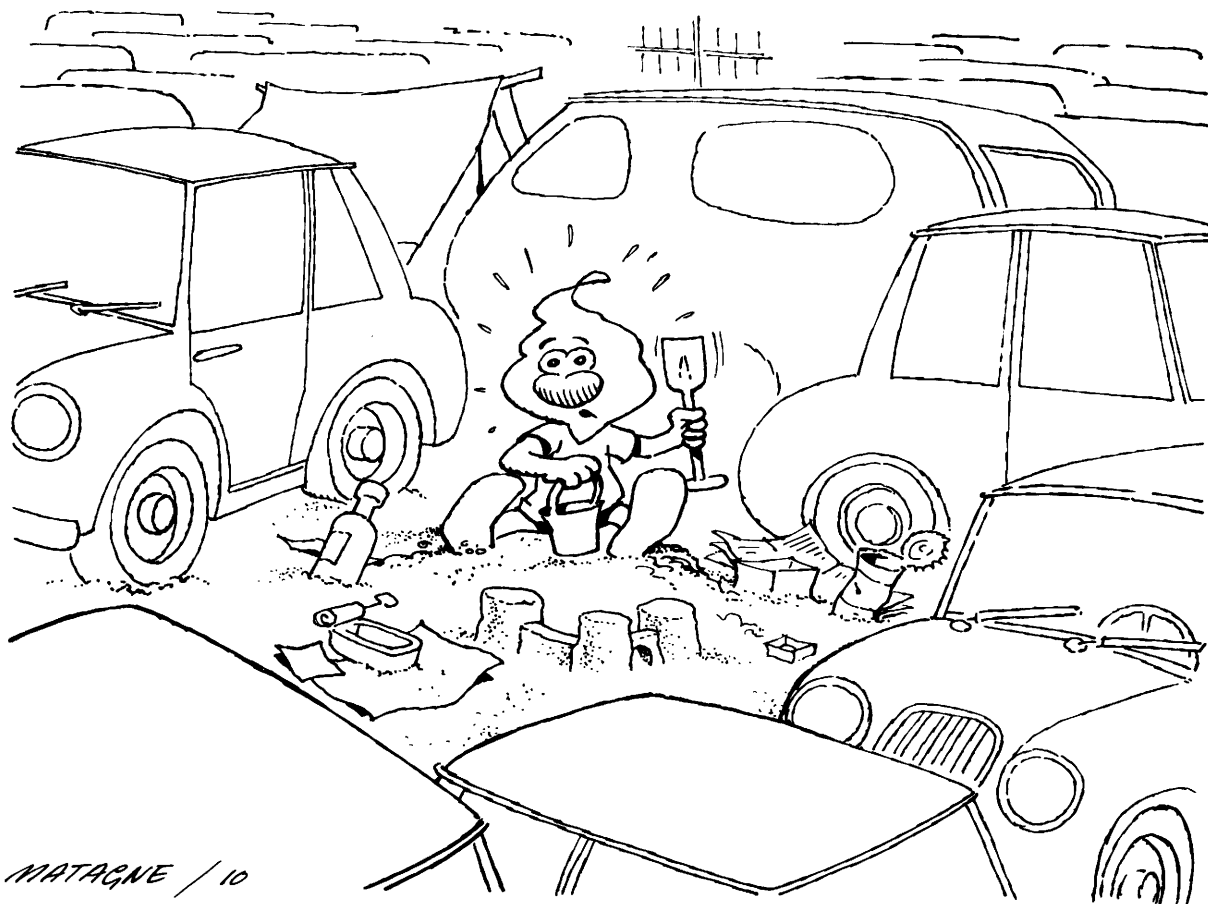


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europa day by day

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EURO-WHITE AND THE NINE DWARFS

Episode Nine: This week one of the Nine Dwarfs goes on holiday. He's heard of a quiet little place which is "out of this world". But it's not quiet - the other Eight are already there - and the only thing that's "out of this world" is the prices!

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The information published in this bulletin covers, very freely, different aspects of the European Communities' activity. It is, therefore, not limited to recording official Commission decisions or opinions.

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** TOURISM IN EUROPE

Tourism has been expanding at an average annual rate of 15% since the 1950s. Despite the current economic crisis it is still one of Europe's growth industries.

ANNEX 1 discusses its past, present and future.

