



COMMISSION  
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COMMUNITIES

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### THE WEEK IN EUROPE

UK additionality problem resolved. EC Regional Policy Commissioner Bruce Millan welcomed the UK Government statement this week introducing new arrangements for handling receipts from the European Regional Development Fund (ERDF). He said on Monday that this met the concerns about transparency and additionality in allocations to local authorities which he had expressed consistently to UK ministers during the past ten months and which had led him to block approval of funding for a number of UK programmes. Millan said he would now approve the 9 blocked RECHAR programmes worth £115m for UK coal-mining areas. He will also approve programmes under STRIDE, an initiative to promote research and development in the regions, and said that he saw no reason why other programmes should not also be approved as and when they were finalised. The new arrangements will apply from the financial year 1993/94 on which expenditure discussions will start in a few months. Commenting on the UK decision announced in the House of Commons, Millan said he was particularly pleased to be able to release the RECHAR money. "I have had assurances from the Government that arrangements will be made to ensure that commensurate public expenditure cover will be available for authorities with RECHAR programmes." He added that the Government has also said it will take as flexible a view as possible in 1992/93 of any other cases where cover is shown to be insufficient. The UK Government decision will allow, Millan said, the much larger Objective 2 programmes for the years 1992 and 1993 to go ahead. These will provide 1260m ecus (almost £900m) in Community assistance to areas in the United Kingdom which have suffered industrial decline.

Brittan in Japan. Speaking in Japan this week, Commission Vice-President Sir Leon Brittan has been expressing concern that the international economic slowdown could lead to potentially destructive pressures towards protectionism in the major economies. The Commission's task, he said, was to resist pressures for shortcuts, subsidies, and acceptance of anti-competitive practices. Brittan said the phenomenal strength of the Japanese economy and the success of the Japanese export effort was at the root of much of the present questioning of economic liberalism. In 1991, Japan had a cumulative current account surplus of \$72.6 billion, more than double the 1990 figure. Its trade surplus was over \$100bn. Brittan urged Japan to maintain its commitment to change, to fair competition, to import-led domestic demand and to market opening.

EC investments in the US. A Commission statement on Tuesday welcomed US President George Bush's recent statement reaffirming US support for a policy of free and open foreign direct investment (FDI). However, it said, the Community was nevertheless concerned over the many bills in the US Congress which would interfere in various ways with the free flow of FDI and which attempted to impose ownership bans, local content or reciprocity provisions or extend existing restrictions supposedly to safeguard the "national security" in services or industrial sectors where the US faces international competition. These national security restrictions were the so-called "Exon-Florio" provisions. The Community statement said that in 1990, Community investors owned more than half of the FDI stocks in the US, while over two-fifths of American-owned FDI stocks were located in the Community. The Community in no way contested the right of any country to take such measures as are necessary to defend its national security. To overcome potential problems, the statement says, both sides attached the greatest importance to a satisfactory outcome to the negotiations in the OECD and in the Uruguay Round of the GATT on Trade-Related Investment Measures (TRIMs).

Tuna imports. The EC on Tuesday raised at the regular meeting of GATT's governing Council the controversial disputes panel ruling against US curbs on tuna imports. The EC has been directly affected by last month's US court ruling extending the ban on tuna imports from Mexico and Venezuela to re-exports of these imports by, inter alia, France and Italy. Spain and the UK were added onto the list on 30 January 1992. The dispute arises over a US law designed to protect dolphins.

UK challenged in Court. The European Commission has confirmed it is challenging the UK Government before the Court of Justice in Luxembourg over the unilateral extension of the Milk Marketing Board's "exclusive rights" to low fat milk processed by dairy farmers. The Commission has

also applied to the Court for interim measures designed to protect the low fat milk interests of producers/processors and dairies who have acted on a long established interpretation of Community law, although this latter application does not apply to Scotland. The Commission emphasises that the application to the Court will have no effect on the UK's traditional door-step deliveries of milk.

Green paper on road transport and the environment. The Commission adopted on Wednesday a Green Paper on the impact of transport on the environment, presented by Commissioner Karel van Miert. The Paper suggests possible solutions merging into a global approach that takes into consideration the various ways in which the environment could be degraded by the demands of transport which are set to increase greatly over the next 20 years. The paper predicted probable growth in demand in the period 1990 to 2010 as follows: road/goods 42%; rail/goods 33%; air/passengers 74%; total stock of private cars (1987 to 2010) 45%; total vehicle kilometres (1990 to 2010) 25%.

European Economic Area. The 19-nation European Economic Area is expected to become reality on 1 January 1993 following agreement in Brussels on Friday when officials from the EC and EFTA were reported to have overcome legal obstacles raised last year by the European Court of Justice. The text of the agreement should be ready for signing soon.

Advanced and High-definition television. Speaking at the Financial Times Conference on Cable and Satellite Television in London on Monday, Commissioner Jean Dondelinger, responsible for audio-visual policy, outlined the main features of a Community aid package to jump-start advanced TV services in Europe. Aimed at contributing to the launch of a number of wide-screen channels in the various language markets in Europe, the package would pave the way for the introduction of European High Definition Television on a commercial basis in the mid-nineties. The Commission would be proposing an amount of about 800m ecus (£560m) over a five year period. Dondelinger also warned satellite operators not to get into disputes over standards which could impose extra costs on consumers.

Bosnia-Herzegovina referendum. EC Foreign Ministers agreed in Lisbon on Monday to help fund the referendum on independence later this month in the Yugoslav republic of Bosnia-Herzegovina. If the referendum produces the expected majority for independence, the EC will consider formal recognition of the republic and of Macedonia next month.

Declaration on Yugoslavia. The Community has warmly welcomed the recommendation made by the Secretary-General of the UN to the Security Council on the deployment of a 14,000 strong UN peace-keeping force in Yugoslavia, in accordance with the United Nations Plan.

European Media Directory. Two-Ten Communications has just launched its "definitive" European Media Directory in preparation for 1992 following intensive market research among public relations practitioners and over a year's painstaking establishment of a comprehensive database of titles and correspondents - 26 countries covered. Available on annual subscription of £359 or a single issue at £244. Details from Two-Ten Communications 071-490-8111.

The Industrial Relations Glossary series. Three titles - on Spain, the UK, and Italy - have been developed so far by the European Foundation for the Improvement of Living and Working Conditions. Each volume is devoted to a single Member State and provides clear explanations of various specialist terms and the context in which they are used. Price 24 ecus per volume. Enquiries to Sweet and Maxwell or the Office for Official Publications of the European Communities, Luxembourg.

White Paper scorecard. By mid-February 218 measures out of the 282 from the White Paper on completing the Internal Market had been adopted by the Council of Ministers. 194 out of the 218 adopted by the Council have been transposed into national law in the Member States.

#### Conference and Diary Dates

Film Premiere launch. At the Commission's London offices, 26 February 11am, of "The Glass Ceiling Breakers", a 28 minute video showing how women throughout Europe have successfully broken through the work/promotion barriers in their jobs. The film looks at exciting examples of childcare, job sharing, re-training, networking and returners. Details from James Bulmer at Wilcox Bulmer on 071-602-9811.

Sir John Kerr, UK Permanent Representative at the EC in Brussels will give a briefing at the Commission's London office on the British Government's view of the Maastricht Treaty, the Delors II package and the UK Presidency on Friday 28 February starting at 12 noon.

EC-Central American Ministers	24-25 February	Lisbon
Internal Market Council	25 February	Brussels
General Affairs Council	2/3 March	Brussels
Agriculture Council	9/10 March	Brussels

Our next briefing will take place on Thursday 27 February at 11.30 am.