

Euroforum



A new money for Europe? See Page 3

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Farm prices row delays start of monetary system

Today we have pleasure in presenting Euroforum in a new format.

The decision to broaden the scope of Euroforum has been taken because of the increasing impact which decisions made at Community level have on our daily lives and the need to help Community citizens to understand these decisions. This is particularly vital as we prepare for the first European elections to be held next June.

The new Euroforum will be sent to you fortnightly for the present. Circulation has been increased considerably in response to demand.

If you wish to receive additional copies (or fewer in the case of duplication due to the amalgamation of different mailing lists), or if you have friends or colleagues who would like to become readers, please write to:

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A last-minute disagreement over farm price calculations is holding up the establishment of the historic European Monetary System (EMS) which was scheduled to come into operation at the beginning of this year.

As Euroforum went to press it was expected that the difficulties would be cleared up in the coming weeks and that all Community countries with the exception of the United Kingdom would be able to set up the new exchange rate system.

While there was obvious disappointment about the delay of the long-awaited move into a closer Community monetary union agreed to by the nine Heads of Government at their European Council 'summit' in Brussels in December, few governments and officials expressed any doubts that the EMS mechanism would be set up and functioning before long.

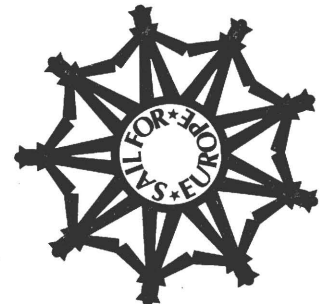
The debate over agricultural prices, however, was considered a serious test of political will and interest in this crucial field.

The EMS is designed to stabilize exchange rates, thus reducing inflation and creating a more stable economic environment. This in turn should increase business confidence, promote investment and create more jobs.

'Treaty of Rome' still under full sail

'TREATY OF ROME', the boat which represented the European Community and which finished third in the round-the-world yacht race last year has been turned into a European cruising and racing school. Carrying the Community registration EUR 1 and manned by nine young sailors from each of the Member States, the 16-metre 'Treaty of Rome' was the smallest participant in the race.

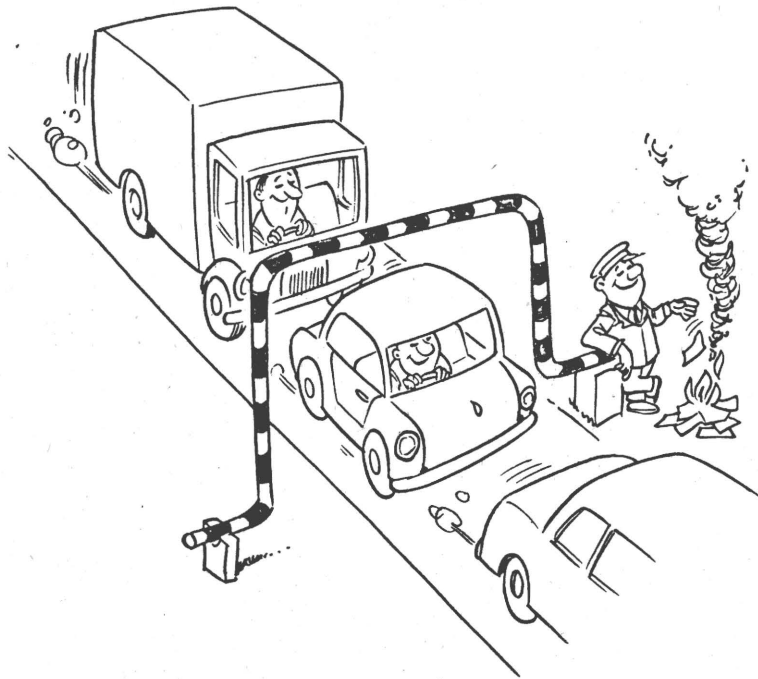
Instead of being laid up during the winter, it has been turned into a sailing school to enable young people from all over Europe not only to learn to sail but also to take part in regattas in exotic places.



Skipped by a young Englishman, the 'Treaty of Rome' left La Rochelle on 30 September bound for the Mediterranean with its first group of trainees. After spending the autumn cruising from Gibraltar to Sardinia, the yacht left for the Canary Islands and the Antilles. New Year is being celebrated in the sunny Caribbean.

'Treaty of Rome' will return from the West Indies in the spring when it will take part in the third leg of the 'Atlantic Triangle' race. The crew will be chosen from the best of the trainees who have taken part in the autumn and winter courses.

For further details of the training courses contact:
Sail for Europe, 60 avenue de la Chapelle, 1200 Bruxelles, Belgium.



New tax-free allowances for Nine's citizens

Travellers can now benefit from a relaxation of customs and other limits as a result of measures recently adopted by the European Community. So can Community citizens who send and receive small packages through the post.

The liberalization of the rules affects primarily the tax-free allowance for goods contained in personal luggage, small non-commercial packages and the amount of wine allowed for travellers within the Community.

The Community countries decided that from the beginning of this year, the new tax-free allowance for travellers within the Community would be raised from £ 85 to £ 122, that the allowance granted for those arriving from outside the Community would rise from £ 17 to £ 27.2, the allowance for small packages sent between private persons would also rise from £ 27.2 to

£ 40.8 within the Community, and that the value of similar small packages sent from outside the Community to someone inside the Community would be set at £ 20.4, whereas there was no specific Community rule in the past.

In another action, the Community countries also agreed that travellers within the Community would be allowed to transport four litres of still wines across borders instead of the three previously permitted.

In addition, it was also agreed that the postal tax on small packages sent from one Community country to another will disappear completely by 1 July next at the latest. This tax was already dropped by the United Kingdom, Ireland, Luxembourg and Denmark in the past and was also abandoned in Germany on the first of this year. The four other member countries will have a few months to phase out the tax.

It is also hoped that these measures will be followed by other benefits which the European Commission had requested long ago, on such occasions as marriages, removals, inheritances and temporary imports of vehicles.

