

PRESS RELEASE

5570/93 (Presse 47)

1651st Council meeting  
- GENERAL AFFAIRS -  
- POLITICAL CO-OPERATION -

Luxembourg, 5 April 1993

President: Mr Niels HELVEG PETERSEN

Minister for Foreign Affairs  
of the Kingdom of Denmark

The Governments of the Member States and the Commission of the European Communities were represented as follows:

Belgium:

Mr Willy CLAES Minister for Foreign Affairs  
Mr Robert URBAIN Minister for Foreign Trade and European Affairs

Denmark:

Mr Niels HELVEG PETERSEN Minister for Foreign Affairs  
Mr Jorgen ØSTRØM MØLLER State Secretary for Foreign Affairs

Germany:

Mr Klaus KINKEL Federal Minister for Foreign Affairs  
Mrs Ursula SEILER-ALBRING Minister of State, Foreign Affairs

Greece:

Mr Michalis PAPACONSTANTINOU Minister for Foreign Affairs  
Mr Georges PAPASTAMKOS State Secretary for Foreign Affairs

Spain:

Mr Javier SOLANA Minister for Foreign Affairs  
Mr Carlos WESTENDORP State Secretary for Relations with the European Communities  
Mr Miguel Angel FEITO HERNANDEZ State Secretary for Trade

France:

Mr Alain JUPPE Minister for Foreign Affairs  
Mr Gérard LONGUET Minister for Industry and Foreign Trade  
Mr Alain LAMASSOURE Minister with special responsibility for Foreign Affairs

Ireland:

Mr Dick SPRING Minister for Foreign Affairs  
Mr Tom KITT Minister of State at the Departments of the Taoiseach and Foreign Affairs with special responsibility for European Affairs

Italy:

Mr Emilio COLOMBO Minister for Foreign Affairs

Luxembourg:

Mr Jacques POOS Minister for Foreign Affairs

Netherlands:

Mr P KOUIJMANS Minister for Foreign Affairs  
Mr Piet DANKERT State Secretary for Foreign Affairs

Portugal:

Mr José Manuel Durao BARROSO Minister for Foreign Affairs  
Mr Vitor MARTINS State Secretary for Foreign Affairs

United Kingdom:

Mr Tristan GAREL JONES Minister of State, Foreign and Commonwealth Office

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Commission:

Sir Leon BRITTAN Member  
Mr Hans VAN DEN BROEK Member

**ACCESSION NEGOTIATIONS WITH NORWAY**

The Council examined Norway's request for accession. For the purposes of this examination it drew upon the Commission's opinion and on a report from the Permanent Representatives Committee. At the close of discussions the Council adopted the following conclusions:

Recalling the conclusions adopted by the European Council held in Edinburgh on 12 December 1992 concerning those EFTA countries which were candidates for accession to the European Union, the Council:

- welcomed the Commission's positive assessment of the request for accession presented by Norway;
- decided to open negotiations with a view to Norway's accession to the Union;
- approved the general arrangements for the Union negotiations.

**RELATIONS WITH RUSSIA**

The Council heard a report from the Presidency on the visit by the Ministerial Troika to Moscow on 26 and 27 March.

The Council also approved supplementary negotiating directives for a partnership and co-operation agreement with Russia, the aim being to complete current negotiations as swiftly as possible.

In addition, the Council held a first reading of the Commission's proposal for a Regulation concerning the provision of technical assistance to economic reform and recovery in the independent States of the former USSR (TACIS). This showed broad agreement among Ministers. The Council will resume work on the matter when it has received the Parliament's Opinion, with a view to reaching a decision.

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In this context the Council and the Commission made the following statement:

"The Community, which has started to open up its markets to the CCEEs and the Republics of former USSR, would welcome similar efforts on the part of other industrialized countries."

**TRADE POLICY**

The Council noted a report by Sir Leon BRITTAN on his talks in Brussels on 29 and 30 March with Mr Mickey KANTOR, United States Representative for trade questions.

This report dealt both with the Uruguay Round and with bilateral disputes in EEC-US trade relations.

This was followed by a thorough debate which provided the Commission with a complete briefing on delegation's viewpoints for the purposes of further talks to be held in Washington on 19 and 20 April.

