

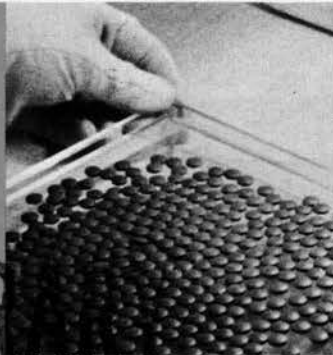
Europe 81

No. 7

JULY 1981



**After
Steeltown...
more help
for Wales**



**A common
market for
pills and
drugs?**

**'So long as we search
for bogus — preferably
foreign — scapegoats for
our economic ills, we will
never right them'**

— Rt Hon Francis Pym MP



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competition
that faces
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the Greeks**

**EURO
FORUM**

More news of Community help for hard-pressed Britain

In our leading news feature this month (opposite) we continue the series of reports by Roy Stemman on how Community funds are playing a part in helping badly-hit parts of Britain in these days of works closures. Our latest report is from South Wales, where – as in Scotland, the North-East and other parts of the country – Community help is making a measurable contribution towards offsetting the worst effects of the recession.

That the British Government remains firmly committed to Europe, and to the ideals of the Community, has been confirmed in a resounding statement by the Leader of the House of Commons, Francis Pym MP, from which we have abstracted the contribution beginning on page 6.

We return to the Big Apple Rumpus (as we called it in our first issue, January/February this year) with a look at the chances of Britain's favourite apple, the Cox, in face of mounting competition (page 17). We also launch a new Business Page, in which Berry Ritchie – who writes the Prufrock column in the Sunday Times – reports on successful forays by British businessmen in the Common Market (page 8).

Articles on the microchip (page 20) and the pharmaceutical industry (page 15) point to the need for special European efforts in both those markets. And Denis Thomas (page 22) visits 'The Gauls', a loan exhibition from France, at the British Museum. Whether we call them Gauls or Celts, they are among the Community's common ancestors.



George Scott

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There was a time when the Welsh valleys were alive with the sounds of male voice choirs and busy steelworks. The choirs sing on. But many of the works which produced 90 per cent of British sheet steel are now silent. Large-scale steel closures and a similar run-down in coal mining – the two industries

on which the Welsh economy was largely based – have created widespread problems. But European money, in the form of grants and loans, is helping to revitalise Wales, and there are encouraging signs that Welsh determination to attract new industries is succeeding.

The area around Cardiff has been transformed in just a few years from clangorous industry to one in which microchips and computer software play an increasingly important role: an international silicon valley. Names like Sony, Hitachi and National Panasonic now roll off Welsh tongues with ease, for they are all employers in the South Wales area. Eight Japanese manufacturers have moved to the area; and they have been quick to expand their manufacturing operations once they found that the Welsh workers lived up to their expectations.

National Panasonic has just finished building its third factory in Cardiff. Sony is also building its third – an £11 million centre to produce television tubes. That, in itself, has surprised the critics who regarded early investment as no more than a screwdriver operation, using Welsh labour to assemble Japanese components. Ten miles north of

NEW VOICES IN THE VALLEYS

With help from Europe the traditional steelmaking areas of South Wales are opening up to new industries.
Report by ROY STEMMAN

Cardiff, at Blackwood, Aiwa has also opened a components-producing factory for its hi-fi equipment.

Most of them have been helped by EEC-bolstered aid, making it attractive to build or lease factory units in Wales. But this micro invasion of South Wales is not solely of Japanese origin. Inmos, the British Government-owned electronics company, is based in South Gwent; Plessey Marine is providing 500 or more jobs in the Newport area making defence electronics; and Ferranti has a white-collar operation, concerned with computer programming, at Cwmbran, Gwent.

Ferranti is building a factory, as is Inmos, and Plessey Marine is expanding. Construction workers have also just moved on to a site on the Severnbridge Industrial Estate at Cal-

Remnants of old industries – but new ones are moving in.





dicot, Gwent, to start building a 165,000 sq ft factory for Mitel Telecom Ltd, part of the world-wide Mitel Corporation.

Mitel was formed by a Welshman, Terry Matthews, who was born just outside Newport, and an Englishman, Dr Mike Coupland, both of whom are now based in Canada where they formed the company in 1973 to produce telecommunications systems and sub-stations. Its simple policy – to produce the right products, at the right time and at the right price – has paid off, and the company has more than doubled in size annually.

But it was not for sentimental reasons that Matthews and his co-directors decided to set up a manufacturing base in Wales: the motivation was purely commercial. 'The fact that Gwent is a Development Area was one attraction,' explains Mitel Telecom's director of operations, Alasdair MacArthur. 'We had already decided that the UK should be our European headquarters – something like 60/70 per cent of our output is currently exported – and South Wales brings us close to our market segment, the Home Counties, and Heathrow.'

'There are also grants available from the Welsh Office, from the EEC (for retraining ex-steelworkers) and short-time loan capital from the European Coal and Steel Community (ECSC) fund. What's more, one acre of land here costs one-tenth of that in the outer London area, and there's an abundant workforce with a tradition of being hardworking and loyal.'

Mitel has just moved in to a factory unit on the Caldicot industry estate while their purpose-built production centre is under construction a few hundred yards away. In the next few years it expects to see its UK employees increase from 70 to 1700.

In mid-Glamorgan, 20 miles from Cardiff, the Ford Motor Company has shown its confidence in Wales with a massive investment at Bridgend. The bulk of a £10.23 million Regional Development Fund (ERDF) grant to

'There's an abundant workforce, with a tradition of being hard-working and loyal'

Ford, for its Erika development project, has gone towards the building of a huge new factory (the balance went to Swansea).

