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MOTORING: For lead-free petrol, head north

Sales of unleaded petrol are doing well in the Netherlands, Germany and Denmark.

Last year lead-free petrol accounted for roughly 18% of the petrol sold in the Netherlands and around 10% of petrol sales in Germany and Denmark. But such sales were negligible in the other European Community countries, according to estimates made by the European Commission in answer to a question from the Belgian Euro-MP, Luc Beyer de Ryke.

The three countries in which sales of lead-free petrol have risen are precisely those whose governments have taken special fiscal measures in order to ensure that it is sold at prices motorists can afford. They are also the only Community countries with a considerable network of petrol stations offering lead-free petrol.

It should be available in all 12 Community countries from 1 October 1989, as required by Community law. The European Commission has forecast that lead-free petrol could account for 10 to 15% of the Community's total petrol consumption in 1992, some 50% of it in 1996 and 90% in the year 2000.

In actual fact even lead-free petrol contains a small amount of the metal - 0.013 gram/litre to be exact. But this is nothing compared to the 0.4 grams/litre contained in the petrol currently on sale in half the Community countries: France, Ireland, Italy, Luxembourg, Portugal and Spain. Elsewhere in the Community leaded petrol contains no more than 0.15 grams/litre of this metal*.

* In Greece, 0.15 grams in the Athens region and 0.4 grams elsewhere.

VAT: Twelve ways of taxing medical instruments

From 6% to 25%, from Spain to Ireland.

Doctors, nurses and hospitals in the various member states of the European Community are not in the same boat when it comes to buying medical equipment. They pay VAT at rates ranging from 6 to 25%, as is shown in the Table below, prepared by the European Commission in answer to a question from an Irish Euro-MP, Mary Banotti.

VAT rates for medical instruments
(percent)

Spain	6	Greece and Italy	18
Luxembourg	12	France	18.6
Germany	14	Belgium	19
Britain	15	Netherlands	20
Portugal	16	Denmark	22
		Ireland	25

HOUSING: Over one million homeless in the Community

The European Parliament is pressing for the right to housing at the Community level.

Which is the most serious social problem facing the 12-nation European Community in 1987? Unemployment almost certainly is the answer that 9 Europeans out of 10 would give. But the homeless are much worse off than the unemployed or poor in the eyes of a Portuguese Euro-MP, Antonio Lacerda de Queiroz. In any case, as he has underlined in a resolution approved recently by the European Parliament, the homeless generally have neither a job nor money.

There are more than one million homeless in the 12-nation European Community, according to the information Mr Lacerda gathered from charitable organizations. They are part of an army of over 100m. across the world in 1987, which has been designated by the United Nations as the International Year of the Homeless.

The resolution voted by the European Parliament claims that the problem is growing in the European Community, which has paid scant attention to it so far. The Euro-MPs want the right to decent housing to be recognized by law in the member states, and no individual or family to be expelled without a proper concern for their rehousing.

The European Parliament also wants low-cost housing to be better managed, so that those who are the worst-off in society can have access to such housing, and empty accommodation be reduced, as a result, to a minimum. The Euro-MPs are also demanding that (1) gas and electricity companies be forbidden to cut off supplies to homes in winter and (2) laws which make it illegal for landlords to discriminate on grounds of race, nationality, morality or a physical handicap be more strictly enforced.

Parliament proposes the creation of mobile dispensaries to help the homeless in cities. It also envisages the setting up of information services for them, which would operate in the streets, and emergency centres to provide them food, clothing and hot baths.

The Euro-MPs feel the help given the homeless by the European Community in the framework of its fight against poverty to be insufficient. They want specific action in favour of the homeless at the European level, which would encourage the coordination of activities at the national level.

SHIPBUILDING: Bringing life to moribund areas

The European Commission proposes a programme of regional and social aid to the Twelve.

To give a strong boost to the regions where the fast declining shipbuilding industry is located, and allow some 22,000 shipyard workers who are the victims of economic lay-offs to surmount this situation, are the two key objectives of the programme of regional and social aid which the European Commission has just proposed to the European Community's Council of Ministers in order to complete the activities the Community has already embarked on in this sector.

For the regions in the 12-nation European Community hit by the crisis in the shipbuilding industry, the Commission is proposing a programme of regional development called RENAVAL. Thanks to a sum of ECU 400m.* provided by the European Regional Development Fund (ERDF), this programme would make it possible to improve the infrastructure of the regions in question, encourage investments and, notably, the development of both small and medium-sized firms and of activities linked to the new technologies.

In this spirit the European Commission is proposing emergency aid to interested regions in Spain and Portugal for the period 1988 to 1990, and for the other Community countries aid for subsequent years, for which each national administration will have to apply to the Commission before 30 April 1990.

