



COMMISSION  
OF THE EUROPEAN  
COMMUNITIES

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

WE/4/92  
30 January 1992

THE WEEK IN EUROPE

Anti-fraud tax measures adopted. European Community Finance Ministers, meeting in Brussels on Monday, adopted the definitive regulation for combatting Value Added Tax fraud when the Single Market becomes reality on 1 January 1993. Commenting on the measures, which introduce an automated information network linking the tax authorities of the Twelve, Commissioner Christiane Scrivener, responsible for fiscal and customs affairs, said they achieved a good balance between the need to lighten the burden imposed on businesses and the need to beat fraudsters. From 1 January 1993 all customs documentation and a priori controls on goods will be abolished. Instead intra-Community fiscal charges will be levied after arrival on the basis of invoices and bills of lading. VAT declaration will be quarterly and records will have to be open for inspection by the national tax authorities of Member States. The link-up between the national tax authorities of the Twelve will provide the necessary means for cross-checking on VAT due and should make fraud extremely difficult. The Commission hopes that the automatic network will be operational by October next in good time for the big single market.

Poll shows dissatisfaction among C&E Europeans. Most Central and East Europeans are dissatisfied with democratic and living standards in their countries, according to an unprecedented EC poll conducted last autumn and published on Tuesday by Eurobarometer. It also shows a significant minority want to move to western Europe. In all, 10,000 people in ten states or regions - Albania, Romania, Bulgaria, Lithuania, Latvia, Estonia, Hungary, Czechoslovakia, Poland and European Russia - were canvassed by Eurobarometer and Gallup of the UK. Only in Lithuania did a majority pronounce themselves satisfied with their democracy. Asked about emigration, 30% of East Europeans said they had considered going to work in western Europe, while 23% of European Russians said they had had similar thoughts. But when asked to consider the likelihood of a decision to emigrate becoming a reality, the proportion of those who said they "intend definitely" to move west dropped to three per cent in eastern Europe and less than one per cent in European Russia. Large majorities in Estonia (70%) and European Russia (82%) said that human rights are not respected in their countries. Large majorities also want closer ties with the EC, both through Association Agreements (66%-80% "in favour") and eventually as full members (69%-88% "in favour"). Many want their countries to be EC members between now and five years' time. Romania is the only country where most people expressing an opinion do not support the creation of a market economy (35% "for"; 48% "against"). Most people wanted economic reforms speeded up.

Maastricht Treaty to be signed. The Treaty on European Union, negotiated by the European Council summit in December, will be signed in Maastricht on 7 February by the EC's Foreign and Finance Ministers, the Dutch Ministry of Foreign Affairs announced on Tuesday. Speeches are expected from the current President of the Council, Prime Minister Anibal Cavaco Silva of Portugal, Dutch Prime Minister Ruud Lubbers, Commission President Jacques Delors and the new President of the European Parliament Egon Klepsch.

Farm reform. EC agriculture ministers met only briefly in the Council on Monday and spent the rest of their time in bilateral talks on prospects for CAP reform and its significance for the GATT talks. Commissioner Ray MacSharry pointed out that Community expenditure on market support had increased by 50 percent since 1989, from 24.4 billion ecu to 35.3b (£16.8b to £24.7b) but because of stock costs and export refunds this increase was having little impact on farm incomes. Ministers as well as MacSharry emphasised that the paper put forward in the GATT negotiations by its Director-General Arthur Dunkel would have to be substantially modified before the Community could consider accepting it.

Insurance intermediaries. The Commission on Monday published a Recommendation on insurance intermediaries which encourages Member States to introduce rules, or amend existing rules where necessary, in three key areas. They concern minimum qualifications for all insurance intermediaries, in order to guarantee an adequate degree of professional competence, and which also extends to the various new types of insurance outlets such as post offices, department stores and banks. The Recommendation calls for greater clarity in the distinction between dependent and independent intermediaries. Potential policy holders must be confident that intermediaries who profess to be "independent" are genuinely so. Member States are urged to require that independent

intermediaries should disclose to clients any direct legal and economic links with particular insurance companies; and reveal to the competent national authorities the spread of their business with different insurers over the previous year. The Recommendation also calls for a compulsory national registration requirement for all insurance intermediaries.

