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ENERGY: Beware of cheap oil!

Although oil prices are still very low, the European Community must do more than foreseen to save energy. The Community's energy ministers in fact undertook end November to do just this, in line with the recommendations made to them by the European Commission.

If oil prices remain at their present level, imports will account for some 37% of the Community's energy requirements in 1995, as against 32% in 1985, according to a recent Commission study. But the Community agreed in September that oil imports should account for only 30% of consumption by 1995.

On the assumption that oil prices remain unchanged, its share in total energy consumption would be around 45%, as against the target of 40% set by the Twelve. Worse, in the absence of any further efforts, the energy saved during the period 1985-1995 would be proportionately less than in the previous ten years.

The fact is that between 1974 and 1985 the Community succeeded in reducing by 20% the energy needed to attain a certain living standard; in September, it decided on a further reduction of 20% by 1995. But with oil prices unchanged, it would only manage a 15% reduction, unless the Community can use energy more efficiently.

The EC Council of Ministers has agreed to halt this dangerous trend and adopted a series of measures to this end. They include better information to the public; greater use of energy saving technologies; regular information exchanges among the Twelve and an examination of new ways of using private capital to finance energy saving projects.

The Community has been financing, for a number of years now, a project using an "energy bus" to advise small businesses, whose energy bill has been cut by some ECU 190 million* a year. The Commission believes up to ECU 8,400 million a year could be saved in non-industrial buildings, including ECU 170 million in hospitals alone.

* 1 ECU = UK£ 0.74 or IR£ 0.76.

INTERNAL MARKET: 11 small steps at one time

People buying goods on the instalment plan will shortly be able to protect themselves against certain malpractices, thanks to a new European Community regulation. It was one of the 11 measures approved by the EC Council of Ministers on December 1. They relate to a variety of products, ranging from medicines to tractors, and will take the Community 11 small steps down the road to a single market by 31 December 1992.

The directive on consumer credit will have the largest impact. It requires the 12 member states to adopt national legislation containing the following key provisions:

Retailers and credit institutions must show clearly the full cost of credit to the buyer; this obligation will apply to their advertisements also. The directive also protects buyers who are unable to keep up their payments, when the seller seeks to recover the goods.

The directive gives buyers who have been cheated recourse against a credit company, when the latter is the seller's official and exclusive agent. Finally, buyers who can repay their loans before maturity will be charged less.

This new directive will also benefit the numerous companies that want consumer credits "Europeanized". In the same way, the 10 other measures decided by the ministers will contribute to the creation of a more "common" market.

Thus a medicine which has been approved by the authorities in one member state could be freely sold in all the others. Those who invent new medicines will enjoy special Community-wide protection.

The Council must adopt another 83 measures before December 31 if it is to stick to the time-table approved by a Community summit meeting. However, it seems ready to make up for lost time.

ANIMALS: EC takes steps to reduce their use in experiments

There was good news for animal lovers from the European Community's environment ministers, who recently approved a new and tighter system of licensing of experiments involving animals. Britain's Environment Minister, William Waldegrave, who chaired the Environment Council, declared the new system "should lead to a reduction in the number of animals used, as well as the avoidance of unnecessary pain and suffering".

The new Community Directive is based on a December 1985 proposal from the European Commission. The Environment Commissioner, Stanley Clinton Davis, saw it as "a major step towards a society of humane and decent values". He noted that the Directive took advantage of work done by the Council of Europe. Even so, it contained a number of safeguards which were in addition to those set out in the Council of Europe's Convention on animal experimentation, adopted earlier this year.

The Community Directive requires prior notification and authorization of all experiments and eliminates the unnecessary duplication of tests. It also imposes a ban on experiments involving endangered species and provides for alternative test methods whenever possible. A separate resolution requires member states to be equally strict in the case of any experiments falling outside the scope of the new Directive.

The member states must now incorporate the Directive's contents into their national legislation. Those states which have not yet signed the new Council of Europe Convention have been asked to do so by the Environment Council, which has also authorized the Commission to sign it on behalf of the Community.

HEALTH: EC bans use of incubated eggs in foodstuffs

The 12-nation European Community has now banned the use of incubated eggs in food preparations on health grounds (see Eurofocus No 35/86). The decision was not unanimous, however, suggesting that not all member states believe the use of such eggs represents a health risk.