More choice now to provide for the future

In a step designed to improve conditions for both the consumer and a major industry, the European Community has taken another step toward opening up national frontiers and forming a unified market in the field of life insurance.

The step taken recently established common rules enabling life insurance companies to set up business in the nine Member States. This is another stage in a process that previously saw a similar measure in the non-life insurance sector. It is expected to be followed by joint laws to enable companies to provide non-life services in Member States where they may not have an office.

This law just adopted is intended to achieve identical conditions for all Community insurance undertakings, their head offices, agencies or branches.

It is hoped that this will not only help the industry, which is one of the most important in the European Community, to obtain freedom of operation throughout the Nine, but will also allow the customer to obtain a wider selection and more economical coverage.

As an indication of the weight of the life insurance industry, the Community experts involved noted that the revenue of life insurance companies in the nine Community States was around £ 13.6 billion in 1976.

IN BRIEF

Many happy returns

It was business as usual when the European Commission held its regular weekly meeting on 15 January. But there was a slightly festive air as it was the 500th meeting since a single Commission was created in 1967 following the merging of the Institutions of the three European Communities—the European Coal and Steel Community (ECSC), the European Atomic Energy Community (Euratom), and the European Economic Community (EEC).

Cod is culinary choice of most Europeans

Cod is the most sought after fish in Community waters, replacing herring which has been so overfished that it is now threatened with extinction. In 1976 cod accounted for 29% of British catches, 28% of German and Belgian and 10% of French.

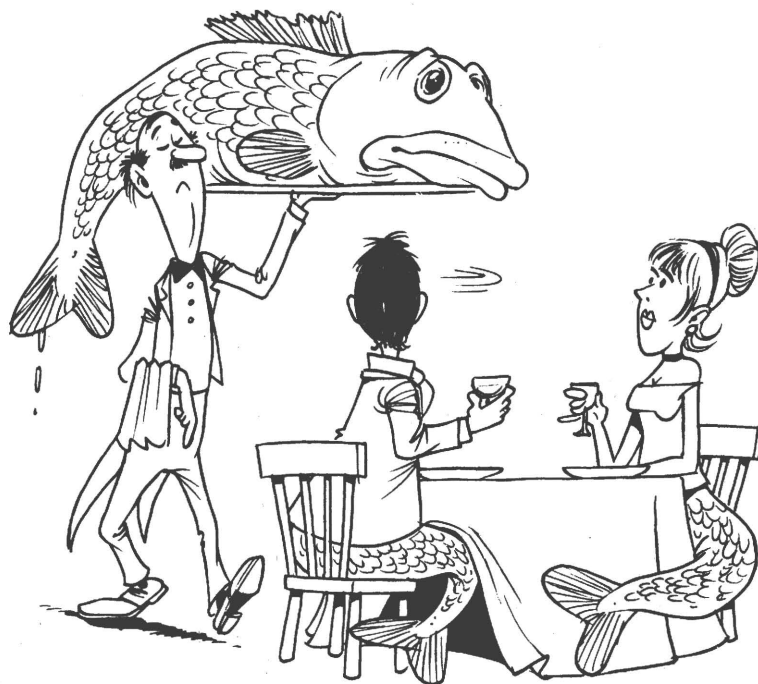
The Irish, however, are still pursuing herring in preference to other species and in 1976 this delicacy accounted for 40% of their total catch. The Dutch prefer to scrape up mussels (31% of total catch) while the Danes go for sand eels which they process into fish meal for animal feed (22% of total catch). The favourite Italian fish is the Mediterranean anchovy (14% of total catch).

The Community's fish catch in 1976, according to recently-produced figures, amounted to 5.1 million tonnes, representing 7% of the total world catch of 73.5 million tonnes. Between 1970-76, the Nine's catch has increased by 100 000 tonnes annually. Although catches in 'distant' waters e.g. Iceland, NE Atlantic have declined by about 60 000 tonnes each year, those in 'near' waters e.g. North Sea, Bay of Biscay have increased by 160 000 tonnes each year. The UK, Germany and France do a lot of fishing in 'distant' waters whereas Denmark, the Netherlands and Ireland do over 90% of their fishing in 'near' waters.

Fish Catch 1976

| Country | Total | |
|----------------|---------|-----|
| | 1 000 t | % |
| Germany | 454 | 9 |
| France | 806 | 16 |
| Italy | 420 | 8 |
| Netherlands | 284 | 5 |
| Belgium | 44 | 1 |
| United Kingdom | 1 062 | 21 |
| Ireland | 94 | 2 |
| Denmark | 1 912 | 38 |
| EUR-9 | 5 076 | 100 |

Source : Eurostat.



The Danish fish catch of 1.9 million tonnes is the largest among Member States and accounts for 38% of the total. However, a large part of the catch is destined for industrial purposes. The UK with a catch of 1.1 million tonnes, catches the largest amount of fish for eating and it is followed by France with a catch of 806 000 tonnes. These three countries account for 75 % of the total Community catch.

Of the three countries which have applied to join the Community, Spain is one of the world's leading fishing nations. Its 1976 catch of 1.5 million tonnes would put it in second place after Denmark among Community countries. The Portuguese catch more fish than the Dutch but less than the Italians. The Greeks catch more than the Belgians but less than everyone else.

HUMAN RIGHTS

EP condemns treatment of Soviet Jews

The European Parliament is 'seriously perturbed' by the deterioration in the situation of the ethnic, religious, cultural, linguistic and political minorities in the Soviet Union and in particular the Jewish Community.

In a recent resolution supported by all parties except the Communists, the Parliament deplored the resurgence of anti-semitic propaganda in certain circles in the USSR and the administrative and legal harassment to which members of the Jewish community are subject.

Consumers want Interpol model to protect them

Is an 'Interpol' system designed to spread international alerts on dangerous products the way to deal with the proliferation of risks in a consumer society?

The establishment of such an organization modelled on the well-known international police agency based outside of Paris is just what was proposed to the European Community by a leading consumer group.

