



COMMISSION  
OF THE EUROPEAN  
COMMUNITIES

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

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### THE WEEK IN EUROPE

**UK out of ERM.** A week of turmoil on the foreign exchange markets culminated in the announcement early today (Thursday) that the Italian lira was joining the UK pound sterling outside the European Community's Exchange Rate Mechanism for the time being. The Spanish peseta was also being devalued within the system by five percent. Overshadowing everything is the uncertainty surrounding Sunday's vote in the French referendum on the Maastricht Treaty. The ERM changes were confirmed after an all-night sitting of the EC's Monetary Committee in Brussels. They came only a few days after the previous rearrangement of parities within the system which permitted the lira to fall by seven percent, and the German Bundesbank's decision on a quarter percent cut in the German interest rates in a bid to stabilise the system. The official communique issued this morning after the Monetary Committee's meeting in Brussels stressed the unanimous commitment of the EC's Ministers and Central Bank Governors to the European Monetary System as a key factor of economic stability and prosperity in Europe. They also urged the full resumption of the participation of the pound sterling and of the lira inside the ERM as soon as possible. The UK Government, currently occupying the Presidency chair at EC meetings, has acceded to an Opposition demand for the recall of the UK Parliament for a debate on the currency crisis and the Government's economic policy next Thursday. Whether the French vote yes or no to the ratification of the Maastricht Treaty will be known sometime between eight and ten o'clock CET (7 and 9 p.m. BST) on Sunday evening. As it happens all the Foreign Ministers of the 12 Member States of the European Community and their Finance Ministers will be in New York and Washington from next Sunday to attend the annual meetings of the United Nations General Assembly and the International Monetary Fund. If need be, therefore, emergency meetings of the relevant EC Councils could be called on the spot very swiftly.

**EP's 40th Anniversary.** The European Parliament has been celebrating its 40th Birthday in Strasbourg. In an address marking the occasion European Commission President Jacques Delors warned that while the EP would have its voice strengthened by the Maastricht Treaty, it must also expect to have to share that voice more with national governments. The period of "sweet tyranny" exercised by all European institutions, and not just the Commission, was at an end, he said. Delors highlighted the Maastricht proposal for the setting up of a Committee of the Regions, which, he said, would give a clear sign to Europe's citizens of the growing democratisation of the institutions. The big lesson to be learnt from the current debate, he pointed out, was that the European Parliament, national parliaments and the European Council had to work together in a rational, simple and accessible fashion so as to reinforce the legitimacy of their institutions.

**Energy Charter Progress.** Working groups representing the 47 signatory countries of the European Energy Charter, designed to trigger economic recovery in Eastern Europe through investment in the energy industry, made constructive progress on the Charter negotiations when they convened in Brussels last week. Secretary-General of the Charter Conference Clive Jones said that negotiations had taken place in a "positive climate" with a willingness for agreement expressed by both East and West. However, several notable points of the Charter remain outstanding: non-discrimination of foreign investors in all the signatories' home markets; environmental questions; transit rights; and a decision over whether the Charter Conference should become a permanent institution with a secretariat. The Lisbon Summit in June stressed the urgent need for an early conclusion to negotiations on the basic agreement, which will provide the legal basis for the Charter cooperations, but Clive Jones set the end of the year as the earliest date likely, with the final signing ceremony sometime later.

**Technical assistance to CIS.** The first high-level ministerial meeting on the EC's TACIS programme of technical assistance to the CIS states and Georgia took place on Monday in Brussels, launching real implementation of the 850m ECUs (£600m) programme after two years' of planning and groundwork. TACIS representatives from all 12 newly-independent states, including the Deputy Prime Minister of Azerbaijan and Tajikistan, were taking part in a week-long seminar to familiarise themselves with the "life-cycle" of the programme. They were also examining specific topics such as the European Bank for Reconstruction and Development, training, nuclear safety and the private sector. The TACIS technical assistance programme, developed by the EC in 1990 to support economic and democratic reform in the former Soviet Union is the world's largest aid programme to the CIS states. The EC's head of TACIS,

Joannes ter Haar, praised the success of the collaboration which he said had been achieved in spite of the "extreme difficulties" besetting many CIS states and the European Community.

