

PRESS RELEASE

4934/92 (Presse 28)

1558th Council meeting

- GENERAL AFFAIRS -

Brussels, 2 March 1992

President: Mr João de Deus PINHEIRO

Minister for Foreign Affairs
of the Portuguese Republic

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The Governments of the Member States and the Commission of the European Communities were represented as follows:

Belgium:

Mr Marc EYSKENS Minister for Foreign Affairs

Denmark:

Mr Uffe ELLEMANN-JENSEN Minister for Foreign Affairs

Mr Jørgen Østrøm MØLLER State Secretary for Foreign Affairs

Germany:

Mr Hans-Dietrich GENSCHER Federal Minister for Foreign Affairs

Mrs Ursula SEILER-ALBRING Minister of State, Foreign Affairs

Greece:

Mr Antonio SAMARAS Minister for Foreign Affairs

Mr Georges PAPASTAMKOS State Secretary for Foreign Affairs

Spain:

Mr Francisco FERNANDEZ-ORDOÑEZ Minister for Foreign Affairs

Mr Carlos WESTENDORP State Secretary for Relations with the European Communities

France:

Mrs Elizabeth GUIGOU Minister for European Affairs

Ireland:

Mr David ANDREWS Minister for Foreign Affairs

Mr Tom KITT Minister of State for European Affairs

EEA AGREEMENT

The Council:

- welcomed the Commission report stating that the negotiators regarded the negotiations on the Agreement creating the European Economic Area as completed;
- took note of the Commission's decision to request a fresh opinion from the Court of Justice on the renegotiated part of the draft Agreement, in particular following the European Parliament's Resolution of 14 February 1992;
- confirmed the political importance attached to the EEA Agreement, which could be signed shortly;
- agreed that the Council would not intervene in the procedure before the Court and noted that it was not the intention either of the Member States to intervene.

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RELATIONS WITH THE FORMER USSR

On the basis inter alia of a communication from the Commission and of an additional oral report from Vice-President ANDRIESEN on the outcome of his recent journey to various Republics, the Council held a wide-ranging exchange of views on the various aspects of relations with the newly independent States of the former Soviet Union.

The Council broadly shared the analysis of the situation and the approaches suggested by the Commission, which it congratulated on its excellent work.

The Council confirmed the Community's resolve to contribute to the political, economic and social stability of the Republics and to encourage by every means at its disposal democratic reforms, the introduction of market economies and regional co-operation between the different Republics.

In this spirit, the Ministers reiterated their determination to support unreservedly the rapid admission of those Republics which had applied to join the Bretton Woods institutions and to do everything possible to ensure that a positive decision was taken on the matter when the interim committee of the IMF met on 26 April 1992.

The Council also emphasized the desirability of expanding and developing political dialogue with the Republics.

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On the subject of food aid and humanitarian aid, the Council was pleased to note that, despite initial difficulties, a positive trend could now be discerned in the implementation of the ECU 200 million of food aid which the European Council of Maastricht had decided to grant to the cities of Moscow and St Petersburg in particular. The Council noted that the Commission was currently examining with the Russian authorities the possibility of extending this operation to other urban centres. The Council also wished to congratulate the joint Commission/Member States Task Force on the efficient work carried out on the spot and agreed to widen its brief in the interests of improved co-ordination of consignments from the departure points.

The Council also emphasized the desirability of ensuring the rapid implementation of the medium-term loan of ECU 1 250 million. To this end, it agreed to ask the ECO/FIN Council to look into more flexible ways of applying the conditions attached to the loan.

The Council confirmed the importance of the forthcoming Lisbon Conference, the principal objective of which remained to improve co-ordination of short-term aid operations with a view to meeting urgent needs and to taking account of the macro-economic problems which needed to be dealt with in the framework of the international institutions concerned (in particular the IMF and the World Bank).

The Council also reiterated the importance of Community co-ordination and took note of the work programme established by the Presidency for this purpose. The Council also noted that France had agreed to co-chair the Working Group on Medicine.

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The Council furthermore emphasized the desirability of establishing preparatory contacts with the Republics with a view to their participation in the proceedings of the Conference.

The Council confirmed that the Community would be participating in the international centre for science and technology on the basis of a suitable financial contribution. It called on the Commission to submit suitable proposals shortly for this purpose for the meeting due to be held on 10 and 11 March.

