

Annual Report 1998

PRESIDENT'S MESSAGE

On several occasions, and particularly since early 1997, we have been pleased to observe that the timetable to achieve the single currency was being confirmed and fulfilled. This is an objective that ELEC has prized from the beginning. The leitmotiv of 1998 was thus the arrival of the euro at a time when a series of countries - and not just the United Kingdom - had serious doubts about the currency's stability and acceptance not only by financial circles, but above all by Europe's citizens. Thanks to extraordinary efforts, especially by several small countries, and the determination of certain statesmen - the tenacity of Chancellor Kohl was a shining example - the historic project to launch a common currency in this Europe so long divided was accomplished. Faithful to its role of analysis and involvement, ELEC worked through its Panel and Monetary Commission to follow step-by-step the various phases of this transaction, punctuated by resolutions reflecting the rhythm of events.

Two major challenges remain: enlargement and establishing a new generation of European leaders.

On the subject of enlargement - with the entailing dangers of hasty promises, possible upsets to the budgetary balance, and risks of insufficiently prepared *acquis communautaire* - it is imperative for the European institutions to adapt their mode of functioning, and at the very least to re-examine their decision-making process. The ELEC Enlargement Commission set up various working groups to study aspects of the process of enlargement to the East that were possibly less in the limelight, and it has endeavoured to send a message to the countries of this region by organising regular work sessions there. Likewise, ELEC is preparing to strengthen its ties with the International Vienna Council, an organisation that can already boast of a highly efficient network of relations in several of these countries.

As regards the heritage of the Fathers of Europe, the European ideal recently seems to have lost some steam, as most of the present governments are, justifiably, quite preoccupied with their country's budgetary and social problems. The upcoming generation seems to have less confidence in the effectiveness of the various European funds and programmes created to support the weaker countries and sectors, and the lack of solidarity among countries of the European Union is becoming increasingly apparent.

In this context ELEC, an institution that carries on the European tradition, will strive to underline the importance of persevering in efforts undertaken, in particular to respect decisions taken by the European bodies, a fortiori those adopted unanimously. It would be unfortunate for Europe to lose the credibility of the European Commission by allowing its most solemn decisions to be reconsidered at a time when this institution is involved in an unprecedented remise en question.

Daniel CARDON de LICHTBUER

THE CENTRAL COUNCIL

The ELEC Central Council met twice in 1998, on 19 June in London and 18 December in Brussels.

The theme chosen for the **June Enlarged Central Council** was European enlargement. One highlight was publication of the ELEC report on "SMEs in the countries of Central and Eastern Europe", written by Mr Roland TAVITIAN following work by the Enlargement Commission chaired by Mr Michael PALMER.

ELEC was received at the Tower of London by Sir Alexander GRAHAM, Lord Mayor l.t. of the City of London, who, together with Lord KINGSLAND, President of the British Section, welcomed the delegates.

During a luncheon hosted for the participants at the prestigious London Guildhall, Lord JENKINS, former President of the European Commission, provided an overview of the Union's situation. Later that afternoon, at the initiative of Baron Bernard SNOY, the Central Council was welcomed at the EBRD.

In **Brussels** on 18 December, the Central Council focused on the problems of tax harmonisation. The guest of honour was Commissioner Mario MONTI, who gave the group a clear summary of his policy in various areas of taxation, and Mr. Michel VANDEN ABEELE, Director General of DG XXI explained the modalities of the "Monti Package" figures on hand.

In this framework, the Central Council adopted a position on Duty Free Shops, two resolutions from the Agriculture Commission on negotiations in the WTO and European agriculture in the context of enlargement, as well as a text from the Enlargement Commission on "EU Eastward Enlargement: an ELEC Vision".

ACTIVITIES of the NATIONAL SECTIONS and MEETINGS of the WORKING COMMISSIONS

23 January - Paris

Luncheon hosted by the French section, with Bank Governor Jean-Claude TRICHET on "European Monetary Union: point of view of the Banque de France".

29 January - Brussels - Enlargement Commission, Working Party on "SMEs in the countries of Central and Eastern Europe"

The group, under the presidency of Mr. Michael PALMER, continued its meetings to draft a report on the situation and financing of the Region's Small and Medium-Sized Enterprises.

