

EUROPE: A TIME TO CHOOSE



European Parliament

Directorate-General for Information
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A great deal has been written and said about Europe and all that it could mean for our hopes and for our future. To some extent, Europe has already come into being, bringing a great many benefits with it. Today, however, its progress has slackened and some new impetus is needed.

It is no longer enough to say that Europe is a good idea. It has to be demonstrated, with facts and figures, clearly and simply.

It has to be shown that where Europe has not been brought into being, or only partly, things are going less well and that we are, all of us, the poorer for it; that it is unduly wasteful to duplicate our efforts; that if we, the Ten, do not come to grips with the challenges facing us, we shall gradually decline.

It therefore has to be demonstrated what Europe is and what the 'non-Europe' means, without seeking to conceal where the disagreements lie, so that everyone can see the situation as it is and work out what it ought to be.



A sense of purpose

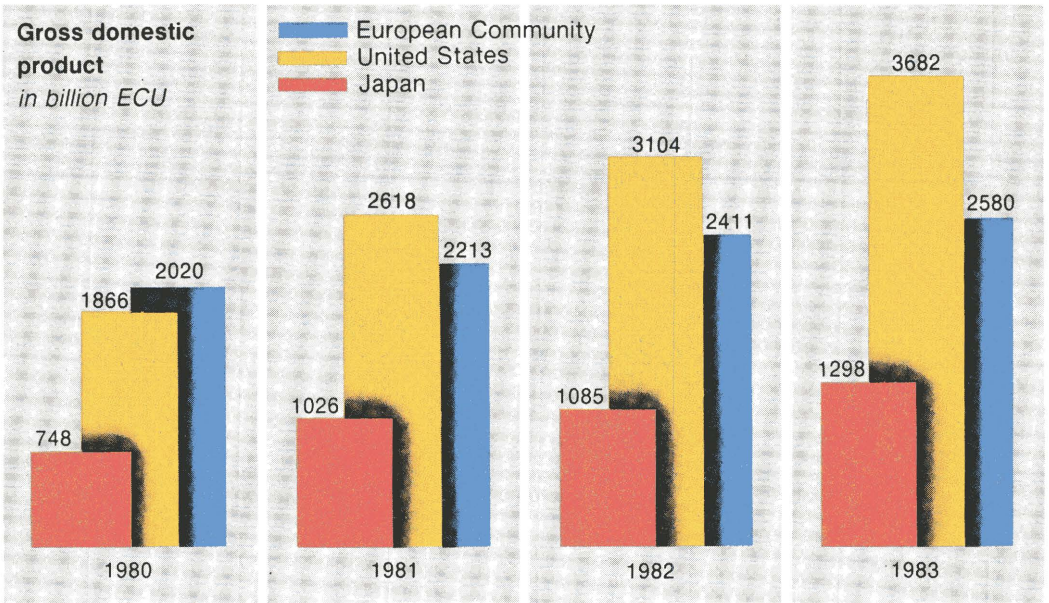
One fundamental belief underlies the purpose of the European Community: that in the modern world none of its 10 member countries can afford to go it alone.

None of the Community countries is powerful enough on its own to measure up to the economic giants — the established power of the United States, or the power of Japan — or to take on countries which, like those in South-East Asia, are industrialising fast and have the advantage of cheaper manpower. Going it alone would not only be unhelpful economically, which could lead to the ruin of society, it could also lead to the political wilderness. Jointly the productive capacity of the Community is only just below that of the United States and twice that of the Soviet Union. One country on its own would be no match for the two heavyweights in the world arena. In other words, Europe is the way to preserve economic well-being and political self-respect.

The high cost of half measures

We must make the most of Europe's size to develop its industry, boost its political impact and safeguard the future of its member countries. For if things are bad in Europe, it is not so much because the bureaucrats have gone too far as because the Community has not gone far enough. There is a high price to pay for half measures. To take but one example, those tiresome formalities we go through at our countries' frontiers are reckoned to cost as much as £ 9 billion — compared with little more than £ 15 billion for the whole 1984 European budget!





But there is more to Europe than the Common Market. The Community is also a real place in which millions of people live, work and play — people with different, but essentially similar backgrounds. Our societies are organised in the same way. We respect the individual's rights and opinions. Cultural minorities can maintain their own identity. Our way of life is different from, say, the American or Japanese way of life. After centuries of internal wars we are now determined to live in peace with one another and with the world at large.

Left to themselves, the member countries would soon be on the road to industrial decline, with the danger of political unrest.

Together they are able to provide for their citizens' prosperity, a democratic society — so long as they do join forces, particularly in the industrial sphere.

There is little time left for them to take a firm decision to embark on

this course of action. And they will only do so if they are steered in the right direction by the vote of the European people.

A high price to pay

Many people think customs barriers still exist between the member countries of the European Community, but this is because of the confusion between customs duties and value added tax (VAT), which still varies from one country to another. Customs barriers have in fact completely disappeared and have given the European economy a tremendous boost. Today an average of half the member countries' trade is with other Community countries, and more Community goods are traded between the Ten with every passing year. Our trade and economy would go into reverse if we suddenly decided to opt out and set up customs barriers all over again.

Hardly a common market

But taking down the customs barriers is not enough. There is a need to complete the economic and monetary union of the Community's member countries. We are still a long way from having a real Common Market. A range of technical standards not only protect but also penalise our national markets: the different systems for colour television or the telephone, for instance. Or take trains: the Paris to Amsterdam express has to go through three changes of voltage. And there are government jobs which are jealously reserved for nationals — in transport, telecommunications or electrical engineering. The fact is that most businesses develop in small local markets because manufacturing on a European scale is made impossible. Meanwhile the great multinationals have the power to brush aside national frontiers and help themselves to the markets they fancy. In other words,

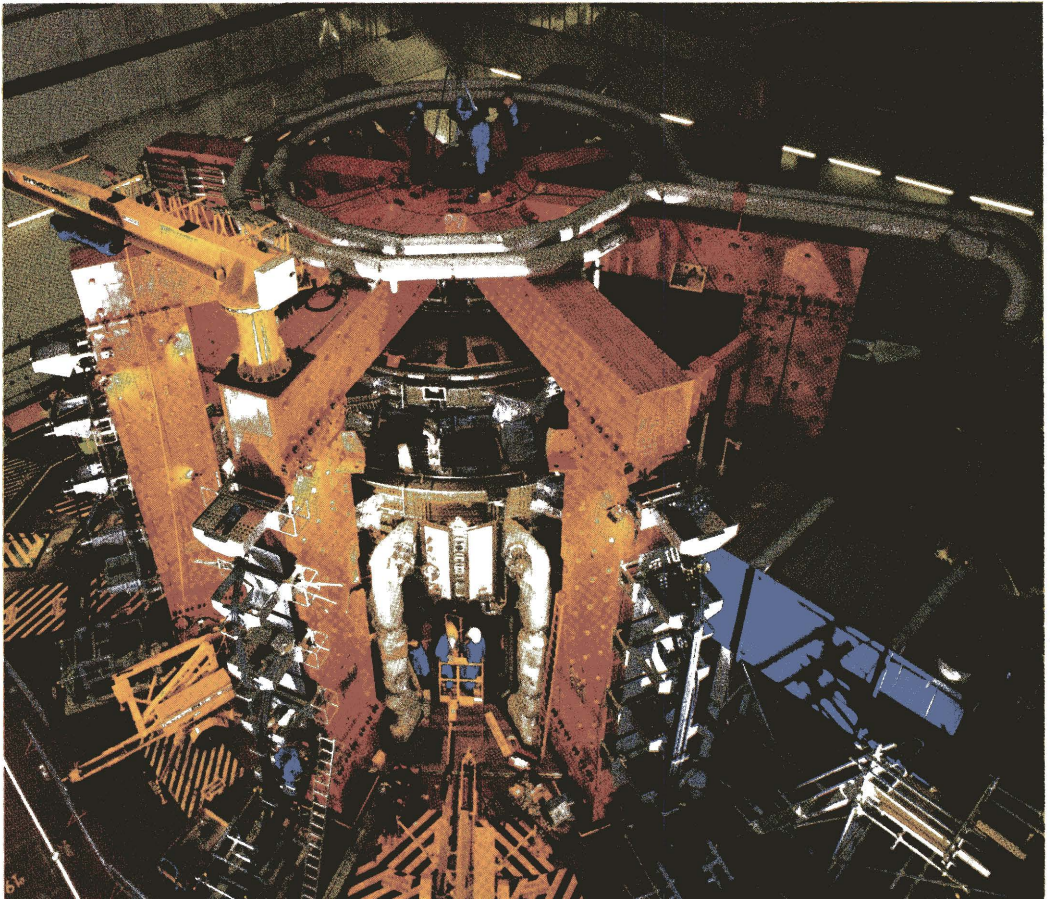
economic independence is only possible if it is supported by a market of sufficient size — the European market.

