

Europe 81

No. 11

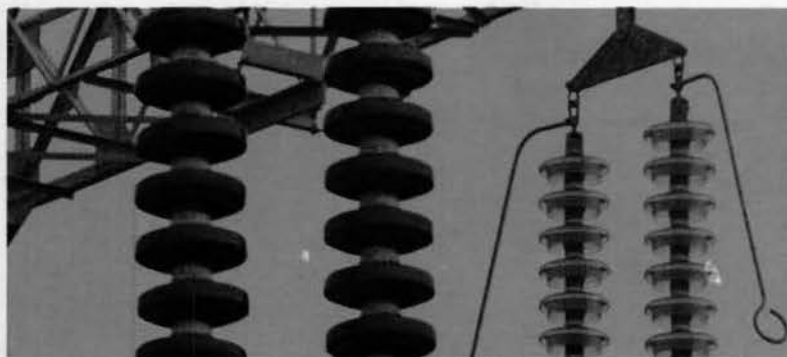
November 1981

**Northern Ireland:
prospects in a green and
pleasant land**



**'It would do no harm to have a couple of political parties
at Westminster to argue the European case more loudly
— the fair case, examining good points as well as bad'**

— SHIRLEY WILLIAMS



**What remedies are in
sight for the mounting
energy crisis?**



**Touring Europe with the
National Youth Theatre**

**Clive Sinclair and the 4-chip
market leader**

**A chance to settle Britain's
EEC budget grievance**

**EURO
FORUM**

A not-so-simple matter of addition and subtraction



Our second report on Northern Ireland, starting opposite, touches on the question of 'additionality'. This awkward term has come to mean the principle by which funds from the European Community are – or should be – passed on to the intended recipients as extra aid, instead of being pocketed by governments to help meet their own commitments in the regions concerned.

A committee under the chairmanship of Mme Simone Martin, looking into the special needs of Northern Ireland, has deplored lack of compliance with the principle of additionality, which it regards as 'the key to genuine economic and social assistance from the Community'. The whole question may surface if additional money from the EEC is made available for tackling the housing situation in Northern Ireland, following visits by a group of MEPs in September.

On page 19 this month, we report on the Nairobi conference on alternative energy sources, held this summer – a subject on which the Community is both active and concerned. Shirley Williams, in an interview on page 10, reaffirms her belief in the European idea, while adding that 'the style of bureaucracy in the Community is not yet sufficiently adapted to the concept of a citizens' Europe instead of a Europe of governments.'

Our report (page 14) on the success in Europe of Michael Croft's justly-celebrated National Youth Theatre leads to the thought that there might be support for a broader, European enterprise along the same lines. There is already a European Youth Orchestra. Perhaps a European Youth Theatre is not too much to hope for.



Published by the Commission of the European Communities, 20 Kensington Palace Gardens, London W8 4QQ.
Tel: 01-727 8090

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Printed by Lawrence-Allen Ltd,
Weston-super-Mare, Avon

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Dublin 2, Ireland. Tel. 712244

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What next for Northern Ireland?

Inevitably, the present violence in Northern Ireland colours any observer's view of the problems of the Province as a whole. But – fortunately for its depressed and divided people – the European Community is concerned with economic and social issues – not sectarian politics – and is making a significant financial contribution to the region. In time, economic efforts may indirectly achieve the results that have so far eluded the politicians.

If that sounds wildly optimistic, then consider the three members of the European Parliament who represent the Province as a single constituency – John Hume, John Taylor and Ian Paisley. They each belong to different political parties in Ulster; but

they represent the people of Northern Ireland as a whole. They have established a record of mutual agreement on all but a few minor issues in Europe.

This, says Geoffrey Martin, the Commission's man in Belfast, 'is one of the most positive – and indeed remarkable – of the events in Northern Ireland in the last few years', in sharp contrast to the attitude and behaviour of politicians within the Province on domestic matters.

This unity of purpose on European issues is all the more encouraging because two of the three MEPs – Ian Paisley and John Hume – are also leaders of Northern Ireland parties which hold diametrically opposite political views within the Province.

Europe has already done much for Northern Ireland. As one of the Community's five least prosperous regions it has received the highest classification in Brussels. Large amounts of aid have been granted (as reported in the last issue) to encourage investment in the Province and create new jobs. But can more be done? The MEPs believe so.

In November 1979, John Hume tabled a motion for a resolution to the European Parliament on behalf of the Socialist group. This was referred by the Parliament to the committee on regional policy and regional planning, which appointed Mrs Simone Martin as chairman of a sub-committee set up to study questions raised by Mr Hume. John Hume's resolution reminded the European Parliament that the Community's founders had given it the task of creating, by establishing an economic community, 'the basis for a broader and deeper community among people long divided by bloody conflicts', as he called it. He drew attention to the Community's commitment to reducing economic imbalance among its members, to the grave economic and social problems of the region, and to the belief that the search for peace in Northern Ireland is inseparable from the provision of jobs and decent living standards.

His resolution then called on the Commission to report on the impact of Community membership on Northern Ireland, to review the outlook for the Province's economy, and to put forward proposals as to how the necessary resources should be made available to bring the region up to Community average on living standards and employment.

Mrs Martin's subsequent report, and another produced by a second sub-committee, on social affairs and employment, chaired by Mrs Dekker, was unanimously passed by the European Parliament. It is now

Its old industries are ailing. Its economy is frail. Its people are among the least prosperous in the Ten. ROY STEMMAN, in a second report, sees a glimmer of hope for the Province – more aid, and a new initiative from Europe

up to the Commission to decide what to do.

These are the facts which emerged. First, unemployment: the number of people without jobs in Northern Ireland by the end of 1980 represented 16.3 per cent of the working population – a figure that has since risen to close on 20 per cent. Unemployment is now twice as high as the Community average. Rural areas in the west and south are the worst affected, notably around Newry and Dungannon.

Earnings for those with jobs in the Province are lower than elsewhere in the UK: currently about 8 per cent less than the national average (and 59 per cent of the Community average). That means that welfare payments are correspondingly higher than elsewhere in Britain. As well as being relatively poorly paid, the people of the Province also work the longest hours.

There are 1½ million people in Northern Ireland, some 600,000 of whom form the working population. The number is increasing steadily, thanks to a birthrate which is one of the highest in Europe. Although the rate of Ulster's population increase (5.6 per cent) is

only half that of the Republic of Ireland, it is nevertheless higher than in Italy (3.6 per cent) and in the UK as a whole (0.1 per cent). Over 45 per cent of the population is under 25 years old.

Northern Ireland lacks energy resources, and as a result pays considerably more for its energy than other parts of the UK. Again, because it is on the extreme periphery of the Community and of the UK, the Province has to bear the additional cost of transport for its imports and exports, adding about 10 per cent to prices. High costs, low incomes, rising unemployment and a growing population have kept the standard of living well below that of most other regions of the Community.

Less than 50 per cent of families in Ulster own a car. About a third of all homes have central heating, compared with 55 per cent in the UK as a whole. And fewer than half the homes are on the telephone.

Nowhere is the poor standard of living more evident than in housing. An official survey as long ago as 1974 revealed that 20 per cent of Northern Ireland's houses were statutorily unfit for human habitation and a further 17.5 per cent in urgent need of attention. In Belfast – as I reported in the October issue – half the houses were found to be insanitary.

These deprivations have led many Ulster men and women to seek a better life elsewhere in the United Kingdom or in other parts of the Community. They were leaving the Province at the rate of 6,500 a year in the 1960s. This figure almost tripled by 1975, no doubt due to the civil unrest, then settled at about 12,000. It has since dropped to about 7,500, due in part to better internal security and the lack of opportunities elsewhere because of the recession. The level of emigration is a worrying factor for the Province, since it is concentrated on the young and skilled.

Mrs Simone Martin's committee deplored

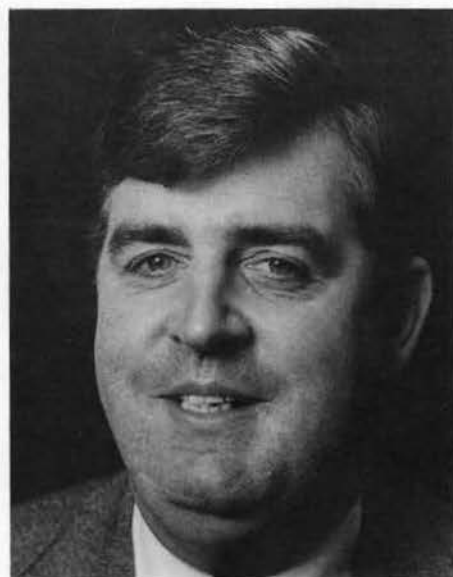
'High costs, low incomes, rising unemployment and a growing population have kept the standard of living well below that of other regions of the Community'

the fact that European financial aid for projects in the Province 'is often kept by the Government of the United Kingdom to defray its own expenditure in Northern Ireland instead of being paid over as additional outlay.' The report added that it considered 'compliance with the principle of additionality is the key to genuine economic and social assistance from the Community for Northern Ireland'.

This question of 'additionality' is one of which everyone in Ulster is aware. Many insist that, in effect, they have had no money from Europe, because the Government has swallowed it up. When Community aid is given to a particular region, it is intended as a form of 'back-up' or supplementary assistance. What happens in practice is that the Government embarks on regional plans (not only in Northern Ireland, of course, but throughout the UK) and then claims financial assistance from the EEC. This money is then paid to the Treasury, and is used to defray some of the regional development costs. The UK government is not alone in operating this way. But the Commission insists that this practice is against the spirit of the Community.

The people feel their plight is so bad that they ought to receive money from both the Government and the Community, in full. The Government sees things differently. Since 1973, Northern Ireland has benefited to the extent of around £200 million from European financial resources. But the contribution made by the British Exchequer is now running at about £1,200 million per annum. Even if the European funds had been additional, they would have been a pittance in comparison with the scale of aid needed. Who can blame us - the Government would say - for trying to ease the burden on British taxpayers by using the European aid to offset part of our huge financial commitment to Northern Ireland?

At the heart of Northern Ireland's present economic difficulties is the fact that its industrial tradition dates back to the early 19th century, with industries which have since suffered a sharp decline. Shipbuilding and flax formed the basis of the local economy at the beginning of this century, but changing world markets have led to demand for their



Three Northern Ireland MEPs with a record of agreement in Europe: Ian Paisley (top), John Taylor (above) and John Hume.

products falling drastically. As a result, thousands of jobs have been lost.

For example, 24,500 people were employed in the shipbuilding industry in 1950. Within 30 years it has shed virtually three-quarters: the 1980 figure was 7,400. In traditional textile industries there has been a drop from 65,000 to 18,000 in thirty years. And there is every reason to believe that these figures will continue to decline in the foreseeable future.

Industry, however, is not the only important contributor to the economy of the Province - there is also agriculture. But major changes in farming methods have reduced the number of people employed on the land. In the 1950s, one in five of Northern Ireland's working population were involved in agriculture. Today, it is one in ten.

This is a result of the trend towards larger farms, the reduction in intensive stock farming, the turning of arable land to pasture, and mechanisation. Grass is still the Province's one natural resource and farming will continue to be central to the economy. But, right now it is facing a critical drop in income.

Government figures show that the net in-



PICTURES: BRITISH TRAVEL AUTHORITY

Aid from Europe: a £4,300,000 grant to bolster the tourist trade

Co Down (left) and Co Antrim – awaiting the return of visitors in search of peace... and ancestors.

The potential for tourism in Northern Ireland is obvious to any visitor. It is roughly the size of Yorkshire, with 300 miles of coastline, 50 forest parks and more than 60 golf courses. Just over 10 years ago it was receiving a million tourists a year, providing £28 million in revenue. Since then the decline in tourism has devastated many holiday resorts and businesses. In the late Sixties many of the visitors were bucket-and-spade tourists in search of sun and sand. The violence and bombings now keep them away – and the numbers would in any case have dropped as more and more families began going abroad for their holidays.

The Northern Ireland Tourist Board has changed the emphasis of its marketing, to remind the world of the Province's special attractions. 'By good luck, we have better coarse fishing than anywhere else,' says Ian Henderson, the Board's director of administration, research and planning. 'And since, on an average Saturday afternoon, there are more people fishing than watching football, that is a very large potential tourist sector.'

Lack of pollution is another attraction for many people, particularly those who like to cruise on Ulster's waterways and

lochs. The appeal for American visitors is a genealogical holiday, during which they can trace their ancestral origins. The statistics show that Northern Ireland is also attracting an increasing number of Europeans.

The EEC's decision to give an £11½ million grant to regions with tourist potential on both sides of the border caused many people to see it as money for 'bandit country'. But the £4,300,000 which will go to Northern Ireland over a five-year period is not confined to a narrow corridor along the 300-mile border. It stretches from Kilkeel in the south-east to Omagh, Co Tyrone to the north-west.

Seven district councils are involved in the tourist scheme. All are currently waiting to hear which of their ideas will receive EEC financial backing. They include the opening-up to the public of impressive caves – favourite haunts of potholers – and the creation of a youth hostel and an arts theatre.

One problem for tourists, however, may be finding a suitable hotel. Many have been the target of IRA bombs. All five in Newry have been put out of business, and the hoteliers are not quick to rebuild.

come of farmers in Northern Ireland fell by 53 per cent in money terms in 1979 and by a further 60 per cent in 1980. In real terms the fall is even greater – as much as 80 per cent for last year. The overall UK decline in real income in agriculture in 1980 was 24 per cent.

The Ulster Farmers' Union has called on the Community for special help, particularly in supporting the intensive farming sectors of pigs and poultry. They argue that they are at a disadvantage, because the Province can produce only 20 per cent of feedstuffs required for these animals – the rest have to be imported. That adds an extra £12 to £15 a tonne compared with farmers in Britain. This makes it impossible for Ulster to be competi-

tive, since feedstuffs represent over three-quarters of the cost of production of pigs and poultry.

Dairying, says Ulster Farmers' Union president Barney Gilliland, is the cornerstone of Northern Ireland farming. But dairy farmers in the Province do not receive the same income as their British counterparts. This is because the Government, recognising that milk used for dairy products does not bring in an adequate return, subsidises it by fixing a higher return for milk sold for liquid consumption.

In Britain, where about half the milk produced is for drinking, the Milk Marketing Boards get about 20p a gallon extra for this –

which means that on average they get an additional 10p a gallon for all milk received. In Ulster, however, only about 20 per cent of milk is for the 'liquid' market; so the return for manufacturing milk is supplemented by 20 per cent of 20p, which is equivalent to 4p a gallon for all milk produced. In other words, the milk producer in Northern Ireland gets 6p a gallon less than the British dairy farmer.

The main problem is that the UK Government has to plan and negotiate on the basis of an economy that is industrially based, whereas Northern Ireland is agriculturally based. Furthermore, in agriculture the overall interest of the UK consumer is at variance with the interests of the Northern Ireland farmer. ►

Community workshop at Newry – with the accent on handicrafts.

'Fantastic... inventive... prepared to take chances' – a tribute to the MSC



One of the criticisms of the Youth Opportunities Programme is that, at the end of a work experience scheme, a young person is likely to go straight back on the dole. In Newry, a pilot scheme is running – successfully – which is designed to create full-time jobs for youngsters.

It has grown from the creation of the Newry and Mourne Co-operative Society, set up five years ago as a local response to the need for premises for small businesses. It took over a potato-processing factory, which had closed with the loss of 130 jobs, and turned it into an industrial estate which now employs around 200 people.

One of its subsidiaries is Mournecraft Ltd, a wholly owned subsidiary, which operates as part of the YOP scheme and for which substantial financial aid is forthcoming from the European Social Fund. It is the biggest single community workshop in the Province, with three separate training workshops – at Newry, Crossmaglen and Rostrevor. Between them they provide training or work preparation opportunities for 125 young people, concentrating mainly on handicrafts. There are 18 different crafts being taught, and the workshop is expanding into electronics and musical instrument repair.

However, concern about the lack of job opportunities of young people once they complete their courses has led the Co-op to create the Newry Craft Workshop, a pilot scheme for which the Social

Fund has given £65,000 for a year. This sum has been matched by the Northern Ireland Department of the Manpower Services Commission and by the Co-op itself, to provide the £195,000 required to launch the project.

Frank Dolaghan, general manager of the Co-op, says that two-thirds of the youngsters who went through the YOP schemes did find jobs – but seldom in the work for which they had received training.

So the Newry Craft Workshop was set up as a limited company, the Co-op owning 52 per cent of the shares. Three young instructors from Mournecraft were put in as project managers, each with an 11 per cent shareholding. The remainder of the shares have been distributed among the young workers, whose talent has earned them full-time employment with the workshop at the end of their YOP schemes.

It employs 18 people and has the makings of a successful venture. To some extent the items it produces – jewellery, ceramic work, porcelain, pottery and leatherwork – are aimed at a revived tourist trade. But the Newry craftsmen are not waiting for a new influx of tourists – they are opening up export markets in the USA and Europe.

'The scheme would not have been possible without the EEC money,' says Frank Dolaghan. 'We have our Manpower Services Commission to thank for that. They're fantastic – inventive, prepared to take chances. And it was their idea in the first place.'

The situation is exacerbated by the fact that the Province borders on another European country, Ireland – the only part of the UK to do so. Ireland, too, is an agricultural economy, and able to negotiate with Brussels on that basis. However, Northern Ireland recently gained a notable concession from the UK Government, when extra money was agreed to give it parity with the Republic on special agricultural schemes that had been introduced. European money has also been made available to farmers in the Province so

'Major changes have reduced the number of people employed on the land'

that they can improve their processing plant. In this way, agriculture can give added value to the products it produces, to help recover some of its financial losses.