For shipyard workers who have lost their jobs between 1 January 1987 and the year 1989, the Commission is asking the Twelve for additional aid amounting to ECU 71.5m., which should interest some 22,000 workers laid off for economic reasons. Some of them could take early retirement, thanks to a maximum payment of ECU 5,000 per person; others could find new jobs or set themselves up in independent employment, with Community aid of ECU 2,500 per person, while yet others (or the same) could move to another region, thanks to the premium of ECU 1,500 for each worker.

This aid will be in addition to the ECU 63m. of social aid and ECU 71m. of regional aid already envisaged for the years 1987 to 1989. For the European Commission it is essential to provide complementary support because of the severity of the crisis in the shipyards. The fact is that this sector employed some 93,000 workers last year, as against 208,000 in 1975. During the years 1987 to 1989 some 30,000 jobs will be under threat.

As for the world-wide nature of the problem, which has resulted in very strong Japanese and South Korean competition on a declining market, the European Commission plans to meet it through its external trade policy.

* 1 ECU = UK£ 0.71 or IR£ 0.77.

VAT ETC.: A Europe without frontiers is around the corner ...

... if the Twelve accept the European Commission's latest proposals.

A giant step towards a Europe without frontiers will have been taken if the member states of the European Community were to reduce the gap between the rates at which they levy VAT and excise duties, the latter on products ranging from alcohol to tobacco, not forgetting petrol and fuel oil.

To help them take this step the European Commission has just proposed to the Twelve a series of VAT rates and common excise duties which, in its view, should lead to the necessary harmonisation of indirect taxation rates, in preparation for the single internal market.

At present it is chiefly because of the differences in these rates, which are set by the individual member states, that checks at the Community's internal borders can be justified. It is this which led the European Commission in 1985 to propose the principle of a certain harmonization of indirect taxes - VAT and excises - in the light of the realization of a single internal market by 31 December 1992.

If the Twelve now approve the Commission's new proposal, they would apply on that date only two VAT rates, instead of the 3, 4 or even more currently in force in some member states. There would be a standard rate and a lower one for basic necessities: foodstuffs; water; energy for heat and lighting; medicines; books, newspapers and magazines and, finally, passenger transport.

VAT represents an important source of income for member states. The Commission therefore does not want its "Europeanization" to result in an upheaval in national taxation systems. It therefore is not proposing a single "European" rate but two VAT rate bands.

The standard rate would be between 14 and 20% and the reduced rate between 4 and 9%, with member states free to fix their national rates at any point within these bands. At present VAT rates vary from 1% (the minimum rate in Belgium) to 38% (the increased rate in Italy), while both the U.K. and Denmark apply zero rates extensively. Exemption would be granted to countries which apply zero rates to items of basic necessity.

As for the other taxes which apply to certain "sensitive" products, the Commission has taken into account certain non-fiscal factors. Thus tobacco-based products would be more heavily taxed than at present, as part of the fight against cancer. The tax on lead-free petrol would be lower than on ordinary petrol in order to encourage "clean" motor cars. Finally, wine and beer would be taxed at the same rate for equal quantities throughout the Community, so as to allow them to compete on equal terms.

ECONOMY: United we stand

The European Commission's recommendations to the Twelve.

"United we stand". Here is an apparently self-evident principle, one which is the motto, in fact, of the Kingdom of Belgium. But it is a principle difficult to implement within a Community of 12 member states whose governments do not always have the same priorities. But it is precisely by pooling their possibilities that the Twelve can turn back the tide of unemployment in a significant and durable fashion, according to the European Commission.

In a recent report to the member states the Commission has confirmed the forecast it made in March for the 12-nation Community: a continuing slow-down in economic growth this year and the next, with unemployment remaining at around 12%. In addition, the regions in difficulty do not appear to be catching up with the others.

The Commission points to a number of improvements in the economic situation since last summer. The rise in prices has fallen sharply. More jobs are being created, in relative terms, than in the 1960s and 1970s and the return on capital has risen strongly in recent years. Moreover, there is a measure of agreement between employers and trade unions in the Community on the general guidelines to be followed, especially as regards wage restraints.

The Commission takes the view this progress could serve as a spur to the Community. Its experts believe that none of the national governments is really capable of stimulating the economy on its own, without generating inflation and other forms of imbalance.

But they believe that countries with sound finances (Britain, Denmark, France, Germany and Luxembourg) could together decide to reduce taxes and increase public investment at home. The Commission feels such measures would have a positive effect on the economies of all member states, and would even accelerate the pace of growth in countries such as Italy, Spain and Portugal, whose economies are already moving ahead.

The fact is that should the economic slowdown become pronounced in the Community's northern member states, its southern states would have to put a brake on both consumption and investments in order not to endanger their finances.

At their meeting on July 13 the Community's finance ministers found the Commission's analysis too pessimistic, while most of the countries called on to take additional measures declared themselves unable to do so.

