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TERRORISM: European Community organizes itself to fight terrorism

Karachi, Istanbul, Paris ... The list of cities rocked by the latest terrorist attacks spans two continents. The fact is that today's terrorists, as Britain's Home Secretary, Douglas Hurd, declared recently, "are increasingly members of organizations which operate across national frontiers and have access to substantial sums of money, arms, equipment, technical knowledge and training".

Under these circumstances governments, clearly, must join forces if they are to take effective action against terrorists. A first, significant step in this direction was taken by the interior and justice ministers of the 12-nation European Community when they met in London recently in the framework of the Trevi group (named after the famous fountain that stands outside the Roman palace in which the group first met).

The emergency meeting, called by France, following an outbreak of Arab terrorism in Paris, agreed to a number of measures "designed to search out the vital links in terrorist operations and disrupt them", in the words of Britain's Douglas Hurd, who presided. To this end the Trevi group is setting up (1) new arrangements for regular, up-to-date assessments of terrorist threats, so as to target the major leaders and (2) a new system of rapid and secure communications between European police forces.

The twelve ministers did not go as far, however, as the European Parliament would have liked. Only a week before the London meeting the Euro-MPs, "shocked by the terrorist attacks committed in Istanbul and Karachi", had adopted, by 193 votes to 11, with one abstention, a resolution calling for "practical action" by the Twelve. The measures Parliament favoured included rigorous enforcement of extradition rules and the creation of a European anti-terrorist bureau, as well as a single European legal area.

The Euro-MPs recognized the need for simultaneous action at the political level. They called for "genuine Community involvement" in the efforts to bring about a negotiated settlement of the Arab-Israeli conflict. Peace in the Middle East, they maintained, would remove a root cause of terrorism.

In a separate resolution the European Parliament expressed "its disapproval of the growing hostility towards people from the Arab countries". The resolution was adopted by 118 votes to 38, with 59 abstentions.

JOBS: Ministerial level meeting agrees on a strategy for job creation

Unemployment, the European disease, is especially rife in Scotland. But it is in Scotland itself that a remedy may have been found by the ministers responsible for social affairs in the 12 European Community countries and the European Commission President, Jacques Delors. They reached agreement on the broad outlines of an employment strategy at an informal meeting in Edinburgh last month. If the twelve member governments so decide, this strategy could become a genuine Community employment policy.

The Edinburgh meeting was essentially an occasion for reflection; it resulted in neither a new Community regulation nor a new financial package. It was the first time, however, that a President of the European Commission took part in such a meeting. Jacques Delors was accompanied in fact by his Vice-President in charge of social affairs, Manuel Marin.

The twelve ministers gave top priority to job creation. They approved the broad lines of the memorandum submitted by the British, Irish and Italian governments some months ago. It lists four actions to be taken on a priority basis: more help for small businesses and the self-employed; developing the adaptability of wage earners; better training facilities and more supportive action in favour of the long-term unemployed.

The ministers will now prepare a detailed work programme for their December meeting. For its part, the European Commission will give them information on the most conclusive experiments carried out in the Community countries as well as the United States. President Delors believes that all 12 member states should be in a position to take advantage of the new methods used on both sides of the Atlantic to create new jobs.

But the ministers have made no financial provisions for any future employment programme. Kenneth Clarke, Britain's Employment Secretary, thought the European Social Fund could provide the sums needed. But this would require a review of the Fund's priorities: three-quarters of its aid is being channelled currently into youth employment schemes.

REGIONAL FUND: Nine countries to share a further ECU 545m.

The construction of two dams, a school of engineering and an agricultural college; the modernization of a biscuit factory and the expansion of a factory making accessories for motor vehicles are among the 89 projects for which the 12-nation European Community is providing ECU 545m. in grant form. The sum represents the sixth allocation this year from the European Regional Development Fund (ERDF) and is being shared out among nine Community countries, including Britain and Ireland+.

The total allocated so far this year amounts to nearly ECU 1,900m. Two member states have received the lion's share: Spain (ECU 583m.) and Italy (ECU 544m.), followed by Portugal (ECU 321m.).

The sixth allocation, approved recently by the European Commission, is for large-scale projects, costing more than ECU 5m. each. As a result, some nine-tenths of it has been earmarked for infrastructure projects, which are generally more expensive than industrial projects. Even so, investment projects in industry, craft industries and the services sector are to receive ECU 60m. They will help create nearly 2,900 new jobs and help save another 3,700, most of them in the U.K. (5,200).

Industrial projects in Britain include the modernization of Burton's Gold Medal Biscuits Ltd. in Gwent, Wales, and together they account for more than half the ECU 50m. which the U.K. is receiving. Other industrial projects include the takeover of a plant manufacturing plastic components for industry in France and the expansion of a German factory making motor vehicle accessories.

