



COMMISSION
OF THE EUROPEAN
COMMUNITIES

Jean-Monnet House
8 Storey's Gate London SW1P 3AT
Telephone: 071-973 1992
Fax: 071-973 1900

WE/6/93

THE WEEK IN EUROPE

11 February 1993

New Commission confirmed. The European Parliament voted by 271 votes to 95 yesterday to approve the new European Commission. Opening the traditional investiture debate, Commission President Jacques Delors discussed a gamut of policies, internal and foreign, which the Commission would tackle in its two-year term. He acknowledged that the backdrop was gloomy, but said the Commission had a strong sense of duty. Delors hoped to provoke a genuine in-depth debate by discussing four key areas: the crisis in confidence in the Community; the restoration of economic and social credibility; political momentum; and building the Community's influence abroad. First priority was to ensure the success of the European growth initiative which could send the right signal, if not provide a miracle cure. On the European Monetary System, Delors said that while it may be "unfashionable" to say so, he believed the advantages of fixed exchange rates outweighed prospects in a floating system. Turning to unemployment, Delors stressed that the Commission had not abandoned hope of a social Europe. For the Commission, the social dimension was simply an "integral part of the European venture", not an ideology. The Commission would prepare to implement the Maastricht Treaty as "an act of faith in the future". Under Maastricht, the European Parliament had gained new powers and the Commission intended to conduct its crusade for openness with Parliament's full cooperation. The Commission wanted to give Europeans "something to look forward to again".

EC-US talks. EC trade negotiator Sir Leon Brittan met senior US officials today (Thursday) in Washington for talks aimed at easing trade relations on the GATT and other disputes between the Community and the new US Administration. On arrival, Sir Leon quashed speculation that President Clinton's Administration was protectionist, saying that it was too early to "jump to conclusions". During the visit, his first to the US since President Clinton's inauguration, Sir Leon will meet US Trade Representative Mickey Kantor; Commerce Secretary Ron Brown; Treasury Secretary Lloyd Bentsen, and Senator Jay Rockefeller.

Internal market implementation. With an 86% record, the UK is placed third in the latest league table showing Member States' transposition rates of internal market legislation. Denmark is in pole position with 92% and Italy second with 87%. Ireland (74%) and Greece (72%) trail the table. After publication of the figures at Tuesday's Internal Market Council, Commissioner Raniero Vanni d'Archirafi noted Member States' efforts, but there were several vital areas, such as the free movement of people, still outstanding.

German interest rates. Commenting on Germany's 0.5% reduction in interest rates last week, Financial Affairs Commissioner Henning Christophersen said the move was an important contribution towards restoring monetary stability in Europe. It was a decision which would improve opportunities to promote economic growth and job creation. It fitted well into the Community's growth initiative, he said.

New VAT arrangements. Representatives of the European employers' association UNICE, small businesses associations and European Chambers of Commerce met Taxation Commissioner Christiane Scrivener in Brussels on Friday for the first session of the Commission's consultative committee to address problems arising from the new VAT arrangements. The Commissioner rejected criticisms that the new arrangements were complex, costly and open to fraud. The system had reduced paperwork by replacing the Single Administrative Document; studies showed that the amount invested in the new system could be recouped in less than a year; and the computerised EC-wide system, VIES, provided efficient control to prevent fraud.

Europe and the wider world. In a speech on Monday, Sir Leon Brittan emphasised that the Community had not lost interest in the outside world during its drive to implement the Single Market. Delivering the annual Winston Churchill Memorial Lecture in Luxembourg, Sir Leon chose the theme of "Europe and the Wider World" to demonstrate the Community's commitment to surmounting three specific global challenges: the maintenance of free trade; the safeguarding of peace; and the extension of prosperity and security to eastern and central Europe.

Award for figuring out Europe. Eurostat, the EC's statistical office, received a major award in London on Wednesday for its best-selling publication, "Europe in Figures". The European Information Association voted Eurostat a clear winner for its presentation of complex statistical issues in layman's terms. The third edition appeared just before Christmas in all Community languages. Henning Christophersen, Commissioner responsible for Eurostat, said the award proved that "statistics didn't have to be as dry as dust". Eurostat presented a vivid picture of European life and helped Europeans understand each other a little better, he said.