Meanwhile, the people of the Province await, with their usual good-humour tempered by pessimism, the report which is now being prepared by the Commission. It will not be a magic cure-all, but it could provide a new initiative in the search for stability in a desperately troubled region.

That is something in which every individual member of the Community – because of his or her contribution to the funds which have been allocated to Northern Ireland – has a vested interest.

BRITAIN AND THE BUDGET

A chance to settle the 'unacceptable situation'

The European Council will have before it the European Commission's proposals arising from the Council's own mandate of 30 May 1980, for an examination of Community policies, following the temporary settlement of the 'unacceptable situation' created by the UK contribution to the Community budget. The Commission's proposals, published at the end of June, attracted wide publicity. But the issues are so important to the future of the Community that they deserve additional attention at this crucial stage.

The nub of the Commission's argument is for a major shift in resources from agriculture to industrial rejuvenation; improved training facilities to combat unemployment; and a concentrated effort to help the poorer or declining regions of the Community. The UK would be a major beneficiary of such a shift. But even then, with its small agricultural sector, it would be at a disadvantage on repayments from the CAP through the Farm Fund (EAGGF).

So the Commission has suggested two ways in which the UK grievance – that it pays too much into the Community budget – can be met. Either proposal requires some sacrifice from the richer members of the Community. But the Commission emphasises that, if the Community is to progress, solidarity and co-operation must be the keynote. Injustice to one member weakens the whole.

Reform of the common agricultural policy is seen as the major contribution to a reinvigorated Community. The Commission's radical proposals have already drawn fire in the Irish and Danish press, where both countries do very well out of the CAP.

The Commission, however, stoutly defends the way the CAP has worked over the last 20 years. It has, it says, achieved the objectives of the Treaty of Rome – be it security of food supplies, satisfaction of consumers' requirements, increased productivity, or higher farm incomes. All this, moreover, at a total cost to the Community of 0.5 per cent of Community GNP and less than re-nationalisation would cost member countries.

But, while the principles remain, the Commission is intent on reducing the overall cost of agricultural support by a number of sensible reforms. These are:

- Narrowing the gap between Community prices and world prices.
- Adoption of a more positive export policy designed to stabilise world prices by means of co-operation agreements with other exporters.
- Limitation of guaranteed farm prices to agreed production quotas. If farmers over-produce, they would be required to pay a levy,

At the end of November the European Council will have the chance to approve a programme of social and budgetary reform designed to reinvigorate the European Community in the Eighties

or alternatively the guaranteed price could be reduced. This system already operates for sugar and could be applied to cereals. For milk products the Commission considers that the principle of the 'co-responsibility levy' should be extended. This is a tax on over-production already being imposed. The proceeds are used to help pay for the disposal of milk surpluses.

While these principles would apply generally, there would be special income subsidies for certain small producers, and a special programme to assist Mediterranean agriculture, which hitherto has taken second place to agricultural development in the north.

The Commission considers that money saved by stricter financial discipline and quality control in agriculture should be diverted to expanding the work of the Regional and Social Funds. At present, despite increasing demands on them, these attract minimal budgetary support. Resources from these Funds should be better concentrated by improving co-ordination with national development plans, particularly in the creation of jobs, and by enlargement of the non-quota section of the Regional Fund to enable the Community to initiate projects that fall outside national commitments, but which are important to general Community development.

In the wider perspective, the Commission sees the European Monetary System as an essential instrument in furthering Community solidarity. It also believes that there should be more encouragement, at Community level, of research and development in new industries, and that member countries should take greater advantage of the benefits of the common market, not only for trade outlets but also for opportunities for pooling resources in technological development.

Within this framework the budget should be regarded as a tool for accomplishing policies, and not of significance in itself. The Commission believes that the British problem can be accommodated by a budgetary contribution which would bring UK repayments from the CAP (8 per cent of the Farm Fund) in line with its share of Community GDP (18 per

cent). Alternatively, compensation could be financed by a percentage reduction by other member countries on the monies that they receive back from the CAP.

If neither of these suggestions are acceptable, the Commission will later submit proposals to extend the existing financial mechanism to reduce the UK budgetary contribution.

Meanwhile, it is the politicians who will have to decide. While no detailed results are expected from the summit meeting, the Council has the opportunity to point the Community in a new direction. The public has the right to expect that it will indeed take it, even if, because of monies saved under the common agricultural policy this year, the pressures for reform appear to be less urgent than they were.

PEGGY CRANE

ENORMOUS POTENTIAL FOR TELETEX

The European Commission has given a contract to a multi-national team of companies to report on the development of teletex in Europe – a standard medium through which word processors of different makes can exchange information.

The British member of the consortium which has won the Commission's contract is Langton Information Systems, whose Graham Taylor says the potential is enormous. Its implications, for electronic mail and data processing, he says, are not yet recognised. Teletex services are being set up by the post offices, or rather PTTs, in Germany, Switzerland and Sweden, and Britain's should begin next year.

The aim of the EEC contract is to find out whether the standards of performance set for teletex by the Consultative Committee on International Telephones and Telegraphs will form a base for office automation, rather than just being a super-telex. Also whether INSIS, which is the inter-institutional network of the EEC, could use teletex and how much. And whether the different teletex systems being developed in European countries are going to be compatible.

Apart from Langton, the project team includes Logica and CS & P of the UK, Danet from Germany, Sema from France, Sobemap from Belgium and Teleplan from Sweden. Graham Taylor, the project head, says he will welcome submissions on the topic from any interested party, sent to Langton Information Systems at 133 Oxford Street, London W1.

Iwould be surprised if you have not heard of Clive Sinclair. He must be the UK's most famous contemporary inventor. Just about everybody has heard of his bargain price mini-computers, even if they have forgotten the rise and fall of the Sinclair calculator and don't yet know about the coming of the spectacularly cheap Sinclair Microvision.

The 40-year-old Sinclair looks the part of the super-scientist. With his short bristly beard and bald head he is the intellectual's answer to punk rock. He has an IQ of 159 and the self-confidence to go with it. Chairman of the British branch of Mensa, Sinclair has been quoted as believing intelligence can be measured and quantified. 'Whatever it is that intelligence tests are measuring,' he told the magazine *Your Computer*, 'it selects people I find a sight easier to get on with than the average.'

If you think that suggests a degree of intellectual arrogance, you could be right. On the other hand, you have to admit the man does have something to boast about. His latest project, the Sinclair ZX81, is the second generation computer. At £69.95 it is £20 cheaper than the original ZX80, and as such the final rather than the prototype form. The new computer contains only four microchips, against 22 in the earlier version, and Sinclair says it should be on the market in its present form for a long time. His company is in the process of launching an inexpensive printer to go with it. The rest of the hardware comes in the form of any old TV set and tape recorder.

To say the Sinclair computer has succeeded is an understatement: the ZX81 is selling at a rate of 25,000 a month. Of these, 5,000 are retailing through W.H. Smith's, the first shops to stock them. And large numbers are on order from Mitsui, the biggest trading company in Japan.

'He does have something to boast about'

At the end of September, the members of the Sinclair Users Association crowded Westminster Central Hall in their second rally, a fervent mass of computer buffs to whom Clive Sinclair's name has the kind of charisma of Adam and the Ants. I nearly wrote 'the Beatles'; but it is 15 years since their heyday. That's when Clive Sinclair was first making his name, with a spectacular but premature claim that he was going to produce a TV set with a 2-inch screen for 49 guineas.

Sinclair received 3,000 orders at the Earl's Court Radio Show but the prototype never went into production. He could not find a manufacturer for the tube at an economic price.

At that time turnover was £100,000—out of sales of radio and hi-fi kits. It was to be five years before he was ready to launch out into the calculator market with the Sinclair Execu-

BERRY RITCHIE reports on the British electronics wizard whose new mini-computer is a runaway bestseller, and on a French product that brings the briny to the bathroom

Computers for the kitchen table



The Business Page

tive—the first real pocket machine, and one which briefly put Sinclair Radionics on top of the world market. I am not enough of a technological brain myself to understand his breakthrough, but I gather that what he did was work out how to turn a 'chip' on and off without forgetting what it had just been told. This cut the power demand to one-twentieth of what was needed before. Like Alice after eating the cake, Sinclair's machine was a dwarf among giants.

Sadly, his lead did not last in face of competition from such giants as Texas Instruments, Philips, and the Japanese. Profits had peaked long before, while the LED display units had been overtaken and outclassed by LCD crystals. Let none, however, take away from Clive Sinclair his 'first'. For a few heady years he had made the world's electronic industry look slow.

It was the price war that finally put paid to the calculator. Prices dropped from £79 for the original Executive to the absolute bottom of £4.99 for the simple, four-function Cambridge. At the end of 1976, Sinclair had been forced to go to the National Enterprise Board for rescue, after a loss of £355,000. Apart from the competition, sales of calculators had been affected by a reputation for unreliability. Sinclair put this down to his component sup-

pliers. But the customers did not forgive his calculators.

His losses had been compounded by the debacle of the Sinclair 'black watch', a wildly ambitious attempt to grab a third of the world's digital watch market with a space-age-looking plastic LED watch priced at £25. At the time, the company was struggling to produce the world's first production TV with a 2-inch screen. After three years' partnership with the NEB, Sinclair was out on his own. At the end of 1978 the NEB had to inject another £4.5 million on top of its initial £650,000 investment, to mop up losses of nearly £3 million.

'The kind of high technology investment that politicians and civil servants love to back'

The company was on the verge of withdrawing from the mass calculator market, and having severe problems with the mini-TV. The pocket television was on the market, but it was not selling well enough. In 1979 Clive

DRAWINGS BY MAUREEN ROFFEY

The sweet pong of success



There seems to be almost a conspiracy of silence in British newspapers about imports. Admonitions to buy British reflect the Government's obsession with balancing its own books rather than encouraging an unhealthy balance of trade. However, two-way trade between EEC member countries should still be welcomed, and publicised.

Take, for example, the imports into this country of Thalgo Cosmetics. Importex/Thalgo was formed two years ago by wife-and-husband team Ingrid and Jean Vilain, on a capital of £100. They now have 85 outlets in the UK for the huge Thalgo range, and have just started selling at Harvey Nichols in Knightsbridge.

If you haven't heard of Thalgo, it is a range of medical and cosmetic products based on seaweed, although it has expanded over the years to use all kinds of plant extracts and animal proteins.

Alain Dogliani, the firm's French managing director, says his company is not in the decorative side of the cosmetics business but the scientific. It is obviously important to realise this, as apparently some of Thalgo's products are pretty overpowering. For example, Dogliani says that, when taking a seaweed bath, it is wise to suck a Polo mint or chew gum to mask the smell.

From the sound of it, it might be better to stick the gum up the nose.

Sinclair left, with £10,000 as a golden handshake. He promptly started up Sinclair Research. He was certain, he said, that he had learned from his previous mistakes.

The ZX80 and ZX81 prove he was right. Like his original calculator, the ZX81 is a leap ahead of its worldwide competitors, in both size and price. Its detractors say it is more of an educational toy than a serious business adjunct, but that is almost certainly sour grapes. In any case, Sinclair's ability to appreciate what the marketplace needs next probably absorbed the fact that education is, by definition, the prior need – he has already spoken out against the BBC's selection of a rival micro computer for use in conjunction with its planned computer education programmes. Part of his case is that it would be nice if Britain bought British; but even he cannot deny he is partial to his own product.

This time round, Sinclair seems to have succeeded in making sure that the subcontractors' quality controls are topnotch, while the computer itself is tough enough to have coffee poured over the keyboard and survive. At the same time, he anticipates that his lead will be whittled away by his competitors once again, sooner or later. By then, though, he will be on to something else.

improved Microvision, this time a colour set with a tiny flat screen. It was unveiled last February, when Sinclair revealed it was to be



Clive Sinclair: chips with everything.

manufactured under contract by Timex in Dundee, creating 1,000 jobs by 1985. The first phase, he says, is on target for production to begin some time next year, though he is careful not to commit himself or Timex to a date.

Including FM radio, the pocket TV is expected to come out at a price of only about £50, which is obviously cheap enough to guarantee vast sales. The initial projection is for a million sets in the first year, with a workforce of 250.

Half the money for the five years of research that he has put into his latest attempt at microvision has come from Sinclair himself, and the other half from the National Research Development Corporation. And half the £5 million that the Timex operation will eventually cost is also coming from the Government, with a proportion originating from the European Commission in the form of regional grants. It is the kind of high technology investment that politicians and civil servants alike love to back.

Sinclair himself is already talking guardedly about another of his pet projects – an electric car. Once again he is hinting at the kind of breakthrough that the establishment says is impossible – a whole new concept, from the driveshaft to the engine. Judging by his record for innovation, I wouldn't discount it. **☐**

The something else is, of course, the new,

BRITAIN AND THE COMMUNITY

'There is much persuading to be done...'

SHIRLEY WILLIAMS, former Labour minister and now a founder-member of the Social Democratic Party, gives her candid views on the task facing believers in a united Europe. Interview by Frank Entwisle

Shortly after noon on Friday, 4 May 1979, British listeners and TV viewers heard the snap announcement that Shirley Vivien Brittain Williams, Labour, had lost her Parliamentary constituency at Hertford and Stevenage. For a moment, following the General Election, there was speculation that Shirley Williams, holder of high office since 1966, would quit the political arena.

Such forecasts misjudged her. Shortly she would reappear as the joint leader of a new party committed to the survival of the European Community and to the re-establishment of its prestige in Europe's offshore archipelago.

I put it to her that, although the British could sometimes be inspired by great causes, they had – since the referendum – become bored with the European experiment. It had not stirred the blood. They seemed unable to identify with this great development. Was it, I asked, a dangerous episode in the British story?

She believes it was. The European Parliament, she confessed, has never seemed a great reality in Britain. The links between Euro-MPs and the British people have never seemed as strong as with their MPs at Westminster. The Community has not been well put over. Too many people in the European movement have thought that, once past the referendum, they had nothing else to do. So afterwards, they lost their case.

In Britain, neither Government nor Opposition has credited the Community with achievements that might prove popular, such as the Regional Fund. Labour does not wish the Community to get credit. Government does not want to be embarrassed by being asked for its own share of public expenditure. Mrs Williams told me:

'And of course it is hard to argue the case for the Common Agricultural Policy as it now stands. Many think of the Community as being overwhelmingly to do with agriculture, and therefore a great deal more responsible for putting up the price of food than it actually is.

'Britain is not basically an agricultural society. So the very small number of farmers – the beneficiaries – are not a sufficiently large body to influence opinion. There is much persuading to be done.'

But how?

'Well, it would do no harm to have a couple of political parties at Westminster to argue the European case more loudly... the fair case, examining good points as well as bad. That's what the SDP and the Liberals are all about.' Shirley Williams added:

'More people in the other parties who believe we should stay in must speak up loud and clear. The employment implications of leaving Europe are colossal. We've got to show what the price of sudden withdrawal would be. It would be very high.'

I asked what part she thought the island complex – historical insularity, ancient suspicion of involvement with any continental system – played in Britain's apparent European reluctance. Britain, some believed, had prospered at times of independence from Europe and suffered with involvement.

'One simply has to say to such people that they have not caught up with change. It's just not that kind of world now. It is not even a world of nation states in any serious sense. We are all profoundly interdependent. The nuclear weapon respects no frontiers. The same is true of environmental and resource problems. In a world of super-powers and continents it makes no sense to stand aside as a little island.

'So while I don't deny that it has been of benefit to be an island – it still is some benefit – it has drawbacks in terms of people not realising how far their futures are dependent on the futures of others. I suppose the second world war was a good example. We could have stood aside. In the end I think we would have been overwhelmed.'

Does the indifference of the British, I asked, have any counterpart in Europe? And how worried are our partners about British attitudes?

'It does have a counterpart. My impression is that the younger continentals are much less European-minded. In countries like Germany and France there is less excitement about the European idea – probably because they don't remember where it started from. I mean, the whole notion that this put two world wars to rest doesn't register with people who don't know what the name Hitler means.

'Yes – I think Britain does worry our fellow-Europeans. They think Britain has been insular and difficult. But most would admit France has been pretty difficult as well. It is not just insularity. Britain and

'Our fellow-Europeans think Britain has been insular and difficult. But most would admit that France has been pretty difficult as well'

France have been late imperial countries engaged in the recognition – within one generation – that they were both now medium-sized European powers rather than great world powers. That produces great psychological difficulties.'

I suggested that the Continental mind seemed to accommodate itself more readily to a bureaucratic dominance that was resisted, even ridiculed, by the British. Was that not a special factor in Britain's relationship with the Community machine?

'Yes. But there was a different bureaucratic tradition in, say, Denmark than there was in Italy, let alone Spain and Greece. As one moves north, so the tradition of the bureaucrat as the voice of the state begins to be replaced by the concept of the bureaucrat as the servant of the citizen. I have found among German bureaucrats a greater willingness to admit they might be wrong than I think I would have found previously. In Ireland one finds bureaucrats very unbureaucratic.

'I think we have got a problem. The style of bureaucracy in the Community is not yet sufficiently adapted to the concept of a citizen's Europe instead of a Europe of the *patrie*, or even a Europe of governments.'