Infrastructure projects will share a total of ECU 485m. The largest of them is in Italy and involves the rebuilding of a link road in the Naples area. The sixth allocation will also help finance the construction of two dams in Spain and a stretch of roadway in the Netherlands.

In Ireland, which is receiving ECU 35m., all of it for infrastructure investments, the ERDF will help meet the cost of a new school of engineering at University College, Dublin. In Portugal, the ERDF is financing the construction and fitting out of an agricultural college in the "Centro" region (ECU 3m.).

The sums allocated to Greece (ECU 75m.) will be used in part for the purchase of two light aircraft, to link the Aegean islands.

* 1 ECU = UK£ 0.69 or IRL 0.76.

+ The others are France, Germany, Greece, Italy, the Netherlands, Portugal and Spain.

ENVIRONMENT: Community policy enters a new phase

Over the next six years environmental protection will become an integral part of economic and social policies if the European Commission has its way. The fourth action programme, which the Environment Commissioner, Stanley Clinton Davis, has just presented to the 12 European Community member states, calls on them to make sure their policies are ecologically sound also.

Since the first action programme in 1973 the Community has adopted a number of regulations. Most of them have been aimed at reducing pollution levels, although their implementation has been less than satisfactory on occasion.

The third action programme (1982-86) seeks to change the role of environmental policy in a fundamental way. The European Commission intends to take advantage of several favourable circumstances to give a fresh impetus to environmental protection throughout the 12-nation Community.

In March 1985 the Community's heads of state and government underlined the job-creating potential of environmental protection. Last December they decided to include a chapter on the environment in the Single Act which modifies the Treaty of Rome, the Community's "constitution".* Finally, the Twelve declared 1987 the European Year of the Environment.

In order to translate these good intentions into reality the European Commission envisages an action programme whose priorities include the safe use of nuclear power, the recycling of waste, a further reduction in air, water and soil pollution as well as strict controls on chemicals and new measures to govern developments in biotechnology.

To ensure better implementation of existing regulations the Commission could have recourse to Community environment inspectors. It also wants to encourage people to report cases of violation of Community regulations. Finally, the action programme stipulates that Community funds, from its Regional Fund, for example, would be made available only for projects which are ecologically sound as well.

* The Single Act must be ratified by all 12 national Parliaments before it can come into force.

UNEMPLOYMENT: A slight rise in August

Unemployment in the 12-nation European Community was some 24,000 higher at the end of August as compared to the previous month. Some two-thirds of these were under 25. But if the number of jobless continues to hover around the 15.6 million mark, male unemployment continues to fall.

Unemployment among women rose 0.6% in August to reach 6.9 million, but among men it fell by 0.2% to 8.7 million. The seasonally-adjusted figures for both groups show a 1% decline in male unemployment since March and a 2% rise in female unemployment.

The numbers out of work declined in half the member states in August: Germany, the Netherlands and the four southern countries. Unemployment rose everywhere else except the U.K., where it was stationary.

Unemployment in the Community has risen 1.5% in a year. The rise in female unemployment has been as much as 4.5%, as compared to a 0.8% fall in male unemployment. On the whole, the richer member states have experienced falling unemployment over the 12-month period to August: Germany, Denmark and the three Benelux countries. Elsewhere it has risen at rates which vary from 1.2% in the U.K. to over 8% in Italy.

INFLATION: Community price index records first-ever fall in July

Prices held steady in the 12-nation European Community this summer. The consumer price index fell by 0.1% in July for the first time and rose by 0.1% in August. But the situation varied from country to country. Prices fell in Germany and Luxembourg but rose by 1% in Spain in July and in Portugal in August.

The consumer price index rose 3.2% in the Community over the 12 months to this August. During this same period the United States recorded an inflation rate of 1.5% and Japan of 1%.

Germany and the three Benelux countries did even better than the U.S. and Japan. But elsewhere in the EC the 12-month inflation rate ranged from 2% in France to over 24% in Greece.

TRADE: New trade round launched under Punta del Este banner

The next 4 to 5 years are likely to prove critical for the European Community's common agricultural policy. The process of change set in motion by the 12 member states themselves could be strongly influenced by the multilateral trade negotiations launched by more than 70 countries last month as the "Uruguay Round".

World trade in agriculture was one of the two key issues on which preparations for the new round nearly collapsed, the other being trade in services. The Community's trade and external relations commissioner, Willy De Clercq, told GATT trade ministers at their final session in the Uruguayan seaside resort, "While our fundamental common policies and mechanisms are not up for negotiation, agriculture will be fairly and squarely addressed in the Uruguay Round".