Erika was the code name for Ford's 'world car', launched in September last year, which appeared in the UK under the Escort badge. The front-wheel drive Escort is powered by a totally new engine, the CVH, which Ford claims has all the advantages of a twin cam without the complexity and cost.

Bridgend was chosen as the site of the new engine factory, with a roof area of one million square feet which, as any Welshman will tell you, is big enough to contain 20 rugby pitch-

es. Bridgend is producing CVHs at the rate of half a million a year, and two consignments leave the factory each day by rail, heading either for Ford's UK vehicle assembly plant at Halewood or the company's West German centre at Saarlouis.

The project has brought 1,800 new jobs to South Wales, but at a price. Total cost of the factory was £180 million.

Why is it that the Japanese and Americans are putting so much money into Wales?

'It's easier for them to think European than it is for many European companies,' says Rhodri Morgan, who runs the EEC office in Cardiff. 'I don't think a German company with an assembly plant at Saarlouis would contemplate having an engine factory on the other side of a 22-mile wide water crossing. But Ford's attitude is to spread it around and create a Continental economy for a Continental car. So they look for somewhere that offers good grants and they set up in Bridgend. It's the same with the Japanese.'

A Welsh base may seem too far west for overseas companies anxious to get a footing in European Markets, but the advantages outweigh the problems of distance. Wales offers an English-speaking workforce, which most Japanese and American companies prefer, and ease of access to London's Heathrow puts most of Europe just a few hours away.

What has undoubtedly helped in attracting new industry to South Wales is an ambitious roads programme that has speeded up travel time between its industrial centres and the



'South Wales brings us close to our market sector,' says Mitel Telecom's director of operations, Alasdair MacArthur, shown here on site (left) and in an advance factory on the Caldecot industrial estate.

rest of the UK, with the promise of greater improvements ahead.

Cardiff's problem was particularly acute because its industrial base was founded on steel production and the export of coal, both of which depended on rail transport, shipping and port facilities. Roads came a poor third in the city's list of priorities. With the decline of steel and coal in the area, the need has arisen not only for new industries in Cardiff's Waterfront Strip area – construction has begun on 100,000 sq metres of advance factory space – but also for a road system that will link the development areas to the regional and national motorway network.

South Glamorgan County Council began the revitalisation task in 1974. The centrepiece of its road strategy is the peripheral distributor road, which will make it easy to get to and from the M4 motorway. This will run from the M4 at Pentwyn, south around Cardiff's dockland areas, and west to the proposed M4 interchange at Capel Llanilltern. The first section of this road, Southern Way, has already been completed with ERDF assistance.

The second stage, known as the Ely link, is now under construction and this £19 million project is due for completion in August 1982.

ERDF aid of £2 million has been given for expenditure on the peripheral road covering 1979 and 1980, and a further £8 million is being processed by the Commission for 1981. Additional aid will be sought annually until the project is complete. During the next five to ten years almost £100 million or road schemes will be started in South Glamorgan alone.

In December last year the EEC announced the first payment of budget refunds to the UK under the supplementary measures agreed by the Council of Ministers last May to reduce Britain's budget contribution. The bulk (86.5 per cent) of the £97.6 million first allocation,

to help finance public works programmes in Wales and North-West England, went to Wales. £24.6 million was given for road schemes, with priority to east-west routes to South and North Wales and the M4 Bridgend northern by-pass. £14.2 million was allocated for advance factories. Water and sewage works schemes received £9.3 million, much of which went to the Wye Abstraction Scheme which will make an additional 30 million gallons of water a day available to South-East Wales.

Money has also been forthcoming from the ERDF to help Cardiff carry out major construction work to prevent the River Taff flooding large areas of the city. Cardiff sits in a valley, fed by three rivers, and has twice London's rainfall. It also experiences a high tidal difference which can hamper drainage into the sea. A combination of high tide and heavy rain has had disastrous consequences in the past – the EEC premises in Cathedral Road were among those affected by the last flood, in December 1980.

But what concerns the people of South Wales more than any other problem is the need to create new jobs to take the place of those lost through steel closures and other large-scale redundancies. Nowhere is this determination to succeed more apparent than at East Moors, in Cardiff's dockland.

British Steel closed the East Moors steelworks in 1978, since when a massive demolition job has been undertaken to clear close on 200 acres of land. The Welsh Development Agency has been supervising the project and is building new factories on the site. But British Steel's subsidiary, BSC (Industry) Ltd, has kept the north-west corner of the works and has been converting 15 buildings into workshops for new businesses.

Dr James Driscoll, industry co-ordinator for BSC (Industry) in Cardiff, is delighted with the response. When I visited East Moors he had just received the 160th enquiry from potential tenants, even though the existence of the workshops had not then been advertised.

What BSC (Industry) is offering with its

Cardiff Workshops is a 'nurtured environment' and an 'easy-in, easy-out' arrangement for small businesses struggling to get off the ground and creating new jobs. The tenants are not asked for any long-term commitment: they simply pay rent and agree to give three-months' notice to quit. In return they receive a workshop to suit their needs – anything from 13,000 sq ft to 100 sq ft – already fitted with lights, heating and other essential amenities.

'We are also trying to give them central services,' Dr Driscoll explained, 'such as on-site management advice. There will be a central conference room and a cafe, and we hope in time to be able to offer shared typing facilities, photocopying and perhaps Telex, all on a fee-paying basis.'

