

Euroforum



Using energy wisely—a question of common sense? See page 3.

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Euroforum

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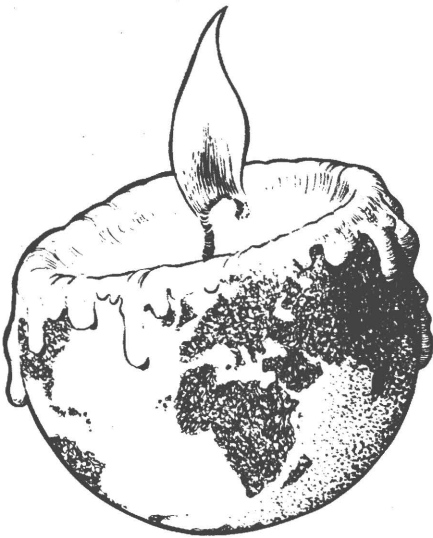
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Using energy wisely —a question of common sense?

'Because trees take time to grow we must hasten to plant them now'. That is the central message of a report. 'In favour of an Energy-Efficient Society', just published by the European Commission.

Among its other findings are:

■ New technologies must be developed to use energy more efficiently and escape from the formula 'more energy equals more economic growth equals more energy'. In the good old days of cheap and abundant supplies of oil this was possible. Those days are now gone.

■ With its high dependence on oil imports, the European Community is in a vulnerable position. Paradoxically,

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ally, it must grow economically at 4% a year and save energy. However, we can only be sure that such a high growth rate could lead to accelerated energy savings if a far more complete and vigorous policy for energy efficiency is implemented than has been considered so far.

■ There is considerable room for improvement. Savings of between 15 and 50% in energy consumption are possible depending on the sector.

The report, prepared by a group of experts led by a Frenchman, Jean Saint-Geours, was requested by the European Commission in the winter of 1977-78 when it became clear that the energy problem was not going to disappear and that a longer-term policy for using energy more efficiently was needed.

The report is a first major attempt at examining how to achieve continued, rapid economic growth using less energy; in other words, how to break the chain linking growth with energy.

The report calls for the nine Member States to adopt a 'rigorous and coherent' policy for using energy more rationally.

The experts urge much more research and development in energy saving technologies. They warn that otherwise Europe will fall behind the USA and Japan. One important area is in the development of less petrol hungry cars.

The experts suggest that minimum technical standards be agreed for cars, heaters and household electrical goods. Major savings could be made.

In the UK, for example, energy consumption increased sixfold between 1953-73. Road transport accounted for over 60% of this increase. However, the report says that energy consumption could be cut by one third by various technical measures.

These include replacing petrol with diesel engines, lighter and more streamlined vehicles, and electronic fuel and engine control systems.

In the longer term, that is by 2010, fuel consumption could be cut by half through the development of new types of engines such as gas turbine. Prospects for electric vehicles are difficult to predict as they depend on major technical breakthroughs.

Energy savings of up to 50% could be made in heating and the use of fridges, cookers and other domestic appliances. However, this greatly depends on the individual—on the housewife remembering to switch the cooker off, or her husband the television.

Savings can also be made by using better insulating materials in constructing houses and factories. More efficient thermostats could be developed for controlling temperatures. In the longer term, the heat pump could be widely used and eventually solar energy.

The report points out that these technical standards would be much better implemented if accompanied by financial incentives such as tax rebates or low-interest loans to industry and the consumer.

The experts suggest that the nine Member States should adopt more uniform energy pricing policies. At the moment, there are big differences in the prices of petrol and other oil products, due mainly to taxation.

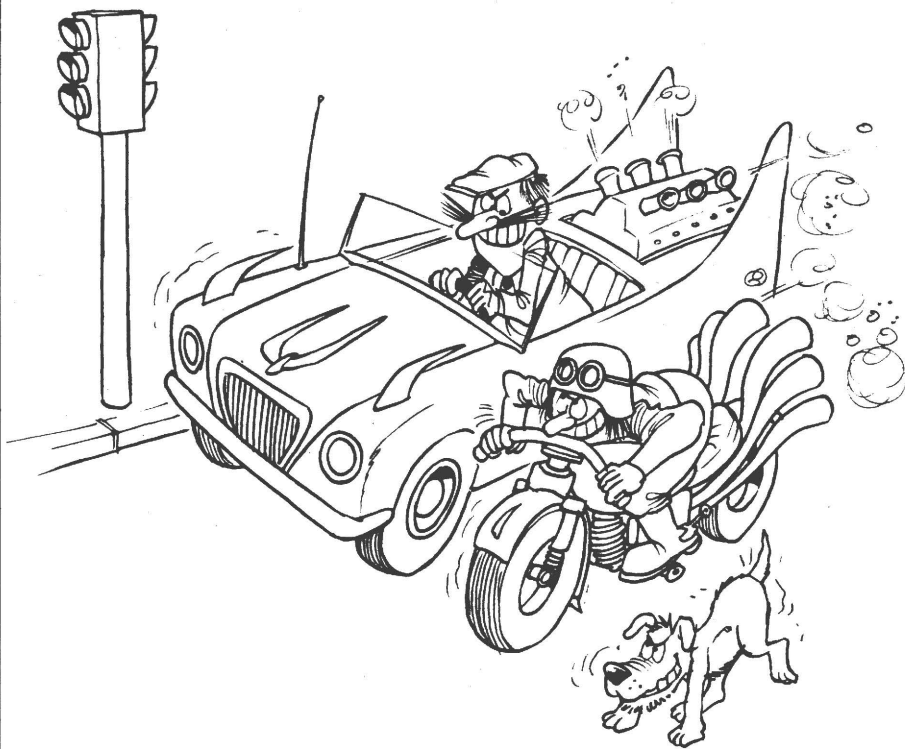
Energy should be priced according to its cost of replacement and development, says the report. Although this would result in higher prices it would encourage consumers to be more careful. Poorer people could be helped in meeting higher heating fuel bills by specific social security payments.

Much more information should be made available about energy prices, costs of energy equipment and energy consumption rates. This would not only discourage speculation and profiteering but also encourage the use of energy-efficient cookers and heaters.

The experts suggest that a European data bank for energy-saving technology be set up. This would be especially useful for industry, architects and building companies. Priority would be given to collecting data on construction.

Mr Guido Brunner, European Energy Commissioner, says that, in the short-term, the Commission will study the data bank proposal carefully.

He also said that the Commission would organize an exhibition 'Euro-Energica 2000'. It will show the latest energy-saving techniques and what effects these will have on people's way of living.



Helping the general public face up to the harsh realities

The advertisements used to urge drivers: 'Put a tiger in your tank'. But nowadays the friendly cartoon tiger on car window stickers in France is asking us to take our foot off the accelerator instead.

In Britain, a heavy-footed man dressed in enormous yellow shoes became a familiar figure on the television screens. The typical competitive driver, he was always first away from the traffic lights, revving impatiently as he waited for them to change. He probably did not get to his destination any sooner by driving like this, but he certainly used a great deal more petrol than he needed to.

