



COMMISSION
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COMMUNITIES

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WE/25/89
6 July 1989

THE WEEK IN EUROPE

Brittan hails Madrid agreement. Speaking to the Annual conference of the Association of District Councils at Torquay last Friday, Commission Vice President Sir Leon Brittan said of the Madrid Summit that Europe had taken the first historic step towards monetary union. "The fact that it has been able to do so on a unanimous basis shows that for all the disagreements and arguments that were so widely publicised, the importance of staying together and continuing to work together was paramount." He went on to ask how Britain can ensure that its voice is listened to when the next steps (towards monetary union) come to be discussed. His answer was, firstly, that the entry of sterling into the Exchange Rate Mechanism of the European Monetary System would greatly increase the amount of influence Britain could expect to bring to bear; secondly, that a factor which will determine the degree of influence that Britain has over the next stage of the discussions is the approach that the UK takes in preparing for the Inter-Governmental Conference and participating in it. Sir Leon concluded: "It will not be sufficient to respond to other people's ideas. If Britain does not form any particular approach, or dislikes some aspects of one plan that is on offer, she must of course say so, and explain why. But such explanations will carry infinitely more weight if they are accompanied by the clearest indications of alternatives which would be preferable and acceptable. There is all the difference in the world between simply saying "no" and saying "But wouldn't it be better to do it a different way?"

Community economy "positive". Economic growth in the EC is continuing, investment is expected to grow strongly and employment will increase rapidly in 1989 and 1990. These are the principal conclusions of a report on the economic situation in the Community adopted by the Commission last week. On the negative side, however, there are some macroeconomic disequilibria such as increases in inflation, the continued growth of Members States' external payment problems, and widening budgetary balances. Real output is expected to grow in 1989 and 1990 by 3.25% and 3% respectively. With high investment, a sustained growth path of around 3.5% a year for the Community seems a realistic medium-term prospect. Almost 2 million jobs were created in the EC in 1988. The Commission expects another 2.5 to 3 million to be added in 1989 and 1990. The unemployment rate is expected to fall from 11% in 1988 to 10% by 1990.

MacSharry on disparities in "set-aside" Scheme. Addressing the Council of the National Farmers Union of Scotland in Edinburgh on Tuesday, Commissioner Ray MacSharry, responsible for Agriculture, spoke of the "set-aside", a measure which combines a social impact with the desirable effect of reducing overall production. "Participants undertake to take at least 20% of their land out of production for a five year period. By May 1989, almost 450,000 hectares had been "set-aside" in the Community. Germany and Italy have some 150,000 hectares each and the UK around 55,000 hectares, 12,700 of which are in Scotland. At a Community level, with countries such as France on only 15,000 hectares, we still have quite a long way to go. I am presently examining that scheme and insisting on consistency in its application between Member States."

Eurojargon. It's a clever person who is able to master the mind-boggling array of acronyms, abbreviations and sobriquets used by Eurocrats. But Anne Ramsay has done just that and her "Eurojargon", now in its new second edition, has been expanded from 850 to 1,400 entries. The dictionary is aimed at a wide range of user such as the specialist in EC affairs, academics, librarians, journalists, civil servants and politicians and the author says "for those with a penchant for serendipity." A snip at £12.50 from Capital Planning Information, 52 High Street, St Martin's, Stamford, Lincs PE9 2LG. Tel: 0780 57300.

EC Consumer prices rose 0.3% in May. The rate of increase over a 12 month period now amounts to 5.4% for the EC as a whole. In the same period inflation figures for the USA and Japan were 5.3% and 2.9% respectively. Lowest inflation was in Holland with 1% while Portugal went up to 13% and Greece to 13.1%

Japanese car quotas self-defeating. Vice-President Martin Bangemann has declared in London that it was wrong to believe that Japanese cars can be kept out of the European market by means of quotas or prohibitions on manufacturing. He told a Conference at CBI HQ in London on Tuesday that Japanese competition would only be beaten by better, cheaper and more reliable European cars.

Overfishing dispute. The Commission is bringing a series of actions in the European Court of Justice, final arbiter of the Treaty of Rome, against the UK, France and Spain for alleged overfishing EC waters and exceeding catch quotas. A further action is being taken against the UK, challenging the extension of territorial waters for fishing from 6 miles to 12.

European quality criteria plan. The Commission has launched a plan to establish common European quality criteria for all industrial products sold in the EC. The essence of the Commission's plan is that national certification, testing and inspection activities should be made uniform and transparent.

Austria applies for membership. The Austrian Government decided this week to make formal application for Community membership, provided neutrality status can be safeguarded. The application is expected to be handed to the Council of Foreign Ministers later this month.

Round Europe Yacht Race. The London office of the Commission is holding a Press Conference at the Royal Southampton Yacht Club, 1 Channel Way, Ocean Village, Southampton on Monday, 10 July at 12.00 noon to launch the third edition of the Round Europe Yacht Race which begins in Hamburg on 23 July and will have its British stop-over in Southampton on 27-29 July. The race then continues via Lorient, Vigo, Vilamoura to finish at Toulon on 13 August. Details from Heidi Corbridge. Tel: 01-222 8122 ext 279.

BC-Net Briefing. The Commission's BC-Net, the Europe-wide business co-operation network which helps small businesses to find partners in other community countries, is now a year old. A briefing on the first year's operations and the prospects is being held in this office on Monday, 10 July at 10.30 am.

Diary Dates

Informal Social Affairs Ministers	10 July	Auxerre
ECO/FIN Council	10 July	Brussels
ECO/SOC Plenary Session	12-13 July	Brussels
General Affairs Council	17-18 July	Brussels
Internal Market Council	18 July	Brussels
Agricultural Council	24-25 July	Brussels
European Parliament Session	25-28 July	Strasbourg
Budget Council	28 July	Brussels

Our next briefing will take place on Thursday, 13 July at 11.30 am.