

Week of May 4 to 9

TRADE: The end of the embargo on grain sales to the Soviet Union

Following the Soviet intervention in Afghanistan, the U.S. Government applied a partial embargo on exports of agricultural products to the Soviet Union. The European Community Council of Ministers in turn decided that European shipments should not replace, directly or indirectly, the deliveries held back by the United States from the Soviet Union.

Now that the Administration of President Reagan has lifted this embargo, the European restrictions have lost their meaning. The European Commission has therefore said it is ready to take the necessary measures to allow a normal development of Community agricultural exports, especially cereals, toward the Soviet Union. The trade pattern between the Community and Eastern Europe was not affected by the embargo, which lasted over 15 months.

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What is the European Community's action plan to improve the quality of European wines and to eliminate surpluses?
What impact will the entry of Spain and Portugal have on this situation?

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EMPLOYMENT : Five guidelines for fighting unemployment

The European Community saw its unemployment rate increase by 30 % during the last year. The Ten counted some 8.5 million registered unemployed at the end of March 1981, that is about 7.5 % of the active population. In March 1980, the average unemployment rate was only 5.7 %. Belgium and Ireland, where more than 10 % of the population is without work, are in a particularly bad shape.

Such a situation is particularly worrying - and not only for the obvious economic and psychological difficulties it creates for the job-seekers. A number of other problems are also caused by unemployment including social inflicts, inflation, and a downturn in revenues from workers' contributions to the national social security and unemployment benefits.

Given the financial difficulties facing all European governments, essentially because of soaring oil prices, efforts to combat growing unemployment are subject to serious budgetary constraints. Imagination and a certain amount of boldness are therefore clearly called for.

The European Commission has just drawn up a working paper on the problems of unemployment in preparation for the EEC ministerial meeting on social affairs scheduled to be held on June 9. Stressing that "there are no quick or easy solutions" to the problem, the Commission proposes five guidelines which should be taken into consideration by Member States in their social policies :

- despite existing economic difficulties, social solidarity, particularly towards the poorest classes, should be maintained. The Ten should see to it that certain excesses, particularly undeclared jobs, are avoided;
- the Commission notes that certain specific problems need to be examined, including the effectiveness of income policies, and the dissuasive effects on employment of the different methods of financing social security on the basis of pay;
- human and financial resources should be redirected towards rapidly expanding sectors (certain services, new sources of energy, data-processing, etc.). Job-creation in the small and medium-sized enterprises should also be encouraged;
- the Commission attaches a great deal of importance to flexibility, mobility and a sense of initiative in the active population. Education and training have a primary role to play in this sector. Special emphasis should also be given to encouraging greater flexibility in working time for all employees;

- finally, a better analysis of the impact of public expenditure on employment is called for by the Commission. One possible alternative suggested by the Commission concerns allocating expenditure for the development of training or the creation of jobs rather than the payment of unemployment benefits.

These questions will undoubtedly be the focus of EEC debate for months to come.

DEVELOPMENT : increasing EEC aid to refugees

The alarming increase in the number of refugees and displaced persons in the Third World, particularly in Africa and Asia, was highlighted at an international conference held in Geneva recently. United Nations experts stress that there are about 5 million refugees in Africa alone. The number of Afghan refugees in Pakistan is expected to increase to 2 million in the coming year. Kampuchean refugees currently seeking asylum in Vietnam number about 35,000. Those in Thailand are estimated at about 1.5 million.

International assistance is urgently required to cope with the situation. The European Community has responded to the appeals for aid launched recently by the United Nations High Commissioner for Refugees by increasing its assistance to the different aid programmes currently being undertaken in both Africa and Asia. EEC aid to refugees in Africa quadrupled during the period 1979 to 1980 to reach 42 million dollars. Food aid to Africa is currently estimated at 19 million dollars, compared with 8 million dollars in 1979. Total EEC aid, including emergency assistance and food aid, for African refugees is valued at about 68 million dollars.

Major beneficiaries of recent European Community aid decisions in favour of refugees and displaced persons in Africa include Somalia, Zaire, Sudan, Nigeria and Uganda.

The aid given to Somalia totalled 12 million dollars and will be used exclusively to improve living conditions for the 1 million refugees from the Ogaden currently seeking shelter and asylum in the country. Ugandan refugees in Zaire, numbered at 35,000 currently, will receive 1.8 million dollars in EEC assistance.

Afghan refugees in Pakistan will benefit from EEC aid worth about 28.2 million dollars. This includes direct financial assistance worth about 18 million dollars and food aid valued at another 10.2 million dollars.