With regard to contractual relations with the independent States of the former Soviet Union, the Council noted that the Commission:

- in the light of the Council's discussions, would be pursuing its exploratory talks with Russia, Ukraine, Belarus and Kazakhstan during February and March;
- would be submitting proposals for directives for the negotiation of agreements with these 4 Republics in April and May with a view to their approval by the June Council.
- would be holding exploratory talks with and submitting draft directives for the other Republics in the course of 1992.

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DELORS II PACKAGE

The Council heard a very exhaustive presentation of the Commission's proposals from President DELORS and agreed on the work method and programme envisaged by the Presidency.

The General Affairs Council would be responsible for the conduct of the proceedings preparing for the Lisbon European Council, on the understanding that other Councils would be regularly informed and consulted as necessary on aspects coming more specifically within their competence. The Permanent Representatives Committee would see to preparing the Council's discussions and would be assisted by an ad hoc working party, as required.

The Council would return to this issue for initial substantive discussion at its next meeting.

EEC-TUNISIA RELATIONS

The Council adopted the Community position for the 5th meeting of the EEC-Tunisia Co-operation Council which took place today (see Press Release No CEE-TU 2605/92 Presse 30).

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MEDITERRANEAN FINANCIAL PROTOCOLS

REDIRECTED MEDITERRANEAN POLICY:

- Regulations on across-the-board financial co-operation and on implementation of the Financial Protocols

The Council examined questions still outstanding in relation to these various issues and concluded by asking the Permanent Representatives Committee to continue examining them on the basis of the approaches outlined by the Council with a view to ensuring their finalization as soon as possible.

Following up the discussions held at the EPC ministerial meeting in Lisbon on 17 February, the Council also examined relations between the Community and the Maghreb States on the basis of a document prepared by Spain, a communication from Commissioner MATUTES and reports on visits paid to Morocco by Mr DUMAS, Mr MARTINS and Mr MARIN. The Council instructed the Political Committee and the Permanent Representatives Committee to analyse the situation in greater detail and welcomed, particularly with regard to Morocco, the Commission's stated intention of undertaking exploratory talks without delay with a view to examining the content of future relations with that country in the framework of a new economic and political partnership.

URUGUAY ROUND

On the basis of extensive information given by the Presidency and the Commission on the state of play of the negotiations, the Council had an in-depth discussion.

The Council expressed its concern about the slow progress achieved up to now, in particular as regards the negotiations on the parts of the Dunkel paper it had considered inadequate for an early, substantial and balanced outcome at its previous meetings.

The Council underlined the Community's firm conviction that an early positive conclusion of the Round would be beneficial for the international community as a whole and should constitute an important element in the efforts to reverse the present economic slow-down.

The Council invited all participants in the negotiation to speed up the present negotiations on market access and instructed the Commission to present the schedules for the agriculture products as soon as possible to GATT. However, the presentation of these schedules by the Commission will not prejudge the outcome of the decisions to be taken by the Council at a later stage on these issues.

The Council invited the Commission to prepare a complete evaluation of the possibilities of concluding the Round in the near future so that the Council would be able to proceed to a full, political assessment at its next session.

COMMON FOREIGN AND SECURITY POLICY

Following the exchange of views on this issue on the basis of a Presidency document, the Twelve established that there was broad agreement on the structure of the report to be submitted to the European Council to which they would return, as regards substance, at the next Council meeting.

PREVENTIVE DIPLOMACY

The Twelve examined the document prepared by Belgium which was much appreciated and favourably received. They would come back to the document with a view to adopting it at the next Council meeting if possible.

YUGOSLAVIA

The Presidency made the declaration reproduced in the Annex regarding the referendum in Bosnia-Herzegovina.

The Council asked the Commission to submit a discussion paper on the various options for co-operation agreements with the new Republics recognized by the Community for the next meeting in April.

MISCELLANEOUS DECISIONS

Relations with the Baltic States and Albania

- Textiles

Pending the negotiation of bilateral agreements on trade in textile products, the Council adopted the Regulation on the introduction of a system of prior surveillance of imports of certain textile products originating in Albania, the Republic of Estonia, the Republic of Latvia and the Republic of Lithuania.

CSCE: Helsinki Conference

The Council agreed on the common position of the Community and its Member States which is to serve as a basis at the Helsinki CSCE Follow-up Conference (March-July 1992).