Because the instability of their currencies was undermining business confidence, the Community countries created the European Monetary System (EMS) in 1979. Valuable though the EMS is, the different countries' policies and economic situations are still too far apart to enable them to

make further progress in the monetary field. In any case, neither the United Kingdom nor Greece have joined this scheme for stabilising exchange rates. Monetary union has yet to be achieved and Europe cannot begin to make plans for minting its own currency. That is why its economy continues to be affected by every twist and turn of the dollar.

Although the time has not yet come when the ECU, Europe's embryonic currency, will be freely available over the counter, it can already be found in savings accounts at banks and post offices. ECU savings deposits are reported to be approaching the 10,000 million mark. The ECU has

It is hard to imagine any Community country being able to carry through a project like the *Joint European Torus* on its own. JET, financed by the Community, aims to harness nuclear fusion to meet our energy needs in the Twenty-First Century.



also been a great success in the bond market. Although it is still in its infancy, it would seem to have a promising future. Its present value — for the record — is about 62 pence.

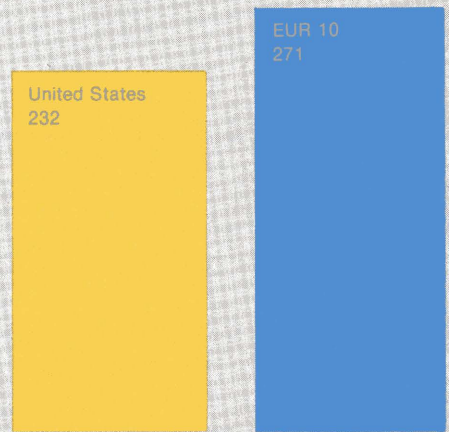
The Community's failure to act together has been criticised by the European Parliament — and is costing the European taxpayer a considerable sum. The Community is declining as the member countries pursue national policies. National taxation is on the increase; deficits are rising; jobs are disappearing; insecurity grows apace. This partitioning of Europe is summed up by the survival of those tedious and pointless frontier checks on citizens of the Community crossing from one member country to another, in one and the same part of Europe.

A new start

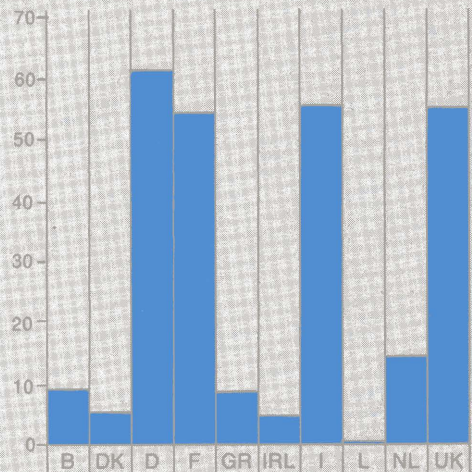
Looking back, the 1960s seem to have been Europe's golden age. The Community's founders believed that European industry would prosper, given the right conditions; so they established the customs union, laid the foundations for harmonising legislation and proclaimed freedom of competition, and having set down the rules, left industry to get on with it. But in the 1970s the dollar came off the gold standard, the price of oil went up and the crisis was here to stay. Traditional industries, and regions which have been prosperous for decades, are now dying. The Community is unable to respond without the necessary means, which the member countries refuse to provide. They still believe in the policy of every man for himself. This is not surprising: far too long governments have been trying to solve new problems with outdated methods.

The 10 Community countries are each, on their own much smaller both in population and market size than the United States or even Japan. If the Ten are taken together, however, the relationship is quite different.

Population of the United States and the European Community (millions)



Population of the member countries (millions)



But the difference between the crisis in the 1930s and the one in the 1970s is the fact that the Community exists. Until 1979 Europe had a higher rate of growth than the United States. However, between 1979 and 1984 the Community's share of investment declined by 3 %, while industrial production stayed put. Today, the Community's gross domestic product is marking time. Having got used to being good neighbours, we now have to live under the same roof. That is not easy; but Europe has to take up the challenge and make a new start.

Innovation for survival

Of course, the Community is not just standing on the sidelines; for instance, it is defending the steel industry, where the situation is getting worse by the hour. It is doing its utmost to stop governments outbidding each other, with national subsidies, because all they will do is export unemployment next door — for a while. In the absence of any coordination at European level, our countries' companies would be forced by foreign competition to destroy one another in order to survive.

But while we have a duty to protect endangered industries, we must also plan for industrial change, by going on the offensive and investing in production — particularly in the industries of the future, where Europe has hardly begun. For this reason, the European Parliament is calling for the creation of a real European policy on innovation and research. Why should the Ten waste time and money competing in research when they could

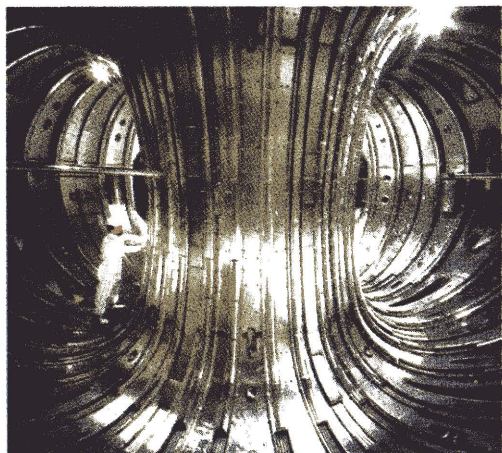
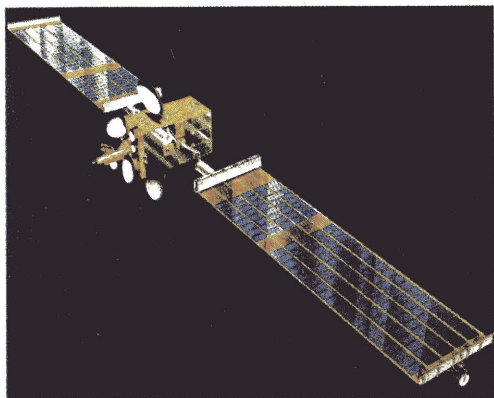
join forces and achieve results comparable to those obtained, say, by the United States?

There is no getting away from the fact that European industry is in decline. The level of European research is low. In the field of high technology the Community was at 100 on the OECD index in 1963; by 1981 it had slipped to 87. On the way down it met Japan in the way up from 72 to 137. Take one example: in 1981, European production of video recorders was no more than 5 % of world production, whereas the European market accounted for 30 % of world sales. Attempts at European cooperation in this sector ran into red tape of such bewildering complexity that negotiations broke down. However, better results have been achieved in the nuclear power and aerospace industries — as the Airbus and Ariane projects show; these are exceptions which prove the rule and demonstrate that cooperation holds the key to success.

