



COMMISSION  
OF THE EUROPEAN  
COMMUNITIES

Jean Monnet House  
8 Storey's Gate London SW1P 3AT  
Telephone: 01-222 8122  
Fax: 01-222 0900

NB. New telephone code - 071-222 8122

WE/18/90  
10 May 1990

### THE WEEK IN EUROPE

Summit follow-up on political union. EC Foreign Ministers, meeting in Brussels earlier this week, quickly got down to discussing the details of economic, monetary and political union as agreed at the Dublin Summit on 28 April. The main task is to prepare for both the June European Council Summit in Dublin on 25 and 26 June and the proposed Inter-Governmental Conferences at the end of 1990. One important meeting, fixed for 17 May in Strasbourg, will be the encounter between a delegation of the Twelve and the Commission, on the one hand, and one from the European Parliament, on the other, to exchange views on the different institutional aspects of the IGCs.

EC cements East Europe links. Bulgaria and East Germany signed trade and cooperation agreements with the EC on Tuesday. The agreements were similar to that signed on Monday with Czechoslovakia, leaving only Roumania among the emergent democracies of Central and Eastern Europe still to negotiate a deal with the EC. The agreements will give Central and East Europeans greater access to EC markets and will encourage EC investment and promote cooperation in many areas.

VAT compromise plan put forward. On Tuesday the Commission launched its long awaited compromise plan on how Value Added Tax should be collected after the abolition of border frontiers. The plan will permit Member States to continue collecting VAT until 1996 in the country where the goods are consumed, with goods zero-rated for export within the EC, as at present. The existing system of customs checks would be replaced under the new scheme by fiscal controls designed to end the administrative burden on companies and provide effective checks against fraud. After 1996, the system could be altered more fundamentally, with the tax collected at every stage of the production chain, as within a single nation-state. Under the proposals all frontier checks on goods would be abolished at the end of 1992 and with them would go the Single Administrative Document (SAD), a lengthy form that exporters have to fill in for every consignment. To take its place there would be a system by which most companies would be required to supply monthly information on the total value of their imports and exports within the EC. Large companies - meaning the 15% to 20% of EC companies that account for some 80% of Community trade - would also have to complete a monthly form requiring ten further pieces of information. To help prevent fraud, Member States would be responsible for collecting information about their own companies which would have to be submitted, on request, to other countries.

Commission sets framework for EFTA talks. The Commission set out on Tuesday a series of proposals in order to create a framework for negotiations between the EC and the European Free Trade Association countries (Finland, Sweden, Norway, Iceland, Austria, Switzerland and Liechtenstein) on the creation of a 19 nation European Economic Space (EES). The proposals must go to EC Foreign Ministers for approval early next month. In order to achieve free movement of goods, services, capital and labour between the two organisations, the Commission is proposing that EFTA members will be able, through special joint consultation bodies, to help "shape, but not make" Community decisions. The Commission's proposed negotiating mandate states that every aspect of the EC decision-making autonomy must be protected. This includes the European Parliament. The Commission negotiating platform also says that EFTA countries will have to give their organisation powers to control "trade-distorting" state aids and restrictive business practices equivalent to those in force in the EC, so that "equal competitive conditions" are achieved.

Aid for rural regions agreed. A five year plan, running from 1989 to 1993, giving 2.6bn ecus (£1.95bn) to help EC rural regions was agreed in Brussels last week. The announcement means that the Commission has now in principle approved details of 44 Community Support Frameworks in the regions eligible for Objective 5b assistance. The measures envisaged are focused on clear geographical blocs with an emphasis on the development of agriculture, forestry and fisheries; the promotion of small and medium-sized business; tourism and recreation; infrastructures; and human resources and training. The CSF share for the UK amounts to 350m ecus (£262m).