** WOMEN IN THE EUROPEAN COMMUNITY

A meeting was organized in Brussels recently by the European Commission to give women prominent in the trade union movement, in politics, in the universities, and in social and cultural life of the Community an opportunity of discussing the findings of its "Men and Women of Europe" survey (see Euroforum No 10/76).

In ANNEX 2, Euroforum reports on some of the ideas to emerge from this meeting.

** FARM PRICE PACT: THE AFTERMATH

It took a 50-hour marathon for Europe to reach agreement on farm prices. Agriculture certainly gives Europe many a sleepless night!

ANNEX 3 presents the different issues involved and explains how, in the end, the interests of Europe's ten million farmers were reconciled with those of Europe's two hundred and sixty million consumers who are worried about rising prices.

** COMMUNITY LOANS

The European Community is to borrow a total of \$1 300 million on the international market to finance a \$300 million loan to Ireland and a \$1 000 million loan to Italy.

Three international banking consortia lead-managed by the Deutsche Bank will make the equivalent of US \$1 000 million available to the Community at fixed interest rates. Another international banking consortium lead-managed by the European Banking Company Ltd is to grant a bank loan of US \$300 million. The terms negotiated match the best market conditions and the average duration is five years.

The European Community can use one of two channels for its borrowing and lending operations: either the ECSC loan machinery or the European Investment Bank. Loans floated under the ECSC Treaty from 1954 to date amount to 3 300 million units of account (1 u.a. = approx. US \$1.1). Annual borrowings have risen from 74.5 million u.a. in 1954 to 658 million u.a. in 1975. By the end of 1975 loans floated by the European Investment Bank totalled 4 200 million units of account, annual borrowings having increased from 21 million u.a. in 1961 to 831 million u.a. in 1975.

**** PARLIAMENTARIANS AND CONSUMER AFFAIRS**

Twenty parliamentarians drawn from the national parliaments of the Nine met in Brussels on 15 and 16 March 1976 at the invitation of the information services of the European Commission. All of them are particularly interested in consumer affairs.

They were welcomed by Mr Carlo Scarascia Mugnozza, Vice-President of the Commission, and members of his staff who explained the aims of the European Community's consumer protection programme and reported on what had already been achieved in this field. This introduction was followed by a wide-ranging debate on consumer legislation in force or on the stocks in the different Community countries, the remainder of the meeting being devoted to talks with a delegation from the Consumers' Consultative Committee.

Before breaking up the parliamentarians urged the European Commission to expand its consumer protection service. They felt that there should be some arrangement whereby interested parliamentarians could be kept informed of developments on a regular basis. They could be sent Commission documents on consumer protection or informal meetings could be organized at national or international level.

**** KILLER INSECTICIDES?**

The US Environmental Protection Agency recently banned the use in the United States of two insecticides, heptachlor and chlordane, which are suspected of causing cancer in man. What is the situation in the European Community?

It seems that the use of both insecticides in agriculture and gardening has already been prohibited, or at least discontinued, in most Community countries. The European Commission has found that their use is still permitted in rare instances where no satisfactory alternative treatment is available. But consumption is very low, certainly much lower than in the United States where both insecticides had been used on a massive scale by both farmers (notably on maize) and home gardeners.

The question of whether heptachlor and chlordane can cause cancer is a controversial one. The European Commission has gone into the matter and will be presenting a communication to the Council in the near future on the objective evaluation of the risks to human health from pollution by organo-chlorine compounds, including heptachlor and chlordane.

**** WHERE DOES THE COMMON MARKET COME IN?**

A Luxembourger holidaying in Italy bought a small item of furniture. He went to ship it home and could not believe his eyes when he was presented with a batch of forms demanding more than 178 items of information. He was also asked to produce three copies of the invoice, despite the fact that he had paid for the item in cash. The incident led to the tabling of a question by a Member of the European Parliament.

In its reply the European Commission explained that forms are still needed for tax and

statistical purposes but added that it is working on proposals to relax formalities and controls.

For instance, a proposal to abolish the use of the TIF procedure for goods transported by rail has been transmitted to the Community's Council of Ministers. The European Commission also pointed out in its answer that no invoice is required unless exemption from VAT is requested.

**** A LAWYER'S EUROPE**

If all goes well this summer should see the adoption by the Community's Council of Ministers of the European Commission's proposal for a directive enabling Community lawyers to practise freely in all Member States. Both the European Parliament and the Community's Economic and Social Committee have discussed and approved the proposal and the European Commission has drawn on their comments to put the finishing touches to it.