Although the Community's Standing Veterinary Committee voted for a ban some five years ago, the Netherlands has always regarded the problem as one of quality rather than of hygiene.

To make supervision easier, the EC Council of Ministers also made certain changes to the system of marking eggs for hatching.

ENVIRONMENT: Ministers reaffirm need for Community-wide action

The days when environmental protection was a minority concern are long since over. Today all twelve European Community countries have a minister for the environment. At their latest meeting, as the EC Environment Council, they reaffirmed their conviction that environmental protection can contribute to better economic growth and help create jobs.

While the Environment Council failed to agree on a proposal limiting emissions of pollutants from large power stations, which many see as the main cause of acid rain, it nevertheless took a number of important decisions. It welcomed the European Commission's proposals for a Fourth Environmental Action Programme (1987-1992) and undertook to identify guidelines and priorities for strengthening Community action in favour of the environment.

The Council reached agreement on a Directive aimed at reducing even further the danger to public health from asbestos and preventing it from contaminating the atmosphere. The Directive on noise levels of motor-cycles should lead to substantially quieter exhaust systems, for the maximum permissible sound levels will be reduced in two stages, beginning October 1988.

Other Council decisions related to the pollution of the Rhine and nuclear safety. The Council asked the Commission to look into the possibility of negotiating agreements with other European countries, extending to them the Seveso Directive, which seeks to limit the consequences of major industrial accidents. As for the Council's discussion on the environmental aspects of nuclear safety, it will be the basis of Commission proposals for protecting both people and the environment from the harmful effects of nuclear radiation.

The failure to agree on limiting harmful emissions from power plants led the European Environment Commissioner, Stanley Clinton Davis, to describe the outcome of the discussions, which lasted into the dawn, as "something of a fiasco". But it also underlined the difficulty of getting twelve nations, at very different stages of economic development and by no means equally guilty of causing environmental pollution, to agree on measures involving higher production costs for industry.

Even so, the extent to which the Community is acting as a pacemaker on international cooperation on transfrontier environmental issues, is striking.

DRUGS: The fight begins at the Community level

National frontiers don't exist when it comes to drug dealing and drug taking. To fight the drug traffic effectively, action must be taken at the level of the European Community, according to the European Commission, which is asking the 12 member states to take a number of steps, at a cost of ECU 2,250,000* for two years.

The Commission believes there are at least four good reasons why they should act together, quite apart from the fact that all of them are affected. To begin with, exchanging their experiences in the fight against drugs would benefit all the member states. Community-wide action in the fields of prevention and research would avoid a costly duplication of effort. What is more, a Community of 322 million offers both doctors and researchers a larger number of patients, so that their conclusions should be both more valid and useful.

Finally, harmonizing national policies would make it easier to do away with the Community's internal frontiers by 31 December 1992. The fact is that the fight against drugs is often invoked by the member states that want to retain police checks at the Community's internal borders.

The need for Community action against drugs was recognized by the heads of state or government when they met in Milan in June 1985 and in The Hague this June. In October, the 12 home ministers undertook to coordinate their efforts, while the European Parliament has been pressing for Community-wide action across a broad front (see Eurofocus Nos 36 and 38/86).

The Commission has now asked the Twelve to decide, during 1988 and 1989, on the action to be taken in the following years. In its view this could focus on prevention, the treatment of drug addicts, medical research and the collection of data on the extent of the problem.

During the programme's preparatory phase, the Twelve and the Commission would define priorities and select the areas for Community action.

* 1 ECU = UK£ 0.74 or IR£ 0.76.

TRADE: EC/US relations will remain tense in 1987

The threat of trade disputes between the European Community and the United States degenerating into a major political crisis has never been greater than in the last two years, according to the European Trade Commissioner, Willy De Clercq. He believes the danger is by no means over, despite their cooperation in launching the new GATT round of multilateral negotiations on trade in goods and services.

Mr De Clercq, who was addressing a business conference organized by two influential European newspapers, the French Le Monde and Belgium's De Standaard, saw in the challenges facing the Community and the U.S. a continuing source of tension between them. Both must reorganize their declining industries, especially steel and textiles; revise their agricultural policies in the light of mounting costs as well as surpluses, and stay ahead in the technology race.