**Ukrainian relations.** Relations between the Community and the Ukraine were set on a firmer cooperative basis after Commission President Delors signed several Memoranda of Understanding on trade with Ukrainian President Leonid Kravchouk on Monday in Brussels. At this first official meeting, both Presidents expressed their desire to establish reciprocal delegations in the Ukraine and in Brussels.

**Nuclear safety in the East.** The G-24 working group on nuclear safety meeting in Brussels on Monday reinforced its political will to improve efficiency on the coordination of technical assistance by readily offering national experts to work in coordinated programmes. The Group, headed by EC Director-General for Nuclear Safety Laurens Brinkhorst, has now formalised bi-annual meetings with Central and Eastern European states and Russia. Training, the operation of hazardous ex-Soviet RBMK reactors and improvements to Bulgaria's Kozhodoj nuclear plant are high on the agenda for priority action.

**Aid to Somalia.** The EC is to consider making a significant contribution to the cost of protecting food aid stores and convoys in Somalia after last weekend's Troika visit led by Baroness Chalker reported that the main problem was not a shortage of food but a lack of security in getting supplies to the starving. The EC has agreed to consider covering the lion's share of the costs of sending 500 Belgian troops on UN mission for 12 months to Somalia to protect food convoys. So far this year Community aid to Somalia has totalled some 60m ECUs (£42m) and a decision on a further 6m ECUs (£4.2m) to provide additional air lifts of supplies is imminent. The Commission allocated 50,000 tonnes of food in July and August, bringing the Community aid figure to 200,000 tonnes of cereal and cereal equivalents in 1992; a figure which makes up half of Somalia's total food aid estimates for this year.

**Direct aid to Croatia.** After a series of accords with international aid agencies, the European Commission's Humanitarian Office (ECHO) is in the process of setting up a permanent "logistics base" in Croatia to provide the first direct aid to refugees and those displaced by the violence. The base, to be manned by ECHO personnel will, in the first instance, distribute some 15,000 tonnes of powdered milk, tinned beef and flour. A "Memorandum of Understanding" signed with the newly-created refugee department of the Croatian government made the ECHO initiative possible.

**EC-Canadian fishing dispute.** EC Fisheries Commissioner Manuel Marin has laid blame for the poor state of fish stocks in the North Atlantic firmly on environmental factors, the overcapacity of the Canadian fleet and the conservation and management policies conducted by Canada over the past years. Speaking on Sunday on the eve of the annual meeting of the North Atlantic Fishing Organisation's scientific council (NAFO), the Commissioner stressed that the EC considered conservation as the top priority in its common fisheries' policy. He hoped that fishery relations between the two would be enshrined in the framework of a mutually beneficial agreement which is being discussed during the NAFO meeting in Halifax this week.

**EC Financial Services Guide.** With an introduction by Sir Leon Brittan, EC Commissioner for financial services, this comprehensive guide represents an easy-to-ready resource document on Who's Who and What's What in European Financial markets. Cost 1,500 BF, available from the American Chamber of Commerce, Ave, des Arts 50, Bte 5, B-1040 Brussels. Tel: 010 322 513 6892.

**EC Environmental legislation on PC.** National Westminster Bank last week launched an environmental advice package detailing the latest UK and EC laws and issues as part of their Pharos IBM-compatible PC programme. For details call NatWest free on 0800 777 888 or call in at any branch.

**European Arts Festival.** This week's highlights include: The Festival Tent at Omagh Leisure Centre, Co. Tyrone on 18 September; Pavarotti at Covent Garden on September 19 in Puccini's Tosca, relayed into the Piazza; and the Scottish Chamber Orchestra's Piccolo Pack begins tour in Dundee on 21 September. For details of these and more, call Jacky Guter on 071-383 5750.

**Europe in Figures.** How do Britons compare with our partners in the EC? There is a press conference at Jean Monnet House here at 11.00am on Tuesday, 22 September, where some of the answers will be given by John Astin, a British Official in Eurostat, who is coming from Luxembourg to launch the third edition of their best seller "Europe in Figures".

**Council and Diary Dates**

Environment	18-20 September	Gleneagles
Agriculture	21-22 September	Brussels
Internal Market	22 September	Brussels
ECO/FIN	28 September	Brussels

Our next briefing will be on Thursday, 24 September at 11.30am.