Shirley Williams professes an international outlook beyond Europeanism, yet she is still the unmistakable product of an old-fashioned and very English radicalism. And she believes no differences of national character can impede the evolution of her kind of Europe.

'The differences between individuals are greater than the differences between races. There are quiet, patient Frenchmen and noisy contentious Frenchmen – noisy, contentious Englishmen and quiet,



'It is hard to argue the case for the CAP as it now stands'

reserved Englishmen. I don't think it really stands up, the national stereotype picture. Though there are ways in which history fashions the way people think.

'But I have German and French friends with whom I think and feel closer than to some of the Britons I know. Many of the national attitudes you refer to date from a pre-European Community time. That will change further.

'Nation states are no longer as relevant as they were, though the

territorial reference point still has a pull. One can see that, as the new information revolution and the new technologies develop, many industries will not survive if they look for markets on a national scale. They *have* to think in European terms.

'We have seen that with aerospace. We couldn't have had a successful Airbus unless we had thought in terms of European manufacture as well as European sales. The same goes for information technology, where in my view we are losing to the Americans and Japanese because we haven't got together to save our computer and data-processing industries. We'd better do it fast. There ain't much time left.

'It's the same with bio-technology. There we could find ourselves second in another crucial field. In environmental pollution and theatre nuclear weapons there has to be a European position, or we'll all go to the wall. We live an illusion if we think that the voice of Britain or Germany or France will be very significant in twenty years.'

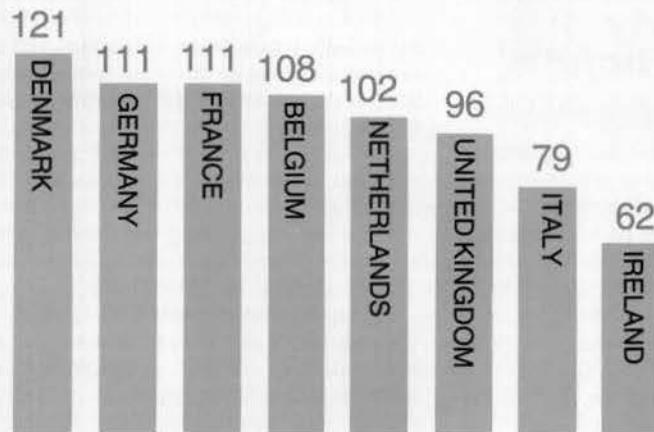
Shirley Williams was reared in a home where the ideal of shared humanity was assumed. 'There was affection and pride for our country in terms of its history, literature and countryside. But my European idealism is an offshoot of my internationalism - of which I think Europe is one of the few concrete expressions so far.'

Meanwhile, she says, 'Europe has a formidable task in winning the enthusiasm and understanding of its own electorate, especially in Britain. The Community is very good at providing facts and information for intellectuals, professionals and journalists. But it has quite a lot to learn about communicating with ordinary people.'

CHEER UP - BRITAIN IS NOT QUITE BOTTOM OF THE TABLE!

According to a new publication from Lloyd's Bank the UK is now about 4 per cent poorer than the average for the European Community. This is in terms of living standards - defined as private and general government consumption per head. And it puts Britain roughly on a par with Japan, some way below the United States and the Scandinavian countries.

Analysed on an equal purchasing-power basis, with the Community average at 100, national living standards in the EEC countries (less Greece) are as follows:



Households' net wealth in the UK was estimated at £522 billion at the end of 1979, and is considerably higher today, partly because of inflation. £222 billion of it was tied up in pension funds, bank and building society deposits and stocks and shares. Housing, consum-

er durables, and other physical assets, accounted for more than £360 billion (gross). Britain's liabilities totted up to £66 billion - in other words, every man, woman and child in the UK theoretically owes more than £1,000. Of this, two-thirds would be loans for house purchase.

What sort of money do the British earn? Average manual gross weekly earnings in October 1980 were £113.06 for men and £68.40 for women. As for savings, in recent years we appear to have been able to put aside a little more, despite increases in the cost of living. The ratio of personal savings to money-in-the-pocket after tax rose in the UK from 7 to 9 per cent at the beginning of the Seventies to 12 to 15 per cent for the period 1974 onwards.

Food, drink and tobacco account for just over a quarter of personal spending. Housing, fuel and light take up a steady one-fifth; personal transport, 13 per cent; clothing and footwear, 7 per cent. Consumer durables, furniture, carpets and other household goods account for 8 per cent of total spending.

The British, it seems, are still largely a nation of shopkeepers, with over 10 per cent of the 26.4 million workforce employed in the distributive trades - which are now the largest employers of labour in the country.

It appears that the British are fast becoming a nation of homeowners. In 1979 there were 20.9 million households with an average of 2.7 people in each, compared with 18.3 million households, averaging 2.9 people in each, in 1971.

The proportion of housing occupied by owners has risen to 55 per cent; 32 per cent is rented from local authorities and other public bodies and 13 per cent is privately rented. Over half of all dwellings have central heating, and only about 6 per cent lack sole use of a bathroom or inside lavatory.

As for taxes, Britain occupies a position well down the European table, with 34 per cent of GNP. This compares with 52 per cent in Sweden, 47 per cent in Belgium and the Netherlands, 41 per cent in France, 37 per cent in Germany, and 33 per cent in Italy.

And oil? North Sea oil, it seems, is contributing an average of one-half per cent a year to the rate of growth of real GNP over the period 1975 to 1985 as production builds up.

□ *An Economic Profile of Britain, 1981*. A Lloyds Bank Group publication.

Nuts and bolts at the London summit

The European Council meeting in London this month marks both the high point of the six-month British Presidency of the European Community and an attempt by the ten heads of state and government and the President of the EEC Commission to plot the future of the Community for the next few highly charged months. The tone and the conclusions of the summit discussions on the central issue of the so-called May Mandate should indicate what chances there are for early agreement on the reform of the Common Market's policies and finances.

The idea of the summit is not to take detailed decisions on this or that aspect of the EEC budget or the Common Agricultural Policy. At this exalted level political leaders rarely like getting their hands soiled with messy detail, which they prefer to depute to the Council of Ministers or their officials. Rather, they aim to achieve a meeting of minds on the political framework within which – it is hoped – the nuts and bolts of policy decisions can subsequently be screwed into place.

That, at any rate is the theory. It was very much the approach which inspired the original proposal for the European Council, advanced by the then French President, Giscard d'Estaing, in 1973. The notion was that the four-monthly summits would be occasions for tranquil reflection on the longer-term issues facing the Common Market, both internally and vis à vis the world outside. To this day the European Council, as an institution, has no 'official' status in the European Community or the Treaty of Rome.

The practical experience of eight years of Euro-summitry has been very different. The government leaders have rarely found time at their gatherings for discussions of long-term strategy, free from the pressure of detailed decision-making and equally free from the attentions of the media.

For most of its meetings the European Council has become, in effect, a sort of Common Market 'highest court of appeal'. It has found itself called upon to adjudicate on internal disputes over technically complicated issues such as the precise level of British net financial contributions to the EEC budget, the allocation of national fish catch quotas in the Community's two hundred mile fishing limits, and the price increases to be paid to EEC farmers.

There are two main reasons for this evolution. Firstly, there have been many more serious internal policy disputes among the EEC member states in recent years. This is both a reflection of the worsening international economic climate, which has made each

JOHN PALMER, European Editor of the *Guardian*, sets the scene for this month's European Council meeting at Lancaster House – the high point of Britain's six months in the presidential chair

national government more sensitive to any perceived threat to a national economic interest, and a certain loss of political will to put some collective goal before sectoral concerns.

At the same time the European Council has found itself dealing with matters it is not properly equipped to handle (in part because each head of state or government is meant to keep the number of official advisors to a minimum), thanks to the failure of more 'junior' ministerial councils. All too often, some policy wrangle in agriculture or fishing has defied solution by the appropriate Council of Ministers, only to be passed to the most senior Council of (Foreign) Ministers. But they, too, have often lacked the political clout in their own governments to settle for some compromise which would risk bitter domestic criticism. So the buck gets passed to the presidents and prime ministers.

'The European Council has found itself dealing with matters it is not properly equipped to handle'

Some summit disputes – such as whether Britain should be entitled to a separate seat to the EEC at an international energy conference (1975), or whether the then Commission President, Roy Jenkins, should be allowed to attend western economic summits (1976), have been just plain silly. Others have managed to take some significant decisions and issue some influential policy declarations (such as on Palestine and the Middle East crisis in Venice in 1980).

On most occasions the Euro-leaders have affected a more or less genuine appearance of camaraderie – at least for those comings and goings and strolling around the gardens of summit venues which are filmed, photographed and televised for the benefit of the masses outside. But there have been other

occasions when tempers have flared, political threats have been issued, and combative postures struck.

These were particularly evident in the long dispute over the level of Britain's EEC budget contributions, a subject which dominated a series of European Councils in 1979 and 1980. The nadir was probably reached at the Dublin summit of December 1979, when tempers were frayed after Mrs Thatcher refused all offers of a budget deal, where Chancellor Schmidt pounded the table, and where President Giscard at one time ostentatiously refused to take further part in the proceedings.

Euro-summits have inevitably become massive media circuses – only rivalled by the western summits, which involve the United States, Canada and Japan as well. At a typical European Council there are more than 1000 journalists from the written press, radio and television. They have to exist during the two-day meetings on a thin diet of hard news and a rich diet of (invariably officially inspired) rumours.

Some EEC leaders are quite unscrupulous about using press leaks and 'off the record' comments as part and parcel of their psychological warfare tactics in Community disputes. Contrary to the theology of 'Europeanism', the media are often manipulated in a palpably nationalist sense by politicians playing to the gallery of domestic public opinion. This has been particularly true over fishing.

Summitry is not always in deadly earnest, and some of the older and more experienced hands – such as Helmut Schmidt – affect at times a world-weariness with the way in which other leaders take themselves so seriously.

In the past year there has been growing realisation that too much time has been taken up with the minutiae of EEC affairs and too little considering such major issues such as unemployment and the deteriorating international situation. In Lancaster House this month the British hope this will not be the case; but the awkward fact remains that hard bargaining remains to be done if there is to be internal EEC reform, and only the EEC heads of government can create the political framework for an agreement.

If proposals being worked on by the West German and Italian governments are accepted, EEC summits in future may find themselves discussing openly issues such as security and defence – normally relegated to 'after-dinner' exchanges. But, the wider the summit policy net, the greater will be the need for an attendant army of officials and experts. In which case, what will be left of the original idea of cosy and completely private exchanges of views between eleven individual Community leaders?

EURO FORUM

OPINION

The Community needs to be relaunched – hence the Mandate Report

The Commission's 'Report on the Mandate' is a unique document. It outlines far-reaching reforms and changes in the whole range of Community policy—in agriculture, employment, regional development, energy, industrial innovation – and provides a blueprint for Community action in the 1980s.

But it does more. It attempts to put right a number of points of contention – particularly the question of Britain's contribution to the Community Budget – which are threatening to undermine the progress which the European Community has made.

The preparation of the Mandate Report has been the major task of the first months of the present Commission. While we will be bringing forward more detailed proposals on the different subjects covered in the Report the focus of attention is now on the response which the European Council, the Council of Ministers and the Parliament will make. Intensive discussions and negotiations have started and the issues raised in the Mandate Report will be the priority European concern of all Member States in the months ahead.

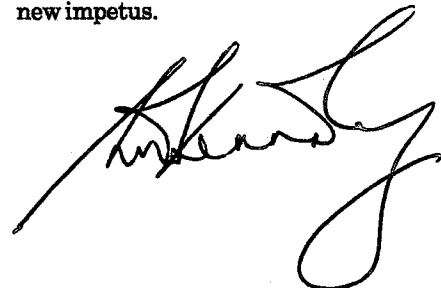
Much is at stake. The Community needs to be relaunched. Europe needs to be carried forward towards the fulfilment of the aims of those peace makers and visionaries who set up the Com-

munity 25 years ago. The Mandate Report provides the opportunity to resolve damaging conflicts and to achieve commitment to a new range of policies which face up to the problems of the 1980s.

'The Mandate Report provides the opportunity to resolve damaging conflicts and to achieve commitment to a new range of policies which face up to the problems of the 1980s.'

If this is to occur, however, governments will have to take firm and courageous decisions. The Community has been damaged too often in the past by inflexibility and rigidity in the defence of what are often minor interests. The proposals in the Mandate document are interrelated; they form part of an overall whole. We need to reach

broad political decisions over the coming months on these overall issues if the Community is to move forward with a new impetus.



MICHAEL O'KENNEDY
Member of the Commission and
Delegate of the President
with special responsibility
for the Mandate.

TALKING POINT

The appearance of a report by the European Commission setting out new guidelines for the conduct of the Community's regional policy coincides with the publication of a study of how Community citizens in different regions view the lives they lead.

This study – as reported in EUROPE 81, October issue – highlights not only the gaps in prosperity between various regions but also, and equally important, people's perceptions of these gaps.

It also reveals a disquieting reluctance on the part of some of our better-off citizens to help those less fortunate in other member states, a reluctance they do not display so readily in relation to helping people in their own country.

If Community solidarity is to mean anything, this attitude must change. To a large extent, those countries and regions which are wealthier have become so thanks to the existence of the Community and the new markets it has opened up, many of them in the poorer regions.

An earlier Commissioner responsible for regional policy, George Thomson, once remarked that the problems of a poor region can quite easily become the problems of a richer one simply because people forced to abandon their homes in regions like the West of Ireland or the South of Italy will inevitably drift towards already overcrowded urban centres, frequently in another member state.

If this trend is to be reversed, there ▶

THE MONTH IN EUROPE

Agriculture

Record amount spent for modernisation

Aid from the guidance section of the Community's Farm Fund, which helps finance the modernisation of the agri-food industry, reached the record level of £375 million last year.

The guidance section, which was allocated 10 per cent of the total fund in 1980 – the rest was devoted to the guarantee section which supports agricultural prices – works in two ways, either indirectly by reimbursing part of the money invested by member states in modernisation, or by making direct subsidies to projects.

The largest single amount of money went to schemes for the improvement of marketing and processing of food, a total of almost £103 million. The second most important item was almost £52 million for farm improvements in poor mountain and hill areas.

A further £51 million was allocated to farm modernisation in other areas, and £48 million to part-finance premiums for the non-marketing of milk and the conversion of dairy herds in an attempt to reduce the milk surplus. Special measures to help Mediterranean areas of France and Italy to face increasing competition for their produce were financed for the first time to the tune of £65 million.

With this amount of money being invested to streamline the Commun-

continued from previous page

must be a greater display of Community solidarity. The forthcoming discussion in the Council of Ministers on the 'mandate' report of the Commission, which comes out strongly in favour of more spending in the regions, is an ideal opportunity to show that the political will exists to help our poorer regions. But that political will must exist at grassroots as well as at ministerial level.

ity's farming food processing and distribution sectors, it is not surprising that the odd irregularity occurs. According to the report on the operation of the guidance section which has just been approved by the European Commission, there were 13 cases of irregularities uncovered in 1980, involving £57,000. Of this amount, £15,000 have so far been recovered.

Since 1971, irregularities amounting to £1.3 million have come to light. Of this sum, around £1 million have been recovered. £59,000 have had to be written off and efforts are still being made to recover the outstanding sums.

Export policy outlined by Commission

A detailed plan which would give the Community a more systematic agricultural export policy has been presented by the European Commission to the Council of Ministers.

It is based on the idea of the conclusion with third countries of framework agreements for the multi-annual supply of agricultural products, an idea that was canvassed earlier this year in the Commission's so-called 'Mandate' report on reform of the Community finances.

The Commission points out that many food importing countries, particularly those in the Third World, need greater security of supply, whereas at the moment the Community's export policy is operated on a year-to-year basis and depends on what produce is available once the home market has been supplied.

Such a policy means that there is no continuity to ensure a consistent export policy. Community exporters cannot make firm trade arrangements and find it difficult to compete with food exporters in other countries who have the backing of their governments' systematic export policies, and it is difficult to optimize the timing, volume and nature of export sales.

Of equal importance, the Commission believes that a more systematic approach could reduce the amount of money currently spent on export re-

funds which are paid to exporters to compensate them for losses incurred when world prices are below those obtaining on the Community market.

The Commission's ideas are likely to be discussed by the Council in the coming months in the context of its review of the 'Mandate' report which outlines ways of altering expenditure under the Community's budget, two-thirds of which is currently consumed by agricultural supports.

Wine, poultry wars may go before Court

The first stage of legal proceedings has been taken by the European Commission against France and the United Kingdom for alleged breaches of the Treaty of Rome's provisions covering free trade.

The case against France involves the blocking of large quantities of Italian wine which have been refused entry at the port of Sète because the French government declared that accompanying documents were not in order.

In the British case, the Commission is not happy with a decision by the UK government to ban imports of poultry because of fears of fowl pest. The Commission believes that the action is discriminatory.

In both instances the governments have been asked to outline in writing the reasons for their action. If the Commission is not satisfied, it can then move on to the second stage of the procedure, the issuing of a reasoned opinion. If the governments still fail to comply, the cases can be taken before the European Court of Justice.

Employment

No consolation for jobless

Although the number out of work in the Community has continued to

rise since the first oil crisis in 1973-74, the number of people in work has also been rising.

This paradoxical situation emerges from figures which have just been released by Eurostat, the publication of the Community's Statistical Office, which show that the activity rate – the ratio of the working population to the total population rose from 42.3 per cent in 1970 to 42.9 per cent in 1980.

