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**INFORMATION TECHNOLOGY: EC allocates last of ECU 750m.\* for R&D**

It is not always easy to get value for money when the money comes from the public purse. But a recent 3-day conference in Brussels was a clear indication that the ECU 750m. committed by the European Community for research and development in information technology (IT) has been well spent. The conference was attended by some 1,000 people, representing the more than 450 companies, universities and research organisations that together have put up another ECU 750m. to finance some 220 research projects.

Evidence of the interest which ESPRIT - the European Strategic Programme for R&D in Information Technology - has aroused, both among industrial firms and research institutes, was provided by this year's call for proposals to fill the remaining gaps in its work programme. Although the EC could contribute no more than ECU 65m., representing the unallocated portion of the Community budget for ESPRIT, the European Commission had received proposals for a total of ECU 570m. by July 1. Inevitably, only a score of them - or 1 in 4 - could be selected for joint funding.

The European Commission, not surprisingly, wants the 12 member states to (1) launch ESPRIT II next year, some two years ahead of schedule and (2) step up spending very sharply over the next five years. Its proposal for ESPRIT II, which is before the EC Council of Ministers since July, recommends that precompetitive R&D should continue, and be extended to exceptionally promising areas of technology development. At the same time cooperation should be consolidated, in terms both of IT sectors and between manufacturers and users.

But in his address to the ESPRIT Conference the British Minister of State, Mr Geoffrey Pattie, the current chairman of the EC Research Council, seemed to pour cold water on the Commission's "ambitious" proposals. He questioned the emphasis on technology projects, although this was supported by a senior industrial who addressed the Conference. Mr Franco De Benedetti, of the Italian IT giant Olivetti, argued that because of the present stagnation in individual sectors of information technology, such as computers, their integration had become necessary.

The current ESPRIT programme provides for a total spending, over five years, of ECU 1,500m., half of it provided by the Community. During this same period world R&D expenditure on IT will have totalled ECU 200,000m. or more.

Even so, ESPRIT represents 15 to 20% of overall European spending on precompetitive R&D in the field of information technology.

\* 1 ECU = UK£ 0.71 or IRL 0.76.

HEALTH: Community remains prudent over its post-Chernobyl food imports

The nuclear accident at Chernobyl may have faded from the headlines but its shadow has not yet lifted. Shortly after the accident the 12-nation European Community set maximum permitted levels of radioactivity in food imports from third countries.

The EC Council of Ministers has now extended until the end of February 1987 the rules it adopted last May. The European Commission, meanwhile, is to draft long-term standards for the Council's approval. The current permitted levels are a maximum of 600 bequerels for most foodstuffs and 370 bq. for milk for babies.

ENVIRONMENT: Euro-MPs take up arms in defense of wildlife

What do barnacle geese, the great crested newt and thrushes have in common? All of them have been the subject of written questions by members of the European Parliament. Birds, and not merely endangered species, must rank high among the subjects which Euro-MPs feel strongly about, judging by the number of questions addressed to the European Environment Commissioner, Stanley Clinton Davis.

And nor is this concern the monopoly of any nation or political party, although British socialists seem quicker to put pen to paper. The question about barnacle geese, the great crested newt and thrush were all asked by British Euro-MPs of varying political complexion. But it was a German colleague of theirs who put the question about the use of nets in vineyards.

The European Commission has considerable powers in this field, as it were. The European Community Council of Ministers adopted a Directive on the conservation of wild birds in 1979, although most member states have yet to bring their own legislation fully into line with it.

The Council Directive provides for a general ban on netting as a means of catching birds, while the nets used in vineyards, the Commissioner pointed out, are meant to protect the grapes. More information was needed, therefore, as to the numbers and species actually killed or injured by the nets.

The Commission also needed more information on the precise number of barnacle geese shot in Scotland, to know whether or not to start infringement proceedings against the U.K. As for the great crested newt, Mr Clinton Davis thought the U.K. was taking its responsibilities under the Berne Convention on the conservation of European wildlife seriously.

FISHERIES: ECU 850m. over five years to help Community fishermen

ECU 850m.\* is the European Commission's estimate of the sum needed over the next five years to adapt and modernize the European Community's fishing industry. In the proposal it has just sent to the EC Council of Ministers, some ECU 530m. would be used to help stimulate fish farming and prospection, while ECU 320m. would be loaned for fleet modernization.

The Twelve, in any case, must agree on new Community measures in favour of the industry before next January 1, as the activities launched in 1983 end on December 31. The European Commission hopes that any guidelines which are adopted will determine the Community's fisheries policy over the next 10 years.

