



COMMISSION
OF THE EUROPEAN
COMMUNITIES

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THE WEEK IN EUROPE

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Delors: "more openness". Commission President Jacques Delors, commenting on the Danish electorate's rejection of the Maastricht Treaty on European Union, acknowledged that greater transparency in Community decision-making was needed and that further efforts must be made to explain the EC to its citizens. Addressing Wednesday's European Parliament debate on the referendum, he said the Treaty was in no way obsolete. It had been the Member States themselves who decided last week to go on ratifying Maastricht, settle the budget, provide for a cohesion fund and embark on enlargement. Three fundamental principles underpinned the Community's future: the extension of democratic control in the institutions, which Maastricht had reinforced; national decision-making to retain cultural diversity in such areas as education and justice; and the principle of subsidiarity to keep decision-making as close to the people as possible. These matters were already part of the Commission's agenda before they became the subject of lively debate in the aftermath of the Danish referendum, he said. MEPs voted by a large majority for Member States to continue the ratification process.

Delors II Package. Delors' proposals for a 30% increase in the Community's budget over the next five years were criticised by economic and finance ministers meeting in Luxembourg on Tuesday. Delors appreciated the budgetary problems facing Member States, but said it was the Commission's duty to go ahead and present a budget to cover spending commitments, with or without ratification of the Maastricht Treaty. Delors pointed out that the CAP reform voted on by the Council was costlier than that proposed by the Commission. The system of Member States' own contributions, he stressed, would be more equitable in future. Payments based on VAT receipts would fall by 20 percentage points and those based on GDP would rise, thereby linking further a Member State's EC contributions to its ability to pay and preventing those with high consumer spending from being penalised.

Capital adequacy. Economic and finance ministers did, however, reach agreement in principle on the proposal to harmonise capital requirements for European banks and securities firms. After a long debate lasting until 3 am on Wednesday, ministers agreed to a regulatory framework which will pave the way to a single market in securities trading. Financial Services Commissioner Sir Leon Brittan welcomed the agreement as a "real political breakthrough" which, he said, would in no way restrict the freedom of the City of London. The proposals now include a flexible limit on the amount of capital required to cover large-risk exposure allowing for a 10-day "window" during which the limit may be breached. The original proposal, limiting risk exposure to a blanket 25% of a firm's capital, had been a political sticking point, as smaller, mainly British firms, feared their trading activity would be restricted.

New world disorder. External Affairs Commissioner Frans Andriessen called on Monday for the "big three", the US, Europe and Japan, to work together in a balanced world partnership into the 21st century. Otherwise, he warned, the so-called new world order, created by the collapse of Communism, could disintegrate into a new world disorder. Speaking in Portugal at a conference of journalists, the Commission Vice-President said that the emergence of 20 new states in eastern Europe alone, several of them seeking EC membership, called for a redefining of the "cosy consensual campfire" of western market-style economies. The Danish referendum, he said, would not deter the Commission from addressing the two objectives of widening and deepening of the Community. The growing importance of the European Community should not lead to a head-on battle for economic superiority with the other major world trading blocks, he stressed. Europe, the United States and Japan had a symbiotic relationship which could serve as an example of constructive harmony to the rest of the world.

Oilseed dispute. The Commission considers Tuesday's unilateral action by the United States to suspend tariff concessions on some EC exports as "totally without justification". The US decision stems from a row over EC subsidies to Community oilseed producers. The Commission said it would propose a solution at the next GATT meeting on June 19. It considers the US action to be counterproductive.

Fight against Fraud. The Commission has uncovered more than 185m ECUs (£130m) of fraudulent payments from its budget last year. The 1991 annual report on fraud just released shows that the Commission had to spend 72m ECUs (£50m) to help Member States combat false claims and the figure is set to rise in the 1992 budget to around 76.5m ECUs (£54m). Over 90% of the costs went to

reinforce preventative measures taken by Member States themselves, who were found to be 59m ECUs (£41m) short in their own resource payments into the Community budget. The vast majority of fraudulent claims, some 574 cases amounting to 67.2m ECUs (£47m), concern the CAP.

