



A new Treaty for Europe

Jacques Santer, President of the European Commission

In Amsterdam, on 16 and 17 June, the Heads of State or Government of the 15 countries of the European Union drew up a new Treaty for Europe.

This Treaty is for all Europeans.

Be it through referendums or through your elected parliaments, you will have the opportunity to offer your views on the Treaty of Amsterdam. European integration is your concern, because it is about your rights.

This Treaty is for you. It lays the foundations for the Europe we want to build in the 21st century. It sets out the rules of the game governments will have to observe and it establishes rights for all the citizens. This is why the Heads of State or Government of the European Union wanted the Treaty to be transparent and easy to understand. They also wanted to produce a Treaty responding to the European people's real concerns.

The Treaty of Amsterdam establishes a more democratic Europe, a Europe that addresses social needs. It also makes clear progress on matters relating to the Union's foreign policy and the free movement of its citizens. Thanks to this Treaty, the European Union will be more effective and, at the same time, more democratic. More jobs will be created in the Union. The European Union will make its voice heard on the international stage and will guarantee its people freedom of movement, while enabling the war on organized crime to be waged more effectively.

In the aftermath of the Second World War it was crucial to have peace in Europe. At that time Jean Monnet had the idea of pooling European countries' economic interests. His aim was political, rather than economic. In his memoirs he points out that 'the political unity of tomorrow will depend on making the economic union effective in everyday activities'. A lot has been done since then. In 1957, the Treaty of Rome set up the European Economic Community. In 1987, the Single Act gave fresh impetus to the internal market, after which the Maastricht Treaty of 1991 paved the way for economic and monetary union. It also introduced the pillar of European foreign policy and the desire to create an area of free movement in safety.

After 50 years of peace in western Europe, the Treaty of Amsterdam addresses your concerns today. The challenges ahead of us are considerable, but they are also opportunities. For the first time in 500 years we actually have the chance to bring together the whole European continent, by enlarging the Union. But, before enlarging the Union to the east and to the south, it was important to bestow on the European Union a fresh identity. This is what the Treaty of Amsterdam does.

■ Agreement on comparative advertising

Comparative advertising will soon be accepted throughout the European Union, under conditions set out in a directive agreed on by both the EU Council of Ministers and European Parliament on 25 June. The directive, which should be adopted definitively before this autumn, authorizes objective comparisons between the various distinctive features, particularly prices, of goods or services meeting the same needs or intended for the same purpose. Comparisons will have to be between material and verifiable features, and will neither denigrate nor mislead. The directive will require several EU countries to modify their existing legislation more or less substantially. This will be the case particularly as regards Belgium, Denmark, France, Germany, Greece, Italy and Luxembourg.

■ Loan guarantees for environmental...

Small and medium-sized enterprises (SMEs) with up to 100 employees will find it easier to invest in environmental protection, thanks to a new system of loan guarantees announced by the European Commission on 25 June. The programme, 'Growth and environment', will allow the European Investment Fund (EIF) to guarantee up to 50% of the total cost of ecological investment projects. Firms with fewer than 50 employees will have priority. The guarantee will cover new loans with a minimum maturity of three years and not exceeding ECU 1 million (ECU 1 = UK£ 0.68 or IR£ 0.75). The investments in question will aim, for example, to reduce pollution, save energy or develop the use of 'clean' production processes. The scheme will operate in nine EU countries to begin with, through the intermediary of banks. Interested SMEs will have to go through these banks. The scheme will soon be extended to the remaining EU countries, including the UK (Barclays Bank) and Ireland. It will be made permanent, if it proves a success.

■ ... and bright technological investments

Another pilot project, I-TEC, launched by the European Commission and the EIF on 1 July, will support technologically innovative investments in SMEs. I-TEC will help European venture capital funds which agree to devote at least 25% of recently obtained funds to early investments in high-tech SMEs. The EU budget will be responsible for up to 50% of the initial risk evaluation costs and the cost of active management over a long period. The I-TEC's maximum contribution will amount, for each venture capital fund, to 5% of the investments made, with a ceiling of ECU 500 000. The European Commission will devote ECU 7.5 million in all to I-TEC, and will select the venture capital funds with the EIF. For further information, contact Mr P. Verhoeven, EIF, 100 bd Konrad Adenauer, L-2950 Luxembourg.

■ Exceptions to law and order have limits

When a European Union Member State refuses entry to the national of another EU Member State on grounds of law and order, security or public health, it must allow the person in question the right to appeal or to have his or her case exam-

ined by an independent authority. This also applies in the event of the expulsion of a national of another EU country. This was how the European Court of Justice interpreted on 17 June a 1964 directive which completes the EC Treaty on this point. It stated that the right to appeal applies also to a citizen of an EU country who, after being refused entry into another EU country, tries again 'after a reasonable period of time'.