The growth resulted largely from an increase in the number of women at work, which rose from 27.5 per cent of the female population at the beginning of the decade to 30.7 per cent at the end.

There was a decline in the number of jobs in industry during the decade and an increase in the services sector. At the end of 1980, 54.4 per cent were engaged in services, 37.6 per cent in industry and 8 per cent in agriculture.

The unemployment rate at the end of July this year was 8.1 per cent, compared with 7.7 per cent in June. This represents an increase of 400,000 to a total of 8.9 million out of work.

Industry

More production of textiles called for

Greater productivity, even if it means the loss of more jobs, is the key to the survival of the Community's textiles industry, according to the European Commission in a new report on the state of the industry.

The Commission says that Community spending in regions where textiles have been a traditional mainstay of employment must be stepped up to offset the effects of further job losses.

It warns that current Regional and Social Fund spending on job creation and retraining schemes for redundant textile workers only covers between 25 per cent and 30 per cent of present needs.

The publication of the Commission report coincides with the opening in Geneva of negotiations for the renewal of the Multifibres Arrangement (MFA) which governs international trade in textiles through a system of voluntary import quotas.

The Community's negotiating team in Geneva is seeking curbs on imports of cheap textile products from certain de-

Shortage of funds

For the first time since it was set up in 1975, the Community's Stabex system which compensates developing countries in the ACP (African, Caribbean, Pacific) group for loss of export earnings on a schedule of key products, has found itself short of funds to meet current demands. Transfers to ACP countries hit by slumps in commodity prices or by natural disasters agreed recently were, at £82 million, just over half of the £154 million needed.

European commitment

Commission President Gaston Thorn has been awarded the annual Umberto Biancamano prize for his political and cultural commitment to Europe. At the prize-giving, the President reminded his audience that 'the Treaty of Rome did not merely establish a common market – a purely commercial concept – but a Community – a human concept – and that cultural exchanges are... a key aspect of European unity.'

THE NEWS IN BRIEF

Nuclear progress

The world's nuclear energy production capacity increased by 11 per cent last year and accounted for 8 per cent of total power, according to the International Atomic Energy Agency. The Agency, which expects the nuclear component to rise to 13 per cent by the end of this decade, also pointed out in its annual report that there had not been a single death or serious injury due to radiation since the first nuclear reactor came into operation a quarter of a century ago.

Envoy named

The new American representative to the Community is Mr George Vest, formerly deputy secretary of state for European affairs. He replaces Mr Thomas Enders.

Aid for Iran

The Community is contributing £60,000 to the Red Cross to help victims of the recent earthquake in the Kerman region of Iran. It is also sending £120,000 to combat storm damage on the island of St. Vincent. Aid already announced of 100 tonnes of milk powder for Angolan refugees in Zambia is to be boosted by additional funds of £265,000.

veloping countries to give the European industry time to modernise and diversify production. In its report, the Commission calls on member governments to help textile companies by giving them easier access to investment funds and by encouraging wider use of modern technology in the industry.

The Regions

Report gives top priority to new jobs

New guidelines and priorities for the Community's regional policy have been drawn up by the European Commission. The Regional Fund last year spent more than £600 million.

The Commission has concluded that absolute priority must be given to creating productive jobs. Emphasis must be given to providing labour-intensive industries using modern technologies in the poorer regions.

The Commission also calls on the poorer regions to harness their own development potential, since in the current economic climate they cannot rely purely on investment by large firms from outside the region. The latent capacities of small businesses, craft industries, rural tourism and environmental resources must all be exploited towards this end.

However, with only limited funds to tackle increasingly serious problems, regional development policies will be ineffective unless resources are more narrowly targeted, the Commission says.

Assistance under the section of the Regional Fund that is shared out on the basis of national quotas (currently 95 per cent) should be even more heavily concentrated in regions suffering most from structural underdevelopment.

The Commission suggests that a much higher proportion of the Fund's resources should be channelled into the 'non-quota' section, which currently receives only 5 per cent of the Fund's endowment.

The first four special programmes eligible for aid under the non-quota section have just been approved. Two of the programmes will help improve the economic and social situation in the border areas between the Republic of Ireland and Northern Ireland. The other two are in France and in the Italian Mezzo-

THE MONTH IN EUROPE

giorno. The Fund will contribute £56 million to them over the next five years. The idea of the non-quota section is to give more flexibility to Community financing in the regions. Another means to achieve the same end, says the report, would be to ensure better use of all Community funds, social, regional, agricultural etc. and their coordination with national financing. There should be more integrated operations in which several Community and national funds are harnessed in a combined attack on complex regional problems. Two such operations, in Naples and Belfast, have already been launched.

Prospect

Date set for Greenland's 'Yes' or 'No'

Greenlanders will go to the polls on February 23 next to vote in a referendum which will decide their future within the Community. The date was announced by the Danish government last month.

Greenland joined the Community in 1973 following a two-to-one majority in the Danish referendum in favour of the terms of accession. However, the island's vote was 70 per cent against membership.

Since May, 1979, Greenland has enjoyed home rule for domestic policy under the Danish crown. The government party Siumut, which holds 13 of the 21 seats in the Parliament in Godthaab, favours withdrawal from the Community, while the opposition party Atasut wants Greenland to stay in.

At present, the Siumut party has one member of the European Parliament, Mr Finn Linge. In the Council of Ministers, Greenland's interests, mainly fishing and the exploitation of territorial waters, are represented by the Danish government.

Since the 50,000 Greenlanders joined the Community in 1973 they have received almost £35 million in regional, social and agricultural aid, together

with £5 million for fishery protection, from Community funds.

Finance

Neither a borrower nor a lender be?

Community loans designed to bridge the prosperity gap between the richer and poorer member states reached a record £2.6 billion last year, an increase of almost a quarter on the level of lending the previous year.

The loans are from the European Investment Bank, the European Coal and Steel Community, the New Community Instrument ('Ortoli facility') and Euratom. Their role in improving the economic structure of poorer regions is in addition to non-repayable grants from other instruments of wealth redistribution such as the Regional and Farm Funds.

The Community uses its standing, due mainly to the guarantees it can offer and its financial capacity, to raise money on international capital markets on the best terms for on-lending, for industrial, infrastructural and, increasingly, energy development.

The growth in its lending, from around £218 million in 1970, indicates the important role it has to play in recycling capital from countries with balance of payments surpluses and in promoting priority investments such as energy in the Community.

The main source of funds was the European Investment Bank, which lent £1.62 billion to the less-prosperous regions for such things as energy research and development, small and medium-sized industries, telecommunications and transport, water supply and irrigation.

The European Coal and Steel Community lent just over £60 billion to develop those two industries; the New Community Instrument lent £117 million to reduce regional disparities and to promote the Community's energy policy, and Euratom, the European Atomic Energy Community, lent just over £106 million to help finance the building of nuclear power stations.

In addition to these sums, almost £236 million were provided in interest subsidies on certain loans which had the effect of reducing the interest rate by three percentage points.

Transport

Eurocontrol to help Greece to modernise

Eurocontrol, the body within which most Community member states cooperate in matters of air navigation, is to help with the modernisation of air traffic control services in the Community's newest member state, Greece.

Greece has indicated its intention to join Eurocontrol, bringing the number of contracting parties to eight. The other members are France, the Federal Republic of Germany, the Benelux countries, the United Kingdom and Ireland.

Eurocontrol will advise the Greek authorities on procurement and provide operational and technical support for the commissioning of the new control systems, which will help European airspace users flying to and from Greece and countries further to the east.

Social affairs

Migrants and women get Fund aid

The second instalment this year of non-repayable grants from the Community's Social Fund, which were announced by the European Commission in August, are devoted to the needs of women and migrant workers.

The £10.3 million are divided almost equally between the two groups in six of the ten member states but it goes nowhere near meeting the demands of member state governments and agencies on behalf of these two groups.

This year, requests for assistance from the fund for migrants are five times the amount of £17.7 million which is available and, in the case of women, three times the £13 million set aside.

A Commission spokesman pointed to the discrepancy between these requests and the action of Budget Ministers during their Council meeting last July held to discuss the shape of next year's Community budget which would mean a cut in the real resources of the Social Fund for 1982.

The fund, which helps finance the training of workers, has £568 million at its disposal this year, representing only around 4.6 per cent of the total Community budget.

Emergency Aid

Food for Poland: progress report

More than half of the food aid which the Community undertook to send to Poland at the request of the Warsaw government earlier this year had been delivered by mid-August when the last stocktaking was made.

Of the 835,000 tonnes of cereals promised, 400,000 tonnes had been delivered; 60,000 out of 100,000 tonnes of beef, 40,000 out of 50,000 tonnes of milk products, and half of the 100,000 tonnes of sugar designated to relieve Polish food shortages had been sent.

However, Community officials who met in mid-August found that there had been some delays in the deliveries of certain products and charged a watchdog team with speeding up procedures and reporting back this month on the functioning of the relief programme.

The Economy

Businessmen show more confidence

Business is looking up in most member states, according to the Community's latest business survey which monitors from month to month how industry views the state of the economy.

The business climate indicator increased by three percentage points in July, the last month surveyed. This finding adds still further to the evidence of a recovery first noted in April and which brings the indicator back up to the level of 12 months earlier.

A look at the key components of the indicator shows that production expectations rose by five percentage points, while assessment of stock levels

were also more favourable. There was also more optimism on the level of orders on hand.

With export order books also a little fuller, and with greater expectations of higher selling prices, the European Commission, which publishes the survey, believes that a more positive trend is establishing itself.

The improvement in the business climate is evident in all member states except Italy and Ireland.

Trade

GSP: Commission calls for improvements

Improvements to the generalized system of preferences (GSP), under which the Community admits industrial and agricultural exports of Third World countries to its markets either duty-free or at a reduced rate of duty, have been proposed by the European Commission.

It is now up to the Council of Ministers to agree to the Commission's proposals, which would see an across-the-board increase next year in the value of industrial goods the Community is prepared to accept, and in the agricultural sector, the inclusion of new products and reduction of the duty on some existing ones.

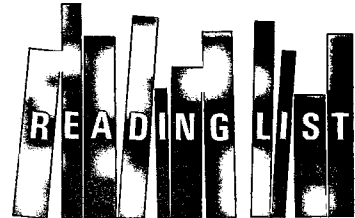
The Community has been applying the system since 1971. The list of countries eligible to benefit now includes 123 states – the entire membership of the so-called 'Group of 77' developing countries plus China – and 24 dependent countries or territories.

Over the past decade, both the value and the volume of the trade covered by the system has increased steadily, more than doubling from a level of just over £1.8 billion in 1971 to £4.7 billion last year.

On the record

The European Court of Justice, which is the final arbiter of Community law, is shortly to begin publication of a digest of Community law.

The intention is that it will embrace the entire case law of the Court, together with selected decisions of courts in the member states, since 1953. It will be available through national sales offices, starting early next year.



Industry

Commission Communication on the structure and prospects of the European Automobile industry. This study contains a detailed analysis of the present situation and problems associated with the industry.

Ref: SEC (81) 821

Loans

Report on the Borrowing and Lending Activities of the Community.

Ref: COM(81)419

Social Policy

The Social Policy of the European Community.

This booklet describes the origins, progress made and the future of social policy in the European Community.

Ref: European documentation No. 3/81

The European Community and the Voluntary Organisations: Information about grants and policy formation, compiled by Judith Unell.

A booklet drawing on the experience of the National Council of Voluntary Organisations in advising such organisations on approaches to Brussels. From the NCVO office, 26 Bedford Square, London WC1B 3HU, price £1.00.

Regional

The European Regional Fund: Sixth Annual Report.

In this report the Commission describes how the Community's Regional Policy evolved in 1980 and analyses the objectives of the Regional Fund.

Ref: COM(81)370.

EUROPE AND YOU

Signposts for the Community's car industry

In major industrial societies, the health of the car industry has traditionally served as a barometer for the state of the economy as a whole. In the United States, it has long been axiomatic that 'when Detroit sneezes, America catches a cold'.

The automobile industry is a major user of raw materials – steel, rubber, glass and plastics—and a key employer. In Europe, more than two million people (5.4 per cent of the total workforce) are directly employed in the car industry and, for every job provided by the carmakers themselves, roughly two more are created earlier in the production chain.

The crisis currently afflicting Europe's car industry, which faces falling domestic demand and an increase in aggressive competition from its major rivals in the US, Japan and elsewhere, demands fundamental rethinking which the industry can no longer delay.

The European Commission recently published a comprehensive report on the state of the Community's car industry, outlining the scope of the problems it faces and the measures that the industry, the member states and the

Commission itself must take to meet this challenge.

The Commission is convinced that the European car industry must hold its own in a market increasingly characterised by the competitiveness of the Japanese industry and its unparalleled sales drive, the new-found ambitions of a restructuring American industry and the emergence of first-time competitors, some in the Third World, who are eager to expand their export trade.

To maintain its competitive edge, the European car industry must reorganise its commercial and industrial base and modernise and streamline its production lines.

It must also exploit and further develop the technological lead that it holds over its rivals and take a leaf from its competitors' book by improving its sales and distribution networks.

Although the Commission feels that

the car manufacturers themselves must shoulder the main burden of responsibility for implementing changes, it recognises too that the car industry needs a suitable economic environment in which to carry out the required investment.

Here the Commission has a definite role to play. It plans four broad types of measures. Firstly, steps must be taken to strengthen the internal Community car market. The remaining divergences between the Ten on taxation and in the energy field must be ironed out, the Commission feels.

Again, the wide differences in tax systems between the member states leads to an excessive national compartmentalisation of the Community market. This must be ended to enable the industry to establish a strong base in a large home market.

The Commission wants its efforts to harmonise value added tax (VAT) and fuel taxes to be accompanied by national measures in the Ten bringing rates of vehicle road tax closer together. Such measures should aim to encourage energy savings and should not have a negative effect on car sales in the Community.

Legislation concerning the car industry must be adapted to fit the economic, technological and energy situation in the Ten. An approach must be worked out that simultaneously takes account of the safety, environmental and energy conservation requirements.

Innovation in the industry must be encouraged, with special emphasis on joint research and development projects run by the manufacturers, the universities and the public authorities. The Commission also suggests drawing up an inventory of research projects, studies and pilot schemes on car components currently being undertaken by technical research centres to broaden the spread of information and limit wasteful duplication.

In addition, the Commission intends to promote structural development in the car industry. The principal measures under this heading will be firm application of Community competition rules to ensure free and fair trading between European car firms, and the introduction of a system of post monitoring of state aids to the industry to check any subsidies simply designed to prop up uneconomic industries or to act as a hidden protectionist barrier to trade.



Future Community aid to the industry will have to comply with criteria aimed at improving productivity, particularly by rationalising the manufacture of components, stimulating technological change and introducing automation.

As regards employment, the Commission recognises that improved productivity and recourse to wider automation will mean further job losses, and it intends to collect and evaluate data on the consequences of both on employment, job qualifications and working conditions.

Finally, the Commission will play an active role in talks with the Community's trading partners in an attempt to seek an international solution to the growing problem of imports. It aims to conclude voluntary restraint agreements with major importing countries, and to improve and stabilise trade by increased trade flows in components, equipment and technology.

The development of cooperation

agreements between car manufacturers in different countries is also a trend to be encouraged, the Commission says. Recent years have seen a sharp increase in the number of cooperation agreements, with the Honda-British Leyland, Nissan-Alfa Romeo links and the joint deals between West and East European manufacturers being among the most noteworthy examples.

But the Commission, while favouring such international links, urges that the repercussions of joint deals also be taken into account and that all the beneficiaries of such agreements should share equally in the burdens.

The Commission report will form the basis for discussions on the future of the European car industry in the coming months.

Talks will be held with other Community institutions, governments, professional and trade union organisations and with the Community's major trading partners in a bid to put the industry on a firm footing.

lished by the European Commission on relations with the NGOs, the past five years have also shown that this co-operation has been 'amply justified by the efficient and flexible' approach of the NGOs involved in development projects. As independent organisations with on-the-spot experience they can react speedily to economic or political changes and adapt their working methods to suit.

It is not always easy for governmental and non-governmental organisations to work together - independence has to be respected, but so do the needs of public accountability. The relationship has to be one of trust and respect for the other's point of view, and has involved continuous dialogue.


As the report points out, the best evidence of this positive spirit of co-operation can be found in the NGO response to the funds allocated for micro-projects in developing countries. Each year requests have by far outstripped the available funds, though these have increased in successive years.

In 1976, 76 projects (out of 121 submitted) were co-financed from a budget of £1,350,000. In 1980, 181 projects (out of 367) were co-financed out of a £7½ million budget. By the end of 1980, a total of 693 projects had been co-financed with 124 NGOs and over 300 NGOs had contacted the Commission in the context of the programme.

Projects can be co-financed in any developing country, whether it is associated with the Community or not. Over the past five years, just over half the total funds allocated went to Africa, with the other half more or less equally divided between Asia and Latin America.

India came top of the list of beneficiary countries with 68 projects, followed by Senegal and Upper Volta.

The NGOs have always stressed the importance of their role as opinion-formers, and in recent years the Commission has assisted in development education projects aiming to make European public opinion aware of the interdependence of our economies with those of developing countries. In 1980, 14 projects of this kind were co-financed.

Contacts in this field of work have spread from traditional development NGOs to include interest groups like trade unions, farming organisations, youth groups, consumer associations and women's organisations. The Community has found a growing awareness among groups like these of the need to include a Third World dimension in their work. 

