



COMMISSION
OF THE EUROPEAN
COMMUNITIES

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THE WEEK IN EUROPE

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Gatt restart. After a turbulent week, the Commission announced yesterday that negotiations with the US on oilseeds will be reopened as soon as possible next week by Agriculture Commissioner Ray MacSharry. MacSharry resigned last week amid allegations that his compromise deal with the US was being blocked. After his reinstatement yesterday, he said that the EC was very, very close to finding a deal to which the Commission and Council had given "more pronounced support". During a visit to London last Friday, Commission President Jacques Delors denied reports that he had interfered in the negotiations. In a meeting with UK Prime Minister John Major, Delors said that the Commission should reengage without delay in the negotiations. The President and the Prime Minister agreed on the need to avoid a trade war. The US announced that they intend to impose a \$2bn package of punitive tariffs on Community imports by 5 December unless agreement is reached. EC Foreign Ministers meeting in Brussels on Monday warned that US tariffs would draw the Community into a "retaliatory spiral" which would damage both sides through a slump in business confidence and job losses. Arthur Dunkel, Director-General of Gatt, was due in Brussels for talks today with External Affairs Commissioner Frans Andriessen and MacSharry and is travelling on to Washington at the weekend.

"Britain in Europe". On Tuesday, UK Foreign Secretary Douglas Hurd launched a government information booklet on the Maastricht Treaty designed to "clear away the fog about how the Community operates". The booklet shows the benefits of Community membership, explains how the Single Market works and discusses the functions of the EC institutions and law. In the foreword, Prime Minister John Major says that Britain's lively parliamentary system and active media has sparked a debate, longer and more intense than anywhere else in the Community. Debate needs information as its fuel, and that is the aim of the pamphlet, he says. At the launch, Hurd said that the Treaty was good for Britain and good for the Community. For copies, call free on 0800 778866.

Euro-myths, scares and lunacies. In a speech aimed at dispelling many of the widely-held misconceptions about Community policy, Foreign Secretary Douglas Hurd said last week that it was often bureaucrats in local government, public utilities and even central government who blame their own unpopular regulations on an imaginary edict from Brussels. Addressing the Chamber of Commerce in Chipping Norton last Friday, the Foreign Secretary said that positive stories about Community action of real benefit to Britain were buried, while scare stories got screaming headlines. He was sending all MPs a memorandum highlighting Euro-myths, scares and lunacies, on such stories as the Euro-flush, prawn cocktail crisp and hair-nets for fishermen, to "put the record straight".

Sir Leon at the CBI. Commission Vice-President Sir Leon Brittan warned delegates at this week's CBI conference in Harrogate that failure to ratify Maastricht would bring uncertainty to the Single Market which could lead to regression into a "little Englander" outlook. While the Maastricht Treaty was logically separate from the Single Market, the momentum of a barrier-free Europe would falter as a European fast track of countries forged ahead. Britain in the second division, he said, would have no say in decisions which crucially affected the UK's economic welfare. Sir Leon repeated that Maastricht ratification was not an optional extra; it was essential for the UK economy.

Commission competence. The Commission responded firmly last week to press articles, based on the Court of Auditors' annual report, suggesting that Community finance was badly administered and over budget. In a strongly-worded letter to the German news magazine "Der Spiegel", the Commission's official spokesman said that where public monies were disbursed, there was always a danger of subsidies being wrongfully claimed. To describe Community payments as "in chaos" was totally unfounded.

Community coal production. Energy Commissioner António Cardoso e Cunha said on Tuesday that national coal production costs could not be maintained if they were economically irrational. Addressing the economic committee of the German Christian Democrat party in Bonn on Monday, the Commissioner said that the notion of a "national security of energy supply" was outdated since Community-wide supplies were secured under the European Coal and Steel Community. He stressed that the Commission was fully aware of the social and regional problems resulting from a decline in the Community's coal industry. The challenge facing the Community was how to develop an energy policy with economically and environmentally acceptable supplies.