By the end of the year, Dr Driscoll expects all 95 units to be occupied, but the incoming tenants will have to meet very strict criteria. No subsidiary companies are likely to find the doors of Cardiff Workshops open to them – their parent companies should be able to look after them. Nor will companies wanting to relocate in the Cardiff area gain a foothold in East Moors, unless the circumstances are exceptional.

What Dr Driscoll is looking for is small firms with promise but no proven track record, which need a helping hand to start up. One which fitted the bill and has already moved in, asking for additional space to be earmarked for its expansion, is Centrecell Ltd, which manufactures force transducers. These ingenious devices detect changes of strain when a load is applied and give a very precise electrical read-out. In other words, they weigh things electronically and have many advantages over mechanical weighing systems.

Like many other small, new businesses, Centrecell has limited cash resources and could not afford to build premises that were suitable for its particular needs. The converted office building at East Moors, however, is ideal.

'In the next year, if things go as well as we hope, we should be employing 25 people,' says technical director Ernie Maiden. And if Centrecell continues to expand it will soon have an eye on other premises – perhaps one of the WDA factories being built elsewhere on the East Moors site.

That would certainly please Dr Driscoll, who sees Cardiff Workshops as a launching pad. Once companies have got themselves together, built up a workforce and satisfied themselves of the market potential of the goods they produce, he expects many of them to take off for pastures new. This will leave room for other Welsh entrepreneurs to take over the units and try to do the same thing.

BSC (Industry) has the satisfaction of seeing the birth of new companies on the grave of a giant. It does not anticipate a good return on its capital investment – that is not the aim. But it does expect to recover its costs. And as one observer put it to me: 'Whatever they get back, it will be better business than steelmaking.'

Why the European Community is important to Britain

In a major speech at Westminster on May 6, the Rt Hon Francis Pym MP, Leader of the House of Commons, made a declaration of faith in Europe. In tackling the misconceptions that threaten people's

support for the Community idea, Mr Pym appealed to public opinion to recognise the benefits – present and potential – of Britain's partnership with Europe.

This is what he said . . .

It is now over eight years since we joined the European Community. These have not been easy years for Britain in general, or for us in our Community membership. Nor have they been easy for our Community partners.

Only in Britain are the undoubted imperfections of the organisation continually used not as arguments for pressing for reform, but as reasons for leaving. Only in Britain is the overwhelming political and economic case for working for greater Western European cohesion obscured by a dense smoke-screen of myths and prejudices, mingled with some quite genuine grievances.

It is only too clear from recent opinion surveys that the facts about our membership have simply not got across to a large number of our citizens. Their opinions are being formed on the basis of often quite staggeringly large misconceptions about what is really going on. What we have to do is to put a lot more effort into getting across not only the facts but also the reasons for, and the purposes of, our membership.

'The Community makes it unthinkable that there could ever again be wars among the nations of Western Europe'

What is the basis for our conviction that membership is an indispensable, non-disposable national interest? Why is it so vital to us? First and foremost, the Community was formed in the spirit of post-war harmony and in a new sense of unity, to make it unthinkable that there could ever again be wars among the nations of Western Europe. This basic objective has been achieved and we tend to take it too lightly for granted.

Since the war the process of making international decisions, both on economic and political issues, has been dominated more and more by the global superpowers. Only by working in a united way can European nations make it possible for Europe to exert its own influence and play its proper role in world affairs.

Although the Community has no defence policy as such, all but one of its members belong to NATO. The Community provides a solid bulwark against the forces of international Communism, through the co-ordination of the foreign policies of the free nations of Western Europe and by its contribution to the stability and prosperity of those nations. It is impossible to quantify the extent of these benefits but they are no less real because they cannot be measured.

Since the war there has been a tendency outside Europe towards totalitarianism. The Community, collectively and individually, upholds the principles and practice of representative democracy, economic liberty and the rule of law. This is of supreme political importance.

Although the fundamental justification for the Community was political, there are substantial economic benefits to be obtained as well. Britain depends for her very livelihood on trade, and always has. We earn a third of our keep selling goods and services abroad – a far higher

proportion than France or Germany, and even more than larger countries like the US and Japan.

What is more, the Community is the largest trading bloc in the world. It provides British industry with tariff-free access to a market of 270 million people – opportunity enough for the enterprising and efficient. And it gives us far more muscle in international trade negotiations with countries like the United States and Japan than we would have on our own.

British industry has lost no time in taking advantage of this opportunity. We sell 43 per cent of our exports to other Community countries, compared with 30 per cent before 1973. A further 14 per cent goes to the Community's European associates. This means that nearly 60 per cent of our exports go to the Community or to European countries linked with it. The value of UK exports to the EC in 1980 was over £20 billion. As a share of total employment derived from exports this is equivalent to roughly 2¼ million jobs.

Our exports to Europe have grown twice as fast as our exports to the rest of the world. Our largest export market is no longer the United States but West Germany. The companies which export to the Community are amongst our most enterprising and efficient. It is true that our imports from the Community have grown like our exports, but that is a favourable increase in trade, an increase in business, which is the very thing we want to encourage. Last year we had a surplus of £700m on visible trade, taking account of the contribution made by our exports of oil. So from the all-important point of view of trade, our membership is good news.



It is also good news for our inward investment. Our position within the Common Market has given a boost to inward investment from outside the Community. That investment certainly would not be forthcoming if we were outside the Community. And it is vital for our future prosperity, because it is the means of strengthening our economy and providing much-needed new jobs. We are now getting nearly half of all American non-oil investment in the Community, compared with less than a quarter before we joined. A number of American companies have made major investments here in the past year, including such well-known names as Burroughs Corporation, Minnesota Mining and Manufacturing, and Yates Industries.