Making good use of grass roots knowledge

One Belgian charity is helping to improve a clinic for handicapped refugees in the Sudan, and another is building a bridge over the Kafubu river in Zaire. An Italian organisation is working with local people in Ecuador to set up a co-operative, fit out a dispensary, and improve the status of women, while another is establishing a cultural centre in Bolivia. An Irish group working in Tanzania has a project for training village people in poultry-raising techniques. A German group in Tunisia is employed in a project to encourage beekeeping.

A French association needs help with training and rehabilitating juvenile delinquents in Senegal. Another needs continuing support for the construction and equipping of a brickworks in Mauritania. A British charity is participating in Nicaragua's campaign against illiteracy.

A group from Luxembourg is involved in constructing and equipping an agricultural and stock-breeding training centre in Tanzania, and a Danish group is setting up combined pump and forge workshops in Zimbabwe.

In yet another field, a Dutch organisation is helping to set up a fishing co-operative in the Kerala region of India, and another group is involved in developing a local pharmaceutical

industry in Bangladesh.

A hundred and ninety-five ideas like these, often small in scale but full of potential, have been suggested by people with grassroots knowledge of local needs and conditions in the Third World, and have secured financial assistance from the European Community in the past year.

In its five years of co-operation with European non-governmental organisations (NGOs), the Community has come to place increasing value on this opportunity to support co-operation not just between governments but also on an unofficial level between ordinary people in Europe and ordinary people in developing countries.

According to a report recently pub-

EUROPEAN REVIEW

Special help for migrant children

Legislation which provides for special education for schoolchildren who move from one member state to another has now come into force. A Community directive was adopted in July 1977, and member states were given four years to incorporate it into their national legislation.

From now on, each member state's educational system must help immigrant children integrate by providing special classes, particularly in the language of their new country, while at the same time helping the children to keep up their native language. There is also provision for special teacher training.

For the past five years, the European Commission has been financing a series of pilot states and since 1974 the Community's Social Fund has been providing funds to help provide special teacher training courses and the like.

While the new law applies only to children who are Community nationals, member states have undertaken not to discriminate against children from third countries. In all, it is estimated that about two million children are involved.

More move to abolish death penalty

The balance within the Community on the controversial subject of the death penalty appears to be altering following the decision of the French, Belgian and Irish cabinets in favour of abolition.

The Federal Republic of Germany, Luxembourg and Denmark have already abolished it. While it is no longer applied in peacetime or for civil crimes in the United Kingdom, Italy and the Netherlands, it has continued to exist in common law in some European countries.

The last guillotining in France was carried out in 1976 and the last execution for a civil crime in Belgium was as far back as 1918. In Ireland the last hanging was in 1954 and in Greece 1972.

At its June session, the European Parliament approved by 144 votes to 30, with 22 abstentions, a report calling on all member states to abolish the death penalty.

Ensuring that layers are not kept in layers

Animal lovers will be glad to hear of the recent European Commission proposal to ensure better conditions for laying hens in battery cages.

Of the 226 million laying hens in the Community, around 80 per cent are kept in cages. While they enable the Community to produce 15 per cent of the world's eggs, they are frequently rewarded by being kept in overcrowded conditions. Only Denmark has legal regulations concerning minimum standards, although the United Kingdom government has produced guidelines.

The Commission has now proposed that each hen should have a minimum cage space of 500 square centimetres. While the economic optimum is regarded as being between 400 and 450 sq cm, cage space of as little as 320 sq cm is not uncommon.

The Commission settled on its minimum standard of 500 sq cm per hen after consulting scientists, consumer interests, producers, vets, animal welfare and other experts. It is asking the Council of Ministers to agree that its proposed legislation should come into effect in 1983 and that from that date all new cages should have a minimum size of 1600 sq cm.

The Commission has already introduced measures to protect animals while in transport and to ensure more humane slaughtering methods. This latest move represents its first attempt to introduce better standards in farm rearing, and some research work has already been started into the operations of intensive pig and calf units.

© to become more uniform?

The laws of copyright in the different member states are

being examined by the European Commission to see how they can be brought more into line with one another. It expects to complete the work next year.

There are a number of disparities between different national legislations dealing with copyright, particularly the duration of protection. The increasing trade between member states in books and other works is one of a number of reasons why the Commission feels that more uniform protection is desirable.

How some surplus food is used up

The extent to which surplus food is made available to some of the more needy sections of the community was revealed by the European Commission recently in reply to a written question from the European Parliament.

In 1979 and last year, 126,000 tons of fruit, vegetables, beef and butter were sold at below-market prices with aid from Community funds to charitable and social institutions, hospitals, old people's homes, schools, holiday camps and prisons.

However, not all member states take advantage to the same extent of the various Community provisions which make this type of cheap food distribution possible.

Of the 50,000 tons of butter sold in this way, a full half was taken up by German consumers. The Italians were alone in making cheap beef available. The Italians also accounted for all but a few of the cut-price tomatoes and peaches, and all the mandarines and oranges.

Other produce covered by the Community regulations are cauliflowers, pears, apples and lemons. Governments base their decisions to make the cut-price food available on the level of stocks and other market conditions.

Some au pairs not so equal

Only three Community member states have ratified the Council of Europe's European Agreement on the employment of au pairs,

the European Commission disclosed in reply to a recent European Parliament question.

Belgium, the Federal Republic of Germany, Greece and Luxembourg have signed but not yet ratified the Agreement, whose aim is to ensure more uniform protection for au pairs throughout Europe.

Fewer find ways to save

Community citizens seem to be less willing - or able - at the moment to put something by for a rainy day, according to figures just released by Epargne Europe, which represents savings banks at Community level.

Although in May 1981, the most recent month for which figures have become available, deposits were up by a healthy £590 million over the corresponding period last year, other savers were even keener to withdraw their money.

News for job-seekers

In the May edition of *Euroforum* an article appeared entitled 'Opening up new frontiers for jobless.' The Manpower Services Commission has drawn our attention to the fact that people who wish to register as a jobseeker in another member state should not apply directly to the Manpower Services Commission, overseas placing unit in Sheffield, as advised in the article, but to their nearest Jobcentres or employment office. This applies also to employers seeking overseas workers.

Although a wide range of occupations are included in the SEDOC system, the register consists mainly of descriptions of jobs which are most frequently sought and are available in the member states.

Our enthusiasm for the 'new frontiers for the jobless' may have given the impression that completely free movement of workers already applies to and from Greece. This will not be the case until January, 1988; meanwhile, certain transitional limitations are in force. Interested persons should consult their nearest Jobcentre or employment office for further details.

BRUSSELS NOTEBOOK

JOYCE QUINN, Member of the European Parliament for South Tyne and Wear



I have chosen Brussels as the location for this Notebook partly as a personal protest at the European Parliament's failure to come down firmly in favour of that city as its permanent home, and partly because the meetings of the Parliament in Brussels are much less well reported than those of our plenary sessions held in Strasbourg, which are nevertheless just as, if not more, important.

It is in Brussels rather than in Strasbourg that our committee meetings are held. Brussels is usually the place where the political groups meet; and it is Brussels where contacts with the Commission are most frequent.

My own committee's main job is to produce opinions on the various Commission proposals relating to the day-to-day workings of the Common Agricultural Policy. Since agriculture constitutes the only comprehensive European policy, membership of the Agriculture Committee provides the opportunity for a detailed look at the nature of the European Community itself. Major matters such as the ideas and proposals concerning the long-term reform of the Common Agricultural Policy and the annual agricultural price fixing, are issues with which we are concerned.

However, a host of minor agricultural rules and regulations also have to be scrutinised by the Committee, and these help convey the sheer complexity and detailed make-up of the CAP. Take, for example, a proposal with a typically snappy title – 'Opinion on the proposal for a regulation fixing for the 1981/82 marketing year the guide price for unginned cotton and the quantity of cotton for which aid may be granted without reduction'.

Similarly topics include draft directives on a system for marketing aubergines in the French Antilles, regulations amending previous regulations on production refunds in the cereals and rice sectors, including an extension of the production refunds granted for maize groats to maize 'gruten' . . . and so on. If reading the Commission documents in support of such proposals leaves you none the wiser as to the subject under consideration, it is advisable in committee to remember certain awkward questions which are always relevant and which can be put to the Commission representatives in attendance. These are: Which countries are affected by this proposal? Who benefits? And – not least important – Who pays?

Since the CAP has Topsy-like qualities, it is also a good idea to find out if a particular proposal includes an open-ended guarantee to buy-in, and if so to seek to incorporate some periodic review or request some further report from the Commission to the committee after a specified time limit.

Commission documents are a never-ending source of wonderment. In the documents over the 'lamb war' and the introduction of a 'sheepmeat regime' it was evident that goats, as well as sheep, were to be included, raising the inevitable question whether the Commission really cannot separate the sheep from

the goats. In another document it seemed to be suggested that the only use for potatoes was for extracting starch . . . but perhaps someone in the Community might actually think of eating potatoes one of these days.

The Agriculture Committee of the Parliament has also spawned a Fishing Working Group. Having fishing interests in my own North-East England constituency, I was pleased to be able to become a member of this. Besides commenting on a wide range of Commission documents on fishing, the group has also produced on its own initiative reports on many aspects vital to the proper functioning of any Community fishing policy – for example, the proper enforcement and surveillance measures necessary for any policy to be implemented and to be seen by the fishermen to be fair.

The Fishing Working Group has also organised a public hearing, to which were invited fishermen from the various fishing regions of the Community. They were given a chance to express their views and talk about their problems, at a time when, in most countries, their industry is very hard-pressed.

The European Parliament is really the only democratically elected body capable, through its various subject committees, of adequately supervising the Commission's activities and its host of legislative proposals. National legislatures, because of their workload, are only able to investigate fully a small fraction of this continuous output. In this way the European Parliament should, ideally, provide a back-up for national parliaments in the detailed supervision of EEC legislation, and in ensuring that the various interest groups and citizens affected by such legislation back home are able to channel their reactions to the decision-making authorities and voice their suggestions for change.

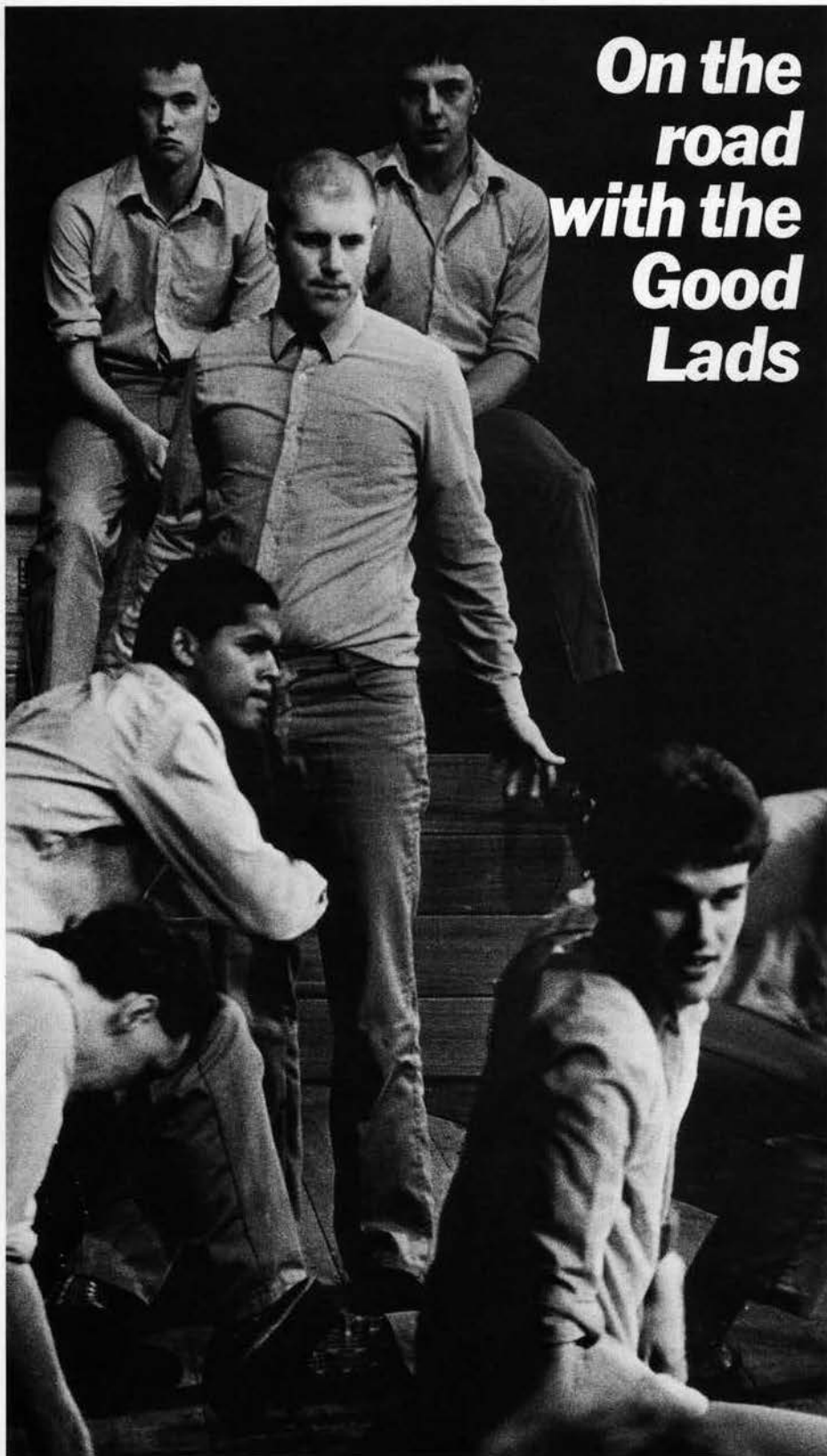
'Can the Commission really not separate the sheep from the goats?'

Our contacts with the Commission are not of course restricted to our committee involvement. Our constituents, particularly those of us who are based in assisted or special development areas in the UK, ask us to investigate the possibility of European financial assistance for a variety of worthwhile projects and to seek advice about these from Commission officials.

Unfortunately, although some projects are eligible, many others are not. All too often (but understandably) European Community assistance is sought as a last resort, whereas it is important to realise that since most Euro-money is in the form of a matching grant, national or local authorities have to be willing to foot at least part of the bill.

Finally, Brussels is where the Parliament's political groups get together to prepare joint positions for the forthcoming plenary sessions, and to seek to achieve common grounds on the whole range of issues confronting the EEC. However much political parties in Britain may claim to be 'broad churches', they could never equal the spread of views contained within certain of the European Parliament's political groups!

On the road with the Good Lads



JACK WATERMAN reports on the ebullient – if precarious – career of the National Youth Theatre in its Jubilee Year

'I'll put a girdle round the earth in forty minutes,' says Puck in *A Midsummer Night's Dream*. The National Youth Theatre of Great Britain, in whose repertory that play has appeared, does not attempt to achieve quite that. But it certainly puts a girdle round Europe.

One of its companies of 32 young amateur

actors and actresses has recently returned from a highly successful tour of Norway and Holland, performing *Richard II* and *Good Lads at Heart*, a play set in a Borstal and written by Peter Terson, who has provided much material for the NYT reflecting life as lived and seen by working-class youngsters.

For the NYT, the trip was a first visit to Norway (playing Stavanger and Oslo). But the two-week tour as a whole was only one of a succession of European dates, the first of which occurred before some of the youngest members of the present casts were even born. In fact, on their very first European engagement, in 1960, the NYT went to Holland, appearing at The Hague, Amsterdam, Eindhoven, Arnhem, Hilversum, Enschede, Rotterdam, Utrecht, and Haarlem – an itinerary very similar to that followed this year.

In 1981 there were some sons and daughters of the original audiences, as well as the parents themselves who saw *Hamlet* then, to bear enthusiastic witness that the NYT has lost none of its vigour and *panache*.

The Youth Theatre represented Britain at the Théâtre des Nations in the Sarah Bernhardt Theatre, Paris. The following year, 1961, they took *Julius Caesar* – or, more accurately, *Giulio Cesare* – to Florence, Rome, Perugia, Genoa, and Turin – as well as making their first of several appearances at the Berlin International Festival. And so they have continued to the present day, taking to Europe a glimpse of the fact that not all British youths are soccer hooligans or inner-city rioters.

The members of the NYT over the years have experienced their share of mishap, alarm, crisis – and laughs. The assistant manager in those early days, the actor Jeremy Harrison, recalls that life 'on the road' is not particularly glamorous. Berlin is much the same as Birmingham when you have to cram dress rehearsals and three performances into two days.

'Take Paris. It's two hours before take-off and the props and costume hampers won't go through the coach-door. They have to be at the airport in forty minutes. At the moment they're in the Euston Road. What's to be done? A rag-and-bone truck is sighted. The driver is persuaded to take the baskets to the airport.

'Even then they're too bulky for the hold of the ancient Viking aeroplane. No time to waste – empty the baskets, abandon them. The company board the plane with tights round their necks, swords in hand. Yorick goes to Paris wedged between the stage director's knees.

'Or take the Italian campaign – the battle of Guerrieri – misunderstandings with the impresario, performance in Florence, departure next day for Rome. Splendid reception awaits at posh British Council *palazzo*. But company arrives three hours late after twelve-hour coach journey, hungry, thirsty, still in jeans, and *all the drink has gone*. Then a one-hour strike by Italian stage hands during the interval of Rome première. Oh, the glamour of

representing your country abroad!