Reviving growth

Take the case of a return airfare from Paris to London. At present it costs you about £ 135. The flight from New York to San Francisco, which is ten times as far, costs about £ 703. So flying American costs far less per mile than flying European. Such is the cost of not getting together in Europe.

Take research: only 2.5 % of the Community budget is spent on research — a tiny 1.5 % of total public spending on research by the member countries. In total they spend twice as much on research as Japan does, but each country spends it separately; meanwhile, out of every 10 video



This satellite is to be launched by an Ariane rocket in 1986. It will be one of the most powerful communications satellites in the world. (*above*)

A challenge for the future, for both scientist and politician: Joint European Torus. (*below*)

recorders bought in Europe, nine come from Japan. The picture is not much brighter for computers: eight out of 10 come from the United States.

However, a European research and development strategy has recently been launched in the field of information technology, the ESPRIT programme. Yet the £ 10.26 million being spent on the programme's initial phase between 1983 and 1987 — covering microelectronics, software, integrated circuitry and word-processing — is far less than the annual net profit of IBM. This hardly makes ESPRIT very expensive, yet our efforts to catch up with the Americans in information technology will determine whether we gain two million jobs — or lose three million — by 1990.

In addition to this, in December 1984 the Community launched research and development programmes worth more than £ 684 million in controlled nuclear fusion (the Joint European Torus), non-nuclear energy, the storage of radioactive waste and biotechnology; the Community's Industry Ministers also laid down a number of objectives for joint development in telecommunications, including plans to set up a Community market for terminals, define common standards, establish a high-capacity business communications network, and develop the second generation of mobile telephones.

Or take transport — where the Treaty of Rome provides for Community action and where very little has been done. In view of the Transport Ministers' reluctance to act, the European Parliament is taking the Transport Council to court in Luxembourg.

The Community could provide aid for the Channel Tunnel, as requested by Parliament or for the bridge over the Straits of Messina. By tackling projects of this kind itself Europe would be helping to revive European growth.

The truth is that while ordinary, everyday goods are often manufactured in Europe and sold on a more or less common market, far too often technology products come in from elsewhere.

Even when they are produced in the Community there is seldom a common market for them. For industry as a whole, Community products only make up 40 % of sales on the home market. Why is this? Because the State tends to reserve public contracts for its favourite, which means national, suppliers. These public markets account for 15 % of Community production: £ 244,000 million. The cost of partitioning these markets is estimated at £ 24,400 million, almost twice the Community budget. That is £ 24,400 million more from the taxpayer's pocket — yet another example of the cost of not getting together.

A social policy for Europe

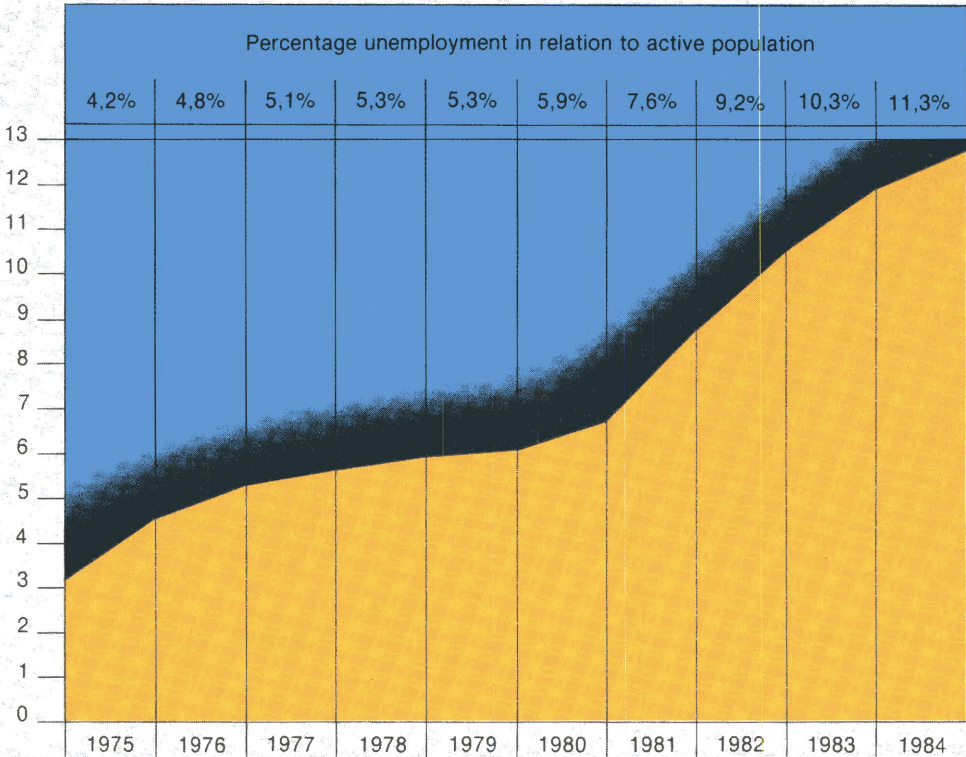
At the end of 1983 there were 13 million unemployed — just over 11 % of the working population, compared with about 7 % in the United States, yet in 1982 Community and American unemployment levels were the same. There are 5.1 million unemployed young people under 25. For this age group the average unemployment rate is more than 25 %, compared with 11 % for the population as a whole. Between 1973 and 1983 the United States, which admittedly had higher unemployment at the start, created 15 million new jobs. In the same time the Community lost three million.

Unemployment has become a very serious problem. It is now far less amenable to the kind of economic policy adjustments practised in earlier decades. A solution has not been found. Of course we must nurse the economy, stimulate investment, restore competitiveness and invest in advanced technology, coordinating the European effort. But that, says the European Parliament, will not be enough. The member countries, and the Community should review working hours and try to help the groups and regions hardest hit, which means young people and women, and the areas of industrial decline and underdevelopment.

The Community has had a 'Social Fund' since 1960, to improve the vocational training of workers. In 1983, for instance, 1.8 million people — including 750,000 youngsters — benefited from the Social Fund, financed jointly by the Community and the member countries.

Trends in unemployment over the last 10 years

(in millions)



Attacking unemployment

The European Social Fund is not small — it ran to more than £ 610 million in 1984 — but social security in the member countries costs some 400 times as much. That is why the European Parliament has helped to enlarge the Fund over the years and now wants it to double its resources to 10 % of the Community budget. In June 1983 the Council of Ministers decided that three-quarters of the Social Fund should in future be set aside for young people under 25. Other recipients include the long-term unem-

ployed, women resuming a career, migrant workers, the disabled and vocational training project leaders. Regions with high unemployment now receive 40 % of the total figure.

Where are new jobs needed most? Young people are hit hardest by unemployment, and they have top priority. Success in this area will be crucial for the Community's reputation. For women, who also bear the brunt of unemployment, Parliament has demanded finance from the European Social Fund in proportion to their percentage of the total unemployment figure. The area of greatest demand is in the small business sector, which accounts for 70 % of jobs — the

service industries, craft trades, cooperatives, and new technologies.

The Community cannot turn its back on the serious problem of unemployment among women, one in eight of whom is out of work compared with one in 10 men.

Equal rights of men and women

Indeed, the Community has long supported women's rights. In 1976 it insisted that women should receive equal pay for equal work. In 1978 it enforced equal opportunities in access to employment and vocational training, as well as in working conditions and promotion at work. In 1984 it established equal treatment in the social security field. The Court of Justice has repeatedly ruled on this point — as in 1976, when it upheld the case of a Belgian air hostess who was claiming the same pay as her male colleagues.

