



COMMISSION
OF THE EUROPEAN
COMMUNITIES

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THE WEEK IN EUROPE

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EC-US relations. The United States is postponing sanctions on EC bids for US government contracts pending the outcome of further negotiations between US Trade Representative Mickey Kantor and the EC's trade Commissioner Sir Leon Brittan in Brussels on 29 March. The US decision coincided with a two-day visit to Washington last week by Commission President Jacques Delors for talks with US President Bill Clinton on issues ranging from GATT and EC/US growth initiatives to Russia and former Yugoslavia. President Clinton said he neither wished for, nor expected, a trade war with the Community and stressed that many of the current problems were inherited from the previous US Administration. In a joint statement, both sides expressed their "desire to find a mutually satisfactory solution" to the long-running dispute on public procurement. On GATT, President Clinton said he would be seeking the consent of Congress for an extension to the end of the year of the so-called fast-track negotiating mandate. Speaking in the UK on Tuesday, Sir Leon Brittan commented that resumption of the GATT talks would be difficult, but he expressed the hope that negotiations would be concluded well before Christmas.

Norway's EC membership. The Commission adopted its opinion on Norway's EC application on Wednesday, paving the way for Norway to join other EFTA applicants (Austria, Sweden and Finland) in Luxembourg on 5 April for a formal ceremony to mark the start of EC accession negotiations. The Commission mentioned several areas, notably agriculture, fisheries and the state alcohol monopoly, where Norway would encounter problems in adopting Community policies, although it was confident of finding satisfactory solutions to these issues during negotiations. In its statement, the Commission said Norway would strengthen the European Union in a number of ways: the country's macro-economic policy had been successful in achieving inflation rates well in line with future EMU requirements; its comprehensive environmental policy would enhance the Community's own; and as a founder member of NATO and associated member of the WEU, Norway would be expected to make a significant contribution to a common foreign and security policy.

EC Troika to visit Russia. Addressing the European Parliament's foreign affairs committee on Monday, External Relations Commissioner Hans van den Broek said it was vital for the reform process in Russia not to stagnate. The Commission would continue to support those in favour of the reforms, but the question of how to help Russia had to be asked. An EC Troika mission leaves for Russia on Friday.

Sir Leon goes East. On the eve of a three-day visit to Poland and Hungary on Tuesday, Sir Leon Brittan said that eastern European steel was only a small factor in the EC steel crisis compared to the recession and the closure of the US market through new duties. He stressed that limits on steel from eastern Europe would be imposed only if there was real evidence of imports into the EC rising substantially. Sir Leon added that some 70,000 job losses in the Polish steel industry proved that eastern Europe was already undertaking its own painful restructuring. On the progress of the EC's steel dossier, the Commissioner said that the Community would be delaying its own salvation, if it were short-sighted enough to block the restructuring proposals. Sir Leon expressed his wish for a definitive political statement at this summer's EC summit in Copenhagen welcoming eastern and central European countries as future EC members. But greater market access was needed as a crucial step towards membership.

EC delegation in Prague. In Prague last Friday for the inauguration of the EC's permanent delegation, Hans van den Broek reinforced Sir Leon Brittan's call for EC relations with eastern and central Europe to go beyond the Europe Agreements. The Community was considering fixing a date mid-way through the decade for a joint review of progress made under the Agreements towards satisfying conditions for eventual membership. The rendezvous would provide encouragement to Czechs and Slovaks, making it easier for them to bear the inevitable hardships along the way, he said.

Loan to Lithuania. In the context of the Community's continued support for the Baltic States, EC Vice-President Henning Christophersen agreed a 100m ECUs loan agreement with Lithuania on Monday. The loan, part of the Baltic package agreed by the G-24 countries, will support the country's move towards a market economy by contributing to a sustainable balance of payments, and to stabilising the currency.

Eco-audit. On Monday, EC environment ministers adopted a regulation allowing on a Community-wide Eco-Management and Audit scheme aimed at promoting a culture of responsible environmental management in industry. The Eco-audit, a voluntary scheme, will complement the traditional "command and control" approach to setting environmental goals. The main elements of the Eco-audit are: the introduction of a systematic

approach by companies to the setting of environmental standards; self-assessment by companies of their performance; an independent body to "audit" companies to EC-wide norms; and companies' right to use a certified statement of their participation in the scheme. The value of this scheme is its credibility in the eyes of the public as independent bodies ensure compatibility with EC-wide criteria. Environment Commissioner Ioannis Paleokrassas said the trend towards a "greener" culture in the business community should be encouraged; with the Eco-audit and management scheme, the EC had shown itself to be at the forefront.