'Or there was Berlin, 1961, just after the wall went up. International festival – great honour. Set and costumes go astray at Ostend. Hebbel Theatre is occupied by Planchon company until night before we open. So we rehearse on cinder football pitch – no costumes, no props, no set – and only six hours to fit up and light the show.

'Is this how you see a guest appearance in a European capital?'

The picture is all too accurate to anyone who has had anything to do with getting a show on – and off – the road/plane/train/ship. Michael Croft, the director and founder of the National Youth Theatre, relates with some relish other details of these early tours.

There were dramas and rows in Rome with the theatre management, he says. 'They kept holding back our fees, and there were great money crises. The cast didn't know what had



Michael Croft, director of the NYT, at a reception in The Hague, where Peter Terson's 'Good Lads at Heart' (opposite and right) delighted Dutch audiences in September.



his name as a writer) and his entire life. In 1956 he produced for the school a modern-dress *Julius Caesar* that was far ahead of its time. As a result came the inspiration for the Youth Theatre, which he started with 90 of the boys from Alleyn's and four from Dulwich College. The venture started life in the East End of London, with *Henry V* at Toynbee Hall.

From these beginnings, the Youth Theatre has expanded almost beyond belief, and Michael Croft is still the outspoken and energetic driving force behind it. In this, its Jubilee Year, it has mounted its biggest-ever season. Based on its own theatre, the Shaw Theatre in the Euston Road, London, it has 600 members, aged from 15 to 21, from all over the UK, taking part in 14 companies (including the European tour) with 14 plays and eight courses and workshop projects. The productions include a revival of the enormously successful *Zigger Zagger*, Peter Terson's football-fan piece, and Ben Jonson's *Bartholomew Fair*. This, a difficult play for professionals, let alone amateurs, and bursting at the seams with sub-plots, characters, and archaic Jonsonian slang, won high praise from the drama critic of *The Times*.

Indeed, apart from some critics who have made a habit of looking down their noses at the NYT's enthusiasm and ebullience, there has been no lack of praise over the years. In addition, along the way, the NYT has made its own contribution of successful actors and actresses to the professional theatre, including such names as Michael York, Helen Mirren, Derek Jacobi, Michael Pennington (the Royal Shakespeare Company's latest Hamlet), David Suchet (the same company's latest Shylock), Martyn Jarvis, Diana Quick,

Barrie Rutter, Robert Powell, Kenneth Cranham, Hywel Bennet, and a host of others now performing on stage or directing, casting, stage-managing, and designing behind the scenes.

Michael Croft feels that, although the worth of the Youth Theatre is appreciated in this country, it is even more acclaimed in Europe – where sporadic attempts have been made to emulate it. He says: 'We've always had a really big reception abroad, and particularly in Germany, where we've done not only three Berlin Festivals but a Ruhr Festival at Recklinghausen, as well as Hamburg, Frankfurt, Düsseldorf, Bonn and Bad Godesberg.'

This year, the company has been able to go to Europe again only because of a British Council grant. Its previous main grant, from the Arts Council of Great Britain, has been withdrawn: a decision based on the notion that public money should support only professional work – yet ignoring the professional support that exists in the organisation of the NYT, in training and writing for it, and – even more important – ignoring how important a tributary the Youth Theatre is to the mainstream of the British professional theatre.

That this is well recognised in the professional theatre is emphasised by the support of the distinguished actress Dorothy Tutin, who delivered to the Arts Council a petition signed by herself and no fewer than 200 other members of the National Theatre, expressing their concern at the threat to the future of the NYT.

That threat encompasses the possible loss of their home at the Shaw Theatre, owned by Camden Council, who are unable to make it pay on a part-time basis.

What can be done to avoid such a fate ▶

'Showing Europe that not all British youths are soccer hooligans...'

overtaking this unique institution - one which, in the words of a former member, the actress Helen Mirren, has helped to change the face of the entire British theatre, and which its President, Sir Ralph Richardson, boasts has won international recognition and enchanted audiences in some of the great

theatres of Europe?

In Michael Croft's view, salvation may lie in Europe. The continuance of the work of the NYT would be assured if funds were made available for the foundation of a European Youth Theatre, on the lines of the successful European Youth Orchestra.

Unlike music, of course, whose notation transcends national frontiers, there would be a language problem to overcome. 'But,' says Michael Croft, 'we have overcome it in the past, and certainly Peter Brook, for example, has found in his activities abroad that language is not an insuperable barrier to making theatre work internationally. In fact, you find a common language.

'More important is the tremendous enthusiasm in Europe for our work, particularly among students, and especially in Germany, Belgium and Holland. They simply have no equivalent, and they're very keen to have one.'

There is no doubting Michael Croft's belief that such a project, which he himself would be prepared to run, would be as much a winner as his NYT has been during two decades here. He is convinced that the success of the European Youth Orchestra could be repeated in theatrical terms.

Were it to come about, there is equally no doubt that Britain's loss would be Europe's great gain.

Britain was the biggest European customer for Israeli exports in 1980, buying 33 per cent of goods sold to the EEC, the Israel export institute reports. West Germany was second, with 26 per cent, and France third, with 21 per cent, it said. The EEC bought more than 70 per cent of Israel's \$860 million worth of exports last year, the institute said.

-Associated Press

At a fringe meeting in Blackpool the other night, Tony Benn repeated his odd theory that socialism is not merely difficult under the rules of the EEC, but actually illegal.

He wanted us to know, in his sincere and honest way, that anyone who pretends otherwise is not being sincere and honest.

So how about François Mitterrand of France, who believes himself to be a socialist and is not in the least inhibited by Brussels?

-Jon Akass in the Sun

The decision to pull out of Europe without a referendum is merely dishonest. It is not an instrument to be used too often. Given that we had a referendum which produced an overwhelming majority to take us in, it is a matter of simple justice and logic to let the voters speak again on this all-important issue.

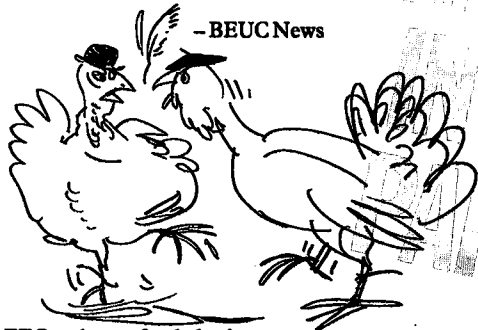
Of course the Community needs changing, but that can only be done from the inside.

Labour's policy, if it takes effect, would put us on the outside looking in, even as other nations, like Spain, are eagerly seeking to join. We would depend as crucially as ever on what goes on across the Channel yet denied the means to change it. There is no kind of sense in that.

-New Standard

The ban on imports of poultry and eggs into the United Kingdom is a frightening illustration of the effectiveness of the pressure brought to bear by the producers on, in this case, the British Minister for Agriculture. Just because four big English turkey producers want to protect themselves against French competition - perfectly fair in this case - British consumers face the prospect of outrageous price increases, not only on their Christmas turkey, but also on poultry and eggs.

-BEUC News



EEC turkeys - fowl play is suspected

-Headline in the Economist

West Germany is about to start a campaign to urge its Community partners further along the road to European union.

Over the next few months it will seek to persuade the other nine countries to join in a European Document, or declaration, which would form a foundation stone for future union.

The main purpose of the document would be to bring the European Council - the thrice-yearly heads-of-government meeting - and the present informal arrangements for foreign policy cooperation, under the same roof as the Community structures.

-Daily Telegraph

Despite repeated scare stories in British papers, the British departments of trade, industry and transport are unlikely to succeed in blocking personal car imports from other EEC countries. To do so would be a flagrant breach of the Treaty of Rome.

-Economist



Concern that a future Labour government would take Britain out of the Common Market is one of the reasons behind delays by Nissan, the Japanese motor vehicle manufacturer, in deciding whether to set up a Datsun car plant in Britain.

Company executives say that subsequent duties by Common Market states on British exports would undermine the project's viability.

-Daily Telegraph

Britain has won an important battle in the fight to keep out the Common Market's road shaking juggernaut lorries.

The 44-tonner, which the EEC Commission has backed since 1979, seems at last to have lurched into the hard shoulder.

After pressure from some British Euro MPs, Brussels is now proposing a 40 tonne 'mini-juggernaut'. The idea is that these 'Euro' lorries will be able to circulate in any of the ten EEC countries.

Special juggernaut routes, suggests the EEC, could be reserved for them in Britain where the national limit is 32.5 tonnes.

-Daily Express

The trolleybus looks set to clatter back onto the streets of Europe.

With fuel costs soaring, the EEC is to study plans for an updated version of the all-electric trolley. An EEC committee is to look at a new type of trolleybus which is not entirely dependent on wires.

The 'Simode' trolley will have an auxiliary diesel engine or be powered by batteries - which means that if there is a traffic hold-up the trolleybus can be diverted.

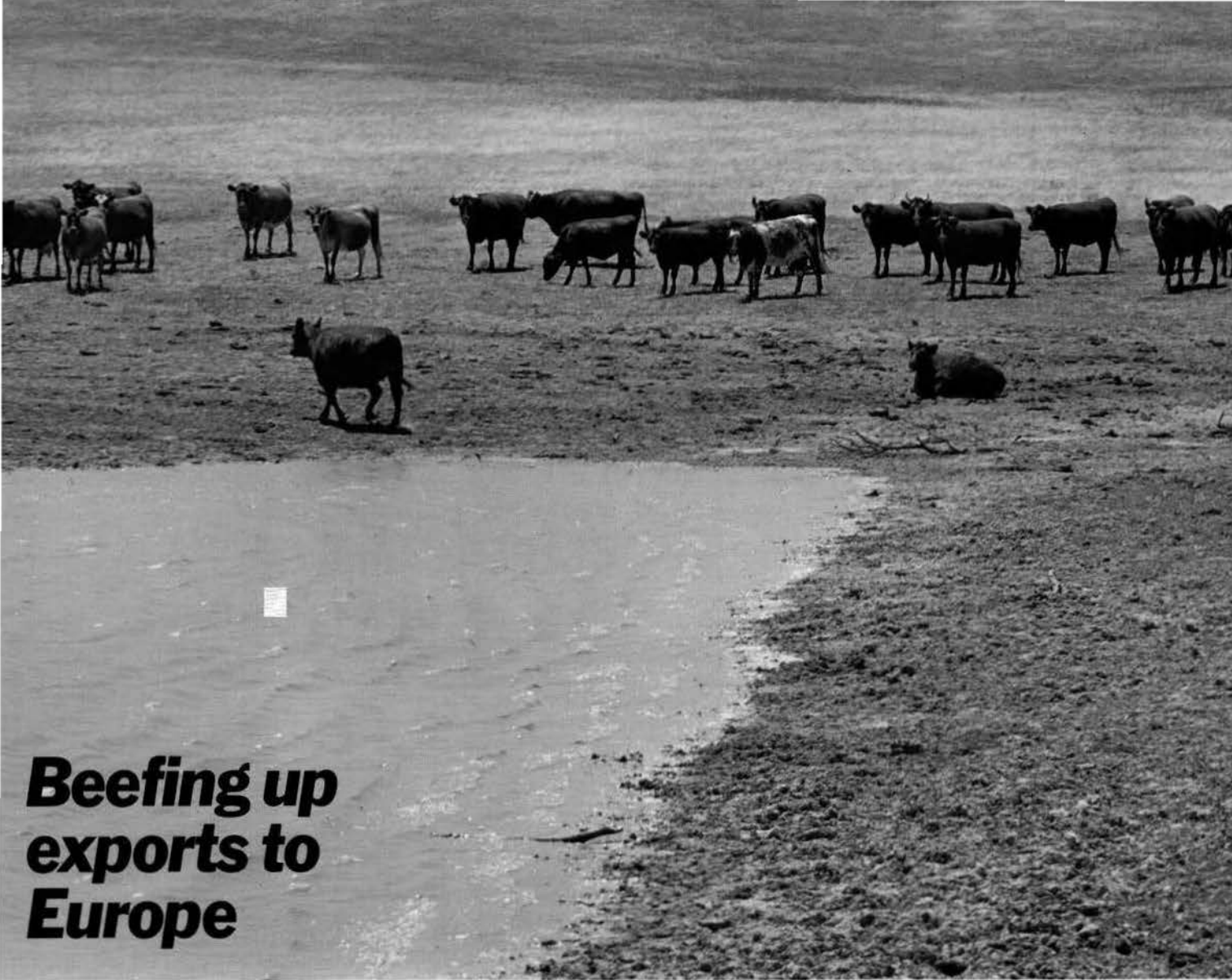
-Daily Mirror

The Community nose, capable of extension into everybody's business, has been browsing among the off-licence shelves of Cardiff. There it found a wine label with the plain device *Cyfuniad o winoedd o wledydd y Gymuned Ewropeadd*.

Common Market regulations call for a statement of origin on the labels of wine bottles, and they require it to be made in an official language of the Community, and Welsh is not an official Community language.

Little do they know what they are starting. Have they considered what Mr Gwynfor Evans, who was prevented from starving himself to death last year only by the promise of non-stop Welsh on television, might do in a case like this?

-The Times



Beefing up exports to Europe

From Down Under, trade with the European Community looks all one way. But the Aussies are working on it, reports PETER DREYER

Earlier this year, the European Community set up its first diplomatic mission in Canberra. In late July, Kaj Barlebo Larsen, a Danish EEC official, until then director for the organisation of markets in livestock products in the Commission's Department of Agriculture, flew out to Canberra as head of the EEC delegation.

Mr Larsen is no stranger to Australia – his Commission work had already taken him there. More to the point still, his Brussels experience is likely to stand him in good stead in his new assignment. For questions of livestock, and more particularly of beef, are at the centre of EEC-Australian relations.

These have not always been free from tensions. In fact, just about at the time of Mr Larsen's departure, newspaper reports spoke

of new clashes, involving also various claims and counterclaims, as well as the opening of complaint procedures within the framework of the GATT.

Officials on both sides have denounced those reports as exaggerated or altogether wrong, and have shown themselves anxious to de-dramatise the situation. But Australian diplomats have conceded that there was potential for a fight, and have talked of 'waves of anguish'. In their turn, Commission officials have admitted that things are 'in a state of flux'.

Nor, in existing circumstances, is this all that surprising. No-one will deny that there are problems, both latent and overt, whether their roots be geopolitical, psychological or merely related to on-going economic and trade matters.

Also, their distance from the Western world may make Australians more sensitive about being isolated, neglected or overlooked – conditions which Community officials say they do take into consideration.

There is also a related phenomenon, which applies to many other countries all over the globe with which the Community is engaged in trade. The Community is Australia's number one supplier, outranking the United

States and Japan, with the ASEAN countries in the fourth place. It is also the second biggest market (after Japan), for Australian products.

Against that, trade dealings with Australia matter infinitely less to the EEC than they do in reverse. From Australia comes little more than 1 per cent of all EEC imports from non-member countries; to Australia goes roughly 1.5 per cent of what the Community sells to third nations all over the world. The upshot is that, while to Australians the Community is indeed a vital trade partner, they in turn are – or may consider themselves to be – not among the main nations doing business with Brussels.

An additional element has arisen in recent years. During the first two post-war decades, and continuing the pre-war pattern, most of Australia's European trade took place with Great Britain, traditionally Australia's principal trading partner. Under a 15-year agreement, for instance, all the beef Australia could make available for export went to the United Kingdom. The Australians had quite a difficult time negotiating their way out of this deal when they decided to diversify their export markets. But British purchases of Australian goods have declined substantially, in both absolute and relative terms, since the

'The evolution of the CAP has had an incisive impact on Australia's sales of farm produce'

United Kingdom entered the European Community, began phasing out the Commonwealth Preference scheme, and was included in the mechanisms of the common agricultural policy (CAP).

The evolution of the CAP has had an incisive impact on Australia's sales of farm produce, and not only those to EEC member states.

Canberra never had any illusions about what would happen to its exports to the Community once Britain had joined. Even if, for instance, the GATT Tokyo Round produced 'managed access', meaning small improvements for shipments of (notably) beef and cheese, the Australians realised that their overall access to Community markets would gradually become more difficult. The remedy would lie in building up alternative sales outlets elsewhere in the world; which they have done in the United States, Japan and other Far Eastern as well as also Near Eastern markets.

They did not foresee that, from having been a substantial importer of agricultural products, the Community would move into the role of a massive exporter. Benefiting from considerable export restitutions under the CAP, Community producers also have entered markets which the Australians have cultivated so as to offset their losses in Europe.

The result is that the Community is now the world's number one exporter of dairy products – also number two (behind Cuba) of sugar; and number two also (behind Australia) of beef. The Australians are worried lest by next year, they might have to cede the number one spot for beef exports to Europe. Their complaint is, first, that all this would not have been possible without the CAP's export subsidies; and secondly that it tends to depress world market prices even in areas to which Community exports do not go.

The Brussels response is that the Australian authorities themselves are not innocents when it comes to trade policy, and also that the EEC has leaned over backward to avoid giving additional offense to Canberra. Thus, Commission officials point out that, in connection with the recent sheepmeat market regulation, they displayed extensive discipline and – to prevent friction with the Australians – refrained from making export refunds even if the legal authority to do so existed.

As for the claims and counterclaims over GATT, the Community maintains that Australia has adopted excessively protectionist attitudes on, for instance, imports of automobiles and shoes, using the GATT's escape

clause provisions as a pretext. As matters stand, 80 per cent of the domestic automobile market is fenced off against shipments from the outside world.

