



WE/1/91  
10 January 1991

### THE WEEK IN EUROPE

EC maintains diplomatic pressure in Gulf. As the 15 January United Nations deadline for the withdrawal of Iraq from Kuwait approaches, the EC has stepped up the pressure on Iraq. Earlier this week it urged Iraq's Foreign Minister Tariq Aziz to reconsider his refusal to talk to EC representatives. However, last-ditch attempts to find a peaceful resolution to the Gulf crisis continue despite the apparent failure of the Geneva talks between Aziz and US Secretary of State James Baker. The EC position is that while it strongly backs the US in demanding fulfilment of UN resolutions it also realises the need, because of its close relations with Arab countries, to resolve other Middle East problems, such as the Palestinian question. But the agreed Community position is that there can be no question of linkage between the Iraqi crisis and other regional issues. If Aziz relents, a meeting could still materialise with an EC team consisting of the Foreign Ministers of the Troika, the new President of the Council (Luxembourg) and the past and future Presidents, Italy and the Netherlands.

Possible end in sight to farm deadlock. The deadlock over farm subsidies, which halted the GATT Uruguay Round talks in Brussels on 7 December, could be resolved after a series of initiatives by Arthur Dunkel, GATT Secretary-General. He visited Washington before Christmas and is due to meet Frans Andriessen, EC Trade Commissioner and Ray MacSharry, Agriculture Commissioner, in Brussels today (Thursday). Dunkel has called heads of delegations to GATT for a formal meeting on 15 January but success in relaunching the global talks hinges on whether the Commission can succeed in its attempt to reform the Community's Common Agricultural Policy. The Commissioner's crucial meeting on the issue is expected to take place on 19 January.

UK publishes pan-European monetary plan. On Tuesday the Treasury published details of how its proposed idea for a hard Ecu, as a stepping stone to European Monetary Union, could be created and managed by a new pan-European monetary institution. The new proposals indicate that the UK foresees the EC administering the hard ecu through the proposed European System of Central Banks (ESCB) which many EC members want set up in 1994 as part of the EMU timetable. The UK document indicates how this new body could fit in with existing European institutions, such as the committee of EC central bankers.

Eurobarometer. According to the latest poll taken in the EC, support for the European Central Bank being "independent" ranges from 58% in Italy to 74% in France. A majority of 49% of those questioned in the UK in early December were in favour of a single currency "within some six or seven years from now". Forty-three per cent were against.

Aid for UK storm victims. Storm victims, affected by the gales of 5 and 6 January over the UK and Ireland, are to be granted emergency aid by the Commission. The UK and Ireland each get 500,000 ecus (£333,000).

UK bathing water. Just before Christmas, Environment Commissioner Carlo Ripa di Meana issued a statement welcoming commitments from the UK to bring its bathing beaches up to standards laid down in EC Directives. After talking with Environment Secretary Michael Heseltine, the Commissioner said he would carefully examine the steps now being taken in the UK to see whether he could suspend Court actions against the UK and other Member States for infringement of the Directives.

Commission completes study on Soviet Union. The Commission has completed the study of the Soviet Union requested by the meeting of the European Council in Dublin on 25 and 26 June 1990. The 200-page study pays particular attention to a further dimension of economic reform in the Soviet Union, namely the pressure for devolution of power to the Republics. The report says that the Soviet Union is at a critical juncture with the government committed to economic reform but not having taken the process far enough to make the reforms irreversible.

Emergency aid for Eastern Europe. Following the Rome European Council Summit on 14 and 15 December, the Commission has allocated further emergency aid of 4m ecus (£2.6m) for the civilian populations of the Soviet Union, Bulgaria and Romania.

Car exhaust norms agreed. At its last 1990 meeting, the Council of Environment Ministers completed its legislation on norms for car exhausts. The new rules come into force on 1 July 1992 for new brands of car and on 31 December 1992 for all other new cars.

RENAVAL programme for Plymouth. Commissioner Bruce Millan has adopted a programme of measures intended to help the economic conversion of that part of Devon and Cornwall which has been particularly hard hit by the decline of the shipbuilding industry. This project, granted under the RENAVAL Community programme, covers the Plymouth Travel to Work Area. It is to run for a period until 1993 and includes a contribution of 20.3m ecus (£13m) from the European Regional Development Fund. This will be matched by a commitment from national public funds totalling 20.2 m ecus (£13m) and about 12.6m ecus (£8m) of expenditure by private companies.

Community aid for UK fisheries projects. The Commission is to grant 6.7m ecus (£5 m) for the processing and marketing of fishery products and fish-farming in the UK. Seventeen projects, mainly in Aberdeen, will benefit.

UK takeover cleared. The Commission has cleared the acquisition of United Agricultural Merchants Ltd (UAM) by Cargill PLC. The latter company is a wholly owned subsidiary of Cargill Inc, the US agricultural company with world-wide activities in commodity trading and related businesses. UAM is the UK agricultural merchandising division of Unilever.

Emergency aid for African countries. The Commission is to give emergency aid amounting to 650,000 ecus (£434,000) for Liberia, 120,000 ecus (£80,000) for the Central African Republic and 25,000 tonnes of cereals and 1,224 tonnes of vegetable oil for Ethiopia.

Mitsubishi and Union Carbide get go-ahead. Mitsubishi Corporation and Union Carbide Corporation have been given the green light by the Commission for an agreement between the two companies, by which Mitsubishi purchases a 50% interest in Union Carbide's worldwide carbon business, consisting of the shareholding of UCAR Carbon Company and its 19 subsidiaries. The concentration affects markets for carbon, graphite and related products.

"An EEIG for you". Fox Williams, solicitors, have published a booklet entitled "An EEIG for you" on European Economic Interest Groupings. Price £2.50. From Fox Williams, City Gate House, 39-45 Finsbury Square, London EC2A 1UU. Tel: 071-628-2000.

"European Communities Information". A new booklet by Anne Ramsay with 30 pages of information on the EC and its institutions, published by the Association of Assistant Librarians. ISBN 0900092 98X, from Remploy Ltd, London Road, Newcastle, Staffs ST5 1RX.

"An insider's Guide to the European Communities". This new BBC training video featuring Sir John Hoskyns and Paul Eddington is now available, price £299 + VAT, on Order Hotline 0937 541133 or Fax 0937-845381.

Conference and Diary Dates

**Challenges for Training and Education for the new European Workforce.** A one-day seminar on 17 January at Mid-Kent College of Higher and Further Education, Horsted, Maidstone Road, Chatham, Kent ME5 9UQ. Enquiries to Ellen Ewen, NIACE/REPLAN. Tel. 071-387-3734.

Fisheries Council	17 January	Brussels
European Parliament Session	21-25 January	Strasbourg
ECO/FIN Council	28 January	Brussels

Our next briefing will take place on Thursday 17 January at 11.30 am.