THE EMU AT AMSTERDAM: THE EURO...

Economic and monetary union (EMU) is slowly taking shape. When the European Council met in Amsterdam on 16 and 17 June, European Union Heads of State or Government adopted several texts designed to facilitate the transition to the third stage — the introduction of the euro — and its operation. A European Council resolution records the firm commitment of the EU Member States, the European Commission and the EU Council of Ministers to implement the growth and stability pact. The pact, which was adopted in broad outline by the European Council when it met in Dublin last December, seeks to ensure that the countries which adopt the euro maintain budgetary discipline on a long-term basis. The European Council asked the EU Council of Ministers to adopt rapidly the two regulations which are a part of the pact. It also drew up the principles and main features of a new exchange mechanism, to be introduced on 1 January 1999, linking the euro to the EU currencies not participating in the single currency. The European Council also approved of the euro coins, which had been selected through a competition and an opinion poll. There are eight coins in all, in denominations of 1, 2, 5, 10, 20 and 50 eurocents — the hundredth part of a euro — and 1 and 2 euros. The coins will be put into circulation on 1 January 2002 at the latest. The euro will be identical in value to the ecu, the EU's unit of account (ECU 1 = UK£ 0.68 or IR£ 0.75). The Fifteen, in addition, underlined their complete agreement on the two regulations which make up the euro's legal framework.

... AND THE ECONOMIC PILLAR

The European Council approved the general objectives and main lines of an action plan for the single market, presented by the European Commission. It took the view that the EU and the Fifteen should concentrate first of all on making existing legislation effective. The plan seeks basically to complete the European single market for 1999. At Amsterdam, the Fifteen also insisted on the coordination of national economic policies, as provided for by the Treaty of Maastricht, by asking the EU Council of Ministers to strengthen the sections dealing with employment. Finally, and above all, the European Council asked the European Investment Bank (EIB) to develop its activities in three directions, by: (1) providing finance for high-technology projects undertaken by SMEs; (2) intervening in the areas of education, health, urban environment and environmental protection in general; and (3) providing more funding for the major European infrastructure networks in general and the 14 projects adopted by the European Council in Essen in 1994 in particular.

The Fifteen also adopted at the same time the Treaty of Amsterdam, which reforms the Treaty of Maastricht (see the 'Background' section).

AMSTERDAM: A NEW TREATY FOR EUROPE (I)

On 17 June 1997 the leaders of every Member State of the European Union agreed on a new Treaty for Europe, the Treaty of Amsterdam. After the official signing of the texts, the new provisions will be publicly debated in each country and submitted to the electorate for approval, either by referendum or by parliamentary decision. Each of us will therefore have an opportunity to come out for or against the Treaty.

The development of the European Union is no longer just a technical exercise which can be left to the discretion of institutions or governments alone. Security, employment, foreign policy, defence and the legitimacy of our institutions are matters of direct concern to every citizen.

The Treaty of Amsterdam has four main objectives:

- to place employment and citizens' rights at the heart of the Union;
- to sweep away the last remaining obstacles to freedom of movement and to strengthen security;
- to give Europe a stronger voice in world affairs;
- to make the Union's institutional structure more efficient with a view to enlarging the Union, with new Member States joining.

In other words, the Treaty of Amsterdam consolidates each of the three great 'pillars' which have been the foundation for the Union's work since the Maastricht Treaty entered into force on 1 November 1993: the European Communities (first pillar); the common foreign and security policy (second pillar); and cooperation in the fields of justice and home affairs (third pillar).

Putting employment and citizens' rights at the heart of the Union

Since the European Union took its first steps, the standard of living of its citizens has more than doubled. The Union's productive capacity now makes it the world's largest economic entity. Although it has only 6% of the world's population, it accounts for 20% of worldwide production.

There is no room for complacency, however: with 18 million people unemployed, a worrying level of long-term unemployment and one in four young people prevented from getting a decent start in life, Europe has nothing to boast about. Even so, there are grounds for optimism. There is no reason why economic growth should not continue at an annual level of 3 to 3.5% for most of the next decade, if investment translates into new productive capacity. The single market is a winning card, and with a boost from the euro it will give the European Union some of the competitive advantages which at the moment are held by the United States.

The new Treaty, while confirming that the Member States bear primary responsibility for employment, gives centre-stage to the need for them to act together. Here's how.

