



# a newssheet for journalists

Weekly n° 36/89

13 - 20 November 1989

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Mailed from: Brussels X

**ALCOHOL, TOBACCO AND PETROL: Taxes that are more European - and a bit higher**

Fresh proposals from the European Commission.

How will alcohol, tobacco and petroleum products be taxed in the 1992 single market? Some two years ago the European Commission proposed a single European rate of excise duty for each product. But the Twelve turned down the proposal, on the grounds that it did not take sufficient account of the differences among the various national systems. The European Commission returned to the fray at the end of October, with a proposal for a mandatory system of a minimum rate for each product. The goal is unchanged: it is the elimination of checks at the Community's internal frontiers through the approximation of tax levels - excise duties in this case, as VAT is the subject for other Commission proposals.

The European Commission has been careful to take health and environmental factors into account when calculating the minimum rates of excise duty. As a result, the rate proposed for leaded petrol is well above that for green petrol. The minimum rates should come into force on 1 January 1993. After this date the Commission would like the Twelve to approximate optional "target rates", which have been set after taking into account the requirements of health, environmental protection, energy policy and an eventual transport policy.

The Commission has estimated that the introduction of the proposed minimum rates would lead to a rise of 0.3% in price levels generally throughout the Community, but spread over a 3-year period, which can be considered very reasonable. However, consumers will face much sharper price rises in the case of tobacco in Greece and Spain, wine in the Community's southern Member States as well as in Germany, and petrol in Belgium, Luxembourg and Portugal.

Only in the case of three types of fuel oil - diesel, domestic and industrial - has the Commission proposed rates bands and, consequently, greater approximation of the various national taxes. The reason is that these products are used in large quantities in road transport, offices and factories, and thus largely determine the terms on which European companies compete with each other.

**SINGLE MARKET: Blockages in the implementation of Community legislation**

The European Commission blames the Twelve.

The implementation of European legislation aimed at completing the single European market in 1992 cannot be taken for granted. The European Commission has already alerted the Member States and the European Parliament on several occasions to the delays by governments in translating the 1992 legislation into their national legislation. The Commission is now blaming the EC Council of Ministers for failing to respect the revised European "Constitution" - in force since 1 July 1987 - by refusing it the powers it needs to implement the measures for the erection of the single market.

The Commission is claiming that the Community's "Constitution", the revised Treaty of Rome, and the commitments the Twelve entered into when it was adopted, allow it to enforce at Community level the "laws" approved by the EC Council of Ministers, just as a national or state government enforces the laws adopted by the national or state government.

The Commission notes that the "laws" approved by the Council of Ministers frequently provide for procedures which subject their implementation to the goodwill of a committee of representatives of the governments of the Twelve. In practice, this goodwill is not always evident and the decisions needed to implement the "1992 legislation" are not always taken.

As a result, numerous files dealing with the single market, and especially those which affect public health, remain in limbo and, according to the Commission, the implementation of Community legislation sometimes takes place in worse conditions than before the reform of the Treaty of Rome, while its adoption has become more effective - thanks to majority voting in the Council - and more democratic - thanks to the intervention of the European Parliament.

The European Commission has sounded the alarm; if there is no change, it will not be possible to meet the timetable for the 1992 programme.

**ENVIRONMENT: Fit to drink**

Coming - EC legislation dealing with municipal waste water treatment.

"It is time to put an end to an intolerable situation, which is the pumping of effluents into our rivers, lakes and seas", the European Environment Commissioner, Carlo Ripa di Meana, bluntly declared when presenting his proposal for a EC directive aimed at improving municipal waste water treatment throughout the Community. He described the present situation as "reminiscent of the Middle Ages", adding that his proposal was "an effective contribution to safeguarding and improving our aquatic environment".

A number of important initiatives were already taken in 1988 towards a new and more effective Community water policy. They were based on the decisions of the European Council at Hannover and the Environment Council, which met in June that same year. They reflected the general concern due to the detrimental effect on the environment of water pollution.

These detrimental effects are for all to see. The discharge of untreated urban waste waters can reduce the amenity value of rivers, lakes and coasts. What is more, the reduction of water quality can seriously affect water intended for human consumption. The fact is that within the Community there are more discharges of municipal waste water than from any other source. Their volume varies, depending on whether the discharges are from small villages of a few hundred people or from cities of several millions.

There were some 30,000 municipal waste water treatment plants in the Community, according to a survey made in 1984, which nevertheless treated only about 45% of the total waste water. Some 32 of these plants received waste water from cities of more than half a million and 12,000 from populations of more than 50,000. Given the number of European cities with a population of more than 500,000, it is obvious that many of them discharge their waste water straight into rivers, lakes and streams.