In 1983 the EC's main preoccupation was the decline in the fishing grounds open to its fishermen. Most of the countries bordering the Atlantic had just extended their exclusive economic zones. In 1986 the major event for the Community was the entry of two major fishing nations, Spain and Portugal.

The fishing industry generates more wealth in the Iberian peninsula than anywhere else in the Community. When Spain and Portugal joined the Community, at the beginning of the year, the number of its seagoing fishermen doubled and of its fishing vessels rose by some 40%. Only in Denmark is fish consumption in the Community higher than in Spain and Portugal.

To encourage fleet modernisation the European Commission favours a system of Community loans, which would be in addition to other forms of financing available for this purpose. To bring fleet size into line with potential catches, it would assume responsibility for a part of the payments being made by member governments to encourage the scrapping of certain vessels. The Community would also pay sea-going fishermen to hang up their nets.

The European Commission is also prepared to subsidize the search for new fishing grounds and to continue its financial support for fish farms in Community waters, as well as port installations. The Commission also wants Community shipowners to team up with firms established in countries with rich fishing grounds.

\* 1 ECU = UK£ 0.71 or IR£ 0.76.

### HEALTH: Commission wants ban on use of incubated eggs in foodstuffs

The controversy over the use of incubated eggs in the manufacture of foodstuffs could flare up again in the European Community as a result of a proposal by the European Commission to the EC Council of Ministers for a ban on their use for this purpose. At present when eggs for hatching in an incubator do not develop normally, they are used to make both foodstuffs and technical products in six of the 12 member states+.

But if the health risks arising from the use of incubated eggs are still the subject of scientific controversy, the Commission's report notes there is general agreement on the higher microbial content of the raw material. In fact the Community's Standing Veterinary Committee voted by a large majority some five years ago to ban the use of all incubated eggs in foodstuffs on health grounds. But if nine of the EC's 10 member states favoured such a course, the Netherlands thought the problem was one of quality rather than hygiene.

The report notes that consumers are much more quality conscious today. The relatively poor quality of products made from 18-day incubated eggs tend to depress the prices of all egg products. The egg processing industry, threatened by falling sales and barriers to the free circulation of goods within the EC, is now largely in favour of a total ban on the use of incubated eggs.

The report notes that while it is in the hatcheries interest to sell incubator rejects at the best possible prices, the savings on production costs are very small. The effect on the selling price for chicks is thus negligible. The Commission's call for a ban on the use of incubated eggs is justified, therefore, on grounds of health, hygiene and economy.

+ Belgium, Denmark, Ireland, Italy, the Netherlands and the United Kingdom.

### PILOT WHALES: "Saved" by their high mercury content?

North Atlantic pilot whales are unsafe to eat, because of their high mercury content, according to a Belgian Euro-MP, Willy Kuijpers, who wants a ban on hunting them. But the European Commission has pointed out that the numbers caught in traditional fishery in the Faeroe Islands are small, and they are even smaller in Greenland waters. The import of their meat for commercial purposes is forbidden anyway, under a European Community regulation implementing the Convention on International Trade in Endangered Species.

### RAIL TRAVEL: People's fares for a People's Europe

In this highly mobile age the railways have been as eager to boost their share of the travelling public as the airlines. At the same time many governments want the railways to charge lower rates in the case of large families, the blind and seriously handicapped, for example.

The harmonisation of all fare reductions throughout the 12-nation European Community would have an immediate and tangible effect on people's living standards. What is more, it would represent a further step towards the People's Europe envisaged at the Fontainebleau summit.

The European Commission, not surprisingly, has been pressing both railways and member governments to harmonize fare reductions granted on commercial and social grounds on international rail services. But a report from the Commission to the Council of Ministers last month concludes that "the harmonisation of the different fare structures at Community level remains a target", largely because of the unwillingness of governments and railways. The Commission obviously "regrets this situation". It points out that a Community whose aim is an accelerated rise in living standards must also demonstrate that it favours easier communication and contact between its citizens.

Even so, the report can point to the progress made by the railways in harmonizing commercial fare reductions. It outlines some of the main new reductions, valid over much of the European rail-networks. They include reductions in favour of (1) the under-26 (the BIGE ticket and Inter-Rail card); (2) families (half-fares for the second and following family members travelling together) and (3) senior citizens, who can buy the very cheap Rail Europ Senior card.

