



COMMISSION  
OF THE EUROPEAN  
COMMUNITIES

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### THE WEEK IN EUROPE

New flexibility in tax approximation. At the end of a meeting in Brussels this week of EC Finance Ministers, Vice-President Lord Cockfield received a "five-minute sitting ovation" for his role in advancing the cause of the internal market in the past four years. Lord Cockfield, who bows out of office early January, was making his last appearance as a commissioner before EC Finance Ministers and stressed he had found general agreement that the present spread of indirect taxes, both VAT and excise duties, is too wide to enable a single market without internal frontiers to operate without unacceptable distortions. However he noted that a number of Member States held a view that the standard rate band should be narrower than the Commission had proposed (14 to 20%). Others suggested a higher minimum perhaps 17% and no ceiling. The levels could only be resolved by negotiations between the members of the Council. Lord Cockfield added that he stood by his earlier plan for a lower 4-9% VAT band.

The UK, represented by Chancellor of the Exchequer Nigel Lawson who has been the most forthright opponent of the Cockfield tax plans, also appeared to soften its stance. The Chancellor is reported to have said that the UK's proposals to let market forces bring VAT rates closer together could be "modified not only to reduce fiscal frontier controls, but to abolish them."

Lord Cockfield will be giving a briefing in these offices on Tuesday, 3rd January, during which he is expected to give his summing up on his four years in Brussels. The briefing will begin as usual at 11.00 am.

North Sea fishing quotas cut. EC Fisheries Ministers last weekend agreed on drastic cuts to the total allowable catches (TACs) of key species of fish in the North Sea in a drive to stop overfishing which is depleting important stocks. TACs for cod in the North Sea are to be cut by 20 per cent over the next year to 118,700 tonnes and TAC for haddock is to be reduced by 60 per cent to 62,500 tonnes. John MacGregor, the UK Fisheries Minister, negotiated a haddock quota of 54,380 tonnes for Britain. The impact of the cod and haddock cuts will be borne largely by Scottish fishermen. However, Ministers also committed themselves to scientific advice for certain key stocks in the middle of 1989 and to raise the relevant TACs, if appropriate, at the Fisheries Council in June.

UK Net Book Agreement illegal. On Tuesday the European Commission ruled that it is illegal for British publishers to apply Net Book Agreements setting minimum retail prices to sales of British books across EC frontiers. However the agreement will still apply within the UK. By its decision, the Commission has rejected a request for exemption from the EEC's Competition rules for the Net Book Agreement saying: "The agreements restrict competition between publishers as well as between booksellers in respect of their individual discount policies and are incompatible with the EC's competition rules insofar as trade between Member States is affected".

EC employers declare support for 1992. A solemn charter in support of Europe's Single Market was launched in Paris on Tuesday and endorsed by the heads of the employers' organisations of the 12 members of the EC, as well as by their counterparts in eight other European countries. Coming as the climax of a special congress of the Conseil National du Patronat Francais, the charter took the form of a 16 point declaration setting out the employers' commitment to the freer market and a series of demands addressed to the institutions of the EC and the governments of Member States.

More ERDF funds for the UK. Grants totalling £53.13m have just been made to the UK by the European Regional Development Fund (ERDF) as part of the 9th allocation from the 1988 budget. Main recipients: North, £1.2 million; South West, £5.19 million; West Midlands, £12 million; Northern Ireland, £1.98 million; North West, £19.09 million; Scotland, £13.57 million.

Commons committee's inquiry into Single European Market. The Trade and Industry Committee of the House of Commons is to begin in 1989 an inquiry into Financial Services and the Single European Market. The Committee will inquire into the main policy issues involved in the Single Market in Securities, insurance and banking; the impact on and the preparedness of the UK financial services industry; preparations in other countries for the Single Market in financial services; the balance between home authorisation and host country regulation within the EEC; reciprocity with non-community countries; and whether the regulatory system in the UK will have to be adapted as 1992 approaches. Evidence to: Mr Andrew Kennon, Clerk of the Trade & Industry Committee, Committee Office, St Stephen's House, House of Commons, London SW1.

Eurocinema. At a Brussels press conference on Monday Commissioner Carlo Ripa de Meana and British film director Sir Richard Attenborough launched SCRIPT, the latest offshoot of the MEDIA programme, which is to promote the writing of new TV and film scripts. The European SCRIPT fund is to give financial support to authors, directors and producers. SCRIPT stands for Support for Creative Independent Production Talent.

Shultz-Delors press conference. After paying his seventh and final visit to the Commission last week, US Secretary of State George Shultz and Commission President Jacques Delors gave a joint press conference. The President bid the Secretary of State farewell saying Shultz will surely continue to play an important part in the American democratic debate. Shultz had previously reminded his audience of the importance of US-EC relations noting that two-way investment had risen from \$225bn two years ago to \$280bn this year.

IRIS launched. The new Community network on vocational training for women-named IRIS - was launched in Brussels on Monday.

Community aid for Armenian earthquake victims. Two EC aid packages for the victims of the Armenian earthquake amounting to 1.5m ecus (£1m) have been announced by the Commission. Three aircraft with rescue personnel, doctors and medicine have already left for Armenia.

"European Access". From 1989 this authoritative, current awareness bulletin on the developments, activities and policies of the EC will be published by Chadwyck-Healey in association with the UK offices of the European Commission. For details contact John Russell on 0223-311479.

Diary Dates. Conference: "The Single Market ant the Finance Industry" organised by the Banking Insurance and Finance Union. London, January 20, 1989. Venue: The New Connaught Rooms, Great Queen Street, London WC2.

Internal Market Council	19 Dec	Brussels
Foreign Affairs Council	21 Dec	Brussels

Our next briefing will take place on Thursday, 22nd December at 11.30 am.