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WE/3/91  
24 January 1991

### THE WEEK IN EUROPE

EC looks beyond Gulf war. Speaking to the European Parliament this week, Jacques Poos, Foreign Minister of Luxembourg and current President of the Council of Ministers, said the EC will commit itself to strengthening relations with all the Arab states and preparing an international peace conference on the Middle East when the Gulf crisis is over. Poos also defended the role played by Member States in seeking to avoid war in the Gulf before it broke out on 16 January. During the European Parliament's emergency debate on the conflict, Poos said the decision to use military force had been made when it was clear that the Iraqi leader seemed to be "looking for a war". He added: "We did not start the war on 16 January: Saddam Hussein started it when he invaded Kuwait on 2 August." He also called for a drastic reduction in the weapons of mass destruction in the Middle East. Steps to improve relations with the Arab world would include reinforcing ties between the EC and the Arab League and the Gulf Cooperation Council. Poos suggested that the Twelve would also undertake a complete overhaul of its cooperation agreements with all its Mediterranean neighbours. Also intervening in Parliament's debate on the Gulf war, Commissioner Abel Matutes underlined that the Community throughout the Gulf crisis has maintained a coherent position, thus proving the Community's and the Member States' determination to act on the basis of external and internal solidarity. He regretted that Saddam Hussein had preferred war. Meanwhile, EC Foreign Ministers backed French calls for a comprehensive Middle East conference when they met in emergency session in Paris last week. The Ministers also sent a pressing appeal to the Iraqi authorities to withdraw their forces immediately and completely from Kuwait to avoid new suffering for the people of Iraq. The Ministers committed themselves to work to reestablish international legality, with a view to assuring "peace, stability and development in dignity and security for all the people in the region." Lastly, in an initial effort to avert more suffering in the Middle East, the Commission opened a 7.5m ecus (£5m) credit line for humanitarian aid for victims of war in the Gulf.

Gulf prisoners of war. In a statement from the Presidency, the EC expressed its deep concern at the unscrupulous use of prisoners of war in the Gulf by Iraq. It went on to say that the EC hold the Iraqi authorities responsible for all illegal acts endangering the physical integrity and the life for all prisoners of war which clearly constitute a war crime.

EC acts over Baltic violence. The EC has cancelled a high-level ministerial meeting with the Soviet Union scheduled to take place today (Thursday) to mark its condemnation of the violence against the nationalist authorities in the Baltic states. However, EC governments are unwilling to cut off economic aid to the Soviet Union, although this remains a possibility if there are further attacks on the Baltic independence movements. The meeting in Brussels was due to begin work on the Soviet/EC cooperation agreement signed last April. The agreement held out the possibility of massive long term economic aid to help the reorganisation of the Soviet economy. Details of the decisions were given to an emergency session of the European Parliament by Luxembourg Foreign Minister Jacques Poos. The consensus amongst the Twelve seems to be that they are not yet ready to risk a fundamental breach in Soviet relations. The aid programme to be given to the Soviet Union - the decision was taken at the Rome Summit last December - consists of food and medical aid valued at 250m. ecus (£175m); guaranteed food credits amounting to 500m. ecus (£175m); and technical assistance valued at 400m. ecus (£280m).

Delors presents Commission's 1991 programme. Addressing the European Parliament on Wednesday, Commission President Jacques Delors outlined the Commission's programme for 1991. He laid stress on a balanced implementation of the Single Act. The most obvious shortcoming in this area, he said was the pace of progress towards the addition of a social dimension. The impetus given by the Social Charter had failed to generate the hoped-for momentum. Backed by the Presidency, the Commission

would press on with initiatives to complete the action programme in 1991. These will cover wages and working conditions (fair wage, mass redundancies, subcontracting), industrial relations (worker participation), health and safety, and access to training. On progress toward completion of the Internal Market, Delors said the Single Market was taking firm shape with 200 out of the 282 proposals already adopted. The 340 million-strong Community was the cornerstone of the new European architecture mapped out by the Paris Charter, he declared. This was based on human rights, democracy, the rule of law, economic freedom, social justice, responsibility towards the environment and, last but not least, security. He added that one practical basis for long term cooperation should be energy, saying that the Commission was determined to see that the Dutch Prime Minister's proposal for a European Energy Charter, put forward at the CSCE summit in Paris, was carried through. As to prospects beyond 1992, he concluded that there was more to the Community's future than the two intergovernmental conferences on Economic and Monetary Union (EMU) and the Political Union. He foresaw the revision of the financial perspective to set the budgetary framework for all that had to be done between 1993 and 1997.

Agriculture reforms talks adjourned. Plans for substantial reform of the Common Agricultural Policy (CAP) are understood to have met widespread opposition at a meeting of Agricultural Ministers in Brussels at the beginning of this week. Commissioner Ray MacSharry unveiled his plan involving substantial cuts both in price support levels for farm products in chronic surplus, such as grain and beef, and in production quotas available to farmers for other commodities, such as milk and milk powder. But the talks were adjourned when MacSharry had to leave the meeting for personal reasons. While there is nothing official yet, it is reported that he outlined plans to propose a range of direct income supports to compensate small and medium-sized farmers for price and production cuts. Before his departure MacSharry told Ministers that fundamental and not cosmetic change was needed. Even without the international pressure to reduce farm subsidies in the Gatt talks, the EC's finances could not sustain a continuation of the status quo, he said. Ministers return to the debate on 4 February.

"Transport in a fast-changing Europe." EC Transport Commissioner Karel van Miert has presented a new report on transport which paints a gloomy picture. Produced by "Group Transport 2000 Plus", the report makes clear that an impending crisis in transport systems can only be avoided by immediate political action prior to seeking technical solutions. Failure to implement the Treaty of Rome's transport provisions has brought Europe perilously close to a transport breakdown, it says.

European Information Association. The newly established EIA, an international body of information specialists, was launched yesterday (Wednesday) in the European Commission's London Office by Sir Charles Chadwyck-Headley, the EIA's Honorary President, and Niels Thoegersen, Director at the European Commission in Brussels. The organisation concerns itself with the development, coordination and improvement of the provision of information on the EC and related matters. Further information: Ian Thomson - 0222 874 262.

EIB loan to expand telecommunications. Investment to develop telephone services in Northern Ireland is being supported with a £90m loan from the European Investment Bank. The 14 year loan goes to British Telecommunications PLC.

Commission probe. The Commission has decided to open proceedings in its examination of the proposed acquisition by Alcatel of a controlling interest in Fiat's telecommunications subsidiary Telettra. The operation was notified under the Merger Regulation on 10 December 1990. The reason for the probe is that the Commission believes the proposed merger would lead to high combined market shares for the new Alcatel/Telettra entity in the markets for transmission equipment in Spain.

Conference and Diary Dates.

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|-------------------------|--------------|----------|
| ECO/FIN Council         | 28 January   | Brussels |
| General Affairs Council | 4-5 February | Brussels |
| Agricultural Council    | 4-5 February | Brussels |
| Internal Market Council | 18 February  | Brussels |

Our next briefing will take place on Thursday, 31 January at 11.30 am.