There is still much to be done. For instance, in 1981 women working in industry were earning only between 63 and 85 % of men's pay. For this reason, in October 1984 the European Parliament called for further action to back up existing law, which was still not strong enough to stamp out discrimination against women at work. One way of making progress would be to encourage companies to set up special programmes for women; this approach is already obtaining results in the United States and Sweden. Parliament stresses the need to train women in the new technologies, so that they are not restricted to the traditional 'women's jobs'. In Parliament's view, the present crisis cannot be used as an excuse to curtail women's freedom of choice: women are not a reserve labour force, to be called up when required and sent home when demand slackens off.

In social policy and employment, the onus is on the member countries, but the Community can



back them up. The European Parliament would like to see the Community do far more, bearing in mind the extreme gravity of the situation. A Europe in which millions of people are unemployed calls for a European response.

A farm policy for Europe

Every day the people of Europe have enough to eat. It can thus be said that the common agricultural policy, which has evolved as an integral part of the European Community from the outset, has achieved one of its objectives: to guarantee a regular supply of food. A second objective is to guarantee a reasonable income for farmers. As for prices, the aim is to ensure that they are not subject to the same unpredictable variations as the seasons, and that they are fair. Through good years and bad years, these objectives have always been attained.

Objectives achieved

Nevertheless, the agricultural policy is often criticised within the Community. Why? The agricultural products of the Community are protected against those from third countries. The prices of many products are lower on the world market. If these prices were applied in the Community, many farmers would be ruined. Consequently, a tax is levied on extra-Community products in order to bring the prices of those products into line with Community prices. Community products are in this way accorded preferential treatment. In some quarters, this arrangement is criticised as protectionist.

But countries have always protected their agriculture in one way or another. This is particularly true of the United States, which provides loans for producers, storage aid and export guarantees. In 1983, each American farmer received on average £ 4,286 in aid, as compared with £ 1,143 for each European farmer.



Too much milk

The agricultural policy has in some respects been a victim of its success, since many Community products are over-produced. This is particularly true of milk and butter. Consequently, these products must either be stockpiled or exported at a subsidised price. In 1983, export subsidies accounted for more than £ 2,440 million or one-fifth of the entire Community budget. This situation is unacceptable. One cannot produce for a non-existent market.

There was an abrupt change of course in April 1984, when milk quotas were introduced for producers or dairies (the choice being left to each country), with the aim of holding Community production down to a maximum of 99 million tonnes. Excess production is now penalised by a special levy. No-one likes such measures, but something had to be done to stem the rising tide of milk. While recognising the need to cut surplus

production, Members of the European Parliament reacted to this decision in various ways, but they did stress the difficulties facing small producers and young farmers whose incomes and jobs are put at risk. Parliament believes there is an urgent need to diversify production and strike a better balance between supply and demand, so that the Community would no longer have to take such drastic action to put things right.

Concern is also expressed about the implications of our export policy for the development of the countries of the Third World, and about the risk of reprisals against Community exports as a whole, especially by the United States.

One of the key objectives of the Community was to set up a common market for agricultural products, within which they could be freely traded, between member countries. With this end in view, common prices are set in ECUs, though there are variations when translated into national curren-





Gathering in the olive harvest, one of the mainstays of Mediterranean agriculture.

cies. In addition, the market is distorted by border taxes, or monetary compensatory amounts, introduced to offset currency fluctuations. Subject to which, the basic price of wheat, say, or milk or beef or wine is the same anywhere in the Community, be it Naples or Dublin, Hamburg or Marseilles, Liverpool or Luxembourg.

The point of these border taxes, of course, is to offset the unfair competitive advantage that may be gained by one member country over another when currencies are devalued or revalued, though the weakness of the system is that it tends to penalise the exports of countries with weak currencies and give an unfair edge to those with stronger ones. Parliament argues that it is high time these monetary compensatory amounts were phased out, and in 1984 the Council of Ministers actually decided to ensure that they are phased out by 1987, together

with any arising from new currency fluctuations.

North and South

In agriculture, as in other areas, the dialogue between North and South occasionally runs into difficulty, because the products of the southern regions of the Community are accorded less generous treatment. This gives rise to a dilemma. Removing this injustice might be tantamount to granting an unlimited financial guarantee for the disposal of a new range of surplus products, to which others might well be added once Portugal and Spain have joined the Community. Structures are therefore more important than prices for the industrially weak Mediterranean regions, where the economy is based on agriculture and there is high unemployment. They lag behind most of the Community and the gap is not being closed. So agriculture has to be improved — with more efficient production and better

marketing — and jobs also have to be created for the extra manpower this will make available. The European Parliament supports the idea of 'Integrated Mediterranean Programmes', which will maximise the effect of such concerted action.

The common agricultural policy is often criticised as a whole because it is expensive and because it is allegedly to blame for the imminent exhaustion of Community resources. Hence the proposal that the entire edifice of CAP expenditure should be dismantled. To this the policy's defenders reply that a 'de-Europeanised', re-nationalised and re-compartmentalised agricultural sector would constitute a still greater drain on resources: 10 national policies would cost more than a single Community policy.

The proportion of the active population engaged in agriculture varies from one country to another: 2.7 % in the United Kingdom as opposed to 28.7 % in Greece: 8.2 % in France compared with 12.1 % in Italy and 17.1 % in Ireland. Obviously, a country like the United Kingdom, where the proportion is small, feels more justified in criticising an agricultural policy which absorbs more than half the Community budget. This explains why the debate on EC finances is closely bound up with the debate on the common agricultural policy. Admittedly, the Members of the European Parliament find it difficult to reach agreement on agricultural policy guidelines, but that is no reason for arguing that the policy should be abolished or for attempting to undermine its foundations.

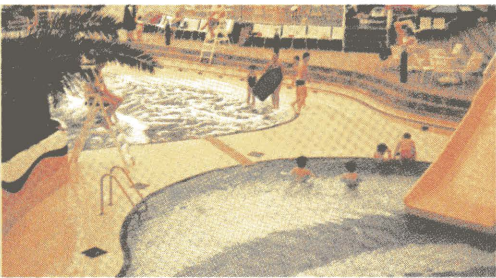
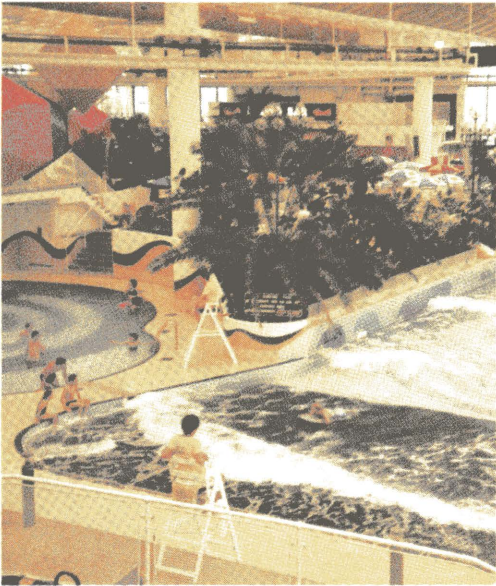
The European option

A Member of the European Parliament has said that unless Community policies and expenditure are able to achieve more effectively and at less cost the objectives hitherto attained by national policies, the European Community should be disbanded. If, on the other hand, certain objectives can be better achieved by the Ten than by the national administrations, the only way of eventually diminishing the tax burden on our national economies is to expand the policies and hence the expenditure of the Community, while contracting national policies and expenditure. The logic of this is that Europe should be entrusted with what it can do more effectively and more cheaply than the member countries individually. Neither more nor less. Put another way, the purpose of Community policies should be to combat waste and the duplication of effort.

Not all the European policies cost money. Allowing doctors of one Community country to set up practice in another, for the Community to speak with a single voice in the Middle East conflict or in the GATT trade negotiations, stabilising exchange rates within the European Monetary System, banning imports of baby seal skins, introducing common rules for the protection of workers exposed to toxic products such as asbestos — all these cost virtually nothing. All that is needed is an agreement and suitable regulations.

