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Commission of the European Communities,
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Tel 2351111 - Telex 21877 COMEU B

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THERMONUCLEAR FUSION: The Twelve agree to four-way cooperation

The EC, US, Japan and Soviet Union to join forces in developing the energy of the future.

Scientists from the 12-nation European Community will team up with their colleagues from the United States, the Soviet Union and Japan next month to begin work on a revolutionary source of energy. The EC Council of Ministers agreed last month to a four-way cooperation between the world's leading industrial and scientific powers on the design of an experimental thermonuclear reactor. The work will be carried out at the German Plasma Physics Institute in Garching.

The fact that the four should have agreed to join forces is in itself exceptional; it underlines not only the importance of the project but also its exceptionally high costs and the high degree of uncertainty as to its outcome.

Success, in any case, will not come overnight. The four hope that a preliminary design for the international thermonuclear experimental reactor (ITER) will be ready by the end of 1990. Experts believe the commercial exploitation of the energy produced from thermonuclear fusion will not come about before 2015-2025. But as a source of energy it will have the advantages of being almost inexhaustible and virtually pollution-free.

A thermonuclear power station will produce an estimated one million kilowatt hours of electricity on 35 grams of lithium and 10 grams of deuterium. Both are in plentiful supply in surface waters and in the soil. To produce the same quantity of energy a conventional power station needs 240t. of oil or 360t. of coal.

The fusion fuel cycle does not result in emissions which are toxic or cause pollution. The only radioactive substance it involves is quickly dispersed and is not concentrated in the food chain, as far as is known. In the event of an accident only the site of the power station would be strongly affected; life could continue normally around the site.

Of the four partners in the ITER, it is the European Community which has the most ambitious research programme to date. Work on it will continue as planned, until a convincing international solution is found.

CONSUMERS: No more helping of hormones

EG agricultural ministers re-introduce the ban on hormones in meat production on a Community-wide basis.

The hopes of the lobbies representing the pharmaceutical industry and American meat producers were short-lived. The European Community's agricultural ministers have once again adopted the Community directive which bans the use of growth hormones in meat production. The EC Court of Justice had overturned it on February 23, on procedural grounds, in a case brought by Britain, with Danish support.

When the British returned to the fight on March 7 they were alone - and lost. The EC Council of Ministers rejected the arguments put forward by Britain's agricultural minister, Mr McGregor, and adopted its original directive by 11 votes to one. Mr McGregor had insisted that (1) there was insufficient scientific evidence that the hormones were a health hazard; (2) the ban would be difficult to implement; (3) a flourishing black market in hormones would develop, and (4) trade with third countries would be adversely affected.

The ban, which came into effect on February 1 and covers all growth hormones, will now be applied retroactively from that date. The Council of Ministers has confirmed not only the ban but also the delay in its application to trade in animals and meat treated with hormones, under the terms of a compromise the Twelve reached among themselves last December. The aim of the compromise was to avoid a fresh trade war with the United States. However, it also gave the French time to adapt their own rules to the new Community directive.

The American Administration was not altogether happy; it took the view the matter had simply been postponed. The pharmaceutical industry had fought back: on the very day the Council was to meet the industry called on it not to readopt the directive.

Both the FAO and American experts have described five of the banned hormones as "harmless", according to the Fedesa, the body which represents the pharmaceutical companies engaged in the manufacture of products for farm animals. But the value of such testimony is open to question, given the vast sums involved.

Fedesa has argued that European meat producers run the risk of becoming less competitive than their American and Australian counterparts and pointed to the danger that research into animal feed will come to an end.

The "civilized world" is only too happy to use the banned hormones, according to Fedesa. It is no bad thing to find oneself on the side of the barbarians this time.

TRADE: Turn of the screw for Japanese screwdriver factories

The European Commission proposes anti-dumping duties on Japanese typewriters and electronic weighing scales.

The war against Japanese screwdriver factories in the European Community is hotting up. These are the factories which assemble a growing range of products from components largely imported from Japan, in a bid to get around the anti-dumping duties imposed by the Community on finished products.

The European Commission has opened an enquiry into a number of subsidiaries of Japanese companies, set up inside the Community to assemble electronic typewriters and electronic weighing scales from imported components. It has been launched at the request of European manufacturers, who together account for the entire Community production of electronic typewriters and much of the production of electronic weighing scales.

The fact is that the Community imposed definitive anti-dumping duties on 22 June 1985 on electronic typewriters imported by the Japanese. These duties varied between 17% and 35%, while the duty on electronic weighing scales was set at 20.6%.

