



COMMISSION
OF THE EUROPEAN
COMMUNITIES

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THE WEEK IN EUROPE

Last Stage to Maastricht. Final adjustments are now being made to the two new Treaties which will be discussed by the Heads of State and Government in the Dutch city of Maastricht on Monday and Tuesday. UK Prime Minister John Major continued his series of visits with a meeting in Dublin yesterday (Wednesday) with the Taoiseach, Charles Haughey. Major was in The Hague last weekend and received President Mitterrand in London on Monday. Meanwhile two separate marathon sessions of Foreign Ministers and of Finance Ministers in Brussels put the finishing touches to the two drafts of the Treaties on European Political Union and Economic and Monetary Union. A third Council at the same time brought together Social Affairs Ministers for discussions on aspects of the Social Charter which the UK challenges. There was some confusion over whether the word 'federal' would still figure in the texts with the French Foreign Minister saying it would go but with the current chairman of the Council of Ministers Hans van den Broek saying that a price would have to be paid by the British to see it out. There seemed to be a clearer course towards consensus in the negotiations on Economic and Monetary Union. It was widely reported that some kind of opt-out clause on moves towards a single currency should be available to satisfy the British. For the Commission, President Jacques Delors has expressed confidence in a successful outcome of the Maastricht summit early next week.

UK public opinion and the EC. The Commission's Eurobarometer poll found in a survey, conducted last month, that 51% of the UK population believed the European Parliament should be given enhanced legislative powers; 27% disagreed. On foreign and defence policy 40% of the 1381 people polled in the UK agreed that the EC should be responsible for determining policy. But a slightly larger proportion - 48% - was against the notion. Limiting EC responsibility for matters of security and defence the figures improved, with 50% in favour and 33% against. On monetary union 40% were in favour of a single currency and 42% against. The proposal that fiscal policy should be the domain of a European Central Bank drew 41% support; 38% opposed it.

Annual Economic Report 1991/92. Commission Vice-President Henning Christophersen yesterday (Wednesday) presented an up-beat assessment of the Community's economic prospects. The Annual Economic Report 1991/92 including provisions for 1992/93 showed GDP growth this year will be 1.3% with increases to 2.25% in 1992 and 2.5% in 1993. Recovery will be based on an increase in consumption and investment assuming restoration of confidence. The Vice-President however stressed that monetary policy must remain tight as inflationary pressures are still high in a number of countries. Recovery and progress towards convergence had to be supported through significant and decisive progress in the realisation of the internal market, economic and monetary union, cohesion and the Uruguay Round. It would be equally important for the Maastricht Summit to result in a firm commitment to the two unions, Christophersen said. Only such a commitment could create the necessary confidence and basis for improved growth prospects and at the same time facilitate the necessary adjustments.

EC unemployment on the rise. Latest statistics, published by Eurostat, show that the percentage of EC jobless now stands at 9.1% for August - and not 8.9% as calculated initially - remaining at 9.1% for September. Eurostat estimates that the total number of unemployed in the EC stood at 13.2m in September, to which total can be added 1m jobless in the East German Laender. Ireland still has the highest rate of unemployed with 17.9%, followed by Spain with 15.5%. The figure for France, Italy and the UK is 10%, and 9.4% for Denmark. In Germany unemployment stands at 4.7%.

Car intermediaries in the EC. The Commission has taken a significant step towards reducing obstacles faced by consumers who wish to buy cars more cheaply from another Community country. Vice-President Sir Leon Brittan, responsible for competition policy, announced rejection of a complaint by Peugeot that another company was re-selling on the open market in France cars bought in Belgium and Luxembourg. It was suggested that the Commission's action should help to reduce large discrepancies in car prices across the Community.

Millan in Strasbourg. Commissioner Bruce Millan, responsible for regional policy, attended the 2nd European Parliament/EC Regions conference from 27-29 November in Strasbourg. Millan underlined the political importance of this initiative which brought together the representatives of 180 Community regions on the eve of the Maastricht summit. Millan told the conference that at the beginning of 1992 a new series of measures on structural fund policy will be put forward by the Commission. These initiatives include transport networks,

the environment, urban areas and basic education structures. Commission President Jacques Delors, prevented from attending because of bad weather, sent a message offering his full support for the initiative.