But the Punta del Este Declaration, which he described as "our banner for the great mission ahead", calls for much greater discipline as regards the use of all "subsidies and other measures affecting directly or indirectly agricultural trade". It requires all countries to (1) work towards the "phased reduction of their negative effects" and (2) deal with their causes.

The Community works already to tackle the main cause on the supply side - surplus agricultural production. Clearly if world food production is brought into line with demand, world prices will recover and the Community's much-criticized export subsidies diminish in importance.

The EC's Council of Ministers may not find it easy, therefore, to agree on the negotiating guidelines for Commissioner Willy De Clercq and his team. Fortunately trade in services, a far more dynamic sector than merchandise trade, poses no such problem. From the Community's point of view the ministerial declaration on services is better even than the compromise its negotiators had put together with representatives of India and Brazil, two developing countries strongly opposed to services being included in the new round. As the major provider of many internationally traded services, including banking and insurance, the Community has much to gain from the progressive liberalization of this trade.

The objectives of the Uruguay Round are "ambitious", and the negotiations themselves will be "tough and demanding", as Willy De Clercq pointed out. But he was confident it "can and will be brought to a fruitful conclusion".

TECHNOLOGY: Translating R&D into saleable products

If scientific talent were enough to ensure success in the technology race, the European Community would be well ahead, thanks in part to its ambitious programme of pre-competitive research, financed by the Community itself. But translating the results of R&D into saleable products requires additional skills. In the case of publicly funded R&D it is necessary that the results be widely disseminated, so that businesses can exploit them.

The need for dissemination is all the greater in a Community of 12 member states. The EC's own framework programme for scientific and technical activities provides for an expenditure of ECU 3,750m.* over the period 1984-87. This includes ECU 1,770m. for improving the management of energy resources and ECU 1,060m. for promoting industrial competitiveness. For the 1987-91 period the European Commission has proposed a new framework programme costing over ECU 7,700m.

The recent symposium in Luxembourg on improving the utilization of the results of both national and Community R&D was clearly well-timed. The more than 450 participants came from not only research and academic institutions but also industry and government. Their discussions focussed on how to make better use of R&D in the individual member states and on the Community's potential contribution to this.

Not surprisingly, numerous opportunities for activity at the Community level were identified. They include improving the legal, administrative and other aspects of the Community framework within which R&D results are utilized, and creating formal and informal transnational contacts between universities and research institutes, on the one hand, and businesses on the other. One effect of such transnational cooperation would be to avoid a needless duplication of effort.

Both the United States and Japan have an obvious advantage over the Community when it comes to the dissemination of R&D results: each has a common language. The Community also faces additional problems because its 12 member states are at different levels of scientific and industrial development.

The Luxembourg symposium paid special attention, therefore, to the future opportunities for the use of automatic translation systems. It also stressed the need to ensure that the less well-endowed regions are given the means for promoting innovation.

* 1 ECU = UK£ 0.69 or IR£ 0.76.

ELECTIONS: Towards more "European" local elections?

More than four million Europeans do not have the right to vote in local elections in their place of residence, and most of them cannot vote in local elections at all. This is simply because they are resident in a member state of the European Community other than their own. In a recent report to the European Parliament the European Commission confirmed its intention to ensure that the citizens of Europe are also citizens of the municipality in which they live.

Attempts to give Europeans the right to vote, in certain cases, in their country of residence are not new. They already have the vote in Ireland, Denmark and the Netherlands. As a result, nearly 400,000 Europeans can help elect the mayor of their town, even though they do not have the same nationality.

But the Commission's 1975 proposal extending this system to all the member states was strongly opposed, and was finally dropped after discussions in the EC's Council of Ministers extending until 1979.

The idea was relaunched by the Special Committee for a People's Europe some five years later, following the Community summit in Fontainebleau. The Danish government's proposal that the revised Treaty of Rome provide for the right of Europeans to vote in municipal elections failed to obtain the approval of the 11 other member states. Meanwhile, the European Parliament in 1985 asked the Commission to submit proposals.

The Commission has just obliged with a report running to 100 pages. It endorses the right to vote in municipal elections but believes that it is up to the European Parliament to give a clear signal in this respect.

In Parliament the Socialists, Communists and "Greens" favour such moves, as do some Christian Democrats, especially those from Italy. But the German Christian Democrats, the French RPR and the right wing led by Jean-Marie Le Pen, are opposed. On the whole, opposition is strongest in countries with large immigrant populations. The Commission's report notes that the "European" vote could have the greatest impact on local elections in Belgium, Luxembourg and certain French municipalities.