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S U M M A R Y

- P. 2 EDUCATION: LINGUA to spread the gift of tongues
The EC's education ministers adopt an ECU 200mn. programme.
- P. 3 AGRICULTURE: Fraud without frontiers
The Court of Auditors denounces the organization of markets in fruit and vegetables.
- P. 5 TELEVISION: Will more than 50% of films be European in the 1990s?
The European Parliament reprogrammes the EC's television without frontiers.
- P. 6 ENVIRONMENT: The Commission puts a brake on the burning of waste at sea
Towards a political and industrial strategy for the management of organo-halogenated waste products.
- P. 7 INFLATION: Look out for a chain reaction!
The European Commission sounds a cry of alarm.
- P. 8 CINEMA: Yes to state aid, provided it is European
The European Commission objects to discriminatory practices in France and Denmark.
- P. 9 AGRICULTURE: The EC Court of Auditors is opposed to "green" rates
A very complex mechanism, it should disappear in 1992.

Mailed from: Brussels X

Europe

EDUCATION: LINGUA to spread the gift of tongues

The EC's education ministers adopt an ECU 200mn. programme.

The European Community's education ministers adopted the LINGUA programme on May 22. The aim of the 5-year programme, which has a budget of ECU 200mn.*, is to improve the teaching of the Community's 11 national languages as a foreign language, and not one's mother tongue. The 11 languages are Danish, Dutch, English, French, German, Greek, Irish (Gaelic), Italian, Luxemburger, Portuguese and Spanish. The regional languages, such as Welsh, Basque and Catalan, are not covered by the programme.

The LINGUA programme envisages four different sets of measures:

1. Measures aimed at promoting the continuing training of foreign language teachers: Scholarships of up to ECU 1,500 will be available for teachers who want to improve their knowledge of the language and culture of the EC country which interests them by spending time in that country. The Twelve clearly hope by this means to encourage the teaching of a larger number of foreign languages, especially those which are not widely spoken. Institutes which offer continuous training in foreign languages will be entitled to a maximum of ECU 25,000 a year, provided they have concluded cooperation programmes with institutes in other Member States.
2. The second set of measures seeks to promote language teaching at universities and develop the initial training of foreign language teachers. Like the ERASMUS programme, and in close collaboration with it, these measures include support for inter-university cooperation programmes as well as scholarships to enable exchanges between students, teachers and lecturers. Their aim is to stimulate the mobility of students specializing in the study of foreign languages in parallel with another branch of studies.
3. A third set of measures is aimed at promoting the knowledge of foreign languages used in business and the professions. The idea is to make foreign language learning an essential component of the training of workers and instructors, especially those in small and medium-sized enterprises (SMEs).

* 1 ECU = UKL0.65 or IRL0.78

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4. The fourth set seeks to use scholarships to promote exchanges between young people, between the ages of 16 and 25, who are following professional or technical courses. Each of the 12 Member States will be free to decide whether to grant such scholarships only to those who have finished their compulsory school attendance or to youngsters over 16 in general.

The European Commission's initial project was more ambitious and provided for exchanges between schools. It opted for something less far-reaching, given the opposition from Britain and, to a lesser degree, Germany, which feared the Community's interference in the field of compulsory schooling. This is a matter in which Member States alone have competence.

AGRICULTURE: Fraud without frontiers

The Court of Auditors denounces the organization of markets in fruits and vegetables.

Animal welfare societies will be delighted to learn that the best fruit and vegetables produced in the European Community are fed to animals, when they are not destroyed; consumers must make do with poorer quality products. This is one of the paradoxes of the organization of markets in fresh and processed fruit and vegetables which the EC's Court of Auditors has severely criticized, after studying the situation in the four countries with the largest production: France, Greece, Italy and the Netherlands.

The destruction of fruit and vegetables, euphemistically described as "withdrawal", cost the Community more than ECU 1 billion* between 1982 and 1987. The primary responsibility for this state of affairs lies with the complicated system in force, which lends itself to abuse and yet is usable to regulate the markets. Italy, the main beneficiary of

* 1 ECU = UKL 0.65 or IRL 0.78

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this system, also leads the way when it comes to fraud and irregular practices. Of the 118 cases uncovered by the Court of Auditors during the period in question, 106 related to Italy, for a total of ECU 85mn.

While Greece, France and the Netherlands are not too far behind, relatively speaking, the Court is particularly concerned to get to the source of the problem, which is the organization of markets. It is especially critical of the fact that there are no suitable measures to stimulate the search for fresh outlets, with the result that the quantities destroyed are increasing year by year. As for the structural measures to reorientate production, they have proved ineffective, in the Court's view.

The Court is equally sceptical of the controls carried out by the responsible authorities, which it considers completely inadequate, especially as regards the physical controls on processing; hence the constant risk of fraudulent practices. Finally, producers' organizations are not even properly constituted all too often, and have too much freedom to set withdrawal operations in motion.

