

Week of March 8 to 13

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TRADE : Reduction of imports from the USSR

In view of the situation in Poland and in support of similar American sanctions, the Foreign Ministers of the European Community, meeting in Council last February 22 and 23 voted in favour of a reduction of European imports from the USSR.

According to the Council, this decision should be interpreted as a "political gesture" toward the Soviet Union, and the European response to the role played by the Kremlin in the events in Poland. The US hopes that the commercial restrictions may mean that Western Europe is to protect itself against too great a dependence on the Soviet Union in the energy sector. EEC and US statements are clearly aimed at the future natural gas pipeline from the USSR that is to supply several Community member states.

In response to a Council request, the European Commission worked out the provisions of concrete measures aimed at reducing imports from the Soviet Union. These reductions affect about 100 different products, worth a total of about £ 463,8 million. The list covers luxury goods such as furs, caviar and diamonds, as well as machine-tools, automobiles, textiles, wood and food products. For these items European imports will be reduced to about 50 percent of the 1980 level or in some cases below the existing quota. In 1980 Soviet imports totalled some £ 6 billion.

Nevertheless, about 80 percent of imports will not be affected by the measures, which do not concern the energy sector, which accounts for 70 percent of imports, and raw materials which represent 10 percent. In 1980, Community exports to the Soviet Union amounted to £ 4.2 billion and the trade balance showed a surplus of some £ 1.8 billion for the Soviet Union. When they gather in the near future to decide on the final list of the products involved, the Community Ministers will strive for a balance in the impact of these measures on the trade of each member state. This compromise may be difficult to achieve, given the fact that Greece is opposed to the sanctions proposed. In addition, differences remain between the American and European views on this subject. But as a political gesture the restrictions should reinforce the credibility of the European Community on the international scene, following EEC aid to Poland amounting to about £ 4.5 million.

ENVIRONMENT : Planning ahead to prevent pollution

Many experts believe that much of the pollution which chokes our cities and attacks most of this planet is avoidable. Most of this environmental damage is man-made and foreseeable in advance.

But up to now most of the attention in the fight against pollution has been centered on finding remedies for damage already taking place, rather than preventing it before it starts. More and more experts and authorities are realizing that pollution prevention is actually much less costly than cleaning up afterwards. In an era when governments and the public are seeking to obtain the greatest efficiency for their taxes, this new approach takes on added importance.

The result is that in a number of countries in Europe as well as in the United States, legislation has been adopted that requires preliminary studies of any major construction project's environmental impact before it can go ahead. Industries have not always been cheerful about taking on this additional responsibility themselves instead of continuing the old ways of building first and transferring the clean-up costs to society.

A number of member countries of the European Community in recent years have begun to require environmental impact assessment statements for major projects and a similar proposal for such standards throughout the Community has just received a boost from the European Parliament. The Parliament, acting at its last session on the advice of its Committee on the Environment, Public Health and Consumer Protection, approved the concept of such environmental impact studies first proposed by the European Commission in Brussels several years ago. This backing could clear the way for its adoption as Community law by the EEC Council of Ministers as early as later this year. The idea would be to subject certain types of potentially dangerous projects to mandatory preliminary reporting requirements and to recommend but not require that such advance studies be asked for other, less-hazardous undertakings.

The Parliament rejected an amendment that would have required major agricultural projects to be subject to the reporting requirements but did accept some of the 60-odd amendments proposed, adding certain industrial and energy projects to the list of those requiring mandatory prior studies. It also added a provision recommending that the public be involved in the environmental impact assessment procedure.

CULTURE : Looking for a European Hollywood

Most Europeans looking through their daily newspaper or television guide for an entertaining film to watch have grown accustomed to having their choice dominated by offerings turned out by American studios.

Although European films are popular and probably just as good as those made in Hollywood, there are just fewer of them than the thousands of US exports. But that's not the only problem faced by the European film and cinema industry. Another big challenge is coming from competition from television and home video entertainment. The result has been a slump in cinema attendance in a number of European countries. The problems don't just affect the best-known European stars, who can probably get along even in a crisis. The traditional "cast of thousands" who surround the celebrities also suffer - hundreds of unknown actors and actresses, technicians, directors, studio and company personnel ranging from publicity staff to secretaries and, of course, the personnel of thousands of local theatres where films are shown. Since attendance is slipping, many cinemas are being forced to close and choice is often limited to theatres in urban centres. The problem has become so worrying that a committee of the European Parliament recently initiated a survey of the situation. The Committee on Youth, Culture, Education, Information and Sport heard an introductory report prepared by one of its members, French liberal Marie-Jane Pruvot. The paper examined the current problems of the European film industry and possible remedies including financial aid at a national level.

A major complication, according to Mme Pruvot, is that the European Commission in Brussels has judged such aid to be inconsistent with EEC competition rules. Abolishing national aids would amount to signing the death warrant of the European film industry and giving a clear field to American products, she says. Her preliminary report notes that American films' share of the European market is already as high as 92 percent in the United Kingdom, 80 percent in the Netherlands and 70 percent in Greece. Elsewhere it amounts to 60 percent in Denmark, 50 percent in West Germany, 45 percent in Belgium and France and 30 percent in Italy. Mme Pruvot believes that American films are more successful not because they are better, but because they are marketed more skilfully.

Two things that she recommends are a European film festival to support the European film industry and the setting up of a European film distribution network.