Matutes in Moscow. Speaking at the Middle East Peace Conference, convened in Moscow this week, Commissioner Abel Matutes said on Tuesday that Europe had also known terrible wars although it was easy to forget that fact when one looked at the way Europe lived today. Europeans had learnt to live together realising that geography and history united them, not divided them. But the goal was not to impose one model on all countries at all times. Matutes identified four main fields of action which could help bring about peace in the Middle East - the environment, water, security and disarmament, and economic development. He made it clear that these were not alternatives to solving the key political problems.

European Year of Health and Safety. The European Year of Safety, Hygiene and Health Protection at work has the potential to lead to real and permanent improvements in occupational health and safety in the UK and in the Community generally, Employment Minister Eric Forth,MP, told journalists at a briefing at the Commission's London offices last Monday. The Year, which will run from 1 March 1992 to 28 February 1993, is an EC initiative to prompt all Member States to prepare to implement new European Directives and to foster a common approach to health and safety standards. The Health and Safety Commission is coordinating a UK programme of activities for which the Government have allotted funds amounting to £370,000 for 1992.

The Additionality question. Regional Policy Commissioner Bruce Millan has given a public warning that up to £880m of EC funds for deprived UK regions could be in jeopardy unless the UK Government settles the question of additionality. This would include the £114.7m already withheld by the Commission under the RECHAR Community programme for helping coal miners find new jobs. Operational programmes for the delivery of assistance under the Community Support Frameworks agreed just before Christmas are currently being finalised. Millan has made it clear that an agreement that the money available from the Community budget would really reach the regions affected as additional funding was necessary before they could be released.

Fighting international piracy of data bases. As part of the follow-up to its Green Paper of 1988 on Copyright and the Challenge of Technology the Commission proposes to harmonise the Legal Protection of Databases. The market in Europe for on-line services is currently valued in excess of 2 billion ecus (£1.4b) and for CD Rom titles around 441 m ecus (£308m). The Commission's proposal introduces a new " sui generis" type of intellectual property protection unique to the Community, which will give electronic database producers a ten year protection against the unfair copying of the contents of their databases. The new protection would be granted in addition to copyright protection.

German film Act challenged. The Commission has opened proceedings under article 93(2) of the Rome Treaty against certain provisions of the German Film Industry Support Act which it says discriminates against non-Germans. In 1986 when the Commission last approved the German Film Aid scheme, it made clear that these remaining nationality restrictions had to be removed by the end of 1992.

Italian water warning. The Commission has warned the Italian government to improve drinking water standards in Lombardy, Piedmont, Veneto and Emilia Romagna or face possible action before the Court of Justice in Luxembourg. The Commission has taken similar action against the UK and other Member States.

Conference and Diary Dates

Financial Times annual conference on Cable Television and Satellite Broadcasting at the London Intercontinental Hotel on 17 and 18 February. Television of tomorrow, London, 19 February. Enquiries to Financial Times Conference Organisation, 126 Jermyn Street, London SW1Y 4 UJ. Tel: 071-925-2323.

The Future of European Industry. Conference organised by the European Business School in London, 27 February. Enquiries to The European Business School, Regent's College, Regent's Park, London NW1 4NS. Speakers include John Drew, Head of the Commission's UK offices. Details: 071-487-7400. Fax: 071-487-7465.

European Agricultural Outlook Conference 1992. 27/28 February at the London Hilton Hotel. Speakers include EC Agriculture Commissioner Ray MacSharry. Organised by Agra Europe. Enquiries: 0892-533813. Fax: 0892-544895.

General Affairs Council	3 - 4 February	Brussels
European Parliament Session	10-14 February	Strasbourg
Eco/fin Council	10 February	Brussels
Agriculture Council	10-11 February	Brussels
Informal Environment Ministers	21-22 February	Estoril
Internal Market Council	25 February	Brussels
ECO/ SOC plenary session	25-27 February	Brussels

Our next briefing will take place on Thursday 6 February at 11.30am .