Common political objectives and guidelines per country

The inclusion of a chapter on employment in the Treaty of Amsterdam is a new approach: each Member State will retain control over its own policy, but from now on will fit it into a coordinated European strategy, bringing the social and economic spheres together. So, promoting a high level of employment is now in black and white as one of the major objectives of the Union.

A few new articles inserted into legal texts will obviously not be enough to create jobs. But comparing notes on best practices, coordinating policies at every level and encouraging Europe-wide discussion between employers and workers could be the missing elements in the battle to bring lasting improvements in the job situation.

Specifically, in Amsterdam, the governments agreed to:

- align their employment policies in a way consistent with the Community's economic policy;
- promote a skilled and adaptable workforce, as well as labour markets which respond quickly to economic change.

Multilateral surveillance of national policies will be established. An Employment Committee will help the institutions in this task.

This is how the coordinated strategy for employment will be applied each year:

- The Heads of State or Government will first examine the employment situation.
- The Council, acting by a qualified majority on a proposal from the Commission and after consulting the European Parliament, the Economic and Social Committee and the Committee of the Regions, will then draw up guidelines for the Member States.
- At the end of the year, the Council will examine how these guidelines are being implemented and will, if it considers it appropriate, make recommendations to the Member States. The Council and the Commission will also make a joint annual report to the Heads of State or Government, who will consider the new guidelines to be followed.
- Lastly, incentives will be given for the financing of pilot projects for employment.

A common — but still limited — social policy

Social legislation across Europe is well developed in a number of areas, such as freedom of movement for workers, health protection, safety in the workplace and equal opportunities for men and women.

Other initiatives in the area of labour law, for example promoting the practice of informing and consulting workers, complete the European legislation so far adopted to meet the requirements of the single market.

There are, however, subjects such as pay and the right to strike or lock workers out, which remain purely matters for national governments. Other important questions like social security, redundancies or worker representation require the unanimous agreement of the 15 Member States. This limits the effect of the Union's activities. However, in all, the new Treaty gives the Union a greater role in social legislation. Here's how.

Reconciling job flexibility and security

The Social Protocol incorporated into the Maastricht Treaty in December 1991 expressed the determination of all the Union countries — except the United Kingdom, which did not share its partners' objectives — to make significant advances in social policy. The establishment of European works councils, the right to parental leave for men as well as women, and equal rights for part-time and full-time workers are among the results.

As the United Kingdom has now decided to join the Social Protocol, the Protocol has been incorporated into the Treaty's provisions on social policy, education, training and youth. This means that the Union can get to grips with wider ranging problems such as the changes caused by new ways of organizing production and work. Today, basic questions are being asked about working hours, pay systems, social protection, employment policies, training, equal opportunities and the needs of small businesses. These deserve to be addressed by employers and labour, and by public authorities at all levels, whether European, national or regional.

Competitiveness, job creation, flexibility and job security are today's challenges upon which the preservation of the European social model depends. Of course, the fight against exclusion and poverty, afflicting tens of millions of people in Europe, must complement the efforts made to meet these challenges. The Amsterdam Treaty makes pledges in both these areas, although unanimity will still be required in some domains.

NEW RIGHTS FOR CITIZENS

The Maastricht Treaty has given every person with the nationality of a European Union Member State specific European rights, such as: to vote and to stand as a candidate in municipal and European elections in a Member State of which the person is not a national but in which he/she resides; to be protected by the diplomatic or consular authorities of any Member State in third-country territories in which his/her own Member State is not represented; to petition the European Parliament and to apply to the Ombudsman. The Amsterdam Treaty strengthens individual rights with new provisions on:

Fundamental rights

'The Union is founded on the principle of liberty, democracy, respect for human rights and fundamental freedoms, and the rule of law.' Any individual can now take the European institutions to the European Court of Justice over any action which they consider a breach of their fundamental rights. If the European Council determines the existence of 'a serious and persistent breach' by a Member State of these principles, then the State in question may see some of its rights, including voting rights, suspended. The EU may also take appropriate action to combat 'discrimination based on sex, racial or ethnic origin, religion and belief, disability, age or sexual orientation'.

Consumer rights and human health protection

'In order to promote the interests of consumers and to ensure a high level of consumer protection, the Community shall contribute to protecting the health, safety and economic interests of consumers. ... A high level of human health protection shall be ensured in the definition and implementation of all Community policies and activities.'

Right to information

'Any citizen of the Union and any natural or legal person residing or having its registered office in a Member State shall have a right of access to documents originating from the European Parliament, the Council and the Commission' subject to general principles and conditions governing this right. When it acts in its legislative capacity, the Council will also make public the results of the votes and explanations of votes.