The Community has also called on EEC Member States to increase their bilateral contributions to the United Nations programme.

Following an international appeal for aid launched by several United Nations agencies, the Community will also grant 6 million dollars in aid to Kampuchean refugees in Vietnam and Thailand.

HEALTH: What about a European health card?

Travel within Community frontiers has grown in recent years. These trips are both for business and pleasure. Travelling can be enjoyable - until you fall ill or have an accident. Lack of information on medical questions and the medical insurance held by the victim of an accident can cause real problems in an emergency and prevent rapid and appropriate action.

EEC Health ministers undertook a study of the possibility of introducing an EEC-wide "health card" in 1978. Such a card would include all information relating to the health of the person carrying it (past medical history, allergies, blood group, etc.). The card would be delivered to all European citizens by his or her doctor.

There has been some opposition to the idea. The United Kingdom has stressed that the health card should guarantee EEC citizens the right to free emergency medical treatment in all Community countries. This is rejected by other Member States.

However, Community citizens travelling to another Member State can get treatment if they bring with them form E111 which can be obtained from social security offices.

No Member State has introduced such a health card for all its citizens. Only people with serious health problems (suffering from serious disease) possess such a card in Germany and Luxembourg. These people represent 8 to 10% of the population. Indications are that the card has proved to be very useful.

The committee for environment, public health and consumer protection of the European Parliament has drafted a resolution which undoubtedly will be discussed in the plenary session next June. This proposition reaffirms that the creation of a European health card for all European citizens should continue to be the Community's objective. But, given continuing difficulties in its introduction, the committee suggests that it should be introduced on a non-compulsory basis - at least for the first few years. The committee suggests that the card should be given to those who ask for it, and to all handicapped persons.

ENERGY: How to get rid of a nuclear power station...

Like most industrial installations, a nuclear power station has only a limited lifetime of usefulness. After about 30 or 40 years of operation, these have to be removed from service, either because some of their components are used or because their technical characteristics are outmoded and no longer meet requirements.

In principle, such plants have to be dismantled. But such a complex undertaking cannot obviously be accomplished from one day to the next for fear of endangering the health and safety of the workers exposed to the radiation from the installation.

On March 27, 1979, the European Community's Council of Ministers adopted a multiannual programme of research on the deactivation of nuclear power stations. According to the classic scenario, this deactivation would proceed in three consecutive phases.

First would come a "cocoon", consisting of sealing up the operation and eliminating all non-solid substances. Then would come the "burial", which would involve the dismantling of all parts of the facility with the exception of the reactor protected by a concrete shield. Lastly would come the complete dismantling which could only be undertaken after a delay sufficient to allow the extinction of the most dangerous forms of radioactivity. According to specialists, this delay could vary between 40 and 100 years.

Today, a number of experts feel that the second phase could be optional or even unnecessary, and that the third step could be undertaken directly after waiting for the normal delay from the first to third step. Answering a question from Anne-Marie Lizin, a Belgian Socialist member of the European Parliament, the European Commission recently recalled that the final objective of the deactivation of nuclear power stations is to free the site of these installations for other uses. As to the cost of this process, estimated to be about 15 percent of the construction cost, it is generally acknowledged that it should be borne by the operators of the facility. The European Commission also notes that these operators would be likely to pass on the cost to the electricity consumer.

To this day, only one small American power station has been entirely dismantled. Nevertheless, this experience and information is a valuable addition to the knowledge about nuclear power.

There are about 50 nuclear power stations in existence in the European Community (44 at the end of 1979), accounting for about 11 percent of total energy production.

ENVIRONMENT: The impact of abandoned agricultural land

With the massive exodus of the rural population to urban centres in recent years throughout much of Europe, a new problem has surfaced in some countries concerning the consequences of farmland being abandoned.

While the problem hardly concerns some countries, it is very evident in many other regions of Europe, where large areas have been abandoned and are gradually reverting to uncontrolled wildlife. First, the area is covered with tall wild grass, to be followed by brush and perhaps a change in the composition of the land itself which may include marshes. The last phase, decades later, can include reforestation and new habitats for animals and insects.

All these are the visible developments. Relatively little study has been concentrated on the ecological consequences of this process. As a step towards filling this gap, the European Commission in Brussels recently sponsored and published a study conducted by a German research organisation into the ecological consequences of abandoned farmland.

The resulting study notes that Europe has experienced a number of different historical periods during which farmland has been abandoned, first towards the 14th and 15th centuries, then during the 1800s and more recently since the beginning of the 1950s. According to the report, the problem of derelict land is especially noticeable in Germany, France and Italy, and it has reached dimensions where measures should be taken as a matter of urgency.