Money can be saved

Other activities do of course cost money: financing the storage of



Parliament has pressed for Community funds to be used to back job creation schemes in regions in difficulty: the *Rhyl Sun Centre* in Wales.

milk powder or sugar, distributing cheap milk to schools, modernising farms, developing a nuclear fusion reactor, financing projects for tapping solar energy, supplying developing countries with food aid such as cereals, contributing to the development of a telephone network or to the construction of a motorway or a port in a poor region, promoting the vocational training of young workers, co-financing a programme for the application of biotechnology to the agri-foodstuffs sector.

Such activities place a financial burden on the Community, but less of a burden than if they were undertaken individually by the Ten. Relative savings can thus be made. We must seek to spend less by pooling our resources — in the advanced technologies, in research and in the energy sector.

But there are also areas in which we can achieve absolute savings. For instance, we can reduce frontier controls or eliminate conflicting technical standards, which compel our neighbours to pay for the right of entry of their products.

Money must also be found to pay for the Community's administration, in other words, for some 17,000 European officials. Is this a large bureaucracy? Hardly, when you consider that twice as many civil servants work for a national Ministry of Agriculture alone. If, say, the European Parliament did not exist, the money released would not be enough for the European taxpayer to buy even one extra packet of cigarettes a year. The price of one packet of cigarettes a year is, then, more or less what we have to pay for the privilege of democracy in the European Community.

Where do the resources come from?

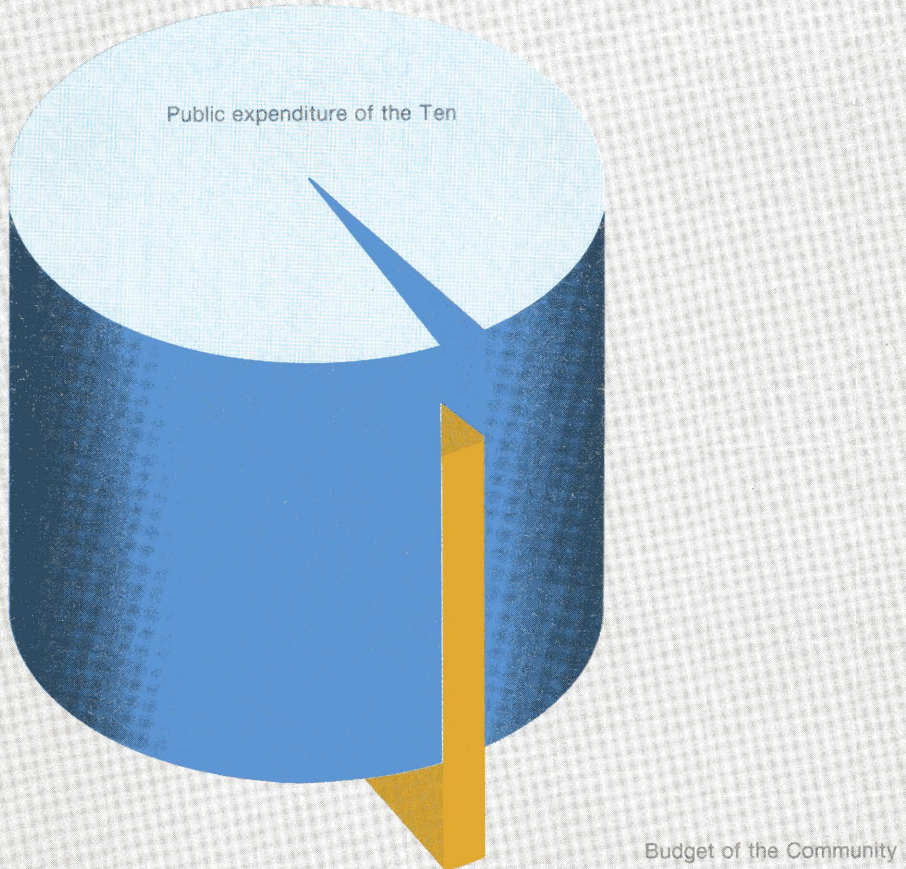
In 1984, the Community spent about £ 15,960 million on financing its policies. Although this may seem a very considerable sum, it is in fact less than 2 % of the sum of the public expenditure of the Ten and less than 1 % of the Community's gross domestic product. Alternatively, if we take

turnover as the yardstick, the Community is worth 75 % of General Electric, 50 % of IBM or Ford and 25 % of Shell. 'Europe Inc.' would only rank 18th in the league of major Western businesses, with a budget comparable to the turnover of Unilever, Toyota or Elf Aquitaine. The annual profit of IBM alone is 16 times as much as the

Community spends on research and investment.

Where does the money come from? Roughly half from the customs duties and the agricultural levies collected at the Community's external frontiers on goods imported from third countries, and half from a per-

The Community's budget amounts to less than 2 % of the public expenditure of the 10 member countries



centage of national VAT receipts. Once they have been collected, these resources belong to the European Community and therefore cannot be regarded as national contributions.

These financial receipts ought to increase in line with the expanding needs of the European policies. Up to now, however, they have been frozen by a provision which imposes a 1 % ceiling on the proportion of VAT that may be paid into the common budget to top up the proceeds from customs duties and agricultural levies, over which the Community has, in any case, little control. In June 1984, however, it was decided to increase the VAT 'take' to 1.4 % at the beginning of 1986 and, subject to agreement, to 1.6 % in 1988, which is the minimum required for a Community that includes Spain and Portugal. Experts have estimated, in fact, that the present budget must be tripled to make any real impact on the economies of the member countries.

Meanwhile, the Council of Ministers have used the continuing 1 % ceiling as a pretext for not submitting a budget to cover the whole of 1985: only 10 months' agricultural expenditure was provided for. The European Parliament found this totally unacceptable and virtually all its Members rejected this incomplete budget. Rejection of the budget is one of Parliament's main powers. As the national parliaments have relinquished control over the Community's finances, that control has been transferred to the European Parliament. Parliament uses its budgetary power — which is a political power too in that it decides jointly with the Council on the amount and allocation of Community expenditure — to im-

part its own impetus to those European policies which are now virtually outside the scope of the national parliaments. For is it not right and proper that, in a society such as ours, those who govern the affairs of the Community should be subject to a measure of democratic control — a control exercised, quite naturally, by the European Parliament?

Although the European Parliament has equal power of decision over the determination of expenditure, the Council questioned its right with respect to income. But parliament demonstrated, when it came to adopt the 1985 budget, that it intends to stand on its rights here too.

The need to spend wisely

Today, a substantial proportion of Community resources is earmarked for agricultural expenditure. The European Parliament takes the view that it is essential to prevent such expenditure from getting out of hand. It is essential to ensure that a significant share of budgetary resources is set aside for those countries and regions whose prosperity is below the average. But it is essential too for the member countries to put an end to their budgetary squabbles, which are incomprehensible to the general public. It will then be possible to launch and develop the policies the Community needs, to revitalise Europe and, at the end of the day, to save money for its citizens.

Europe and its regions

The founding fathers of the European Community foresaw the need to prevent excessive imbalances between the richest regions and the poorest regions of Europe. Indeed, they saw it as essential, to quote the Treaty of Rome, 'to reduce the differences existing between the various regions and the backwardness of the less favoured regions', not just on moral grounds, but for reasons of economic logic: after all, goods can be sold to potential consumers only if they have the means to buy them.

And yet, to give but one example, Calabria, in the south of Italy, is still four to five times less wealthy than the region of Hamburg in the north of Germany. Such a disparity is a threat to the Community, which will become all the more acute once it is enlarged to include Spain and Portugal.