It must not be forgotten that even where municipal waste water treatment plants exist, their performance is not always satisfactory: the resulting sewage sludge is not of a quality suitable for recycling or for disposal. The situation is made worse by the industrial wastes which are discharged into the same sewers, thus contributing to eutrophication, which has become a major problem in Community waters over the last decade.

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The proposed Community directive seeks, first of all, to lay down minimum requirements for the treatment of municipal waste water. It then sets out to classify the receiving waters into three types, depending on their assimilative capacity. In addition to a secondary (biological) treatment, additional treatment will be required in more sensitive areas, to meet specific environmental needs.

As for discharges of municipal waste water to coastal waters, the Commission believes that in principle all such discharges should be given a high degree of treatment. As for the discharge of sewage sludge to sea by pipeline or by ship, the Commission is of the view that it will have to be phased out gradually - a move to which the riparian Member States of the North Sea are already committed. In any case, the Twelve will be required hereafter to maintain a standstill on the amounts of sludge disposed at sea, and to reduce the amounts of toxic, persistent and bioaccumulable substances present.

As national practices related to municipal waste water treatment vary widely within the Community, the proposed directive is limited to the main provisions for municipal waste water treatment. The European Commission believes that certain details can best be dealt with by a Regulatory Committee. It could deal, for example, with such matters as guidelines for the design of collecting systems, the quality of industrial waste water entering municipal systems, identification of sensitive areas, methods and frequency of sampling, the monitoring of the environment which is subject to municipal waste water discharges or sludge disposal to sea and reporting system and national programmes.

It should be underlined, in this connection, that even if the directive provides for only essential questions to be dealt with at the Community level its implementation will oblige Member States to establish national programmes, update them regularly and provide information to the European Commission.

Once this directive has been approved by the Council of Ministers, and thus become Community legislation, it will give rise to the building and improvement of municipal waste water treatment plants, some to a high level of sophistication. It will be necessary, therefore, to ensure that there is adequate staff not only to design, build and operate such plants but also to service them properly.

**HEALTH: Antidotes without frontiers**

The European Commission is seeking to harmonize measures to fight human poisoning throughout the Community.

The frontiers between the 12 European Community countries can be more than a source of harassment and petty formalities; they can also result in death. A child living in Brussels, for example, can die from an overdose of a medicine bought in France or Germany, if its antidote is unknown in Belgium. To rule out the possibility of such accidents, and to improve safety in the use of chemicals and pharmaceuticals, the European Commission has recently asked the Twelve to harmonize their measures for dealing with cases of acute human poisoning.

The problem is far from being of minor importance. The fact is that the 60 poison centres operating in the 12-nation Community receive over one million calls each year. These centres provide essential information to the public and health professionals; they also collect very valuable information on poisoning cases and their treatment.

The European Commission has asked the Twelve to harmonize the collection and storage of this information, so that the dangers of a new chemical product can become quickly known throughout the Community, for example. This would make it much easier to locate the antidote to a product on sale in the Community. The Commission's proposal would also ensure its increased availability, especially near the Community's internal border areas.

**INFLATION: Prices rose sharply in September**

0.6% for the EC as a whole.

Prices in the 12-nation European Community rose by 0.6% in September. This sharp rise came after four months of relative stability. Most Member States recorded considerable increases, according to Eurostat, the Community's statistical office.

The steepest price rises were in Greece (3.6%), Spain (1.1%) and Britain (0.7%). Elsewhere the increases were below the Community average. This was the case in Belgium, Italy and the Netherlands (0.5%), Denmark (0.4%), France and Luxembourg (0.3%) and Germany and Portugal (0.2%).

The Community's inflation rate was 5.3% in the 12 months to this September. This was well above the rates for the United States (4.3%) and, in particular, Japan (2.7%). Other countries where prices rose more slowly on a 12-month basis were Austria (2.5%), Switzerland (3.4%) and Norway (4.2%). Canada had roughly the same inflation rate as the EC with 5.2%, while both Sweden and Finland recorded higher rates - 6.4% and 6.7% respectively.

**SOCIETY: 30% of Europeans have experienced unemployment**

The results of a European Commission survey.

Some 29% of the European Community's workers have been out of work for at least four weeks since 1980. More than 50% of them have remained unemployed for more than a year and roughly one-third for more than two years, according to a survey carried out by the European Commission at the beginning of this year.

The degree of unemployment has varied from country to country. Only 17% of Germans, 25% of Britishers and 25% of Portuguese have experienced unemployment since 1980. But the proportions are much higher for Greece (39%), Ireland (41%) and Spain (55%).