The situation is far less encouraging as regards fare reductions on social grounds. These are imposed on the railways and entail compensatory payments by governments. A uniform system of fares for the blind within the Community was introduced in 1985. But attempts to harmonize reductions granted to other handicapped persons have failed so far because of differences from one country to another as regards (1) the categories of persons eligible and (2) the extent of the reductions. As these reductions are imposed by governments, it is up to them to make changes, the report points out.

A proposal for a uniform solution as regards large families was finalized in 1985, but without the participation of the British and Irish governments. Since then Denmark, the Netherlands and Luxembourg first want a solution to the problem of financial compensation, thus ruling out an early solution at Community level.

ECONOMY: The European Community, land of tourism

The 12-nation European Community is the land of tourism, its inhabitants born tourists. Among the Twelve, it is the Italians who earn the most from international tourism and the Germans who, as tourists, spend the most abroad, according to figures published by the European Commission.

Share of EC countries in world tourist income and expenditure

	<u>Income</u>	<u>Expenditure</u>
Belgium-Luxembourg	2%	2%
Denmark	1	1
Federal Republic of Germany	6	19
France	8	6
Greece	2	0.5
Ireland	0.5	0.5
Italy	11	2
Netherlands	2	4
Portugal	1	0.2
Spain	8	1
United Kingdom	6	7

Source: European Commission, Brussels.

Within the Community, tourism plays a very different role in the South than it does in the North. The sun-drenched southern countries, including Italy, Greece, Spain and Portugal, earn far more from foreign tourists than their own spend abroad.

The Dutch and Germans, however, earn far less from tourism than they spend abroad. France and the U.K. attract large numbers of tourists, but their own citizens spend freely abroad.

CARS: No European "Baby on Board"

The sticker "Baby on Board", which many European drivers are fixing to the rear window of their cars, is of no legal or practical significance, according to the European Commission, which has bluntly squelched the idea, put forward by a Belgian Euro-MP, of a Community version of this ubiquitous sticker.

Every driver, the Commission has sternly pointed out, should drive carefully, whatever the ages of the occupants of the other vehicles on the road. In any case, the presence of the sticker is no proof the car's passengers include a baby. Stickers usually ornament a car for its normal life.

TRAVEL: To catch a thief ... relax border controls

More criminals are caught when honest citizens are allowed to cross national frontiers unhindered. This, by and large, is the lesson to be drawn from the measures recently introduced by a number of European Community countries to make border crossings easier for Community citizens.

The first such agreement was signed between the governments of France and Germany in 1984. They were joined by the three Benelux countries a year later. The agreement between them introduced a system of spot checks.

In principle, drivers resident in a member state who have nothing to declare simply place a circular green sticker on their windscreen. According to information reaching the European Commission, the introduction of this system has not jeopardized the security of the countries concerned. On the contrary, they have been able to make more arrests than in the past.



WINE: By 1992, a wine lake of 440m. gallons

440m. gallons of wine - a figure to make your head turn even before you've tasted a drop of it! This is the minimum size of the European Community's wine surplus in the farm year 1991-92, according to the European Commission. But the wine lake could be as large as 550m. gallons, if the worst comes to the worst.

The 10-nation Community was already producing far more than it could sell, either at home or abroad. In 1982/83 and 1983/84 it had a self-sufficiency rate of 130%, which it brought down to 111% the following year. But the situation remains preoccupying.

The European Commission foresees a surplus of anywhere from 330m. to 440m. gallons by 1991/92 for the 10-nation Community alone. The entry of Spain, at the beginning of the year, has only made the situation worse: the Iberian Kingdom recorded a surplus of 132m. gallons last year. Portugal, however, is able to sell all it produces on normal terms.

Production is tending to rise in the 12-nation European Community, less Portugal, while domestic consumption is declining and exports rising only moderately. During 1984/85, a "bad" year, the 10-nation Community produced nearly 3,190m. gallons. Production during the two previous years was around 3,740m. gallons, well above the average for the 1970s.

Wine consumption in the 10-nation EC, which was running at over 50 litres per head a year between 1971 and 1975, fell to 45 litres in 1984/85. The southern Europeans, including the French, are cutting down on their consumption. And while their northern neighbours are taking to wine, the rise is not enough to reverse the downward trend in the Community as a whole.

In its report, published last month, the European Commission notes that the EC Council of Ministers decided last year that some 445,000 acres of vineyards would be taken out of production. The Council also decided that some 265m. gallons of the 1984/85 harvest would be converted into alcohol. This was done in France, Italy and Greece for up to 85% of the required quantity, but the measure was largely ignored in Germany.