The Council expressed its appreciation of the Commission's action. It renewed its total support for the Commission's efforts to resolve the bilateral disputes satisfactorily and, with particular regard to public contracts, to achieve a balanced solution based upon comparable and effective access to the respective markets.

The Council will review all these questions at its next meeting.

**SEPARATE EUROPE AGREEMENTS WITH THE CZECH REPUBLIC AND WITH SLOVAKIA**

The Council authorized the Commission to negotiate two separate Europe Agreements with the Czech Republic and with Slovakia and drew up negotiating directives for that purpose.

These agreements are intended to replace the Europe Agreement signed on 6 December 1991 with the former Czechoslovakia.

**SIGNING OF A TRADE AND ECONOMIC CO-OPERATION AGREEMENT, AN ECSC AGREEMENT AND A FINANCIAL PROTOCOL WITH SLOVENIA**

The Council decided to sign a trade and economic co-operation agreement, an ECSC Agreement and a Financial Protocol with Slovenia.

The signing of these agreements took place today, along with the signing of a transport agreement decided by the Council on 15 March (see joint Press Release No 5572/93 Presse 49).

**DECLARATION ON FORMER YUGOSLAVIA**

The Community and its Member States express great concern at the reiterated refusal of the Bosnian Serb leaders to sign the Vance/Owen Peace Plan. They continue to demand that the plan be accepted by all three parties and consequently implemented. To this end, full international pressure is now being put on the Bosnian Serbs and on the authorities in Belgrade. The Community and its Member States continue to make sanctions more effective, even further isolating Serbia-Montenegro. In this respect they welcome the decision adopted today by the extraordinary Council of Ministers of the WEU on measures to strengthen the enforcement of the UN embargo on the Danube.

The Bosnian Serbs have repudiated the Peace Plan. The Community and its Member States have repeatedly made it clear (European Council 11-12 December 1992, 1 February 1993) that the non-acceptance of the Peace Plan would have the most severe consequences and would lead to total international isolation of Serbia/Montenegro. It is now time to take concrete steps down that route. The Community and its Member States have elaborated a package of possible measures for such a contingency. They therefore welcome the fact that the Security Council is at present dealing with a draft resolution supporting the Peace Plan and strengthening the sanctions regime, which contains essential elements of the European concept. The Community and its Member States trust that the European members of the Security Council will continue their efforts with a view to the adoption, without delay, of a resolution in accordance with this concept.

If the present policies of the Serb side are carried on, the Bosnian Serbs and Serbia-Montenegro will remain isolated for years to come. However, if the Bosnian Serbs accept the Peace Plan and it is being fully implemented in good faith, this pressure will gradually be lifted, leading to the full readmittance of Serbia-Montenegro to the international Community.

The Community and its Member States are deeply worried about the humanitarian situation in Bosnia-Herzegovina, especially its Eastern part. They strongly demand that Serb attacks stop and that humanitarian assistance immediately be given free access.

The Community and its Member States welcome the prolongation of the UNPROFOR mandate. They urge the Croatian government and the Serbs in Croatia to successfully negotiate a settlement of the disputes between them, based on the principles of the Vance Plan.

The Community and its Member States, expressing their full support for the International Conference, warmly thank Cyrus Vance for his great contribution to it and look forward to co-operating with the Thorvald Stoltenberg.

### **MIDDLE EAST PEACE PROCESS**

The Council heard a report from the Presidency on the recent visit by the Ministerial Troika to the Middle East.



## **MISCELLANEOUS DECISIONS**

### **Andean Pact**

The Council decided to sign the Framework Co-operation Agreement between the European Economic Community and the Cartagena Agreement and its Member States, the Republic of Bolivia, the Republic of Colombia, the Republic of Ecuador, the Republic of Peru and the Republic of Venezuela.

This signing is scheduled to take place in Copenhagen on 23 or 24 April in connection with the Ministerial Conference of the Institutionalized dialogue between the EEC and the Rio Group.

### **Taxation**

The Council adopted a decision authorizing the United Kingdom to apply a measure derogating from Articles 5(8) and 21(1)(a) of the Sixth Directive (77/388/EEC) on the harmonization of the laws of the Member States relating to turnover taxes.