In Italy, people opening their gas or electricity bills are likely to find not a promotional leaflet encouraging them to use more of the product, but advice on how to use less—by keeping the central heating down to 20° C, for example, or by not turning on the dish-washer until it is full.

In the Netherlands you might have noticed a striking symbol: one of those colourful candles you use to decorate the dinner table. Take a second look

and you realize that the candle is, in fact, the earth burning itself out.

The message is clear: with the rising price of oil and increasing uncertainty about supplies of fuel from all non-renewable sources, finding ways of saving energy has become a matter of critical importance to us all.

Public information campaigns like these have been launched in all the Member States of the European Community as part of their energy-saving programmes. As we pointed out in Euroforum 9/79, the European Commission has also put forward a variety of suggestions both for ways of conserving energy now, and for methods of using less in the future.

Community-sponsored research is already taking place in these fields, and common Community policies are beginning to be worked out. Nine countries working in cooperation will obviously be able to achieve much more—and much more quickly—than as separate countries working on their own.

IN BRIEF

A study is being carried out of current stocks and future needs of natural and enriched uranium in the Community to ensure that stocks are sufficient for the present and projected needs of the nuclear industry.

CONSUMERS

Convert CAP into food policy, says consumers' chief

European Community governments are being urged by consumer organizations in the nine Member States to turn the common agricultural policy (CAP) into a genuine food policy.

A recent call came from Tony Venables, the director of a leading umbrella consumer organization, Bureau Européen des Unions de Consommateurs (BEUC), when he addressed a number of politicians and high-level officials closely involved in running the CAP.

He told them: 'There is real scope for farmers and consumers discussing and agreeing on health and quality for supplies to consumers and on the need to reduce the costs of transport, packaging and advertising'.

As far as BEUC is concerned, the first aim of a food policy must be to ensure security of supply at reasonable prices without creating costly surpluses. It questions whether the annual farm price-fixing meetings of Community Ministers are able to ensure both a balance between supply and demand for foodstuffs and a satisfactory level of farm incomes.

Mr Venables stressed that an essential element of a food policy is that it should examine prices from the farm gate to the consumer.

BEUC has asked that a consultative committee be set up to perform this task.

He also told his audience in Bruges that there should be greater emphasis on questions of quality and choice in what we eat—two issues which tend to fall outside the present scope of the CAP.

'We do not advocate... an imposition of a food policy which tells people what to eat, but there is a need for dialogue between consumer organizations, producers and the food industry on these issues' he added.

He also set out a number of areas of concern to Europe's consumers. Greater efforts should be made to combat price-fixing arrangements

which could arise as the ownership of retail outlets becomes concentrated in the hands of fewer companies.

The media and schools should provide more information on the kind of food which is good for us, the value of cheaper cuts of meat and varieties of fruit and vegetables which are in season.

A further possibility is to create more direct contacts between farmers and consumers. This would enable shoppers to go and purchase directly fresh, locally-grown produce at reduced costs, while giving farmers a greater share of the final retail price.

But Europe's consumers are also very much aware of the problems facing our smaller farmers in particular, he emphasized. He suggested that direct income aids should be agreed on for farmers in certain regions. These would be permanent and linked to environmental considerations, rural and regional policies.

The money for these aids would come from reducing the level of guaranteed prices farmers now get for their produce. This would have the advantage of cutting the price of food to the consumer and at the same time ensuring that smaller farmers did not suffer as a result, Mr Venables added.

Commission to act as watchdog on prices in the Nine

Europe's shoppers will be getting extra help from the European Commission next year to ensure that the prices they are being charged are fair.

A special new department is to be created within the Commission to monitor prices throughout the Nine countries and check if there are any obvious distortions.

The idea is one of several contained in the Commission's second consumer action programme which we mentioned in the last issue of Euroforum.

Obviously, the department will be unable to monitor all prices, but it is expected to concentrate on certain sectors. One of these could well be the food industry, where it might decide to compare the prices farmers receive for their produce with the final retail price in the shops.

In fact, the programme contains a number of specific references to food.

It recommends that the Community continues its work on ensuring that, from the health point of view, what we eat is as safe as possible.

The Commission intends to introduce further measures on flavourings, surface sprays used on fruit and vegetables, baby-foods and deep-frozen foods.

It also wants to ensure that we have as much information as possible on what we buy by monitoring the extent to which Community legislation on the labelling, presentation and packaging of food is being applied in the Member Countries.

The programme recognizes that legislation is needed in a number of areas to ensure that certain standards are met so that people get value for their money and are protected from any possible danger in the goods they buy. But it also introduces the novel idea of voluntary agreements between consumers and manufacturers.

As part of its general wish to involve consumer organizations in actual policy-making, the Commission is pushing the idea of establishing specific agreements between the various interests concerned.

This would have the advantage, it argues, of giving consumers extra assurances of good sales practice. The Commission intends to take an active part in ensuring the success of such agreements. In an early experimental stage, these might concentrate on certain fields of after-sales service and in areas involving aspects of professional ethics.

To smoke or not to smoke

Following the publication in Euroforum No 12/79 of extracts of a letter from the European Food, Tobacco and Hotel Industry Trades Unions, CESA, we have received the following letter from one of our readers, M.J. Tanguy of Brest:

'I was pleased to learn from the CESA letter' that there are no national or international statistics proving beyond doubt that smoking causes specific illnesses.

Similarly I would point out that there are no statistics proving beyond doubt that driving into a tree at 100 km per hour killed certain drivers. In fact they might have died of a heart attack just before the accident.

All one can say is that there is a frequent coincidence between running into a tree and the death of the driver. It is also a strange coincidence that 20 times more smokers die of lung cancer than non-smokers. Two and a half times as many smokers die of heart attacks than non-smokers.

These figures are taken from a report by the London Royal College of Physicians (1971). They show that statistics have existed for a long while, contrary to what CESA say.

It should be pointed out that the report was written by well-known British doctors, most of whom were smokers. However most of them gave up smoking when they drew up the conclusions of the report'.

Like its readers, *Euroforum* needs a holiday. No 14/79 will be published on 24 September. The editor and contributors hope all our readers have an enjoyable holiday.

ENVIRONMENT

Saving our cities from the automobile

A few pointers to make life in our cities more pleasant...

The introduction of a special ticket on the Paris public transport system which entitles passengers to unlimited travel for fixed period and which is interchangeable between buses and the metro has persuaded an additional 70 000 Parisians a day to travel by public transport rather than take their cars into the city centre.

In Singapore, a toll system which was introduced during the morning rush-hour has cut peak traffic by 40%. The thrifty citizens are now giving one another lifts and the number of cars carrying four or more people to work has doubled.

These are just two examples which were cited at a seminar on urban transport and the environment which was staged by the OECD in Paris earlier this month. It was attended by more than 300 representatives of central, regional and local administrations.