EC's annual report. European Parliamentarians were the first to be presented with the Community's 26th Annual General Report released yesterday which details all Community activities in 1992. The report described last year as a "watershed" in the evolution of the Community, beset by numerous economic and political problems. It highlighted the monetary turbulence, the economic downturn and the crisis of confidence in the Community during ratification of the Maastricht Treaty. The high points of the year were agreement on the Delors II Package of future financing, the establishment of the cohesion fund and the growth initiative. The influence of public opinion made last year a turning point in the construction of Europe.

EIB Loan to Scotland. The European Investment Bank announced on Monday a 51m ECUs loan to Grampian Regional Council for improvements to water supplies, waste-water treatment and road schemes. The projects fulfill the bank's aims of ensuring quality water supplies and safeguarding the environment.

Customs officials exchange. Commissioner Raniero Vanni d'Archirafi announced on Tuesday a new exchange scheme for customs' officials to gain experience of other Community administrations. The scheme, called KAROLUS, runs for five years and aims to give some 1,900 officials the chance to shadow their counterparts and receive training on the Single Market.

Maritime pollution. Transport Commissioner Abel Matutes and Environment Commissioner Ioannis Paleokrassas welcomed the announcement by the UK Government last week that it had secured a voluntary agreement with shipping companies to protect environmentally-sensitive coastlines from pollution. The agreement comes after calls by EC transport and environment ministers for EC shipping exclusion zones.

Monitoring drug addiction. Commissioner for Social Affairs Pdraig Flynn welcomed a decision by internal market ministers to give the green light to a new Community agency to monitor drugs and drug addiction. The idea for a monitoring centre sprung from an initiative in 1989 by French President François Mitterrand. The centre will provide comparable and reliable information from across the Community. The seat of the monitoring centre is to be decided at the next European summit to be held in Copenhagen in June.

Aid to Lebanon. The Commission decided last week to grant 30m ECUs of technical assistance to Lebanon under the current bilateral cooperation agreement to repair the damage caused by more than fifteen years of civil war. The Commission's aid will be spread over three years. In addition, the Commission will provide 1.5m ECUs for projects in the oil, gas, agriculture, industrial and non-financial services sectors.

EC-Chile relations. Chile is to receive some 30m ECUs of Community financial and technical aid under three new conventions signed on Tuesday in Brussels by Overseas Development Commissioner Manuel Marin and the Chilean Ambassador, Patricio Leiva. Projects to receive aid include: regional development schemes for business parks, tourism, farmers and fishermen in the north; the establishment of an enterprise council to encourage the transfer of technology to Chile's small and medium-sized firms; and investment in developing energy resources which are both economic and environmentally sound.

Tesco and Volkswagen. The Commission last week cleared Tesco's plans to acquire Cateau, a family-owned and managed chain of supermarkets in north-east France. Since there is no geographical overlap between the two chains, the Commission declared the operation compatible with the common market. Volkswagen was also given the green light to buy from Lonrho the share capital of VAG (UK) Ltd, giving VW sole control of the marketing of Volkswagen and Audi cars in the UK.

Delors in Oxford. Jacques Delors will be speaking at a major symposium, "The Relations between Science and Society", in Oxford next week. The symposium is the fourth in a series of different topics organised by the Commission for Europe's intellectuals. Science Commissioner Antonio Ruberti and Culture Commissioner Joao Deus de Pinheiro will also speak at the press conference, Saturday, 20 February, at 12.30pm, in the Examination Schools. Journalists wishing to attend should call 071 973 1924/1945/1951.

"The ERM Explained". A straightforward guide to the Exchange Rate Mechanism and the European currency debate. Price £14.95, published by Kogan Page on 18 February. ISBN 0749409398. Tel: 071 278 0433.

Conference & diary dates:

Personal protective clothing. Shuttleworth College (Beds.) is holding a one-day conference on 31 March on "Safety at Work - personal protective clothing". Details: Alistair Costley on 0767 627 441 or fax 0767 627 561.

VAT and the Single Market. Bristol Chamber of Commerce, in conjunction with Ernst & Young, is running this one-day conference on 3 March. For details, contact Tracy Ruff on 0272 737373 or fax 0272 745365.

Council Meetings:

Ecofin	15 February	Brussels
EC-Salvador Cooperation	22-23 February	El Salvador
Industry	25 February	Brussels

Our next briefing will be on Thursday, 18 February 1993, at 11.30am.