Nor have all countries been hit equally hard by long-term unemployment. In the 12-nation Community as a whole, 37% of workers who have known unemployment since 1980 were jobless for more than two years. But this proportion reaches 58% in Spain, 53% in the U.K., 40% in the Netherlands and Belgium, falling to 16% in Denmark, 19% in Portugal and 20% in Germany.

**COAL: Continued decline in employment, rise in productivity**

The first half of 1989 in figures.

The European Community's coal mines provided employment for 211,900 miners as at 30 June 1989. This was some 10,200 fewer than in December 1988, according to the latest figures published by Eurostat, the EC's statistical office, which points to job losses of 4.6% in a 6-month period. While fewer than 1% of miners in Germany were affected by job losses, the corresponding figure for France was more than 9% and for the U.K. over 12%. Spain was the only Community country in which the number of miners rose - by nearly 3%.

Spain is also the only EC country to record a steady rise in coal production during the last three years. During the first half of 1989 production in the Community as a whole rose by a mere 0.2%, as compared to the first half of 1988. Productivity (hourly production per miner) rose by 6%, because of the job losses. As for imports from non-EC countries, they rose by 6.8%.

**SOCIETY: European workers want more leisure time**

The results of a survey carried out at the beginning of 1989.

Most workers in the 12-nation European Community would prefer a shorter working week, even if it meant a proportionately smaller pay packet. More than one-third of those working full time are even ready to give up a pay rise in return for shorter working hours. These are among the conclusions of a survey carried out by the European Commission early this year in all 12 EC countries; and they only confirm a trend which earlier surveys had already uncovered.

At present three workers out of five - 62% of them to be exact - work between 35 to 40 hours a week; but nearly half those polled - 49% - would prefer a shorter working week. The fact is that 37% would like to work less than 35 hours a week, although only 21% of all workers find themselves in this situation already.

Given a choice between a wage increase and a shorter working week, 34% of European workers in 1988 would choose the latter, as compared to 31% in 1985. The number of those who favour wage increases has also fallen at the same time: this year they accounted for 56% of the total, as against 62% in 1985.

There are inevitable national differences, of course. On the whole, the demand for more leisure time is stronger in the more well-off Member States: it was backed by 55% of Danish workers, 44% of their German counterparts and 42% of French workers. In the poorer Member States, workers voted overwhelmingly for wage increases: 82% in Greece, 79% in Ireland and 66% in Italy.

Views have not changed in the same way throughout the Community since 1985. In Germany the majority now favours a shorter working week, although four years ago 56% of those polled preferred wage increases. The advocates of more leisure time have gathered strength in France, Denmark and the United Kingdom also. However, EC countries which tended to favour shorter working hours in 1985 now have majorities which prefer wage increases. This is especially true of Greece and Italy.



**REGIONAL AID: More than ECU 400mn.\* for the disadvantaged regions**

Backing for projects in the two Irelands, Greece and Spain.

Several regions which have fallen behind in four European Community countries - Britain, Ireland, Greece and Spain - will receive aid totalling ECU 427mn. The sum, which will help finance investment projects, was released by the European Commission at the end of October.

Spain is the principal beneficiary of this allocation of regional aid, the fourth this year. It is to receive ECU 257mn. for two investment programmes, one in Andalusia, the second in La Mancha. The regional fund has also earmarked ECU 60mn. for the purchase of aircraft to link the Canary Islands with each other.

The Macedonian region in northern Greece is to receive ECU 97mn. for the improvement of the telecommunications network and the modernization of the transport system for the locally produced brown coal. The ECU 12mn. allocated to northern Ireland will help finance investments in industry, while the ECU 4mn. earmarked for the Republic of Ireland will be spent on improving transport and the distribution of water.

**FISHERIES: ECU 59mn. for fleet modernization and fish farms**

All maritime countries will benefit from this Community aid.

European Community fishermen and those engaged in fish farming will be able to modernize their installations, thanks to ECU 58.9mn. of aid accorded by the European Commission at the beginning of November. All EC countries will share in the aid, with the exception of land-locked Luxembourg.

Some ECU 35mn. of this aid will be used to build new fishing boats, to replace those which have been lost at sea in the first instance, and have been withdrawn permanently from service. The European Commission in addition has allocated ECU 8.6mn. to projects for modernizing fishing boats. Finally, ECU 15.3mn. have been set aside for the modernization of fish farms: their restructuring, the introduction of new technologies and the introduction of more varieties.

Spain and France together are to receive more than half the total amount of aid, followed by Portugal and Italy.

\* 1 ECU = UK£0.68 or IR£0.77