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FINANCE: 86% of company managers favour a European currency

The results of a poll in which 1,000 of them took part.

The European Community's political leaders may be sharply divided over the merits of a European currency, but it is favoured by its company managers. As many as 86% of the 1,036 managers who were polled at the initiative of the Association for the Monetary Union of Europe, with the help of the European Commission, would like a European currency.

It was favoured by a majority in each of the seven countries in which the poll was conducted (Belgium, Britain, France, Germany, Italy, the Netherlands and Spain). The Germans were the most lukewarm: only 60% were for it. The Italians, with 98% in favour, were the most convinced. In Britain, 79% of company managers approved the idea of a common currency.

Those polled, all of whom have important jobs outside their own countries, saw two major benefits from a European currency. The first, from the standpoint of their daily activities, was monetary stability in each Community country, a sharp reduction in exchange costs and simplicity in administration. The second benefit was more general: progress in the construction of Europe and greater credibility for the Single European Market, set for 1992.

Just what sort of common currency do company managers want? In each of the seven countries a majority came out in favour of an average of the national currencies of the Member States. Here, too, the Germans had the most reservations, with 52% in favour, while the Italians were the most enthusiastic (87% for). By and large, managers who were hostile to the idea of a European currency preferred, on the whole, a currency representative of strong national currencies.

As for the ECU, the European currency unit which is made up of varying amounts of the national currencies*, ignorance about it remains widespread. Only 5% of the managers who were polled claimed to know it well; another 30% thought they knew it "rather well". In Italy 47% of those polled had already used the ECU, as against a mere 5% in Britain and the Netherlands.

Some 84% of company managers thought they would need advice on the use of the ECU in the perspective of the Single Market in 1992, while 75% of them felt their banks were the best placed to inform them.

Did the ECU have disadvantages as well? Managers felt that, as it has been in existence for less than 10 years, it clearly faces competition from traditional currencies. It also lacks the backing of a European central bank, according to 25% of company managers.

* The currencies of the Twelve, less the Spanish peseta and the Portuguese escudo.

A PEOPLE'S EUROPE: Civil protection makes steady progress

A lexicon for rescuers for 1990 - and other initiatives.

Faced with a forest fire, a flood or an earthquake one hardly has the time to consult a telephone directory or a bilingual dictionary. In order to enable rescuers from different European Community countries to communicate with each other quickly, precisely and effectively, the EC Council of Ministers asked the European Commission on November 4 to bring out a multilingual glossary for the use of specialists in civil protection.

The Council also gave its backing to certain other initiatives aimed at facilitating the exchange of messages and information between those responsible for civil protection in the different Community countries. Thus the Twelve want to improve information exchanges between national databanks. The Commission is making an inventory of such banks at present and plans to ensure they are properly interconnected.

It is necessary, according to the Council, to use the most modern techniques, including satellites, to transmit the information needed to prevent disasters or eventually deal with them. The European Commission must draw up a list, by the end of 1989, of the needs in this field and analyze the means available with the Member States' experts. Exercises in simulation are foreseen during the course of next year.

RESEARCH: Computers in the service of medicine

The Twelve adopt the AIM programme.

How can doctors take advantage, more cheaply, of the most modern information and telecommunications technologies? European experts will try to find the answer with some ECU 20mn.* of European Community funds over the next two years. They will be working in the framework of the research programme Advanced Informatics in Medicine (AIM), which the EC Council of Ministers definitely adopted on November 4.

AIM will encourage cooperation between public and private bodies and national and international organizations throughout the 12-nation Community. It should help improve health care, facilitate the work on developing technical standards in this field and modernize the administration of national health services.

AIM should also guarantee that computerized information on patients is effectively protected against loss or unauthorized use.

* 1 ECU = UK£0.66 or IR£0.77.

INSTITUTIONS: A new "European constitution" for 1992?

The European Parliament favours a new proposal for European Union.

The European Parliament which is elected next June will have the task of preparing a new "European constitution" before 1992. This, at any rate, is the conclusion reached by the Euro-MPs on the basis of the "constitution" in force since 1 July 1987. Under the terms of a resolution adopted on October 27 by some three-quarters of the Euro-MPs present, Parliament is of the view that the current rules of the game do not meet the Community's needs.

It feels that the Single European Act, reforming the Treaty of Rome, does not go far enough. This feeling was widespread among Euro-MPs when the Act was signed in February 1986 and it has only grown stronger in the period of more than a year during which the Act has been in force.

Euro-MPs are also of the opinion that the Community's decision-making process still leaves a good deal to be desired. Unanimity remains the rule in the EC Council of Ministers in areas of great importance. It has led to fears within Parliament that the Single Market, when it comes about in 1992, will be unbalanced, with the currency, social affairs and the environment among the losers.

