



COMMISSION  
OF THE EUROPEAN  
COMMUNITIES

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

WE/28/92

16 July 1992

THE WEEK IN EUROPE

**EP confirms Delors.** The European Parliament confirmed by 276 votes to 10 the reappointment of Jacques Delors as Commission President for a further two years which had been agreed by the Lisbon European Council last month. Delors said he was delighted at the vote of confidence last Thursday.

**Eurobarometer on Maastricht.** Despite the coverage given the Maastricht Treaty in recent months, only 44% of those questioned in March/April for the latest Eurobarometer said that they had heard about the Treaty. But across the whole Community, 75% of those who had, considered Maastricht "very important or "important". This ranged from a high 83% in Portugal, a percentage which probably reflects the effect of the Portuguese Presidency in raising awareness, to 69% in Ireland. Maastricht is believed to have a positive effect on the Community by 66%. More than half, 55%, favour the formation of a European Political Union responsible to the European Parliament and the creation of a European Single Bank. But asked if they feel a sense of "European identity" in addition to their national identity, 51% said no. Support for Western European unification was up one or two points in Greece, Ireland, UK, Netherlands and Portugal. It fell everywhere else although never below 61%.

**Fraud-beater.** John Tomlinson, Labour MEP for Birmingham West, is to head a new European Parliament inquiry into EC budgetary fraud in farm subsidies. The Commission's annual report on fraud came before the Parliamentary Committee for discussion on Tuesday this week. John Gummer, the UK Agriculture Minister, chairing this week's meeting of EC farm ministers said that the frauds highlighted by the EC's Court of Auditors had already been tackled.

**Agriculture Council.** EC Agriculture Ministers also took a first look at the Commission's new system to control payments to farmers under the reformed Common Agricultural Policy. The Commission had proposed that 115m ECUs (£82m) of Community finance should be spent over the next three years to develop a rigorous system of control on farmers' land, production and herd sizes. Measures would include the use of aerial photography to ensure accurate monitoring. Member States had mixed views; several doubted that they could implement the system by the scheduled date of 1 January 1993 and others objected to the obligatory annual declaration of production that farmers would have to submit. Agriculture Commissioner Ray MacSharry, responding to worries voiced about the bureaucracy involved, pointed out that a certain minimum level of rules was necessary to ensure equal and fair treatment for farmers throughout the Community.

**"Appellation contrôlée" extended.** The scheme to allow food products traditionally made in specific geographical areas to register their name to protect against imitation was agreed by EC Agriculture Ministers meeting in Brussels on Monday. The food quality proposal, devised along the lines of the French appellation contrôlée on quality wines, will mean, for instance, that any cheese calling itself English Stilton must be produced to the traditional recipe and originate from the area, but similar cheese made elsewhere may only be labelled Stilton-style. However, if the product is already widely produced in the Community, the name tag will be deemed to be generic, not unique and therefore will fall outside the food trademark scheme.

**Budget debate.** UK Chancellor of the Exchequer Norman Lamont, acting for the first time as President of the Economic and Finance Ministers (Ecofin) meeting on Monday, primed discussions on the Delors II Package with a letter circulated beforehand to his counterparts which asked three main questions. These were: should the Community budget grow at a faster rate than national budgets; should the ceiling on Member States' own contributions be raised; should Community expenditure be increased. Jacques Delors, intervening in the discussion, emphasised that it was impossible to keep the "spirit of Maastricht" if the Community budget remained at the present 1.2% of GDP until 1997 instead of rising to the proposed 1.37%. Ecofin will be discussing future Community financing again in September.

**Medical aid to Russia.** Ecofin Ministers agreed to release 150m ECUs (£105m) to Russia for the purchase of emergency medical supplies. The loan will go to the Vneshekonombank, the state trading bank, rather than directly to the Russian state, because of a dispute with Russia over adequate guarantees for the loan repayments. Ministers were worried that the severe shortage of pharmaceuticals would bring about a collapse of the country's health system.

**Waste packaging Directive.** The Commission is proposing that most of today's packaging waste should be recycled. At their meeting on Wednesday, Commissioners said that the amount of packaging waste produced annually was 50 million tonnes and rising. Under the proposal, 90% of all used packaging would be recycled or incinerated to produce energy within the next ten years. At the moment only a meagre 18% of packaging waste was being recycled. Consumer Affairs Commissioner Karel Van Miert acknowledged to reporters afterwards that the proposed Directive was ambitious. It would only succeed if all consumers and businesses were fully informed of the hidden environmental dangers of waste packaging. Some Member States such as Denmark had already achieved much in this field, he said.