In a letter addressed to the Council of Ministers, the Brussels-based European Bureau of Consumer Unions said just such an early warning system was necessary.

The group justified its appeal on the grounds of the 'increased trade and production within the Community and also because of the understandable alarm shown by public opinion when accidents resulting from a dangerous product occur'.

This situation calls for more direct cooperation among existing national authorities with the participation of the European Commission in Brussels, the letter added.

In addition, national governments should inform each other, as well as international authorities, when dangerous, defective or contaminated products are discovered circulating in their country. Furthermore, when one government decides to protect its citizens against a particular product, rapid consultation should take place on what measures should be taken in other countries to assure that the items withdrawn from the markets in one country are not just dumped in a neighbouring State. And the public should be quickly and fully informed, the group urged.

The increasing incidence of contaminated—sometimes lethal—tinned foods, the spread of potentially-harmful chemicals and the occasional discovery of a dangerous consumer product has attracted the interest of not only the consumer organization but other authorities in recent months.

European Community authorities are already considering a measure that would—as a first step—gather specific information about the products causing home accidents. Then they already have in place a Community register of dangerous chemicals, similar to the United Nations' International register

of potentially toxic chemicals. Some countries are also beginning to crack down on shipments of dangerous products to other markets.

Consumer body supports farm price freeze

The European Community's main advisory group on consumer affairs met in Brussels recently and concentrated on agricultural prices and the crisis in the textile and clothing sectors.

The Consumer Consultative Committee generally supported the proposals made by the European Commission, for freezing farm prices this year, for direct payments for small farmers, for a reduction of Community expenses for agriculture and for a dismantling of the monetary compensatory amounts scheme, a system of border taxes designed to offset the effects on agricultural trade of currency fluctuations.

In another important part of its meeting, the Committee adopted a position on a Community policy toward the crisis-hit textile and clothing industry. The group observed that while measures should be taken in the face of international competition in this field to protect European employment, it also emphasized that the goal of such an industrial policy should be the eventual free entry into the Community of all textile imports in order to assure the consumer greater choice and competitive prices.

The Community also discussed the protection of consumer interest in the individual Community countries, the forthcoming direct elections to the European Parliament, and the upcoming Commission proposal for a new consumer action programme. In connection with these developments the President of the Consumer Consultative Committee, Eugene Dary, is seeking a meeting with Commission President Roy Jenkins in the near future.



Nine's consumers confident about their future

On average, consumers in the European Community are optimistic about the future, but a recent survey shows wide differences in their attitude from country to country.

For instance, consumer confidence seemed headed steadily upward in Germany and Italy in recent months, but remained either the same as before or plunged downward in Ireland and the United Kingdom. But the slide in confidence in the latter two countries is from a peak that was registered earlier in the year in previous surveys.

These surveys are conducted regularly by the European Commission through standardized questionnaires submitted to some 40 000 households in all the Community countries except Luxembourg.

The Community average, according to the survey, remained virtually unchanged during the January, May and October surveys. This is taken to reflect a fairly positive and stable attitude on the part of consumers concerning their spending and saving plans.

Confidence has been increasing particularly in Germany and Italy during recent surveys. In Denmark there is also a slight upward movement, whereas France, the Netherlands and Belgium have registered only slight upward or downward movements.

ENVIRONMENT

Nine agree to more protection of wild birds

Community skies should soon be a safer place for Europe's much-threatened wild birds following adoption by the Nine's Environment Ministers at their recent Council meeting in

Brussels of a directive on bird conservation.

After many months of detailed and, at times, heated discussions, the Nine agreed to introduce within two years legislation which will not only reduce drastically the number of wild birds that can be captured or killed in the Community but also step up protection of their natural habitats—an essential prerequisite for maintaining bird populations at ecologically-acceptable levels.

At present, 60 or so of the 400 species of birds found in the Community are threatened with extinction by indiscriminate slaughter and a further 200 or so are declining in number.

New Community legislation should reduce this danger list dramatically by introducing a general, Community-wide ban on the killing of wild birds and permitting only certain, explicitly-named species to be hunted. These 'game' species—71 in all—will be those birds numerous enough at present not to be threatened with extinction, but their numbers will be closely monitored in future to ensure they do not become endangered.

Of these 71 game species, 26 have been designated as 'marketable' although the directive allows Member

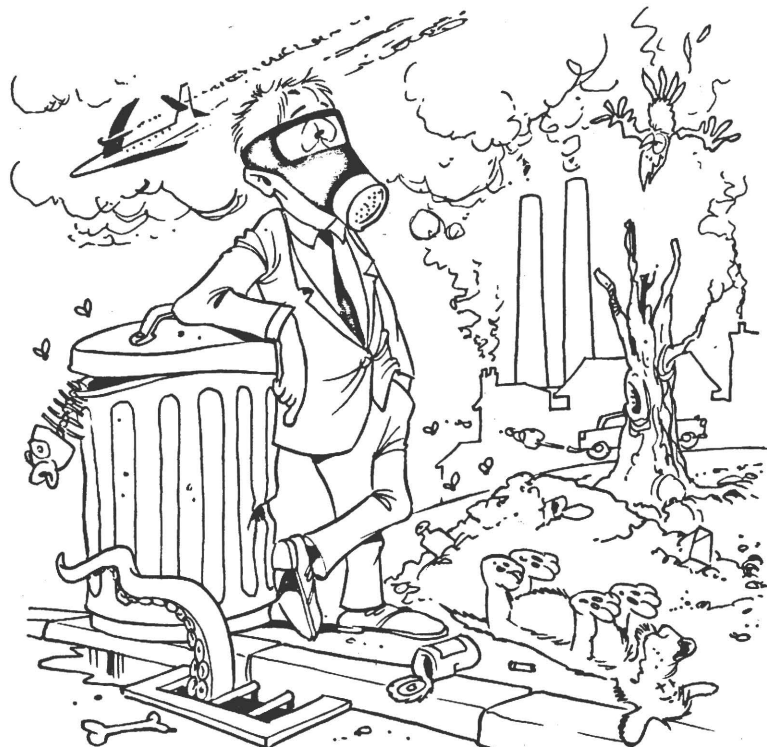
States to further limit the number of game and marketable species as they see fit.

