



COMMISSION  
OF THE EUROPEAN  
COMMUNITIES

Jean Monnet House  
8 Storey's Gate London SW1P 3AT  
Telephone: 01-222 8122  
Fax: 01-222 0900

WE/38/90  
1 November 1990

THE WEEK IN EUROPE

UK alone at Rome Summit. The UK was isolated after last weekend's special European Council Summit in Rome after the eleven other partners agreed to accelerate both economic and political union. The eleven EC leaders brushed aside Prime Minister Margaret Thatcher's objections to 1 January 1994 as the start of the second stage of EMU. Mrs Thatcher argued that the Summit should not prejudge issues best left for the Inter-Governmental Conferences starting in Rome on 14 December. Commenting on the outcome of the Summit, Commission President Jacques Delors said it had created "a negotiating brief" for December's IGC on monetary union. The European Council stated its agreement on the objective of a common foreign and security agreement and on the necessity to revise the procedures and mechanisms for preparing, adopting and implementing decisions on foreign policy. The Council also stressed the development of the legislative and control role of the European Parliament as well as the reinforcement of the other institutions, including the Commission, in a balanced progress. The idea of Community citizenship received full support. The United Kingdom reserved its position on this part of the conclusions but it was expressed in the form of a wish that these issues should be dealt with in the Inter Governmental Conference itself. The eleven EC leaders, with the UK dissenting, agreed that the work on the amendment of the Treaty to achieve EMU will be directed to the following points: for an open market system that combines price stability with growth, employment and environmental protection; for monetary union, the creation of a new monetary institution comprising Member States' central banks and a central organ, exercising full responsibility for monetary policy. It was agreed that the second phase of EMU will start on 1 January 1994 providing that the single market programme had been achieved; that the Treaty had been ratified; that by its provisions a process had been set in train designed to ensure the independence of the members of the new monetary institution; that the monetary financing of budget deficits had been prohibited and any responsibility on the part of the Community or its Member States for one Member State's debt precluded; that the greatest possible number of Member States had adhered to the Exchange Rate Mechanism. This ought to make it possible to strengthen the coordination of monetary policies; to develop the instruments and procedures needed for the future conduct of a single monetary policy and to oversee the development of the ecu. Within three years from the start of the second phase, the Commission and the Council of the monetary institution will report to the ECO/FIN Council and to the General Affairs Council on the functioning of the second phase and in particular on the progress towards convergence, in order to prepare the decision concerning the passage to the third phase, which will occur "within a reasonable time".

Other Rome Summit decisions. The European Council asked the Commission to put forward proposals for a major commercial, scientific and technical cooperation agreement with the USSR. The EC leaders also expressed solidarity with Hungary's efforts to solve its acute economic problems and promised help to overcome them, in particular in the field of energy supplies. They agreed to make bilateral assistance available to Hungary at short notice. On the Gulf crisis, the European Council expressed its deep concern at the continuing deadlock, with "the persistent violation of international legality by Iraq", and in particular the prolonged and destructive occupation of Kuwait; the aggression and deportation of its population, the holding of foreign hostages and the repeated violations of conventions governing diplomatic relations. The Summit also discussed the probable need for emergency food and medical aid for the Soviet Union this Winter. The EC leaders agreed, however, that it was premature to go ahead with a long-term aid programme to assist President Mikhail Gorbachev's reforms until his detailed strategy has been agreed.

Sweden signals plan to join EC. The Swedish Finance Minister, Allan Larsson, told the Swedish Parliament last week that "the Government aims to secure from Parliament a new expression of its European policy, including a clear statement that Sweden intends to become a full member of the European Community".

Aid for Merseyside. On a proposal by Commissioner Bruce Millan, the Commission has decided that the UK districts of Wirral and Sefton in Merseyside should become eligible to receive aid from the European Regional Development Fund under the RENAVAL Community programme.