Our waste mountains need not always bear 'rubbish' tag

Imagine an enormous rubbish bin, three times as high and 1 500 times as heavy as the Eiffel Tower. That is the size of container you would need to hold the urban waste France generates every year. And she is not alone. The annual total for the European Community as a whole is a staggering 1 500 million tonnes.

Not only is the cost of disposing of all this rubbish placing a heavy burden on the taxpayer—over £ 15 million last year—but it represents a huge loss of resources.

The European Commission has calculated that some 70 million tonnes of our urban and industrial wastes like paper, metals, plastics, glass and chemicals could be re-used.

Scarce resources like oil-based products and metals in particular need to be saved, especially when we consider how heavily dependent the Community is on imports for its raw materials.

With 90% of our iron, zinc, tin and non-ferrous metals, and 60% of our paper pulp having to be imported, it does not make sense, either economic-

ally or environmentally, to leave them on the rubbish heap.

The Community Waste Management Committee was set up in 1976 to advise on the development of a Community wastes programme, and the different measures which could be used to help with recycling or disposal or prevention of waste.

The Committee has a number of working groups concerned with special areas like packaging, agricultural waste, the recuperation of energy from waste, and so on, and acts as an information exchange on research being done by the various member countries.

Legislation has already been passed outlining the general principles for the safe elimination and re-use of wastes, and toxic substances and waste oils in particular. Member States are free to apply the legislation in ways they feel are best suited to their circumstances.

Many Member States have experimented with selective rubbish collections, asking householders to separate out waste paper, glass and metal to make re-cycling easier. One local council in Brussels, for instance, reclaims 12% of its total waste in this way.

As consumers, we can do quite a lot to cut waste in our everyday lives, by using returnable bottles, for example, or by refusing unnecessary packaging on the goods we buy.

Though we are not likely to get to the stage of prohibiting throwaway containers, because people will always want to have the right to a free choice of products, nevertheless we will have to become more aware of the consequences of what we are doing when we buy a product.

If we choose to buy a product that pollutes rather than one that does not, we will have to be prepared to pay for the nuisance that it causes.

A sound tape on this subject, lasting 5 minutes and including an interview with the Secretary of the Committee, is available to broadcasters or programme makers on application to the Directorate-General for Information (TV-Radio-Audio-Visual Department), Commission of the European Communities, 200 rue de la Loi, 1049 Bruxelles.

Commission support for movement to save the whale

The romantic days of Moby Dick and life and death harpoon duels between man and beast have long since passed. Modern whaling has become such an efficient large-scale industry that the whale may soon be faced with extinction.

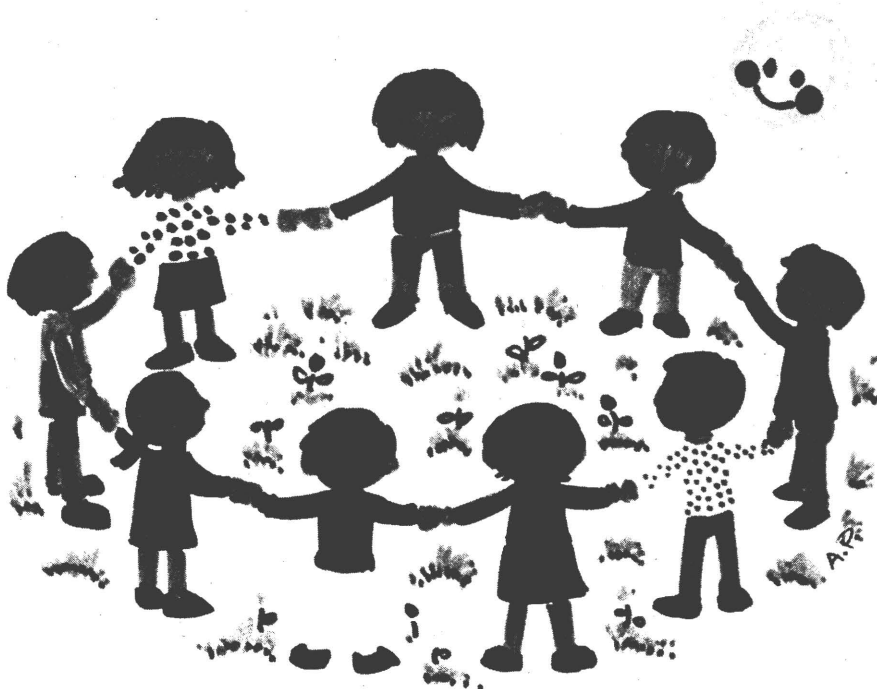
The Friends of the Earth and other pressure groups are fighting hard, and with some success, to save the whale from extinction. And a number of nations proposed the abolition of whaling altogether at a recent meeting of the International Whaling Commission.

The Commission was set up in 1946 by an International Convention whose aims included the control of whaling and protection of the species.

The European Community does not feature among the world's major whale hunters although it is an important activity in Greenland which accounts for most of the Community's annual average catch of 14 large and nearly 2000 small whales.

The UK, Denmark, Netherlands and France already belong to the International Convention. Now, the European Commission has proposed that the Community as such should join.

The Commission is urging that the Convention, which is currently being renegotiated, should make extra efforts to protect whales, while at the same time taking account of the interests of fishing communities dependent on whaling for their livelihood.



Are we doing enough to improve the lot of our children?

For the first time in the history of opinion polls the European Commission is financing a survey to coincide with the International Year of the Child which will try to find out how people in the Community regard children.

Although the results won't be available until the end of this year, the Commission hopes they will help the future development of Community policy towards children.

There are more than sixty million children in Europe under the age of 15. They account for a quarter of the total population of the Nine. While the Community has been able to help children through existing activities such as in the fields of social and education policy, there is no provision in the Treaties for an overall policy specifically designed for them.

The Commission has just produced a colourful booklet about children called 'The Little Citizens of Europe', which is available on request to Euroforum readers. Illustrated with original drawings by tiny tots, it describes what the Community has done for children and what its intentions are.

It also produces some interesting statistics. For instance, there are

fewer girls than boys among the new born, although women have traditionally outnumbered men. Since 1960 the ratio has been about 95 girls to 100 boys. By 1990 the proportion of people under 15 years old in the Community will be reduced from 24% to about 22%.

The rate of illegitimate births has also risen considerably because fewer people are getting married. And while the Community average for infant mortality has fallen from 30.8 per thousand living births in 1960 to 13.8 in 1976, one road accident victim in ten is under 14.

The booklet describes the work the Community has done to improve the lot of poor people, especially poor children. It also notes that action has been taken to give the children of migrant workers the same educational opportunities as the children in whose country they are living.

In 1977 the European Social Fund spent around £ 10 million to improve teaching specially designed for the children of migrant workers. It contributed to the education of 80 000 children and to the training of 3 250 teachers and social workers.

The Nine's Education Ministers have decided that all children should be encouraged to learn at least one language as well as their mother tongue. And they have encouraged exchanges between schools in different countries. The Commission has helped put

schools in contact with each other and has encouraged consumer education for the young.