The European Parliament is also critical of the lack of democracy in the operation of the Community. It finds it quite abnormal that a proposal which it has rejected can nevertheless be turned into Community law by the EC Council of Ministers. Its resolution of October 27 in fact calls on the European Commission to withdraw proposals which have been rejected by Euro-MPs.

Another text adopted by the European Parliament on October 27, with some 90% of Euro-MPs present voting for it, requires the twelve EC governments to keep Parliament better informed of their activities in the area of "political cooperation" - that is to say, their discussions on foreign policy issues and the stand taken by them. Under the Single European Act the country which holds the EC's revolving presidency must both keep the European Parliament informed and see that account is taken of its views.

ROAD TRANSPORT: Taxing foreign lorries is not in the spirit of 1992

The European Commission is critical of a German proposal to tax heavy goods vehicles.

A proposal by the federal government in Bonn to impose a tax on foreign lorries using German motorways from 1 January 1990 is hardly in the spirit of the Single European Market, according to Stanley Clinton Davis, the European Community's Transport Commissioner.

He has pointed out that the Twelve took a giant step towards the Single Market in road transport last June, when they agreed to the progressive elimination of the national quotas which limit the volume of goods carried between the EC's Member States.

For Mr Clinton Davis a single market also implies the elimination of measures which distort competition. In his view the different methods used by the Twelve to tax heavy goods vehicles do in fact distort competition.

The European Commission has already called on the Twelve to harmonize their national road taxes by 1992, replacing them later with an EC-wide levy. The Member States would undertake, meanwhile, not to introduce new taxes. Hence Mr Clinton Davis' call to the German authorities to think again.

AIR TRANSPORT: Reduced fares for all

Portugal's national airline accepts Community rules.

Thanks to action by the European Commission, European Community citizens resident in Madeira or the Azores can now enjoy the cheaper fares hitherto reserved for the Portuguese by the country's national airline, TAP.

The Commission discovered last year, following an enquiry, that TAP discriminates between the Portuguese and citizens of other Community Member States, in violation of the Treaty of Rome, the EC's "constitution". The Treaty requires public companies enjoying exclusive rights granted by a Member State to treat citizens of all Community countries in the same way. When the Commission drew Lisbon's attention to this, the Government took the necessary measures. As a result, the Commission decided at the beginning of November to drop the proceedings.

AGRICULTURE: Walnuts, hazelnuts and almonds are in short supply

The European Commission wants the EC to do more to help producers.

The European Community is known the world over for its rivers of milk and its butter mountains. But it must import 50% of the hazelnuts, 30% of the almonds and 25% of the walnuts it consumes. Community production, moreover, does not always meet the requirements of the food industry, its main customer.

This situation has led the European Commission to propose, at the end of October, various forms of Community aid with a view to modernizing production of these nuts.

With an annual production of more than 660,000t. a year, the EC accounts for nearly one-third of world nut production, amounting to some 2mn. tonnes. Around 60% of Community production, which is concentrated in its southern regions, consists of almonds, another 23% of hazelnuts and 17% of walnuts. Around 80% of Community production is destined for the food industry, and goes to confectioners, bakeries, chocolate makers and companies producing the snacks accompanying drinks.

Spain accounts for more than half the EC's production of almonds, while Italy harvests more than two-thirds of its hazelnuts. Italy, Greece and France produce walnuts in almost equal amounts.

Community production is insufficient, however, to meet home demand. The EC imported, in 1987, some 60,000t. of almonds, 96% of them from the U.S., 42,000t. of walnuts, of which 85% also came from the U.S. and 77,000t. of hazelnuts, of which Turkey, the world's largest producer, supplied 95%.

Compared to American production, which requires a good deal of irrigation, production in Europe appears scattered and very much a cottage industry. Producers organizations, such as cooperatives, market only 6% of the production. What is more, European nuts are not uniform enough to meet the needs of industrial consumers.

The European Commission has proposed that the creation of producers organizations be encouraged by strengthening existing forms of aid, and that such organizations be helped to acquire the operating capital needed to manage stocks better.

The Commission has also proposed that the Community budget reimburse national authorities most of their expenditure on helping producers improve the quality of their output. In addition, it envisages the Community's financial contribution towards the cost of (1) promoting nuts and (2) providing irrigation.

INFLATION: A substantial rise in September

Bad news for the second successive month.

Inflation in the 12-nation European Community went up by 0.4% in September, after rising by 0.5% in August. The latest figures published by Eurostat, the EC's statistical office, suggest that inflation is on the way back. The experts are forecasting a 3.8% rise this year, as compared to only 2.6% in 1987.