Moving freely and living in a secure environment

Europe's citizens are well disposed towards the idea that everyone should be able to move freely from one European Union country to another. At the same time, though, they want to live in a secure environment.

Within the European Union, freedom of movement, which in the early years of the 'common market' was confined to workers in paid employment, has been a general right since 1993. Any European who wants to can now exercise that right — students, self-employed workers, tourists or pensioners. Tens of millions of men and women have already taken advantage of it, and millions more are getting ready to do the same. So a workers' Europe has now become a wider people's Europe.

In foreseeing deeper cooperation between the 15 Member States in the areas of justice and security, the Maastricht Treaty drew the logical conclusions from this new openness. Criminals or drug traffickers, not to mention fraudsters or clandestine immigration networks, could not be allowed to use the new freedom of movement as cover for their activities. But too timid an approach was taken in giving Europe the tools it needed simultaneously to ensure freedom of movement, to police its external frontiers and to combat crime. The

reason was that Maastricht opted for an intergovernmental system for making decisions in all these cases. This meant that every Member State had to agree to each decision before any action could be taken.

The new Treaty aims at the removal of obstacles to free movement and strengthens the means available for the maintenance of security. Here's how.

Justice and home affairs: new responsibilities for the Community

A large part of cooperation in the areas of justice and home affairs is now subject to Community rules: the participation of all the institutions, the legal review of the European Court of Justice and the use of effective legal instruments.

The areas concerned are visa policy, the terms for issuing residence permits to immigrants, asylum procedures and rules governing judicial cooperation in civil matters.

To guarantee that an 'area of freedom, security and justice' is established gradually in the Community, there will be a five-year period from the entry into force of the Treaty during which the Council will continue to take decisions by unanimous vote.

At the end of the five years, Community decision-making procedures may be introduced.

Cooperation, either direct or through Europol, between the police and other authorities responsible for criminal matters will, however, remain an intergovernmental matter. This will also be the case for mutual legal assistance in criminal cases and the main goals for cooperation between the Member States: terrorism, organized crime, crimes against persons and against children, drug and arms trafficking, and international fraud and corruption. Nevertheless, the mechanisms and instruments of this cooperation will be improved to make it more efficient.

The Union incorporates the Schengen Agreement

People travelling from one country to another inside the 'Schengen area' are now used to the absence of border controls on roads and at airports.

What made this possible, however, was an initiative taken outside the European Community framework by Germany, France and the Benelux countries which led, in 1990, to the Schengen Agreement. Many common rules on visas, the right of asylum, checks on external frontiers and cooperation between police and customs authorities were drawn up, to make sure that freedom of movement for individuals within the Schengen area came into being without disrupting public order. One after the other, all the EU countries have joined those first pioneers, except for the United Kingdom and Ireland, which want to retain checks on anybody entering their territory, wherever they come from. Outside the Member States, the Schengen Agreement is also going to be applied by Norway and Iceland, so that no new border will be erected between the Nordic countries, whether they belong to the Union or not.

The Amsterdam Treaty incorporates the Schengen arrangement into the Union's single institutional framework. Applying the system of 'closer cooperation', the 13 Schengen countries will continue their cooperation within the legal order established by the new Treaty. So the new Treaty will put an end to the contradictions which arise from having two separate systems. It will allow the identification — according to the relevant legal basis — of those problems which are a matter for the 'closer cooperation'. The United Kingdom and Ireland will be able to take part in the overall structure while still maintaining controls on all travellers entering their territories. Special arrangements are anticipated for Denmark.

In conclusion, the goal of establishing freedom of movement for individuals, included in legal texts for the last 10 years, can now be achieved in practice. Citizens will not only be guaranteed that decisions will be taken democratically, but will also have access to effective legal recourse if their rights are not respected.