Legislation to promote toy safety is being prepared by Commission staff who also decided to undertake a survey to analyse in detail advertisements appearing on radio, television and in the press, in particular those aimed at children, in an attempt to help harmonize national laws on misleading and unfair advertising.

The Community has promoted health education as well as responding to the feminist fight by encouraging equality between girls and boys at school.

The booklet also describes the extent of help to Third World children. The Community makes a large though still insufficient contribution to the world's war on want through the aid it gives to developing countries. As well as supplying foodstuffs it supports a wide variety of projects such as mobile health teams, maternity homes, family centres, village pharmacies, crèches and sanitation projects.

So while the Community does not have a specific children's policy, some of the measures it has taken have directly benefited children.

The results of the survey on children this year may indicate the aspirations of parents for their children. And it may then be possible to identify a common approach for the Nine to adopt towards them.

REDUCING BARRIERS

An uphill battle to create a true common market

Imagine trying to empty a bathtub with a drinking straw while the taps are full on. Such a comparison could almost be applied to the difficult task facing the European Commission in its efforts to remove trade barriers within the common market.

While tariffs and quotas have been completely removed from trade between the nine Member States, differences in acceptable technical standards continue to throw a spanner in the works of 100% free trade.

After 10 years of grappling with the complexities of the problem, the Commission has not yet removed even half of the 300 most glaring industrial trade barriers. With a staff of only 30 to tackle this mammoth task, it is estimated it may take another 20 years to complete the job.

In the meantime, however, many new trade barriers may have sprung up as a result of accidental or deliberate protectionist legislation enacted by the Member States. Moreover, technological progress means that existing laws must constantly be amended.

There is also a huge grey area where industry applies its own technical stan-

dards in the absence of government laws. However, the Community can only take action against official trade barriers.

One solution would be to set up a European Standards Institute. It would replace the nine national bodies which each churn out about 100 standards annually concerning the physical, chemical and biological properties of products. There has been little enthusiasm so far from the Member States for this idea.

A less spectacular solution would be for the national standards institutes to cooperate more closely. The Commission could encourage them.

The idea would be to make sure that each time a national institute introduced a new standard it would also be adopted by the others. This was the method used in drafting a Community law on the safety of hair dryers and other electrical appliances.

What is a common market? Basically, one in which a motor car or TV set can just as easily be traded between Scotland and Sicily as between Edinburgh and Newcastle.

A single European market of 260 million people offers rich prospects to both manufacturers and consumers.

No car industry would survive if restricted to its own market. Large-scale production is essential to achieve economies of scale and remain competitive on world markets. A common market also means greater choice and cheaper goods for consumers.

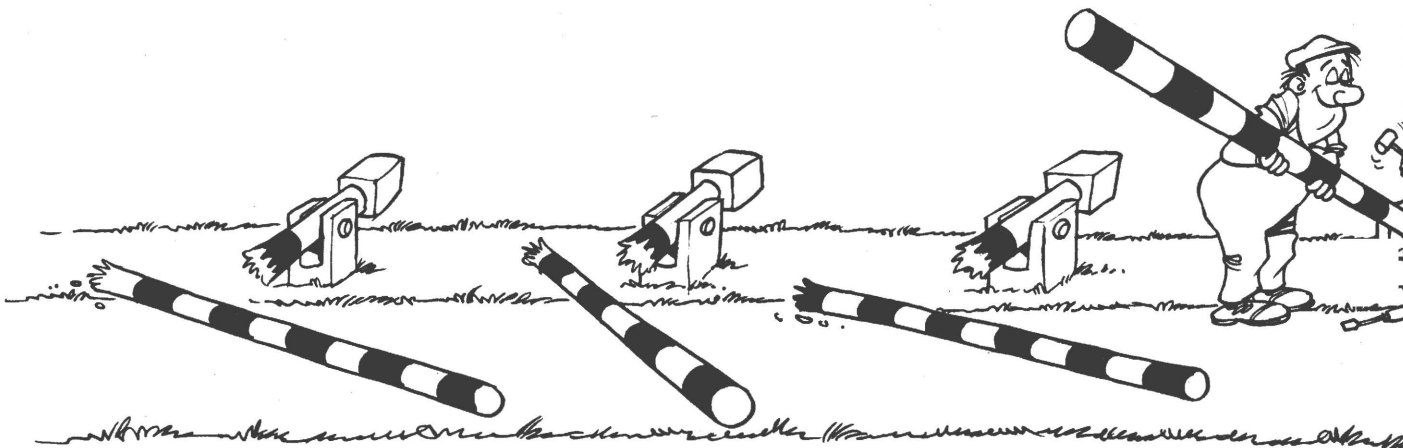
However, the Community is still some way off achieving this goal.

There are many types of trade barriers. For example, there are national standards laying down specifications for TV games machines in France. Most countries insist on carrying out inspections of goods before they will grant certificates of conformity to national standards. These waste time and benefit domestic producers. Import licences and technical visas are another hindrance. Their purpose is often not so much to protect consumers as to aid domestic industry.

Since 1969 the Commission has been trying to make sure that the same technical standards are applied throughout the Community. In the past 10 years it has introduced 180 laws aimed at removing trade barriers. Of these, 130 deal with industrial goods and the remainder with food products. Another 60 laws are in the pipeline.

The Commission has made a special effort in the car industry—one of the most important and international. So far, 39 laws have been adopted and only three more are needed in order to achieve the 'Eurocar'. The laws cover all aspects of motor car manufacture from the layout of passenger seats to registration plates.

The object, however, is not monotonous uniformity. Motorists will still enjoy a wide range of choice both in terms of style and performance. Instead, the main object is to improve the safety of cars. For instance, the Commission has suggested that all cars should have dual braking circuits.



If one fails then it is not the end of the world.

More economical cars which pollute the atmosphere less are another objective. With rocketing fuel prices and scarce supplies, low fuel consumption is now a major priority. Filthy car exhausts in our crowded cities can also no longer be tolerated.

These objectives can be conflicting. Safer, more robust cars fitted with anti-pollution devices tend not only to be more expensive but are also more fuel thirsty. Care is therefore needed in choosing common standards.

All these Community laws do not mean more red tape and officialdom. On the contrary, life will be simpler. Instead of nine laws concerning car headlights there is now only one. The headlights are checked by national, not Community, officials. So there is no extra expense.

It is one thing introducing Community laws. Another is ensuring that they are respected. Progress is being made. In 1976 there were 200 recorded infringements. Although there were the same number in 1978 the number of laws had doubled in the meantime. If necessary the Commission can take the offenders to the European Court in Luxembourg.

Any Euroforum reader who wants to learn more about this difficult but important effort to make life easier for consumer and producer alike can apply for a copy of a new Commission booklet entitled 'The removal of technical barriers to trade' which is No 12/79 in our 'European File' series.



