



COMMISSION
OF THE EUROPEAN
COMMUNITIES

Jean Monnet House
8 Storey's Gate London SW1P 3AT
Telephone: 071-222 8122
Fax: 071-222 0900

WE/13/91
4 April 1991

THE WEEK IN EUROPE

Middle East Agenda for Luxembourg Summit. The informal summit of European Community leaders in Luxembourg on Monday will have a three-part agenda all of which deal with lessons to be learnt and action to be taken in the wake of the Gulf war. The key elements of the agenda are: the future of the Middle East and the maintenance of security in the region; a solution to the political problems there and the extent of the backing to be given to the initiatives set in motion by the United States; the economic organisation of the Middle East and collaboration with the EC. The Summit opens 5.00pm local time in the Kirchberg Centre and is expected to end at around 10.00pm with a declaration from the Luxembourg Presidency. There will also be separate working dinners for the EC leaders, their Foreign Ministers and for the experts.

EC aid for Kurds. The European Commission yesterday decided on an immediate grant of £3.5m to help Kurdish refugees and also expressed strong sympathy for their fate. The aid may be used either inside or outside Iraq and will be distributed by international organisations such as the Red Cross and the United Nations.

The EBRD's April inauguration. The European Bank for Reconstruction and Development, setting up in London to help the former Communist countries of Eastern Europe develop democratic forms of government and market-based economies is to be inaugurated on 15 April. This follows ratification of its statutes by a sufficient number of member countries. Senior representatives of the 39 founding countries, the EC and the European Investment Bank, which are also EBRD shareholders, will converge on London for the ceremonies and the formal election of Frenchman Jacques Attali as Bank President.

Tesco ECSC loan. The UK food retailing chain Tesco has been allotted a European Coal and Steel community loan under rules designed to stimulate investment and create jobs in regions of high unemployment. Tesco is to receive a £73.8m loan to help finance the construction of an administration centre in Cardiff and eight supermarket developments. Tesco's projects will create 2,469 jobs. Five of the eight Tesco stores have already opened: in Ayr; Baguley, Manchester; Bidston Moss in the Wirral; Formby Woodmarsh in Merseyside; and Hartlepool. The three others at Dudley; New Oscott in the Midlands and Bridgend in South Wales are at an advanced stage of construction. The Tesco loan is for five years. A statement issued by the Commission this week defended the loan as being fully in line with Article 56 of the ECSC Treaty. The loan did not in any way crowd out other companies since the 1990 budget for these loans was able to accommodate all loan demands made upon it.

Chickens frozen out. The Commission has decided to open the procedure provided for in Article 93(2) of the Rome Treaty against a German aid granted to support sales promotion activities for frozen chicken which have been cooled by applying the "spray-chilling" method. These chickens are marked with a sign consisting of a blue triangle with the words "guarantee - special individual cooling" on it. The Commission allegation is that conditions for the use of this sign are such that its use is effectively limited to German production. This means imported chickens are effectively frozen out. In the Commission's view this limitation of the use of the blue triangle is not compatible with the provision of Article 30 of the Treaty. It is alleged in addition that the German authorities have compounded the offence by mounting an advertising campaign for blue triangle chickens. Moreover, the Commission is also worried that the aid for German frozen chicken producers may be partly financed by taxes on produce from other Member States in further breaches of the Treaty of Rome.

Walesa visits Commission. President Lech Walesa of Poland paid an official visit to the Commission in Brussels yesterday (Wednesday). He was given a personal welcome by President Jacques Delors.

Backing for air competition. EC Transport Ministers last week agreed to allow the Commission to block "predatory" air fares or route changes which aim to knock out competition from smaller airlines.

Commission Vice-President Sir Leon Brittan, responsible for competition policy, called the measure a crucial part of the EC's airline liberalisation policies. Under the new rule, the Commission would be able to issue an injunction to prevent predatory practices such as extreme price undercutting or a big increase in the number of services offered by an airline on a given route. Brussels already has the power to intervene in cases of unfair competition, but the lengthy nature of current procedures might not prevent small airlines from going bust.