19 February - Barcelona

Talk by Mr Jose Manuel BASAÑEZ, Administrator-General Director of Autopistas Concesionarias Españolas, on "Derivatives markets as the euro approaches".

5 March - Brussels - Mediterranean Commission

The Commission, under President Mr. Carles GASÒLIBA i BÖHM, studied policy developments in the East Mediterranean, in particular in Israel and Palestine, after hearing a report from Mrs. Antoinette SPAAK, Belgian State Minister and MEP.

9 March - Brussels - Working Party "SMEs"

The group continued its work.

20 March - Brussels - Monetary Panel

Baron Bernard SNOY chaired the meeting which was devoted primarily to studying progress the countries were making towards monetary union and the co-ordination of monetary policies. A press release was sent out on these subjects.

Over lunch, Mr Michel TILMANT, President of the BBL, spoke about the euro's influence on the banking sector.

12 April- Luxembourg

Mr Guy QUADEN, Director of the Belgian National Bank, gave a talk at the Luxembourg Chamber of Commerce on the "International role of the euro" to an audience that included several personalities from political and diplomatic circles.

22 April - Brussels - Enlargement Commission

The Commission called this extraordinary meeting, chaired by Mr Michael PALMER, to define its future role and activities, in view of negotiations under way with countries of central and Eastern Europe towards EU membership.

23 April - Brussels - "SME" Working Party

The group finalised its report for a discussion at the Warsaw meeting and adoption by the June Central Council.

8 May / 14 July / 2 September / 2 November - Bern

Meetings of the Swiss section to ensure the transition with its new chairman: Prof. Thomas COTTIER, Director of the European Law Institute at the University of Bern.

8 - 10 May - The Hague

"Congress of Europe": 50th anniversary of the European Movement, in the presence of Her Majesty the Queen of the Netherlands. The workshop on the "Economic and Social Dimension of Europe" was prepared and conducted by ELEC.

14 & 15 May - Vienna

Conference organised by the International Vienna Council "Economic Conference on the Danube Region: Business Perspectives for European Integration".

15 May - Warsaw - Enlargement Commission

At the invitation of the Vice-Chancellor of the College of Bruges in Natolin, Mr Jacek SARYUSZ-WOLSKI, the Enlargement Commission heard various reports on the situation in Poland and proposed new themes for work, in particular the role of NGOs and the services sector.

25 May - Barcelona

Lecture by Mr. Miguel Angel ARGIMON, Director of the European Commission's delegation in Barcelona, on "The future enlargement of the European Union".

2 June - Andorra

Lecture by Mr. Pierre-Henri CASSOU, Secretary General of the Committee for Banking and Financing Regulations, on "What Europe's banks will do to adapt to the single currency".

15 June - Barcelona

Lecture by Mr. Daniel PAGES RAVENTOS, member of the Real Academia de Ciencias Económicas y Financieras, on "Biochemistry, evolution and ecological balance in the European Union".

15 June - Barcelona

Spanish section's ordinary General Assembly.

18 June - London - Executive Committee

19 June - London - Enlarged Central Council & General Assembly

9 July - Brussels - Mediterranean Commission

With the participation of Viscount Etienne DAVIGNON, the Commission focused on relations with Turkey and recalled the geo-political importance of this country.

11 September - Brussels - Agriculture Commission

Mr. Rudolf STRASSER, Agriculture Commission President, and Commission members heard a report by Mr. Michel TABARY (DG VI) on the need for preparatory measures in the agricultural sector to smooth the way towards enlargement.

Two resolutions were adopted: on the problems the agricultural sector will have coping with enlargement and on future negotiations with the WTO.

29 September - Amsterdam

Meeting of the Dutch section. Prof. Dr. WELLINK, President of the Dutch Bank, presented an introduction on the euro and EMU.

2 & 3 October - Barcelona - Mediterranean Commission

Colloquium organised by the Patronat Catala pro Europa on "Current relations between the EU and the countries of the western Mediterranean", with speakers from Spain, France, Morocco and the European Commission.

8 October - Paris

Luncheon of the French section. The guest of honour was Mr. Jean BOISSONNAT, former member of the Monetary Policy Council at the Banque de France, who spoke on "Europe after the euro".