While September's rate was slightly down on that recorded in August in all Community countries except Greece, inflation has been gathering pace during the first nine months of the year: it stood at 3.2% this year, as against 2% in 1987. Although the rate declined in Belgium, France, Greece, Ireland and Italy over this 9-month period, it rose sharply in Britain, Spain and Portugal.

In the nine months to September the inflation rate was under 2% in Germany and the Benelux countries - as in Japan and Switzerland. It was between 2 and 3% in France and Ireland and between 3 and 4% in Italy and Denmark - as in the U.S. and Canada. Spain recorded an inflation rate of 4.9% and Britain of 5%, rates similar to those of the Nordic countries. Portugal's inflation rate was 7.7% and that of Greece 9.3%.

ENVIRONMENT: Baby seals get everyone's vote

The European Parliament calls for a permanent ban on imports.

What could possibly unite Communists and the far Right, the members of Germany's Green party and Mr Jean-Marie Le Pen, President of France's National Front? The answer is baby seals. Euro-MPs representing all shades of the political spectrum, and accounting for over three-fifths of the total membership, signed a declaration at the end of October calling for a permanent ban on imports into the 12-nation European Community of the skins of baby seals.

In 1983, and again in 1985, the EC Council of Ministers introduced a ban on such imports, but for fixed periods of time: the present ban expires on 1 October 1989. The European Parliament now wants a permanent ban. Its declaration highlights the fact that no less a body than the Canadian Commission for the industry of seal products has recommended a ban on the hunting of baby seals.

ENVIRONMENT: The Commission is interested in marine technology

ECU 50 mn.* for a new R&D programme.

The European Commission, aware of the importance of the marine environment as part of the global ecosystem, has just proposed an entirely new programme of research and development in the field of marine science and technology (MAST) to the 12 European Community governments. The aim would be to (1) help establish the scientific and technological basis for the exploration, exploitation, management and protection of Europe's coastal and marginal seas and (2) give a Community dimension to such activities.

If the EC Council of Ministers adopts the Commission's proposals quickly, its implementation could start next year. The 3-year programme would have a budget of ECU 50mn., which would be used to finance a variety of activities: cost-shared research contracts, with the EC meeting 50% of the costs of transnational projects; concerted actions to coordinate nationally funded projects; assessment studies; training grants and supporting initiatives.

MAST will strengthen the European industry's competitive capacity in the area of marine technologies; provide the necessary technical basis for the development of common standards and design guidelines, and promote advanced training in the field. As the first Community R&D programme dealing specifically with the marine environment, MAST will help the EC take part in international research into the oceans.

After consulting industry, national administrations and scientists, the Commission defined MAST's technical content:

1. Basic and applied marine science, especially as it relates to the study of coastal and regional seas. The emphasis will be on mathematical modelling techniques and the study of marine processes.
2. Coastal zone science and engineering, aimed at a better knowledge of coastal processes, in order to improve the management of resources as well as engineering design.
3. Marine technology, in order to develop the instruments and technologies needed to advance marine science.
4. Supporting initiatives, aimed at obtaining more cost-effective use of facilities in EC countries (vessels, large installations, data centres, etc.); to contribute to standardization; improve specialized training and help technology transfers.

* 1 ECU = UK£0.66 or IR£0.77

EDUCATION: Building links between secondary schools and business

The European Commission seeks to encourage innovative experiments.

Some 15 to 20% of European schoolchildren leave school without either certificate or qualifications, while many grammar and comprehensive schools seem to operate in a vacuum. The European Commission, not surprisingly, decided in mid-October to set up a special department to advise competent national authorities and give Community-wide publicity to experiments which break new ground. The Commission's latest initiative is part of a work programme on innovation in secondary schools, which it has prepared at the request of the Community's education ministers. The Commission has included among its priorities the development of links between secondary schools and business. Such links could help improve teacher training and parents would be well-placed to encourage them, in the Commission's view.

COMPETITION: Enforcing the EC's competition rules

The Danish association of breeders of fur-bearing animals is fined ECU 500,000*.

The Commission of the European Communities has just fined the Danish association which groups breeders of fur-bearing animals ECU 500,000 for violating the Community's competition rules (Art. 85 of the Treaty of Rome). The decision was taken after an enquiry by the Commission, following a complaint lodged by the Hudson's Bay Company and Anning Ltd (HBA).

The company, which is the leading auctioneer of furs in Britain, accused the Danish association of restricting competition by requiring its members to sell their entire output through its branch, "Danish Fur Auctions".

The Commission found the complaint justified. It imposed a fine which took into account a certain number of extenuating circumstances as well as the association's importance: it is the largest European firm of auctioneers, with sales amounting to one-third of world production.

* 1 ECU = UK£0.66 or IR£0.77