



COMMISSION  
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COMMUNITIES

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### THE WEEK IN EUROPE

EC, USA, Japan to retrain Russian Weapons Scientists. The European Community is joining the United States of America and Japan in setting up an International Science and Technology Centre to help retrain nuclear weapon scientists of the former Soviet Union. A statement in Brussels on Wednesday said a primary focus of the centre would be to provide weapons scientists and engineers, particularly those with skills and knowledge related to weapons of mass destruction, with opportunities to redirect their talents to peaceful purposes. The agreement follows meetings with the current President of the EC Council Portuguese Foreign Minister Joao de Deus Pinheiro, Commission Vice-President Frans Andriessen, US Secretary of State James Baker, Japanese Deputy Foreign Minister Koichiro Matsuura and Russia's Foreign Minister Andrei Kozyrev. Kozyrev also had talks with Commission President Jacques Delors on Monday. The Community and the US have pledged \$25m dollars each towards setting up the centre, the Japanese have promised a substantial contribution and Russia will provide premises and infrastructure. The Centre will work on projects designed to reduce and eliminate weapons of mass destruction and to contribute to the wider goals of reinforcing the transition to market based economies responsive to civil needs and to support basic and applied research and technology development with a bias towards environmental protection, energy production and nuclear safety. These projects would be carried out primarily at institutions and facilities located in the Russian Federation but other interested States of the CIS and Georgia may take part if they wish. It is agreed that the need to set up the Centre is urgent. A joint team is to be sent to Russia at the end of this month to survey sites; the governing board will meet shortly thereafter to appoint staff. The Centre should become operational by early summer. Canada has already expressed interest in taking part in the Centre's activities. Other governments, inter-governmental and non-governmental organisations are being invited to join in.

British Aerospace/Rover Group sweeteners case. The European Commission has decided to pursue their demand for the repayment by British Aerospace of £44.4m worth of UK government so called "sweeteners" received when it acquired the Rover car group in 1988. Last month the European Court of Justice in Luxembourg overturned the original Commission decision that the payment constituted illegal state aids. The court's ruling was entirely procedural and did not deal with the substance of the case. A statement yesterday (Wednesday) said the Commission was still of the opinion that the arrangement with Rover in 1988 constituted illegal state aid. The new process instituted by the Commission under article 93.2 of the EC Rome Treaty will allow interested parties to submit their comments. These, the Commission says, will be carefully considered before any final decision is taken.

Delors meets Baker. The United States has made an "extraordinarily generous" offer to the European Community which could break a deadlock in world trade talks, US Secretary of State James Baker said in Brussels this week after meeting Commission President Jacques Delors. But neither Baker nor the EC has yet given any details of the offer, which has been taken up by senior US and EC officials at a new negotiating session. This is in the context of the Uruguay Round of the GATT talks which had been considered near collapse. GATT Secretary-General Arthur Dunkel has prepared a make-or-break compromise proposal, and set an April deadline for acceptance or rejection.

MacSharry on CAP reform. Reform of the Common Agricultural Policy has four main objectives Commissioner Ray MacSharry told the European Parliament earlier this week. These were competitiveness, market balance through production controls, compensation to producers and modulation of support, and sensitivity to environmental requirements. MacSharry said reform would lead to greater certainty both for the budget and for farm incomes. It was not realistic to expect that a stabilised world market price for cereals would be more than 100 ecus (£70) per tonne in the longer term. It would therefore be counterproductive to maintain a community price at a substantially higher level not just from a competitive point of view, but also because it would result in a reduction in the compensation for price cuts and hence make set-aside less attractive. The best means of phasing out stabilisers was to have rapid agreement on CAP reform. Price reductions in the dairy sector were a direct consequence of the cereal price cut as far as intensive producers are concerned. Extensive producers will be compensated through a direct premium. MacSharry said 23% of all milk output was heavily subsidised

at a cost of 5 billion ecus (£3.5b). Therefore a quota cut was necessary to stabilise the market. A price cut was particularly necessary to improve the competitive position of butter, vis-a-vis substitutes.