This derogation was granted pursuant to Article 27 of the Sixth VAT Directive which permits the Council to authorize measures derogating from the Directive in order to simplify the procedure for changing the tax or to prevent certain types of tax evasion or avoidance.

The purpose of this measure is to extend until 31 December 1996 the derogation granted to the United Kingdom in 1990 concerning the transfer of certain assets within a group of companies which do not enjoy a full right to deduct VAT.

### **Textiles**

The Council adopted a Regulation establishing a Community procedure for administering quantitative import restrictions and monitoring products originating in certain third countries.

The purpose of this Regulation is to establish rules for administering import restrictions and monitoring procedures laid down in agreements, protocols, arrangements and specific import regimes negotiated with third countries, together with special transitional provisions, pending the implementation by the Commission of a centralized data-processing system. The Regulation will apply only until the Council adopts a more general Regulation, for which

the Commission will shortly be submitting a proposal and which will cover all administrative questions relating to bilateral textile agreements and other textile agreements negotiated by the Community with third countries.

#### Mediterranean countries

The Council adopted Regulations:

- concerning the tariff quota for fresh strawberries originating in the Occupied Territories (1 200 t from 1 November 1992 to 31 March 1993 at zero duty) and laying down the procedure applicable to certain agricultural products subject to reference quantities originating in the said territories (1992-1993) (tomatoes, aubergines, sweet peppers, courgettes, fresh oranges);
- opening and providing for the administration of a Community tariff quota for malt beer originating in Malta (for 1993 - 5 000 t duty free).

#### Agriculture

The Council adopted regulations

- concerning statistical information to be supplied by Member States on crop products other than cereals. The purpose of this Regulation is to harmonize and improve the flow of data which is already largely in existence. It defines the data to be supplied, sets deadlines for transmission and establishes the degree of precision required to guarantee their objectivity and representativity;
- amending Regulation (EEC) No 2420/92 temporarily suspending the Common Customs Tariff duties on imports of certain mixtures of residues of the maize starch industry and of residues from the extraction of maize germ oil obtained by wet milling for the period from 1 April to 31 May 1993.

## Consumers

Following the agreements reached on 2 March, the Council formally adopted:

- a Directive on unfair terms in consumer contracts.

The purpose of this Directive is to approximate, at the latest by 31 December 1994, Member States' legislation on unfair terms in contracts concluded between a consumer and a seller or supplier acting for purposes relating to his trade, business or profession, whether publicly or privately owned, so as to provide consumers with a high level of protection within the Community.

- A resolution on future action on the labelling of products in the interest of the consumer

(see Press Release 5012/93 Presse 25).



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Brussel, 2 April 1993.

Bio(93)83 aux bureaux nationaux  
CC. aux membres du Service du Porte-Parole

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**NOTE ON FOREIGN AFFAIRS COUNCIL**  
(P. Gulliford)

This will take place in Luxembourg on Monday April 5 at 10am. The main topics will be as follows:

Russia

The Council will consider, and quite probably approve, amendments to the Commission's negotiating mandate for a partnership and cooperation agreement with Russia. The Danish Presidency is anxious for this to be wrapped up in time for the Copenhagen summit on June 22. The amendments, essentially in response to Russia's desire for more than just trade and cooperation, would include an "evolutionary clause" foreseeing an eventual free trade agreement with Russia if and when political and economic conditions, such as GATT disciplines, had been met. The Council is likely to include this clause.

Ministers will also discuss whether to allude to eventual free trade just with Russia, or with the other former Soviet republics as well, and will probably opt just for Russia for the time being. They will also discuss whether to include a human rights clause identical to that in the EC's agreements with the Baltic states, or to soften the language, although the Commission's legal service maintains it would make no difference in terms of implementation. They will also discuss how tough a safeguard clause to include in the case of a rush of imports. An approval of the amendments is fairly likely, although 5 waiting reserves remain on the safeguard point.

The Troika will also report to the FAC on its recent visit to Moscow, and on its visit to the Middle East. In Moscow the Troika heard the Russian government's view that it favours a good agreement rather than a hasty agreement, despite its earlier calls for urgency during the initial negotiating rounds with the EC. The Commission agrees with this more moderate tone, although the Danish Presidency is pressing hard for an early agreement.