The fact remains that either side needs the other. This was highlighted in a resolution in 1979 of the European Parliament, which among other things emphasised Australia's vital role as a supplier of (industrial) raw materials to Europe. It also called on Australia to review its industrial policies with an eye on the EEC's export possibilities; and it pointed to the opportunities available for European investments in Australia.

While sales of farm produce now make up a much smaller share of Australian exports to the Community than in the early 1970s, and

the share of wool, hides and skins, non-ferrous metals and ore concentrates – all sold in large quantities – has remained roughly the same, that of coal has increased sharply. It may well grow additionally in the years ahead, contributing to greater trade equilibrium.

The absence of such an equilibrium has been one prime reason for Australia's concern over the EEC relationship. But this could now be changing. During the 1979-80 trade year, the gap narrowed appreciably as Australian exports to the Community advanced by 33 per cent over the preceding 12-month period, whereas imports were only up 8 per cent. Latest figures likewise show Australian exports to Europe rising faster – albeit at a somewhat slower pace – than imports. E

CHEAPER FARES HOPE? IT'S STILL UP IN THE AIR

Earlier this year the European Communities Commission launched an attack on the less-than-competitive aspects of fixing air fares within the Community. Its report on Scheduled Air Fares in the EEC, published at the end of July, examining the level of fares paid in Europe under the present system, has been coupled with the submission of a proposed Council Regulation which, if accepted, will apply Articles 85 and 86 of the Treaty of Rome – those concerned with competition – to the air transport industry.

When the development of air transport services within the Community was last examined, in 1979, the Commission concluded in its report that, in the case of scheduled air fares, there was scope for improvement and a re-thinking of the tariff structure. This conclusion was strongly supported by, among others, the European Parliament and the British Government.

As a result of a working-party paper on passenger air fares in the EEC – presented to the Council of Ministers in June 1980 – the Council invited the Commission to examine the various scheduled passenger air fares in the Community, taking particular account of the economic constraints on airlines, their present access to the market and the effect of cheap non-scheduled flights.

Under the present fare-fixing system, national airlines – both domestic and international – must obtain the approval of their own governments for any changes in scheduled air fares. On international routes shared with an airline from another country, such as the US, these have to be negotiated by the airlines, usually under the procedures of the International Air Transport Association.

The Commission feels that this system is too time-consuming, and fears that national governments, while reluctant to oppose a fare agreed by its national airline because they have not been privy to the earlier negotiations, do not always have the facts before them on which to judge whether a new fare is reasonable or not.

At present, the provisions of Articles 85 and 86 apply to air and sea transport, but do not have supportive rules of application. The new submission to the Council, if accepted, will remedy this situation.

ROLLING UP FOR LOMÉ

In a bid to increase the UK business community's awareness of the vast trading opportunities open to businessmen under the Lomé II Convention, the London Chamber of Commerce is to hold a two-day conference in December.

The conference, which is supported by the Commission and the British Government, is seeking to help EEC – and specifically British – businessmen to take advantage of a market which, under Lomé II, is to receive some £2.5

billion in aid over the next four years. With so much at stake, the Chamber has guaranteed the presence of 150 key government and industry representatives from the African, Caribbean and Pacific countries, on the 3rd and 4th of December at London's new Barbican Centre.

With over 500 businessmen attending the conference, the organisers believe this event marks the first real attempt in the UK to explain in detail the comprehensive aid package available under the Convention.

Face to face with the energy crisis

Jean Gimpel is a dynamic French visionary who believes in the rather unusual concept that much of the long-discarded technology invented in the Middle Ages can be valuable, or even vital, in today's world.

He not only wrote a book, 'The Medieval Machine', discussing this premise, but he is also part of an international team actually trying to put some of these ideas into practice in rural Kenya. At a village on the Ndarugu river, about an hour's drive from Nairobi, he and other members of the group are adapting techniques ranging in age from some 100 to about 3,000 years old, to try to improve the lives of residents of a small cluster of wooden structures.

The maize-grinding mill operated by a nearby waterfall, and an associated hydraulic pump that provides the village's water supply, thereby sparing local women and children countless hours spent struggling up and down a ravine for water, were but two examples which were discussed this summer in Nairobi, as part of the historic United Nations conference on new and renewable energy resources.

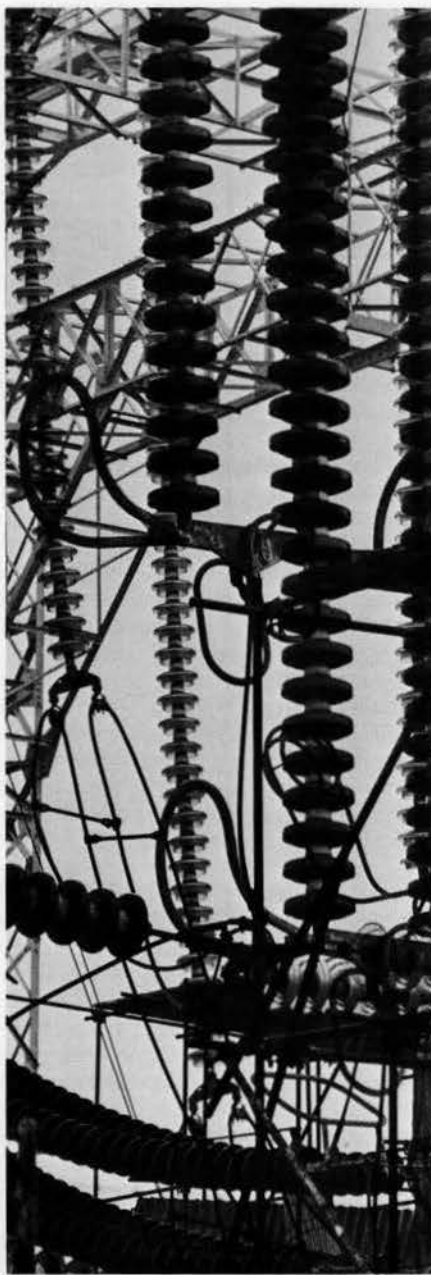
This meeting was the first effort by the world community to try to come to grips with the worsening planetary energy problem. For two weeks at Nairobi's modern Kenyatta Conference Centre, delegations from the European Community and the rest of the world focused on the contributions which so-called alternative sources of energy could make to this major international problem.

Official delegates, scientific experts, non-governmental activists and others, totalling some 4,000 participants, examined the prospects for developments of many varied techniques, such as the hydropower that operates the Ndarugu maize mill and water supply. While concentrating on 14 such alternative sources of energy, the conference excluded such familiar supplies as oil, coal, gas, or nuclear energy.

'We are not trying to over-emphasise or under-estimate the contribution of these sources of energy,' noted conference secretary-general Enrique Iglesias, in Brussels before the session. 'What we are trying to do is place them in their proper perspective.'

The fact is that, although in Europe and the rest of the industrialised world these additional sources of energy represent only a small percentage of the total energy consumed, they have far greater importance to the Third World, and especially its rural populations. For example, an estimated 2 billion rural residents in the Third World – about half the total world population – still rely on increasingly scarce supplies of wood for their basic daily cooking and heating needs.

The human race needs new energy sources, and it needs them fast. During the past three months international discussions have taken a more purposeful turn – as DAVID FOUQUET, who was at the Nairobi conference this summer, reports



Animal, wind and water power, although virtually abandoned in the developed world during the era of cheap oil, are still vital in the Third World. And, as was acknowledged at the Nairobi conference, they may even have a more significant role in the European Community and other industrial countries trying to cope with their different versions of the more energy crises.

In the wake of the dramatic oil and energy crises in recent years, the European Community has stepped up its interest in the development of alternative sources of energy, both for its own use and for consumption in the developing world. This action is based on years of experience in promoting such forms of energy all over the world, and on the belief that an expansion in these sectors is vital to greater self-reliance and independence from imported oil and other fossil fuels.

Internally, the Community has allocated about £40 million solar energy projects in the EEC countries from 1969 to 1983. And it has also approved £10 million ECU for geothermal energy action in the 1980 to 1983 period. About £27 million has also been set aside for solar and geothermal technology development.

A demonstration of the Community's concern about the plight of developing countries in the field of energy is the fact that some £500 million was set aside by the EEC and its member states in the 1975-1980 period for energy cooperation aid projects. About one-fifth of these were devoted to alternative energy. This put the Community at the top of the list of contributors to energy development in the Third World, and generated projects nearing £540 million.

The EEC position on new and renewable energy resources was that although they would not resolve all energy problems, they would be called on to occupy a more important role in the Community's supply. This would mean that, by the year 2000, new energy sources could provide between 6 and 10 per cent of the Community's total energy consumption.

Moreover, as numerous speakers from the Community noted in the Nairobi meeting, these sources of energy represent a more important part of the third world total energy picture, which needs to be developed if their energy needs are going to be met in the future. EEC energy commissioner Etienne Davignon indicated that the new Lomé Convention of trade and aid relations between the Community and some 60 developing countries opens up increased possibilities for alternative energy financing.

He also outlined a series of steps the Community should be taking in the future. He said the Commission would be proposing, among



PICTURES: ROBERT HARDING ASSOCIATES

'Half the total world population still rely on increasingly scarce supplies of wood for their daily cooking and heating'

other things, a doubling of the research and development expenditures in the Community for new and renewable sources of energy. In order to improve its assistance and training of developing country experts in this field, he also said the Commission would propose that the EEC Joint Research Centre in Ispra, Italy be opened to researchers from developing countries of the Lomé Convention.

Speaking for the presidency of the Council of Ministers, British secretary of state for energy David Howell observed that the Nairobi conference 'could mark the start of a truly comprehensive, lasting and fruitful cooperation between all countries to achieve the distant but essential goal of abundant, affordable and sustainable access to energy for all people.' But he and other speakers made clear the monumental problems that lie in the way to realisation of that goal. He said that, since the rise in oil prices of 160 per cent in three years, the balance of payments position of non-oil-producing developing countries has deteriorated alarmingly.

It was the goal of the conference to set in motion a process that might lead to some financial, technological and institutional solutions to these important problems, which threaten not only the developing countries but also the industrialised world competing for existing sources of energy. A substantial

increase in demand for the world's limited energy sources by the developing countries is expected as they proceed further toward industrialisation and urbanisation. This was a point noted by United Nations secretary general Kurt Waldheim, when he told the meeting: 'If the minimum needs of the development process and increased populations are to be met, substantial amounts of energy, both conventional and non-conventional, will need to be available to the Third World countries.'

While the new and renewable sources of energy discussed at the Nairobi meeting now cover only some 15 per cent of the world energy requirements, they represent some 40 per cent of the energy consumed in developing countries, with firewood being by far the largest contributor. The cost of trying to stem the steady reduction of the planet's forests, plus the development of alternative energy sources to fill a projected 20 to 25 per cent of world needs, was acknowledged to be 'staggering'.

On the key issues facing the conference there was general agreement from most countries, including the European Community members. Even the United States delegation managed to make most of its views prevail in the eventual compromise.

This meant that, instead of establishing new UN and World Bank machinery especially geared to alternative energy development, as most participating countries wished, a decision on these subjects will be eventually left to the UN General Assembly. While a number of countries also made specific commitments for funding such energy programmes, the conference also ended without a specific financial target for each country. But it did wind up with adoption of a document termed the Nairobi Plan of Action.

This Plan of Action requests all countries to draw up thorough inventories and plans for new and renewable energy resources, and puts forward concrete recommendations for promoting their development through technical training, investments, transfer of technologies and other means. Among the 14 major ones evaluated by experts, prior to and during the conference, were active and passive solar energy; tidal, wave and sea thermal power; wind; geothermal energy; hydropower; biomass; fuelwood and charcoal; oil shale and tar sands; peat; and draught animals.

While considerable attention was focused on such sources as solar and biomass energy projects, many experts seemed to feel that the more immediately feasible progress might be made in hydro-electric power—a source which has been in use for centuries but which declined in popularity during the era of cheap oil and gas. A UN report prepared for the conference observed that, of all the renewable sources of energy known today, hydropower is 'the most practical and effective on an industrial scale'. About half the world's hydro-electric power potential was located in the developing countries, but that only about 9 per cent had thus far been exploited.

COAL FOR 300 YEARS

Europe is not moving fast enough towards a co-ordinated energy policy, according to Sir Derek Ezra, chairman of the National Coal Board. In the next ten years alone, he told an audience of businessmen on 21 September, the steady replacement of oil by coal in the European Community will mean that indigenous coal production and imports will rise from 261 million tonnes a year now to about 350 million tonnes.

Oil use over the present decade, he said, is likely to fall steadily as demand and production get progressively out of step. Sir Derek added that there is an urgent need to conserve oil and gas, because proved reserves in Western Europe of oil are enough to last only 28 years at present rates of production, and of gas only 22 years. Coal reserves, on the other hand, are estimated at 71 billion tonnes, sufficient to last nearly 300 years.

Speaker after speaker told of projects on the drawing boards which could provide vast power, irrigation and other potential, but which had been blocked by lack of funds during the era of cheap oil which should now be viable. There were several calls for an international dam development campaign as the possible answer to the looming shortfall of energy in the world—although some environmentalists and other experts issued cautionary warnings about the possible impact of such projects. As an example of the interest demonstrated in the past by the European Community in this field, some 80 per cent of aid in the energy field furnished by its main financing organism, the European Development Fund, has gone to hydro-electric schemes.

This and other types of European Community assistance to alternative energy projects have been extensive, ranging over virtually all types of means and resources. This has meant subsidised or special-condition loans, as well as grants for mini-projects directly affecting the lives of villagers to major electricity generating or transmission schemes. They have also spanned the globe to benefit African, Caribbean, Pacific and other developing states, or entire regions.

These have been tailored to fit the needs or special conditions in the various ACP countries, such as the abundance of sunshine in the Sahara and Sahel, wind force in the Cape Verde and Comores islands, geothermal reserves in Ethiopia and Somalia, vegetation or agricultural production such as sugar cane, which favour biomass development, water conditions to sustain micro-hydrolics, or ocean thermal energy conversion as in Abidjan Bay.

The Mangla Dam, Pakistan – investment in a natural resource for generating energy.

'Of all the renewable sources of energy known today, hydropower is the most practical on an industrial scale'

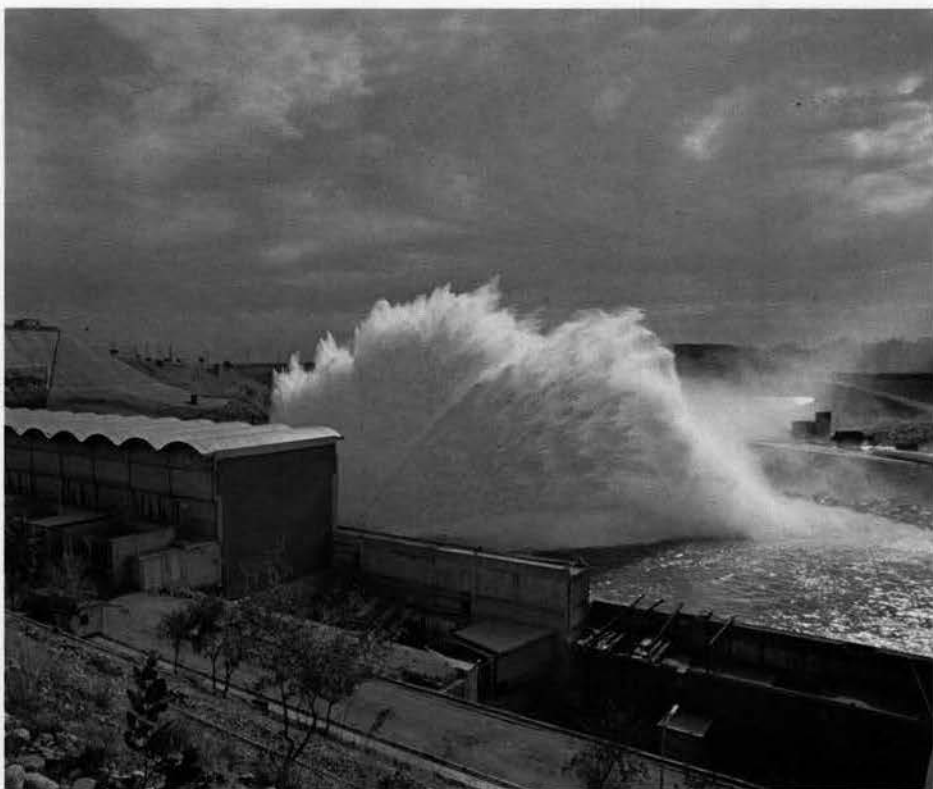
Another example of the broad European interest in alternative energies and the Nairobi conference was evident in the participation of academic experts, unofficial activists and commercial interests from the member countries. The member states sent top-level delegations to participate in the work of the conference and to explain the work and expertise of their countries in the field. These also included the EEC commissioner for development, Edgar Pisani, and European Parliament president Simone Veil.

Nearly all individual EEC countries had major displays and exhibits of their industrial and technological accomplishments, as part of an accompanying exposition at the nearby Nairobi fairgrounds. There, many of the biggest names in European industry who had prepared demonstrations of their products and projects in use in many Third World countries and in Europe, discussed details with potential users.

There were also a large number of European experts who participated in parallel conferences sponsored by international non-governmental organisations, such as Earthscan and Friends of the Earth. These tended to concentrate on more controversial topics connected with the conference, such as the role of women or multinational companies in energy development.