In view of the dangers inherent in these centrifugal forces, a European Regional Development Fund was created in 1975. Most of the appro-

The Community's regional fund backed the development of a flour mill at Volos in Thessaly in Greece.



priations allotted to this Fund are apportioned among the member countries on a quota basis and serve to complement the aid granted to the disadvantaged regions by the member countries. Almost three-quarters of the funds are used to finance investments in infrastructure projects: building roads, ports and telephone networks and channelling water supplies. The remainder — inadequate in the opinion of Parliament — is earmarked for job-creating investment in industry and the craft and services sectors.

21,000 projects

Between 1975 and 1983, more than £ 5,130 million was paid out to finance some 21,000 projects. In addition, many loans are granted at special low rates of interest by the European Investment Bank to assist regional development projects in the poorest regions. Without the Community, many such projects would simply not materialise because borrowers would not obtain loans on such favourable terms on the capital market.

The European Parliament has always supported the regional policy, on condition that it effectively helps the really disadvantaged regions. Parliament argues that is better to concentrate on helping the really disadvantaged areas than to try and help the relatively disadvantaged regions at the same time (and thereby bring real relief to more). Hence Parliament's criticisms of the Fund: appropriations inadequate and spread too thinly, absence of a genuinely forward-looking European policy. There is a danger of the Regional Fund degenerating into a kind of petty cash facility from which

the member countries are allowed to recoup some of the costs of their national regional policies.

However, a reform of the Regional Fund was adopted in 1984 and this represents a step in what Parliament believes is the right direction: priority for the most needy regions, for action to reduce regional imbalances, for coordinated long-term projects and, of course, for jobs.

Everyman's Europe

A Community which has no impact on people's daily lives may appear remote and even irrelevant.

Europe should give its citizenry a feeling of greater freedom: the freedom, for instance, to move around anywhere in the Community and feel at home, to work and settle down in another country as an equal. For centuries, countries have set aside jobs for their own citizens and subjected others to different rules. The Community is helping to put an end to this practice. No-one may be discriminated against as regards his or her job, pay or working conditions because of his nationality; migrant workers are on an equal footing with nationals as regards social security; doctors may set up in practice in any Community country and lawyers are free to work in any of them. However, there is by no means complete freedom of establishment. Much still has to be done as regards the professions. Member countries are rarely obliged to recognise diplomas issued in other countries and civil service jobs are still reserved for nationals.

Let the tourists through

People have a right to move freely throughout the Community. But they may come up against problems such as customs and identity checks at frontiers. The member countries claim these are essential because indirect taxes are not yet harmonised. Police matters remain a national preserve. One argument often used to justify frontier controls is combating terrorism. 'Have you ever heard of a terrorist being arrested at a frontier?' asked

one Member of the European Parliament during a debate.

Pernickety controls are not the way to combat crime and terrorism, but much closer collaboration between the member governments is, and that is what the European Parliament has called for. Meanwhile, as the Commission puts it, 'The continued existence of customs barriers and signs saying "Customs" and the frequent long queues waiting at the Community's internal frontiers are the most potent symbol and visible expression for Europeans of the absence of European unity'.

However, we must not despair. At the Fontainebleau Summit in September 1984, the governments of the Ten gave the go-ahead for various measures affecting the daily lives and business of Europeans, such as the gradual abolition of identity checks at frontiers, simpler formalities for goods crossing Community borders, equal standing for university degrees, and so on. A special committee was set up to get things moving and it may also put forward proposals for a European flag and anthem and European sports teams. One Member of the European Parliament has said that Europe too needs to be able to dream, and such symbols do have a part to play.

In this connection, some years ago the European Parliament suggested the adoption of a European passport for use inside the Community. It would be a symbol of European citizenship. After a great deal of discussion, it has finally been agreed: national passports will have the same format and the same colour, maroon. It is all very well to create a symbol but much more is needed than that. What good is a European passport if controls

become tighter and more systematic, rather than being abolished? It was planned for January 1985, but some member countries are taking a bit longer. Incidentally, a European driving licence will be introduced in 1986 at the latest.

Curbing pollution

The Community's impact on daily life: every day, people are affected by pollution. Pollution exists in all the countries of the Community. It has no respect for frontiers: it attacks water, the atmosphere, what we drink and what we eat. Combating it costs a lot of money. We would be well advised to combat it together if we want to place all industries in the Community on an equal footing. In fact we must in some cases if we are to prevent unscrupulous transport companies and industries from exporting pollution just as some governments try to palm unemployment off on their neighbours. The danger is that the neighbour will have the same idea one day.

The Seveso case has led to demands for stricter controls. A highly toxic product, dioxin, from the chemical plant in Seveso, Italy, was stored in drums in December 1982. The drums crossed the border into France, and were stored in a waste transporter's premises. Then the trail disappeared. There was only a legal document to confirm that they were in safe keeping but it did not show where, when or how. It took more than six months to find them. In the meantime, the public became aware of the risk. The European Parliament took up the matter and challenged the guilty parties, the industry and the transporters and the member countries too; yet again, what

it was really criticising was the failure of Europe to get together. And once again, how right it was! Parliament is demanding European regulations to prevent any such scandals in the future. And it is winning its point.

How was it possible for toxic waste to slip through the net incognito when tourists are held up at frontiers for a few unauthorised cigarettes. We must not get our priorities wrong: it is the toxic waste that should be checked, not the tourists. Each year, several million tonnes loaded on 200,000 to 300,000 lorries cross the Community's internal frontiers. So let's curb pollution, and wave the tourists through.

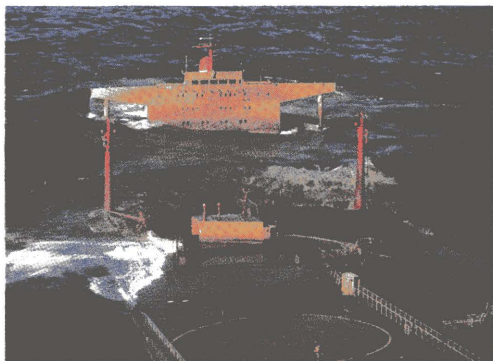
From colorants to forests

Fortunately, Europe has often taken effective action to protect the

environment and consumers. One example is colorants. As far back as 1962, the Community published a list of colorants authorised for use in foodstuffs. It tightened up its legislation in 1970 and 1976. If you buy food containing a red colorant, you will find that the European Community number for it is given on the packet. E 123 is amaranth. E 124 is cochineal red A. E 180 is ruby pigment which is only to be found in cheese rinds! The alternative, 10 different systems for monitoring colorants in the Community would be an unnecessary duplication. There would be 10 different compartmentalised markets. Think of the loss to industry — and to the consumer.

Another example is aerosol sprays. We use them every day. Perfumes, hair lacquers, deodorants, shaving foam and so on. These products are propelled by gases known as





The wreck of the oil tanker Amoco Cadiz, which polluted the coasts of Brittany in 1978. *(above)*

Piling up the debris to the detriment both of the environment and the economy. *(below)*

chlorofluorocarbons. They are odourless, colourless, non-corrosive, non-flammable, in short, practical. However, they are suspected of reducing the ozone layer in the atmosphere and thus of increasing the incidence of skin cancer. The Community therefore decided to reduce their use by 30 %.

The Community is also concerned about exhaust gases, detergents, cosmetics, water suitable for bathing, traffic noise and asbestos. Now, it has to tackle the problem of the acid rain that is devastating forests regardless of national frontiers. Acid rain deposits on trees the sulphur

dioxide from fuel or coal combustion, nitrogen oxides produced by internal combustion engines, fluorine, cadmium, lead and photo-oxydisers such as ozone. And the trees die — especially conifers and broad-leaved trees. 7 % of the 7.5 million hectares of forest in the Federal Republic of Germany are now affected. A Community bill is already before the Ministers under which a surveillance network and multi-disciplinary scientific teams will be set up in each country and experiments and pilot projects conducted.

