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cc. aux Membres du Service du Porte-Parole

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Foreign Affairs Council

(P. Guilford)

EU-US Relations

The Commission's detailed plans to flesh out the transatlantic relationship and create a blueprint for deeper economic, political and security ties into the next century provoked a lively debate in the Council. While there was unanimous support for such a move in order to revitalise the relationship, some countries lined up behind France's desire to avoid further trade liberalisation, while others supported Germany and Great Britain's determination to see that further tariff cuts, as well as a joint EU-US study into the feasibility of a transatlantic Free Trade Area, remained firmly on the agenda.

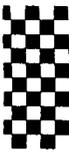
Sir Leon Brittan urged the Council not to focus just on the controversial parts but to put the initiative in the broader context. Both sides see this relationship as the most important one they have, he said. Most of the action plan could already be agreed by both sides, too. It was vital to agree a concrete, substantial package in time for the Gonzalez-Santer-Clinton summit planned for December 3 in Madrid. He assured that the mere study of an FTA did not in any way commit the EU to such an idea. Indeed, if a study concluded that there was more to lose than to gain, Europe would drop the idea, and the exercise would still have been worthwhile. "There are occasions in which one commissions a study in order to get a particular result. This is not the case here. We are all agnostic. It will certainly not be a question of going further if an FTA turns out to be less in the European interest than the American one", he later told the press.

France called for more political, and less economic, content to the action plan, saying that cooperation with America should focus on the financial crisis at the UN, development aid (and the threatened US disengagement from it) and monetary fluctuations.

Germany said that tariff liberalisation, and the FTA study, must be in the package. "This relationship is simply too important for it to be approached too narrowly", Kinkel said, publicly endorsing the full content of the Commission's proposal. Britain described the initiative as by far the most important thing on the FAC agenda, saying it would need "substance, relevance and public impact", in the words of foreign secretary Malcolm Rifkind. He too fully endorsed the contents, including the planned cooperation in the fight against criminals and drug traffickers.

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Some member states called for the action plan to be more focused, but Sir Leon explained this would happen in an accompanying "political declaration" to be signed in Madrid too, and would be the subject of further work on the issue as of this week. Others said that Canada should be included, to which the Commission said it envisaged something similar, though not identical, for Canada, but to incorporate it in the same process now would complicate matters. Some were anxious to ensure that further trade liberalisation would not breach EU commitments to the WTO.

Spain concluded by saying that all were agreed on the importance of the initiative, which should go beyond trade and economics. "It would be a pity if our considerable efforts were to be nullified", Carlos Westendorp said. US State Department officials will discuss the details with the Commission in Brussels on Wednesday, while a further high-level meeting will happen at the end of the October, in time for the FAC to revisit the dossier at least once more before the EU-US Summit in December.

WTO Appeals Body

Sir Leon urged the Council to show flexibility towards the issue of how many members of the WTO Appellate Body should be from the EU. With seven members overall, there was no way the EU and the US could each demand two seats. Nor could we justifiably push for one EU and one non-EU European seat, for "although we may have our disagreements with Switzerland, most people in the world see the Swiss as European", Sir Leon joked.

WTO Telecoms

The Council gave the Commission the go-ahead to deposit a full EU offer on telecoms liberalisation with the WTO, following wording that satisfied both Belgium and Spain, the two member states that until today had not given their assent to the terms of Europe's telecoms offer. Spain has been given explicit assurance that if the WTO fails to reach a global agreement, existing national restrictions will not be unravelled, while Belgium was satisfied that a European offer would not undermine its commitment to provide a universal telephone service domestically.

China

This debate focused primarily on WTO membership for China, on human rights and on cooperation, and marked a broad approval for the Commission's approach to relations with China, as laid out in its new strategy paper on the subject.

Best regards,
N. G. van der Pas