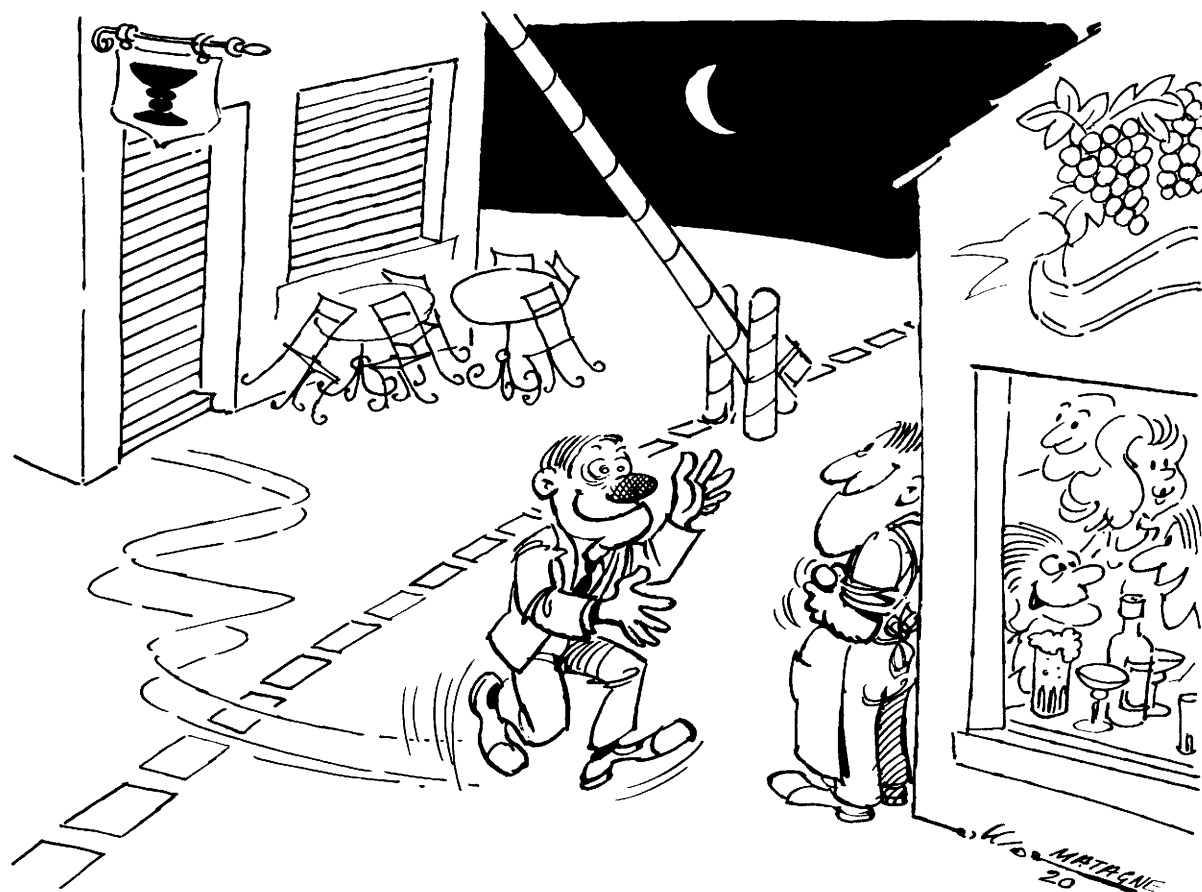


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europa day by day

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A Community pub crawl could be dry work if you do not know the different regulations (see page 3)

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++ GROWTH, STABILITY AND EMPLOYMENT

The next Tripartite conference will be held on June 27 in Luxembourg, and will once more bring together both sides of industry and the Community's economic and employment ministers to thrash out ways of achieving that elusive growth, stability and employment.

Euroforum presents, in Annex 1, some of the important conclusions the European Commission has come to in preparing for this meeting.

++ HAVING A DRINK IN THE COMMUNITY

Differing taxation and administrative rules have made buying and drinking alcohol in the different Community countries a complicated business. Euroforum presents a thirsty person's guide to the Community in Annex 2.