It should be remembered that this Conference will be the first opportunity since the Paris Summit of November 1990 to undertake a comprehensive evaluation of the fundamental changes which have taken place over the past few years in Central and Eastern Europe and in the former Soviet Union, to assess their repercussions on the CSCE and to agree on the future development of the Helsinki process.

At the Conference, the Community and its Member States intend to put the emphasis on implementing commitments already entered into in the CSCE and to give fresh impetus to co-operation, particularly in the fields of science and technology, telecommunications, the environment, transport, tourism and human resources.

Environment

The Council adopted the decision on the status of the Community at the United Nations Conference on the Environment and Development (UNCED) in Rio de Janeiro (June 1992) and on the arrangements for its participation.

In adopting this decision, the Community is asking to be granted the status of full participant in UNCED and its follow-up.

Budget

The Council established supplementary and amending draft budget No 1 for 1992, the essential aim of which is to include in the budget all components which gave grounds for the revision of the 1992 financial perspective as approved by the European Parliament and the Council on 12 February 1992.

In particular, the draft provides for an increase in allocations for technical co-operation with the former Soviet Union to the amount of ECU 450 million in appropriations for commitments and ECU 200 million in appropriations for payments. In addition, it provides for an increase in allocations for the Structural Funds to keep up with inflation, for a special allocation for tropical rain forests and for an increase in administrative appropriations and Commission staff in order to meet its new external obligations. The draft also provides for an increase in the administrative appropriations of the Court of Justice.

The draft is being forwarded to the European Parliament in accordance with Article 203 of the EEC Treaty. The European Parliament will deal with the matter at its March part-session.

Research

The Council adopted:

- the common position on the Decision adopting specific research programmes to be carried out by the Joint Research Centre for the European Economic Community (1992-1994);
- the Decision adopting scientific research programmes to be carried out by the Joint Research Centre for the European Atomic Energy Community (1992-1994);
- the Decision adopting a complementary research programme to be carried out by the Joint Research Centre for the European Atomic Energy Community (1992-1994);

In addition, following the common positions adopted on 18 December 1991, the Council finally adopted:

- the Decision concerning the conclusion of a Community-COST multilateral co-operation agreement between the EEC and non-EEC COST Member States relating to eleven concerted operations in the field of food science and technology (FLAIR programme):

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- the Decision concerning the conclusion of a Community-COST multilateral co-operation agreement between the EEC and non-EEC COST Member States relating to five concerted research operations in the field of biotechnology (BRIDGE programme).

Air transport

Following the agreement reached at the meeting of 16 and 17 December 1991 (see Press Release No 10387/91), the Council adopted the Directive on the limitation of the operation of subsonic jet aeroplanes covered by Chapter 2 of the Annex to the Chicago Convention, with a view to reducing noise caused by air traffic.

ECSC

The Council gave its assent pursuant to Article 55(2)(c) of the ECSC Treaty to a draft Commission Decision on the granting of financial aid of ECU 2 million for studies on requirements and strategies with regard to workers' housing in ECSC industry areas (specific "environment" operations).

The Council also took note of the Commission report on the application of the Community system of Member State intervention in the coal industry in 1990.

COMMUNICATION A LA PRESSE**P. 29/92****Bruxelles, le 2 mars 1992****DECLARATION DE LA PRESIDENCE SUR LES EVENEMENTS A SARAJEVO**

La Présidence, au nom de la Communauté et de ses Etats membres, condamne les événements violentes qui se sont produits à Sarajevo à la suite du référendum sur le statut futur de la république, qui a eu lieu le 29 février et le 1 mars. Elle demande à toutes les parties concernées de s'abstenir de toute action qui pourrait empêcher la poursuite de leur participation constructive aux discussions sur les questions constitutionnelles.

La Présidence rappelle les engagements acceptés par toutes les parties pour garantir la sécurité de tous les observateurs présents dans la république et demande à ces parties de prendre des mesures immédiates afin d'assurer en toute sûreté la liberté de circulation de tous les observateurs.

The logo consists of the letters 'E', 'P', and 'C' in a bold, white, sans-serif font, set against a dark, textured rectangular background.

EUROPEAN POLITICAL COOPERATION

PRESS RELEASE

P. 29/92

Brussels, 2 March 1992

DECLARATION BY THE PRESIDENCY ON EVENTS IN SARAJEVO

The Presidency on behalf of the Community and its Member States condemns the recent violence in Sarajevo following the referendum on the future status of the Republic, held on 29 February and 1 March 1992. It calls upon all parties concerned to refrain from any action which may impede their continuing and constructive participation in the talks on constitutional arrangements.