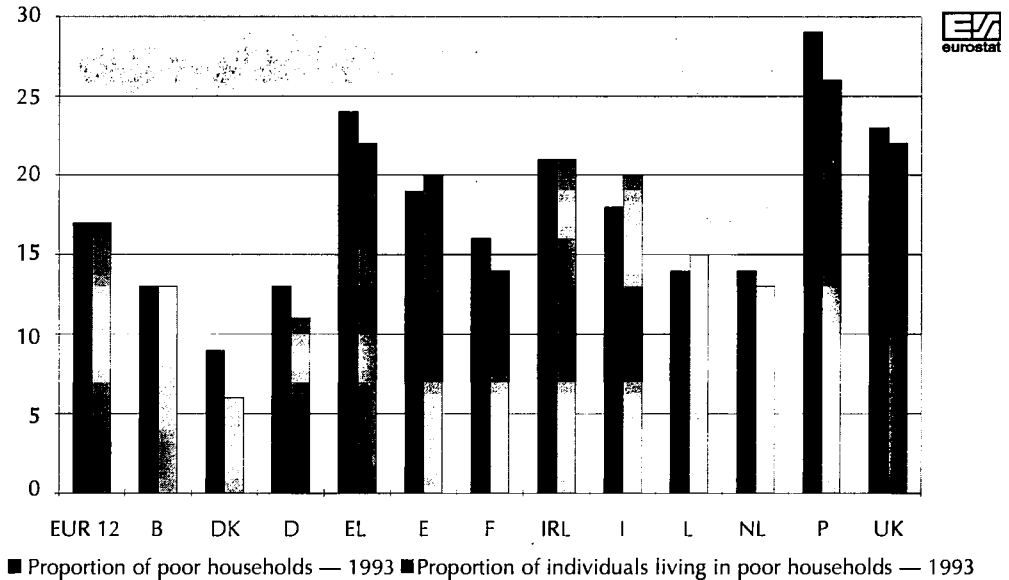
The second part of this article will appear in a subsequent issue.

Poverty in Europe 57 million poor people in 1993 in the EU 12

In the EU 12 in 1993 some 57 million people were living in almost 23 million poor households (*)

In EU 12 as a whole, 17% of households were below the poverty line. In Portugal the figure was considerably higher than the Community average (29%), followed by Greece (24%) and the United Kingdom (23%). Denmark had the lowest poverty rate (9%). The rate in Luxembourg was relatively high (14%) owing to its high average income.

Increase in poverty — Proportion per Member State, 1993



Increase in poverty in 1993 ('000)

	EUR 12	B	DK	D	EL	E	F	IRL	I	L	NL	P	UK
1	22 825	508	216	4 515	872	2 272	3 525	238	3 429	22	842	915	5 474
2	57 162	1 289	318	9 099	2 258	7 631	7 591	759	10 895	60	1 919	2 537	12 805

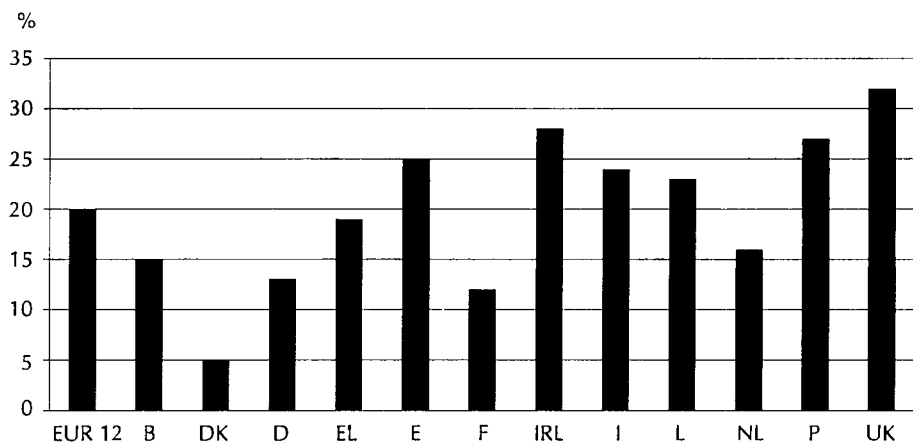
1: Households below poverty line.

2: Individuals living in «poor» households.

In 1993 there were more than 13 million children living in poor households in the 12 Member States, i.e. 20% of all children in the European Union

The percentage was higher in the United Kingdom (32%), Ireland (28%), Portugal (27%), Spain (25%), Italy (24%) and Luxembourg (23%). The lowest rate was recorded in Denmark (5%).

Children living in poor households — 1993



Children living in poor households — 1993

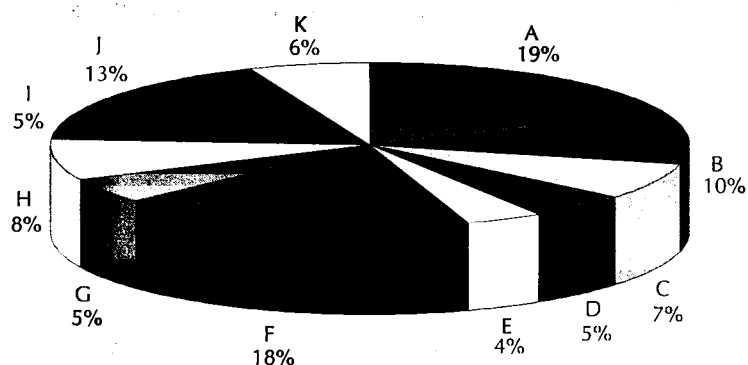
	EUR 12	B	DK	D	EL	E	F	IRL	I	L	NL	P	UK
'000	13 292	302	42	1 888	380	1 730	1 487	322	2 245	18	443	577	3 859
%	20	15	5	13	19	25	12	28	24	23	16	27	32

(*) For the methodology, see final section to the following page.