Moreover, since 1969 we have received about half of all Japanese inward investment into Europe. Nissan's intention to establish a car manufacturing plant here is only the latest in a series of such decisions by Japanese companies, following on recent investments by Aiwa, Hoya and NEC. Our membership of the Community has been a key factor in attracting this investment to Britain, and the jobs that go with it.

Among our country's most intractable problems are the depressed industrial regions. Here again the Community has helped. It has provided increasing support to regions with special problems. In 1980 the European Regional Development Fund contributed £153 million towards the cost of infrastructure and industrial projects in the 'assisted areas'. In addition, at least half of the money available for training, retraining, resettlement and job creation under the European Social Fund is reserved for schemes in the Assisted areas. In 1980 these areas received £50m from interventions under the Regions section of the Fund.

'The Community gives us far more muscle in trade negotiations with US and Japan than we would have on our own'

The Community has also given support to declining industries such as steel, shipbuilding and textiles. These are real advantages which people ought to appreciate. Looking to the future, the Community will also facilitate the growth of companies in the new high technology industries in which America and Japan are already making such progress. There is no reason why Britain should not get as good a share of this growth as anyone else, provided that British companies rise to the challenge.

At the more personal level, membership of the Community has enabled freer and easier movement for ordinary individuals. British citizens can get jobs in other Community countries without having to obtain work permits and without surrendering their rights to social security. Doctors, nurses, vets, and many others can practice in those countries without requiring any additional certification or qualifications. And there are increasing interchanges between European citizens through the medium of courses and as part of their daily work.

Membership of the European Community is held to blame by some for our current economic depression. The substantial contribution which we make to the Community budget is held to be responsible for the scale of our public expenditure. The Common Agricultural Policy is blamed for rising prices. The Community is identified with a large and meddlesome bureaucracy. Community discussions are depicted as Britain against her partners, each of them out to do down our legitimate interests.

These criticisms – easy enough to make – rest upon misunderstanding. They have a popular ring and are actively encouraged by anti-marketeters, often in a misleading way. They tend to make news and accord with the prejudices of many people. But they are still criticisms that are inaccurate and wrong, and must be corrected.

Our current bad economic position has a host of long-standing and deep-seated causes that have nothing to do with the Community. In Britain the problems of the recession – the worst for 50 years – are

compounded by the massive increases in the price of oil, and in the external value of sterling, and the financial burden of the public sector on the productive economy. We also have a long history of low productivity and out-dated labour relations practices.

Let me make it plain that the Government is far from being complacent about the Community as it stands. On the contrary, there are many features of the Community as it at present exists which are manifestly unsatisfactory.

It is clearly wrong that a country with a Gross Domestic Product per head well below the Community average should be one of only two countries out of ten which make a net contribution to the Community budget.

'Our current bad economic position has a host of long-standing causes that have nothing to do with the Community'

It is clearly wrong that between two-thirds and three-quarters of the Community budget should go on agriculture, with most of that being spent on the storage and disposal of surpluses. It is clearly wrong that subsidised Community butter should be sold to the Russians at a fraction of the price we pay for it here.

It is clearly wrong that so many barriers to the free movement of goods and to the freedom of the service industries to operate throughout the Community should remain more than twenty years after the Treaty of Rome was concluded.

But the Community is tackling these problems, even if uncomfortably slowly. Britain's net payments to the Community have been dramatically reduced. We have received nearly £645 million by way of refunds under the agreement of 30 May last year. Two-thirds of this has been spent on investment programmes, mainly in the regions.

The Community has agreed to overhaul its budget to secure a fairer distribution of costs and benefits among the member states. The reform of the Common Agricultural Policy will form a central part of this exercise. Clearly, hard bargaining lies ahead here. But having accepted the need for overhaul, the members must now decide upon – and will – the means.

Meanwhile, there is no way in which withdrawal from the Community would be in our interest. It would mean sacrificing benefits we have already gained through membership, and which we intend to increase in the years ahead. It would also mean reducing British influence in the world. I believe our influence for peace in the world, and our long experience in world affairs, are vital assets to the whole free world. But it can only be deployed with full effect if it is allied to our European neighbours and the United States.

The existence of the Community has ensured peace amongst the nation states of Western Europe. It enables those states to exert a collective European influence on world affairs. It ensures the survival of the democratic principle and way of life in a world increasingly dominated by totalitarian regimes. The Community is, in fact, an immense barrier to the spread of international Communism.

But the Community has also conferred economic advantages. Britain lives by trade. The Community provides a close, large, free market for British goods. British companies are taking advantage of this market and increasing their trade in it. Through our membership of the Community we have attracted valuable new investment to Britain. The Community has helped us to tackle the problems of declining industries and depressed regions. And the Community has enabled individual citizens to move more freely in pursuit of employment.

Today we are in the grip of the worst economic recession since the 1930's. It is a recession affecting all industrialised countries. Politically the world is becoming an increasingly hostile and uncertain place. Outside the Community, on our own, these storms could inflict grievous damage to our interests. Inside, in co-operation with our European partners, we have a good prospect of weathering them. ☐



The Business Page

BERRY RITCHIE reports on Habitat's French connection, and on the British headhunter who works from London, Paris, Frankfurt and Amsterdam

When Terence Conran decided to open his first Habitat shop in Paris in 1973, he was not really thinking about the Common Market — what he was after was the *French* market. Eight years later, the company has 12 Habitat stores in France and another two in Belgium, run from Paris.

