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THE WEEK IN EUROPE

Mitterrand calls for accelerated EC union. Addressing the European Parliament in Strasbourg yesterday (Wednesday), President Mitterrand of France linked changes in Eastern Europe with the need to accelerate the political and economic union of the EC. He said the 12 Member States should, within a year, start revising the Treaty of Rome with a view to promoting monetary integration and strengthening the power of the European parliament. "I hope that the opening of the Conference (to revise the EC Treaty) will take place in the Autumn of 1990." At the beginning of December the French president will chair an EC Summit at which he wants EC leaders to set a date for the Treaty revising Conference. On the same occasion President Mitterrand's fellow socialist, Commission President Jacques Delors, announced that the Commission is to produce a special report by the end of 1989 to try to convince Member States of the merits of economic and monetary union. He said closer coordination of economic and monetary policies could only provide at best "a floating anchor" to inflation and that because of this there was no alternative to a European central banking system, locked exchange rates and an economic union running in parallel with monetary union.

"No return to jungle lawlessness" says Brittan. Commission Vice-President Sir Leon Brittan, speaking at Lisbon University in Portugal last week, made a vigorous defence of the EC competition policy vis-a-vis 1992 and the poorer regions. He said: "The impression of 1992 as a plot for the survival of the fittest - or the richest - is a false one. We are not going to regress and become business savages. We are not about to return to the lawlessness of the jungle in our economic relations. 1992 is about increasing competition, not launching a guerilla war." He went on to say that increased competition means increased efficiency in the allocation of reserves in the economy, to the overall economic benefit of everybody. "It is essential to the long term health of the European economy. Competition is the great spur to achievement." Sir Leon said it was his job as the European Commissioner for Competition to take care of the competition rules and to ensure they were properly enforced. He continued: "This may not make me everyone's favorite Commissioner, particularly when I impose fines for price cartels or prevent unjustified amounts of state subsidies, but it is an essential job in the 1992 process."

MacSharry identifies priorities for agriculture. Speaking in Wales last week, Commissioner for Agriculture Ray MacSharry identified three principles - the need to increase economic opportunities in rural areas, the removal of border controls after 1992, and the liberalisation of world trade within the GATT - as central to a agricultural policy in the coming years. The Commissioner added that he believed the Common Agricultural Policy, strengthened considerably by the reform process undertaken since 1984, was well placed to respond positively to the challenges of the 1990s and beyond. Commenting on the changing pattern of farming, he said 30% of Europe's farmers were now part-timers. He also said he would shortly be putting forward proposals on organic farming. The Commissioner concluded by saying - on the subject of negotiations to liberalise world trade within the GATT - that while the Commission is determined to work for a just and reciprocally acceptable solution to the global problem of trade distortion, "we cannot jeopardise the livelihoods of some 9 million Community farmers". With this in mind he pointed out that the EC farming structure supports some 9 million, mainly family farms, against 2 million in the USA and 170,000 in Australia.