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DANISH REFERENDUM: A positive outcome for Europe

"The outcome is encouraging for us all", is how the President of the European Commission, Jacques Delors, greeted the results of the Danish referendum on the package of reforms adopted last December by the Inter-governmental Conference of the twelve European Community countries.

The fact is that on 27 February over 56% of the Danish people voted for what their Parliament had turned down on 21 January - the Single European Act embodying changes to the Treaty of Rome, the EC's "constitution", as negotiated by the twelve heads of state and government at their Luxembourg summit last December.

Thanks to the green light given by the Danes, the Single Act could be signed by Denmark, Italy and Greece on 28 February. The Greeks and Italians had waited until the results of the Danish referendum were known before signing the Act, which their nine EC partners had already signed in Luxembourg on 17 January.

A negative vote by the Danes would have been seen as the first step towards their withdrawal from the Community. This is something which has not happened so far and would probably have come as a shock.

The reforms, as Jacques Delors has underlined, represent "a new stage in the Community's evolution". The Single Act foresees both a Community foreign policy, along the lines of the present "political cooperation" between EC foreign ministers, and a reinforcement and extension of the Community's activities. While the reforms are not as far-reaching as the European Commission and confirmed advocates of a genuine European Union would have liked, they should enable the Twelve to complete the internal market more quickly and to fashion European policies in the fields of technology and the environment. The European Parliament should also find it easier to make its voice heard.

The Single Act must now be ratified, which in most EC countries requires the approval of the national Parliament. President Delors has expressed the hope that ratification will be rapid, so that the Community can make use of the new instruments it disposes of.

**RETIREMENT: European Court of Justice strikes a blow for sex equality**

A public sector employer cannot dismiss an employee simply because he or she has reached retiring age, if this age varies according to sex. This ruling of the European Court of Justice should enable Miss Helen Marshall, a dietician in the south of England, to obtain compensation from her former employers. It should also allow all women in public employment to stay at their jobs as long as their male colleagues, if they so desire.

Miss Marshall, who worked for six years as a dietician for the Southwest Hampshire Area Health Authority, was dismissed in 1980 at the age of 62 as she was over the retirement age for women, as fixed by her employers under the U.K.'s pension laws, which set the retirement age for men at 65 and women at 60.

Miss Marshall, who wanted to retire at 65, took her employers to court, claiming that she had been dismissed only because of her sex and was a victim, therefore, of a form of sex discrimination contrary to EC law. The English court of appeal referred the case to the European Court of Justice in Luxembourg, for a ruling as to whether or not such dismissal violated EC law.

The fact is that the principle of equality of treatment between the sexes as regards working conditions, including conditions of dismissal, is embodied in a 1976 Community Directive. Member states have an obligation, therefore, to adapt their national legislation and regulations to this Directive.

The European Court has held that the public sector body had not conformed to the principles of the 1976 Directive because it had dismissed one of its employees solely on the grounds of her sex. The Court also held that as the Directive imposed certain obligations on the member states, public sector employees had to respect the principle of non-discrimination between the sexes embodied in the Directive, as their employees could compel them to do so by taking them to court. But the Directive imposes no direct obligation on firms in the private sector, and those employed by such firms can only invoke national legislation, if it conforms to Community principles.

### RESEARCH: RACE off to a flying start!

They're off! Just over 100 firms, research organisations and universities are taking part in RACE - the European Community's Research in Advanced Communications for Europe. They are working on 31 research projects, valued at 40 million ECU\*, of which the Community is providing roughly half.

The present communications networks were designed around the telephone. But tomorrow's networks must be capable of transmitting information in a variety of forms - voice, text, graphics and video. And transmissions must be over a single network, covering all of Europe, if the cost of the new services is to be at levels companies - and individuals - can afford to pay.

The 31 research projects which have just been launched represent the definition phase of RACE. By the end of this phase, which runs for 18 months, the technology needed to set up and operate a Europe-wide advanced telecommunications network by 1995 will have been established.

Setting the specifications of this advanced network has been entrusted to the national telecommunications authorities in the EC countries, while manufacturers have been given the responsibility for developing the sophisticated terminals needed to provide such advanced services as videoconferences for businesses and high-quality flat screen television for consumers.

Telecommunications is an area in which European companies have performed well. But if they are not to be left behind American and Japanese firms a coordinated approach is required. This has been recognized by governments as well as industry. As a result, it has taken the European Commission only a little over two months to get the RACE Definition Phase underway, after its formal approval by the Community's member states.

In one hectic week the 80 project suggestions sent in by 171 organizations were reduced by experts to 31 projects and 109 organizations. Each project is being conducted jointly by several organizations, and therefore draws on the combined expertise of manufacturers, broadcasters, universities and telecommunication authorities.