To ensure that the newly-protected species are not killed alongside 'legitimate' game species by indiscriminate methods of slaughter, the directive also outlaws such non-selective practices as netting, liming, the use of poisons, etc.

In a separate decision, Ministers adopted a highly important directive which will ensure that water used in the Community for drinking or preparing food meets strict quality criteria.

This directive spells out maximum permissible concentrations of substances considered harmful to health (for example, heavy metals, certain chemicals and microbes) and minimum required concentrations of substances considered essential (such as calcium, magnesium, bicarbonate, etc.).

Water is not only a basic human requirement, it can also carry a considerable number of diseases that endanger public health. The new directive should ensure that drinking water supplies are upgraded throughout the Community and make a major contribution to improving the health of the Community's citizens.



Pollution knows no (legal) frontiers

Polluters may no longer be able to hide in a sanctuary behind national borders from legal counter-attacks by their victims in a neighbouring country. This is what the European Commission indicated recently to a member of the European Parliament who has been interested in environmental issues.

The Parliamentarian, Willi Müller, had asked the Commission how it planned to ensure that Community citizens can prevent potential cross-frontier causes of pollution or have legal remedies in the case of such pollution.

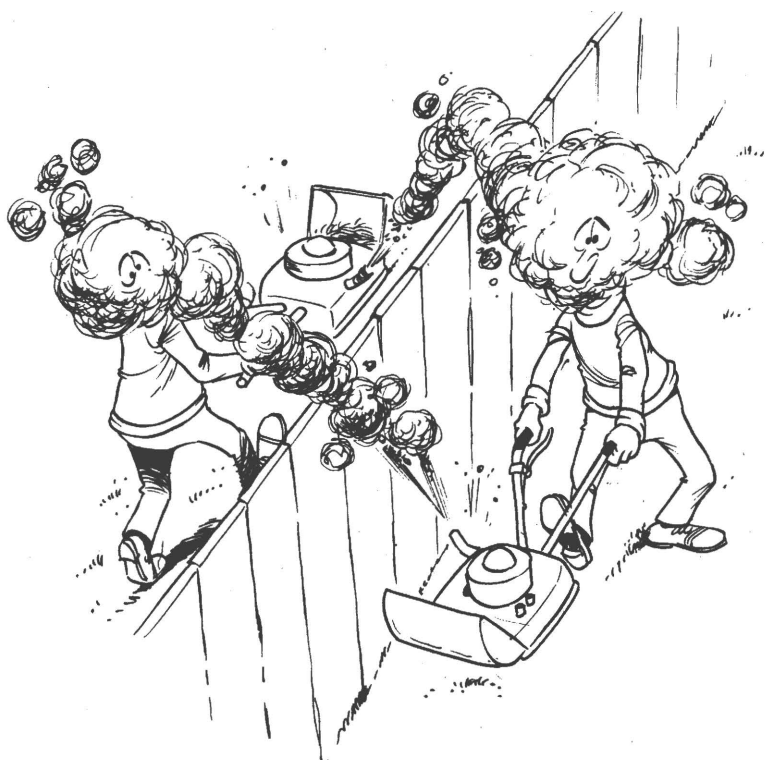
He noted that two Community countries had still not adopted a joint pact that would give equal rights to all Community citizens in cases of trans-frontier pollution and inquired how the Commission planned to reconcile this with various international recommendations for non-discrimination. He said that the European Parliament and other international bodies had supported the right of persons to seek legal redress against pollution which drifts across national frontiers. The Commission agreed with this

concept. Where necessary, it said, it would conduct a full examination of situations where Community residents did not have full legal rights.

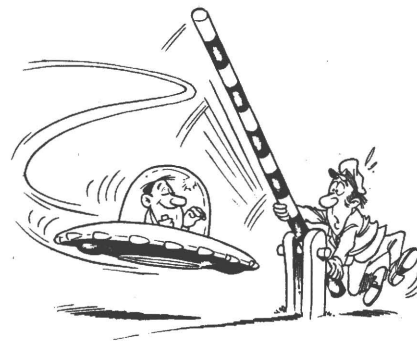
It added that it is bringing together national government experts of the Nine to study ways in which citizens in border areas whose environment could be affected by a proposed industrial plant on the other side of the border can have a say in the granting of permission for the building of such a plant.

But it emphasized that a Community legal agreement of 1968 and a 1976 European Court decision had also endorsed the idea that a defendant in one country could be sued by parties in another State and that verdicts in one could also be carried out in a second.

This important issue of trans-frontier pollution has been gaining increasing attention in recent years. The subject has been raised in connection with waste carried down the Rhine River or by pollution borne by the wind across the skies of Europe to land in another country. It is expected to be the subject of a major pan-European conference involving both Western and Eastern European countries soon under the auspices of the Economic Commission for Europe.



TRANSPORT



Radioactive cargo: Time for action, says Commission

One of European public opinion's biggest preoccupations at the moment is probably the emotional issue of the transportation of radioactive materials.

In view of a series of dramatic maritime and road disasters in recent years and the heightened awareness of nuclear hazards, it stands to reason that additional attention should be devoted to this new type of transport risk.

The European Commission has decided to begin a work programme to study this particular problem. This effort represents one of the promises made by the Commissioner in charge of energy Guido Brunner to public and environmental representatives at the Community's public hearings on the future of nuclear energy in Brussels a year ago.

During its recent discussions on the subject, the Commission indicated that although the volume of radioactive material transported within the Community was still relatively small, it was time to study the problem before it grew considerably over the next decade.

Up to now the problem had been scrutinized only at the international level through a set of rules drafted by the UN's International Atomic Energy Agency. There is a clear need for action at Community level.

Commission experts will now consult with national authorities and report back within a year with possible concrete recommendations for precautionary measures to be taken.

