



COMMISSION
OF THE EUROPEAN
COMMUNITIES

Jean Monnet House
8 Storey's Gate London SW1P 3AT
Telephone: 071-973 1992
Fax: 071-973 1900

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THE WEEK IN EUROPE

UK tap water condemned. The UK has failed to meet strict EC purity standards for drinking water and is breaking Community law according to a preliminary opinion from the European Court's Advocate General issued in Luxembourg on Tuesday. Coincidentally UK Secretary of State for the Environment, Michael Heseltine was visiting Brussels to discuss the UK's priorities for environmental policy when it assumes the EC presidency in July. Heseltine who met Commission President Jacques Delors, Environment Commissioner Carlo Ripa di Meana as well as other Commissioners, said privatised UK water companies were investing £1.8bn to clean up Britain's water by 1995. The Advocate General's main finding was that the UK was in breach of the Directive in allowing too many nitrates in 21 water supply zones in East Anglia and seven in the Severn Trent area. Similar cases are pending against every EC member except Denmark, Greece and Portugal. The Advocate General also found that the UK had failed to pass legislation to implement a 1980 directive setting standards for water purity by the agreed 1982 deadline. He was unable to rule on a complaint that lead levels in Scottish water exceeded the acceptable EC limit because of lack of evidence. The Advocate General's ruling is only advisory and the Court of Justice as a whole must now make a final decision which is expected in a couple of months. The Commission launched its legal action after complaints laid by Friends of the Earth, despite repeated UK Government appeals for extra time to fall in line with the 1980 directive, which sets maximum acceptable levels for more than 60 impurities. All EC Member States were supposed to meet the norms by 1985.

Help for Yorkshire coal. Regional Policy Commissioner Bruce Millan said in Brussels that he would try to help miners who lose their jobs if the latest cuts in the Yorkshire coalfields are confirmed. The Commission had already earmarked £30 million for programmes under RECHAR to help create alternative jobs in the area, an allocation based on job losses reported up to July 1990. While he was prepared to examine the possibility of increasing this, Millan pointed out that he was still awaiting assurances from the UK Government that when Community funds are approved for particular areas they actually reach the areas concerned. All UK RECHAR programmes were blocked in the absence of such assurances, Millan said.

EC tries to rescue GATT talks. The EC's chief trade negotiator, Commission Vice-President Frans Andriessen, promised in Washington on Tuesday to come up with specific amendments which could make a compromise possible in the Uruguay round of world trade talks. In a meeting with US Trade Representative Carla Hills, Andriessen said the EC was prepared to come forward with specific amendments to a plan drafted by GATT Director-General Arthur Dunkel, provided other countries including the US and Japan did the same. Such a plan would allow time for political bargaining before the Easter target date the 108 participants in the Uruguay round have set for concluding the mammoth negotiation. Andriessen repeated in the meeting with Hills and in earlier talks with US Secretary of State James Baker over lunch, that the Dunkel text on agriculture must be changed to be acceptable to Brussels. In addition to agriculture, the EC also had concerns about the text on market access and on trade in services covering banking, shipping and other industries. On agriculture the Community wants a better balance between the cuts in domestic support set out in the Dunkel paper and cuts in export subsidies. The Dunkel proposal calls for reductions of 20% over five years in domestic farm support while export subsidies would be cut by 24% in volume and 36% in budget terms over the same period.

Shake-up in Energy Supply. The Commission is proposing two new Directives designed to create a real internal market in energy supply across frontiers and therefore save millions for big energy users. Energy Commissioner Antonio Cardoso e Cunha said the Directives would open up the gas and electricity supply industry to greater competition from the beginning of next year once agreed by the Council. They would allow new companies to build gas and electricity lines. Access to the network would be available to some 400-500 large industrial users in the first instance and could be gradually extended to cover smaller consumers.

