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11 April 1991

THE WEEK IN EUROPE

Summit backing for UK Kurdish plan. European Community leaders, meeting in Luxembourg on Monday at a special summit to consider the Middle East, gave their backing to a UK plan for the creation of a "safe haven" in Northern Iraq under the United Nations to provide protection for Kurdish refugees. The four-point plan, put forward by UK Prime Minister John Major, also called for a £104m contribution to UN aid for Kurds (two thirds from the Community budget, the rest from Member States' contributions), continuing sanctions against Iraq, and the opening of a UN register of worldwide arms sales. EC Heads of Government left to the UN Security Council discussion of how such an enclave might be created. The UK proposal would entail a two-stage process with the immediate aim of getting the Kurds and the other refugees down from the mountains and into a safe area followed by the second stage of getting them back home. Jacques Santer, Prime Minister of Luxembourg, which holds the EC Presidency and hosted the summit, and Commission President Jacques Delors are now in the United States conferring with President George Bush and UN Secretary-General Javier Perez de Cuellar on the Community's Middle East initiatives. Meanwhile, Jacques Poos, the Luxembourg Foreign Minister, was having talks on the crisis with US Secretary of State James Baker. At the same time as the summit in Luxembourg, Foreign Ministers of the nine EC countries that make up the Western European Union held an impromptu meeting that included the Turkish Ambassador with the aim of co-ordinating military and logistical help to distribute the aid to the Kurds. For the first time a member of the Commission, Frans Andriessen, also attended the meeting.

Clean-up for Gulf Pollution. Environment Commissioner Carlo Ripa di Meana outlined a 16m ecus (£11m) Commission contribution to help clean-up the oil slick in the Gulf and put out Kuwaiti oil wells fired by Iraqi troops before their rout by the allied coalition. Ripa di Meana said in Brussels that some 400km of the Gulf coast were seriously affected by the slick; about 530 wells were burning away an estimated six million barrels of oil a day, 60% of Community consumption. The financial loss was about 100m dollars a day.

Commission probes Bull. The Commission is to conduct an investigation into possible illegal state aid for Bull, the French computer manufacturer, and for Thomson, the French defence and electronics group. The Commission has confirmed that it has begun the first stage of examining the French Government's proposed £590m injection of new capital for Bull and Thomson. A formal inquiry will follow if the Commission decides the new funding constitutes state aid. The effect of the aid on Bull and Thomson's competitors in the Community will also be examined.

Sabena subsidies to be investigated. The Commission is also to investigate Belgian Government plans to pump cash into Sabena, the state airline. The Belgian Government asked the Commission last week to clear the proposed Sabena payments and the EC executive will decide within two months whether to approve them or ban them as unfair. The Belgian Government agreed in March to allocate £310m towards a restructuring programme and recapitalisation at Sabena.

Millan signs UK RENAVAL Programme. During a visit to Durham and Cleveland last Friday, Commissioner Bruce Millan, responsible for regional policy, announced a 5.8m ecus (£4.06m) commitment from the Community's Structural Funds to a programme of measures intended to help the economic conversion of the districts of Langbaugh-on-Tees and Middlesborough, which have been particularly hard-hit by industrial decline. These two areas were defined in July 1990 as benefitting from the special RENAVAL Community Programme, established specifically to address the problems of areas which have suffered badly from job losses in the ship-building and ship-repair industry. This RENAVAL programme covers the period up to December 1993. Funding comes from the European Regional Development Fund and this will be matched by a commitment from central and local government of some 5.5m ecus (£3.9m) and some 500,000 ecus (£360,000) from private companies. In all, this new RENAVAL initiative has the target of providing about 31,000 square metres of new

industrial floor space and of aiding 170 small businesses. Millan said that on top of other Community interventions, the new grants should give the region a boost for overcoming its unemployment problems.