Loosening the grip of state-owned monopolies. At the same meeting of Transport Ministers, the Commission signalled its intention to reduce the hold of state monopolies on the rail network across Europe by floating a plan to the Ministers to allow private companies or "international groupings" access to the twelve Member countries' rail systems providing they met strict safety rules. The Commission's proposals are likely to be revised before Ministers meet again in June. This is the first time the EC has tackled the thorny issue of ownership of national rail networks. It is already far advanced in its plans to liberalise the airline and road transport industries. The Commission plan, as it presently stands, includes a proposal to manage the rail infrastructure separately from services.

EC research panel opts for supersonic aircraft. It is reported in the press that an EC sponsored panel has come out in favour of spending more money on supersonic aircraft technology and of developing 800 seat planes, twice as big as the Boeing 747-400 jumbo. The new report by the Long Term Outlook for Aeronautics Research and Technology Panel was commissioned as an independent inquiry into how the EC should invest in new technology. It is understood to have recommended that much of the research into new planes could be co-ordinated by a body similar to the NASA Space Agency.

Europe Weeks. 1991 Regional Campaign. Essex 10-18 April (contact 0245-492211); "Europe into Ipswich", 13-19 April (contact 0473-258070); Norfolk, 20-30 April (contact 0603-625977).

"Against a Rising Tide: Racism, Europe and 1992". A new book from Spokesman, the publishing imprint of the Bertrand Russell Foundation. The authors are Mel Read, Labour Member of the European Parliament, and Alan Simpson, her former colleague at Nottingham Racial Equality Council. ISBN 0-85124-526-9 - price £6.95. Further information from Tony Simpson on 0602 708318.

"The Social Charter and the Single European Market" by John Hughes. To be published on 25 April at £20 (hardback) and £6.95 (paperback) also by Spokesman Books. The author is consultant to the Trade Union Research Unit (TURU), Ruskin College, Oxford with Ken Coates MEP providing a foreword while Hugh McMahon MEP contributes a check-list on how the Social Charter is faring. ISBN 0-85124-524-2. Contact Bertrand Russell House, Gamble Street, Nottingham NG7 4ET. Tel: 0602-784504.

"Getting into Europe". The Stoy Hayward Guide to strategic planning for international tax, raising finance, and performance monitoring. Author Richard Citron. ISBN 0-7494-0274-1. More information from Stoy Hayward, 8 Baker Street, London W1H 1DA. Tel: 071-486 5888. Fax: 071-487 3686.

"Grants from Europe". This invaluable guide will help you to get money from the EC. Completely revised, the sixth edition (authors Anne Davison and Bill Seary) gives up-to-date information on key contacts in Brussels and the UK; how to apply for grants and assess the chances of success; and what problems to expect along the way. From Bedford Square Press - £7.95. ISBN 0-7199-1304-7.

Conference and Diary Dates.

Making policy for a healthier Europe - seminar on the pharmaceutical industry, 11 April QEII Conference Centre, London - key-note speaker Commission Vice-President Martin Bangemann.

EEC law on mergers, joint ventures and public procurement. Conference organised by the EEC section of the Union Internationale des Avocats and the British Council, Rome. At Institute de Ricerca Codivilla Putti, Via di Barbiano 1/10, Bologna, Italy on 19-20 April. For details contact David Vaughan QC, EEC Section of the UIA, 1 Birch Court, Temple, London EC4Y 9BY. Tel: 071-583 0777. Fax: 071-583 9401.

FORCE (Formation Continue en Europe): a national conference in Leeds on 26 April. Registration fee is £135 and the venue is West Yorkshire Playhouse, Leeds. For further information contact Adrian Towers or Steven Sharpe on 0532-426263 (Leeds Chamber of Commerce).

Regulation of the Integrated European Financial Markets - a talk by Professor Colin Mayer, City University Business School and CEPR at the European Commission Offices, 8 Storey's Gate, London SW1 on 30 April at 1.30pm.

Social Affairs Council	15 April	Luxembourg
General Affairs Council	15-16 April	Luxembourg
European Parliament Session	15-19 April	Strasbourg

Our next briefing will be held on Thursday, 11 April at 11.30am.