One of the sources of acid rain, apart from the sulphur oxides emitted by industry, may be the carbon oxides in car exhaust gases. To reduce these pollutants, car engines will have to be modified, which means getting rid of lead in petrol. The European Parliament approved the Commission's proposals on this subject in December 1984, but said that they should come into force earlier than planned. It is a big challenge for the European car industry. A balance must be struck between protection of the environment and economic realism. Catalytic converters are one possibility, but the European Parliament believes that there should be research into others as well. One thing is certain: war has been declared on acid rain and must be waged energetically.

A better life

Just as the consumer has to be protected against pollution and dangerous products, he or she must also be protected against misleading advertising: X washes whiter or Y makes you 20 years younger. Extolling a product is one thing, deceiving the buyer is

another. There is a need for some rules, and only natural that they should be European since this problem too is more than just a national one. A proposal is already on the table but the Ministers have yet to take a decision.

Protecting the environment also means protecting its fauna. In response to the public outcry at the massacre of seal pups, the European Parliament put pressure on the Community countries to stop importing seal skins and products made from them. And it has succeeded. It is to be hoped that the culling of seals is now a thing of the past. Parliament now hopes to bring pressure to bear to curb the killing of whales too.

The point of the Community is to enable its citizens to circulate freely in all its member countries, to protect their rights as consumers, to preserve their environment and, in a very general sense, to enhance the quality of the life they lead.

Fir forests in Germany were the first to suffer from acid rain. Now the whole of Europe is affected.



Democracy and peace

The European Parliament is fighting hard to defend democracy, even though — and what could be more natural, since we live in a democracy — Members of the European Parliament differ in their views. They are, however, agreed on one basic goal: to work towards a Community human rights policy as part of the Community's external relations. Debates on violations of human rights in South Africa, the Soviet Union, Argentina, Chile and elsewhere are frequent. Violations of human rights are therefore denounced, pressure is exerted on the Foreign Ministers, and action is taken against regimes whose disregard for human rights have been exposed.



Source: Amnesty International.

Between the United States and the USSR

and space weapons — which either already exist or are at the planning stage.

The Ten and their Parliament want peaceful, negotiated settlements to the bloody conflicts that threaten world peace. Divided, the Ten are ignored. United, they present a quite different picture. Their presence is felt between the United States and the USSR. Speaking with a single voice is important in politics as well as economics.

Today, the Community is entitled to speak of peace to others. It is inconceivable today for the member countries to go to war against each other. The situation in 1939 was quite different. The countries of the Community must stick together when the security of Europe is at stake. That is why, 'understanding the widespread concern at the threat of a nuclear war', the European Parliament is advocating — with increasing effect — a 'European peace and security policy which aims at stabilising East-West relations and promoting détente'.

On the subject of Euro-missiles, the European Parliament has asked the member governments resolutely to discourage any aggression or intimidation from outside and to encourage the other side to negotiate agreements on mutual and controlled arms reductions. The European Parliament naturally welcomed the resumption of the dialogue between the United States and the Soviet Union in January 1985. It called for the negotiations to cover the whole range of weapons systems — conventional, nuclear

Europe and the world

The European Community is more open to the outside world than, say, the United States. The fact is, it has no choice: with a one-third share of world trade, it is the world's leading trade power. Although it is short of raw materials, its strength lies in its ability to process them, to give them added value. Apart from anything else, it would be a mistake for it to close its frontiers and become self-centred. The Ten conduct half their trade with each other. The Community is thus by nature opposed to protectionism, even though in certain cases — agriculture and threatened industrial sectors such as steel and textiles — it does afford its products some protection; free trade is a matter of common sense, not dogma.

The Community's trade 'unity' is quite tangible: there are no customs barriers between the member countries, a common customs tariff applies to imports from third countries and there is a common trade policy for which the Community is responsible, since it can negotiate better terms than can the member countries on their own. There are many trade and cooperation agreements between the Community and its partners in the four corners of the world, from Brazil to Israel, Egypt to India.

Speaking with a single voice

In the GATT (General Agreement on Tariffs and Trade) negotiations, where problems such as customs duties, dumping and export subsidies are discussed at world level, it is the Community that speaks for the member countries.



Economics and politics being closely linked, the member countries embarked on foreign policy cooperation in 1969 with a view to speaking with a single voice whenever the interests of the European Community were at stake.

The European Parliament attaches considerable importance to this political development. It is concerned for Europe to exercise a political influence equivalent to its economic size. It does not hesitate to react to political events in the Community and the world. Its delegations have regular contacts with Members of Parliament from other countries or groups of countries: the United States Congress, the Latin American Parliament, the Spanish Cortes, the Israeli Knesset. Since the last elections a parliamentary delegation has already had three working meetings, in Strasbourg and Peking, with a delegation from the Chinese People's National Assembly. It is in the mutual interests of China and Europe to talk to each other.

Admittedly, in foreign policy matters, the European Parliament can merely exert pressure on the governments concerned, but when it has something to say about the situation in Lebanon, Afghanistan, Chile or Turkey, or about world affairs, the world listens because it is speaking for Europe. Significantly, during his visit to the European Parliament in 1981 the Egyptian President Anwar El Sadat appealed to Europe to act as mediator in the Middle East conflict. This call was repeated when King Hussein addressed Parliament in December 1983, and in February 1985 Parliament welcomed the Israeli President, Chaim Herzog. In fact, the European Parliament's impact in the world has been greater than it has been so far in the Community.

The Third World

North-South relations is another subject of concern to the European Parliament. In 1979, 1980 and 1982 it



The contrast between two kinds of agriculture: The Third World where the first priority is to grow basic foodstuffs. Under the Lomé Convention, the European Community finances the use of new techniques to increase food production.

held three major debates on hunger in the world and in 1983 discussed in depth a new form of development cooperation through the Lomé Convention, which links the Community with 66 countries in Africa, the Caribbean and the Pacific (the ACP), 25 of them among the poorest in the world.

The European Parliament attaches great importance to this union. From the outset the European Community has wanted to maintain special relations with the former colonies of some of its member countries and created a new model of North-South relations. In 1975, therefore, this union with the ACP countries was developed and the first Lomé convention signed in the capital of Togo. Ethiopia, Liberia, Zaïre, Nigeria, the Ivory Coast, Togo, Cameroon and Zimbabwe, Barbados, the Bahamas, St Lucia and Surinam, Papua New Guinea, Fiji and Samoa are among those countries which account for more than 10 % of the population of the Third World.

Hunger

The Third World: 750 million people living in absolute poverty. At least 500 million are undernourished and 25 million die each year: one Hiroshima every two days. One third of the children born in the developing countries die of under-nourishment or related illnesses before they are five and the average life expectancy in Africa is 47. To the European Parliament, the fundamental objective of all development cooperation must be to combat hunger, poverty, disease and social injustice. The Community must

help the 66 countries in Africa, the Caribbean and the Pacific that have signed the Lomé Convention to achieve the maximum degree of self-reliance, particularly as regards their food requirements. The European Parliament's view, however, is that up to now cooperation has not done enough to make them self-reliant. It wants fair prices for exports of raw materials. In December 1984 the Lomé Convention was renewed for a further five years, with Community financial support being increased by 60 % to £ 4,845 million. One innovation which is in line with the European Parliament's call for greater efficiency is that the Community and the recipient countries will decide jointly on development priorities and how to carry them out. Combined programmes are replacing individual projects, which makes more sense than piecemeal aid.

The desert in the Sahel — drought, famine and death.





The distribution of food aid in Mali.



The Community has helped to finance wells, drilling and dams, to boost livestock production in the Sahel. This is a holding dam in Mauritania.