For the European Commissioner, U.S. attacks on the common agricultural policy and the system of export subsidies will continue, despite Washington's policy of subsidizing its own farmers. In the industrial sector, competition will intensify, especially in such key industries as telecommunications. With the Democrats now firmly in control of both houses of Congress, Mr De Clercq thought American trade legislation was likely to become even more protectionist - thus inviting the inevitable reprisals from the Community.

In short, 1987 will be another difficult year for EC/US relations. But Mr De Clercq told his audience he was hopeful that both sides would behave responsibly.

SMALL BUSINESSES: More Community aid and an Action Programme

For the governments of the 12-nation European Community, small is looking increasingly beautiful. The EC Council of Ministers recently approved the substance of a Commission proposal for new loans to small and medium-size companies. As a result, ECU 1,500m.* is being made available in two tranches, one of which will be administered by the European Community itself, the other by the European Investment Bank in Luxembourg.

Recognition of the part small businesses are playing in job creation was also reflected in the Council decision approving the Action Programme drawn up by the Commission. Two activities have already been launched. They will result in (1) a regular exchange of information between the Commission and member states and (2) Community legislation which takes account of the needs of small businesses.

* 1 ECU = UK£ 0.74 or IRL 0.76.

LATIN AMERICA: A natural partner for the European Community

As the world's largest trading entity the European Community could hardly be indifferent to Latin America. But the 19 countries of Central and South America are not simply a market for the Community's exports; they are in many ways an extension of Europe in the Western hemisphere, peopled by immigrants from European countries and speaking the languages of the Community's two newest member states.

The shared values and interests which link the Community to Latin America justify a strengthening of the ties between them, according to the European Commission. It has therefore just sent the EC Council of Ministers the broad outlines of the policy it believes the Community should follow, if it is to help Latin America meet successfully the economic challenge it faces in the coming decade.

The challenge, as the Commission sees it, is essentially one of carrying out the necessary structural changes, including the more rapid industrialization of Latin American economies. The measures it would like the Community to adopt therefore include several which come under the general heading of "economic cooperation".

Among them are increased contacts between industrial companies, financial institutions and other economic "operators"; the development of data banks; the creation of joint investment committees; cooperation between chambers of commerce and similar bodies and training programmes.

The Commission also favours increased trade between the Community and Latin America. Last year the Community's exports amounted to nearly US\$12,000m. and its imports to US\$23,000m., making it Latin America's second largest trading partner, although some distance behind the United States. To encourage 2-way trade the Commission wants the Community to help Latin American countries diversify their exports of goods and services; at the same time it wants the member states to extend export credits once again, if only to the countries which are taking steps to put their economies on a sounder footing.

The Commission believes that despite the difficulties facing it, Latin America has the capacity for economic growth, with its market of 350 million people and a relatively well developed economic infrastructure and educational system. But the Commission does not limit itself to economic issues; it would like to encourage a political dialogue between the Community and individual countries and regional groupings in Latin America.

EDUCATION: A "European" history book for schools

When the new school year begins in 1987, teachers throughout the 12-nation European Community should have at their disposal a "European" history book. The news was announced by the European Commission President, Jacques Delors, at the European University in Florence, Italy, recently.

The textbook will have been prepared by a group of European historians, with Commission support. While its use will not be compulsory, the Commission president was confident it would be well received by the Community's education ministers. The new textbook views events from a European rather than national viewpoint.

TOBACCO: Smoke less ... and grow more?

The European Community should aim at cutting down on cigarette smoking rather than on tobacco production, the European Commission has told the German Euro-MP, Beate Weber. It has pointed out to her that some 1.8 million people are employed in the production, manufacture and marketing of tobacco. Among them are 225,000 growers who produce some 300,000 tonnes of raw tobacco between them.

Imports amount to over 400,000 tonnes a year, leaving the Community with a deficit of ECU 1,800 million* in 1985. Any attempt to reduce domestic production would only result in higher imports, in the Commission's view.

Mrs Weber had contrasted the ECU 830 million the Community spends each year on supporting tobacco production with the ECU 6 million it has devoted, over a five-year period, to the fight against cancer. The Commission found the comparison inexact, given that the funds for the Community-wide campaign against cancer come from the member states and not out of the Community budget.

The Commission also pointed out that following the decline in the support price for dark tobacco, with its higher nicotine content, its share in Community production had fallen from 21% to 15% between 1981 and 1985, while the share of lighter tobaccos had risen from 25% to 29%.

* 1 ECU = UK£ 0.74 or IRL 0.76.