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UNCLAS SECTION 01 OF 02 BRUSSELS 005676

DEPT FOR EUR/ERA

E.O. 12958: N/A TAGS: PREL, PGOV, EUN, PARM, XE

SUBJECT: EUROPEAN PARLIAMENT PLENARY SESSION DEC 15-18: EUROPEAN COUNCIL RESULTS, ADOPTION OF THE 2004 BUDGET, WARTIME LOOTED ART, ARMS SALES EMBARGO TO CHINA

REFS: A) ROME 5665; B) BRUSSELS 5675; C) BRUSSELS 5630; D) BRUSSELS 5622

1. (U) SUMMARY: AT ITS DECEMBER 15-18 PLENARY SESSION IN STRASBOURG, THE EUROPEAN PARLIAMENT (EP):

-- ADOPTED A NON-BINDING RESOLUTION ON THE DECEMBER 12-13 EU SUMMIT WHICH INCLUDED LANGUAGE ON GUANTANAMO, IRAQ, AND THE EUROPEAN ARREST WARRANT (PARA 2); -- ADOPTED THE FINAL EU BUDGET FOR 2004, CONFIRMING THE 200 MILLION EUROS FUNDING FOR IRAQ (PARAS 3-5); -- ADOPTED A RESOLUTION REJECTING ANY LIFTING OF THE EU ARMS' SALES EMBARGO TO CHINA (PARA 6); -- ADOPTED A RESOLUTION ADVOCATING COMMON EU STRUCTURES TO FACILITATE THE RETURN OF LOOTED CULTURAL PROPERTY FROM WWII (PARA 7). END SUMMARY.

RESULTS OF THE EUROPEAN COUNCIL MEETING

2. (U) IN A NON-BINDING RESOLUTION ADOPTED ON DECEMBER 18,

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UNITED STATES DEPARTMENT OF STATE REVIEW AUTHORITY: ARCHIE M BOLSTER DATE/CASE ID: 04 NOV 2004 200303827 ACLU-RDI 4414 p.1 Page: 1

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MEMBERS OF THE EUROPEAN PARLIAMENT (MEPS) SET OUT THEIR POSITION ON THE ISSUES DISCUSSED AT THE EUROPEAN COUNCIL HELD IN BRUSSELS ON DECEMBER 12-13 REFS A, C, D). ON IRAQ, MEPS STATED IN THEIR RESOLUTION THAT THEY CONSIDER THE CAPTURE OF SADDAM HUSSEIN TO BE A TURNING POINT IN THE PROCESS OF ESTABLISHING PEACE, STABILITY AND DEMOCRACY IN IRAQ. THEY ALSO CALLED FOR FULL IMPLEMENTATION OF UN RESOLUTION 1511 ON THE SOVEREIGNTY OF THE IRAQI PEOPLE. FINALLY, THEY INVITED EU MEMBER STATES TO CALL ON THE UN SECURITY COUNCIL TO ENSURE THAT SADDAM HUSSEIN WOULD BE TRIED IN ACCORDANCE WITH INTERNATIONAL RULES AND THE GENEVA CONVENTION. ON OTHER ISSUES OF PARTICULAR INTEREST TO THE USG, MEPS CRITICIZED "THE FAILURE OF THE EU LEADERS TO

DISCUSS THE RIGHTS OF THE GUANTANAMO DETAINEES TO A FAIR TRIAL" AND EU LEADERS' "LACK OF INSISTENCE" THAT MEMBER STATES RESPECT THE DEADLINE OF DECEMBER 31 FOR THE IMPLEMENTATION OF THE EUROPEAN ARREST WARRANT. (NOTE: ONLY THREE MEMBER STATES HAVE RATIFIED IT UNTIL NOW. END NOTE.)

2004 EU BUDGET CONFIRMS FUNDS FOR IRAQ, AFGHANISTAN

3. (U) ON DECEMBER 18 THE EP HELD A FORMAL SIGNING CEREMONY FOR THE 2004 BUDGET. EP PRESIDENT COX LAUDED THE HIGH QUALITY OF THIS FIRST BUDGET PREPARED FOR A UNION OF 25 MEMBER STATES. THE TOTAL BUDGET WILL BE 99.6 BILLION EUROS. THE AMOUNT FOR COMMON FOREIGN AND SECURITY POLICY (CFSP) WILL BE 62.6 MILLION EUROS AND THE TOTAL EXTERNAL POLICY BUDGET (INCLUDING ALL DEVELOPMENT ASSISTANCE PROGRAMS) WILL BE 4.9 BILLION EUROS, 300 MILLION EUROS MORE THAN IN THE 2003 BUDGET.