The Commission has now asked the EC Council of Ministers to impose anti-dumping duties on the products manufactured by four typewriter companies which assemble their machines in the Community: ECU 44 per unit on machines from the Canon plant in Brittany, France; ECU 40.94 on machines produced by Matsushita; ECU 21.82 on Sharp Machines and ECU 56.14 on Silver Reed machines. The subsidiaries of these three companies are in Britain.

Of firms making electronic weighing scales only TEC Ltd., at Preston, has to pay an anti-dumping duty, set at ECU 65.63 per unit.

All the companies in question use components from the Japanese companies on whose products the anti-dumping duties were originally levied. These imported components can account for as much as 96% of the value of a machine. What is more, these screwdriver factories were set up in the Community after the anti-dumping enquiry had been launched.

FOREIGN TRADE: Balanced in 1987

Exports decline - but imports are cheaper.

The European Community's trade with the outside world was in balance last year, with both exports and imports at an estimated ECU 340 billion* each. In 1986 the 12-nation Community ran a surplus in its external trade, after years of deficits, according to Eurostat, the EC's statistical office.

But if exports matched imports in global terms, there were sharp differences in the trade balance with individual countries and for specific products. The Community had a surplus of ECU 78 billion in manufactured products but very large deficits in fuels (ECU 46 billion) and other raw materials (ECU 33 billion).

The Community's exports exceeded its imports in several cases. It had a cover ratio** of 128 in its trade with the United States, of 117 with the developing countries of the Mediterranean basin and 110 with the other West European countries. But the cover ratio fell to 39 in trade with Japan and to 73 with such Far Eastern countries as Hong Kong and South Korea.

EC exports declined by 1% last year, in values as well as volume. However, exports to other industrialized countries, which came to 62% of the total, rose by 1%. The United States remained the Community's main customer, although sales fell by 4% as compared to 1986. Exports to Japan rose by 19%, largely because of the steps taken by Tokyo to open up the Japanese market to imports and the decline in the value of the ECU in relation to the Japanese yen. Exports to developing countries fell by 17%.

Imports rose by 6% in volume but only 1% in value, reflecting cheaper imports. The sharpest increase was in imports from the Far East, which went up by 25% in volume and 19% in value. Imports from Japan rose by 4%.

* 1 ECU = UK£ 0.69 or IR£ 0.78.

** Exports as a percentage of imports.

ENVIRONMENT: Protecting the public from chemical accidents

The European Commission wants to extend the scope of the Seveso directive.

Some 6,000t of heavy metals and 60,000t. of phosphates pollute the Rhine each year. But even more preoccupying than the volume of chemical pollutants which are routinely poured into the Rhine is the rise in the number of accidental pollutions, some of which, such as the fire at the Sandoz plant at Basel, are little short of catastrophic.

There were 15 such accidents in 1985, 43 in 1986 and 54 last year. After looking into the circumstances of the Sandoz fire in particular, the European Commission has proposed changes to the so-called Seveso directive, which lays down rules for the transport and storage of dangerous chemicals.

The Commission wants the scope of this directive, adopted in 1982, extended to stocks of chemical substances held outside industrial zones, as well as to stocks consisting of small quantities of a number of dangerous substances. It also wants to increase the number of chemical substances covered by the directive from 10 to 28. The products to be added to the list are mainly used in agriculture, the chemical industry and the manufacture of paints.

The changes now proposed by the Commission would require a farmer who holds small stocks of a variety of dangerous products (such as varnishes, solvents, fertilizers and other products used in farming and for the maintenance of farm equipment and installations) to notify the authorities, once the total quantity had reached a certain level.

The Commission's proposal lays special emphasis on informing the public, and the procedures to be followed once dangerous substances have escaped. The firm in question would have to provide the public spontaneously with the information needed for its safety and not simply make itself available to those seeking information.

Some EC countries were slow in applying the Seveso directive prior to the Sandoz fire; substantial progress has been made since then, however. Among the 10 countries which adopted the directive in 1982, seven have adopted the necessary national legislation. Italy and the Netherlands await the Commission's approval for their texts while Greece, which has applied only outline measures so far, is now drafting fresh legislation - as are the two newest member states, especially Spain.

TRANSPORT: The Community's overcrowded rivers and canals

The European Commission is looking at ways of reducing traffic on the EC's internal waterways.

One million tonnes too many. This is the surplus capacity of the boats plying the network of rivers and canals in Belgium, France, Germany, Luxembourg and the Netherlands, according to the expert estimates, and it is equal to about 20% of the combined tonnage of these five countries.