The European Commission is not indifferent to these criticisms; it recognizes that they are well-founded, for it has been advocating for some years now the practical and structural measures needed to redress the situation and reorganize the markets. It intends to continue with its efforts, especially as regards the fight against fraud and irregular practices. But the Commission does not want to lose sight of the objective of the system of withdrawal prices and financial compensation which is to prevent prices from collapsing because of glut on the market. Positive results have already been achieved. There has been a considerable fall as regards tomatoes and processed fruit; as for the other products, the Commission will take the conclusions of the Court of Auditors into account, and strengthen the regulations at the point it has indicated.

TELEVISION: Will more than 50% of films be European in the 1990's?

The European Parliament reprogrammes the EC's television without frontiers.

Will a majority of the films and television serials shown on television screens be of European origin within a few years? The European Community's "legislation" on television, which was amended by the European Parliament on May 24, must be formally adopted by the EC Council of Ministers in mid-June. It encourages television companies to broadcast a majority of European productions, without obliging them to do so, however. The companies do not have to programme a fixed quota of European productions, although this is what both the Euro-MPs and the film producers, who came to Strasbourg on May 24 to lobby the European Parliament and the European Commission, would have liked.

What is likely to be the share of European programmes, therefore, in the television without frontiers of tomorrow? The Community's "legislation" which was discussed on May 24, must do away with all the restrictions which prevent a programme conceived in one EC country from being shown in another, although broadcasters would have to respect certain minimum rules covering advertising and the protection of children.

There were fears that the Euro-MPs might reject outright this European "law" or directive, popularly known as "television without frontiers", in order to secure a system of quotas that would have obliged television stations to programme at least 60% of films bearing a "Made in Europe" label. In which case the deadlock over the directive would have been total, as its adoption by the Twelve would have then required unanimity. But the Twelve had already shown, when adopting the directive initially on April 13, that they held differing views.

The Euro-MPs limited themselves, therefore, to amending the directive so as to promote European productions more effectively. However, the changes voted by the European Parliament cannot be submitted to the EC Council of Ministers unless they are acceptable to the European Commission. The latter takes the view that a system of quotas is not the best way of stimulating the production of European films and television serials.

The Commission believes that programmes could be in short supply if too much reliance is placed in the capacity of European film producers to increase their output quickly and to a level well above the present one. Hence its refusal to accept a system of binding quotas in the framework of the "television without frontiers" directive.

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The national authorities are the ones that will have to take all necessary steps to ensure that their television companies programme European productions during more than half the air time devoted to films and serials. The Commission, for its part, assured Euro-MPs that it will watch closely the implementation of this aspect of the directive, and submit to Parliament a detailed annual report on the situation in the different Member States.

The European film industry must get ready to increase its output. To this end it no doubt will need help at the national as well as Community level. The audiovisual meeting, set for Paris this September, will have a very full agenda in this connection.

ENVIRONMENT: The Commission puts a brake on the burning of waste at sea
Towards a political and industrial strategy for the management of organo-halogenated waste products.*

So far the waste resulting from the use of halogen compounds, which are used extensively in the chemical industry (they enter into the manufacture of some 50% of all chemical products), was generally destroyed through incineration at sea, either because of an absence of land-based installations or for economic reasons. However, incineration at sea must end by 1994, under the terms of a decision taken by the environment ministers of the countries bordering the North Sea in 1987.

But this poses serious problems in the absence of alternative measures. The European Commission therefore organized a colloquium in Brussels on May 24 on the disposal of organo-halogenated wastes with the collaboration of the European Council of Chemical Industry Federations (CEFIC), the European Federation of Waste Management (FEAD) and the European Federation of Special Waste Industries (CEADS).

The participants concluded that there is a need to draw up a Community strategy for the management of this type of waste.

* Liquid organo-halogenated wastes are produced by chemical firms making chlorinated products, such as plastics, solvents, pesticides, silicone, etc.

INFLATION: Look out for a chain reaction!

The European Commission sounds a cry of alarm.

Inflation is making a come-back in the 12-nation European Community, just when it seemed that it had disappeared for good. On the rise since last summer, inflation now looks like making itself at home in the Community. Everyone knows that rising prices mean a fall in purchasing power. The European Commission believes, however, that the effects of inflation could be more dramatic this time round: it could put a brake on economic expansion and frustrate the efforts to bring down unemployment.

The European Commissioner for economic affairs, Wenning Christophersen, has asked the Twelve to act quickly and vigorously, to show they do not accept price rises as inevitable. He has asked them to keep an eye on wages and government spending, in a communiqué published at the end of May.

