



COMMISSION
OF THE EUROPEAN
COMMUNITIES

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THE WEEK IN EUROPE

CAP Reform. As we go to press, Ministers in Brussels are said to be on the point of agreeing crucial reforms of the Common Agricultural Policy. Agricultural Ministers have spent more than a year agonising over the extent of the reforms and whether to accept the Commission's radical proposals to cut farm production subsidies and compensate farmers in other ways. The scale of the reforms will have direct effects on the stalled discussions on the Uruguay Round of the GATT talks where the USA in particular have been pressing for an end to farm subsidies. External Affairs Commissioner Frans Andriessen expressed optimism in Paris earlier this week about an early breakthrough in the talks. Speaking at the OECD meeting, Andriessen said the crucial area was agriculture but if a breakthrough could be achieved by the end of June, some time would still be necessary to bring all partners on board and for completing negotiations in other areas, such as market access and trade in services. The Commission were looking for an overall and balanced deal. In negotiations in Washington last month, Commission President Jacques Delors had made clear a readiness to compromise. Andriessen said he was considering another trip to Washington soon.

Tobacco Ads. Health Ministers had yet another debate last Friday on whether to ban tobacco advertising but made no further progress on the Commission's proposed Directive. UK and the Netherlands were reported to have preferred voluntary limitations in agreement with the tobacco industry. Germany wanted to look at the relationship between tobacco advertising and consumption. Most Ministers seemed to prefer more time for national debate. Social Affairs Commissioner Vasso Papandreou expressed surprise that several Member States seemed to show more concern with the economics of the proposed ban than with its health objectives. She pointed out that some 430,000 Community citizens die annually from smoking-related illnesses. She was against the idea of self-regulation.

Post & Telecoms. A week after publication of the European Commission's Green Paper on postal services, Competition Commissioner Sir Leon Brittan has given further details of the Commission's thinking for both postal and telecommunications services. Addressing the Centre for European Policy Studies in Brussels on Tuesday, Brittan outlined a two-fold policy: services could be cushioned from the full brunt of competition policy to allow them to provide a public service, much in the same way as water and electricity utilities, but to ensure a good quality service, elements of free market access should be allowed. The Commission, he said, would assess the remaining monopoly rights to make sure these were not licences to print money by exploiting dominant positions. Efficient postal and telephone services were essential to the success of the Single Market, but it should not be the case that once a service crossed an internal Community frontier, costs rose out of all proportion.

EC's Regional Policy. Ministers responsible for Regional Policy met informally in Lisbon over the weekend to examine how best to develop policies in the light of the experience over the past three years and of the agreement at Maastricht to create a Cohesion Fund for the poorer regions of the Community. Commissioner Bruce Millan told reporters afterwards that the new funding outlined in the Delors 2 Package was justified because of the long term need to reduce disparities between regions. The Cohesion Fund had to become operational very rapidly once the Treaty was ratified and for that reason the Commission was writing 1.5 billion ECUs (£1.05b) into the proposed 1993 draft budget.

Ripa Rallies Rio. Environment Commissioner Carlo Ripa di Meana has called on Member States and other nations to support a far-reaching agenda at the UN Earth Summit in Rio de Janeiro next month. Speaking in the European Parliament last week, the Commissioner feared some countries were trying to water down the conference agenda. He praised the Community for progress made on setting targets for reducing CO₂ emissions and for aid to forestry development, but he said Ministers should agree to pledge 0.7% of GNP to help developing countries reach sustainable growth. The Commission's proposal for a carbon tax put environmental policy on a supranational scale for the first time, he added. Environment Ministers will be meeting next Tuesday to endorse the EC's position for Rio.

Rural Development. Agriculture Commissioner Ray MacSharry welcomed representatives of 213 rural development groups in Brussels last week and praised the success of the EC's LEADER (Links between Actions for the Development of the Rural Economy) programme. He promised additional funding under the next round of Community financing. In operation for less than a year, the LEADER programme had already provided new

hope to rural communities. There were, said the Commissioner, many challenges still to be overcome notably in persuading local authorities to assist in releasing non-traditional sources of finance. Main conclusion of the conference was that a stronger partnership had to be built between national, EC and local authorities.