Slovenia

There will be the signature of a trade and cooperation agreement between the EC and Slovenia, which sends a positive political signal but changes little, as the agreement is broadly equivalent to the (suspended) one Slovenia enjoyed when part of Yugoslavia. This will of course not be a full Europe Agreement.

Czech and Slovak Republics

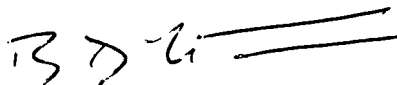
The Council will consider approving negotiating mandates for the two new states, to replace the Europe Agreement with the former Czechslovakia. They will be broadly similar to their predecessor, but for minor changes concerning transit and customs etc, but the key question on Monday will be the human rights clauses, and how tough they should be. The Commission favours a softer version as in the Agreements with the other PECOs, but it is likely to be overwhelmed by the Council's desire for insertion of the Bulgaria\Romania-style human rights clause. The Czechs and Slovaks are being assured that this is emphatically not a statement against their respected commitments to democracy and human rights but rather a purely procedural matter.

Trade policy.

Sir Leon Brittan will report to the FAC on his talks with Ambassador Kantor, US Trade Representative, during which both sides instructed officials to negotiate towards deep cuts in market access in order to allow for GATT progress at the two men's next meeting in Washington on April 19. He will also reassure the Ministers that the Commission will certainly not be requesting the suspension of the 3% price preference in the EC's public procurement directive unless and until the US can agree adequate access for EC companies bidding for contracts on the American market.

Sir Leon will also report on the Airbus consultations, and the steel consultations, which took place with US officials in Brussels and Washington this respectively this week.

Amitiés,



Bruno Dethomas

Luxembourg, 5 April 1993

BIO NOTE (93) 83, suite 1 AUX BUREAUX NATIONAUX  
CC : MEMBRES DU SERVICE PORTE-PAROLE (P. Guilford)

FOREIGN AFFAIRS COUNCIL April 5, 1993

### RUSSIA

The Danish presidency reported on the Troika's visit to Moscow, during which they discussed the partnership and cooperation agreement, the Energy Charter, and Russia's concerns over the EC's investigations into fertiliser and aluminium imports. The Troika also discussed Yugoslavia, reporting on the EC and Russia's shared desire to keep up the pressure on the Serbs, and to monitor the 'carrot and stick' principle. Russia failed to see why the Baltics should be treated more favourably than Russia on Human Rights, given the treatment of Russians in the Baltics. The President of the Council said he had evoked the possibility of opening a human rights office in the Baltics.

### Trade Agreement with Russia

An amended mandate to negotiate a partnership and cooperation agreement with Russia was approved, and was presented by most ministers as a strong political signal to Moscow. The Commission sought to reinsert three rejected amendments (on labour relations, on loan finance and on supervision of the agreement) into the accord, arguing that the post-Vancouver climate of support for Yeltsin supported such an idea. But the amended mandate was approved as Coreper had left it, with some elements removed from the Commission's original proposal, but the key elements intact. Notably, the evolutionary clause remained, through which the EC could envisage an eventual free trade agreement with Russia once she was able to respect GATT-style economic disciplines. All agreed that this was the right signal to send to Moscow, while the doubts of some member states were quietened by the thought that Russia will not be ready for free trade for a very long time. Portugal called for an overall assessment of all trade concessions offered to Russia at the Copenhagen summit, while the Danish presidency included a phrase appealing to other industrialised countries to share the burden of helping Russia. Belgium expressed concern that Russia would not be ready to sign the Euratom Treaty, given the nuclear situation in the country.

### CZECH AND SLOVAK REPUBLICS

The council approved new mandates that would enable the Commission to negotiate Europe Agreements with the Czech and Slovak Republics that would be identical to each other and as similar as possible to the old one for Czechoslovakia. The only discussion was on human rights, where Mr Van Den Broek called for the Council to accept the Commission's proposal for a human rights suspension clause equivalent to those

applied to other PECO's. The Council overruled this, and opted for the firmer variety contained in the agreements with Bulgaria and Romania, but assured that it was not a criticism of democracy in the Czech and Slovak republics.