++ HUMAN RIGHTS AND THE COMMUNITY

Discreet pressure through diplomatic channels is frequently used by the Nine when dealing with human rights issues, according to Mr. Tomlinson, acting President of the Community's Council of Ministers, who spoke during a long debate in the European Parliament on the protection of human rights throughout the world. "The Nine do not miss any opportunity to act" stated Mr. Tomlinson. He deliberately gave no precise examples, as the strategy followed by the Nine is precisely one of not publicising their activities as this would weaken their hand and more than likely reduce their influence.

++ NO "MIRACLE" FOOD

In Denmark, France, Italy and Luxembourg, the law prohibits any kind of advertising that describes foods - including health foods - as being able to prevent or cure human illness. In Germany, this prohibition extends to all food-stuffs that are for immediate consumption but does not include health foods. However, it is forbidden to attribute health foods with properties they do not possess or which have not been scientifically established.

In Belgium, the prohibition only applies to the advertising of unsubstantiated preventive or curative properties. In the United Kingdom, advertising preventive or curative properties is strictly limited to listing the actual quantities of active ingredients used. Finally, in the Netherlands, advertising, in itself, is not controlled but it is possible to bring a court action under the civil law.

Faced with this diversity, the Commission has included in the different draft directives that it has drawn up to protect the European consumer, provisions that prohibit advertising which attributes foodstuffs with preventive or curative properties for human ailments.

++ VAT : ONE MORE STEP TOWARDS TAX HARMONISATION

More common regulations concerning VAT have just been adopted by the Community's Council of Ministers. These will have the effect of putting the payees under the same obligations and giving them the same rights, no matter which State they are in.

One aspect of the regulations adopted by the Community directly affects the citizen's everyday life. This concerns exemptions, for which a common list has been adopted and which will affect essential social, educational, and cultural services.

The impact of these measures will be particularly noticeable in the services sector where cases of double taxation and non-taxation will be eliminated. International trade in services is expanding, and these new measures should facilitate the free trade of services within the Community itself. The text adopted by the Community proposes, in particular, that the export of banking and insurance services outside the Community will be eligible for zero rating, i.e. they will receive a reimbursement of the VAT levied on the costs of operating these services.

These measures mark an important stage in the harmonisation of VAT in the Nine countries of the Community, but there is still a long way to go before harmonisation is completed and fiscal barriers within the Community have been completely eliminated.

++ MIGRANT WORKERS NOT TO PAY TWICE

The Court of Justice of the European Communities has ruled in favour of Mr. Perenboom, a Dutch worker who felt that he had been unduly obliged to pay social security contributions twice.

Mr. Perenboom had worked in Germany in 1972 whilst being a resident in the Netherlands, firstly from June 14th till August 18th and a second time from October 2nd till December 21st. Mr. Perenboom was thus subject to contributions in Germany and for the rest of the year he was subject to

the Dutch social security system. But the Dutch authorities did not look at it this way, and they imposed payments on Mr. Perenboom for the salary received in Germany, proportional to the amount of time he spent there.

The Dutch authorities have been ruled by the Court of Justice to be wrong : a country of residence may not, through its social legislation, impose contributions on the wages earned by a person working in another Member State, who is already subject to the social legislation in that State.

++ THE COMMUNITY'S NUCLEAR RESERVE

Below are the figures (at the end of 1976) for the total power capability of nuclear power stations in service or under construction in the different countries of the Community (in Megawatts) :

Germany :	19,604 MW
France :	23,383 MW
Italy :	1,430 MW
Netherlands :	502 MW
Belgium :	3,472 MW
United Kingdom :	10,947 MW
<hr/>	
Community :	61,338 MW
of which	16,931 MW in service
and	44,407 MW under construction

++ LOANS TO SMALL INDUSTRY

The European Investment Bank gives financial support to small and medium-sized undertakings in the European Community through various intermediary institutions. Below are some figures of loans given to small and medium-sized undertakings since 1970, calculated in units of account (1 ua = approx. 1.1 US dollars) :

	1970	1971	1972	1973	1974	1975	1976
Annual Total	6.9	16.6	21.3	24.5	76.0	63.1	47.5
<hr/>							
Number of Loans	14	44	36	39	186	129	86
<hr/>							

++ CAP AND THE UK

From August 1976 to March 1977, the index of retail prices in Great Britain went up by 11%, and the food price index by 18%. Is this the result of the Common Agricultural Policy? Products covered by the CAP have only risen on average by 9%, while other food products (such as fruit, vegetables, potatoes, coffee and tea) not covered by the Policy have risen by a full 26%. The rise for tea and coffee has been particularly strong : 64.6% and 73.5% respectively.