In 1993, the most common type of poor household, with 19% of the total, was a household consisting of one person over 65, followed by a household consisting of a couple without children (18%)

Certain types of household are more likely to be poor than others. As measured by the poverty rate, the risk of poverty is greatest for «single-parent families with all children under 16», with a rate of 36% in EUR 12.

Distribution by type of household in EU 12 — 1993



Distribution by type of household in EU 12 — 1993

	A	B	C	D	E	F	G	H	I	J	K
% of poor households	19	10	7	5	4	18	5	8	5	13	6
Poverty rate	27	15	31	36	17	13	11	14	23	15	17



A. One person aged 65 or over.

B. One person aged between 30 and 64.

C. One person aged under 30.

D. Single-parent family with children < 16.

E. Single-parent family with at least 1 child > 16.

F. Couple without children.

G. Couple with 1 child < 16.

H. Couple with 2 children < 16.

I. Couple with 3 or more children.

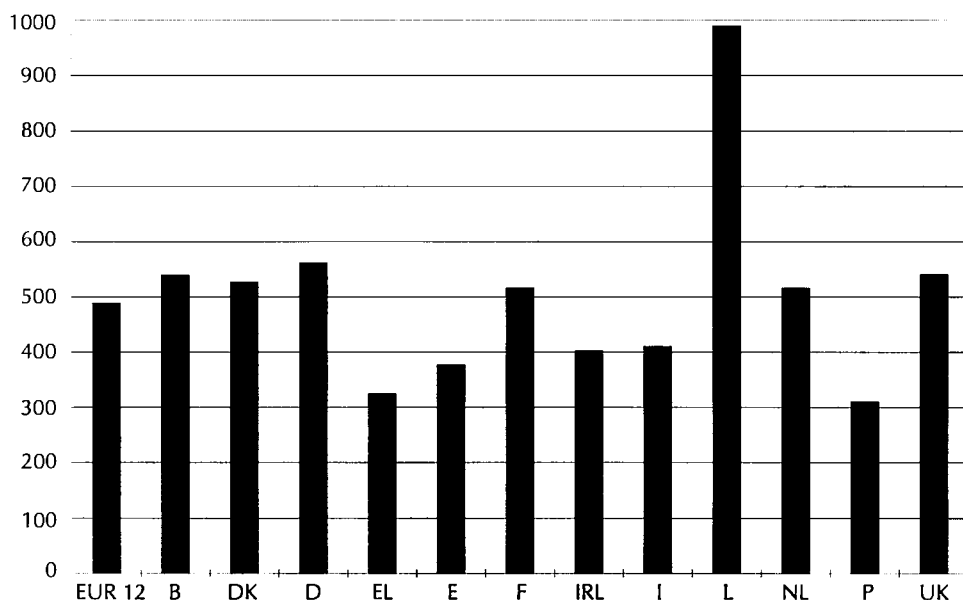
J. Couple with at least 1 child > 16.

K. Other households.

The poverty line is a benchmark of income for determining whether a household is poor

The poverty lines used here are country-specific since they are defined as half (50%) of the average equivalized net monthly income of the households in a country. In 1993, half of the average equivalized net monthly income was 489 purchasing power parities in EU 12.

Poverty line in purchasing power parities (PPPs)⁽¹⁾, 1993



Poverty thresholds in 1993 — 50% of the average equivalized net monthly income

	EUR 12	B	DK	D	EL	E	F	IRL	I	L	NL	P	UK
National currency	-	22330	5328	1248	67940	48090	3716	294	667600	38750	1175	42580	378
PPP ¹	489	540	527	562	325	377	516	403	411	990	516	311	541



⁽¹⁾ Purchasing Power Parities (PPPs) are used to convert national currencies into monetary units with the same purchasing power in all the countries so that inter-country comparisons can be made.

■ Frontier-free lawyers and doctors

Lawyers who have been called to the Bar in any of the European Union countries will be able to establish themselves on a permanent basis in another EU country, under their original professional title, without having to submit to a test or undergo a period of adaptation. The EU Council of Ministers adopted on 21 May the principle of a directive which, once it has been definitively adopted, after examination by the European Parliament, will make life easier for experienced lawyers. Thus a member of the UK Bar will be able to exercise his profession in Germany as soon as he has settled in under his professional UK title. At the end of three years he will be entitled to use the German title 'Rechtsanwalt'. In the case of doctors, the European Parliament and Council of Ministers reached agreement on 28 May on an amendment to the European legislation, which will make it easier to update national lists of medical specializations. This will simplify the mutual recognition of qualifications by the Fifteen.