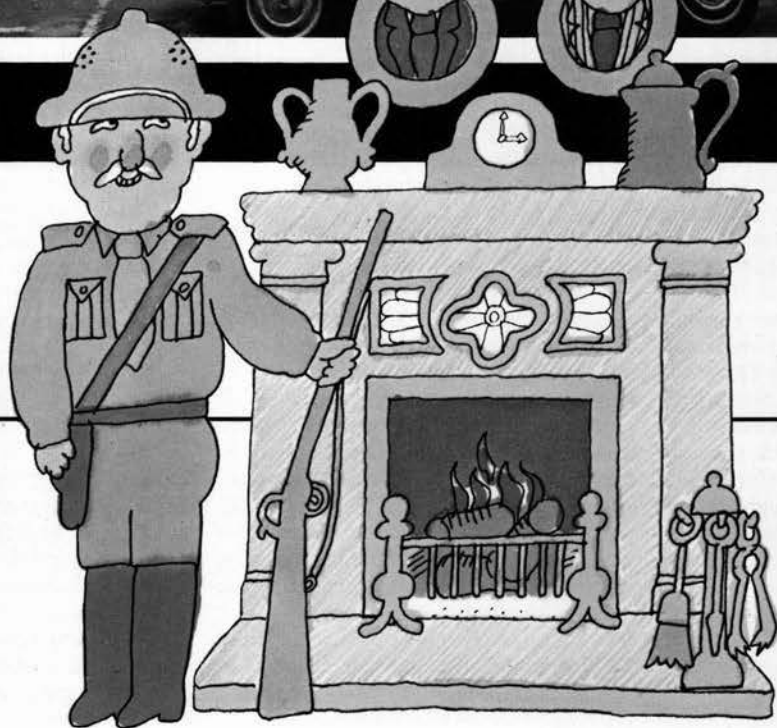
It is obvious that, if Britain pulled out of the Common Market, the impact on Habitat would be — well, not traumatic, but at least a shock. Last year, Habitat Designs France contributed £21 million to the group's total sales of £58 million, equal to two-thirds of the British sales, and providing nearly a quarter of the trading profits.

Although the two operations, like the budding US division, are run on strictly separate

financial lines, the growth of the French subsidiary into a full partner with the British parent reflects a polarisation of tastes and attitudes that was unthinkable a decade ago.

Francis Bruguière, who runs Habitat France, says what has become apparent is that

the more highly educated people become, the more similar is their way of living. He is, by definition, talking about the affluent middle class customers who have always latched so avidly on to Terence Conran's clean, bright, coloured furniture and fabrics.



It is hard to remember that Conran only appeared on the British scene 20 years ago, the *enfant terrible* of the flaccid, over-stuffed British furnishing industry. Ten years later his designs had much the same impact on the French. Bruguère, whom Conran recruited from Prisunic, says there is still a discernible *frisson* from customers in Habitat's provincial French stores at some of Conran's more outrageous ideas. Outrageous to them, that is. In Paris, on the other hand, it is the subtle, understated designs that are bought by the more sophisticated Parisians.

Incidentally, it comes as no surprise to discover that Habitat's convenient convertible and foldaway furniture is much in demand for all those second homes which French city dwellers have dotted about their country's boundless hectares.

The growth of the Habitat group to such a wide market has forced it, almost imperceptibly, to popularise its range, reducing the *avant garde* element so as not to alienate what has become a mass market. It is not, however, a point to labour: Habitat remains distinctly Habitat.

'Habitat might have been helping to polarise French and British tastes into closer harmony than we realise'

This is true for both France and Britain. The French catalogue is marginally slimmer than the British one, but it takes a keen eye to spot the differences in the products they both contain. French sheets are longer, so they can be tucked under those beloved bolsters. There are some differences in the kitchen range, in particular. But it is so slight as to be insignificant. Both French and English editions of the 1981 catalogue feature Michel Guerard, the chef famous in both countries for *la cuisine minceur* not because there is a conscious attempt to bring the two countries together, but because Conran feels Guerard's light, stylish approach to cooking mirrors his own attitudes.

According to Ian Peacock, the management division between France and Britain is almost complete. There is virtually no cross-over of staff. Both countries make about a third of their products using local manufacturers, even if the designs are virtually identical. They buy from each other, but they also buy from China, the Far East, the USA, behind the Iron Curtain, and of course elsewhere in the Common Market.

It might not be too fanciful to argue that Habitat has been helping to polarise French and British tastes into closer harmony than we realise. Politics isn't everything, after all.

□ The European Investment Bank, the EEC's bank for long-term finance, has signed an agreement worth £3 million with the Midland Bank to finance small-scale industrial ventures in assisted areas of England and Wales.

The bank is making funds available in the form of global loans to Midland Bank Industrial Equity Holding Ltd. The proceeds will be on-lent at interest rates of about 13 per cent, through the local branches of the parent company, Midland Bank, for a series of small investments chosen in agreement with the European Investment Bank.

Loans will be for amounts of about £15,000 to £50,000 for up to eight years, including a two-year grace period on capital repayments.

John Stork is a businessman who has consciously expanded into Europe since he founded his executive search company eight years ago. 'Executive search' is the polite term for 'headhunters' – those discreet mercenaries who track through the thickets of business boardrooms flushing out management talent for competitors. In some quarters, headhunters have about as good a name as Clint Eastwood; but in European industry their role has expanded a great deal in the past few years.