Community Licence paves the way for road hauliers

More road haulage companies in the European Community may soon be able to carry freight through other Member States. At the moment most of this traffic is tightly controlled by bilateral contracts. However an increasing amount of business is being shared out multilaterally.

The European Commission has proposed that 10% of the Community's road haulage permits which are granted on an annual basis should be chopped up into 10-day periods. This means that 40 permits could be granted during the year.

In 1979, 3 122 Community permits have been allocated. Of this number 10% that is 312 can be chopped up into 10-day permits. This means that 12 480 short term permits can be granted.

The idea behind this proposal is to allow more road haulage firms to take part in Community business especially of a short term nature. This accounts for the bulk of Community road haulage work.

The Community quotas have been increased by 10% from 2 835 to 3 122 permits in 1979. They are shared among the nine Member States as follows:

| | |
|----------------|-----|
| Germany | 567 |
| France | 533 |
| Netherlands | 502 |
| Italy | 432 |
| United Kingdom | 355 |
| Belgium | 348 |
| Denmark | 229 |
| Luxembourg | 91 |
| Ireland | 65 |

The Community quota system only covers a tiny share of total freight traffic. In 1976 4.4 million tonnes was carried under the quota system out of a total Community tonnage of 102 million tonnes. This represents only about 4%.

ENERGY

Waste-makers mock energy-saving efforts

Has the concept of 'the throw-away society' reached a point where households and industry are wasting more energy and raw materials than they effectively use?

Although at first blush, the question appears insulting, it is valid in view of statistical findings. Take households in the European Community—each year they discard some 25 million tonnes of paper and board, 7 million tonnes of glass, 2.7 million tonnes of plastics and 450 660 tonnes of aluminium.

That's not all. The average rate of energy use in the Community is around 42% of capacity, with energy losses of 55% in the household and services sector, 85% in transport, 45% in industry and 60 to 70% in converting energy.

This shocking record has become a major source of concern for European Community authorities, who have been working on the issue since 1974. They have made it an important point of policy to try to ensure that additional imports and consumption of energy and raw materials are not simply being wasted.

Waste management, including recycling, is a big part of this programme. Recycling of packaging materials can bring about fairly important reductions in energy consumption as opposed to starting from scratch with new raw materials. These reductions, according to some estimates, can be about 27% for paper and board, 43% for glass, 85% for plastics, and 90% for aluminium. The European Commission is now also conducting studies to test a number of alternative ways of packaging health drinks, including the mandatory return of bottles, the use of non-returnable bottles and their recovery, and a system to tax packaging. The results should be available in a few months.

A Community energy-saving programme has already resulted in several Community measures relating to buildings, industry and transport.

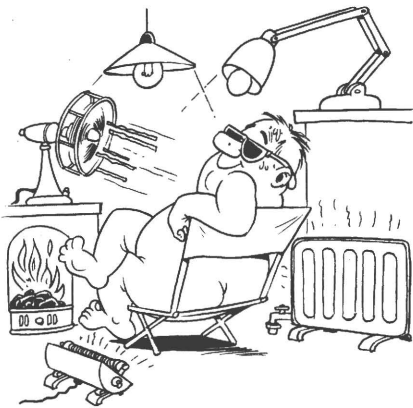


Oil price rise could cost Nine extra \$5 billion

The prospects of a 14% increase in oil prices this year is 'bad news' for the European Community. It is also expected to make it more difficult to fight inflation and unemployment.

Those predictions were made by European Energy Commissioner Guido Brunner shortly after the recent decision of the Organization of Oil Producing Countries (OPEC) to boost their prices in stages during 1979. Commissioner Brunner also stated that early estimates indicated the price hike would add about 5 billion dollars to the Nine's budgets. He underlined the need for the Community to save more energy and to develop its own alternative resources to enable it to cut down its dependency on imports.

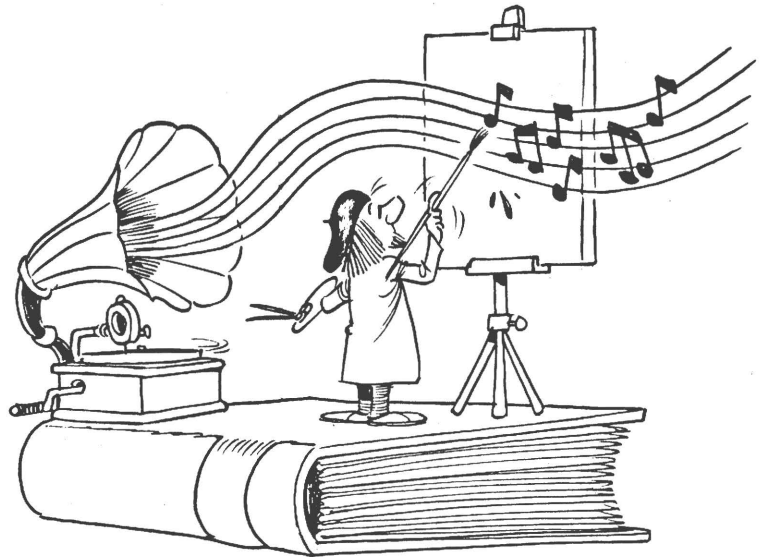
At a meeting of the Nine's Energy Ministers shortly after the OPEC announcement, both Commissioner Brunner and the Ministers touched on this important issue. Most Ministers said that although the additional expense of imported oil would put a strain on their economies, the burden would be sustainable.



Commissioner Brunner also urged OPEC to use its next gathering in June to take another look at the situation created by the oil prices. He said that the fall in the dollar had already wiped out some of the advantage from the price rise.

He called on the oil producers to look further ahead and to give oil consumers some better prospects for stability in prices until the end of 1980.

CULTURE



Crisis in arts is causing unemployment

The number of artists and musicians in the European Community is shrinking at an alarming rate. This is the conclusion of a survey carried out on behalf of the European Commission, which is worried about the problem.

The high rate of unemployment among performers in general is due partly to the general economic crisis aggravated by a crisis in the arts. In addition, the growing use of tape recorders and videos is putting more performers out of work. Jobs are becoming scarcer and incomes are declining.