Work had already begun on some projects last year, when the first contracts were signed. Since then all of them have been concluded and most projects are now off to a flying start.

\* 1 ECU = UK£ 0.65 or IR£ 0.71.

TECHNOLOGY: Developing software for ESPRIT

Chameleon, Amadeus and Sfinx are not the code names of radio hams - nor those of secret agents. Rather, they are the acronyms of 3 of the 11 new software projects selected by experts for ESPRIT, the European Strategic Programme for Research and Development in Information Technology.

Software is a vital part of information technology and an area in which the European Community is potentially strong, according to the European Commission. Although some of the early research projects under ESPRIT covered software also, the Commission last year invited further proposals in order to strengthen the industrial aspects of Community software research.

Some 40 proposals were received, nearly all of very high quality in the Commission's view. However, only 11 could be selected for budgetary reasons. The fact is that the Community's contribution is just 19 million ECU\*, representing half the total cost of the projects.

According to Karl-Heinz Narjes, the European Commissioner responsible for research, the software programme now has the potential to improve substantially both the productivity of the EC's software industry and the quality of its products.

INFORMATION TECHNOLOGY: Another step towards the internal market

In the field of information technology, as in many others, the creation of a genuine common market requires the uniform application of international standards. Many standards are of extreme complexity, however, so that testing services which can verify that the products actually conform to these standards are necessary.

Hence the European Commission's decision to provide just under 10 million ECU\*, representing half the cost of setting up European Conformance Testing Services.

These services will be provided at centres located throughout the Community. A basic service should be available in 6 to 18 months from now, depending on the sector.

1 ECU = UK£ 0.65 or IR£ 0.71.

TRADE: Stage set for increased trade with EFTA

Judging from the headlines, the European Community's main trading partners are the United States and Japan. But the Community's exports to the countries of the European Free Trade Association (EFTA) are almost as large as its exports to the U.S. and Japan put together. In 1984 they amounted to 78,000 million ECU\* and represented 22% of the EC's total exports.

The fact is that since 1973 the Community and EFTA countries form a free trade zone, although the few remaining tariffs on manufactures were not eliminated until 1984. Trade relations between them have been further strengthened this year, after a fresh round of negotiations, made necessary by the Community's third enlargement.

These negotiations were complicated by the fact that while Portugal was a member of EFTA until this January, Spain was not. Textiles and fisheries added to the complexities of the negotiations, which were successfully concluded on February 22.

Trade in manufactures will continue to be governed by free trade principles. The benefits which Spain and Portugal enjoyed as regards their agricultural trade have been retained and even extended to the Community. Finally, the EC's newest member states will benefit from the advantages the Ten have enjoyed in their relations with EFTA, as the European Commissioner for external relations, Willy De Clercq, made clear when the new agreements were initialled.

ENLARGEMENT: Is a 12-nation Community workable?

A 12-nation Community which stretches from the Baltic to the Mediterranean is largely unworkable. So sceptics would argue. But they would be wrong, as the European Community's Budget Commissioner, Denmark's Henning Christophersen, recently demonstrated to an audience in the German capital, Bonn.

Community policies, he noted, were initially limited to trade, agriculture and transport. Since then the EC had made considerable progress in a variety of economic and social fields. Through its regional and social funds it is trying to develop a feeling of solidarity which ignores national frontiers. Technology and research are now the subject of Community policies.

The Commissioner did not minimize the Community's shortcomings, nor the tendency of governments to vote Community policies but not the funds to implement them. Hence the need, in his view, for a global vision, in both the members states and the Community's institutions.

1 ECU = UK£ 0.65 or IR£ 0.71.

ENERGY: Lignite and peat help keep down oil imports

Lignite and peat have an important part to play in reducing the European Community's dependence on imported oil. Lignite, a coal intermediate between peat and soft coal, can be cheaper than nuclear fuels, oil and even imported coal for producing electricity. Peat is not as competitive as imported coal for this purpose, except perhaps in Ireland, where it remains a major source of energy.

Lignite and peat together account for only 4% of the primary energy consumed in the 12-nation Community. But lignite represents 24% of Greek energy consumption; the Government in Athens in fact wants to double production by 1990, so that it can fully replace heavy fuels in electricity generation. Germany, which accounts for over two-thirds of the Community's total lignite production of around 185 million tons a year, has no such plans, although here also lignite is competitive with other fuels in power stations.

Peat is an important fuel only in Ireland, although both Greece and the U.K. have sizeable reserves. But even in Ireland it could face competition from imported coal, according to a survey which the EC's Energy Commissioner, Nic Mosar, will present to the Community's energy ministers on 20 March.

