



COMMISSION
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COMMUNITIES

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THE WEEK IN EUROPE

Delors stays in Brussels. Commission President Jacques Delors has made it plain that he intends to stay in Brussels to complete his term of office which ends officially on 31 December. Questioned about intense speculation that President Mitterrand was thinking of summoning Delors back to Paris to take over as France's Prime Minister, the Commission spokesman said in Brussels earlier this week that Delors wanted to stay at his post because of the heavy European political schedule following the Maastricht agreement on European Union and on Economic and Monetary Union. Delors wished to help in getting the agreement ratified by the twelve Member States and also to set his Delors II package about the future financing of the Community on the right path. In the event, Mitterrand appointed this morning former Finance Minister Pierre Bérégovoy as Prime Minister to succeed Edith Cresson.

Airbus success. A tentative agreement was reached on Tuesday between the EC and US on the terms of bilateral trade in civil aircraft of over 100 seats in the US and similar planes produced by Europe's Airbus Consortium. The agreement lays down specific conditions for direct and indirect aid and support for new development as well as dictating a high degree of transparency in any award of R&D funds. Important rules against "sweeteners" to purchasers and inducements to third countries to procure civil planes are included. The agreement, which still has to be officially approved, would enter into effect shortly and be adopted into the GATT round now under negotiation.

GATT talks. The Commission, responding to a US official report listing the number of trade barriers still in place between the two blocks, stressed again this week that only a successful outcome to the Uruguay round would reduce the total. Significant bilateral disputes concerning the opening up of US service industries, such as telecommunications, shipping and financial services, were reminders of the work still on the agenda. A further trade dispute loomed following GATT panel accusations that the new EC oilseed regime discriminated against US soya imports. EC agriculture ministers this week rejected the findings on the soya issue and stated that no changes are foreseeable in the EC oilseed regime. The Commission pointed out that the vast bulk of EC-US trade moves without hindrance. Last year the US recorded an increased trade surplus with the EC of \$17 billion, up from \$6 bn in 1990. A list of barriers faced by EC exporters to the US is to be published shortly.

CAP reform. Bilateral talks between the Portuguese Presidency and individual Member States at this week's agriculture council seemed to sweep aside many outstanding disagreements on proposed reforms of the Common Agricultural Policy. Ministers are now hoping to conclude the 14 month discussions at their next meeting in Luxembourg on 28 April. The reforms aim at substantial price reductions with only middle-sized farms receiving compensation for set-aside schemes. The Council agreed to a continuation of the milk quota regime which was due to finish at the end of March on advice from Agriculture Commissioner Ray MacSharry that opening up the quota system to debate would provide lawyers with a "gold mine" of legal uncertainties. The Commissioner announced that his informal meeting in Paris last week with US Secretary of Agriculture Ed Madigan had made no "substantial progress" on GATT, although the US showed greater appreciation of EC efforts to cut production.

EC type approval for cars. The Internal Market Council agreed on Tuesday on a single type approval for cars and lorries adopting the final three directives after twenty years of discussion. Vehicles will require only one EC type approval from 1 January 1993 rather than having to pass separate national standards. Final agreement came when Spain, France and Italy accepted the EC-Japanese car accord by which Japan adopts the EC system and restrains exports in return for access to the single market.

Air transport policy. Transport Commissioner Karel Van Miert, speaking on Monday to the Aviation Club of Great Britain, said European airlines will have to merge to enable them to compete on an equal footing with global US carriers. He added that the single market would in any case necessitate a restructuring of the airline industry and that mergers would have to conform to competition clauses in the Treaty of Rome. He noted that any EC policy on inter-continental traffic would need to recognise the "unavoidably narrow margin" between safeguarding internal competition and meeting global challenges. Van Miert said he was committed to ensuring access to the market for small carriers.