■ Telecoms: 1998 and its derogations

In the run-up to the complete liberalization of the telecommunications sector, envisaged for 1 January 1998 in the case of 10 EU countries, the European Parliament and EU Council reached agreement on 28 May on adapting the present rules. The directive they approved strengthens the independence of national regulatory bodies and harmonizes the conditions of access to public telecoms networks, particularly leased lines, which will be accessible to all users. Another directive, adopted on 3 June after an agreement between the European Parliament and the Council, organizes interconnections in the 1998 context, so as to guarantee that all users will be able to communicate with each other, whatever their company. The European Commission, for its part, declared on 10 and 18 June, the time in which Spain and Greece respectively would be allowed to complete the liberalization process. It set the deadline of 30 November 1998 for Spain and of 31 December 2000 for Greece. It will be remembered that Luxembourg must liberalize fully by 1 July 1998 and Ireland and Portugal by 1 January 2000.

□ BRIEFLY

All the conditions for the complete **EU type-approval of commercial vehicles and trailers** were met with the adoption of a directive on their masses and dimensions by the EU Council on 21 May. This means that from now on a single authorization is all that is needed to market such vehicles and trailers throughout the EU.

According to a new **'television without frontiers' directive** adopted by the EU Council on 20 June, after its approval by the European Parliament, every television broadcaster is subject to the exclusive jurisdiction of the country in which it is established. The directive guarantees the retransmission of major events, particularly sporting events, in unencrypted form. It also clarifies or introduces several definitions, including the definition of teleshopping. The Fifteen have 18 months in which to introduce the directive.

The existing measures to **prevent occupational cancers** are being extended to certain medicinal preparations, as well as some cosmetics and pesticides, under the terms of a directive adopted by the EU Council on 27 June. The directive also defines the concept of maximum exposure to carcinogens at work and sets a limit value for exposure to benzene.

The Fifteen signed on 26 May a protocol which makes **the corruption, both active and passive, of EU and national officials a criminal offence** throughout the EU, when either the national or EU budget is affected. Moreover, a convention on **judicial and extra-judicial instruments** concerning civil or commercial matters will make it easier to transmit these

documents between the authorities of the 15 Member States. Another protocol, signed on 19 June, established the principle of **penalties for natural persons** in cases of fraud. These agreements must be ratified by each country.

The setting of **maximum levels of pesticide residues** in foodstuffs will be extended to dried and processed products. The EU Council amended existing directives on 25 June, after the European Parliament had given its opinion. At the same time the Council introduced a procedure for settling disputes which might arise among the Fifteen in the absence of the harmonization of maximum levels.

The European Commission registered **17 new designations of agricultural and food products** on 13 June, thus adding to the 398 designations already granted protection by virtue of earlier decisions. The products in question, of Greek, French, Italian, Dutch and Austrian origin, are now protected against imitations.

According to an agreement in principle reached by the EU Council on 18 June, all new lorries and coaches must be equipped with **fully digital tachographs** (recording equipment) as from 1 July 2000. The regulation is now before the European Parliament

The EU Council adopted on 2 June a directive which harmonizes the **information contained on driving licences in the form of codes**, such as the requirement to wear glasses or the adaptations to vehicles used by handicapped drivers.

The European Commission approved on 23 May the extension to 31 December 1999 of the **map of the areas of Italy which can receive regional aid** from the country's authorities.

● Towards truly European patents?

The European Commission envisages the creation of a genuinely European patent, in order to protect European inventions effectively, but without financially ruining their inventors, particularly SMEs, at the same time. It published a Green Paper to this end on 25 June, in order to obtain the views of all interested parties by 7 November at the latest. At present, European inventors can choose between national patents, offering limited protection, and a 'European patent'. The latter, created under an international convention, nevertheless requires inventors to pay taxes and use the services of agents in several countries. In addition, patenting an invention is an expensive business, if the protection sought extends beyond the national framework. Translation costs alone come to some ECU 10 000 on average. As a result, many SMEs patent only some products, in just a few countries. The Green Paper can be obtained from the European Commission, DG XV/E.3, 200 rue de la Loi, B-1049 Brussels; fax (32-2) 296 17 36; e-mail E3@dg15.cec.be or on DG XV's Internet site.*

● Single market for financial services

How can companies, insurance brokers, banks and other financial establishments be given an opportunity to offer cross-border services? How can consumers be guaranteed reliable financial services at the level of the 15-nation EU? Fresh initiatives are needed for these purposes in the European Commission's view. These views are set out in a communication it adopted on 26 June. The Commission plans to propose two directives this autumn, one of which would protect Europeans who enter into distance contracts for financial services, while the other would make it easier for victims of car accidents caused by vehicles registered

* <http://europa.eu.int/en/comm/dg15/dg15home.html>

and insured in another EU country to obtain compensation. The Commission in addition will update the existing recommendation on the responsibility of bodies issuing payment cards. For next year it envisages proposals covering insurance intermediaries, mortgage credit and consumer credit and means of redress.

