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CONSUMERS: A common market for plastic money

The European Commission wants to make sure that the cards you hold are all trumps. The fact is that within a few years the pound in your pocket will have vanished for good - and not because of pickpockets or the taxman either. Folding money will have been replaced by bits of plastic, much as bank notes replaced the guinea and silver dollar.

Over 31 million credit cards were in circulation throughout the European Community by the end of 1985 - one for every 10 people, babes in arms and tramps included. With these cards you can pay for goods and services as well as obtain cash from banks and foreign exchange dealers.

Since a number of years you can also use credit cards to extract banknotes from automatic cash dispensers and make payments at the terminals to be found in supermarkets, petrol stations and other points of sale.

There were already some 100,000 cash dispensers and terminals by the end of 1985, and their numbers are growing all the time. In 10 years' time there will be an estimated 80 million credit cards and 400,000 terminals in the Community.

Their importance for shops and businesses is obvious - which is why the Commission has proposed a number of measures which will allow you to use your credit cards throughout the Community, regardless of the country of issue.

The new, electronic purse must accommodate pounds and marks and francs as readily as the old-fashioned leather wallet - and be just as accessible. But this Community-wide "interoperability" will not be possible without the support of the general public as well as the banking community and national authorities.

Before the same card can be used anywhere in the Community the various systems must be made technically compatible with each other. The fact is that two types of cards are in uneasy co-existence at present. One has magnetic stripes, the other a microchip. Banks therefore must work closely together to ensure their cards are technically compatible and to guarantee security of use.

To this end the European Commission envisages a Community code of conduct, to govern relations between those supplying goods and services against electronic payment and the issuing banks.

The code will establish a number of basic principles: that there should be a single terminal per cashdesk, capable of accepting all cards; that payments should be irrevocable; that information contained in databanks should be protected; that the rules of competition should be complied with and that systems should be mutually accessible.

The free movement of capital within the Community, no less than its financial and monetary use, require the interoperability of credit cards before 1992. A large single market and a unified means of payment go hand in hand.

PEOPLE'S EUROPE: Moving house within the Community to become easier?

Moving house from one European Community country to another will be a little easier, provided the Twelve adopt the proposals the European Commission sent them last month.

When crossing the Community's internal borders Europeans would no longer have to furnish proof of their former residence. Nor would their personal belongings be taxed; at present, they must prove the items have been in use three months at least.

Moreover, the amount of alcohol, tobacco, perfumes and other "sensitive" products allowed in without formalities and duty-free would be considerably increased. At present the amount is the same as that allowed persons returning home after a stay of less than three months in another Community country.

TRANSPORT: Making more room for the bicycle

High speed trains and the Channel tunnel are among the really important transport issues being debated within the 12-nation European Community. But the European Parliament's Transport Committee has come out in favour of the ... bicycle.

A report drawn up by the Dutch Euro-MP, Florus Wijsenbeek, on the Committee's behalf, insists that the bicycle is a cheap yet healthy means of transport. Without danger to the environment, it is also energy-saving.

The report notes that cycling is not simply a sporting or leisure-time activity; once again it is seen as a means of getting about. More than 2.2m. new bicycles were sold in Germany, over 2m. in France, 1.5m. in Britain, over one million in Italy and nearly 900,000 in the Netherlands in 1985.

In other words, some 6% of the Dutch and nearly 4% of the French and Germans bought a bicycle during the year. The figures for the U.K. and Italy were somewhat lower: 2.7% and 1.8% respectively.

Mr Wijsenbeek has put at 10m. the number of bicycles made in the European Community in 1985. Germany led with nearly 3m. units. It was followed by Italy (2.4m.), France (1.6m.) and Britain (1.2m.).

The Parliamentary Committee had admitted that the bicycle is used mainly for journeys of less than 10 km. But it feels the Community could help improve the safety of the cycling public by encouraging the construction of special paths and cycling holidays.

The report calls for European safety standards for bicycles and spares. It also wants the current attempts to "Europeanize" the various national highway codes to take into account the needs of cyclists.