**** BETTER HOMES FOR THE HANDICAPPED**

The European Commission is to part-finance the building of 191 homes with special facilities for the handicapped. Houses to be built in Evry, France, will have hall doors and corridors wide enough to allow a wheel-chair through, lifts big enough to accommodate wheel-chairs, inside doors at least 90 cm wide, access ramps with a specific gradient, specially designed kitchen and bathroom equipment, and so on.

A scheme in Dalheim, Luxembourg, will provide special housing and associated socio-medical facilities to promote rehabilitation by breaking down the psychological isolation of the handicapped.

The "Haus der Behinderten", a voluntary association, plans to build 35 apartments in Bonn, Germany, for school-leavers who are either mentally disturbed or suffering from brain damage and hence not yet ready to seek employment.

The "Revalidatiestichting Angele Verburcht" is to provide accommodation for cerebral palsy victims in Landegem, Belgium. The object of the exercise is to teach the handicapped how to cope with living outside an institution. A special workshop will be built as part of the scheme.

These experiments should provide useful pointers for future action by the Community to help the handicapped.

**** WASTE OILS IN THE EUROPEAN COMMUNITY**

Each year motors and machinery in the European Community produce something like 2.5 million tonnes of waste oils. At present, only half of this is collected, processed and recycled but even this represents a saving of about 10 million tonnes of crude oil. This was one interesting item of information to emerge from the first European Congress on Waste Oils held recently in Brussels under the auspices of the European Commission.

The congress was particularly well-timed: Community countries have until June 1977 to implement a first Community directive on waste oils designed to prevent environmental pollution due to uncontrolled disposal and to ensure maximum recycling as part of an overall wastes management policy.

A concerted effort is already being made to recover, recycle and re-use waste oils and it is hoped that this will be extended to include other products such as paper, glass, plastics and so on.

** A "EUROPE + 30" SYMPOSIUM

The main aim of the scientific symposium on "Forward Research in Europe" being sponsored by the European Commission in Berlin on 25 and 26 March is to encourage public debate between politicians and scientists. The Zentrum Berlin für Zukunftsforschung did all the ground work for the symposium which will examine the role, methods and techniques of forward research in Europe.

** "EUROPEAN" COURSES FOR YOUNG DIPLOMATS

In mid-March sixty budding diplomats from Belgium, Ireland, Italy and the United Kingdom attended a ten-day training course organized for them by the European Commission. They debated European issues and examined matters of Community interest in joint working parties.

Courses of this type have been organized each year since 1973 to familiarize young diplomats with the Community aspects of problems which will crop up in their day-to-day work no matter where they are posted.

** HINT OF A RECOVERY IN STEEL

Preliminary statistics for the first quarter of 1976 show that steel production is now running at 10.4 million tonnes per month. This represents a 4% increase on the last quarter of 1975 but is still 14% down on the first quarter of 1975.

Community estimates for the second quarter of 1976 put crude steel production at 32.9 million tonnes, i.e. 3.5% up on the same period last year. This represents a capacity utilization rate of about 65% which, although slightly better than 1975, is still far from satisfactory.

In February and March 1976 prices for rolled products in the Community were 20-30% higher than in October 1975, but this is still 20-25% lower than the maximum prices fetched in 1974.

TOURISM IN EUROPE

Touring associations and automobile clubs in the nine Community countries, which recently combined to form the Office of International Touring Alliance Members in the European Community, have been invited by the information services of the European Commission to send representatives to a special meeting on 12 and 13 April to review different aspects of the Community efforts to encourage tourism: the harmonization of technical specifications for motor vehicles (see I&S No 44/75), traffic problems, the simplification of customs formalities, insurance and so on.

Despite the current economic crisis tourism is still one of Europe's growth industries. Entire areas of the Community, often the least developed in industrial terms, more or less depend on it for a livelihood. A survey carried out for the national tourist boards in the different Community countries shows that tourism has been expanding since the 1950s at an average annual rate of about 15%, much more rapidly than either GNP or private consumer spending. The same survey shows that in 1972 Europe's 85 million holidaymakers gave the tourist industry a turnover of some \$30 000 million, in other words something like 3.5% of the Community's GNP or 6% of total private consumer spending.