The Council of Ministers is currently considering proposals made by the Commission to aid the cultural sector.

The Commission wants to give performers extra protection against reproduction of their work for which they receive no reward. It also wants to improve information about job vacancies and services such as advertisements in music magazines.

The Commission would like social security systems in the nine Member States, especially unemployment benefits, to be changed so as to cater for the special needs of performers.

For example, employment for actors is usually irregular and higher payments could be made to them between jobs.

Special stamps to mark first Euro elections

A special stamp is being issued in most Community Member States to mark the first elections to the European Parliament next June.

Belgium led the way with its issue of a special stamp last March. Germany, Ireland, Italy, Luxembourg, the Netherlands and the United Kingdom are planning to follow suit.

France and Denmark are still considering the question but there is every reason to think they will do likewise.

Each Member State is issuing its own stamp. This means that they will differ both in design and value in each country. However they will all serve a common purpose—to remind people about the elections, which will take place between 7 and 10 June.

Records tumble among drug-taking athletes

1978 was a record year for drug taking in sport. Major athletics, swimming and cycling events were marred by the discovery of competitors taking drugs to improve their performances. Such is the pressure to win that anabolic steroids and other tissue developing agents are becoming more and more usual.

Yet sport is only one area in which doping takes place. It also occurs among businessmen, politicians, film stars and pop musicians, students and young people.

When European Ministers for Sport met in London last April they called for a stepping-up of the anti-doping campaign.

They called for coordinated action at a European level. In particular they urged more drug testing of athletes at and between events as well as regular health checks.

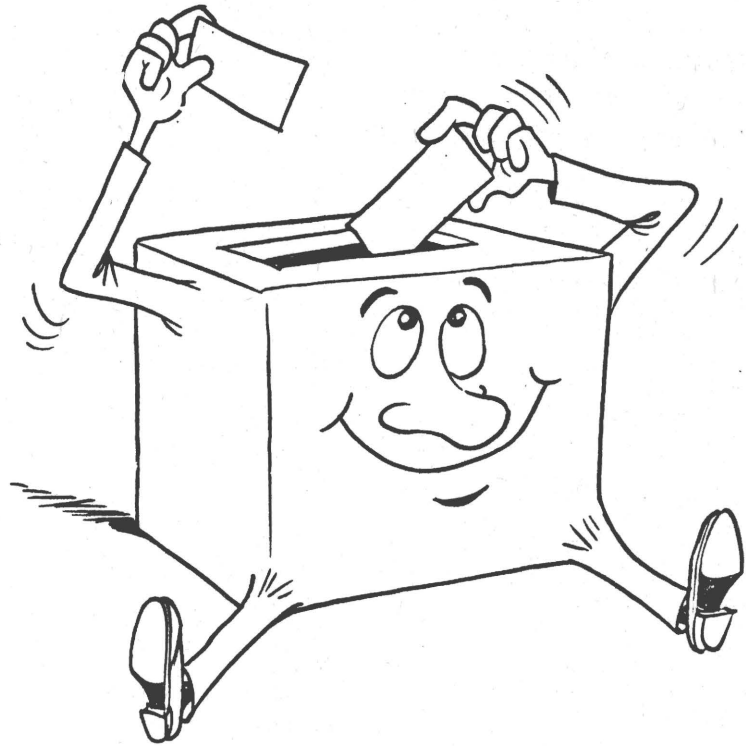
This was followed up by the Health Ministers of the European Community when they met in Brussels recently.

They agreed that:

- A draft Community law should be prepared to protect not only athletes but also young people against the risks of doping.
- A programme should be organized to inform people about the risks of doping.
- A list of dangerous drugs should be drawn up.
- Methods for sampling and analysing should be standardized.

At present only Belgium, France and Italy have adopted anti-doping laws. In Belgium athletes who practise doping or refuse to submit to checks may receive a heavy fine and up to 3 months imprisonment.

In France the punishment is a maximum fine of 5 000 French Francs (£ 526 approx.) and one year in prison. In Italy athletes may be fined 500 000 Lire (£ 300 approx.) and those who administer the drugs double that amount.



Preparing for the first Euro poll

Only two of the Community's Member States, Italy and Luxembourg, have still to pass legislation that will enable them to stage the first direct elections to the European Parliament next June. It is expected that this will be done by the end of January. The latest Member State to pass the necessary law was the Netherlands.

Elections for the 410 members of parliament take place between 7 and 10 June. All Member States have had to make major changes in election procedure either because of the size of the new constituencies or a large number of voters per candidate.

The number of seats have been divided as follows: Germany, France, United Kingdom and Italy — 81 each, Netherlands — 25, Belgium — 24, Denmark — 16, Ireland — 15, Luxembourg — 6.

With the exception of the United Kingdom all Member States will use a system of proportional representation. The British will keep to their first-past-the-post system, though proportional representation will be used in Northern Ireland.

The United Kingdom's 81 seats have been divided among the different regions as follows: England — 66, Scotland — 8, Wales — 4, Northern Ireland — 3.

Ireland's 15 seats have been distributed among four constituencies according to the size of population.

However four other Member States — France, Netherlands, Denmark and Luxembourg — have radically altered their election rules by turning the whole country into a single constituency.

Germany differs from the other Member States in that individual parties may submit a list of candidates for smaller lander or a single list for the whole Federal area. This means that the voter can only vote for the party list rather than for the candidate he prefers.

Community Farm Fund spends £ 5.7 billion in 1977

The European Community's Farm Fund paid out £ 5.7 billion in 1977 to support farm prices and improve farming methods. Known as the European Agricultural Guidance and Guarantee Fund it accounts for about 75% of annual Community expenditure.

By far the greatest part of the Farm Fund is used to keep prices stable at the levels fixed each spring by the Community's Farm Ministers. In 1977 £ 4.5 billion was spent on price support.

The dairy sector was easily the most expensive. A record amount of £ 1.7 billion was spent in buying up the surplus milk at the Community guaranteed price. This represented nearly 40% of total farm expenditure.