EIB success. The European Investment Bank announced on Tuesday that it had increased its lending by 14.5% in the last year despite the difficult economic climate. By raising some 13.7bn ECUs (£9.6bn) on the capital markets, the bank had demonstrated that it could support successful development of the Community without straining national or Community finances. The bank's investment priorities mirror the objectives of the Maastricht Treaty by financing regional development projects including trans-European networks of telecommunications and energy. Some 10,000 small and medium-sized enterprises, many located in the EC's regional development areas, benefited from loans.

Environmental opinions. European concern about protecting the environment has increased dramatically according to Eurobarometer. It indicates that 85% of those questioned, a rise of 11% on the last poll five years ago, consider the fight against pollution an immediate and urgent problem and not one that can be put off for future generations. More Europeans feel that global environmental problems such as the destruction of the ozone layer and the disappearance of the rain forests to be more of a threat (48%) than localised issues of air pollution from car exhausts (31.3%) and dirty beaches (25%). A vast majority (90%) had faith in the Rio Earth Summit tackling the issues head on.

Bathing water awards. The EC's Blue Flag award to beaches conforming to Community clean bathing water directives has been given to 87% of the Community's designated bathing beaches. Environment Commissioner Carlo Ripa di Meana said that while there was still much to be done, the Community could be proud of its efforts to ensure safe bathing water. There was no general trend in the reasons for the persistent pollution, but inland bathing waters, particularly rivers, were dirtier. Only 70% came up to scratch against the EC criteria in 1991. Industrial effluent and algae are the main culprits.

Energy centres for the East. Energy Commissioner Antonio Cardoso e Cunha opened Energy Centres in Moscow and Warsaw this week as part of the EC's drive to extend to eastern Europe its THERMIE programme of research into energy-saving and renewable energy. A total of nine centres have been set up in the East to act as focal points for information on EC energy policy, including the Energy Charter, and to assist eastern industry make energy savings. One of 100 EC THERMIE projects already running helped a St Petersburg bus depot save 100,000 litres of petrol and 1 ton of lead emissions a day. Other project results show energy savings on average of between 15-25%.

Welsh regions gain. A further three Welsh regions, Dyfed, Gwynedd and Powys, will receive EC structural funds of £26m to promote employment by diversifying the local economies away from the traditional, now declining industries, of agriculture, forestry and fishing. The three regions qualify for aid as they suffer the two-fold problem of rural decline and the disadvantages of being on the Community's periphery. The funds will encourage small and medium-sized enterprises by providing workshop sites and financial and management advice. The Commission sees employment potential in tourism which can exploit further the regions' rich cultural and natural heritage. Funds to aid regional cohesion will go to developing the rural infrastructure by upgrading basic facilities such as the water supply as well as improving commercial ports and local communications.

Offshore-Britain & The European Ideal. Prominent Labour MP Giles Radice's entertaining analysis of British anti-Europeanism and the case for constructive British involvement in shaping the EC. From booksellers ISBN 1-80543-362-3.

Education without Frontiers. A policy document published by The Overseas Students' Trust, available from tomorrow, price £10. For copies contact the Trust on 071 834 4466.

Conference & Diary Dates:

UK Presidency, 1992 and the Future Europe - A 24-hour residential seminar on 1-2 July at Bristol University with speakers from the Cabinet Office, Local Government International Bureau and the College of Europe. Price £255. Details from Katherine Green on 0272 741117.

European Union of Women - European Women of Achievement Luncheon at Park Lane Hotel, London W1 on Tuesday 14 July for the presentation of the awards. Speakers include Edwina Currie. Further details from: Sally Elliot, 2 Ebor Close, West Parley, Ferndown, Dorset. Tel: 0202 874847.

Environmental Journalism awards - The deadline for the EC's "Pulitzer Prize" for outstanding articles on green issues, entitled "My Region, the Planet", timed to coincide with the Earth Summit, is the 15 July. To enter contact: GEA, Paris. Tel:010 331 42 22 12 82 or fax: 010 331 1 45 49 27 11.

Council Meetings:

Immigration	11-12 June	Lisbon
EPC	15 June	Luxembourg
General Affairs	15-16 June	Luxembourg
Agriculture	15-16 June	Luxembourg
European Council	26-27 June	Lisbon

Our next briefing will be on Thursday 18 June at 11.30