4. (U) MEPS CONFIRMED THE EU PLEDGE AT THE MADRID DONORS' CONFERENCE TO ALLOCATE 200 MILLION EUROS FOR IRAQ IN 2003-2004. THE FUNDS WERE A COMPILATION OF: (1) 40M ALREADY ALLOCATED FOR 2003; (2) 65M ALLOCATED IN THE 2004 BUDGET; AND (3) 95M FROM THE "FLEXIBILITY INSTRUMENT" (A RESERVE OUTSIDE THE BUDGET). TO REACH THE 200M FIGURE, SOME 35M IN CUTS HAD TO BE MADE UNDER OTHER EXTERNAL ACTION HEADINGS (INCLUDING FUNDING FOR LATIN AMERICA). NEVERTHELESS, MEPS EXPRESSED SATISFACTION THAT OTHER PRIORITIES, SUCH AS THE FIGHT AGAINST POVERTY AND HIV/AIDS AND MEASURES TO PROMOTE HUMAN RIGHTS, HAD BEEN SAFEGUARDED.

5. (U) FOR THE RECONSTRUCTION OF AFGHANISTAN, 15 MILLION EUROS WERE PLACED IN RESERVE. FOR THESE FUNDS TO BE RELEASED, THE COMMISSION WILL NEED TO PUT FORWARD A PROGRAM TO FIGHT DRUGS AND ENCOURAGE VIABLE ALTERNATIVE CROPS. AT

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THE TOKYO DONORS' CONFERENCE IN JANUARY 2002, THE EU PROMISED TO PROVIDE A TOTAL OF 1 BILLION EUROS FOR AFGHANISTAN OVER FIVE YEARS.

NO TO LIFTING OF ARMS SALES EMBARGO TO CHINA

6. (U) IN RESPONSE TO THE FRANCO-GERMAN PROPOSAL TO CONSIDER LIFTING THE EMBARGO ON ARMS SALES TO CHINA (REF B) AND MEMBER STATES' AGREEMENT THAT THIS ISSUE WOULD BE REEXAMINED AT THE NEXT GENERAL AFFAIRS AND EXTERNAL RELATIONS COUNCIL (GAERC) ON JANUARY 26, THE EP ADOPTED BY A LARGE MAJORITY (389 VOTES IN FAVOR, 32 AGAINST AND 29 ABSTENTIONS) A RESOLUTION CALLING ON THE EU, INCLUDING THE ACCEDING AND APPLICANT COUNTRIES, "TO MAINTAIN THE EU EMBARGO ON TRADE IN ARMS WITH THE PEOPLE'S REPUBLIC OF CHINA AND NOT TO WEAKEN THE EXISTING NATIONAL LIMITATIONS ON SUCH ARMS SALES." THE RESOLUTION ARGUES THAT CHINA MUST PROVE SIGNIFICANT PROGRESS

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SUCH A MOVE, IN VIEW OF CHINESE THREATS AGAINST TAIWAN.

EU RULES FOR LOOTED JEWISH CULTURAL GOODS

7. (U) THE EP ADOPTED ON DECEMBER 17 A REPORT PREPARED BY BELGIAN ELDR MEP WILLY DE CLERCQ ON "A LEGAL FRAMEWORK FOR FREE MOVEMENT WITHIN THE INTERNAL MARKET OF GOODS WHOSE OWNERSHIP IS LIKELY TO BE CONTESTED," DEALING MAINLY WITH LOOTED JEWISH CULTURAL PROPERTY FROM WWII. THE REPORT CALLS ON THE COMMISSION TO UNDERTAKE A STUDY BY THE END OF 2004 ON ESTABLISHING EU-WIDE DATABASES AND CATALOGUING OF ARTWORK, IDENTIFYING COMMON PRINCIPLES FOR THE ESTABLISHMENT OF OWNERSHIP OR TITLE AND CREATING A CROSS-BORDER ADMINISTRATIVE AUTHORITY TO DEAL WITH DISPUTES ON CULTURAL GOODS OWNERSHIP. THE REPORT ALSO CALLS ON MEMBER-STATE MINISTERS TO RAISE THIS ISSUE AT A FORTHCOMING COUNCIL MEETING. (DRAFTED BY POL:MVANAVERBEKE)

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