Where morality and good sense go hand in hand

Critics may say fine words will have eased our conscience but produced few tangible results. There is undoubtedly something in that. To quote one parliamentary rapporteur, 'if the world were reduced in scale to the size of a village of 1,000 inhabitants, the inequalities would be flagrant: 60 out of those 1,000 inhabitants would receive half of the total income, 240 persons would not get enough to eat and 700 would be illiterate, and therefore underdeveloped'. But there is something else. Realisation of the fact that the North-South gulf may one day lead the world to disaster: 'The campaign against hunger must be given priority in the search for fair and lasting solutions to the sources of conflict which are threatening the future of mankind'. So much the better if ethics go hand in hand with good sense.

There is a need for the Community to devise and pursue its own development policy as national bilateral measures inevitably lead to competition and rivalry. Such national measures will undoubtedly continue, but they must be coordinated as closely as possible with the Community's development policy in order to prevent work being duplicated and money wasted. They must also have the same objectives.

Century 21

It takes organisation to run a household, a shop, a factory, a business. There has to be a system of budget management, taking decisions, applying them and monitoring the results.

It also takes organisation to run a country. The country's political institutions — the government and the parliament — have powers that are delegated in a specific way laid down by custom, law and acts of parliament, which serve as a point of reference for the whole nation.

The European Community is no exception. Its institutions enable it to function, take decisions and manage its affairs. There are texts that define its powers and the way it is organised, what it can and must do, and how. Those texts are the Treaties. Thus, the Treaties give the institutions their powers.

In the European Community the Commission — with 14 members, appointed by the governments but independent — proposes Community law, and enforces the law once it is adopted. But the Council is the one that disposes, for it actually adopts the laws. With as many ministers as there are member countries, its composition changes depending on the subject being discussed (agriculture or the budget for example). As for the European Parliament, whose Members you elect, it adopts the Community budget, delivers an opinion on draft Community laws, monitors the implementation of policies and takes a view on all matters of interest to the Community. It represents you. And, to complete the picture, there is the European Council, composed of the heads of state or government of the Ten, which

lays down the broad lines for Community development.

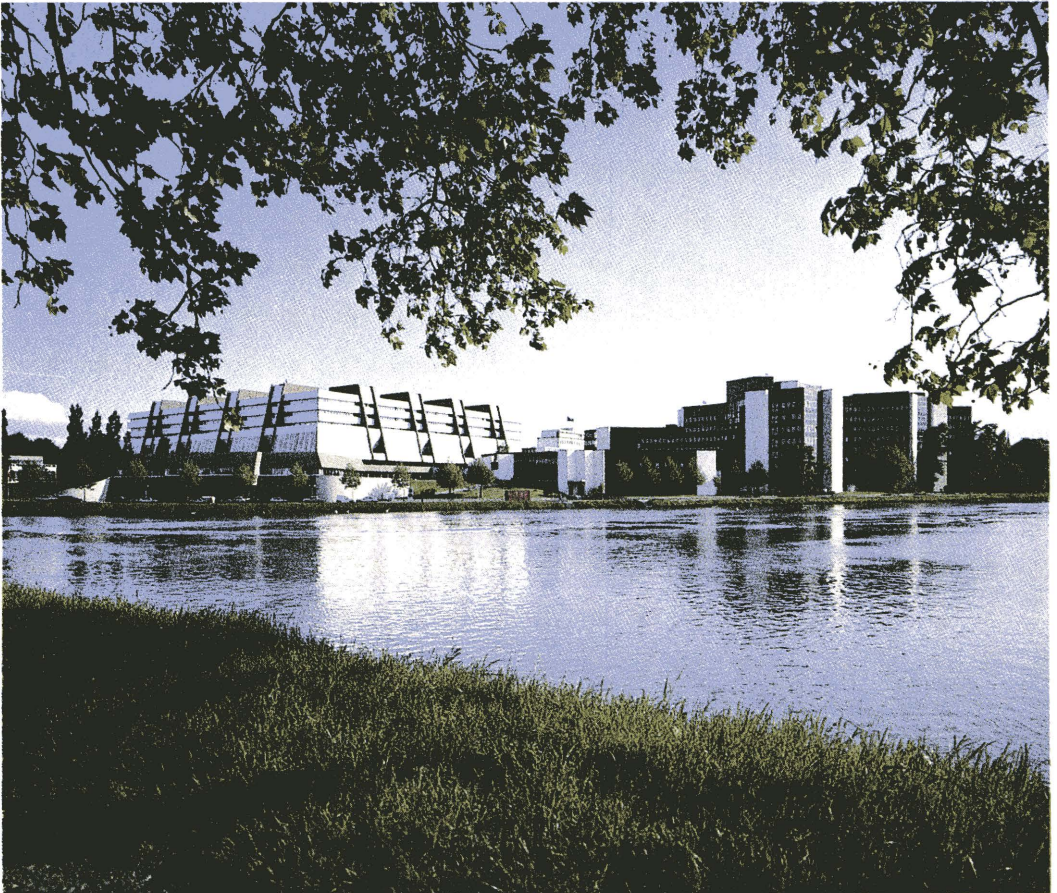
The way ahead

Unlike the national parliaments, the European Parliament has no power to take binding decisions when considering laws. In the Council too, decisions are often vetoed by one minister or another. This has now become normal practice, although the Treaties confine the veto to a limited number of cases. Some people denounce it, others accept it, the fact is

that it prevents decisions from being taken. The situation will be still harder to manage when Spain and Portugal join the Community, an event for which the European Parliament has steadfastly campaigned.

A majority in the European Parliament are dissatisfied with the present organisation of the European Community — and with the limited scope of Community policies. Parliament wants a more efficient type of organisation and so, after long and serious consideration, it adopted a draft

The Palais de l'Europe in Strasbourg where the European Parliament meets 12 times a year.



Treaty on European Union on 14 February 1984.

As regards the organisation of powers in the Union, Parliament wants to share legislative power, i.e. the power to pass laws, with the Council. And it wants the right of veto to be used more reasonably in the Council of Ministers over a 10-year period. Thereafter, the problem will be re-examined.

At the European Council meeting in Stuttgart in 1983, the heads of state and government declared: 'We are resolved to continue the work begun and to create a united Europe, which is more than ever necessary in order to meet the dangers of the world situation'. This does not mean that the European Parliament has won the day. There may still be some way to go yet. Political and national opinions differ widely on the direction which the Community should take. As one Member of the European Parliament said during the debate on the new draft Treaty, 'European integration and progress towards European Union must be a reasoned act of faith, based on mutual respect by the political groups, without any of them trying to monopolise Europe: Europe will belong to everyone, or else it will not exist'.

In June 1984, 119 million citizens of 10 countries elected the 434 Members of the European Parliament, for only the second time in history. About 60 % of those eligible to vote did so, which is a lot for such a young institution. Indeed, this figure is higher than the usual turnout to elect the American President. But 60 % is also too few, not only because it is lower than the turnout in most national elec-

tions in the Community, but also because the number of voters was some 3 % less than for the first European elections in 1979.

Why this lack of public support? Two of the reasons given are the European Parliament's relative lack of power, which has not yet been changed by its new-found authority as an elected assembly, and the more basic fact that European leaders have yet to give the Community clear-cut objectives. So Europe muddles through, its future clouded by haggling over 'contributions' and a failure to take decisions. The people of Europe are unlikely to get excited about something which they cannot understand.

Spain and Portugal will soon join the Community. Unless there is a change in the way it is run, its current problems with 10 member countries will be far worse when there are 12.

It is therefore essential to ask not only what sort of Europe we want, but also what sort of European Parliament. Do we genuinely want something more than a democratic cover for the ambitions of certain national leaders. This is why the next European elections in 1989 will be a challenge for the European Parliament, for European democracy and, finally, for Europe in the 21st century.





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