**Dolphin & whale protection.** EC Fisheries Commissioner Manuel Marín announced on Wednesday that the Commission has adopted a proposal to ban "purse seine net" tuna fishing which endangers the lives of dolphins and other marine mammals. Although Community boats fish tuna outside the areas in the eastern and central Pacific Ocean where some 133,000 dolphins were estimated to have been killed in 1986, the Commission is taking preventative measures. Also this week, the Commission gave the green light for the Community to start negotiations to join the International Whaling Commission. The Commission said it intended to ensure an active contribution on the part of the European Community as such to the conservation of whales worldwide.

**Research funding.** The European Commission proposed on Wednesday to boost EC research funding by 1.6bn ECUs (£1.12bn) adding to the 5.7bn ECUs (£4bn) already committed in the current four-year programme running until 1994. The largest contribution of new money would go toward the ESPRIT information technology programme and industrial technologies programme. Funding for non-nuclear energy projects would also be increased. Research Commissioner Filippo Maria Pandolfi said the money would ensure that annual expenditure would not fall while research policy was trying to improve Europe's industrial competitiveness.

**Thomas Cook sale.** The Commission this week cleared the sale of the UK-based travel company Thomas Cook to its German purchasers, the travel group LTU and the state-owned Westdeutsche Landesbank. The EC's merger task force decided that the new joint venture would not restrict competition in the travel business as LTU and Thomas Cook operations had no significant geographical overlap - the UK and German markets being characterised by national and cultural buying habits.

**Sir Leon backs ERM.** EC Commissioner for financial institutions Sir Leon Brittan entered the UK's debate on the European Exchange Rate Mechanism last week, saying that the UK would not be better off devaluing sterling or leaving the system. Speaking to East Kent Conservatives on Friday, he said that interest rates would go up if the UK left the mechanism as markets would demand the extra security of higher premiums once the commitment to the ERM was removed. The Commissioner said he found it sad that those who had fought hard against inflation were now tempted by opposing policies simply because the monetary anchor happened to have a "European label".

**Net book agreement.** A decision last week by the European Court of First Instance, the EC's lower court, has cast doubt on the survival of the UK's "net book agreement" (NBA) which fixes the retail sale price of books. Under the ruling, UK booksellers will be able to import British books from other EC countries and resell them at cut prices. The Court upheld a European Commission decision four years ago which stated that the NBA, operated by the UK Publishers' Association since 1957, infringed EC competition policy concerning intra-Community exports.

**Liberal Democrats: "Against an Autocratic Europe".** The party's statement on the UK Presidency of the European Community which lays out its vision of Europe post-Maastricht, is available from Andrew Duff, 15 Mount Pleasant, Cambridge CB3 0BL. Tel: 0223 311307, Fax: 0223 311551.

**EC Guidebooks.** The American Chamber of Commerce in Belgium has just published new editions of its series of guidebooks: EC Initiatives, EC Environment Guide; and EC Guide to Intellectual Property. Contact the Chamber at Ave des Arts 50, B-1040 Brussels. Tel: 010 322 513 6892 or Fax: 513 7928.

**Paraphernalia.** A wide range of Euro-gadgets such as flags, balloons, bunting etc may be purchased from Relay Europe Ltd, Robert Dodd House, Darley Road, Eastbourne BN20 7UR, Tel. 0273 643657.

**Conference & Diary Dates:**

**European Monetary Union: Agenda for a Successful Stage Two** - Deputy Director of the Banca d'Italia and former EC DG of Economic & Financial Affairs, Tommaso Padoa-Schioppa gives a lunchtime talk on Tuesday 21 July at 8 Storey's Gate. Contact Jennifer Jones on 071 734 9118.

**Ageing in the European Community** two day conference by Age Concern 21,22 July at Regents College, Regents Park, London. Contact: 081 679 8000.

**Council Meetings:**

Transport - informal	16, 17 July	Brockett Hall, London
Foreign Affairs	20 July	Brussels
Budget	23 July	Brussels

Our next briefing will take place on Thursday 23 July at 11.30am.