16 October - Brussels - Transport Commission

The Commission, under its President Mr. André CELLARD, studied the problem of urban and peri-urban transports, with the participation of experts from the French and Belgian Railways, the Brussels public transport company, and officials from the city of Rotterdam. The conclusions of the meeting aim to define themes for future study.

13 November - Luxembourg - Monetary Panel

The Panel stressed the need for an optimal "policy mix" between the stability pact and a coordinated reform of EU structures, which would also take into account an appropriate employment policy and greater respect of the environment.

25 November - Brussels - Enlargement Commission

The guests of honour at this meeting were Mr. Efthymios CHRISTODOULOU, MEP, who presented his analysis of the financial problems linked to enlargement, and Mr. Charles JENKINS whose contribution on the role and nature of the enlarged EU will be studied by a specific Working Party. Mr. Henri WIBAULT provided an overview of the problem of ethnic minorities in the candidate countries.

26 November - Brussels - Mediterranean Commission

Mr. Lowell LEWIS, Coordinator of the University of California/ Catalonia programme, spoke on the result of his research on prospects and problems in the Egyptian economy.

13 November - Paris

Commissioner Mario MONTI spoke on "Financial markets and taxation in the age of the euro" during a luncheon hosted by the French section.

4 December - Kronberg

During its annual meeting in Kronberg, the German section was honoured with the visit of H.E. Ambassador Ottokar HAHN, representative of the European Union in Moscow, who spoke on the present and evolving situation in Russia.

4 & 5 December - Kronberg - Monetary Commission

The Monetary Commission held its traditional meeting in Kronberg, for the last time under the presidency of Dr. Wilfried GUTH. Participants in the meeting included Messrs Bernhard FRIEDEMANN and PADOA-SCHIOPA, and also Mr. Rolf BREUER (who will assume presidency of this Commission from 1999).

16 December - Vienna

Talk by Mrs. Gertrude TUMPEL-GUGERELL, Vice-Governor of the Austrian National Bank on "Current issues in European monetary policy".

17 December - Brussels - Economic and Social Commission

The meeting, chaired by Mr. Olivier GISCARD d'ESTAING, was the opportunity to determine the main themes of reflection for future work, such as: consequences of the euro, social problems, and foreign trade, underlining the impact of these issues on the future of European businesses.

17 December - Brussels - Executive Committee

18 December - Brussels - Central Council and General Assembly

And also...

The traditional briefings of the British section: with Colin BUDD, Director of the Foreign & Commonwealth Office on the occasion of the British presidency of the EU and with H.E. Mrs Eva NOWOTNY, at the Austrian Embassy during this country's term.

And not to forget...

The ELEC Information Letters published in 1998, under the supervision of Mr. Régis MALBOIS, ELEC Advisor:

Letter n°7 (January): "An issue of prime importance: The Hague, 9 & 10 May 98".

Letter n°8 (June): "Letting citizens have their say".

Letter n°9 (December): "Stormy skies for Europe".

as well as a new issue of the Cahier Comte Boël n°7: "Small and Medium-Sized Enterprises in the Countries of Central and Eastern Europe", prepared by Mr. Roland TAVITIAN on the basis of work undertaken in the Enlargement Commission's Working Party.

NEWS from ELEC

Austria

With great sorrow ELEC announces the death, in April 1998, of Dr. Georg ZIMMERLEHMANN, President of IVC, an ardent defender of Europe and one of ELEC's most long-standing members.

Denmark

Mr Henrik O. LARSEN, Senior Executive Vice President of "Den Danske Bank" has assumed Chairmanship of the Danish section.

Spain

Death, in October 1998, of Carlos FERRER SALAT honorary member of the Spanish section, as well as Vice-President of IVC and former President of the EC Economic and Social Committee

Hungary

Prof. Bela CSIKOS-NAGY has passed the chairmanship of the Hungarian section to Dr. Andras INOTAI, Director General of the Institute for World Economics in Budapest.

Switzerland

Prof. Thomas COTTIER, Director of the Institute for European law and international economic law at the University of Bern, has succeeded Prof. Henri SCHWAMM as Chairman of the Swiss section.

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