The Euro-MPs would also like to see the Community's regional aids used to link up the various national networks of paths for cyclists. Finally, they want the national transport undertakings to make easier the carriage of bicycles on trains and boats and to combine the bicycle with other means of transport.

VAT: Towards harmonization

VAT treats everyone equally, except that it is more equal in some member states than in others.

With its introduction in Greece on 1 January 1987 the European Community has taken another step towards the harmonization of indirect taxation. Now that VAT is levied throughout the Community an essential condition has been met, both for completing the single internal market and financing the Community through its own resources.

Nothing is less uniform, however, than the rates at which VAT is levied in each of the 12 member states. The fact is that in not two of them are the rates identical - and the differences are often substantial.

In order not to lose one's bearings it is necessary to remember that in most member states there are anywhere from two to five different rates. Alongside the normal rate can be found the lower rates which apply to essential goods and services as well as the higher rates levied on luxury goods.

In Ireland, for example, the range is between zero and 25%, in Germany 7% and 14% and in Italy 2% to 38%. This means that some goods are much cheaper in certain member states than others, tempting consumers to speculate on these differences, with all the disadvantages this entails.

But moves to introduce a degree of uniformity face numerous difficulties. Member states are jealous of their independence in fiscal matters and therefore apt to be touchy.

The Commission nevertheless will try to harmonize VAT rates, as it announced in its white paper on the completion of the internal market. During the coming months it will put forward proposals for bringing the various systems closer together, as regards both the number and level of VAT rates.

To achieve a certain uniformity it could propose a system of central rates, or a range of rates, with fixed margins. The fact is that the only way to eliminate the artificial tax advantages which distort competition and keep the internal market divided is to reduce the differences between the rates applied by the individual member states. The more closely the rates are aligned on one another, the smaller the chances of making a profit from the differences between them.

HEALTH: ECU 2,250,000 for the fight against drugs

The European Commission tackles the drug problem, which concerns us all, not just because there are currently some 1½ million regular users of heroin in the European Community, but the number is growing rapidly in Europe. The most worrying fact is that the vast majority of users are aged between 17 and 25, painting a bleak picture for the future of society. The Commission has just adopted a series of measures which are intended to constitute the preparatory phase of a proposal, to be made later, on the wider aspects of the fight against drug abuse. It has invited the member states to nominate a number of high-level experts in the field, from which the Commission will draw up a group to help formulate these wider measures and put them into effect. The first priority, believes the Commission, is to encourage the exchange of experience in the fight against drug abuse, in this way avoiding a costly and useless duplication of effort among the member states and international organisations in this field. Measures foreseen in the Commission's plan deal essentially with the areas of prevention, treatment, rehabilitation and research. The overall strategy for dealing with drug addiction would cover education and training for parents, teachers and social workers, as well as programmes designed to communicate with children and young people. As far as treatment is concerned, the Commission's plan involves better information regarding cures, treatment centres and social assistance available to addicts. Other measures involve an exchange of experience concerning the re-entry of drug addicts into society, the promotion of pilot experiments, and the coordination of treatment and rehabilitation schemes. Medical research and comparative studies should also help to quantify the problem in the European Community, to set up a European data bank, and to better coordinate national efforts in the member states, all to the advantage of the millions of young people who every day fall into this tragic trap.

ENVIRONMENT: ECU 3m. to protect wild birds

Some 13 areas inhabited or visited by wild birds will be protected, thanks to the ECU 3.14m. which the European Commission made available last month. The money will go to national projects which seek to protect endangered species in eight member countries of the European Community.

The projects, some of which have already been launched, will be completed either in the course of the year or in 1988 or 1989. In most cases half the cost will be borne by the Commission, with national authorities meeting the rest.

The only project in Britain involves land lease at Rockcliffe Marsh; there is none in Ireland.

The Commission decided on each of the 13 projects individually and will make sure they are completed on time. The work is urgent in every case and could not have been carried out without Community help.

This help should incite the national governments to respect the 1979 Community directive regarding the protection of wild birds. The fact is that so far no government has done so spontaneously: the Commission has had to take each to court at least once.