The Presidency recalls the commitments accepted by all parties regarding the security of all observers present in the Republic and calls upon those parties to take immediate measures to ensure the freedom of movement in safety of all observers.

Bruxelles, le 28 février 1992

Note Bio 45 aux Bureaux Nationaux
ce aux Membres du Service du Porte-Parole

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PREPARATION CONSEIL AFFAIRES GENERALES DU 2 MARS
(J. Vale de Almeida)

Voici quelques éléments d'information sur les points à l'ordre du jour du Conseil Affaires Générales de lundi 2 mars relevant de la responsabilité de M. MATUTES, tels que présentés oralement en salle de presse:

Coopération Politique

Pendant le déjeuner, les ministres évoqueront la situation en Yougoslavie en vue de la reprise des travaux de la Conférence de Paix (prochaine séance plénière prévue pour le 9 mars), et les relations avec le Magreb (Maroc, Algérie et Tunisie) à la lumière des derniers contacts établis par la présidence (notamment voyage du secrétaire d'Etat MARTINS à Rabat) en s'appuyant également sur les réflexions demandées à l'Espagne et à la Commission sur l'avenir des relations de la CE avec ces trois pays.

Politique Méditerranéenne renouée

Inscrite à l'ordre du jour du Conseil sous ces deux principaux volets (protocoles financiers et coopération horizontale), la Politique Méditerranéenne Renouée fera l'objet d'une discussion plutôt politique. Il s'agit, pour ce qui est des protocoles, de définir les conditions d'entrée en vigueur et de mise en œuvre des protocoles avec le Liban et Israël, et d'évaluer la situation découlant de l'absence d'un avis conforme du PE concernant ceux relatifs au Maroc et à la Syrie.

En ce qui concerne le volet horizontal, les ministres chercheront à surmonter une réserve d'un Etat membre relative aux conditions de mise en œuvre de cette coopération en Turquie. Présidence et Commission tâcheront de créer les conditions d'un consensus nécessaire à l'approbation finale du règlement horizontal sans lequel cet important volet de la Politique Méditerranéenne ne peut pas démarrer.

Conseil de Coopération CE/Tunisie

La 5ème session du Conseil de Coopération CE/Tunisie aura lieu en fin d'après-midi suivie d'un dîner de coopération politique. Avant le Conseil de Coopération, M. MATUTES et les Ministres des Affaires Etrangères tunisien devraient signer d'importantes conventions de financement communautaires en Tunisie.

Amitiés,

C. STATHOPOULOS

over Bio 50

Bruxelles, le 28 février 1992.

NOTE BIO (92) 50 AUX BUREAUX NATIONAUX
cc. aux Membres du Service du Porte-Parole

ACCORDS INTERIMAIRES AVEC LA POLOGNE, LA HONGRIE ET LA TCHECOSLOVAQUIE
(C. Stathopoulos)

Interrogés par les Journalistes lors du rendez-vous de midi sur les accords Intérimaires avec la Pologne, la Hongrie et la Tchécoslovaquie, nous avons fait les commentaires suivants :

L'entrée en vigueur de ces accords Intérimaires au 1er mars 1992 est maintenant assurée, le Conseil ayant pris la décision de conclusion y afférente. Ces accords Intérimaires, qui reprennent les dispositions commerciales des accords européens, ont été signés le 16.12.92, entrent donc en vigueur avant les accords de base, qui doivent être ratifiés par tous les Parlements des Etats membres.

Ainsi, les retards qui avaient été constatés et qui étaient dus au problème du transit via la Hongrie d'abord, et ensuite à une récente décision du gouvernement polonais au sujet du contingent voitures communautaires à droit nul en Pologne, ont pu être évités.

En ce qui concerne le contingent voitures à droit nul, la Commission avait attiré l'attention du gouvernement polonais sur le fait que la décision de la Pologne n'était pas conforme à l'accord, car elle ne garantissait pas un traitement non-discriminatoire aux importations communautaires. Les deux parties auront des consultations à bref délai afin de trouver une solution de ce différend et sont convenus de suspendre entretemps, chacune pour sa part, les importations à droit nul.

Amities,
C. Stathopoulos.



Bruxelles, le 2 mars 1992.

