



COMMISSION
OF THE EUROPEAN
COMMUNITIES

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THE WEEK IN EUROPE

UK join ERM. The United Kingdom's long awaited entry into the EMS Exchange Rate Mechanism took effect on Monday. The central rate set was DM 2.95 with a fluctuation band of 6%. The move marks a new chapter in the UK's membership of the EC. The European Commission under the Presidency of Jacques Delors welcomed "this important further development on stage 1 of Economic and Monetary Union", which started on 1 July 1990. A statement issued in Brussels said participation in the ERM, provided it was accompanied by the appropriate macro-economic and structural policies and a rapid move to the narrow margins, would "allow the UK to regain monetary stability, leading to strengthened growth and employment creation". The success of stage 1 and the achievement of greater convergence was essential for the progress of EMU and this decision "would facilitate the work of the InterGovernmental Conference which meets in December". The Commission also welcomed the beneficial effect of this decision for the Ecu saying that a more stable sterling would lead to a stronger basket. Commission Vice-President Sir Leon Brittan commented: "This is good news for Britain and good news for Europe. It will help the fight against inflation and is good for British business". Entering the ERM with 6% margins puts the UK on a par with Spain. Greece and Portugal are the only EC countries still outside the ERM. Stage 2 of EMU comes next. This is the transition stage of the Delors plan during which convergence of economic policies should lead to a narrowing of the currency fluctuations among member countries inside the ERM and eventually a lock on exchange rates - at which point they will be more or less fixed. Then comes Stage 3, when monetary policy within the EC would be administered by a European Central Bank, fiscal policy will be fully coordinated and there will be a single European currency. Much of the current debate is about the nature of the transition, or Stage 2, with the UK announcing its own alternative plan for the creation of a parallel currency, known as the hard Ecu.

EC debates new foreign policy strategy. After a weekend meeting of EC Foreign Ministers near Venice, a consensus on proposals from France and FRG to bring foreign and defence policy closer together has emerged. Focus of the debate was an Italian paper entitled "Unity and Coherence of the Community's International Action" which however made no explicit recommendations about the way in which political authority for defence and other policies might be transferred to the Community. All this was part of the advance preparation for the InterGovernmental Conference on European political union which starts in Rome in mid-December. On foreign policy there was some support for the idea floated by Gianni De Michelis, Italy's Foreign Minister, of merging the EC's foreign policy with the security responsibilities of the nine-nation Western European Union. However, De Michelis has admitted that such a fusion must be a long-term objective. De Michelis also revealed on Tuesday that Europe will shortly have its third parliamentary assembly - (the other two being the European Parliament and the Parliamentary Assembly of the Council of Europe) which will be set up by a Summit of the 34 nation Conference on Security and Cooperation which meets in Paris next month. He said he expected the Paris Summit due to start 19 November to propose that the national parliamentary delegations to the existing 24 country Council of Europe be the same as for the CSCE Assembly. The new Assembly will, like the European parliament, be based in Strasbourg.

Farm Ministers adjourn debate. EC Agriculture Ministers as well as Industry Ministers failed to endorse cuts in EC farm support at their meetings in Luxembourg this week. The Ministers are being asked to endorse the Community's negotiating position on agriculture in the international trade talks known as the Uruguay Round. They will try again next week.

Commission on Jerusalem incidents. The Commission has issued a statement deploring the events in Jerusalem which led to the deaths of many Palestinians this week. It strongly condemns all provocation and violence from whatever side they come from and which can only delay and complicate still further the search for a solution to the Israel-Palestine conflict.

Commission takes action on noisy aircraft. The Commission has decided to take action against Belgium for failing to curb the landing and take off of noisy subsonic aircraft. It criticises the permission still given by the Belgian authorities to Boeing 707 cargo flights using regional Belgian airports.

Unemployment rises. Unemployment in the EC rose to 8.4% in August making the total out of work around 13 million.

Merger notification. The Commission has received the first official notification under the merger regulation which came into force on 21 September. It concerns the Volvo-Renault deal. The notification was received on 5 October.