Stork says this is largely due to the multinational companies like Unilever, Royal Dutch Shell, Ford and the like, in particular the big US international groups. They have always been inveterate talent-snafflers. What has happened since Britain joined the Common Market, however, has been the emergence of European professionals with the same high-paid mobility as their transatlantic rivals.

If anything, it is the Americans who are bottled up. The increased American insularity about work permits is in sharp contrast to the Common Market's freedom of movement. The abolition of work permits and similar national constraints on recruiting from abroad have transformed job opportunities, not to mention high salaries and fringe benefits on US scales. Nowadays, the top European businessman can hold up his credit card anywhere.

British businessmen are still considered to have a higher level of what is euphemistically called 'perceived honesty' than most Europeans. 'They also,' Stork says, 'travel well.' He thinks it may have something to do with our imperial traditions, which until the last generation endowed most educated Britons with the idea that they might well spend a large part of their career toiling under an alien sun in the service of Empire. It was quite normal to live abroad. This is still residually true.

'Nowadays, the top European businessman can hold up his credit card anywhere'

It is fortunate, too, that English is the lingua franca of international business, although Stork says the linguistic skills of his catches are slowly improving. A British University degree in modern languages, he says, is becoming a very valuable preface to a career in business.

He adds that questions about how much the UK has become integrated into the Common Market are, from where he sits, already almost *passé*. The European businessman, accustomed to doing business wherever his feet touch the ground, is already an entity.

Finding him is why agencies like John Stork & Partners are doing so well. It is all a question of knowing people at the right level. To do that, you have to move in their circles. Stork has an office in Paris, which he opened only six months after starting in London, another in Frankfurt, a fourth in Amsterdam, as well as a US office. All his partners are ex-international management themselves, with impressive curricula vitae and widespread connections throughout Europe.

How they actually do their somewhat secretive jobs is harder to explain. Top headhunters like Stork do not find jobs for people: they find people for jobs. They are retained by big companies to find the right man.

It is no good ringing them up, I'm afraid – they'll ring you. Stork says his targets are rarely displeased to be asked if they had considered moving on, even if they sometimes pretend to be indignant. Their existing employers are often much less happy. But, as most big companies use headhunters themselves, their objections fail to carry much conviction.

□ Europe's large stores and supermarkets have for several years been introducing various information coding systems for their consumer products. These new labelling systems, which can be deciphered by computer, have the advantage of improving the management of supplies and billing procedures, and have therefore also increased productivity in the retail sector.

However, the price label no longer always appears on the item purchased, but instead is found on the shelf. So once the consumer has taken the item off the shelf, he or she may no longer be able to compare the price with that of other articles.

Questioned on this subject by Mrs Weber, a member of the European Parliament, the EEC Commission indicated that it was not considering any Community measures requiring the maintenance of readable prices on consumer products. Nevertheless, it stated that it was preoccupied by the question, and is examining German legislation which has recently been adopted on the subject.

Economic co-operation between the European Community and the developing world, represented by the Lomé countries, is making great strides. But what about cultural co-operation? A report presented earlier this year in Freetown seems likely to lead to a resolution in Strasbourg this autumn. It quotes the principles of 'equality, interdependence and respect for national sovereignty' that are the basis of the

Lomé Convention, and urges that cultural co-operation would add further strength to that agreement.

This article is a summary of the report. It begins by raising the vexed question of the return of cultural works to their country of origin. And it ends with a declaration that cultural co-operation should be 'a permanent living contact between peoples'.

Helping to restore a precious heritage



Many of the African, Caribbean and Pacific countries are among those which have been dispossessed, in the course of their history, of their works of art. Despite the efforts undertaken since its inception by UNESCO, the recovery of these works of art presents many complex problems of a technical and legal nature.

A convention designed to prohibit the illicit importation, exportation or transfer of ownership of cultural works was adopted on 14 November 1970 at the 16th session of the General Conference. In 1973 the United Nations General Assembly recognised the special obligations incumbent on countries which have only had access to these works by virtue of colonial or foreign occupation.

The 19th session of the UNESCO General Conference, held in Nairobi in 1976, decided to set up an inter-governmental committee to facilitate bilateral negotiations for the restitution or return of cultural works to their countries of origin.

'It should be the Community's concern to give Europeans a better idea of the cultures of the ACP countries'

The task is to constitute representative collections by the return of some, at least, of the works lost. The committee attempted to define a code of ethics, and to place the objective of the return of cultural works in the perspective of the maintenance, reconstitution and development of the cultural identity of all peoples.

Various principles were put forward. One was that each country wishing to constitute representative collections of its cultural heritage should draw up an inventory of the works on its own territory, and an inventory of the works in other countries. Again, to put an end to illicit traffic in cultural works, each state should take appropriate administrative and legislative measures, and in particular ratify the 1970 convention on the prohibition of the illicit import, export or transfer of cultural works.

This brass head of an early Oni of Ife, dating from the 13th century, was excavated in 1938. It is now in the British Museum.

Information campaigns should be run, both in countries seeking the return or restitution of works of culture and in the countries to which their requests are addressed, in order to make the people concerned aware of the importance of the protection and conservation of their historical and artistic heritage, and also to make public opinion in the holding countries aware of the situation so that they understand the reasons behind these requests.

In view of the very large number of works from the ACP countries which are scattered around the museums, libraries and other institutions of the member states, the Community should undertake a complete inventory of all these objects, to enable the ACP to gain a full picture of their cultural works in Europe.