European consumers on route to 1993. In his capacity as Consumer Affairs Commissioner, Karel Van Miert reminded a UK Consumer Association conference also on Monday that the essence of the single market was choice and not restrictions on "dietary delights", a view, he said, often depicted in the British media. British worries over non-implementation of single market directives by other Member States were, he said, being taken very seriously by the Commission. A high level group headed by Ireland's former Commissioner Peter Sutherland has been set up to review the problems of enforcement of EC laws, without which the mutual confidence and trust between Member States would evaporate.

Regional convergence imperative. Regional Policy Commissioner Bruce Millan voiced his concern to the European Parliament last week that Economic and Monetary Union would flounder if deep regional economic disparities remained. Economic convergence continued to present a formidable challenge to the Community and Millan warned against any cutbacks in budgetary requirements. The Commission has estimated that 25bn Ecus (£17.5bn) will be needed to upgrade infrastructure in poorer regions.

Rural development conference. Agriculture Commissioner Ray MacSharry announced a conference on rural development to take place in Inverness in July. Participatory workshops are planned on tourism, fisheries, small business schemes and arts & crafts opportunities in regions affected by rural decline and cutbacks in the CAP. Information from: the EC or Highlands & Islands' Enterprise, Tel: 0463 244244.

Drug abuse campaign. Internal market ministers this week bolstered the EC's commitment to fighting drug abuse by agreeing to reinforce the system for monitoring trade in substances used as a base in illegal drug production. The action flows from the decision at the G7 summit in London last July. Customs Union Commissioner Christiane Scrivener congratulated the Ministers for their speed in reaching agreement with international partners in these further efforts to combat the illegal drug trade.

EC help for famine victims. The European Commission has proposed an urgent increase in emergency aid for famine victims mostly in sub-Saharan Africa but also in Asia and Latin America. The Commission said yesterday that 60 million people were affected. Some 800,000 tonnes of cereal equivalent at a cost of 220 million Ecus (£154m) is suggested in addition to 1992 aid already committed.

EBRD successes. In its first year of operation the European Bank for Reconstruction and Development supported 20 projects in eastern and central Europe with loans and equity investments totalling 621m Ecus (£435m). Over half the transactions involved the private sector or assisted privatisation programmes and nearly all projects went to encourage direct foreign investment.

Translation scheme. The EC is again this year providing financial aid for the translation of contemporary literary works with preference given to minority languages and less widely-known literature. Closing date for applications, 2 July 1992. Details: Official Journal C56 Volume 35, 3.3.92.

Regional campaign. For the fifth successive year, Europe Weeks and Festivals are being staged in UK regions. Wandsworth held one last month and Wirral launched its campaign in Brussels last week in the presence of Commissioner Bruce Millan and Overseas Development Aid Minister Lynda Chalker. The Avon Europe Week takes place from 24 April to 2 May. Details from Ted Hart on 0275 852564.

1992 Woman of Europe. Juliet Lodge, UK's Woman of Europe, was also elected overall 1992 Woman of Europe by the international panel meeting in the European Parliament yesterday.

EC Statistical service. A new committee organised by Eurostat, the EC's statistical office, was set up to ensure increased availability of statistics in the post-Maastricht moves to European integration in economic and social fields. The European Advisory Committee on Statistics, to include academics and industrial scientists, will help coordinate national and community statistics to save on duplication costs and give a better service to researchers by eliminating scope for erroneous surveys.

"Europe sans Frontiers". Published quarterly, this briefing pack from the CBI gives up-to-date details of key issues facing business in the single market ranging from post-Maastricht developments to new policy initiatives. Available from the CBI, contact: Clare Hollingsworth on 071 379 7400.

Conference & Diary Dates.

The London Europe Society - The Lord Mayor will speak on "The City & Europe" at a luncheon at St Ermin's Hotel, Caxton St., London SW1 on 6 April. Contact Mrs Dora Prag on 043 871 2999.

Energy (informal)	3-4 April	Vilamoura (Portugal)
General Affairs	6-7 April	Luxembourg
Social Affairs	6 April	Luxembourg

Our next briefing will take place on Thursday 9 April at 11.30am.