#### TRADE POLICY

Sir Leon Brittan gave an expose of his talks with Ambassador Kantor, USTR. On steel, he described the second round of consultations with the US on steel duties imposed on EC exports, saying that the EC position was strong, and that "the possibility of a GATT panel should not be ignored, but there should be further discussion to see if it would be justified. Even if you do open a panel, it would take a long time to recover what has been lost (in duties)". The key was for the EC steel industry to reach a consensus on this. France supported the idea of a panel strongly.

On Airbus, Sir Leon said that the US offensive against the EC had been reversed during the consultations in Brussels last week, and that the EC had anaesthetised the US offensive which was carried out on weak US grounds.

On public procurement, he assured the Council that he had neither the power nor the intention to abolish the 3% price preference in favour of EC bids (Article 29 of the Utilities Directive) unilaterally. There was near unanimous backing for the Commission's position on this, with France saying that it welcomed this firm stance.

On GATT, Sir Leon said that the US was serious about agreeing the Uruguay round by the end of the year, and that the two sides were working on a market access package as the key priority, but with progress on other areas as well. The EC and the US have called for reports from their officials in time for their April 19 meeting in Washington;

#### Oilseeds

Sir Leon said that the oilseeds agreement would not be dismantled, and that it should not be included in the Uruguay Round, but should instead to be dealt with by the Council beforehand, though not during today's session. Alain Juppé, the new French foreign minister, called for its inclusion in the Round, recalling that "agriculture was of capital importance to France for economic, political, cultural and civilisation reasons". Whilst there was little change in substance from the old French government, the new one's tone appeared softer than that of both the old government and the opposition during the French elections. Juppé said there would be "continuity" from between the old and new regimes in France.

M. Gérard Longuet, the new industry minister, welcomed the Commission's stance on Airbus and public procurement, but insisted on a GATT panel on steel, describing the EC's deliberations as "a long way from reality" in the industry.



SLOVENIA

The Council approved and signed a new trade and cooperation agreement with Slovenia, which is broadly similar to the agreement granted and since suspended in the old Yugoslavia.

Amitiés,  
P. Gullford



Bruxelles, le 5 avril 1993

433

NOTE BIO(93) 85 AUX BUREAUX NATIONAUX  
CC. AUX MEMBRES DU SERVICE DU PORTE-PAROLE

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PREPARATION DU CONSEIL AFFAIRES SOCIALES DU 6 AVRIL 1993 (G. KIELY)  
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Le Conseil Affaires sociales débutera ses travaux à 10H00 le mardi 6 avril. L'ordre du jour est le suivant :

- Emploi et Dialogue social
- Agents biologiques
- Protection des jeunes
- Navires de pêche
- Comité entreprise européen
- Aménagement du Temps de travail
  
- EMPLOI ET DIALOGUE SOCIAL

Le Conseil procédera à un débat ouvert au public sur la question de la situation de l'emploi et la politique de l'emploi. Le débat sera centré sur un document que la Présidence présentera.

Sur le Dialogue social, la Présidence informera les Ministres des résultats de la Conférence qui a eu lieu les 15 et 16 mars derniers à Copenhague sur le rôle des partenaires sociaux dans la dimension sociale.

- PROTECTION DES TRAVAILLEURS CONTRE LES RISQUES LIES A L'EXPOSITION A DES AGENTS BIOLOGIQUES AU TRAVAIL

Cette proposition de directive, qui modifie la Directive 60/679/CEE, vise à établir une liste d'agents biologiques classifiés en quatre groupes en fonction de l'importance du risque d'infection qu'ils présentent pour le travailleur. A la suite de l'avis du Parlement européen rendu le 10 février 1993, la Commission a proposé l'introduction d'un code de conduite recommandée pour la vaccination des travailleurs ainsi que la possibilité de moduler l'application des niveaux de confinement requis par la directive 90/979 pour certains agents biologiques. La Présidence proposera des solutions de compromis mais certaines délégations ont exprimé une réserve quant au classement de ces agents ainsi que sur le code de conduite.