Intervention over pricing for scientific journals. The Commission has succeeded in persuading Pergamon Press, a subsidiary of Maxwell Communication Corporation PLC, to accelerate measures aimed at reducing price differences for scientific journals between Member States.

Who's Who in European Politics. The first comprehensive Who's Who of West European politics offering unrivalled breadth and depth of coverage, with 6,000 reliable biographies of politicians at all levels in 22 countries, plus the European Parliament and the Commission. Hardcover - 800 pages. ISBN - 0862919118. Price £149.00 from Liz Totterdell, Bowker-Saur Ltd, Borough Green, Sevenoaks, Kent TN15 8PA. Tel: 0732 884567. Fax: 0732 884530.

Horwath Book of Tourism. Initiated by Horwath Consulting, the international hotel, tourism and leisure consultancy this book examines the many factors which affect the development of international tourism. ISBN 0-333-52684-8. Price £40. Details: Nicola Clark Tel: 0256 29242.

1990 Directory of EEC Information Sources. This vast English-language tome, indispensable for librarians and others, is published by Euroconfidentiel of Rue de Rixensart 18, 1320 Genval, Belgium; cost 7700 Belgian Francs inclusive of packing and postage.

ECU Monitor. This fortnightly newsletter, launched last week, contains data on all market transactions, bond, swaps, futures and options, plus news and comment on political and economic developments affecting EMU. Details from Richard Morrissey, Editor, IFR Publishing Ltd. Tel: 071-538 5959.

Conference and Diary Dates.

Europe - What's in it for you? Conference at Bournemouth International Centre on Friday, 19 October. Intended for students of 16 plus. Organised by local Euro MP Bryan Cassidy in cooperation with the Careers Department of Dorset County Council. Tickets available from Careers office of Dorset County Council, price £1. Tel: 0305 204740. Bryan Cassidy's Blandford office - Tel: 0258 452420.

The Irish Presidency of the EC. 24 October from 10.00am to 5.00pm. At the Council Room, King's College, Strand, London WC2. Organised by UACES and the Irish Association for Contemporary European Studies. Details from Eva Evans, UACES Secretariat, King's College. Tel: 071-240 0206.

European Movement meeting. 25 October at 6.30pm at the offices of the European Parliament, 2 Queen Anne's Gate, London SW1. Martyn Bond will outline the EP's forthcoming programme.

EC Agenda for the 1990's. 8 November in Newcastle-upon-Tyne. Introducing the EC issues to be faced in Northern Britain. Details from Kay Lough, Royal Town Planning Institute Northern Branch. Tel: 091-222 6000 Ext. 7812.

Recent Trends in the Euromarket. 19 November. A one day seminar organised by the London and Stockholm Chambers of Commerce. For details contact Ralph Stevens, London Chamber of Commerce. Tel: 071-248 4444. Fax: 071-489 0391.

Environment White Paper Conference. 19 November. Analysing the business implications of the Environment White Paper and future environmental legislation. Venue - The Park Lane Hotel, London W1. Organised by Environmental Policy Consultants. Details Tel: 081-678 6865.

A Constitution for Europe 16-17 December at Royal Holloway and New Bedford College organised by the Lothian Foundation under the auspices of the Federal Trust and European Movement. Details: Conference Secretary, Lothian Foundation, 1 Whitehall Place, London SW1A 2DA. Tel: 071-930 3413.

Informal Fishing Ministers	12 October	Palermo
Industry Council	15 October	Luxembourg
Agriculture Council	15-16 October	Luxembourg
ECO/SOC Plenary Session	17-18 October	Brussels
Consumers Council	22 October	Luxembourg
General Affairs Council	22-23 October	Luxembourg
European Parliament Session	22-26 October	Strasbourg
European Council	27-28 October	Rome
Environment Council	29 October	Luxembourg
Energy Council	29 October	Luxembourg
Transport Council	30 October	Luxembourg

Our next Briefing will be on Thursday, 18 October at 11.30am.