SOCIAL: There are some 30m. handicapped persons in the European Community

The Commission proposes a new action programme to help them.

One European in 10 is physically, mentally or psychologically handicapped, more or less seriously and for long periods of time, according to prudent estimates.

The fact is that high accident rates, on the one hand, and the fall in infant mortality and the rise in life expectancy rates on the other, while desirable in themselves, are off-setting the progress in medicine and medical techniques, which otherwise would lead to a fall in the number of handicapped persons. As a result, no substantial decline is expected in the European Community's handicapped population of some 30m.

However, a part of them are quite capable of integrating themselves into society, with obvious psychological benefit to themselves, as well as to their families and to society itself, which would find itself free of a heavy burden. The usefulness, in the medium term, of any action which allows the integration of the handicapped is evident, even at the economic level. But existing constraints make it difficult, only too often, to take a more long-term view. New measures are needed, therefore, in all the member states to prevent the situation from deteriorating.

The European Commission, having decided to take the matter in hand, has proposed a new Community action programme for the 4-year period from 1988 to 1991. It is a natural follow-up to the first action programme in favour of the handicapped introduced in 1981. It provides for complementary measures as well as the creation of a new consultative committee on which the member states would be represented, together with associations of handicapped persons and their families as well as trade unions and employers' organizations.

The new programme consists of three independent elements, which include initiatives at the political level for social and economic integration of the handicapped, technical cooperation at the Community level with a view to encouraging innovative solutions and Community-wide information systems.

In a follow-up to its 1986 "Recommendations on the employment of the handicapped", the Commission has proposed that the initiatives in favour of their physical environment consist of three stages. This summer the Commission will send to the Council of Ministers proposals on the mobility of the handicapped, including by public transport; at the end of the year it will submit proposals on access to public buildings and, finally, during the summer of 1988, proposals on housing, including financial help to make possible an independent life at home.

Contd.

As regards technical cooperation, the Commission has proposed that the major network of rehabilitation centres which has already been set up be extended to other categories, and that another network of innovative local projects, including problems related to vocational training and employment, be set up.

In addition, the Commission envisages a programme of prizes and exhibitions dealing each year with a major theme regarding the handicapped. Meanwhile, the Handynet project, a multilingual, computerized information system, will become operational next January. It will make easier the various procedures for consultation and decision-making.

FIREARMS: A golden rule for a safer Community

The European Commission's proposals for controlling the acquisition and detention of firearms.

In principle, it will be illegal to carry weapons when travelling between member states of the European Community. It would have been much better for Europe if this golden rule had been introduced, and especially respected, from the beginning of its history. Better late than never, however.

The European Commission clearly was right to base its projected directive on the control of the acquisition and possession of firearms on it, in accordance with the terms of its White Paper on the completion of the internal market.

But the fact is that the 1992 deadline envisages the abolition of all controls at the Community's internal frontiers. How, therefore, prevent the transport of arms from one country to another by travellers? By simply making it unnecessary. This would be achieved by (1) a harmonization of the various national laws on weapons and (2) a ban on the sale or transfer to a non-resident of firearms by arms dealers, except where the former had been expressly authorized to make the purchase by the member state in which he resides.

To ensure compliance with this ban the dealer will be required to record all sales in a register. This will enable each Community country to both control the acquisition of firearms by individuals residing within its territory and apply its own national legislation on arms, without the need to maintain border controls.

A flexible procedure is envisaged in the case of hunters and those taking part in shooting events. It will be up to the Council of Ministers and the European Parliament to evaluate the merits of the proposal and take a decision on it, as Commission Vice-President Lord Cockfield pointed out in his reply to a Belgian Euro-MP, Jaak Vandemeulebroucke.

HEALTH: Bavaria seeks to expel AIDS

The Bavarian government wants the Federal Parliament in Bonn to ban the entry into Germany of nationals of other European countries suffering from AIDS - and to expel those already in the country.

The European Commission has expressed very strong reservations over a proposal from the state government of Bavaria to the Federal Parliament in Bonn for a ban on the entry into Germany of nationals of other European Community countries who are suffering from AIDS - and the expulsion of those already in the country who are victims of the disease. Such a ban, in the Commission's view, is incompatible with the principle of the free movement of persons.

The Community's health ministers had already discussed the point at issue at their meeting on May 15. In their conclusions concerning AIDS they confirmed their "particular commitment to full respect for the principles of freedom of movement of persons and equal treatment as laid down in the Treaties". They also considered it necessary "to prevent the development of contradictory national policies which might give rise to discrimination".

Pending a decision by the German Federal Parliament the European Commission has already made it clear that if asked to approve a proposal of this kind it would "react with the greatest diligence if Community standards were to be violated". A pity, because it will be necessary to invent something else to get rid of AIDS.