

### S U M M A R Y

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A PEOPLE'S EUROPE: A penny is a penny

Banks must pay Eurocheques presented to them in full.

When you cash a Eurocheque abroad the bank must pay you the sum entered on the cheque in full, without any deductions. Should it withhold even a penny you can complain to your own bank, to the Eurocheque national office or even to Eurocheque International in Brussels. And do send a copy to the Secretariat of the European Commission in Brussels; it can act on your complaint by virtue of its powers in this area.

The fact is that neither the banks nor the Member States have the right to withhold any amount whatsoever, with the exception of a bank commission of 1.6% (1.75% in Germany), to be debited to the account of the person issuing the cheque. The European Commission has made it clear that it will not tolerate any infringement of this rule and has recently opened infringement proceedings against Italy.

The Commission is concerned that the growing success of the Eurocheque system is tempting some to look for a larger slice of the cake. It granted the banks an exemption from the Community's rules of competition in 1984 because of the advantages, both to shops and their customers, if the amount of the cheque was paid in full.

The fact is that in several EC countries banks charge an additional, and illegal, commission when Eurocheques are encashed. In others the State levies a tax, which is just as illegal. The European Commission has decided, therefore, not to renew the exemption it granted the banks in 1984, and to bring proceedings against defaulting Member States. But it hopes that users of Eurocheques will speak out.

The fact is that Eurocheques are practical, effective and safe; they are also the most flexible and cheapest method of payment. Hence the Commission's decision to defend the Eurocheque system. It now remains for users to follow its lead.

EDUCATION: More cross-border exchanges in 1988/89

The European Commission launches new Comett and Erasmus projects.

The European Community will give its financial backing to more than 700 projects involving cooperation between universities and companies in the different Community countries during the 1988/89 academic year. The aid is being provided under the EC's Comett programme, set up to train specialists in the new technologies for European industry in a European context.

The ECU 21.5mn.\* the Community is giving will go to multiannual projects begun last year as well as to 443 new projects. The training programmes and exchanges will focus even more than last year on areas covered by the Community's own research programmes. The European Commission in fact plans to strengthen the links between Comett and other Community activities in the coming months, including research programmes, activities favouring small and medium-sized enterprises (SMEs) and the Erasmus programme.

This is a programme which aims at encouraging exchanges between universities in the different EC countries. The Commission has just decided to give more than 2,600 teachers the chance to spend up to four weeks on visits to universities in other Community countries. Not for the first time the number of applications, both to Comett and Erasmus, greatly exceeded the funds available.

\* 1 ECU = UK£ 0.65 or IR£ 0.78.

AIR TRANSPORT: Stricter rules for greater freedom

New rules and a proposed code of conduct for computer reservation systems.

The expression "free as the air" is beginning to take on a new meaning in the 12-nation European Community as the European Commission perseveres in its efforts to eliminate all the measures which airlines have introduced at the expense of passengers. It has just adopted three competition regulations aimed at guaranteeing fair competition between airlines.

The first should ensure that all Community travellers, whatever their nationality and country of residence, enjoy the reduced fares resulting from consultations between airlines. The second authorizes agreements between companies for the provision of ground handling services at airports, provided such agreements do not discriminate between air carriers.

The third regulation authorizes two computer reservation systems set up under agreements between European airline companies. As some two-thirds of all European airline bookings are made through such systems, the European Commission has sent the Twelve a proposal for a mandatory code of conduct aimed at putting an end to their discriminatory use.

INTERNAL MARKET: Developing electronic information services in the EC

The Twelve approve a 2-year action plan.

Electronic information services will be able to fit more easily into the single European market, thanks to a 2-year action plan adopted by the European Community Council of Ministers at the end of July. The plan seeks to develop advanced information systems throughout the 12-nation Community.

Under this plan the EC will co-finance pilot demonstration projects prepared by interested public bodies and private companies. The first projects will be launched early next year. Proposals must reach the European Commission (GD XIII B2--Office JMO-C4/033 - L-2920 Luxembourg) before September 15. The Community will contribute ECU 36mn.\* over two years.

The electronic information services market in the EC employs some 100,000 people. It has an annual turnover of ECU 1.25bn., a figure which will rise to more than 10bn. in the 1990s, in the Commission's view.

RESEARCH: Esprit II launched under the sign of the SMEs

They will take part in more than 90% of the selected projects.

Small and medium-sized enterprises (SMEs) will take part in 148 of the 158 projects initially selected by the European Commission at the end of July in the context of the second phase of the European Community's research programme devoted to the information technologies. SMEs, in other words, will play a much greater role in the Esprit programme this time round than during its first phase.

Some of the projects that have been selected are a follow-up to the results of Esprit I. The work on mini supercomputers should be finalized under Esprit II, together with the work on improving industrial production by getting computers to communicate with each other.