The EC and Japan. According to the latest Eurobarometer public opinion poll, published last Friday, the EC is quite well known in Japan - four out of five Japanese (79%) say they have heard of it. The Association of South-East Asian Nations (ASEAN) is marginally better known (82%). Those Japanese giving an opinion tend to perceive correctly that the EC has a larger population (32%) than the United States (15%) and that Japan's trade with the US is greater (48%) than that with the Community (7%). They also feel that the average Japanese citizen is wealthier (32%) than the average EC citizen (20%). When asked which countries are members of the Community, the most populated countries are top of the list - France (50%), UK (46%), Germany (41%) and Italy (38%). A third of the Japanese public can give at least one correct answer (35%), a sixth both right and wrong answers (17%) while around half does not know (48%).

GATT negotiations. Top-level negotiators from the EC and the US held two days of talks in an attempt to provide the final push to five years of GATT trade liberalisation discussions. Deep-rooted problems over the level of farm protection have held up the negotiations although there are now reports of a possible breakthrough. Washington is reported to have scaled down demands for cuts of at least 75% in the EC agricultural support - the key to agreement on services, textiles and preventing ideas from piracy - in return for an agreement which would ensure cuts of 35% in the export subsidies provided by the Common Agricultural Policy. Officials believe a draft agreement could be in place by 20 December.

Progress on the Social Charter. The Commission has just adopted its first report on the application of the EC Social Charter which is to be transmitted to the Council, European Parliament and to the Economic and Social Committee. The 300 page report deals partly with the progress made in implementing the 47 initiatives in the Action Programme, partly with country by country reports. The UK, which does not subscribe to the Charter, presented a report describing general rights, protection and freedoms in the social domain.

Airbus. Some weeks ago Airbus made public its concern that British Airways, General Electric and Boeing had been in breach of the EC competition rules, when British Airways ordered Boeing planes rather than the Airbus. The Commission has considered the points raised by Airbus, and Airbus has now informed the Commission that it does not at present intend to make a formal complaint.

Riff-Raff and the Media Programme. The UK film Riff-Raff, directed by Ken Loach, has won the Prix Felix for the best film in 1991 at a festival in Berlin. The production of the film was backed by the Community's MEDIA programme and had received the support of the European Film Distribution office.

Community loan to Romania. The Community and Romania last week signed an agreement to extend a medium-term loan of 375m ecus (£262m) to Romania. The loan is part of a package of measures being mobilised by the Group of 24 aiming at providing a total one billion dollars in balance of payments support to Romania. To date, the EC and other G24 members have committed some \$730m for 1991.

"EEC Competition Law Handbook 1991 edition". All the best features of the first edition have been retained, but new sections have been added on coal and steel, industrial and intellectual property, financial services, a full bibliography giving details of further reading, and a table of merger decisions. The authors are all practitioners working in the Merger Task Force of the Directorate General for Competition, the Commission's Legal Service and the European Court of Justice. ISBN 0421441100 - Price £50.

"EC Insurance Law". A new clear and authoritative guide to EC law in the insurance industry published by Cameron Markby Hewitt, London and Brussels. 336 pages - Price £75, plus £2.50 p & p, from Chancery Law Publishing Ltd, 22 Eastcastle Street, London W1N 7PA.

Conference and Diary Dates

The European Community: what price local self-government? A 24 hour residential seminar for elected members, senior officers and others concerned for the future of local government in Europe. 9 - 10 December at SAUS, Bristol University. Cost £255 including accommodation and meals. Details from Katherine Green, Course Secretary on 0272 741117.

Single Market and Public Procurement Conference. 19-20 December in Paris. Hotel Pullman St Jacques, Boulevard St Jacques 75014 Paris. Details 010 331 4002 7670. Fax: 010 331 4002 7262.

European Council	9-10 December	Maastricht
European Parliament session	9-13 December	Strasbourg
Agriculture Council	11-12 December	Brussels
Joint Energy/Environment Council	12 December	Brussels
Environment Council	12-13 December	Brussels
General Affairs Council	16-17 December	Brussels

Our next briefing will be on Thursday, 12 December at 11.30am.