++ CONSUMERS AND THE LAW

"The judicial and semi-judicial methods of consumer protection" - this was the theme of a seminar organised in December 1975 by the Faculty of Law and Economics of the University of Montpellier in collaboration with the European Commission (see Euroforum N° 2/76). The results of this colloquium have just been published and will be on sale at the Official Publication Office of the Community - boîte postale 1003 - Luxembourg.

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GROWTH, STABILITY AND EMPLOYMENT

The next Tripartite conference will be held June 27 next in Luxembourg, and will once more bring together both sides of industry and the Community's national economic and employment ministers to thrash out ways of achieving that elusive growth, stability and employment.

In the European Commission's view, the conference will only produce results if agreement can be reached on the nature of the economic and social problems confronting the Community and if there is a common willingness to find solutions. To help achieve this double objective, the European Commission has just drawn up a report for the participants at the Tripartite conference entitled "Growth, stability and employment - situation and outlook".

Last year's hopes

At the Tripartite conference of June 24 1976, the participants fixed three objectives - achieving full employment by 1980; progressively reducing the rate of inflation to between 4% and 5% by 1980; raising the annual growth rate of gross national product (GNP) to around 5% in real terms by 1980.

No-one was under any illusions even then. Battling against the tide takes a lot of effort. However, the results achieved in one year are still less than were hoped for.

In June 1976, the most critical point of the world recession had only just been passed, the upturn lacked vigour, inflation and unemployment were high and, in some countries, balance of payments deficits were holding back growth.

In one year a certain amount of progress has been made, but it is limited. The Community has not achieved the target it set for growth. The drop in inflation rates has been modest and the disparity between inflation rates still remains wide. Governments and both sides of industry have made efforts to reduce inflation. In most cases, moderation in wage increases has been accepted. The problems have revealed themselves to be more serious than it was first thought.

Different game

Whilst the standard of living in the Community is relatively high, some of our industrial structures are older and less flexible than those of our strongest competitors.

An easy solution would be to passively accept these difficulties. In such a competitive world, such an attitude would result in the decline of the Community, a further slowdown in economic growth and a decline in the growth of real income.

It would mean a postponement of the Community's social objectives. Such a solution is not acceptable to the Community.

By contrast, the Community should recognise that it now finds itself playing a different game, should resolve itself to overcome the difficulties and admit the need for greater social consensus to bring about the internal changes and innovations which are essential for progress in the Community. Finally, it has to develop and implement national and Community policies and mechanisms to help bring this about.

Pitfalls to be avoided

The experience of the 1930's has driven home the point that protectionism by individual countries must be avoided. On the one hand, the close interdependence of Community countries regarding energy and raw material imports makes protectionism impractical. On the other hand, given the Community's major role in world trade, the counter-reaction would be immediate. A policy of isolation would reduce the real standard of living of the whole world, including the Community.

National measures which produce negative effects at the Community level should also be avoided. National aid programmes to hard-hit sectors, for example, would have a negative impact overall if the main competitors of the companies concerned were from other Community countries.

What's to be done?

National economic policies differ from each other because of differences in economic performance and disparities in the basic needs of the countries. In countries with a weak balance of payments and a high rate of inflation, it is necessary above all to slow down cost increases and concentrate resources on exports and competing with imports. In countries with strong balance of payments and low inflation rates, it is necessary to keep domestic demand at a low level so as not to revive inflation nor encourage exports of capital.

In the battle against unemployment, the accent should be placed on re-establishing healthy rates of economic growth. In the meantime, measures should be drawn up to stimulate employment whilst the classical methods of assisting employment should be applied, and if necessary, reinforced. This basically means improving the operation of labour exchanges and retraining facilities; assisting in the transition from school to the first job; improving educational opportunities; and facilitating the geographical and professional mobility of workers. Special measures need to be taken as a matter of urgency for young people and female workers. The Commission has emphasized the need for more appropriate vocational training as far as young

people are concerned. The Commission hopes that the recommendation it has made (see Euroforum N° 40/76) will result in an extension of educational opportunities available to young workers.

As regards women, it is necessary to re-examine legislation and discriminatory practices by implementing, without delay, the Community directive on equal opportunity (see Euroforum N° 12/76). This sort of approach should not be downgraded because of the difficulties on the employment market.

Climate of confidence

Governments and both sides of industry should now see to it that they create a climate in which each of the parties believes that change will be a benefit for all.