EC and Latin America. In a speech at Canning House, London, on Monday Commissioner Abel Matutes, responsible for relations with Latin America, said progress on two fronts had been made in relations between the EC and Latin America. The EC had extended the institutional dialogue at ministerial level. In addition, the Community had supplemented and updated its set of specific agreements with the Latin American countries. New net investment flows were already being noted.

Papandreou on International Women's Day. Commissioner Vasso Papandreou, in a declaration to coincide with International Women's Day on 8 March, pointed out that despite legislation and positive action programmes, unemployment among women in the Community was running at 11.6% as against 7.7% for men, while the difference between pay for men and women was as high as 30%. Low levels of vocational training, inadequate child-care facilities and unequal sharing of the burdens of raising a family were all factors which prevent the best use being made of the potential represented by women.

Brittan on the Maastricht Treaty. Speaking in Windermere on 6 March, Commission-Vice-President Sir Leon Brittan said the Maastricht Treaty sets a formidable agenda, from the establishment of the single currency, to the operation of the many new institutions and the use of the many new possibilities created by the new European Union. The signing of the Treaty also enabled the Community to turn its full attention to the crucial question of its future enlargement. Work was already in hand on the Commission's paper to be presented to the European Council in Lisbon in June.

Women of Europe. Nominations for the Women of Europe Award 1992 are now being called for. Alison Parry, British President Women of Europe Award, asks Media and Newspapers especially to make preferences known (two A4 pages plus photograph) by the deadline of 2 October. Contacts: Alison Parry or European Movement, 158 Buckingham Palace Road, London SW1W 9TR. Tel: 071 824 8388.

Pension Funds in EC. A study group of the EC Economic and Social Committee (ECOSOC), the consultative assembly of the European Communities, is organising a hearing in London next Tuesday on the Freedom of Management and Investment of Pension Funds in the EC. **Press Conference:** Tuesday, 17 March, Institute of Directors, Pall Mall, at 12.10.

"Eurocities" office in Brussels. Bruce Millan, Commissioner responsible for regional policies last week launched the Eurocities office in Brussels. "Eurocities" brings together major municipal authorities to share ideas and resources and to act in concert to further their common interests in Europe. Millan welcomed the initiative taken by 40 cities from all parts of Europe, which will provide a vehicle for cities to develop programmes for specific action and cooperation.

The EC Information Handbook 1992. The EC Committee of the American Chamber of Commerce has just published a brand new edition of the EC Information Handbook 1992, complete with the most up-to-date details on the relocation of European Commission officials in Brussels. The handbook is available (in English) for 1500 Belgian Francs from the EC Committee, avenue des Arts 50, Box 5, 1040 Brussels. Details about the handbook from Patty O'Hayer. Tel: 010-322-5136892.

EC Energy Policy. A detailed guide to the Community's impact on the energy sector by Paul Lyons. A Financial Times Management report. Available on credit card hotline 071-799-2274 or directly from the Financial Times Business Information Ltd., 1 Southwark Bridge, London SE1 9HL.

Conference and Diary Dates.

**European Construction - policy and performance.** The European Construction Institute's European Conference. Hotel Alliance, Lille, France 2-4 April. Details from ECI, Sir Arnold Hall Building, Loughborough University of Technology, Loughborough, Leics LE11 3TU. Tel: 0509- 222620.

**Energy in the Single Market.** Institute of Energy Annual Conference. 14 May. Metropole Hotel, London. Details from Catherine Smith or Elizabeth Mortimer on 071-580-0008.

**Control and Instrumentation in power plants.** A two day conference on 28-29 May and the Royal Lancaster Hotel, London W2. Details from Sarah Cope or Liz Hide on 071-637-4383.

**Opening up the post-Soviet gas industry.** A unique and major conference for the gas industry. 14 and 15 April at the Queen Elizabeth Conference Centre, Westminster, London SW1. Details from Conference Department of the Royal Institute of International Affairs, Tel: 071-957-5700.

**Doing business in Japan: strategies for success.** A conference at the London Marriott Hotel. 19-20 March. Details from The Economist Conferences - Tel: 071 493 6711

Our next Briefing will take place on Thursday 19 March at 11.30 am.