The second most expensive item on the farm bill was the system of monetary compensatory amounts (MCAs). These are the units used to maintain common farm prices in the Community despite the fluctuations in value of the various currencies. In 1977 £ 576 million was spent on the MCAs.

The Farm Fund also spent £ 240 million in various measures to improve farming methods. The UK took the lion's share (£ 28 million) of aid given to hill farmers and other poor regions.

Another £ 165 million was spent on 802 projects to improve farm buildings and equipment. Finally £ 3 million was used on special measures such as improving the production and marketing of citrus fruit.



THE REGIONS

£ 376 million in Regional Fund grants in 1978

The Commission has approved the final allocation of the Regional Fund grants for 1978 amounting to £ 203.7 million.

All nine Member States benefited from the aid which was destined for 568 infrastructure projects and 366 projects in the industrial and service sectors.

The United Kingdom received £ 55.9 million for 203 projects. Ireland received £ 8 million for 30 projects.

This latest allocation brings the total amount of aid provided by the Regional Fund in 1978 to £ 376.5 million. Since the Regional Fund became operational in 1975 £ 1 021 million has been paid out.

In 1978 the United Kingdom received £ 101.5 million for 455 projects. Scotland received the most aid—£ 25 million for 67 projects. It was followed by North West England—£ 20 million for 177 projects. Wales received £ 17.5 million for 86 projects and Northern Ireland £ 14.4 million for 26 projects.

Ireland received £ 23.4 million for 121 projects in 1978. Most of

the projects were in the West of Ireland (18) followed by the South East (15) and the South West (12).

When it was created in 1975 the Regional Fund was given £ 520 million for an initial three year period (1975-77), to finance industrial and infrastructure projects in the most depressed areas of the Community. A further £ 1 147 million was voted for the 1978-80 period.

The Fund can make non-repayable grants of up to 20% for industrial and service projects and 30% for infrastructure projects.

A key requirement is that the Fund's grants should be additional to national expenditure and not be used simply to reimburse national authorities.

Looking ahead the European Commission recently discussed what shape the Fund should take in the future. It recognized the need to strengthen the Fund to take account of both future developments such as the enlargement of the Community and the introduction of a European Monetary System as well as existing attempts to combat unemployment and reduce regional imbalances.

The Commission thinks that the Fund could be strengthened by defining priority areas in which it should act. Integrated regional development programmes should be launched and greater efforts made to ensure that the Fund complements efforts being carried out by the Member States.



New bid to channel social spending to the neediest

In an era of limited budgetary funds and swelling demand for social aid programmes, decision-makers have some difficult choices to make in allocating these scarce resources. That's why the European Commission recently established a new formula to determine priority areas that should benefit from concentrated assistance and which ones might be in a less critical situation.

As always, certain categories of requests will continue to receive a sympathetic audience from the Community Social Fund, which is designed to part-finance retraining and other assistance programmes. The priority areas for this fund include certain geographic regions which have chronic economic problems, such as the Mezzogiorno, Ireland, parts of the UK, Greenland and the French Overseas Departments. In addition, specific age brackets or types of persons which have been particularly hard-hit by the recession are included. These include young people, migrants, textile workers and persons leaving agriculture.

But in figuring out which programmes to fund, even for these recipients, the Social Fund authorities will now take into consideration certain statistical indicators such as the gross domestic product per person and the national jobless rate. Those which naturally fall at the lower end of the scale will get the most assistance.

Greece could be No 10 by 1981

Greece is now confident of becoming the tenth Member State of the European Community by January 1981. This follows a marathon negotiating session in Brussels just before Christmas when the main terms of Greek membership were decided.

The crucial question to settle was the length of the transitional period between the date Greece joins the Community and the date it can start enjoying the full benefits of membership. A transitional period is necessary so as to allow Greece time to adjust gradually to Community rules and practices especially in the farm sector.

It was decided that the general transitional period would be five years—the same as was fixed for the United Kingdom, Ireland and Denmark when they joined the Community in 1973. The only exceptions are in the agricultural sector where a seven year period has been fixed for two sensitive products—tomatoes and peaches.

A seven year transitional period has also been fixed for the social sector. This concerns notably the gradual achievement of free movement for the estimated 235 000 Greek workers in the Community of whom about 75% are in Germany.

Now that the main issues have been settled the Greeks hope that the accession treaty can be signed in June. However there are still a number of subjects still to be negotiated. The most important of these is the budget and the question of how much Greece will have to contribute to Community funds.

Just as the Greek negotiations are in the closing stages, those with another candidate country are about to begin. The European Commission recently published its opinion on the Spanish request to join the European Community.

The Commission has proposed a ten year transitional period—double that for the Greeks. It has also suggested that preparations start as soon as possible to prepare Spanish agriculture and industry for the competitive conditions in the Community.

The problem of absorbing Spain, with a population of 36 million and rated the tenth industrial power in the world into the Community is of a much greater scale. Spanish farm produce and certain industrial exports such as textiles, steel and shipping have already caused Community producers serious problems. French farmers in the Midi have expressed grave concern about the prospect of competition from cheap Spanish wine and citrus fruit.

Unlike Greece, which signed an Association Treaty with the Community in 1962 Spain has not been gradually preparing for membership. This means that there is far more work to be done. Although negotiations should begin before the summer, they could last a considerable length of time.



Community and US forge closer links

Closer cooperation between the European Community and the United States in science and technology is one of the results of recent high-level meetings between the two in Washington.

The historic meetings with President Carter at the White House naturally spent considerable time on immediate international and economic issues, but they also set the stage for joint exploration in such mutually-interesting fields as nuclear fusion, handling of radioactive waste, biological and medical research and protection against toxic substances. The two partners felt that by pooling their resources they could increase the payoff from such joint research.

The meetings, which involved Commission Vice-President Wilhelm Haferkamp first and, a few weeks later, Commission President Roy Jenkins, concentrated mainly on trade and monetary matters.