None of the parties present at the Tripartite conference will hold the sole key to the problem. Governments, the European Commission, employers and workers are all in their own way a part of the solution. It is by combining these parts that the Community will be able to realise its aims of growth, stability and full employment.

This will be the aim which the European Commission will be working towards during and after the Tripartite conference of June 1977.

HAVING A DRINK IN THE COMMUNITY

Anyone going out for a Community-wide pub crawl is in for a few surprises. Different taxation and administrative rules have made buying and drinking alcohol in the different Community countries a complicated business.

United Kingdom

The reputation of British pubs needs no further mention. A vender has to be authorised to sell alcoholic drinks for consumption on the premises, or to sell drinks to be consumed elsewhere. He can of course be licensed for both. These licenses generally cover the sale of all categories of alcoholic beverages, though certain drinks can be prohibited.

Opening and closing times of such establishments are strictly limited.

These general principles are applied throughout England, Wales, Scotland and Northern Ireland, though drinking hours are locally controlled.

Germany

The sale of spirits for consumption on the premises of restaurants and hotels is subject to an authorisation which, like all authorisations, can be refused in certain cases. Such commercial activity has to be declared to the competent authority i.e. Ordnungsamt or the Gewerbeamt.

The sale of spirits in shops is not regulated at all, and does not require prior authorisation. The sale of spirits to young people is regulated, however, by the law dealing with the protection of young people.

Denmark

Alcohol can be sold in hotels, cafes, restaurants and shops as long as the vender fulfils certain conditions such as age and worthiness. The only restrictions applicable concern sale to minors.

Luxembourg

The provisions of Luxembourg law only concern the sale of alcoholic beverages obtained by the "distillation of fermented wort or must". They thus exclude beer or wine.

Venders are required to obtain an authorisation for selling alcoholic beverages for consumption on the premises, and are required to pay taxes according to sales. Shops which sell the

delicious Luxembourg 'cider' or the famous "quetshe" also have to pay taxes. Hotels, cafes, restaurants and shops have to keep a special record of their trade in alcohol, wines and liqueurs. Only distillers, re-distillers, traders and publicans are permitted to stock more than 100 litres of alcoholic liquid.

Belgium

The sale of spirits (i.e. drinks stronger than 22° at 15°C) or giving away drinks on the premises, is forbidden in all publicly accessible places, and notably in bars, hotels, restaurants, cafes, shops, stalls, boats, trains, trams, stations, as well as on the public highway.

The harsh nature of the law explains the proliferation of "clubs" set up as non-profitmaking associations whose owners pretend they are not operating as a public place.

Shops are only authorised to sell spirits for consumption off the premises. Each sale must be a minimum of two litres. No half measures when it comes to getting drunk for the Belgian, some of the sharp witted continentals point out.

Ireland

The system in Ireland is very similar to that in the U.K. Licenses are only issued for a period of one year and fix the conditions of sale and the categories of drinks that are permitted.

France

French regulations distinguish between three different places for drinking alcoholic beverages : places where alcohol can be drunk on the premises, where they can be sold for drinking on the premises, where they are sold with a meal, or where they are sold for taking away. There are four different categories of license applicable to such drinking places.

Restaurants are divided into two categories according to whether they may sell alcoholic drinks other than wine, beer or drinks with less than 3° alcohol. Places where drinks can be bought for taking away are divided into two categories like restaurants.

It should be noted also that in France it is forbidden to sell alcoholic drinks on credit.

Netherlands

25 is the minimum age for selling drinks in Holland for consumption on the premises. The vender must also satisfy other conditions such as good behaviour, solvency, commercial

knowledge and professional ability. This latter point concerns knowledge of the effects of alcoholic drinks, on social responsibility and on professional ethics. A publican in the Netherlands can refuse to serve a customer with alcoholic drink if he can reasonably presume that such a sale might endanger public order, safety or morality.

Drinks for consumption elsewhere have to be sold in a well closed container with a clear indication of the alcoholic content. Municipal regulations can, in certain cases, impose extra restrictions or, conversely, derogations.

Italy

In Italian hotels, cafes and restaurants, the dividing line for different licenses is situated at an alcohol strength of 21°. In addition, the local authorities have to establish a limit to the number of such establishments in an agglomeration on the basis of a plan. Hostels, bed and breakfast houses, social and tourist establishments are not covered by this numerical limit.

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