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Recent Developments in the European Community

March 1, 1993

MEMO

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New EC Commission, New US administration....Sir Leon Brittan, EC Commissioner for External Economic Affairs and Commercial Policy, was the first member of the new Commission** to meet with members of the new US administration during a three-day visit to Washington in mid-February. Despite storm clouds gathering in the wake of US trade decisions on steel and public procurement, Sir Leon described his meetings as excellent, and welcomed in particular President Clinton's decision to seek extension of the fast-track authority for "breathing new life" into the Uruguay Round of trade talks. On his return to Europe, Commissioner Brittan told British Conservatives in a speech entitled "GATT: Positive End, But A Difficult Path to Get There", he was convinced "a successful conclusion to the GATT Uruguay Round negotiations can be achieved." Sir Leon has praised the energy and enthusiasm of the new White House, but has spoken out repeatedly against new protectionism as a short-cut to economic growth. In an address **World Economy in 1993: Coordination for Growth** in Washington on February 12, Sir Leon said there was an "unambiguous link" between trade and growth and urged national policy makers to look at the global picture rather than give in to national protectionist pressures.

Mr. Brittan has been extremely active representing the Community since taking his new portfolio in January. He has made several other important addresses, including **Europe and the Wider World, Winston Churchill Memorial Lecture**, in Luxembourg on February 8, and **Energy and Environment in the Light of the Community's External Policy**, at the Institute of Petroleum, London, on February 17.

****The New Commission....**a new Commission took office in early January for a term of two years. The 17-member executive has seven newcomers and ten reappointments, including Jacques Delors who has been its president since 1985. Their portfolios have been recast to promote deeper economic, social integration within the Community and to more effectively project the EC's political identity internationally. A press release (EC News, No. 48/92) lists the Commissioners and their responsibilities. Short biographies are also attached.

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Rapes of women in Bosnia.....in December 1992, an EC summit meeting in Edinburgh established an investigation into the extent of crimes against women in Bosnia. Headed by Dame Ann Warburton, a former British diplomat, two delegations of eight made their way to the region in December and January for interviews with victims, eye-witnesses, international organizations, and leaders of religious communities. The group's findings, contained in the February 1 Warburton Final Report, estimate that between ten- and twenty thousand women were raped, usually in extremely sadistic and humiliating ways. The mission also established that the rapes were "usually perpetrated with the conscious intention of demoralising and terrorising communities, driving them from their home regions and demonstrating the power of the invading forces." The report recommends various forms of clinical and psychological help for victims and suggests establishing an EC presence in the area.

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EC-Japan relations.....although the Community and Japan have improved their bilateral relations generally since the adoption of a Joint EC-Japan Declaration in July 1991, the EC is still pressing for more balance in the trade field. Specifically, this means better access to Japanese markets. According to a **Commission Memo on EC-Japan Relations**, Japan's bilateral surplus with the EC stood at \$29.4 billion for most of 1992, representing a 16.7 percent increase on the previous year. Japanese direct investment in the Community is also around 15 times larger than the EC's in Japan. The Memo describes what is being done at the bilateral and multilateral (GATT) level to redress the imbalances. It also includes the communique released after the first EC-Japan summit in July 1992, as well as charts illustrating EC-Japan trade patterns.

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EC adjusts outlook after meeting 1992 target..."The next two years will be crucial not only for the future of the Community, but for Europe as a whole," according to EC Commission President Jacques Delors in a **February 10 Address to the European Parliament**. Echoing much of what was set out in the **January 26 Program of the Commission for 1993-94**, President Delors assured the Parliament that his institution would do its utmost to ensure the success of the single market, boost economic recovery and confidence in Europe, and encourage more international cooperation to achieve a Uruguay Round trade agreement and end the current recession. Turning to the **Maastricht Treaty** on European economic, monetary and political union, he vowed its ratification "will be one of the Commission's priorities, an act of faith in the future."

Denmark, United Kingdom to Complete Maastricht Treaty Ratification...Denmark is to hold its second referendum on the Treaty on May 18. Danes will vote on a new formula agreed at the EC summit in Edinburgh last December allowing Denmark to opt-out of the Treaty's long-term plans for a single currency and a common foreign policy. Non-ratification by the United Kingdom would lead to its marginalization within Europe, warned Sir Leon Brittan, in a February 19 address entitled "**Why Should We Ratify the Maastricht Treaty?**" at the Liverpool Chamber of Commerce. "To reject Maastricht would amount to saying that we can do better on our own. For me that is just not credible. It is no accident that the other member states (except the Danes) have now ratified the Treaty, nor that many other countries are queueing up for Community membership." Sir Leon reassured his audience that Maastricht would not "submerge countries in a European sea", but move the Community in the direction of decentralization, with national powers "the rule", and Community powers, "the exception."

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EC assistance to the NIS (New Independent States of the Former Soviet Union)....since 1991, the EC and its member states have provided 72 percent of all international assistance to the 12 former Soviet republics. According to a recent summary of EC and Western aid to the region for 1991 and 1992, the EC also led international donors in all five aid categories, namely medical and food aid, loans and loan guarantees, strategic assistance, technical assistance, and assistance through the EBRD (European Bank for Reconstruction and Development).

Recent Speeches by EC Commissioners

- **Health and Safety in the Workplace**, by Social Affairs Commissioner Pdraig Flynn, London, February 17, 1993
- **Framework and Objectives of EC Competition Policy**, by Competition Commissioner Karel van Miert, to the European Parliament's Economic and Monetary Committee in Brussels, February 19, 1993.

New EC publications

- **Facts Through Figures, a statistical portrait of the European Community in the European Economic Area.**

Note: The EEA refers to the giant single market comprising 18 European nations that will be formed, possibly in 1993, when 6 European Free Trade Area (EFTA) countries join the single market. See also The European Economic Area in the European File series.

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EC NEWS press releases issued since January, 1993

- **EC LAUNCHES NEW RELIEF OPERATION IN SERBIA AND MONTENEGRO, January 21, 1993**
- **EC COMMISSION REACTS TO U.S. DUMPING DUTIES ON STEEL, January 27, 1993**
- **EC COMMISSION WELCOMES U.S. DECLARATIONS ON POSSIBLE ENERGY AND ENVIRONMENT TAX, January 28, 1993**
- **EC RESPONDS TO U.S. TRADE MEASURES IN TELECOMMUNICATIONS AND PROCUREMENT, February 1, 1993**
- **NEW CENTRAL RATES FOR THE EUROPEAN MONETARY SYSTEM, February 2, 1993**
- **EC RESPONDS TO ECONOMIC CHALLENGE, February 3, 1993**
- **1993/94 AGRICULTURAL PRICES PROPOSED, February 3, 1993**
- **BRITTAN TO MAKE FIRST EC COMMISSION VISIT TO NEW U.S. ADMINISTRATION, February 5, 1993**
- **BRITTAN PRESS STATEMENT FOLLOWING FIRST MEETING WITH KANTOR, February 1, 1993**