The efforts of the ACP states to construct museums or similar establishments, to build up representative collections, and to give local populations access to vestiges of their past, should be energetically supported as far as possible. At the same time, the ACP states should be given the necessary technical assistance for the scientific conservation of their works of art. Particular attention should be devoted to the training of museologists and other technical staff required for this purpose. A special place should be given to the upgrading of traditional arts, and particularly crafts, which for a long time formed one of the main occupations of local populations.

The Community could effectively aid the conservation of the cultural heritage of the ACP by financing the sending of works of art affected by insects, larvae or micro-organisms to the nuclear study centre in Grenoble for gamma ray treatment. The Community could also grant a number of scholarships to ACP students for specialised courses at centres for European studies.

Another desirable development would be the creation of a bank of cultural data, comprising all the archives on the ACP countries which are scattered around the member states, and particularly those which are of interest in connection with the reconstitution of the history of the people of Africa, the Caribbean and the Pacific.

Some of the Community's member states do not seem to want to return to their country of origin archives which were taken away during the colonial era. However, these states always give a ready response to precise requests addressed to them by the countries for which they were once responsible. Apart from any action which the member states might be led to make at bilateral level or in the framework of UNESCO, they could accept the idea of making available to the ACP copies of documents of interest to groups of countries or sub-regions.

Ways and means should be sought for fostering or increasing exchanges of information, films, and radio and television productions between the ACP and the countries of the Community. The Community's audiovisual services could expand their activities by devoting a series of their productions for the European readers to the ACP. The services of

'Special place should be given to upgrading traditional arts and crafts'

the Commission's development aid division could be strengthened.

After centuries of exportation by Europe of its cultural values to the developing countries, it should be the Community's concern today to give Europeans a better idea of the cultures of the ACP countries. Although one cannot deny the diversity and originality of the peoples and regions of Europe, it would be extremely useful for the Community to foster in its member states a more open attitude to the cultural values of the ACP, and thus to redress the balance in the flow which has so far been virtually one-way.

It is only fair that the ACP cultures, which have been the object of denigration and discredit in the past, should now be given greater importance.

The Community could also take measures to ensure that free movement is accorded to cultural works – where they are being moved legitimately – and that administrative and

fiscal restraints are relaxed. The rights of ACP artists and technicians whose works are disseminated or performed in member states should be given the same protection as that accorded to cultural workers in the Community.

A foundation should be set up with the aim of promoting and disseminating ACP culture, administered by ACP and European nationals on an equal footing. Its activities would be defined by common agreement between the Community and the ACP. In order to guarantee the autonomy required for its proper operation, ACP or Community citizens called upon to manage the foundation should be free of any political affiliation.

The foundation could organise cultural events and promote the dissemination of works by ACP artists and writers, and publish books and documents devoted to the history, arts and literature of the ACP.

Cultural co-operation needs collective awareness of what is involved and the mobilisation of all the active forces of society. Cultural co-operation should not only be carried out via official organisations but should also be a permanent living contact between peoples, institutions and individuals.

□ ACP stands for African, Caribbean and Pacific.

EUROPE'S VANISHING COASTLINE

While much of the world is by now familiar with the gradual spread of deserts, there is less awareness of a related process of erosion – one that is eating away a significant part of Europe's coastlines.

This lack of information (reports *Euro-focus*) is actually one of the most important aspects connected with the problem. It is estimated that about 1,100 kilometers of European coastline is affected by erosion, which is continually washing away part of the land surface into the oceans. Just about all of the North Sea coast is said to be affected, as well as certain parts of the Atlantic. Erosion of the Mediterranean coastline is said to be less significant.

But there seems to have been little study devoted to the gravity, and the causes, of erosion of the shores of the European Community. There is no indication of the amount of land lost to erosion each year, or the economic loss to agriculture, industry, private property, energy resources or tourism resulting from this situation.

Even the causes of the deterioration of the coast are not completely understood. They are probably a combination of natural and human actions, such as water, waves, wind, ice, ocean currents, tides, geology, destruction of vegetation, urban development, industrialisation, road building, tourism or intensive agriculture.

Part of the reason for this lack of information is that responsibility for the coastline is fragmented among national and regional organisations. There may not be the means for extensive research or exchange of information. But a recent report by John Hume, of the European Parliament's committee on regional policy and land management, notes that many of the regions facing the problem of coastline erosion are also among the most underdeveloped in the European Community.

He adds that the Community should serve as a catalyst and clearing house for action and information about the problem, and notes that about 600 kilometers of the 1,100 affected by erosion are in regions eligible for financial aid from the Community's Regional Fund. These include Northern and Southern Scotland, the North of England, Wales, South-east Ireland, the German Baltic and North Sea coasts, Northern and Southern Jutland, the Nord-Pas-de-Calais, Pays de la Loire and Provence-Côte d'Azur.

The report also indicates that the problem is being looked at by the regional and environmental authorities. But it stresses that much more research must be undertaken into the impact and prevention of coastal erosion, and that more funds are needed to help deal with this problem.

STRASBOURG NOTEBOOK

Michael Gallagher, MEP for Nottingham



Until I was elected to the European Parliament I had no idea so many organisations existed. My postbag every day contains dozens of pamphlets, briefs, appeals and memoranda asking for support for causes I didn't even know existed. Hundreds of people and causes think the European Parliament must have unlimited powers, world-wide, for solving the problems of El Salvador, blood sports, euthanasia, birth control, abortion and the Bah'ais.