Aid to fishing ports. Scottish ports of Buckie and Peterhead (Grampian) and Pittenweem (Fife) and the Irish ports of Howth (Co. Dublin) and Bunbeg (Co. Donegal) are to receive a total of 1.2m ECUs under the second tranche of Community funding to restructure the fishery industry. Across Europe, 7m ECUs will be spent on modernising fishery production with equipment to ease and speed the handling, distribution and sale of catches at ports.

Environmental task force. The Commission has sent two Italian environmental experts to the ex-Yugoslav republic of Montenegro to try to avert widespread pollution from lead and zinc mining waste. Flood waters from the Tara river are set to burst the walls of a toxic dump at Mojkovac and release an estimated 3.5m tonnes of waste into the water course. The eco-system of two other rivers, the Drina and Sava, is also under threat. The Commission has established a quick response Task Force, seen in operation in the Gulf clean up, to help any authority facing an environmental crisis.

Life insurance. Sir Leon Brittan, Commissioner for Financial Institutions, welcomed the adoption on Tuesday of the Third Life Insurance Directive, which he described as "the most far-reaching piece of insurance legislation since the foundation of the Community". The Directive, which will enter into force in mid-1994, enables life insurance companies to sell their products throughout the Community on the basis of a single authorisation and supervision in their home state. Consumers will benefit from increased competition encouraging wider choice, better prices and improved service.

Gillette and Wilkinson Sword. The Commission yesterday ordered the US razor group Gillette to dispose of its interest in Eemland, the parent company of Wilkinson Sword, its main competitor in the market for wet shaving products. The Commission found that Gillette had abused its dominant position by acquiring a substantial stake in Eemland and by becoming one of its principal creditors, a position giving the US giant power to influence Eemland's commercial policy. Gillette must also re-assign to Eemland the Wilkinson Sword businesses in the EFTA countries and several eastern European states.

UK Eureka project. A UK company, SEMA Ltd, and the Imperial College of Science, Technology and Medicine will receive Community funds under a 55m ECUs Eureka project on software factories. The UK government will top up the funds with a 5.5m ECUs grant. The project, which involves basic and applied research and development, was selected for its promotion of a common European interest, the development of the so-called key technologies.

Young people in business. In 1992, some 7,000 university students will have benefited from a six-month work placement in foreign companies organised by the Community's COMETT programme of education and training in technology.

European Medicines Agency. Internal Market Ministers broadly agreed on Tuesday to the setting up of an agency to co-ordinate at Community level the evaluation of new medicines, including their adverse effects. Although the harmonisation of pharmaceutical legislation was completed earlier this year, the question of authorising individual medicines remained outstanding. The system for the free movement of medicinal products should be operational on 1 January 1995.

European architecture award. The fifth Mies van der Rohe Award for European architecture sponsored by the European Commission was awarded to Spanish architects Esteve Bonell and Francesc Rius for their design of the Sports Arena of Badalona in Barcelona. The 50,000 ECUs prize is intended to stimulate interest among the general public about the cultural significance of contemporary architecture.

Cooperation with Slovenia and Romania. The first EC cooperation agreement with a former Yugoslav state was signed with Slovenia in Brussels last Thursday. The accord will strengthen economic, technical, commercial and financial relations. The EC hopes to sign an Agreement with Romania later this month.

Conference & Diary Dates.

"The Transition to Democracy & the Market Economy". Leslek Balcerowicz, the former Deputy Prime Minister and Minister of Finance of Poland will deliver this lecture on Friday 27 November at the School of Slavonic Studies and East European Studies, London. Admission free. Tel: 071 637 4934.

EC seminars. South Bank University is organising one-day seminars on the Eco-audit (17 Nov) and EC health & safety law and local government (25 Nov). Tel: 071 334 3275, fax: 071 334 3274.

European Community Support for R&D. Kent Euro Info Centre is organising a briefing on 17 November at Leeds Castle. Details from David Oxlade on 0622 694109, fax: 0622 691418.

<u>Meetings:</u>	European Parliament	16-20 November	Strasbourg
	Health	13 November	Brussels
	Agriculture	16-17 November	Brussels
	Budget	17 November	Brussels
	Development	18 November	Brussels
	Telecommunications	19 November	Brussels

Our next briefing will be on Thursday, 19 November 1992 at 11.30 am.