



Mr Arthur, (see)

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

5 November 1990

ex B
S/M Sand-Jones
AS/AM
M. Jany
(see)
Special Adviser
News Dept

Dear Steve,

(think Mr Powell has a good point.
(I've take it up with Mr Owen
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an an
remark.

I must say I find the first two sentences of the enclosed publication a bit curious coming from an office which is supposed to represent equally and fairly all Member States of the EC. I do not suppose there is anything to be done about it.

you said
Charles Powell

CHARLES POWELL

Bill
6/10

J. S. Wall, Esq., L.V.O.,
Foreign and Commonwealth Office

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 prejudice 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.

Espirit 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.



Mr Arthur, Esq.



10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

AS/MS Gard-Jones
6 NOV 1990

Mr Van
Esq
Special Adviser

5 November 1990

News Dept

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I've take it up with Mr Beer

Dear Stephen,

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Charles Powell

CHARLES POWELL

Bill
6/11

J. S. Wall, Esq., L.V.O.,
Foreign and Commonwealth Office

Mr Arthur ECD (1)

Grateful if your advice could be channelled through Mr Gard Jones

Brewer
7/11

I AGREE WITH CHARLES.
I agree with Charles
WHAT IS THE BEST
What is the best
WAY OF TAKING THIS UP?
way of taking this up?

556/11



Mr Arthur, (see file)

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

5 November 1990

Mr Sand-Jones
AS/AM
Mr Jay
FEE
Special Adviser
News Dept

Mr M...
Do you know
Mr Jones well
enough to speak
to informally
about this?

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(I think Mr Powell has a good point.
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CHARLES POWELL

Bill
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J. S. Wall, Esq., L.V.O.,
Foreign and Commonwealth Office

13 NOV 1990

MWS 01/16		
RECEIVED IN REGISTRY		
20 NOV 1990		
DESK OFFICER		RI
INDEX	PA	AI
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Handwritten marks: a large bracket-like shape, and the numbers 14 and 111.

FROM: M A Arthur
 DATE: 9 November 1990

cc: PS/PUS
 Special Advisers
 News Department
 ECD(E)

Mr Jay
 PS/Mr Garel-Jones

PS Mr Garel-Jones goes with the draft and the recommendation that no further action be taken. S&S may wish to see.
 W. B. Garel-Jones
 13/11

LETTER FROM NO. 10 : THE WEEK IN EUROPE

Problem

- A
1. Mr Powell noted that the Commission office published an inept description of the Rome European Council conclusion.

Recommendation

2. I submit a draft reply to No. 10.

Background

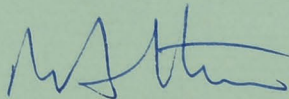
3. Mr Powell's letter of 5 November raised an eyebrow about the first two sentences of the weekly bulletin put out by the London office of the Commission, which reads:

"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."

4. I have taken this up with Mr Drew, Head of the London office. I said that Ministers here, including the Secretary of State, had been surprised at the terms of the press release, given that the Commission office normally sought to be dispassionate and objective.

5. Mr Drew did not try to argue the point. He was sorry. He said the bulletin was drafted by an in-house journalist, who was positively encouraged to use journalistic style so that the bulletin was at least readable. He accepted that this quotation went too far. He said it had slipped through the net of editorial control which he normally tried to exercise. He reiterated that the standing policy for the office was neither to criticise nor to welcome actions by any individual government, but to write up stories objectively.

6. We have made our point. Mr Drew was alarmed that Ministers had picked this up. I doubt that any further action is appropriate.



M A Arthur
European Community Department
(Internal)

Mu
— July 12/64

file. FCO(1)



Foreign and Commonwealth Office

London SW1A 2AH

15 November 1990

In week of 16/11
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A

Dear Charles,

EC Commission Office Newsletter

Thank you for your letter of 5 November drawing our attention to the opening sentences of the bulletin published by the European Commission, following the Rome Summit. We too noticed this.

On the Foreign Secretary's instructions, officials have taken this up with Mr Drew, the Head of the London office of the Commission. He said that the policy of the Commission office was neither to criticise nor to welcome actions by any individual government. He was apologetic, recognising the mistake in this case.

We shall scrutinise future bulletins with particular care over the coming weeks.

Yours,

Stephen Wall

(J S Wall)
Private Secretary

C D Powell Esq
10 Downing Street