Development & Cooperation. Following their discussions on Europe Day at the Seville Exposition, the Commission have now adopted a communication outlining their strategy for cooperation and development policy up to the year 2000. The aim is to stimulate debate among the Community institutions and especially the Commission, Council and European Parliament. EC financial commitments to help ACP countries, signatories to the Mediterranean protocols and to countries in Latin America and Asia amount to 3.5 billion ECUs (£2.5 billion) annually. Commission policy has to be reevaluated now because of changes in the international climate especially in Eastern and Central Europe. The Maastricht Treaty has in any case defined guidelines for future policy based on promotion of democracy, the fight against poverty, Human Rights observance, and progressive economic development.

Prince and Princess in Seville. The Prince of Wales accompanied by Princess Diana were due in Seville today to mark UK Day at Expo'92. Commissioner Jean Dondelinger was to greet them at the European Community's Pavilion where the Royal couple are to sign the Golden Book.

Euromobile 92. The Commission's mobile exhibition on tour throughout the EC to promote the Community's participation in the Olympics in Barcelona is now in the UK and will go on to Ireland. Carrying a demonstration tape of the Winter Games in Albertville in the EC's High Definition TV format, the Euromobile was in London and Birmingham. It is in Sheffield today, then goes to Liverpool 23/5, Edinburgh 25/5, Glasgow 26/5, Belfast 29/5, Dublin 30,31/5, Swansea 4/6, Southampton 5/6.

EC/Japan. The Commission have just sent a Communication to the Council summing up the Community's relations with Japan. It says the Community should continue to deepen the relationship beyond matters of foreign policy. There were encouraging developments recently in the fields of cooperation on science and technology, social affairs, environment and development aid. The financial and monetary dimension would also have to be developed. Because of its low inflation and large budgetary surpluses, Japan could afford to adopt policies allowing a return to growth based on internal demand and a reduction of its trading surplus. The EC trade balance with Japan has again deteriorated.

ECOFIN. Economic and Finance Ministers this week reached political agreement on allowing the European Investment Bank to extend its operations outside the Community. Limits of 250m ECUs (£175m) were set per year for three years. Ministers also examined the convergence programmes for Germany and Italy. The Council acknowledged Germany's ambitious programme based on tight money control and restraints on expenditure rather than increases in taxation. Implementation would imply Germany achieving the criteria for EMU convergence already in 1996. In Italy's case it was apparent that fiscal policy targets were not being met.

East German Shipbuilding Aids. The Commission have agreed to allow higher levels of production aid to be paid to certain east German shipyards on a temporary basis. Sir Leon Brittan said he would be asking the Council to endorse the strategy in June so that the task of restructuring the east German industry in Mecklenburg-Vorpommern could proceed as quickly as possible.

EC Sanctions on Serbia/Montenegro. The Commission have sent to the Council a list of economic sanctions which could if necessary be imposed on Serbia and Montenegro by the Community and/or its Member States. The document, requested by the Council because of the bloodshed in former Yugoslavia, details conditions for applying the measures and their foreseeable impact.

Conference & Diary Dates.

EEA & The EFTA Countries after 1992 seminar arranged by The Centre of European Law at King's Coll. London, 4 June from 0900. Contact: European Study Conferences 0536 204224, Fax 0536 204218.

Role of the EC Court of Justice, lecture by Prof. Francis Jacobs QC, Advocate General in Luxembourg, arranged by The Centre of European Law, at King's Coll. London, 5 June at 6.00 p.m. Contact: Mads Adenas, 071 836 5454 ext. 1138; Fax 071 873 2465.

Role of TV in an Area of Ethnic Tensions, 16th Thomas Corbishley Memorial Lecture, by Nenad Pejic, Editor-in-Chief, Sarajevo Television, Bosnia-Herzegovina; 25 June, 11 Cavendish Sq. London. Contact: Fiona Shipley, The Wyndham Place Trust, 081 686 7171.

Offset Countertrade & International Joint Ventures seminar on the documentation required and on the pitfalls and opportunities, 27,28 May in London. Details: 071 404 3341 or Fax. 071 405 6203.

Council Meetings:	ACP-EEC	21,22 May	Kingston, Jamaica
	Gen. Affairs	23,24 May	Lisbon
	Agriculture	24,25 May	Curia
	Environment	26 May	Brussels
	EEC-L.America	28,29 May	Santiago de Chile

Our next briefing will take place at 8 Storey's Gate on Thursday 28 May at 11.30am.