**NOTE BIO (92) 48 (suite 1) AUX BUREAUX NATIONAUX
cc. aux Membres du Service du Porte-Parole**

CONSEIL AFFAIRES GENERALES (N. Wegter)

Le Conseil a commencé ses travaux ce matin en se concentrant sur deux sujets :

A. Négociations CE/AELE

B. Relations de la Communauté avec les Républiques de la C.E.I.

A. RELATIONS CE/AELE

Le Vice-Président Andriessen a confirmé que la Commission a saisi entretemps la Cour d'une demande d'avis en ce qui concerne les nouveaux termes négociés entre les deux parties dans le cadre des négociations visant la création d'un Espace Economique Européen depuis le premier avis de la Cour en date du 19 décembre 1991.

En effet, la demande pour le nouvel avis concerne les aspects du mécanisme juridictionnel maintenant négocié, y compris les aspects de la politique de concurrence liés à ce mécanisme.

Le Vice-Président a informé le Conseil que la Commission a décidé de demander ce deuxième avis afin de respecter le désir exprimé par le Parlement européen à cet égard. La Commission ayant décidé ceci lors de sa réunion du 19 février dernier, le Vice-Président Andriessen s'est rendu à Luxembourg le lendemain afin de s'entretenir avec le Président de la Cour.

A cette occasion il a pu constater une "position très constructive" de la part de la Présidence de la Cour, ce qui justifie un certain optimisme en ce qui concerne le calendrier à retenir par cette instance en vue de rendre son nouveau nouvel avis. En effet, sauf indications contraires, le Vice-Président espère pouvoir être saisi de ce nouvel avis avant Pâques prochain, ceci permettant la mise en vigueur définitive de l'accord en question le 1er janvier 1992 au plus tard.

Suite à cette information, aucune délégation n'a émis de réserve vis-à-vis de la procédure entamée par la Commission.

B. RELATIONS AVEC LES REPUBLIQUES DE LA C.E.I.

Le Conseil a entamé un débat assez approfondi en ce qui concerne les relations futures de la Communauté avec les différentes républiques composant la C.E.I. Le débat était basé notamment sur une communication de la Commission datée du 26 février dernier et appelée "The Community's relations with the independent states of the former Soviet Union". D'autre part, le débat s'est référé aux résultats de la visite officielle effectuée par le Vice-Président Andriessen du 23 au 29 février dernier au cours de laquelle il a visité notamment Minsk (Biélorussie), Kiev (Ukraine), Tashkent (Ousbekistan) et Alma-Ata (Kazakhstan).

Le Vice-Président a introduit le débat par un large exposé bien précis dans lequel il a fait part de ses conclusions en ce qui concerne les différents éléments à retenir pour définir les modalités pour établir des relations contractuelles avec les différentes républiques.

Nous vous envoyons sous pli séparé le texte littéral de l'exposé du Vice-Président Andriessen (blo 48 suite 2) et nous vous conseillons de prendre connaissance de ce texte d'une façon précise puisqu'il contient un certain nombre de remarques d'une importance politique évidente.

Suite à cette intervention, un large débat a eu lieu auquel toutes les délégations ont participé. M. Andriessen a ensuite pris position vis-à-vis des différents aspects auxquels les délégations ont fait référence.

1. Les contacts avec la Fédération Russe et les autres républiques non encore visitées par le Vice-Président.

Le Vice-Président a confirmé son intention de visiter officiellement au cours du mois d'avril les trois autres républiques de l'Asie centrale, soit le Turkménistan, Tajikistan, et Kyrgyzstan. Pour l'instant, tout en laissant ouverte la possibilité d'un déplacement spécifique pour Moscou à une date à déterminer, le Vice-président n'a pas encore pris des options précises en ce qui concerne un déplacement éventuel vers l'Azerbaïdjan, l'Arménie et la Georgie.

2. Relations contractuelles

Sur la base des conclusions à tirer suite à son voyage de la semaine passée, M. Andriessen plaide en faveur d'une approche différenciée tout en assurant qu'une discrimination en défaveur des pays asiatiques par rapport aux républiques européennes à l'intérieur de la C.E.I. soit évitée.

3. Aide alimentaire pour Moscou et St Petersburg

Bien que l'action précitée ne concerne en principe que ces deux villes, la Commission n'exclut pas qu'elle soit étendue à d'autres localités précises, par exemple certaines villes dans des régions minières où le risque de difficultés sociales est aigu.

Dans le même contexte, le Vice-Président s'est félicité de la coordination adéquate avec les Etats membres notamment dans le cadre de la task-force établie dans ce contexte.

