



COMMISSION
OF THE EUROPEAN
COMMUNITIES

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THE WEEK IN EUROPE

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Delors meets Clinton. Following a week-long tour of Latin America, Commission President Jacques Delors arrived in Washington for talks today (Thursday) with US President Bill Clinton aimed at consolidating EC-US relations. At a press conference yesterday, the EC's trade Commissioner Sir Leon Brittan said he would be surprised if current commercial disputes were not prominent on the agenda. Delors' visit comes barely a week after the US called off the next round of negotiations with the Commission on the long-running disputes over telecommunications and public procurement. It was hoped that the talks, scheduled for last Monday (15 March), would bring a successful conclusion to the row over the EC's public procurement Directive, which the US claims gives EC companies preferential treatment. The US is due to impose punitive, retaliatory sanctions from next Monday, 22 March, on EC companies bidding for US Federal contracts. Sir Leon described the decision to call off the talks as a very negative and unnecessary step. Constructive ideas were on the table; sooner or later they would have to be resolved. Sir Leon also said he would seek assurances that the US would abide by last year's agreement on aircraft subsidies as President Clinton's recent comments "clearly raised questions".

Liability for environmental damage. The Commission yesterday adopted a green paper on civil liability for environmental damage aimed at stimulating wide debate on remedies for damage incurred and measures to recover the costs of restoring the environment. The document highlights the danger of Member States' own legal regulations distorting competition and hampering the smooth operation of the Single Market. The green paper is based on two fundamental aims of EC environment policy: prevention, and the "polluter pays" principle. The document considers types of liability and their limits; the definition of environmental damage; ways of making good the damage; and appropriate financial solutions, such as clean-up costs to polluters, insurers or compensation funds. The Commission is inviting written submissions by October. Public hearings will be held before any legislation is proposed.

EC supports parachute aid. The European Commission decided on Tuesday to donate 175,000 food parcels as the Community's contribution to parachute drops made by the United States to supply eastern Bosnia. Announcing the decision, Commission Vice-President Manuel Marin said the situation in former Yugoslavia was so serious that all available means should be deployed to alleviate the suffering of populations caught in the conflict. The air drops are due to begin soon from Rhein-Main US base in a joint United Nations' operation with the UK's Overseas Development Agency (ODA).

EEA signed. The European Community and six EFTA members finally signed the European Economic Area agreement on Wednesday allowing the 18 countries to go ahead without Switzerland. The Commission urged all countries to give ratification of the agreement the highest priority so that the EEA could take effect from 1 July. The Danish Presidency said the door remained open for Switzerland to join later. Switzerland will have observer status in the EEA.

Financial services Directives. EC Economic and Finance Ministers (Ecofin) meeting in Brussels on Monday gave final approval to two Directives which go a long way to completing the Single Market in financial services. The Capital Adequacy Directive sets minimum Community-wide levels of capital needed by investment firms to offer certain financial services. Under the Directive, firms dealing in securities or managing individual portfolios will need an initial capital of 125,000 ECUs to cover risk. Ministers also approved the Investment Services Directive which enables share dealers to operate throughout the Community with a single licence, the so-called single passport, issued by their home country regulatory authority. Both Directives are due to enter into force on 1 January 1996, giving Member States time to establish a common system for monitoring risks incurred by the investment firms.

Art treasures and the Single Market. Ecofin ministers also adopted measures to ensure the return of national art treasures illegally exported from one Member States to another. The Directive applies to works of art deemed of national importance which are housed in public collections. Welcoming the decision, Internal Market Commissioner Raniero Vanni d'Archirafi said that the Directive would protect Member States' cultural heritage from a loophole in the Single Market without jeopardising the freedom of movement of goods. On the heels of this Directive, similar measures adopted last year to prevent the illegal export of national treasures to third countries may now come into force from 1 April.