But there is another side to this boom. Tourism may well be one of the Community's most flourishing industries but it is also one of the most complex and, in the long term, most vulnerable. The fact of the matter is that while the economic advantages of an expanding tourist industry are well-known the ecological and social implications are rarely given the attention they deserve.

By and large the resources on which tourism depends are in regions - coastal and mountain areas, islands, lakes and forests - which are ecologically vulnerable. People in these areas often fail to appreciate that if environmental considerations are ignored today there may be no tourists tomorrow.

Another point is that tourist traffic on roads, in the outskirts of towns and in the vicinity of leisure areas places an enormous strain on transport systems and presents serious infrastructure problems.

Socially it must be remembered that the tourist industry creates a need for a variety of services which are provided either by the local population or by labour specially imported from other areas. But this employment is seasonal by definition and can have serious consequences especially in areas where it ousts traditional forms of employment. It can mean high but very unstable incomes, it can attract migrant workers to an area, it can change traditional social structures and so on. In the end the local population becomes urbanized and can no longer provide tourists with the cultural stimulus they expect.

Europe's rich cultural heritage is obviously an enormous asset. But thoughtless developers of tourist complexes don't seem to appreciate that their modern stereotyped buildings can

easily ruin an area. Each country has its culture and traditions; these must not be surrendered in return for economies of scale. Excessive development, and the associated air or water pollution, noise or visual pollution, could well kill the tourist industry in a given area in the long term. The authorities have a duty to see to it that the European tourist industry does not sign its own death-warrant.

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These are some of the problems which will no doubt be discussed in greater detail at the April meeting. It is to be hoped that the discussions will mark the beginning of a permanent dialogue between the European Commission and the touring associations, a dialogue which is essential if the future development of Europe's tourist industry is to be in the interests of all concerned.

WOMEN IN THE EUROPEAN COMMUNITY

Those sixteenth-century tournaments on Brussels' Place du Petit Sablon do not seem to have given a hundred ladies meeting close by four centuries later any violent ideas. No blood was shed, it is true, but there was plenty of fighting spirit and determination in evidence in their debates because all of the ladies invited to Brussels by the European Commission are champions of women's rights, all of them are prominent in the trade union movement, in politics, in the universities or in the social and cultural life of the Community.

The meeting was organized to give them an opportunity of discussing the findings of the Commission's "Men and Women of Europe" survey (see Euroforum No 10/76). And the Commission made a point of inviting women who, though active in the defence of women's rights at national level, had never had an opportunity of getting together at Community level.

The war between the sexes will not take place

The most striking fact to emerge from the "Men and Women of Europe" survey is that attitudes to women's liberation are in no way determined by sex. Age and level of education are much more likely to be determining factors and essentially the two camps are divided into those who are for and those who are against change. This point was stressed at the outset by Ms Antoinette Spaak (Belgium) and taken up by other speakers who reaffirmed that the status of women was a matter for society as a whole. There was very little a minority, no matter how active, could do. All the progressive forces within the Community would have to unite to amend the law and change people's attitudes.

The American example

The way - or ways rather - in which American women have organized to defend their rights continues to impress women on this side of the Atlantic. A young American journalist who described the various stages in their campaign against discrimination was listened to with great attention.

A previous speaker Ms Lulling (Luxembourg) had called for the creation of a "Women's Bureau" similar to the one set up in the United States and the implementation of action programmes on the American pattern.

Community action

What can the European Community do to improve the status of women? Clearly, as Vice-President Vice-President Carlo Scarascia Mugnozza said when he opened the meeting, the European Community is not an ideal society in which the impossible becomes possible overnight merely because a problem is no longer purely national. And a sceptical member of his audience was heard to mutter: "Let's hope women fare better than farmers ...".

However, the European institutions can do more than one might imagine. The European Court of Justice, for example, may well throw its weight behind the feminist cause in the near future by finding in favour of a Belgian air hostess, who is claiming a modest but symbolic sum, representing the difference between her earnings and those of a steward.

Dr Patrick Hillery, the Member of the Commission with special responsibility for social affairs, told the meeting what the European Commission has been doing on equal pay and equal treatment for men and women (see I&S No 7/75 and 44/75), what assistance has been given by the European Social Fund for vocational training for women, and so on.