Other projects will explore new fields, such as using computers to control household appliances or developing computerized work stations which simultaneously use voice, writing, data and charts.

Esprit II will have a total budget of ECU 3.2bn.\*, half of which will be funded by the Community. For the first time fundamental research will also be carried out under the Esprit programme.

\* 1 ECU = UK£ 0.65 or IR£ 0.78.

COMMUNITY AID: Simpler and more effective from next year

The European Commission begins reforming the structural funds.

From next year the regional, social and agricultural aid provided by the European Community's so-called structural funds\* will be operated to the same rules and managed on the basis of simplified procedures. As a result, these aids should be better coordinated, more effective and better adapted to the needs of the interested regions.

Governments will remain the necessary intermediaries between the European Commission and the beneficiaries, but regional and local authorities should play a bigger role in the management of these aids, according to the regulations adopted at the end of July by the European Commission, as part of the reform of the structural funds approved by the EEC Council of Ministers the month before.

To finalize the new measures the Commission has taken the integrated Mediterranean programmes (IMPs) as its guide. These combine interventions by the three Community funds as well as Community loans in the regions facing difficulties in Greece, Italy and the south of France. The European Commission adopted the latest Italian IMPs at the end of June, while implementation of the Greek and French IMPs has already begun. These programmes represent a total expenditure of ECU 7bn.+, some ECU 3.2bn. of which will be met from the Community budget.

\* Regional Fund, Social Fund and the Guidance section of the Agricultural Fund.  
+ 1 ECU = UK£ 0.65 or IR£ 0.78.

ENVIRONMENT: Protecting the natural habitat of fauna and flora

The European Commission asks the Twelve to create protection areas.

It will be called Natura 2000, if the 12 European Community countries agree. But it will be neither a safari park nor a luxury vacation centre. Natura 2000 in fact is the name which the European Commission has given to a Community-wide network of classified protection areas in which wild fauna and flora, especially threatened species, will be allowed to flourish. The network is one of the key elements of a draft Community directive which the Commission sent the Twelve at the end of last month.

Environmental protection was written into the Treaty of Rome, the EC's "Constitution", a year ago. The Commission therefore wants to take advantage of it to protect endangered species. A number of European regulations already cover some of them, but their implementation is not always as effective as it should be. Besides, national measures often vary widely from one EC country to another.

The regulation now proposed by the Commission would allow exploitation of wild species only if the population can be shown to be stable or increasing. It also bans the manufacture, sale and use of steel jaw leghold traps and self-locking body snares.

AGRICULTURE: What if disharmonies in agricultural policies are eliminated on both sides of the Atlantic?

Experts examine the agricultural policies of the U.S. and EC.

Were the United States and the European Community to reduce spending on agriculture in a coordinated manner, the former would save roughly ECU 2.5bn.\* and the latter more than ECU 5bn. European consumers would economize up to ECU 13bn., Americans some ECU 4bn. European taxpayers could find their tax bill cut by ECU 10 bn., American taxpayers by up to 8bn., according to economists from both sides of the Atlantic.

Their findings are set out in a report on the agricultural policies of the U.S. and the 12-national European Community, prepared at the request of the European Commission.

Farmers on both sides of the Atlantic would be the losers, however. European farm incomes would fall by up to ECU 18 bn., those of American farmers by ECU 9 bn. The experts point out that in the event that both Americans and Europeans stop supporting agricultural production, both would have to take steps to compensate their farmers for loss of income.

The fact that economists from both the EC and U.S. can envisage a cutback in farm spending suggests that a reform of both European and American agricultural policies is virtually inevitable, given their harmful consequences. The fact is that these policies allow American as well as European farmers to produce at prices which are above world market prices and, through the build-up of agricultural surpluses, bring about a fall in these prices, to the anger of producers elsewhere.

The EC and U.S. spent ECU 22 bn. and ECU 26 bn. respectively on their farm support programmes in 1986, according to the report. The cost to each non-farm family was \$ 900 a year in the EC and \$ 700 in the U.S. Even so, the average net income of Community farmers in 1986 was below that in 1980, while American farmers saw their incomes fall by 30% between 1979 and 1984.

Worse, some three-quarters of total agricultural support benefits went to the big farmers, who account for only 25% of the total. The report, clearly, is food for thought in itself.

\* 1 ECU = UK£ 0.65 or IR£ 0.78.

THE COUNTRYSIDE: Farmers - a disappearing breed

The European Commission seeks to encourage other activities.<sup>1</sup>

"Rural" and "agricultural" are not synonymous, of course. Although half the working population of the 12-nation European Community lives or works in rural areas, only 8% of it is engaged in farming. To ensure that non-farm families can continue to enjoy the countryside, the European Commission wants to encourage a range of activities, including forestry (see below), the protection of the environment and research and development of new energy sources.