Virtually all participants from Europe and the rest of the industrialised or developing world agreed that a major global effort would have to be undertaken in the coming years to head off an energy crisis of even larger dimensions than in recent years. It was also evident that there were many different roles to play in this enormous undertaking, from marshalling huge amounts of money for industrial energy programmes to dealing with the growing firewood shortage by seed growing and planting.

In the Kenyan village where Jean Gimpel and his team operate their hydraulic demonstration projects they have been showing the villagers how to get more efficient heating from their traditional stoves. This, the locals tell you, helps to cut down on the firewood they need to gather and cart back to their huts every day, so reducing both their labour and the amount of wood they strip from the rapidly dwindling forest. New technology, it seems, is only part of the answer. Improving old and traditional methods can also make a vital contribution. E



ENERGY IN STORE – BUT HOW TO TAP IT?

Compared with the energy problems of other countries, those of Britain may seem relatively less threatening. Britain does, after all, sit on its own coal-bunker. And North Sea oil should see us through to the late 1990s.

But these remain short-term benefits. Like the rest of the world, Britain is engaged on research and experimentation into alternative fuel sources, and these are beginning to show results. A feasibility study of a barrage for the Severn estuary offers a prospect of electricity costs scarcely higher than those of a coal-fired power station.

The five estuaries around Britain's shores could in time provide 20 per cent of the country's electricity. And wind-power could become cost-effective in Scotland, where designs for machines producing 3 to 4 megawatts are already under construction. Studies in other areas for installing clusters of wind-generators offshore could lead to the production of a further 5 million tonnes of coal equivalent per annum.

So far as geothermal sources of energy are concerned, two versions are already under test in this country. The most advanced project is the extraction of low energy heat – below temperatures of 100 degrees centigrade – from underground reservoirs of water

heated naturally by rocks, at Southampton. There, the city council has approved a scheme costing £3 million to drill a borehole to provide heat for new shops and offices.

A potentially greater, but more difficult, idea is the harnessing of heat from rocks lying several miles under the earth's crust. Following a first-stage experiment at the Camborne School of Mines in Cornwall, in which water pumped in cold was extracted at a temperature of 11 degrees centigrade, the project – supported by a Government grant of £6 million and EEC aid of more than £1 million – has been moved to a small quarry in nearby Rosemanowes, where a drilling rig has been erected to take borings down to 5,000 metres and heat water to around 175°C.

The team's work, which is complementary to similar studies in Los Alamos in the United States, is based on the concept of drilling two holes deep into the hot granite, which is then artificially fractured. Water is pumped down one well and across the reservoir of broken rock to gather its heat before emerging through the second well as steam for power-generation.

The giant granite 'spine' in the south-west of England makes it a logical area for any widespread production of geothermal heat, possibly leading to the growth of secondary industry based on cheap energy supplies. But the initial investment for such a scheme would be enormous. To meet a mere 1 to 2 per cent of national electricity demand in the year 2000 will require 120 pairs of wells 6,000 metres deep, with drilling costs alone of an estimated £1,000 million.

Biomass technologies – the conversion of wastes into solid fuels and the manufacture of

liquid fuels from the fermentation of plants – are another attractive option for Britain, capable of producing between them some 12 million tonnes of coal equivalent per annum. Manufacture of solid fuels in this way is already a commercial reality, and methods of making liquid fuels for transport are well advanced.


Brazil, meanwhile, is gradually introducing the alcohol-powered car. In order to overcome the expected initial consumer resistance – at least one-fifth more alcohol would be needed to drive the same distance as a petrol model, and there are worries about corrosion and cold-starting – the Brazilian government set the price of alcohol at little more than half that of petrol.

Alcohol to power a million 'booze-buggies' in Brazil

The growth of sales of alcohol-driven cars, coupled with a large number of conversions from petrol, brought the 'booze-buggy' total to almost half a million by early 1981. Brazil will distill about 4,600 million gallons of alcohol this year – enough to power more than a million cars – and production will more than double by 1985. To get farmers to increase the areas they plant with sugar-cane for fermentation to meet such a demand, an artificially high price is being paid to farmers and refiners alike. Many of them have pulled up coffee and maize plantations, or sent cattle for slaughter, to make room for this attractive new cash-crop. The result has been higher prices for food and commodities. Moreover, the converts to alcohol-power have mainly been commercial users such as high-mileage taxi drivers and commercial travellers, rather than the ordinary motorist. Petrol tax which could be used for less inflationary purposes is simply subsidising the alcohol-car programme.

Unless the technology can be improved, the use of wave-power for electrical generation in Britain can be considered a non-starter. The central problem is whether costs can be brought below 5p per kilowatt hour, to compete with conventional power stations.

The Community has recognised the need to set up a new research structure geared exclusively to the needs of developing countries, with a legal framework which will allow the transfer of technologies to the Third World. In order to get this new form of co-operation moving, the Commission plans to submit proposals along these lines to the Council of the EEC early in 1982. The Directorate-General for Development is already working to determine the broad lines of a programme of research specific to developing countries.

With less than 20 years of this century remaining, time is not on anyone's side in the search for new energy. But at least some imaginative starts have been made. 

Letters

Matter of fact

I have just spent a frustrating hour looking through back copies of EUROPE 81 to find out one simple fact – is Greece a member of the European Monetary System?

Since many people only see the magazine occasionally, is there not a case for having one page which always contains basic details about the EEC, updated as changes occur? I would like to see a central double page giving all the relevant facts.

G. M. Whitehead,
Chesterton, Cambridge

Like Britain, Greece is technically a member of the EMS but does not take part in the exchange rate mechanism.

Housing Turner

Selby Whittingham, in his article on 'Turner in Europe' (August/September issue) evidently supports the Turner Society's campaign – now lost, I fear – for a wholly separate Turner gallery in London, as the painter stipulated in his will.

As he says, the proposed Clore Gallery will in effect be an extension of the Tate. This is not the same thing at all, even if, as I read in the paper, the gallery 'is to have its own separate identity and will be clearly seen from Millbank across the gardens of the Tate'.

Stella McKnight
Bramham Gardens, SW3

Taking the credit

Would readers of EUROPE 81 help by checking up on whether local authorities and companies that receive grants from the European Regional Fund, or other funds, give appropriate credit to the European Community on notice boards erected during the construction period?

It would be helpful if readers could communicate either to you or directly to me, the extent to which proper credit is given for such expenditure on their areas.

Andrew Pearce
MEP for Cheshire West
30 Grange Rd, West Kirby,
Wirral, Merseyside L48 4HA

Right background

I should like to congratulate E. A. Traynor on his letter ('Blaming the Common Market'). A Londoner like him and also having had a Continental upbringing followed by twenty years as an export director specialising in the European Market, I share his opinion that a background of that kind helps greatly towards an understanding of the various Continental points of view.

Now that 43 per cent of United Kingdom trade is with other Common Market countries it will surely become increasingly

likely that a deeper understanding of the Continental way of life will follow.

Finally, the Community's political efforts, such as the attempt to help towards a solution of the Israeli/Arab problem and the question of Afghanistan, will in the nature of things lead to some successes and bring with them a legitimate pride in our joint achievements.

R.M.D. Palmer
Riechenring 73,
4058 Basle

Wrong Welsh

May I correct a few points in Roy Stemman's interesting article, 'Why the Welsh would welcome an invasion'?

Telford's suspension bridge is not the only road link between Anglesey and the mainland. Stephenson's railway bridge now has a carriageway superimposed on it.

The name of the present terminus of the Ffestiniog Railway is Tanygrisiau. And the correct spelling of the new pump storage scheme is Dinorwig.

Obviously, tourism does help the Welsh economy, but one must also realise that it is an anglicising factor in Welsh-speaking areas and that it is seasonal by nature, though attempts are being made to extend the holiday season.

In spite of what your correspondent says, not all of us 'would welcome an invasion'.

Dafydd Orwig
Bethesda, Gwynedd

Drugs code

I was interested to read about the discussions concerning common standards within the Community for the marketing of pharmaceuticals.

I hope that, at the same time, companies will agree on standards of conduct when marketing drugs abroad, specially to countries where poverty and low levels of literacy mean that the native population is especially vulnerable.

It is indeed a poor thing if drugs which are out-dated or barred in European countries are sold in these less fortunate communities.

Ailsa Pain
Cressfield Close, NW5

No marks

It's encouraging to know that British business in Europe is looking good, as your headline says (August/September). But it surely hasn't risen to a £7 billion surplus, as you announce in bold letters on the same page.

The figure of £700 million, given in your opening paragraph, sounds more like it.

John Stott
Wood End, Surrey

£700 million is right. We award ourselves the extra nought for accuracy.

BOOK SHELF

Britain in the European Community: the advantages and opportunities. By Scott Hamilton and Edward Bickham. Conservative Central Office, 32 Smith Square, London SW1P 3HH, 40 pence.

Withdrawal from the EEC: Statement to Conference by the National Executive Committee 1981 Labour Party, 150 Watworth Road, SE17 1JT, 50 pence.

The controversy about Britain's membership of the European Community still rumbles on in political circles. These recent publications from the two major parties of the right and the left give the different sides of the argument.

New Firm Formation and Regional Development. By Michael Cross. Gower, £15.00.

In the wake of the Birch Report in 1979, and other studies of the economic importance of small business operations in a mar-

ket economy, the author, an academic at the Durham University Business School, takes a practical look at the potential role of new firms in providing jobs, their growth rates, where they have been established, who have set them up, and other aspects of small business operations which seem more relevant now, in conditions of rising unemployment all over Europe, even than they did in the days when we 'never had it so good'. The data is the result of over three years of research, much of it from the experience of Scotland, where there has been intensive regional assistance over the past decade.

The Old World and the New Technologies. By Michel Godet and Olivier Ruysen. Commission of the European Communities, Brussels, £2.60 (paperback).

A study from the EEC's 'think tank', known as FAST (Forecasting and Assessment in the field of Science and Technology), which sets out to identify future problems in the Community so as to guide spending on research and technological development. This book, subtitled 'Challenges to Europe in a hostile world', examines – among other topics – 'the increasing disparities between European countries which could shake the foundations of the Community'.

Regional Policy in the European Community. Edited by Douglas Yuill, Kevin Allen and Chris Hull. Croom Helm, £12.95.

Overall Community economic policies have not been allowed to override regional needs and priorities. Not all regions have benefited equally from economic growth and Community-wide activity as a common market. Infrastructure investment, the use of state-owned or state-controlled firms to help in development, disincentives or controls in regions under pressure, regional incentives – all these have been brought to bear on regional problems.

The Logic of Unity: a geography of the European Economic Community. 3rd edition. By Geoffrey Parker. Longman, £4.95. This new edition includes two new chapters, on population and on changing aims and policies within the Community.

The Substantive Law of the EEC. By Derrick Wyatt and Alan Dashwood. Sweet & Maxwell, £13.00 (soft covers).

The emphasis of this work is less on institutional law than on the legal implementation of major Community policies: what the publishers describe as 'areas of substantive law which are the core features of the system, and where a well-developed case law requires analysis and elucidation'.

THE COMMUNITY AS AN ALLIANCE OF EQUALS

In the years ahead I expect European political cooperation to develop pragmatically. There will be no grand design, no abolition of national foreign policies, no Euro-Foreign Office, no one Foreign Minister to the power of ten. But my nine colleagues and I will meet more often, agree more often, act together more often. We shall extend the range of subjects on which we concert. We shall launch more initiatives, and more of them will bring results.

Our cooperation in the Ten will not replace or compete with other groups in which most of the members of the Community are cooperating with other states: in particular, the role of NATO will not be impaired. But we in the Ten, soon to be Twelve, will become more and more what on our best days we are already – an economic and political grouping of substantial weight and consequence in the great events of the world.

I should not like to exaggerate. The influence which the Ten or Twelve can have, in a world dominated by superpowers and super weapons, will be limited. We cannot hope to set the world to rights or wave a wand over ancient international problems to produce an instant solution. Like other practitioners of the diplomatic art, we shall need patience and perseverance, and a willingness to tolerate second-best solutions when the best is not attainable.

Western society is based on democracy and pluralism. There are ways in which this can seem to make us weaker than the monolithic regimes. We cannot spend money without it being voted. We cannot pass laws without consulting our parliaments. We cannot take decisions without regard to our public opinion. We cannot even come to power without being elected.

But in reality this pluralism is our strength. It gives us flexibility, creativity, variety, imagination, vigour. An alliance of equals, all contributing to policy, is infinitely stronger than any system on the solar model. The policies of western governments have greater weight precisely because they must command the support of public opinion...

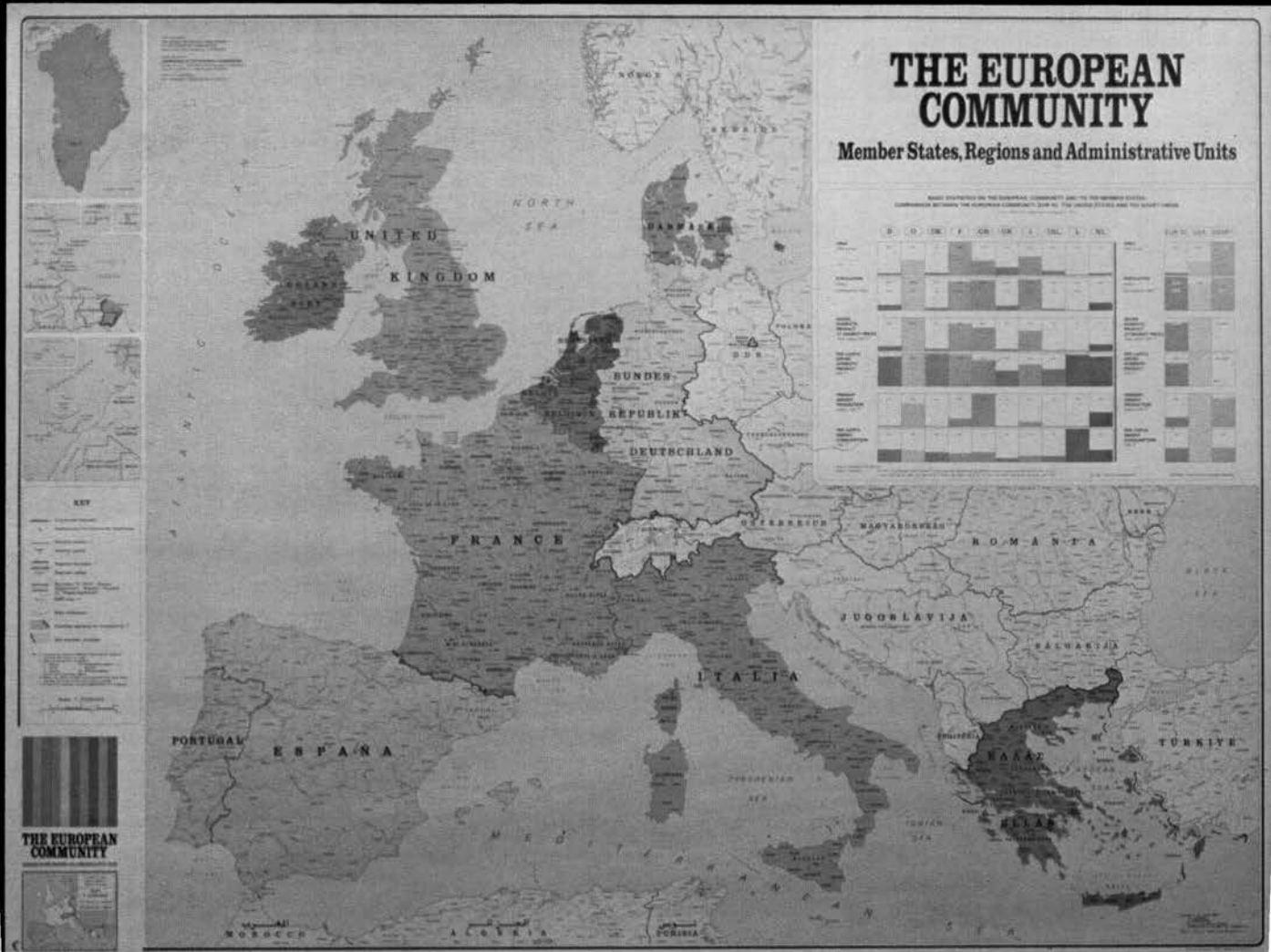
There is strength in diversity, and also in unity. What I have been suggesting is diversity without dispute in our methods, unity without uniformity in our policies, and identity in our aims and our ideals. ♪

– Lord Carrington

□ From a speech by the Foreign Secretary to the Foreign Policy Association, New York, 23 September 1981.

NEW FROM THE ORDNANCE SURVEY

AN ALL-IN MAP OF THE EUROPEAN COMMUNITY



With the accession of Greece, there are now ten member states in the European Community. This new map, printed in colour, shows the Ten plus neighbouring countries from Norway in the north to Morocco, Algeria and Tunisia in the south, Turkey in the east, and Portugal.

European Community counties, departments, provinces and waterways are included, along with diagrams showing such basic statistics as population, area, gross domestic product, production and

The map is available in seven languages – Danish, German, Greek, English, French, Italian and Dutch. It is published by the Office for Official Publications, Luxembourg, and issued by the Commission of the European Communities, Brussels.

Scale: 1:3000000 (1cm = 30km)

Price (UK) £1.80. Available folded, in plastic wallet, or flat, from Ordnance Survey agents and stockists throughout Great Britain or HMSO

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