Food for Russia. Commission Vice-President Frans Andriessen stayed on in Washington to represent the Commission at the international conference, called last month by the US Secretary of State James Baker on aid to the former Soviet Union now known as the Commonwealth of Independent States. The aim of the conference is to get a unified approach on aid to the CIS. Preparation for the conference has involved the setting-up of five working groups - on food, energy, medicine, technical aid, and the provision of shelter for military personnel returning from eastern Europe. EC countries between them have already pledged between \$2.5 billion and \$3 billion of emergency aid in the form of grants and credits. The US has pledged a similar amount. But only a small proportion of this money has actually reached the republics in the form of food and medicine, while the donor countries still worry about how best to distribute it. The EC's plan is to auction food in Moscow, St Petersburg and other main cities with the proceeds going into funds to help the needy. Last year, the European Community and the United States signed the Atlantic Declaration setting out a basis for closer economic and political cooperation in a post-Cold War world.

Civil/Military commerce. The Commission is asking member states for specific rules enforceable across the Community on the export of goods and technologies which could be used either for civil or military purposes. At present each Member State sets its own rules. The paper introduced by Internal Market Commissioner Martin Bangemann yesterday (Wednesday) is to be debated in Brussels next month by Foreign and Internal Market Ministers. The Commission plan to introduce firm legislative proposals in the light of these discussions.

EC Forest Health Report 1991. The Commission has just published its third annual report on the health status of the EC's forests which shows that they are still deteriorating. This document, which is available as an executive summary and a technical report, contains the results of the 1990 EC forest health survey and of national forest health reports. It covers the entire forest area of the Twelve Member States and in 1990 was further enlarged by the reunion of the two German States. For the first time additional survey-data was evaluated from five non-EC countries: Austria, Czechoslovakia, Hungary, Poland and Switzerland. The results indicate that a significant part of the forests in the Community show signs of defoliation or discolouration. In the 2005 plots of the 1990 survey in the Community, a total of 15.1% of the trees showed a clear indication of leaf or needle loss (defoliation more than 25%).

Inchcape acquisition approved. The Commission has given the green light to the acquisition by Inchcape Overseas Ltd of the British company TKM. The chief competitive impact of the acquisition is to be found in the bringing together of Inchcape's and TKM's motor vehicle distribution activities in the UK. The Commission came to the conclusion that the concentration will not create or strengthen a dominant position in the Common Market or a substantial part of it.

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The New Treaty on European Union. Copies of the Treaty of Maastricht and the consolidated Treaty on European Union are available in a single text in English. The publisher is Belmont European Policy Centre, at 42 Boulevard Charlemagne, B-1040 Brussels, Belgium. Tel: 010 322 231 0340, ext 99. Fax 010 322 231 0704.

Conference and Diary Dates

Eurobarometer on Eastern Europe. Press conference at Jean Monnet House, Tuesday, 28 January, 11.00 on first polls to be taken in the new states of Central and Eastern Europe. Conducted by Gallup on behalf of Eurobarometer in six Central and Eastern European countries as well as Russia, Ukraine, Byelorussia and the three Baltic States, the poll shows that the majority are disappointed with the development of democracy although they all back a free market economy. Full details available here next Tuesday.

University of Edinburgh series of seminars in February and March on Environmental Controls and strategic planning for Scottish industry. 10 February - Schedule B industries; 17 February - waste and packaging industries; 12 March - construction industry; 16 March - Food and Drink industry; 23 March - electronics industry. For details contact Shona Nichols, Unived Technologies Ltd, University of Edinburgh, 16 Buccleuch Place, Edinburgh EH8 9LN. Tel: 031-650-3475.

General Affairs Council	3-4 February	Brussels
ECO/FIN Council	10 February	Brussels
Agriculture Council	10/11 February	Brussels
Informal Environment Ministers	21/22 February	Estoril
Internal Market Council	25 February	Brussels

Our next briefing will take place on Thursday 31 January at 11.30 am.