- PROTECTION DES JEUNES AU TRAVAIL (voir P-4 de janvier 1992)  
Débat d'orientation.

Cette proposition vise à protéger les jeunes et les adolescents contre les dangers pour leur santé et leur sécurité auxquels ils sont exposés au travail. Le débat concernera les activités visées, les exceptions et exemptions éventuelles et la durée du travail des jeunes qui suivent un enseignement scolaire à plein temps.

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- PROTECTION A BORD DES NAVIRES DE PECHE  
Débat d'orientation

Le Conseil prendra acte de l'état d'avancement des travaux sur cette proposition de directive qui vise à protéger la santé et la sécurité des travailleurs du secteur de la pêche, secteur à haut risque du fait de la fréquence et de la gravité des accidents qui y surviennent. Cette proposition concerne tous les navires de plus de 12 mètres de long, c.à.d. tous les navires qui sont dirigés par plus d'une personne.

Les points qui restent en suspens concernent la longueur des navires ainsi que les prescriptions minimales de sécurité concernant les navires existants.

- COMITES D'ENTREPRISE EUROPEENS (voir P-101 de décembre 1990)  
Débat d'orientation.

Dans le cadre de la mise en oeuvre du Programme d'action de la Charte communautaire des droits sociaux des travailleurs en décembre 1989, la Commission a présenté en janvier 1991 une proposition de directive concernant la constitution d'un Comité d'entreprise européen dans les entreprises ou les groupes d'entreprises de dimension communautaire en vue d'informer et de consulter les travailleurs.

La proposition vise à promouvoir l'information et la consultation des travailleurs des entreprises qui ont une dimension communautaire, c.à.d. celles qui ont un effectif global dépassant 1000 salariés au sein de la Communauté.

Cette proposition a été discutée pour la première fois au Conseil Affaires sociales de décembre 1991. A cette occasion la définition de certaines notions fondamentales, la définition des compétences du groupe spécial de négociation et la possibilité d'instaurer plus d'un comité d'entreprise européen au sein d'un même groupe d'entreprises ont été examinées.

Le Conseil Affaires sociales sera appelé à se prononcer sur:

- les définitions d'entreprise ou groupe d'entreprises qui exercent le contrôle;
- l'importance de la représentativité par rapport au poids des votes du groupe spécial de négociation et du comité d'entreprise;
- les règles de vote au sein du groupe spécial de négociation;
- la renonciation par le groupe spécial de négociation du droit à l'information et la consultation transnationales pendant une période déterminée;
- la possibilité de maintenir les accords des comités d'entreprise existant après l'adoption de la directive.

- AMENAGEMENT DU TEMPS DE TRAVAIL (voir P-51 de 1990)

La proposition de directive concernant certains aspects de l'aménagement du temps de travail fera l'objet d'un échange de vues au cours du déjeuner des Ministres. Deux problèmes seront examinés : a) les dérogations possibles aux règles de la directive en relation avec le niveau des partenaires sociaux et la période de référence pour le calcul de la durée maximale hebdomadaire de travail.

Amitiés,

B. DETHOMAS



Brussels, 6 April 1993

**NOTE BIO (93) 85 (suite 1) AUX BUREAUX NATIONAUX  
CC.: AUX MEMBRES DU SERVICE DU PORTE PAROLE**

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**Social Affairs Council, Luxembourg, 6 April 1993  
(G. Kiely)**

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The Council opened with a public discussion on the employment situation and policy, with Member States stressing the seriousness of the unemployment situation in the Community and the need for action.

As well as outlining the action being taken individually by Member States Ministers also stressed:

- the need for joint and cooperative action
- the crucial importance of getting the economic climate correct, in particular, interest rates and national debt
- the role a GATT agreement could play in boosting economic growth and hence employment
- the importance training and education can play in adapting the labour force to changes in technology
- the need for a proper social policy including cooperation between governments and social partners and the necessity for members to avoid competing with each other for jobs at the cost of social protection (social dumping)
- that the sector needing most attention are the long term unemployed and older workers who tend to be more vulnerable in high unemployment situations
- that the approach under the reformed Structural Funds i.e. Social Fund and its new emphasis can play an important role in combatting unemployment.