Trans-European networks. Regional Policy Commissioner Bruce Millan gave the go-ahead on Wednesday for the European Community Regional Fund to co-finance a 250MW electricity link between Scotland and Northern Ireland. Announcing the decision, the Commissioner said he was convinced the connection would make a significant contribution to overcoming the problems of supplying energy to the Community's peripheral regions. The Commission's decision would not prejudice the environmental impact assessment on the project or the forthcoming public inquiry in Scotland.

Growth initiative. Addressing journalists after Monday's Ecofin Council, Commission Vice-President Henning Christophersen said he considered Member States' contributions to the Community's fund insufficient. More would have to be done to create a satisfactory level to promote industrial growth. Christophersen welcomed the cross-party agreement in Germany last week, the so-called solidarity pact, aimed at promoting growth in the east of the country as an important contribution which could pave the way to a reduction in interest rates not just in Germany, but across the whole Community. A fully-fledged package detailing national contributions to the Community fund would be ready for discussion at the next Ecofin meeting in early April.

Fish prices. EC Fishery Ministers met in Brussels today to discuss extending minimum price regimes to fish imports from outside the Community. In recent weeks, the market for white fish has been in turmoil throughout the Community because of abnormally low import prices. Commissioner Ioannis Paleokrassas has reminded Member States that they are responsible for putting into operation measures already agreed, especially those concerning the control of rules governing health, origin and quality.

EIB support telecoms. The European Investment Bank announced yesterday a 82.6m ECUs loan to Mercury Communications for major long-term investment in a new digitalised network throughout the UK and with links to other Member States. The project meets the bank's objectives to improve integration of telecommunications in the Community and, in so far as the project affects UK-assisted areas, the EC least-favoured regions. The EIB loaned some 2bn ECUs for telecommunications in 1992.

HDTV explained. Commissioners Martin Bangemann and Joao de Deus Pinheiro issued a statement last week indicating areas for compromise with the Council on the action plan for high definition television (HDTV). The Council remains divided over the merits of funding the Community's HDTV programme in the light of recent technological advances, such as digital broadcasting, and a forecast of the market for the EC's D-2 Mac standard. Wide-screen television would act as the foundation for a whole range of advanced electronic services, irrespective of the technology and standards used.

Social partners. At a conference in Copenhagen last Monday, Social Affairs Commissioner Padraig Flynn said the recent decisions by several multinational companies to relocate business for commercial reasons were justified in the Single Market. None the less, it would be wrong, he said, if companies sought to exploit the present high level of unemployment by playing off the interests of one set of workers against another. The costs of the Single Market must not be borne solely by employees. DAF, Hoover, Nestlé and Digital would serve as case studies for a "dispassionate analysis" of the problems of developing a common and coherent market in which economic and social questions became virtually indistinguishable. The Commissioner said he would issue a green paper later this year to open up debate among social partners, EC institutions and the public on the future of EC social policy.

Conference & diary dates:

Travel & tourism. A briefing for media and consumer groups on the launch of the EC's travel and tourism consumer information programme takes place at 8, Storey's Gate, London, at 10.30am, Wednesday, 24 March. Details from Roger Palmer, The Worldcom Group, Tel: 081 543 2299.

"The Elderly - a challenge to the general hospital". Organised as part of the European Year of Older People, this conference on 25-26 March in Dublin highlights the challenge of providing first class healthcare to an ageing population. Details from Una Donnelly on 0238 561993.

"VAT and the Single Market". The Bristol Chamber of Commerce is running this one-day workshop on Wednesday, 24 March. Details from Tracy Ruff on 0272 737373.

"Rendezvous - new trade opportunities with France". A briefing on 13 April organised by Kent EuroInfoCentre for companies wishing to do business with France. Call David Oxlade on 0622 694109.

"The European Community and its roots in history". A talk by Dr Peter Dixon of the European Commission, London, on Tuesday, 23 March in Cambridge. Organisers, Christianity & the Future of Europe (CAFE), tel: 0223 301392.

Council meetings:

Fisheries	18 March	Brussels
Industry (informal)	19-20 March	Nyborg, Denmark
Environment	22-23 March	Brussels
General Affairs	5 April	Luxembourg

Our next briefing will be on Thursday, 25 March 1993 at 11.30am.