FAMILY ALLOWANCES: To be paid to the mother, the father - or to both

Family allowances are intended, in principle, for children but are invariably paid to their parents - or to one of them. The rules vary from one European Community country to another, as the European Commission has pointed out in its reply to a question from a Dutch Euro-MP, Johanna Maij-Weggen.

In five Community countries (Belgium, Denmark, Ireland, the Netherlands and the U.K.) family allowances are always paid to the mother. Four countries (France, Germany, Italy and Spain) allow the parents to decide which of them will receive the allowances.

Greek parents can also choose, provided both of them work; if not, the allowances are paid to the working parent. In Luxembourg, they are paid to both parents, unless they have separated, in which case the payments are made to the parent who has been given custody of the children. In Portugal, family allowances are paid to the parent who applies for them.

ENVIRONMENT: It arouses a passing interest

Europeans take a passing interest in environmental issues, recognize the need to protect the environment and would like to be better informed on problems which could affect their lives; in fact they even seem willing to help protect and improve their surroundings, according to a survey carried out last year for the European Commission in connection with the 1987 European Year of the Environment.

The survey, which was completed a few days before the nuclear accident at Chernobyl, showed concern for the environment to be greater than some years ago. It also pointed to considerable dissatisfaction with official efforts in this field (see Eurofocus 1/87).

One-third of those interviewed expressed great interest in the future of our planet a hundred years from now. Another 38% expressed some interest, while 26% were totally uninterested. Interest was highest among the Dutch, Luxembourgers and Danes and least among the Belgians, Irish and Portuguese.

One European in two thought protection of the environment and natural resources necessary for economic growth. And one in three thought that it is sometimes necessary to choose between the environment and the economy, while 1 in 10 gave absolute priority to economic growth. The environment came first especially in Luxembourg, France, Denmark and Italy.

People would like to be better informed of the dangers from chemicals on the market (48%), the best way of getting rid of certain wastes (29%) and on the safety measures taken by the more dangerous industries in their area (28%). The more general issues, such as the laws relating to the environment or the effects of industrial projects, were of secondary importance.

Most of the Europeans interviewed claimed to have done something in their day-to-day lives to protect the environment. Nearly 80% of them were careful not to litter their surroundings; some 50% avoided making too much noise or wasting tap water, while 40% favoured recycling waste, including bottles and old newspapers.

But only 11% contributed money to environmental causes and a mere 7% actively helped repair damage to the environment. Clearly few responded to appeals to their generosity or were politically motivated when it came to defending the environment.



TECHNOLOGY: Information technology acquires a more European look

Only three years after it was launched, the European Community's R&D programme for the information technologies, ESPRIT, has already produced results in terms both of products and standards, thanks to the research conducted jointly by dozens of companies and specialized institutions. One of its most remarkable achievements to date is the result of work on a common software development system, by some of the Community's leading manufacturers.

Launched in 1984, ESPRIT aims to provide European industry information technology of an internationally competitive level within 10 years. Its first phase, scheduled to last five years, has enabled companies, research institutes and universities from all over the Community to initiate 201 projects, involving nearly 3,000 highly qualified researchers.

Their work is at the "precompetitive" level; in other words, it stops at the point where results have to be translated into saleable products and processes. Even so, ESPRIT has had a "significant impact" on the industry, according to the European Commission.

Its recent report on the first phase of ESPRIT notes that the work carried out can lead to products made jointly by several European companies. In one case six major firms in information technology (Bull, GEC, ICL, Nixdorf, Olivetti and Siemens) joined forces to produce software more quickly, cheaply and efficiently.

The result to their efforts is a common software development system, PCTE, which has already found a commercial application in a software product called EMERAUDE, on the market since last September. The PCTE has also led six leading European companies (Bull, ICL, Nixdorf, Olivetti, Philips and Siemens) and two American companies (DEC and Sperry) to form the group X-OPEN. It is backing the adoption of a standard, known as UNIX, which allows computers made by different manufacturers to communicate with each other.

Information technology is moving ahead fast. The creators of PCTE are already thinking in terms of the next generation of software. They are now working, together with others, on the task of ensuring the compatibility of all European-made software.