The European Commission believes it is necessary to bring capacity into line with demand as a matter of urgency. Overcapacity is eroding the economic position of the inland waterways transport industry, and no improvement is possible unless measures are taken now to reduce capacity, judging from the latest market trends and demand forecasts.

The Community's member states have already taken measures to reduce excess capacity, partly on the basis of a 1986 Commission recommendation. But there has been no attempt at coordination, with the result that one country may be reducing its fleet while another is adding to it.

Germany and the Netherlands are operating schemes to scrap vessels while France has a modest buying programme.

The European Commission is proposing the creation of an ECU 50 to 55m* fund, to be financed by payments from companies, amounting to a maximum of 1% of their annual turnover. It would be used to compensate companies, on a coordinated basis, for scrapping vessels. Special conditions would apply to operators wanting to expand their fleets.

* 1 ECU = UK£ 0.69 or IR£ 0.78.

INVESTMENTS: From the Channel Tunnel to Venetian palaces

Lending by the European Investment Bank in 1987.

What do the Channel Tunnel, the palace of the Doges in Venice and waste incineration plants have in common? Very little, really, except that the European Investment Bank (EIB) lent money last year to help build the first, restore the second and modernize the third. EIB lending in 1987 came to ECU 7,800m.*. This was 4% more than in 1986 (2.6% after allowing for inflation).

The Channel Tunnel is to receive some ECU 1,400m. in all from the EIB, the Community's bank for long-term finance, under an agreement reached last September. The loans will help finance its construction between 1988 and 1993.

The EIB lent nearly ECU 7,500m. last year for investment projects within the Community itself and ECU 392m. to Mediterranean and other Third World countries linked to the EC through cooperation agreements.

In the European Year of the Environment loans to projects aimed at protecting the environment more than doubled to ECU 1,600m. in 1987, as compared to ECU 702m. in the previous year. The projects financed by the EIB will help reduce atmospheric and water pollution, by reducing harmful emissions from waste incineration plants, for example. The EIB also makes sure that the projects it finances meet the Community's rules on environmental protection.

Some ECU 2,600m. of loans went to industry, as against ECU 1,900m. in 1986. More than ECU 470m. were devoted to the introduction of new technologies.

Small and medium-sized enterprises received over ECU 1,800m. through the global loan facility which the EIB extends to banks and other financial institutions for lending to smaller companies. More than 2,700 such companies have had recourse to Community financing. Some 80% of the funds have gone to firms with fewer than 50 employees.

As always, most of the loans were to the Community's problem areas. Some 70% went to projects in Portugal, Greece, Ireland, Northern Ireland and the less favoured regions of Spain and Italy.

* 1 ECU = UK£ 0.69 or IR£ 0.78.

POLLS: European views on everything from nuclear energy to unemployment

The results of the latest Eurobarometer survey of public opinion in the EC.

Europeans are afraid of nuclear energy, regard unemployment as the main problem facing young people, seldom speak a foreign language and favour Community sponsorship of sporting events. These are some of the findings of the Eurobarometer poll carried out last autumn on behalf of the European Commission and published recently.

Some 56% of Europeans are of the opinion that the development of nuclear power stations presents unacceptable risks. In 1986, a few months after the nuclear accident at Chernobyl, the percentage was considerably higher at 62%. But it was much lower - only 43% - in 1984, well before Chernobyl. The fact is that 50% regarded the construction of nuclear power stations as worthwhile, a point of view shared by only one-third of those polled in 1987.

Nearly 9 out of 10 saw lack of jobs as the main problem facing young people; this was true both of those in the 15 to 24 age group and of the total sample. Unemployment in fact was seen as the No 1 problem facing the young in all 12 European Community countries; it was followed by inadequate school- and training, AIDS and lack of housing.

The survey showed that while the Community is multilingual, its inhabitants decidedly are not: two-thirds of them do not speak any foreign language well enough to follow a conversation in it. Some 25% confessed to speaking one foreign language, 8% to two and 2%, several. The survey revealed the Luxembourgers to be the best linguists: nearly 90% of them speak two or more foreign languages. The Irish were the worst: fewer than 1% of them speak more than two languages and 4 out of 5 speak no foreign language at all.

As for the European Community sponsoring sporting events, 2 Europeans out of 3 thought it "a good thing". Only 6% disapproved, with the Portuguese and Danes at opposite ends of the scale. Ah, those sports-mad Portuguese!