They agreed to press ahead in the hope of reaching agreement soon in the Tokyo Round of international trade and tariff negotiations as a way of combating protectionism. And an explanation of the new European Monetary System resulted in a declaration by President Carter that he saw the new system as an important step towards the European integration the United States has long supported. The participants also agreed that efforts both on trade and monetary stability were necessary ingredients in the over-all international effort at raising world economies out of their collective difficulties.

The meetings, even at this high level, are part of a regular series of consultations held by officials on both sides of the Atlantic. Traditionally, they have centered on such trade and economic matters, but as a result of the recent contacts they will henceforth be broadened to include the scientific and medical world as well.

General Dayan dons trade cap in talks with Nine

Better-known as a military commander and negotiator in one of the world's most difficult conflicts, Israeli Foreign Minister Moshe Dayan took on his European Community partners in a recent meeting in Brussels.

The first gathering of the joint Community-Israel cooperation council which meets at ministerial level, pointed out some of the delicate and manifold repercussions of the forthcoming Community enlargement.

General Dayan, while supporting the enlargement of the Community to 12 Member States, expressed his government's concern about the prospects of increased competition for Israeli citrus fruit and other agricultural products when the three Mediterranean countries that are now candidates for Community membership—Greece, Spain and Portugal—eventually join. He also underlined that Israel's trade with the Community had steadily been in deficit in recent years and that some effort should be made jointly to correct this imbalance.

European Community negotiators, led by West German Foreign Minister Hans-Dietrich Genscher, replied that Israel had been able to triple its exports to the Community between 1970 and 1977. But they agreed that the two sides should continue their effort at jointly reducing the Israeli trade deficit with the Community, which amounted to about 1 billion dollars in the past year, or about half of the country's total trade deficit.

Community aids disaster victims

Each year the European Community provides aid for those countries which have suffered disasters. In 1978 the Community gave £ 1.5 million to 11 countries, of which the majority are in the Far East. The last two emergency aid operations were to Laos and Sri Lanka.



Negotiations on Lomé II make progress

Negotiations between the European Community and 55 African, Caribbean and Pacific (ACP) developing countries for a new trade and aid agreement have moved into a second phase following a recent ministerial meeting in Brussels.

The present Lomé Convention signed in 1975 expires on 1 March 1980. Negotiations for a new agreement formally opened in Brussels last July and the Community hopes to complete them in June. This would enable the new agreement to be signed and ratified before the old one expires.

The ACP States are demanding that the present Convention be substantially revised. The Community argues that while some improvements could be made it is too early to assess how successful the Convention has been.

The Lomé Convention covers trade, industrial, financial and technical cooperation. Under its terms, 99.4% of ACP agricultural and industrial exports enjoy free access to the Community market. There are also special trade protocols for sugar, rum and bananas.

The main new feature in the Convention was a system to stabilize the export earnings of ACP States. The system, known as STABEX, covers 17 mainly agricultural commodities. It insures ACP exporters against losses due to price fluctuations or natural disasters such as drought and floods.

A Centre for Industrial Development was set up in Brussels to promote industrialization in ACP States.

During the five years of the Lomé Convention, the Community is providing aid totalling nearly £ 2.3 million. Priority is being given to rural development, followed by economic infrastructure, health and education. Special efforts are being made to promote regional projects and to help small and medium-sized firms and the least developed of the 55 countries.

For the new Convention, the ACP States want free access for all their

exports to the Community. They want STABEX to be extended to cover minerals such as copper. They think that industrial cooperation should be considerably strengthened, notably by the creation of a large new industrial development fund. The ACPs also want a much larger amount of aid.

Although no decisions were taken at the recent meeting the positions of both sides were clarified and guidelines set for the future. While the ACPs made a tough opening speech complaining that there was a danger that 'only a handful of dreams' would remain of Lomé, this was not followed through in discussions in the various working groups.

The European Community came away from the meeting feeling optimistic despite the fact that it ended in confusion due to an electricity blackout. Claude Cheysson, European Commissioner responsible for Development, pointed out that both sides were now prepared to discuss the thorny issues and get to grips with the crux of the negotiations.

Community's food aid programme may expand

Many countries in Africa and the Far East are unable to grow enough food to feed themselves. Moreover the food shortage is growing steadily worse due to high rates of population growth and erratic rainfall.

In Europe however there is a surplus of various foodstuffs due to a combination of highly mechanised and efficient farming, aids and incentives to farmers, a favourable climate and a low rate of population growth.

The European Community recognizes that world hunger is a major problem. It is the largest international donor of food aid contributing 30% of cereals, 50% of skimmed-milk powder and nearly 95% of butteroil.

Between 1975-78 the Community has contributed 1.3 million tonnes of cereals annually. For next year the European Commission wants the amounts to be increased to 1.6 million tonnes of which 69% would be supplied by the Community itself and the remainder bilaterally by the nine Member States.

The aid is provided under the framework of the 1971 International Food Aid Convention. This is currently being renegotiated and a new Convention is scheduled to take effect from 1 July 1979. The World Food Council has urged that an annual target of 10 million tonnes of cereal as food aid should be set.

Since 1955 the Community's annual contributions of skimmed-milk powder has tripled to 150 000 tonnes which accounts for 50% of total world aid. The Commission has proposed that this amount should be maintained in 1979 but it wants the amount of butteroil aid to be increased from 45 000 to 55 000 tonnes.

£ 44 million aid for Third World

Financing agreements worth £ 44 million for 35 projects in developing countries which do not enjoy special trade and aid agreements with the European Community were signed recently in Brussels.

The aid came from the Community's £ 47 million aid programme for non-associated developing countries in 1978. The main beneficiaries are the Asian developing countries who received nearly 75% of the aid. A further 20% went to Latin-American countries.

Only two African countries—Angola and Mozambique—received any aid. Most other African countries already receive aid under the 1975 Lomé Convention.

The projects mainly focus on improving food production and distribution and raising the living standards of the rural poor. The largest is for £ 10.3 million cooperative food storage project in India.

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