspondence. We have made the point to the Commission in letters from the Prime Minister and the Chancellor that decisions involving major expenditure can only be taken after proper procedures have been followed. Mr Delors' letter implicitly accepts this.

Yours ever,

Richard Gozney

(R H T Gozney)
Private Secretary

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