If the problem exists at all in the other countries of the European Community, it is insignificant. For instance, in the heavily-populated Benelux countries and in Denmark there are few if any such regions. Practically none exist in Great Britain and Ireland, according to the study, but a considerable amount of the farmland in those two countries is considered economically marginal and underused and this could easily become abandoned.

A combination of factors has led to this problem, including the declining income of the agricultural population, the attraction of industrial or urban occupations, the increased mechanisation of agriculture, urban development and a number of others which have gone hand-in-hand with the general rural exodus. The recent EEC-commissioned study concluded that not enough hard research had been conducted into the negative or positive effects of land being abandoned, but that the existing information appears inconclusive and sometimes even contradictory. Such new wasteland can sometimes lead to the chemical enrichment of the land, but also to either soil erosion or a disruption of the water balance, leading to marshes. The climate in the region can be altered through changes in temperature and oxygen generated by increased vegetation and a larger animal, insect and reptile population which can also upset the ecosystem or lead in some cases to more carriers of disease.

But, as in much research, this study clearly indicates that more examination is needed to really understand this growing problem.

THE FUTURE FOR EUROPEAN WINE

The total average world production of wine in recent years all over the world has amounted to about 300 million hectolitres. By itself, the European Community accounts for about half of this total production. Europe is not only the world's biggest wine producer, but it is also the world's largest consumer. With their 270 million inhabitants, the ten Community member countries consume some 135 million hectolitres of wine per year. In other terms, each European drinks some 50 litres during the space of one year. This is naturally an average and statistics on consumption vary greatly from one country to another. The French take the lead with an average of nearly 100 litres per inhabitant, followed closely by the Italians. The last in this ranking are the British with 8 litres and the Irish with only 3 litres per year. As might be expected, the biggest drinkers of wine are also the biggest producers. Together, France and Italy account for nearly 90 percent of the Community's output, with Greece, Germany and Luxembourg representing the rest.

In these five countries there are some 3 million wine growers. This means that this sector has considerable socio-economic importance, which also represents one of the few economically rewarding elements of European agriculture. In fact, the Community exports nearly 7 million hectolitres of wine per year and imports only 5.5 million. The exported wines are largely quality wines whose reputations have spread beyond the confines of Europe.

Vineyards in the Community countries, excluding Greece, cover an area of 2,700,000 hectares, of which 27 percent produce quality wines and 69 percent ordinary table wines. The remaining 4 percent produce wine used to make alcohol. The output of red wine far surpasses that of white wine.

It is hard to remember now that it has only been since 1970 that wine began to circulate free of customs duty throughout the European Community. After intense negotiations, the six existing members of the Community finally decided to eliminate customs barriers. The impact of the decision was not long in coming. In just a few years trade more than doubled and consumption began to develop in areas which had no wine tradition.

Nevertheless, the Community quickly had to face a surplus of wine production. A first series of measures was adopted in 1976, which included a freeze on new planting of vineyards and the distillation and stockpiling of a portion of the wine produced. But it was only in 1978 that a true and complete revision of the policy towards wine was initiated.

How does the decade of the 1980s shape up for the Community wine sector. It should first of all be marked by two major developments. The first will be the entry of Spain and Portugal into the Community. While the output of Portugal is somewhat limited, Spain's arouses considerable concern. Its production tops on average 30 million hectolitres a year and some peak years reach 50 million hectolitres. The Community with 12 members will thus account for about 60 per cent of the world wine production: but will consumption increase?

It's precisely with the aim of reducing this imbalance between supply and demand that the Community proposed in 1980 that a five-year action programme be adopted for wine that would include at the same time the producing and consuming sectors. On the production side, the aim would be to encourage regions with a natural wine-growing vocation while also stimulating the withdrawal from vineyards where the production is of mediocre quality. Such a policy would allow for the improvement of some 200,000 hectares as a result of new plantings or replantings and would free 120,000 hectares of inferior quality vineyards.

On the consumption side, efforts would be designed to achieve a harmonisation of tax policies in all the member countries of the Community, so that wine would be taxed uniformly throughout the Community. In addition, a variety of other measures would be undertaken to increase the outlets for wine on the internal market as well as in other countries. This programme would be concluded by a number of more technical measures connected with the organisation of the market in wine.

The application of this action programme should have the positive effects of improving the quality of European wines, reducing the surpluses (almost always composed of mediocre wines) and offering the possibility to all the consumers in the Community to buy wines at reasonable and equivalent prices. Some five years will have to go by before the fruits of this policy are visible but in the meantime, wine drinkers will be assured of a continued flow from their favourite cellars.

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