



COMMISSION  
OF THE EUROPEAN  
COMMUNITIES

Jean Monnet House  
8 Storey's Gate London SW1P 3AT  
Telephone: 071-973 1992  
Fax: 071-973 1900

WE/38/91  
31 October 1991

### THE WEEK IN EUROPE

Dutch draft monetary union treaty. The Dutch presidency of the European Community on Monday tabled the draft of an economic and monetary union treaty giving the UK a let-out, but said it hoped all EC states would accept a commitment to an eventual single currency. However, on Tuesday the UK Government assessed this separate declaration as "irrelevant" although it gave a general welcome to the draft of the new treaty. Wim Kok, the Dutch Finance Minister, said he would ask all EC governments, including the UK's, to sign the declaration at the Maastricht summit on 9/10 December to "express their strong preference for a swift transition" to the final stage of economic and monetary union (EMU). The Dutch draft allows any state whose "Parliament does not feel able to approve the irrevocable fixing of its currency" to opt out by seeking "exemption". The formulation in the Presidency proposal is that the Council should not oblige a Member State to participate in the third stage if the Member State concerned had given notification that the national Parliament withheld its approval. The Dutch Presidency has also launched an effort to give the European Parliament a role in amending secondary legislation that would flow from EMU and to strengthen the Commission's role vis-a-vis the planned European Central Bank and that of the Council of Ministers - in running the common monetary policy.

European defence debate. An inconclusive meeting this week in Bonn of all the Foreign and Defence Ministers of the nine-nation Western European Union (WEU) left a clear divide over a future "European defence identity". France, in particular, made clear it was not ready to negotiate a precise definition of the WEU's future role before the EC summit in Maastricht while the UK warned that without such a definition any substantial agreement on defence at the summit was unlikely. Both sides to the argument agree, however, they want a clear European defence identity; that it should be influenced by the structures of European political union (under the EC) as well as NATO, and that a multi-national force could be established at least for "out of area" activities. The defence debate will now be continued both within the Inter-Governmental conference preparing for the Maastricht summit on European political union and within the WEU, which meets again on 18 November. The NATO summit meets this coming week in Rome.

Brittan optimistic on Maastricht. Commission Vice-President Sir Leon Brittan, in a speech yesterday (Wednesday) in Brussels, said he was optimistic that agreement can be reached at Maastricht on a Common Foreign and Security policy. He said the differences between the Member States were outweighed many times over by their common desire to create new and more ambitious European structures. He added there would be much brinkmanship in the coming weeks and no doubt there would be talk of crisis and breakdown. But, he said, the will to create a common policy must prevail over the differences of emphasis which still existed.

EC ultimatum to Yugoslavia. The European Community has given the warring factions in Yugoslavia until 5 November to indicate acceptance of the outlines of an EC-proposed peace settlement or face sweeping economic and political sanctions. Only Serbia has so far failed to acquiesce. The sanctions could be imposed by a special meeting of EC Foreign Ministers during the NATO summit and would in turn be seen as a big step towards EC recognition of the breakaway Yugoslav republics. On Monday the EC Foreign Ministers said they would convene one more peace summit in the Hague next Tuesday to see whether they can agree on the lines of the draft peace settlement already submitted by the EC and accepted in principle by five of the six Yugoslav republics. The Commission is understood to be finalising a list of economic and diplomatic sanctions to be put before the Ministers later.

Opening up the energy market. The Commission has ruled out immediate use of special legal powers to break up energy production monopolies and outlined to EC Energy Ministers, meeting in Luxembourg on Tuesday, plans for gradual opening up of the energy market. The Commission was asked to come up with formal draft measures by the end of the year. It seems likely that the energy market will not be completely open to competition until 1996 at the earliest. Energy Commissioner Antonio Cardoso e Cunha said details of the final step to full energy liberalisation - from 1996 onwards - would depend on "the evolution of the penultimate phase" of the programme.

Pilkington joint venture cleared. The Commission has authorised the creation of a joint venture in optronics to be established by the French electronics group, Thomson-CSF, and Pilkington PLC of the UK. The vehicle used for the joint venture is an existing subsidiary of Pilkington, Pilkington Optronics, which deals with all optronics activities of the group. Through a British subsidiary, Thomson-CSF will take a 49.99% stake in Pilkington Optronics. Optronics are mainly used in the defence sector.