Legislation aside, many speakers referred to the growing interest being shown by women in politics. It seems that the prospect of direct elections to the European Parliament has already led to the formation of special women's committees in Germany and the Netherlands.

The Brussels meeting might well be summed up in words of Ms O'Connell (Ireland): "Women must play their part in the humanization of Europe". The meeting achieved its purpose: the European Commission heard lots of ideas, plenty of criticism and the occasional note of appreciation. It is now up to its departments to consider ways and means of acting on some of the ideas to emerge from the meeting and, in the words of Vice-President Scarascia Mugnozza, "look at the years ahead in terms of action, in terms of politics, in the best sense of the word".

FARM PRICE PACT: THE AFTERMATH

Nine ministers and the European Commission in a 50-hour marathon debate - agriculture certainly gives Europe many a sleepless night!

But the main thing is that agreement was reached: farm prices are to be increased by approximately 7.5% in line with the European Commission's proposal; a system whereby dairy farmers will contribute to the cost of market support is to be introduced next year; a price differential was agreed for wheat of bread-making quality; intervention arrangements for beef and veal are to be relaxed and last but not least the wine dispute between France and Italy was settled.

What does all this mean?

Farm prices

The decision to increase farm prices by an average of 7.5% applies to the minimum prices guaranteed to Community producers, i.e. the prices farmers can depend on getting for their products. The prices they actually get are not affected unless they correspond to this minimum. In practice this decision will probably mean that consumer prices will go up by about 0.4%.

Cutting-down on milk production

The decisions adopted in the milk sector are designed to reduce surpluses which have now built up to 1.15 million metric tons. Compare this with an annual production of 1.8 million metric tons! The Community has been protecting milk production for the simple reason that it accounts for a high proportion of the income of many small farmers who would be badly hit if the market collapsed. But the "guaranteed minimum price" - the price at which the Community intervenes to support the market by buying-in surplus production - means that farmers needn't worry unduly when they produce too much milk.

The Commission was afraid that a further price increase might accentuate this trend which is why the ministers have agreed to the principle of joint responsibility. This means that, as from next year, dairy farmers will have to bear part of cost of market support. This should encourage them to produce less milk and more of something else.

More bread wheat: less beef and veal

Decisions in the cereals sector were designed to discourage farmers from growing high-yield low-nutrient varieties of bread wheat. The net effect of production increasing at the expense of quality is that prices will fall and that farmers will gradually stop growing the crop. To counteract this tendency the ministers decided to raise the price of bread wheat well above that of fodder grain.

By contrast the Council has no wish to encourage beef and veal production. It hopes rather to keep surplus production within bounds by making the intervention price 10% lower than the guide price (i.e. the point at which farmers theoretically lose money). As a further measure intervention buying can be suspended in regions where the market price represents 95% or more of the guide price.

This package should help to run down the beef and veal surplus created by a combination of unforeseeable circumstances. Massive imports during the 1972 shortage brought market prices down at a time when production costs were soaring largely because of a shortage of soya, the staple animal feed. Many small farmers were forced to slaughter their cattle in desperation and the result was a surplus which was difficult to absorb at a time when consumers were thinking twice about buying beef. The experts now say that the factors which combined to create the surplus could well be reversed and that the Community could be short of beef and veal again in a few years' time.

End of the wine war

A major achievement of the marathon was the settlement of the dispute between France and Italy. Paris agreed to abolish its 12% import tax on Italian wine by 1 April. In return four million hectolitres of Italian wine are to be distilled. This should reduce supplies and force prices up. The settlement should appease French wine-growers and make the going easier for the agricultural common market.

Consumers' supplies v. farmers' incomes

The countries of Europe do not see eye to eye on agriculture. The main reason for this is "structural" differences in the industry. Some countries - France for example - are basically exporters: they protect their farmers with a high-price policy. Others - the United Kingdom for example - are basically importers: they protect their consumers with a low-price policy. The products to be subsidized present problems too: cereals and milk in the north; wine and vegetables in the south. What one country wants may conflict directly with what its neighbour wants. Added to which inflation rates vary from country to country! It is easy to see that Europe's agricultural policy which cannot satisfy all of the people all of the time.

The situation is complicated further by the fact that the agricultural scene in Europe is dominated by small, barely viable, farms which are difficult to modernize and depend on high prices for survival.

At stake - the livelihood of ten million farmers and guaranteed food supplies for two hundred and sixty million consumers.