Europe Day celebrations. Yesterday (Wednesday) was the 40th Anniversary of the declaration by French Foreign Minister Robert Schuman proposing the formation of a European Coal and Steel community. The event was celebrated in Brussels on 8 May by a commemorative event on the theme "a future we will build together", which was addressed by Commission President Jacques Delors. A reception was also held on 9 May at the Commission's London office.

Latin America aid package. The Commission has proposed a package of EC aid to Latin America and Asia worth 2.9bn ecus (£2.14bn). The announcement was made by Commissioner Abel Matutes.

Takeover initiative. An initiative, spearheaded by EC Internal Market Commissioner Martin Bangemann, to limit "poison-pill" takeover defence and assert the rights of individual shareholders was endorsed on Tuesday by the Commission. The plan is designed to facilitate cross-border bids and is to be presented in the form of a communication at next week's meeting of the Internal Market council. Bangemann's blueprint does not suggest a separate new Directive but amendments to existing legislation. The three main features of his proposal are: amending the draft 13th Company Law Directive; sharpening the fifth Directive on Company Law; and changing the second Company Law Directive.

The 1990 NCH Factfile of statistical data on children and families in danger was launched at the Commission's London office on 4 May by Vice-President Sir Leon Brittan. The eighth annual edition of the Factfile published by one of the UK's leading childcare charities carries comparative UK national and regional and EC statistics in 144 tables covering all areas of child and family welfare. Copies are available, price £2.50 post free, from NCH, 85 Highbury Park, London N5 1UD.

Eurovision Song Contest. Last Saturday's Eurovision Song contest, staged by Televiszija Zagreb in Yugoslavia, was also a major boost to this year's initiative as part of the European Year of Tourism. The programme used an animated EYT logo throughout the live broadcast, which was also linked to promotion for European tourist destinations. Up to one billion viewers are estimated to have seen the event. Title of the winning song from Italy: All Together, 1992.

British Steel. Under the competition rules of the ECSC Treaty, the Commission has authorised British Steel PLC (London) to acquire the entire share capital of C Walker & Sons (Holdings) Ltd of Blackburn. Walker is a company specialising in the stockholding of ECSC and EEC products in the UK and Ireland. It is the largest stockholder in both these countries and is also British Steel's largest single customer.

Aid for Scottish ferries. Commissioner Bruce Millan, responsible for Regional Policy, has announced a £6m package from the Regional Development Fund to help finance investments in five ferries for the outer islands of Scotland.

University of Surrey. The University of Surrey Diploma/MA course in European Area Studies is now also available on a part-time basis. Enquiries are particularly welcome from those able to attend only 1-2 days per week. It is also possible to undertake research on a part-time or full-time basis. Enquiries: The M A Secretary, Dept LIS, University of Surrey, Guildford GU2 5XH. Tel: 0483 571281 Ext 2828.

"Russia and Eastern European Report". A monthly newsletter on developments in business, law and finance. Published by Gostick Hall Publications (Elmscroft Ltd). Enquiries: The Mill Office, Wendens Ambo, Saffron Walden, Essex CB11 3PP. Fax: 0799 26088.

"Lawyers in Europe". The first issue of these new bi-monthly publication for lawyers, just published, features articles on the Diplomas Directive by John Toulmin QC and EEIGs for lawyers by Malcolm Keogh. Subscription £112 per year from Professional and Business Information PLC, 235-245 Goswell Road, London EC1V 7JD. Tel: 071-837 3388.

Conference and Diary Dates **The European Dimension in Teacher Training.** One day conference at St Martin's College, Lancaster on 22 June. Organiser: Margaret Whiteside. Tel: 0524 63446

European Parliament Session	14-18 May	Strasbourg
Internal Market Council	14-15 May	Brussels
Political Committee	15-16 May	Dublin Castle
Health Council	17 May	Brussels
Culture Council	18 May	Brussels
Informal General Affairs	19-20 May	Parknarsilla
Agriculture Council	21-22 May	Brussels
Energy Council	21 May	Brussels
Industry Council	28 May	Brussels

Our next briefing will be on Thursday, 17 May at 11.30 am.