Agreement to curb carbon dioxide emissions. After lengthy negotiations, EC Environment Ministers meeting in Luxembourg on Monday agreed on a plan to stabilise carbon dioxide emissions at the 1990 level by the year 2000. A compromise also enabled the UK to keep to its own goal of stabilising emissions by the year 2005. The compromise also allows the poorer countries of Spain, Portugal, Greece and Ireland to miss the 2000 deadline.

Move towards single market in gas. The EC has agreed in principle to a Directive that will make it easier for gas utilities in one country to transport their gas through pipelines in neighbouring Member States. EC Energy Commissioner, Antonio Cardoso e Cunha, made clear, however, that the Directive did not commit Europe to a future "common carrier" system, which exists only in the UK.

EIB loan for second Severn Bridge. The European Investment Bank has agreed to provide a £150m loan facility to Severn River Crossing PLC for the construction of a second motorway bridge over the Severn estuary between South Wales and England. The new cable-stayed bridge, due to be opened in 1996, is 5km downstream from the existing bridge. The new bridge will be 5.9km in length, with three lanes in both directions and capable of carrying 93,000 vehicles a day. The UK Government plans to build 21km of access roads linking the bridge to the existing motorway network.

Air France agreement. An agreement has been reached between the Commission, Air France and the French authorities following the purchase of UTA and Air Inter by Air France. This deal brought the three biggest French airlines together in a single group. Under the terms of the agreement there will be scope for companies which are not part of the Air France group to offer new services on several domestic French routes and on international routes, both inside the EC and with non-Community countries. To ensure this, the airline TAT will become fully independent of Air France. Commenting on the agreement, Commission Vice-President Sir Leon Brittan emphasised this was a major breakthrough for Community competition policy which would be of great benefit to the travelling public.

Commission proposes industrial policy. The Commission, represented by Vice-President Martin Bangemann, has launched a discussion paper in an attempt to define a general industrial policy for the EC. Its thrust is broadly non-interventionist and liberal. Saying that free trade stimulated competition "which in turn is good for industrial development", Bangemann stated that the Commission would like to abolish all the remaining 2,000 national quotas still maintained by individual States. He expects the subject will be debated at the Industry Ministers meeting in Brussels on 26 November.

European Convention on Human Rights. The Commission has adopted a communication to the Council calling on the Community to adhere to the European Convention on Human Rights.

Further aid to Rumanian orphans. In a letter to the Romanian Prime Minister, Commission Vice-President Frans Andriessen announced last week a further aid package for Romanian orphans in addition to the 5.7m ecus (£4m) assistance already announced: 7.5m ecus (£5.25m) more will be reserved for the orphans in the 1991 budget.

#### Conference and Diary Dates

**Gold Quality Day Conference.** 7 November at 9.00 am. At the CBI, Centre Point, New Oxford Street, London. Details Tel: 071-222 5374 and Fax: 071-222 0197.

**Women in the Nineties Conference.** 12 November at Queen Elizabeth II Conference Centre, Westminster. Details Tel: 071-371 9300. Fax: 071-736 3652.

**Esprit Conference.** 12-15 November. Brussels Congress Centre. Enquiries to ECCO, rue Vilain XIII, 17a B-1050 Brussels. Tel: (322) 647 8780. Fax: (322) 640 6697.

**European Collaboration in Advanced Technology.** The new framework programme 1990-94, 16 November at the Hotel Russell, Russell Square, London WC1. Organised by Institute of European Trade and Technology. Tel: 071-606 2930. Fax: 071-606 2935.

**Germany and European Union: a shared federal experience,** 9am on 16 November at the Goethe Institut, 50 Princes Gate, Exhibition Road, London SW7. For details contact Carole Sterckx, Goethe Institut on 071-581 3344 or Judy Keep, Federal Trust on 071-839 6625.

General Affairs Council	12-13 November	Brussels
Agriculture Council	12-13 November	Brussels
Budget Council	15 November	Brussels
ECO/FIN Council	19 November	Brussels
European Political Session	19-23 November	Strasbourg

Our next briefing will be on Thursday, 8 November at 11.30am.