Inflation had already reached 5% in the 12 months to March 1989, as against 3.2% the previous March. Commission estimates put it at 5.4% in April. All the Member States have experienced price rises, although at different rates. While prices rose only marginally in the Netherlands, they more than doubled in the U.K. over a 12-month period.

This pick-up in inflation is due to internal as well as external factors, according to the Commission. The latter include the rise in raw material prices in general and oil prices in particular, together with the growing strength of the US-dollar. The fact that many raw materials and oil must be paid for in dollars has a knock-on effect on prices generally.

Oil has been at roughly \$16.50 per barrel, as compared to under \$14 for much of 1988. Similarly, raw material prices were 12.6% higher last December than in December 1987. The fact is both the U.S. and Japan have been hit by higher prices, if not quite as hard as the EC.

But internal factors are also responsible for the current bout of inflation. Belgium, Germany, Greece and Italy have all raised some indirect taxes, which has had the effect of raising certain prices. In several EC countries wage rises, combined with a lowering of productivity, have fuelled inflation. The European Commission fears a chain reaction in the face of this situation. Workers demand wage increases to off-set price rises. This results in higher production costs ... leading to higher prices. Hence Mr. Christophersen's call to the Twelve.

CINEMA: Yes to state aid, provided it is European

The European Commission objects to discriminatory practices in France and Denmark.

After having "denationalized" state aid to the film industry in Italy and Greece, the European Commission has secured an undertaking from France and Denmark that they will eliminate from their schemes all those elements which discriminate against nationals of other European Community countries. As a result, the Commission was able to approve these schemes at the end of May.

The state aid to which the Commission objected amounted to ECU 50mn.* in France and to ECU 14.6mn. in Denmark in 1986 in both cases. The Danish scheme provides for advances on receipts or guarantees for production loans. The French scheme consists of aids to producers based on film receipts, as well as tax reductions on investment in audiovisual production.

However, in both cases this state aid is linked to certain discriminatory practices. Producers must, for example, reserve a certain number of jobs on film crews for nationals of the countries in question. Practices such as this one led the European Commission to open investigative procedures in 1987.

The Commission has no objection to the principle of state aid, especially at a time when the European cinema faces severe financial and commercial problems and is confronted with strong international competition, mainly but not entirely from the United States. The Commission has pointed out that it has always taken into account, in its examinations of state aid, the cultural importance of the cinema and of the economic problems of the sector in Europe.

But the Commission is equally concerned to prevent state aid from keeping national markets isolated from each other in the run-up to 1992. The Commission's enquiry has led both Paris and Copenhagen to modify their respective schemes in consequence.

The French authorities have guaranteed, by means of an administrative circular of March 1987, that EC nationals will be assimilated to those of French origin for the purposes of eligibility for aid. In the case of Denmark, a new law, which took effect on 5 April 1989, provides for aid to films which are either made in Danish, and on which nationals of the other EC countries can work, or which make an artistic or technical contribution to Danish cinema, art or culture.

* 1 ECU = UKL 0.65 or IRL 0.78

AGRICULTURE: The EC Court of Auditors is opposed to "green" rates

A very complex mechanism, it should disappear in 1992.

The complex system of special exchange rates, used to convert European Community agricultural prices, set in ECU, into national currencies - the so-called "green" rates - must disappear by the end of 1992. Everyone seems agreed on this in principle: the European Commission, which must propose the necessary measures, and the EC Council of Ministers, which must adopt them. But in a report published at the end of May, the Community's Court of Auditors has stressed that this agri-monetary system is totally incompatible with the goal of a single European market.

Since 1969 the prices guaranteed to European farmers are calculated on the basis of special exchange rates. Prices are actually fixed in ECUs by the Community's agricultural ministers, who nevertheless want to prevent variations in the exchange rates between European currencies from having an unfavourable effect on farm incomes. In order to ensure that these green rates do not unduly upset trade among the Member States, and between the EC and the rest of the world, monetary compensatory amounts are applied at the frontiers to bridge the gap between the green rates and the exchange rates set by the market.

Such a system hardly fits in with the single market. The EC Council of Ministers has already taken steps to reduce the impact of this agri-monetary horror. A number of countries and products have escaped its clutches, especially since ministers fixed the guaranteed prices for the 1989/90 agricultural year.

But there is still some ways to go, and the Court of Auditors feels that the disappearance of the agri-monetary system depends on three conditions being met. To begin with, if the Twelve made greater progress towards economic and monetary integration, the exchange rates between their national currencies would tend to stabilize, thus reducing the need for special measures. It would then be possible to deal with the causes of the problem, as desired by the European Commission.

If the Twelve then adopted common European prices which reconciled farm incomes with the requirements of the economy, there would be no further need for compensatory mechanisms, in the Court's view. Finally, if the sale of farm products depended more on market conditions than Community subsidies, the entire problem would assume more modest proportions.