SOCIAL AFFAIRS

Helping workers to prepare themselves for a rainy day



At home, enough money in the bank to afford necessities and, perhaps a few luxuries and to feel secure after retirement are the goals of most of us during our working careers. Luckily, more and more people have achieved that reasonably comfortable status in Western Europe.

But, unfortunately, there are still a lot of differences and inequalities in society. Some just can't manage to save enough to buy their own home or ensure a cosy retirement. And it frequently seems as if the only ones who can accomplish these things are those who had more to begin with in the first place.

That's why most governments try to encourage 'asset formation'—savings and home ownership and the like—among the work force and the population in general. Over the years, numerous such plans have been incorporated into most national legislation.

But, after reviewing the existing programmes in the nine Community coun-

tries, the European Commission has found that in certain member countries 'there still is no noteworthy achievement in the field of asset formation among wage-earners.

'In addition, even in those countries which are the most advanced along the road towards an assets policy, the final objective of greater justice in the sharing of assets still appears very far off'.

This same observation has also caused various Community institutions in recent years to urge the Member States to step up their aids to asset formation.

European Commissioner for Social and Employment Affairs Henk Vredeling and his staff have prepared a report which has been approved by the Commission in the hope of stimulating a discussion throughout the Community on the most suitable ways of aiding workers and the public to save, make lasting investments or to acquire their own home.

The Commission believes that such plans should be coordinated in the nine countries so that industries and governments which develop the most ambitious programmes won't have to face more costs and handicaps than their less-advanced neighbours.

But these plans should be adapted to the traditions and political realities in each country. They should not discourage the investments necessary for a sound economy; nor should they fuel inflation or create unemployment.

The Commission experts who studied the subject found, however, that such incentive programmes, mixed with more moderate salary increases for workers, can actually help fight inflation and still provide workers receiving these benefits with attractive long-term assets.

There are a number of such plans already in practice in the Community from which to choose. Perhaps the oldest is the so-called DM 624 law in Germany. This measure, which is subject to collective bargaining between workers and employers in most sections of the public and private sectors, enables the employee to have his employer invest a certain amount of his pay or bonuses in savings certificates, to help towards the purchase or construction of a home, to buy company shares at a special price or to pay for life insurance premiums. The number of workers covered by such agreements has grown from one million in 1969 to over 16 million last year.

France has in recent years also adopted plans that allow workers to share in company profits and last year a draft law was adopted providing for compulsory distribution of shares to employees of industrial and commercial companies quoted on the stock exchange.

In addition to such major programmes, most countries have some form of tax reductions or other incentives to promote home ownership or savings.

As worthwhile as these systems seem to be, the report makes clear that they can also be very controversial. For instance, recent proposals to organize large-scale national profit-sharing or stock distribution funds in Germany, the Netherlands and Denmark have been the subject of intense political discussions which have led to delay or virtual abandonment.

The Commission hopes that its report will launch a Community-wide debate that will eventually result in a policy acceptable in all nine Member States.

Youth a priority for grants from the Social Fund

Young people, women, migrant workers and the handicapped were among the 1 million people who benefited from the European Community's Social Fund last year.

With the continued economic recession and growth in unemployment demands for Community aid were much heavier last year. Requests were almost double the £ 382.5 million available.

At the end of the year there were over 6 million jobless in the Community, although the figure has since been falling. In view of this serious situation and given the shortage of funds, aid was concentrated on programmes leading to real job prospects.

Priority was given to young people, especially school-leavers, who have been among the worst hit by the growth in unemployment. Youth prospects totalled £ 120 million.

By the end of 1978 there were 2.2 million young people unemployed in the nine Member States. While making up only 17% of the working population young people represented 38% of the total jobless. Only in Germany were young people better off than other age groups.

During 1978 the Community introduced two measures to help young people find jobs. The first involved the creation of temporary jobs for young people under 25 to provide them with vocational experience and help them find stable jobs later on. The second measure involved creating jobs for young people which would be of general public service, such as redecorating old people's homes or improving urban amenities.

The Community also financed a number of youth pilot projects. One of these, in Ireland, was concerned with helping itinerant children. Following its success the project has been repeated on a larger scale elsewhere in the Community.

The purpose of pilot projects is to try out new schemes on a small scale. Last year about 130 requests were made for Community assistance with pilot projects, of which 24 were financed.

Some of the projects were concerned with developing small firms. For example, the Irish Management Institute and the Development Board for

Rural Wales launched pilot schemes to train people to start their own small businesses.

Other pilot projects involved helping women find jobs in sectors from which they have traditionally been excluded.

In the Netherlands, the Community financed a project to help people who have lost the use of their arms and hands to operate typewriters by means of light impulses. In the French Overseas Department of Martinique the Community has financed the retraining of dockers who will lose their jobs due to the introduction of container ships.

Apart from young people, the Social Fund also concentrated on helping five regions of the Community judged to be hardest-hit by the economic recession: Ireland, Northern Ireland, Mezzogiorno (Southern Italy), Greenland and the French Overseas Departments.

In 1978 the share of Social Fund aid received by the five regions rose from 25% to 38%. Ireland received £ 30 million and Northern Ireland £ 16.5 million out of the £ 143 million allocated to the five. Only the Mezzogiorno received more.

Apart from the regions and young people, the handicapped received £ 33 million, workers leaving agriculture and textiles £ 21 million, migrants £ 12 million and women £ 5 million.

IN BRIEF

Industrial production in the Community in April, the most recent month for which figures are available, was up 5% on the same month last year. This is in-line with the year-on-year average increase since last October.

Employment in industry in the Community dropped by 1% last year compared with 1977. The pattern was the same in all nine Member States. The number of jobs in industry has been falling since 1974 in all countries except Germany where there was a big jump in 1977.

The European Commission has approved loans worth around £ 29 million to help workers in the coal and steel industries to build or modernize houses. The loans are repayable over 20 years at an interest rate of 1%.

The price of oil before taxes are taken into account has increased by more than a third over the past year in the Community.

Businessmen generally more optimistic

Business confidence among the European Community's industrialists now stands at its highest level since the end of 1978, according to a Commission survey. Expectations of future production levels, which are considered to be a reliable guide to industrial output, rose during May; the last month for which figures are available.

There is now a net balance of 11% of industrialists who expect production to rise in the next three or four months.

This view is not shared uniformly throughout the Nine. In Germany, the Netherlands and Belgium, business opinion on the production outlook weakened. But more optimism was voiced in the United Kingdom, France and Italy.

Overall, hopes are high for the consumer goods sector during the next few months. A net balance of 14% of industrialists expect output to rise.