COAL: Community R & D will encourage use of domestic coal

The European Commission has selected 60 projects for financial support under the EC's 1986 coal research programme. It will provide 22 million ECU\* of the total cost, put at nearly 37 million ECU. This includes 104,000 ECU for disseminating the results, to ensure their rapid practical application.

As in previous years the 1986 programme focuses on mining engineering (38 projects and 14 million ECU) and the upgrading of products (22 projects and 8 million ECU). The research will be done by 16 companies and institutions, including Britain's National Coal Board and the British Steel Corporation.

The research programme, which now goes to the EC's Council of Ministers for assent, is part of the European Commission's efforts to encourage the use of domestic coal in the 12-nation Community. The aim is both to coordinate research at the Community level and concentrate it on the most profitable areas.

\* 1 ECU = UK£ 0.65 or IR£ 0.71.

INDUSTRY: Keys to improving competitiveness

European industry is not only finding it difficult to meet American competition; it has also let itself be out-distanced by the Japanese in several sectors. It is largely absent from certain high tech areas and lacks such key elements necessary for greater competitiveness as innovation and team spirit.

This, briefly, is the European Commission's diagnosis and it is set out in a recent report aimed at the European Community's political leaders when they meet for their regular summit this June.

Between 1973 and 1983 European industry did not invest enough, had very high production costs on the whole, and lost not only jobs but also market shares both at home and abroad. It has done better since 1983, in the Commission's view, but its Japanese competitors are still in the lead when it comes to productivity, investments and costs.

In sectors with the fastest growth, such as electronics and information technology, recourse to imports was especially heavy between 1973 and 1982. In 1982 some 17% of the EC's requirements were met by imports, as against only 10% of American and 5% of Japanese requirements. In 1984 European firms made fewer than 8% of the microchips sold world-wide, which was less than in 1981 (9%). American firms, meanwhile, had 62% of the market and Japanese 28%.

The Commission believes the capacity to innovate is in short supply among European firms. They are being overtaken by the Japanese when it comes to new inventions; in 1980 the Japanese took out 40% of all patents. What is more, the Americans are more enterprising, as is shown by the ratio of new firms to those which have gone out of business. And, finally, European firms are less motivated and display less team spirit than their Japanese competitors.

European firms have done better since 1983; but the Commission believes a more Community approach is needed. Last year over 80% of the venture capital raised in the Community was of national origin and less than 10% originated in other EC countries. Not surprisingly, therefore, the Commission wants the Twelve to complete the internal market, get European firms to work together and set up European research and technology centres.



NUCLEAR HAZARDS: European Parliament expresses concern over Sellafield

"Openness is the best shield against suspicion and criticism". The words are those of the European Commissioner for the Environment, Stanley Clinton Davis. He used them in the recent debate in the European Parliament over the incidents at Britain's nuclear reprocessing plant at Sellafield. "I want to restore confidence in people" Mr Davis went on, "and this can only be done by giving the facts".

Concern in the European Parliament over the incidents at Sellafield clearly was heightened by the lack of information from British Nuclear Fuels Ltd., the company which owns the Sellafield plant. One of the four resolutions adopted by Parliament expressed "outrage" at BNFL's attempts "to play down" the fresh incident on 5 February, "in which considerable amounts of plutonium were released"; another called on the U.K. Government "to ensure" that the "fullest possible information" is provided on radioactive emissions from Sellafield and other British nuclear power stations.

The 1985 Treaty setting up the European Atomic Energy Community (EURATOM) gives the European Commission responsibility for the protection of both workers and the general public from nuclear radiation. After the 1983 incident at Sellafield, when a quantity of radioactive liquid and solids was pumped into the Irish Sea, the Commission set up a scientific committee to look into such questions as whether the maximum permitted levels of exposure were too generous. It has since reported and the Commission is now preparing a communication to the EC's Council of Ministers.

Mr Davis told the Euro-MPs that he had asked the U.K. Government for information regarding the latest incidents at Sellafield. Residents in the vicinity of the plant had also been asked to make their submissions to the Commission. All this information would be sent to the scientific committee, the European Commission stated during the Parliamentary debate. "I want a Community policy for radiation protection", he said, "which seeks to eliminate all discharges as soon as technically possible - a policy which, if it errs, errs on the side of safety".

This, clearly, is what the European Parliament also wants. The resolutions, all of which were adopted by substantial majorities, call for a halt, if not end, to all discharges of radioactive waste into the Irish Sea and a halt to plans to set up another reprocessing plant at Dounreay. The Commission is asked to make sure that the results of monitoring by national authorities meet "acceptable strict standards".