4. Une garantie de crédit de 1.250 Mecus.

A propos de ce crédit destiné à l'achat de produits agricoles et de médicaments par les différentes républiques de la CEI, la Commission plaide en faveur d'une certaine flexibilité en ce qui concerne l'application des différentes conditions retenues dans ce contexte (responsabilité collective, sovereign immunity et remboursement des crédits et des intérêts).

Une telle flexibilité s'impose, de l'avis de la Commission, vu le caractère humanitaire de ce crédit qui devrait être disponible d'urgence.

5. Centre pour sciences et technologies.

La Commission souscrit entièrement à l'importance politique de l'initiative américaine, allemande et russe pour créer le centre précité ayant pour but de convertir les compétences des scientifiques nucléaires et chimiques de l'ancienne URSS pour des opérations pacifiques.

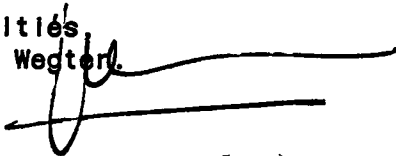
La Commission va soumettre sous peu des propositions précisant la participation financière de la Communauté en la matière, celles-ci devant faire l'objet d'une discussion au prochain Coreper, et ceci en préparation d'une conférence prévue pour les 10 et 11 mars à laquelle vont participer les pays donateurs ainsi que les républiques concernées.

6. Les efforts de soutien futur.

Le Vice-président insiste sur le fait que les besoins financiers des différentes républiques seront d'une telle ampleur qu'une initiative globale se justifie à laquelle devraient participer aux côtés des instances financières internationales, également d'autres instances, notamment les grands pays industrialisés en Europe, en Extrême Orient et en Arabie.

C'est cette initiative qui pourrait faire partie d'une discussion à la prochaine Conférence de Lisbonne et qui constitue le follow-up de la Conférence de Washington initiée par le gouvernement américain en Janvier dernier.

Amitiés
N. Wegter.





Bruxelles, le 2 mars 1992.

NOTE BIO (92) 48 (suite 2) AUX BUREAUX NATIONAUX
cc. aux Membres du Service du Porte-Parole

STATEMENT

by

VICE-PRESIDENT ANDRIESEN

General Affairs Council
Brussels, 2 March 1992.

The former Soviet Union

The Council has before it today a Communication from the Commission on relations with the new independent states of the former Soviet Union. This Communication is a response to the request made by the Council on 3 February. Since then a number of developments have occurred, including our discussion in Lisbon on 17 February and the exploratory talks which I have held with four of the new independent states, Belarus, Ukraine, Uzbekistan and Kazakhstan. Instability in Russia can have profound effects on the situation in the other independent states.

Ukraine, Belarus and Russia, as well as the Baltic States, are the parts of the former Soviet Union closest to us. But their own prospects depend also on developments in Central Asia and Kazakhstan, on which they rely for essential raw materials. President Nazabayev of Kazakhstan proposes that the CIS coordinate trade, economic policy and monetary questions. It remains to be seen, however, how much support for this approach is forthcoming from other independent states such as Ukraine and Azerbaidjan. The Community should support efforts in this direction since stability is an overriding concern. Without such stability efforts to promote reform will be doomed to failure. This in turn will have clear implication for security.

We must, therefore, recognise what is at stake politically in the CIS and rise to the occasion. The Lisbon Conference will provide an opportunity for the Community and its Member States to give a political lead. The Community should, therefore, prepare a new initiative to strengthen stability and to enable us to achieve our objectives of the Lisbon Conference.

Situation in the independent states

In the past week I have had an opportunity to review the situation in the independent states with the leaders of Belarus, Ukraine, Uzbekistan and Kazakhstan. In each state I was received at the highest level, indicating

the importance attached to the Community, and held talks with the ministers. Interest in promoting relations with the Community is intense although the level of information and understanding is low. Much explaining is, therefore, necessary before substantial issues can be tackled.

The political situation in the independent states is disquieting. Democracy has not yet taken root and, despite elections, the old power structure remains in place in most states, albeit with new faces, party names and programmes. Islamic fundamentalism has so far had little impact, although religious observance is increasing, especially in Uzbekistan. Turkey and Iran vie for influence in central Asia and the Trans-Caucasus. Several leaders in central Asia and Kazakhstan see Turkey as a bridge with Europe and a model for secular development in a predominantly Moslem state. Turkey is also seen as a transmission belt for know-how adapted to the needs of developing Asian or "Eurasian" states. We should explore the implications of this situation in areas such as technical assistance.