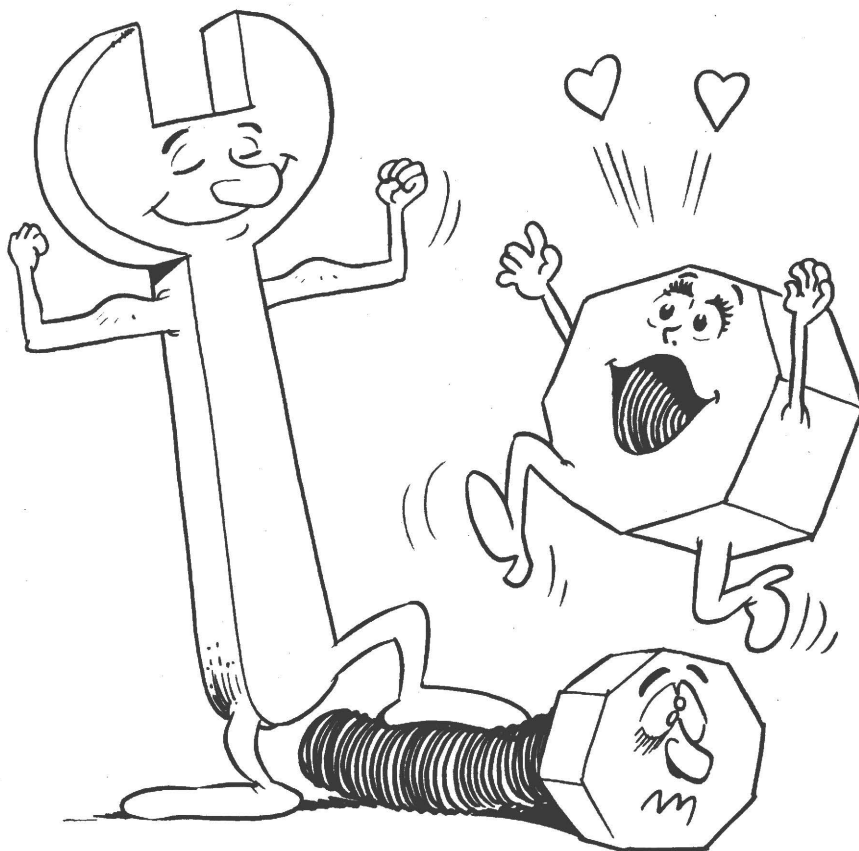
The optimism was particularly marked in the United Kingdom and France, and less so in Italy and the Netherlands. Germany and Belgium were notably pessimistic.

The coal and steel crises: how the Community can help

Coalmining and steel are two of Europe's oldest industries, but both have recently fallen on hard times. Steel manufacturers in particular are facing increasing competition from abroad, as countries as diverse as Brazil, Korea and Poland seek to penetrate the European Community market.

The European Commission is especially aware of the problems facing the industry and has taken a number of measures to help it weather the present storm. The most widely known are contained in the Davignon Plan, named after Viscount Davignon, the Commissioner for industrial policy.

But the Commission also has considerable powers under the 1951 European Coal and Steel Community



Treaty to make loans and award grants. Last year alone it lent out some £380 million—a lot of which went to regions already suffering from high levels of unemployment.

In order to make its aid even more flexible, the Commission recently changed its rules on 'conversion aids' to make them more attractive to potential investors. These are used to help investments that create alternative jobs in areas badly hit by the decline in the steel industry.

The loans can be made to firms, public authorities and even in some cases to individuals, such as former coal or steel workers who wish to start up their own business. In this case they can apply for subsidiary loans up to a ceiling of £1.3 million. The cost of the investment project must not be above £6.4 million.

Projects which are eligible for the loans cover any schemes in the industrial and services sector which create new jobs in coal and steel areas, including investments in industrial estates (like advance factories).

The loans can cover up to 50% of the investment cost; they are normally granted for periods of between 5 and 15 years and are paid in currencies

acceptable to the borrowers. The Commission can also grant interest subsidies.

Last year £128 million was paid out in conversion loans. These went to the Ruhr (£42 million), Lorraine (£6 million), Wales (£84 million) and Luxembourg (£900 000).

The Commission can also pay out industrial loans for projects to modernize the steel and coal industries. In 1978, 56 such schemes received almost £230 million, with all member countries except Belgium and Ireland benefiting.

The breakdown was: Germany (£32 million), France (£39 million), Italy (£75 million), Luxembourg (£49 million), the Netherlands (£28 million), the UK (£13 million) and Denmark (£9 million).

The Community also helps the industry in a number of other ways. Loans exist to build or improve steel workers' and coalminers' houses. There are technical assistance grants to help prepare redevelopment plans and investigate new product lines. Finally, there are grants to help pay for retraining, wage maintenance and resettlement for workers that have to leave the two industries.

TRADE

Massive increases in all directions over past 20 years

The two decades following the creation of the European Economic Community in 1958 saw a flourishing of trade between its members which has brought them to the forefront of international commerce and given them a continually rising standard of living.

When the Treaty of Rome was put into effect in 1958, the nine countries which are now members of the Community imported some \$23 billion worth of goods from the outside and sold about \$22 billion to the rest of the world. By 1978, this volume had spurted phenomenally to \$227 billion in purchases and \$221 billion in exports.

Even accounting for inflation, the jump represents a remarkable increase in traffic across the world's sea, air and land routes to and from the Community.

By way of comparison, the United States during the same period saw its imports grow from \$12.7 billion to \$173.2 billion and its exports from \$17.9 billion to \$143.6 billion. The Community is now the world's largest trader, accounting for 40% of the total, or around 25% if trade between the nine Member States themselves is discounted.

As dry as trade statistics can be, a recent Special Number of the Monthly External Trade Bulletin published by the Community's Statistical Office (available from Sales Offices listed on our back cover) is eloquent in what it says about the commercial patterns that reflect the way many citizens work and live.

For example, these figures tell us a lot about what the Community is all about. After all, one of the economic ideals behind its formation was the abolition of tariff and trade barriers in order to stimulate trade across European frontiers.

When most people think of trade, they generally think of commerce between

the Community and its far-flung partners all over the globe, such as the United States, Japan, the oil-producing countries or those of the Lomé Convention in Africa, the Caribbean and Pacific. That's because nearly everyone has begun to take for granted the fact that the Community members do as much business with each other as with the rest of the entire world.

The figures show that the Nine buy 50.8% of their total purchases from each other. The figures range from the 'highs' of 73.4% for Ireland and 69% for the Benelux union to 38% for the United Kingdom.

Just as important, of course, is the fact that they sell 51.7% of all their exports to their Community partners, which means they are one another's best customers and best suppliers. Again Ireland, Belgium, Luxembourg and the Netherlands lead the way in sales with over 70%. The United Kingdom trails here with 37.8%.

Another interesting fact is that with only a few exceptions, imports and exports between the Nine have steadily progressed each year from 1958. This pattern of growth continued until the energy crisis of 1974, when the jump in oil prices staggered the patterns of world trade. But in the past couple of years the progression of trade between the members has resumed.

At the latest reading, Germany, Italy and the Netherlands have benefited the most from this growth in trade, all three registering trade surpluses with their Community partners in recent years.

Germany has shown an astounding record of virtually uninterrupted surpluses, except in 1965 when it showed a slight loss. The Netherlands has been the other success story with surpluses since 1971 that actually surpass those of Germany, largely as a result of natural gas and other energy product sales.