EC energy tax. After long debate, EC environment ministers agreed to establish a joint surveillance system for monitoring the output of carbon dioxide and other greenhouse gases. Under the system, Member States will notify the Commission annually of national emission levels. Also under discussion on Monday was the Commission's proposal for an EC energy tax on carbon fuels. Despite indications that carbon dioxide emissions seem set to rise by 3% above 1990 levels by the year 2000, the date set for their stabilisation, the Council remained divided over how to share the responsibility for reducing total Community emissions. Paleokrassas welcomed recent moves by the US to introduce an energy tax, adding that to maintain credibility, the Community must take serious steps now towards the same goal. Ministers also adopted the Rio Convention on Climatic Change. Member States should ratify it by the end of the year.

Fishery policy. Under proposals for changes to the EC's structural funds adopted by the Commission yesterday, aid to the fishing industry will be better integrated into the whole framework of EC structural policies. The changes are needed to bring the EC's common fisheries policy fully within the embrace of the structural funds. Last week's Fisheries Council welcomed the Commission's intentions as a step towards addressing the serious and persistent imbalance between fishing capacity and available resources.

EC development policy. The Commission yesterday announced five priority areas for tighter coordination of Member States' development policies towards third countries, an aim also outlined in the Maastricht Treaty. Coordination of Member State and Community development policies has existed for some time, but is based generally on the pragmatic, voluntary and "a la carte" approach advocated in a Council resolution of June 1984. The new approach calls for greater coordination of health policies; education and training policies; food security measures; the campaign against poverty; and external financing and debt control. A more systematic, reciprocal form of coordination has emerged only recently in just two areas: democracy and human rights.

EC trade policy. In Darlington on Tuesday to deliver the annual Jean Monnet regional lecture, Sir Leon Brittan focused on the importance of foreign direct investment (so-called FDI) in the Community's economy. As FDI had grown in the last decade by almost 30% a year, the EC relied on foreign investors. The Commission's task was to prevent discrimination, enforcing the Treaty guarantee that all companies established in Europe would be treated as "European", be they Hoover or Nissan. FDI companies were free to do business wherever they wished. The Commission had no vision to spread foreign investment around the Community according to some bureaucratic vision of what was equitable or expedient, he said.

Europe at a crossroads. The UK and Denmark were slowing down the traditionally good cooperation in the Community with "the noble art of footdragging", Commission Vice-President Henning Christophersen told members of the Danish-UK Chamber of Commerce in London last week. If the Community lost momentum towards integration, the internal market may never develop into a true market without frontiers. Both the Danes and British should be aware that if Maastricht were not ratified, other Member States would probably go forward alone, he warned. Footdragging should be replaced by an active, positive policy allowing the UK and Denmark to influence events in Europe.

Error on investment services. We erred last week in reporting that the Investment Services Directive (ISD) had been adopted by the Council. The Directive was in fact discussed by the Council, but not definitively adopted, although it is expected to be approved without hitch later this year.

"Getting a job in Europe". A practical guide to opportunities after 1992, including temporary work and jobs with EC institutions. Price £7.99 from "Jobs in Europe", 52 Queens Gardens, London W2 3AA.

Conference and diary dates:

Brouhaha International - Cultural links to develop international understanding: Press launch at The Skyline Tower, St John's Centre, Liverpool, 8 April, 10.30am. Details: 051 709 8478 ext. 200.

"Economic Development in Central and Eastern Europe". A conference organised in Copenhagen by the Danish Government on 13-14 April. For press accreditation call: Vibeke Krogh on 010 45 33 92 19 05.

European seminar on FORCE. On 16 April, Pickup Europe Scotland is holding a seminar in Dunblane on the EC's FORCE programme on vocational training. Cost £75. Tel: Sarah Frizzel on 041 950 3527.

Council meetings:

General Affairs	5-6 April	Luxembourg
Internal Market	5 April	Luxembourg
Social Affairs	5 April	Luxembourg

Our next briefing will be on Thursday, 1 April at 11.30am.

NB: Everyone on our mailing list is reminded about the need to return updated forms to us a.s.a.p.