● Standards for the information society

The European Commission will organize in Brussels, from 1 to 3 October, the first international Global Standards Conference, devoted to the worldwide standards needed by the information society. The Conference will be an extension of the special G7 Summit held in 1995, and will bring together G7 ministers as well as senior Commission officials and the heads of European and international standards organizations. For information and reservations, contact the Conference Secretariat at CEN, 36 rue de Stassart, B-1050 Brussels; tel. (32-2) 511 74 55; fax (32-2) 511 87 23; e-mail glstdconf@dg3.cec.be

The Internet site can be accessed at:
<http://www.ispo.cec.be/standards/conf97>

○ BRIEFLY

In order to help **accountants in companies and the administration prepare for the euro**, the European Commission published on 20 June guidelines confirming the validity of current accounting laws and methods. These guidelines offer solutions to practical problems. They can be obtained, in the EU's 11 official languages, from the Commission: DG XV/D.3 — C100 03/133, 200 rue de la Loi, B-1049 Brussels; fax (32-2) 299 47 45; e-mail: d3@dg15.cec.be
Internet*

A communication from the European Commission, adopted on 30 June, interprets and clarifies **the conditions under which credit establishments can offer their services in a single market**. The aim is to encourage cross-border activities. The text can be found on the Internet.*

A timetable designed to adapt telephonic numbering to the liberalization of the sector is contained in a resolution which the EU Council approved on 27 June. It covers the selection of the operator by the customer on a call-by-call basis once the sector is fully liberalized (see above); pre-selection of the operator two years later at most, and a European code (388) for European telephone services. In 2003 at the latest, subscribers will be able to keep their number, even if they move from one operator to another.

Are European ground rules needed to facilitate the development of **supplementary pension schemes** and the free movement of workers? The European Commission has raised the issue in a Green Paper adopted on 10 June and available from DG XV/C.2, 200 rue de la Loi, B-1049 Brussels.
Internet.*

* <http://europa.eu.int/en/comm/dg15/dg15home.html>

The European Commission proposed on 18 June a directive on the **stability and safety of buses and coaches**. Once it has been adopted, the text will make possible EU type-approval for new models.

The European Commission has clarified the scope of the provisions of the EC Treaty regarding **capital movements and the right of establishment** in the case of investments within the EU. The clarifications are in a communication it adopted on 4 June.

SEEN FROM ABROAD

► The euro as seen by the USA and Japan

American and Japanese leaders believe the euro will be strong; that, at any rate, is their hope. Admittedly, the US Treasury Secretary, Robert Rubin, declared on 16 June in Washington that the timetable and strength of the future European currency posed serious problems for the EU. But an adviser to President Clinton on monetary affairs, Fred Bergsten, held in Bonn on 18 June that the European Central Bank will follow a strong monetary policy, thus guaranteeing a strong euro. Mr Bergsten added that the euro would rapidly become a competitor to the dollar on international money markets, and that Europe would find itself, as regards economic matters, on an equal footing with the United States five years after the launch of the euro. The United States and other countries, according to Mr Bergsten, should resist any attempt on the part of the EU to undervalue the euro when launching it. As for the Japanese, Prime Minister Ryutaro Hashimoto declared himself in favour of a strong single currency for Europe, when addressing a press conference in The Hague on 25 June. He noted that the Japanese authorities had undertaken the task of preparing their civil servants, as well as business executives, for the future European single currency.

▷ BRIEFLY

If, following the EU's enlargement to the east, the existing barriers between the EU and third countries should hamper trade between the EU and Russia, consultations, talks and perhaps compensation would become necessary, according to the head of the EU department in **Russia's foreign ministry**, Alexander Fomin.

In a referendum held on 8 June, **Swiss voters** rejected by 73.9% a proposal put forward by two parties hostile to the EU, which would have required the people's prior agreement before the launch of any negotiations for an agreement between Berne and the EU. The Swiss Federal Government is currently negotiating a bilateral agreement with the EU.

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