The countryside covers some 80% of the Community, according to a report which the European Commission sent to the Twelve last month. Hence the need for Community policies to pay greater attention to the problems of rural areas, the Commission believes.

However, agriculture is no longer as important as it once was. In only 10 of the 166 regions of the Community does it account for 30% of total employment; its share of Gross Domestic Product is more than 10% in only 17 regions. The rural exodus continues but only in Greece and certain areas of Spain, Portugal, the Italian Mezzogiorno and France's Massif Central.

The Commission is proposing that some Community lending be earmarked for investment by smaller businesses. It also wants these areas to benefit more from Community aid to research, energy and business services.

FORESTS: Proposals for a greener Europe

The European Commission sends the Twelve a draft action programme.

Some 20% of the 12-nation European Community is covered with forests. The European Commission believes that these 106mn. acres of forests warrant action at the Community level. The fact is that the Community produces only half the timber it needs, although its requirements are expected to rise by 30% by the year 2000.

The Commission has therefore sent the Twelve the draft of a Community forest policy, the first stage of which is a 4-year action programme (1989-92). The programme seeks to return some agricultural land to woodland, rebuild damaged forests and protect existing ones from the threat of fires, for example. The programme also seeks to stimulate the use of cork and the manufacture of wood products.

**BRIEFLY...**

**SAFEGUARDING EUROPE'S ARCHITECTURAL HERITAGE:** The European Commission has allocated ECU 2.7mn.\* to help finance 30 projects aimed at preserving Europe's architectural heritage. The monuments to be protected cover 3,500 years of European history: the earliest date back to 1500 B.C., the most recent to our own century. The growing number of projects submitted to the Commission each year is a measure of the programme's success.

\* 1 ECU = UK£ 0.65 or IR£ 0.78.

**SETTING A DATE FOR THE NEXT EUROPEAN PARLIAMENTARY ELECTIONS:** The trial of strength between the EC Council of Ministers and European Parliament continues. The Council thought it had settled the matter once and for all when it decided on June 15 to 18, 1989 for the next elections to the European Parliament. But Parliament has again reaffirmed its choice of June 8 to 11, the dates it has voted for twice already. Euro-MPs maintain the Council can change the dates only if it can show that the elections cannot be held on those chosen by Parliament. Consultations between the two Community institutions are now envisaged by the Parliament.

**A DOCUMENTARY ON JEAN MONNET:** An 11-minute film on the life of Jean Monnet is to be made by Daniel Wronecki, in the context of the European Jean Monnet year. The film will be made available, in the form of a video-cassette, to all organizations wanting to show it during the year.

The initiative for the film has come from the Association "The friends of Jean Monnet". It favours a short film in order to achieve maximum impact. English, Dutch, German, Italian and Spanish versions are envisaged, in addition to the French version. Further information may be had from the Association "Amis de Jean Monnet", 61 rue des Belles-Feuilles, Paris 16. Telephone: 45.01.58.85.

**NORWAY DRAWS CLOSER:** Some 38% of Norwegians are in favour of their country joining the European Community, according to a recent poll. However, another 38% are opposed to it, while 24% have not yet made up their minds. Even so, opposition to membership has fallen sharply, from 45% in January to 38%. Support has risen meanwhile; it is up from 28% last summer.

Socialists remain suspicious of the Community, with 41% opposed to membership, as against the 38% who favour it. Among conservatives 59% favour membership, only 24% oppose it. The majority of women are against joining the EC, however.



EC SPORTS MINISTERS HOLD THEIR FIRST-EVER MEETING: The Greek presidency has taken the initiative in convening the first-ever session of the European Community Council of Ministers to be attended by the ministers and state secretaries responsible for sport in the 12 EC countries. The Community's competence does not extend to sporting matters. Even so, several of those attending the Council meeting, held in Athens on July 16, took the view that governments cannot stand idly by in the face of a phenomenon of such importance.

The European Cultural Commissioner, Carlo Ripa di Meana, proposed that priority be given to a number of activities, ranging from measures to root out violence at sports stadia and exchanges between athletes and coaches to the fight against drugs and the practical implications for sport of the single European market of 1992. The great "Sports Convention" that might be held in Greece next spring would be the ideal forum for a debate on these issues.

A NEW COMMUNITY COURT: The European Community Council of Ministers has just agreed in principle to the setting up of a court of first instance, which would take over some of the work load of an overstretched Court of Justice in Luxembourg. The new court would handle cases brought by Community personnel, competition cases and those relating to steel quotas and ECSC levies. The Court of Justice would have sole jurisdiction, for the present, in all anti-dumping cases. The question of competence would be re-examined in two years' time, however.

<p>EUROFOCUS is taking its usual summertime break this month. We're back in September!</p>
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