The figures also show that the Community countries do a large amount of trade with their other European neighbours belonging to the European Free Trade Association (EFTA), with whom they are now also linked through an industrial free trade accord. The trade with the EFTA countries as a whole is, in fact, as large as transatlantic trade with the Community's biggest single partner, the United States.



Multinationals: what has the future got in store for them

ITT, IBM, General Motors and Philips are all household names. Most of the products we buy are made by these companies and others like them—large multinational concerns with subsidiaries throughout the world.

But the mere mention of the term 'multinational company' (or MNC to those closely involved) can spark of a multitude of reactions.

For some people, MNCs are the fount of all the benefits we enjoy from technological progress. For others, they are like a red rag to a bull. They feel that such companies are behind a lot of the intrigue and what they consider to be exploitation in the world today.

But what cannot be denied is that 'Multinational business is now international politics'. The expression belongs to John Robinson, the author of a major study on the subject 'Multinationals in the 1980s', which has just been published in Brussels.

The study gets away from the various slogans surrounding MNCs and instead concentrates on the growing trend towards international control of such companies.

In this context, the European Community is playing a leading role. Its main impact on international business has been, and will continue to be, via legally-binding directives, and these have been one of the main axes of its developing industrial policy.

The European Commission first adopted its programme on MNCs back in November 1973. This is now making itself felt in four key areas: corporate disclosure, taxation, competition policy and employment protection.

The 1970s have seen a number of measures adopted in these fields and these will be increasingly applied in the next decade. The major thrust of the 300-page study is to chart the likely impact of such measures on business.

Companies can be expected to be obliged to disclose much more information because of Community laws

on subsidiary accounts and pioneer legislation on group reporting.

To combat tax evasion and transfer pricing by multinationals national revenue authorities in the Community now have access to strengthened co-operation procedures.

Wide-ranging legislation on employment protection is now in force and likely to be supplemented in the future. The Commission will continue to use its strong powers in the field of competition policy to ensure that large companies do not abuse their economic powers and respect their responsibilities to society.

However, the study suggests ways in which companies can try to influence the trend towards international business regulation in a special chapter called 'The War of the Lobbies'.

In addition to the European Community, the author also looks at similar, although non-legislative, attempts to control international business in the United Nations and the OECD.

The study, can be obtained from the European News Agency, 46 Avenue Albert Elisabeth, 1040 Brussels. Price FB 9 200.

Supporting sound tape material lasting approx. 5 minutes and including an interview with the author of the study is available for broadcast purposes or briefings. See Page 6 for address.

THE REGIONS

Will the Fund grow to meet challenges of the future?

The European Regional Development Fund was set up four years ago with the object of reducing the wealth gap between the various parts of the Community.

The inequality is striking. Measured in terms of gross domestic product (GDP), the Irish and the Italians in the Mezzogiorno produce only about one sixth as much wealth as the Germans in the Ruhr or the French in the Paris basin.

The entry of Greece, Spain and Portugal will alter the balance even more

between the richest and poorest. And, unless Community funds are increased, poorer Mediterranean farming areas in the Mezzogiorno and the three French regions along the Spanish frontier will be badly hit by enlargement to 12 Member States.

Last year the size of the Regional Fund was increased by over half to £ 389 million. The Fund made 330 grants for 1 600 projects. In view of the economic recession, emphasis was put on creating new jobs.

About two thirds of the aid went to industrial infrastructure projects. These varied according to Member State. In Ireland priority was given to roads, telecommunications and advance factories.

The remaining third went to industry and services projects and helped create 70 000 jobs. Projects covered the chemicals, car, rubber and plastics and non-ferrous metals sectors.

One of the main aims of the Fund is to create new jobs in regions suffering from the decline of traditional industries such as steel and textiles. Since 1975, the Fund has helped to create or maintain 260 000 jobs.

Over the past four years the Fund has financed nearly 6 350 projects (with grants worth £1 billion). In terms of aid per person Ireland has been easily the greatest beneficiary with £ 17 per head. Italy follows with £ 6 per head, though it is the largest overall beneficiary, receiving six times the total volume of Irish aid. The UK has received £ 4.5 per head which is still above the Community average of £ 3.9.

Two changes were made in the Fund last year to make it more flexible and better able to tackle new regional problems caused by the economic crisis. The part of the Fund not subject to national quotas and the share allocated to infrastructure investments were both increased.

The Fund is, however, only one aspect of the Community's regional policy. The Farm and Social Funds, the European Coal and Steel Community and the European Investment Bank all provide aid to help develop the regions.

For example, the Farm Fund is already being used to provide special aid to those farming areas in France and Italy which will be most vulnerable to competition from low-cost Greek, Spanish and Portuguese produce.

In addition the Fund is not intended to replace national regional develop-

ment programmes but to complement them. In other words, its purpose is to provide more aid rather than free national funds for other programmes.

Despite its big increase in size last year the Fund is not nearly big enough to meet all the demands made on it by the Member States. 190 applications had to be carried forward to this year.

The question is whether the Fund will grow large enough to stop regional differences growing greater, especially with the prospect of the accession of three new and relatively poor Mediterranean members.

EDUCATION

Learning with a foreign accent

As the European Community develops and national barriers are broken down, increasing numbers of children are being educated in Member States other than their own.

For example, in Luxembourg more than one third of all children attending kindergarten come from other Community countries—mainly Italy, France, Belgium and Germany.

In Germany, nearly one child in five at kindergarten is non-German. Some come from other Community countries, notably France, but the majority are children of immigrant Turkish and Yugoslav workers.

At secondary school level there are fewer foreign students. France has the highest ratio of 12%. Belgium follows with 9% and Germany 5%. No data is available for the UK and Ireland.

In France, most of the foreign students come from the former African colonies and less than 8% from other Community Member States. In Belgium, just over one third of the foreign students come from other Community countries.

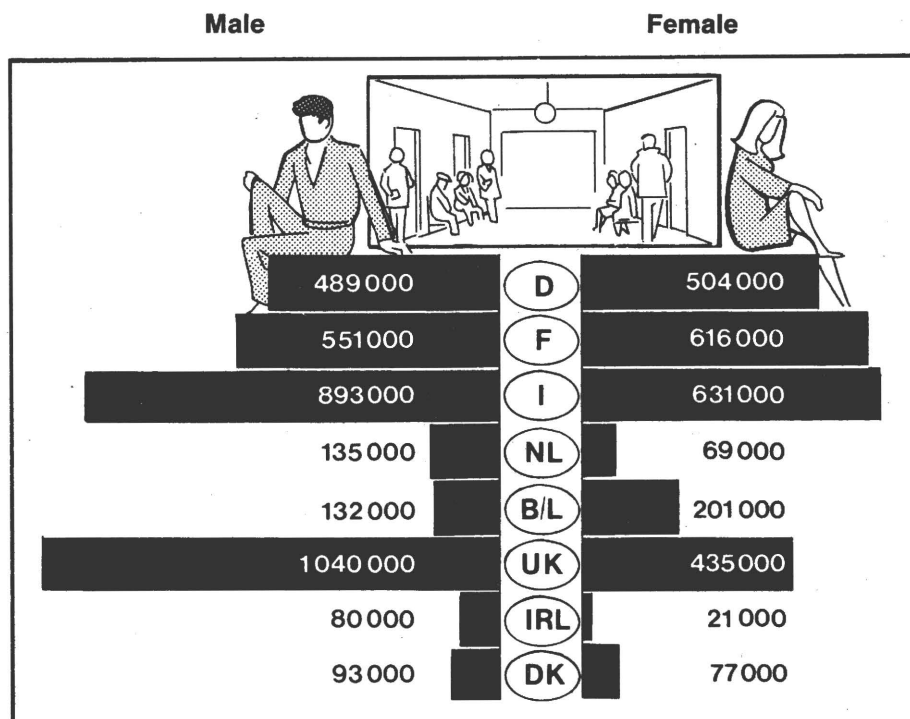
In Italy, Denmark and Luxembourg only about 3% of secondary school students are foreigners, according to Eurostat Education Statistics.