UK backs Commission on fish stocks. The UK has strongly supported a Council decision to conserve fish stocks in the North Sea and protect dolphins in the north-east Atlantic tuna fisheries. The EC agreement on Monday night to a timetable for requiring larger-mesh nets in the North Sea ended two years of haggling over how to stop the depletion of stocks. EC Fishery Ministers also agreed on a north-east Atlantic ban on driftnets of over 2.5 km, in which dolphins can become ensnared and drown, but allowed exemptions to French and Danish fishermen. Vice-President Manuel Marin, the Fisheries Commissioner, said EC countries had finally understood that conservation measures were "inevitable".

EC aid for UK. British fishing fleets and fish farming projects have been granted £863,000 of EC aid towards projects in Scotland, Northern Ireland and Grimsby in Humberside. These grants are aimed at encouraging diversification of the industry and for the modernisation of small boats, measures designed to help preserve fish stocks.

Exports boost following German reunification. German unification has strongly stimulated the economic performance of the 11 other EC states says a study published by the German Foreign Office. The transfer of capital and the massive investments in Eastern Germany have served EC partners as an economic locomotive, it says. In the first seven months of 1991 their exports to Germany expanded on average by 23.6%; their imports from Germany by only 1.2%. The highest rate of export growth - 42% - was registered by Spain, followed by Denmark (31.1%), Belgium/Luxembourg (28.2%), France (27%), Portugal (22.2%), Italy (20.9%), and the Netherlands (18.1%). Especially noteworthy was the effect on the reductions in trade deficits of Germany's partners - the UK's by DM 5.3bn or 59%.

Lord Mayor's Show. Sir Brian Jenkins, Lord Mayor-elect of the City of London, visited the European Commission's London Office today to meet European journalists. Sir Brian has chosen the City's connection with the EC as the theme of his term of office and has arranged for the Commission's Mobile Information Unit, flanked by young City Alderman carrying City and European flags, to follow the Lord Mayor's coach during his traditional parade from the Mansion House on 9 November.

"Eurotitles" a new quarterly publication designed to keep abreast of EC developments and statistics. Contact Anne Ramsay or Maimie Balfour, European Documentation Centre, Newcastle Polytechnic Library, Ellison Place, Newcastle-upon-Tyne NE1 8ST. Tel: 091-235 8136. Fax: 091-235 8563.

Conference and Diary Dates

**APROMA - EEC/ACP/Central Europe and USSR.** Professional meetings on the development of trade and industry in agricultural commodities at the Palace Hotel, Brussels. 12-15 November. Details from APROMA, 55 rue de Prony, 75017 Paris. Tel: 010-33-1-42 670431 or for reservations etc contact Dominique Magada, Federation of Commodity Associations in London on 071-481 2080. Fax: 071-702 9924.

**Europe - What's in it for you?** A one day briefing for local councillors and others requiring an overview of EC issues from a local government viewpoint; 15 November - cost £88 incl VAT, lunch and documentation. Organised by the Local Government International Bureau, 35 Great Smith Street, London SW1P 3BJ. Contact Rachael Lavender on 071-222 1636 for further details.

**EC Research and Development seminar.** Organised by Mid Wales Export Association Ltd with DG XII and XIII and the Cabinet Office. Starts 9.00 am on 15 November at Rossett Hall, Chester Road, Rossett, Clwyd. Details from Jane Tudor, Mid Wales, Export Association on 0938-555000. Fax: 0938-555200.

**Local Authorities and the Single European Market.** 22 November, Law Society's Hall, Chancery Lane, London WC2. Organised by Local Government Group of the Law Society in association with Lawrence Graham. Details LGG, 10 Lynwick Street, Rudgwick, Nr Horsham, West Sussex RH12 3DJ. Fax: 0403 823388.

**The EC and a world policy for the environment.** Two day international conference 28-29 November at Commonwealth House, Northumberland Avenue, London with Jonathon Porritt, EC officials and Minister of State Tony Baldry MP. Organised by Federal Trust - Tel: 071-259 9990. Fax: 071-259 9505.

**Public Procurement: the impact of the EC Directives.** A one day conference, 28 November at the Cafe Royal, London W1. Speakers include John Drew, head of UK offices, European Commission. Organised by Westminster Management Consultants Ltd, Westminster House, Victoria Road, Woking, Surrey GU22 7PL.

Internal Market Council	7 November	Brussels
ECO/FIN Council	11 November	Brussels
Foreign Ministers Conclave	12-14 November	Noordwijk
European Parliament Session	18-22 November	Strasbourg

Our next briefing will be on Thursday, 7 November, at 11.30am.