Several bold moves towards economic reform have been taken: partial price liberalisation and the enactment of some laws to facilitate investment and privatisation. But the results so far are disappointing and a great deal of uncertainty remains. The other independent states recognise the dire consequences for them of the further disintegration of the Russian Federation. Despite his preference for Ukraine's separate economic development, President Kravchuk called for urgent help for Russia as indispensable to economic stabilisation throughout the CIS and looks especially to the Community in this regard.

The CIS, as such, is not regarded as an internal or international actor in its own right, but at most a coordinating structure. Its role is particularly stressed by Belarus, the host country.

Food supply in the states I visited is, on the whole, difficult but not disastrous. Far more serious is the lack of medicines, animal fodder and inputs for agriculture. Without seed, fertilizer, pesticides and access to farm equipment, privatisation in agriculture can make little headway and this year's harvest will be disappointing. We should take this into account in our credit and technical assistance programmes which should be adapted to changing needs.

I discussed the question of nuclear safety which is of particular concern to Ukraine and Belarus. The elimination of tactical nuclear weapons, the control of strategic nuclear weapons, nuclear safety, industrial conversion and the redeployment of scientists and engineers are seen as important questions. But, given the overwhelming need to attain economic stabilisation and to begin substantial economic reform, these issues are not, perhaps, accorded the priority they deserve.

This brings me to a number of more specific questions:

Bilateral agreements

The countries I visited showed general willingness to take over responsibility for obligations arising from the 1990 trade and cooperation agreement with the former Soviet Union and to sign exchanges of letters to this effect. The Commission will prepare the necessary texts immediately. As for the future, considerable importance is attached

to concluding new bilateral agreements with the Community this year. The approach set out in the Communication before the Council is broadly acceptable to our future partners.

Central Asia and Kazakhstan are so independent with the other former Soviet republics that they will stand or fall together. Central Asia will play a key role in the overall stability of the CIS. The Community should not, therefore, be perceived as relegating them to a secondary position. This implies, inter alia, that negotiations for new trade and cooperation agreements should go ahead with Kazakhstan in parallel with Russia, Ukraine and Belarus and that negotiations with the remaining European and Asian states should proceed in a balanced way. The content of each agreement will be adapted to the needs and possibilities of each partner.

Our goal should be the completion of negotiations with all CIS states this year.

The 1.250 MECU credit

The Community's inability to implement this credit is damaging to its credibility and to the independent states which badly need finance for food, fodder and medicines. There is a greater need of medicines than of food in the countries I visited. Several of them refuse to accept joint and several responsibility for outstanding debt, especially as Russia is unwilling to share the assets of the former Soviet Union or to take into account the past provision of raw materials, including precious metals, by other republics. But if Russia and Ukraine could reach agreement, as suggested by President Kravchuk, on sharing between them responsibility for the debt of the former Soviet Union, the G-7 and the Community should be ready to review their position.

It is also necessary to take a realistic view of the independent states' debt servicing capacity which should not remain an obstacle to credits for food and medicine.

I have repeatedly urged the independent states to accept the waiver of sovereign immunity. But Russia appears unable or unwilling to make this gesture, which, it should be recalled, has little practical significance in the present case. However regrettable, this cannot be allowed indefinitely to prevent populations in need from receiving the foods and medicines they require.

Against this background, I would urge the Council to invite the ECOFIN at its next meeting to decide on modifications to the Community's conditions with a view to unblocking the credits quickly.

The Lisbon Conference

Let me say a few words about preparations for the Lisbon Conference, on which the Commission and the Presidency are working in close liaison. If this Conference is to be a success, it must help to stabilise the present volatile situation in the twelve states and to respond to their real needs. New initiatives are required on a scale commensurate with the problem. We must formulate a strategy for urgent action, without waiting for stabilisation to be achieved. The Community should indicate that it is willing to mobilise the necessary assistance if the independent states satisfy basic conditions in such areas as monetary policy. As we propose to invite the independent states to Lisbon, we must present them with the outline of a global strategy.

Mr. Camdessus should be invited to provide an overview of the IMF's work on stabilisation programmes for the independent states. Against this background, the Community should be ready to take the necessary initiatives, to strengthen stability.