IN BRIEF

The European Commission is to donate £2.7 million to help refugees in South-East Asia, mostly in Thailand, Laos and Vietnam.

EMPLOYMENT

Number of unemployed in the Nine Member States of the European Community (average for 1978)



PUBLICATIONS

'The European Community and Asean', Europe Information, No 16/79. Copies of 'Europe Information' can be obtained from the national information offices listed on the back cover. Catalogue number: CC-NA-79-R16-EN-C.

'The People's Republic of China and the European Community', Europe Information, No 17/79. Catalogue number: CC-NA-79-R17-EN-C.

'The agricultural policy of the European Community', European documentation series, No 2/79. It can be obtained from the sales offices listed on the back cover. Catalogue number: CB-NC-79-002-EN-C. Price: 50 p.

'The Economic and Social Committee'. This information booklet can be obtained from the Committee at Rue Ravenstein, 2, 1000 Brussels.

'Principal regulations and decisions of the Council of the European Communities on regional policy. It can be obtained from the sales offices listed on the back cover. Catalogue number: CB-25-78-720-EN-C. Price: £1.70.

'Grants and loans from the European Community'. This booklet gives

details of financial aid available from the European Community and the procedures for obtaining it. It can be ordered from the national sales offices (for addresses see back cover). Catalogue number: CB-24-77-172-EN-C. Price: 60 p.

'European Economic and Monetary Union'. European Documentation series, No 3/79. It can be obtained from the sales offices listed on the back cover. Catalogue number: CB-NC-79-003-EN-C. Price: 50 p.

'The European Social Budget'. 1980-1975-1970. This report contains projections for certain fields of social policy to 1980, as well as statistics for 1970 and 1975. It can be obtained from the sales offices listed on the back cover. Catalogue number: CB-25-78-704-EN-C. Price: £8.40.

'Characteristics of a job-related environment programme for the Community'. This document can be obtained from the sales offices listed on the back cover. Catalogue number: CD-NP-78-037-EN-C. Price: £18.50.

FOCUS

Community's young ambassadors are striking a chord

'Youth in harmony' is an apt slogan for the European Community Youth Orchestra. In the two years it has been performing it has received rave notices wherever it has played.

Its talented young musicians have popular appeal and are generally considered as ambassadors of goodwill for the Community. Indeed, the orchestra was set up as a joint European cultural project to show that the Community is something other than a political and economic entity.

The musicians are drawn from each of the nine Member States. But, while the selection board tries to distribute places between each country, it isn't always possible.

'There are problems for example, with Luxembourg because it's such a small country', says Helen Donaghy of the orchestra's London office. 'And we have few musicians from Denmark because the musical education there is not as good as one could wish it'.

'The best musicians come from Germany. The Germans are absolutely marvellous. The UK also produces a very high standard'.

The musicians in this year's orchestra have to re-audition for places next year. None of them is guaranteed a place.

'A lot of the young people in last year's orchestra thought they would stand a better chance for places this year', says Ms Donaghy. 'But we had a 50 % turnover. They have to compete like every other applicant'.

Applications to join the orchestra are sent out to schools and musical academies from the auditioning body in each Community country. This year they'll be sent out in September for next year's places. Applicants must be aged between 14 and 21 on December 31 of the year they apply.

The size of the orchestra depends in its repertoire. For 1980 it is offering about 124 places. And competition is keen. There were 1 000 applicants in Italy alone last year and 800 in the UK. More are expected this year.

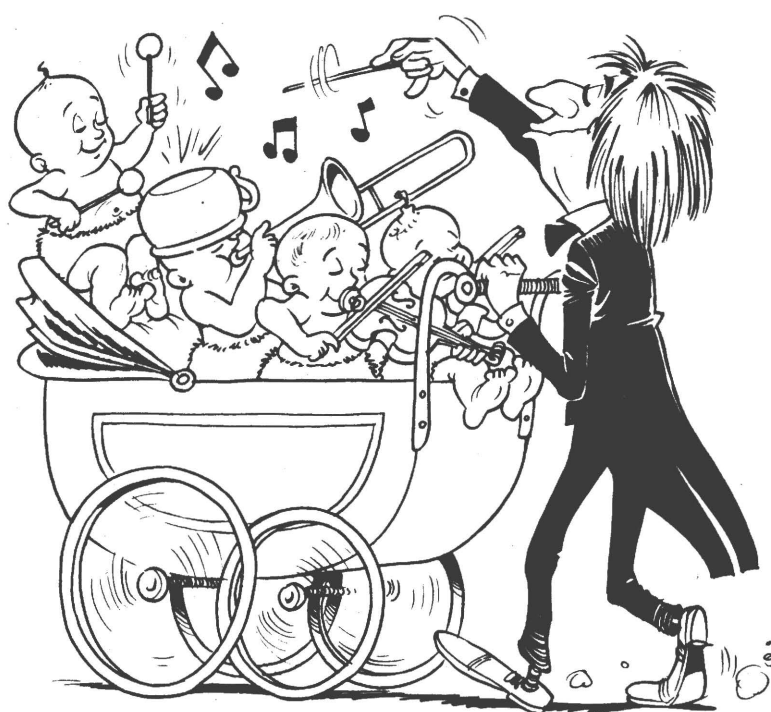
The lucky ones get a chance to travel with all expenses paid and the chance to work with big names in the music world. Individual sections of the

orchestra are trained by top instrumentalists.

The orchestra appears all over Europe with guest soloists and conductors — one of the more well-known being Conservative politician and ex-British Prime Minister Edward Heath. And there are plans for a trip to the United States.

Appearances are limited by school holidays and by the time the orchestra's musical director Claudio Abbado can give. Mr Abbado is shortly due to take over as principal conductor of the London Symphony Orchestra.

During August the orchestra will be playing in Venice (Aug. 11th), Salzburg (13th), Berlin (15th), Copenhagen (16th), Ghent (17th) and London (19th).



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