SMOKING : Money going up in smoke

When Sir Walter Raleigh and other early voyagers to the New World brought back the first tobacco plants with them to Europe, they began a process which centuries later is still burning with controversy. Just ask the residents of Greece and the United Kingdom, where the consumption of cigarettes is the highest in the European Community and where smoking has increased by 40 and 49,4 percent respectively in the ten-year period between 1970 and 1980. The next biggest smokers in the EEC in 1980 were the Germans, Dutch, Belgians and Luxembourgers, all above the Community average, followed by the Italians, Irish, French and Danes in that order.

Try as health authorities may, they are still unable to separate millions of faithful smokers from their packet a day or more, just because it may be "hazardous to their health". More than that, thousand of workers also depend in some way on the tobacco industry for their livelihood. It was recently estimated that the tobacco manufacturing industry directly employs more than 100,000 people, supplied by 250,000 tobacco farmers (possibly employing 600,000) and with perhaps half a million or more others involved directly or indirectly in its distribution. The other related financial aspects of the industry are also important to modern economies and governments. The same study, prepared by the European Commission, estimated that tobacco products account for between 1 and 3.3 percent of all consumer expenditures. The lowest figure registered was in France and the highest in the United Kingdom. In addition, government revenues from taxes on tobacco products account for between 0.7 percent and 4.2 percent of the total tax free receipts and social security contributions, a not insignificant sum. Partly to discourage smoking on health grounds, governments tax tobacco products heavily. The EEC study showed that on average taxes on cigarettes sold in the Community constitute 70 percent of the retail price or 350 percent of the production costs. These taxes also vary widely from country to country.

The study was undertaken by the Commission to persuade the European Parliament and Council of Ministers that the differences in national tobacco taxes in the EEC should be harmonised to an even greater degree. EEC officials are pushing for a third step towards equal prices throughout the European Community, in the aftermath of two initiatives launched in 1973 and 1978. But their plans have run into stiff opposition in the European Parliament, following intensive lobbying from the multinational tobacco companies.

THIRD WORLD : The fight against hunger and for development

"Give a man a fish and you will feed him for one day, but teach him how to fish and you will feed him for life," states a Chinese proverb. This axiom sums up two possible approaches in the struggle against hunger in the world : on the one hand there are advocates of immediate food aid and on the other there are those who propose attacking the problem at its roots. When most people discover that under-development will condemn 30 million human beings to death from hunger in 1982, there is a tendency to say : "they are hungry, give them food." This short-term approach toward third world countries has prevailed for some time. As a result, thousands of tonnes of grain have been supplied, capital and equipment has also been provided and the Third World's dependence on others has steadily increased. The European Commission wants self-sufficiency to be part of its plan to fight hunger in the world. Edgard Pisani, the European Commissioner in charge of aid and development, recently said that "Misery and hunger are endemic diseases that require complete remedies rather than shock treatment."

The new EEC plan against hunger begins on June 15 and is based on an ambitious objective. It will provide immediate food aid amounting to € 22 million to the countries most in need, in the form of 230,000 tonnes of grain, which added to the 927,000 tonnes already sent in 1981, corresponds to the food needs of 8 million people for a year. But the programme will include a long-term strategy that will aim at bringing self-sufficiency to the poorest countries. Future campaigns will include measures against the spread of deserts, the development of alternative and renewable energies, and the stockpiling of certain commodities.

The plan is based on a new system of coordination between national and other agencies. This approach is aimed at meeting the real needs of the concerned countries. The first stage of the new policy will initially operate in only a few countries such as : Mali, Niger and Upper Volta. Their experiences will be used to expand the system to other countries, where priority will be given to rural development, increasing production and training and education.

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PARLIAMENT : A common electoral procedure for 1984

Elections for the European Parliament will be held for the second time in 1984. As early as 1976, three years before the elections, the member states of the European Community had agreed that the new Parliament would prepare a uniform system of voting. But in June 1979, it was in fact left up to the member states to decide. With the exception of the United Kingdom, all of them used a system of proportional representation. But the actual application of the system varied widely from one state to the next.

The European Parliament is to decide in the next few days whether to accept a proposal for a common procedure prepared by its Political Committee. This proposal visualises a spread of the proportional system and a defining of electoral districts, where between three to 15 representatives would be elected. If Parliament accepts the proposal, it will request the Council of Ministers to do likewise and to transmit it to the member states so that they can adopt its provisions in time for the 1984 elections.

ECONOMICS : The first decline in the standard of living ?

How hard has the economic crisis cut into European living standards ?

Reading the statistics, or even relying on personal experience and intuition, it seems that until 1980, the answer was, not much. The figures show that the consumption of goods and services by European households increased by an average of 17 percent between 1973 (the date of the first oil crisis) and 1980.

This increase in the standard of living obviously did not take place at the same rate in all member countries of the European Community. As a result, while it reached as much as 20 percent in the Federal Republic of Germany, France, Greece and the Benelux countries, it was less than 10 percent in Denmark, the United Kingdom and Ireland. Unfortunately, the trend seems to have, if not reversed itself, shown signs of levelling out in 1981. Provisional estimates indicate a stagnation of living standards during the past year throughout the entire Community, and even a slight drop in some countries, hitting as much as 4 percent in the Netherlands. But a wait of two to three years will be necessary to see if our living standards are really threatened or if the trend witnessed in 1981 was only temporary.