Responding to the debate, the Commissioner for Social Affairs said:

"The situation is serious. By the end of this year, virtually all the gains in reducing unemployment that we made in the last 5 years of the 1980s will have been lost. The Commission's latest economic forecasts suggest that unemployment, which passed 10% in January of this year, could reach 11% by the end of it. This is equivalent to 17 million people. It is the same level as the previous peak of unemployment in 1985."

"We need three things.

- We need confidence
- We need solidarity
- and we need imagination.

## **Confidence**

"We all recognise that there are no easy answers. We know that high rates of economic growth are essential if we are to address the problem effectively, but we all know just how inter-dependent our economies are within the Community and how inter-dependent the Community is with the rest of the world. Individual Member States have very little scope nowadays for independent action. That is why the European dimension is so important.

We must restore business confidence if we are to resume growth.

- We need to complete the Maastricht ratification process. Delays are causing doubts about our collective commitment to the goal of further union;
- We need to clean up outstanding work to complete the internal market ;
- We need a rapid return to monetary stability within the framework of the EMS;
- We need an early conclusion to the GATT Round;
- and in particular, we need to back the Community's growth initiative for jobs.

We need all governments to use their budgetary room for manoeuvre to the maximum, and get interest rates as low as possible, as quickly as possible.

## **Solidarity**

We need unprecedented solidarity both between and within Member States if the Community as a whole is to rise to the challenge.

We must find common solutions and, above, never seek to blame our misfortune on others or to believe that go-it-alone economic policies can lead to lasting solutions. The Community itself can help to bring about the necessary structural adjustments, through the activities of the European Social fund.

Edinburgh asked the Commission to seek more effective implementation of structural policy. The result is that we are proposing rather more change than average on the ESF side and I believe that these changes are progressive, beneficial and based on good sense. In short, they are worth the effort.



The new challenge, therefore, is better concentration of Community assistance to direct our help to where it is most needed and where it offers most effect.

We need to mobilise all available resources to help the unemployed recover their dignity and hope for the future. Deregulation and greater flexibility may well be needed in order to make our labour market more effective, but that will not solve the employment problem.

### **Imagination**

We are witnessing a major crisis in the economic model which has served us so well for much of the last fifty years. We in Europe - together with the United States and Japan, we account for virtually half of world production and, indeed, consumption. But that is changing fast. The development of other economies will have major implications for our economies and for our employment.

While we are struggling to achieve 1% or 2% economic growth a year, much of the Far East and the Pacific Basin - from Korea to Singapore including China with its 2000 million population - is growing at close to 10% a year. These economies may be coming from a low base, but they are advancing at a rapid rate and will clearly be taking a leading place in the world economy of the future. We need to be aware of this and not be afraid to take a new and radical look at the way we organise work and production.

We need to prepare our workforce to find new employment in knowledge intensive, high value-added production where skills and qualifications will be paramount. There must be a renewed emphasis on education and training and a new partnership between business and the world of education at all levels.

Local area-based action and partnerships between all the people concerned - local businesses, local government, local branches of public agencies, voluntary organisation and trade unions - are increasingly seen as the way forward in coping with the effects of change.

We need to act in all directions and all levels. There are no magic solutions. We must pursue all possibilities. And that must include a major role for the social partners.

On a practical level, I shall be issuing a Green Paper on Social Policy in the Autumn, which will address all of these issues and what can be done. At the same time, I am launching an Employment Week during 18-22 October in Brussels. That will be an occasion to pool ideas and address common problems and try to find new, effective solutions."

### **Social Dialogue:**

The Presidency informed the Council briefly about a conference in Denmark on 15/16 March at which there was a clear indication from all the Social partners of the willingness indeed insistence in involvement in the Social dimension of the Community.

A number of Ministers raised the question of who would participate on this Social Dialogue, pointing out that it must be broader than just UNICE, ETUC and CEEP.

In answer Mr Flynn pointed out that the Commission was aware of the importance of an appropriate degree of representation, which he said is chiefly a question for the social partners. It is important he said to distinguish between consultation and negotiation where mutual recognition is crucial. The Commission he said is at present examining all the aspects of this question of representation."

Amitiés,  
Bruno Dethomas