European Social Fund allocations. Commissioner Vasso Papandreu has approved European Social Fund allocations valued at 10.06m ecus (£7m) for the UK. The UK Department of Employment will dispense the allocations over the three year period 1990-1992 to pay for technical assistance to local authorities, higher education, the voluntary sector and the Industrial Training Board. The ESF contribution represents 45 percent of the total expenditure.

Brittan on deregulating energy and telecoms. Speaking in Sheffield last week, Commission Vice-President Sir Leon Brittan spoke about the need to open up the energy and telecommunications industries across the European Community. Referring to Article 37 of the Treaty of Rome, which had been used to deal with the French tobacco monopoly and the Spanish oil monopoly, Sir Leon Brittan said the Article was now being used to challenge monopolies in the electricity and gas industries. There was, he said, no reason why only one company per country should be able to import and export electricity and gas. The process of deregulating in telecommunications got under way in 1988, when the Commission issued a Directive introducing competition in terminal equipment markets.

European Bank for Reconstruction and Development is to be inaugurated in London on Monday. Prime Minister John Major and President Francois Mitterand of France speak in the morning followed by a first meeting of the Bank's Board of Governors on Tuesday. President Jacques Delors will be representing the European Commission together with Commissioners Henning Christophersen and Karel Van Miert.

Non-Governmental Development Organisations. The 17th Annual General Assembly of European Non-Governmental Development Organisations (NGDO's) met in Brussels from 9 to 11 April. Numerous participants from Community institutions, ACP countries and NGO networks were addressed by President of the European Parliament Enrique Baron and Commission Vice-President Manuel Marin. The Community's contribution to various NGDO operations in 1990 totalled some 318.5m ecus (£223m) of which more than a third was for food aid and a quarter for co-financing small-scale development projects in developing countries. Other categories to benefit include programmes for refugees and displaced persons, drug-abuse control, victims of apartheid, NGOs operating in Chile, the West Bank and the Gaza Strip.

No objection to aid for Irish ferry company. The Commission has decided not to raise any objections to the Irish Government's intended decision to grant aid to British and Irish Lines PLC to pay off debts and provide a capital injection in the framework of B & I Line's sale to Irish Ferries.

Bath European Enquiry Service (BEEs) was launched yesterday (Wednesday) by the Rt Hon Lord Jenkins of Hillhead, former President of the Commission. This new service has been set up to alert local businesses to the opportunities of the Single Market and to give them access to EC information together with expert advice. Further information from Antony Inglis - Tel: 0225-826882.

"Making your Mark" and "Franc Exchange". Introducing two new Business Language Packs from Business Language Information Services. German and French now available. Spanish language pack to be launched in Spring 1992. For details contact Marilyn McAndrew of BLISS, 76 Colesbourne Drive, Downhead Park, Milton Keynes MK15 9AP. Tel/Fax: 0908-607399.

"A People's Europe". Hugh Dykes MP contrasts the high constitutional issues of European politics with the ordinary everyday matters of European life. He surveys the tangible policies which are bringing European citizens together and proposes practical steps to make European Union a reality by building a "Europe of the People". Published by the European Movement, Europe House, 1 Whitehall Place, London SW1A 2DA. Tel: 071-839 6622. Fax: 071-839 3120. ISBN 1-873113-01-3. Price £2.25.

Conference and Diary Dates

"Eastern Germany: Open for International Investment". An international conference on private investment in Eastern Germany. 22-23 May. Venue - Berliner Congress Centre, Moeskirches Ufer 54, 0-1026 Berlin (East). Tel: 010 37-27-82-21-60 Fax: 0161-36-10-740.

"A united Germany in a Free Europe". Congress in Dresden 24-25 May. Details from IW Abt 2. Tel: 010 49-221 3708-203. Fax: 010 49-221 3708-1961.

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| European Parliament Session | 15 - 19 April | Strasbourg |
| Fisheries Council | 18 April | Luxembourg |
| Agriculture Council | 22 - 23 April | Luxembourg |

Our next briefing will take place on Thursday, 18 April at 11.30 am.