International Science and Technology Centre

I would conclude with a few words on the proposal of an International Science and Technology Centre to be set up in Moscow to help prevent the proliferation of weapons of mass destruction, particularly nuclear weapons, to provide constructive civilian employment of nuclear scientists and engineers and to halt the brain-drain of such specialists.

This proposal has the Commission's support. The precise figures for contributions by the different sponsors of the Centre must be determined in the light of the detailed activities which it is to undertake. Those parties making significant contributions should be represented on the Centre's governing bodies. If the Community as such is to contribute substantially from its funds for technical assistance to the independent states, the Community must be appropriately represented on the Institute's governing bodies. The PHARE programme will also be making its contribution through regional initiatives to improve safety in power stations using Soviet reactors. Branches of such a Centre should be established in various independent states as it may not be practical for scientists from all of them to go to Moscow. The Centre should address civilian as well as military aspects of nuclear questions.

END OF THE STATEMENT.

Regards,
N. Wegter



Bruxelles, le 3 mars 1992

NOTE BIO(92) 48 (suite 3) AUX BUREAUX NATIONAUX
CC. AUX MEMBRES DU SERVICE DU PORTE-PAROLE

CONSEIL AFFAIRES GENERALES DU 2 MARS 1992

PERSPECTIVES FINANCIERES 1993-1997

Le Président de la Commission a présenté au Conseil, lors d'une réunion restreinte, les perspectives financières 1993-1997. Les Ministres des Affaires étrangères ont eu l'occasion de discuter pour la première fois, pendant le déjeuner, des propositions de la Commission. Suite à cette discussion la présidence a obtenu du Conseil certaines décisions de caractère procédural. Ainsi le paquet Delors II sera examiné par le Conseil Affaires générales, qui sera l'instance politique garantissant la cohérence des différents aspects. Ceci n'exclut pas que d'autres Conseils soit saisi d'un aspect du même dossier si nécessaire. Le COREPER préparera les discussions sur une base hebdomadaire.

Présentant ces décisions à la presse lors de la Conférence de presse traditionnelle à l'issue des travaux du Conseil, le Ministre des Affaires étrangères du Portugal, M. de DEUS PINHEIRO a souligné qu'il y a un accord général sur les objectifs des propositions de perspectives financières 1993-1997, ainsi que sur la méthodologie. Les Ministres sont convenus, a-t-il dit, qu'il faut travailler sérieusement et ne pas dramatiser le débat. Le paquet Delors II doit être un élément d'union, a-t-il ajouté, et pas de controverse. Quant au Président DELORS II a partagé l'optimisme de la Présidence, n'ayant pas remarqué une opposition de principe.

M. DELORS a rappelé que, même s'il n'y avait pas eu un accord à Maastricht il faudrait se prononcer sur les perspectives financières 1993-1997. Ceci a rendu leur présentation impérative le plus tôt possible.

En ce qui concerne la cohésion, le Président a insisté sur le fait que sans elle il n'y aurait pas eu un accord à Maastricht. La cohésion, a-t-il ajouté, est un des piliers de l'accord; son renforcement, aussi par le biais du Fonds de cohésion, est d'autant plus nécessaire que la convergence des politiques économiques et monétaires est une condition permettant le passage à la troisième phase de l'UEM. Sans un renforcement donc de la cohésion il y aurait le danger d'une déflation ruineuse pour les pays les moins développés qui doivent d'une part pratiquer une politique d'austérité budgétaire et d'autre part disposer de ressources nécessaires pour la modernisation de leurs structures.

Répondant à une autre question, M. DELORS a refusé d'accepter la logique des "soldes nets" en soulignant que si on veut raisonner en termes de bénéfices économiques il faut tenir compte aussi d'autres éléments comme par ex. les courants commerciaux. Ainsi les importations de produits communautaires de la part de l'Espagne et du Portugal, deux pays bénéficiaires des financements communautaires, ont augmenté de 90% après l'adhésion.

En ce qui concerne enfin l'augmentation des dépenses communautaires, le Président a souligné que pendant la période 1987-1992 elle s'élevait à 7% en termes réels, tandis que pour les années 1993-1997 elle se limitera à 5,6%. Ces dépenses représenteraient en 1997 3% des dépenses publiques des Etats membres et à la fin de l'UEM le budget de la Communauté ne devrait pas dépasser 5% des budgets des Etats membres.

Améliés,
G. Stathopoulos

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