One member of the old Parliament said on my election: 'If you were to save all the paper you receive until the next

election, then sell it, it would pay your election expenses.' The problem is I have not got sufficient storage space in my office. The quantity of material is so great that it is impossible to read it all, and I have not yet devised a method of putting it in any order of priority. I have also learned, since election to the European Parliament, that MEPs are supposed to have access to tickets to Wimbledon, rugby and soccer internationals and cup finals. Organisations, as well as individuals, also appear to believe we are walking charities.

'People think that the European parliament must have unlimited powers, world-wide for solving the problems of El Salvador, blood sports, euthanasia...'

Like Members of the House of Commons, we are asked to take up all sorts of causes and solve problems. I got much satisfaction recently in securing compensation for the Pole, now living in Mansfield, who was interned by the Nazis when they occupied his country. Whilst the period for making claims had long since expired, I was impressed with the speed and efficiency with which his claim was processed by the UN High Commissioner for Refugees in Geneva. My applicant was glad to receive 940 dollars in respect of a claim which I thought was well out of time.

I am now dealing with another unusual case. A German visitor to my constituency bought a gas cooker and took it back to Germany. She had been charged VAT on the purchase in Mansfield. To her amazement she was charged VAT again in Germany, and was then told to reclaim the English payment. Much to my surprise, the English taxman has now paid up. Reviewing what was my former employment, and bearing in mind my present office as vice chairman of the energy committee, I

visited the mine nearest my home to see some of Europe's cheapest coal being produced from a seam 2.9 metres high and 195 metres long. On the coalface all the operations are fully automatic. The coal is cut by a single machine which has two huge cutting discs. Powered roof supports are moved forward automatically as the face advances, and a series of conveyor belts transport the coal direct to the winding ship. Twenty-eight men produce 13,000 tonnes of coal each week from this single face. Having visited coal mines operated in other European countries, I state that nowhere have I seen the advancement in mining techniques that are in use within this coal mining area.

'When people know the facts of the Community they begin to see the necessity for Britain's membership'

The *Which?* poll on the British electors' views of the European Community, reported in EUROPE 81, made very depressing reading. In the last 21 months I have attended numerous seminars, conferences and meetings covering every type of audience. When people know the facts of the Community they begin to see the necessity for Britain's membership. But I am appalled by the average elector's ignorance of the true facts.

At a recent miners' seminar of 31 people, I gave them, before I spoke, a questionnaire of 10 questions about the EEC. The following examples give an indication of the public ignorance. Question: Which did Britain contribute the most finance to last year - EEC, NATO or Northern Ireland? The replies were: EEC 21. NATO 6. Northern Ireland 2. There was one Don't Know. (Northern Ireland, or course, is the answer.)

Question: Which of the EEC institutions has the most power - The European Parliament, the Commission, or the Council of Ministers?

Their replies were: 17 Commission; 11 Council of Ministers; 2 European Parliament. Again there was one Don't Know.

Which means that two-thirds were wrong.

During the summer I use my car a lot to get to the various meetings of the European Parliament and its committees. Whilst my passport clearly shows I am a Member of the European Parliament, I am consistently directed into the bay which enables customs officials to search my car. I am beginning to think the customs believe MEPs engage in a sideline of smuggling booze and cigarettes, because other British MEPs tell me they have the same problem.

MEPs are particularly welcome to respond to views and topics raised in this column.

EURO FORUM

OPINION

Creating new jobs

The employment situation in the European Community has been a cause of concern since the first energy price shock of 1973. The position has worsened recently, with unemployment rising by almost one-third over the past year to top the eight million mark.

This has given rise to social conflicts and inflationary pressures. Relations between the social partners and governments have been put under severe strain. The cost of cushioning unemployed workers against the world recession has been rising. At the same time, expectations of better working conditions which were created during the high-growth years of the Fifties and Sixties continue to be pressed by those who hold jobs.

There are no quick and easy solutions to this dilemma. Given that the scope for short-term budgetary action by governments to combat unemployment is limited, we must look to medium-term remedies to correct fundamental imbalances in the employment sphere.

This requires an extensive and imaginative mobilisation of efforts over a wide range of policy fronts. The European Commission has now agreed on a broad strategy which is designed as the basis for a constructive dialogue.

In the shorter term, the right of those out of work to unemployment and social security benefits must be maintained, but abuses should be tackled, including 'black' work. In the longer term, improvements could be made in the allocation of government expenditure, e.g. on training and the creation of jobs rather than simply paying unemployment benefits.

There is a need for greater solidarity among those who already have jobs, and between those with jobs and the unemployed. For example, wage negotiations should pay particular attention to the interests of low income groups. Similarly, the reorganisation of the working time of those with jobs could create new opportunities for the unemployed.

We must re-direct our capital, human resources and productive potential towards growth areas that will provide new jobs. There are significant opportunities in energy-saving and new forms of energy, as well as in information technologies and certain services. This in turn will demand more flexibility and mobility among workers, improved education and training.

It is on the basis of these ideas that the Commission believes the Community can survive the current crisis and create the conditions for more secure and satisfying employment.



IVOR RICHARD,
Commissioner for Employment
and Social Affairs.

TALKING POINT

Once again, the presidency of the Community's Council of Ministers has changed hands. The Presidency rotates between the member states each six months and on July 1 the United Kingdom took over the helm from the Netherlands.

The British presidency is likely to be dominated by discussions arising from the so-called 'mandate' whereby, in May of last year, the Council asked the Commission to carry out a detailed examination of the structure of income and expenditure under the budget. See pages (vi) and (vii).

The aim of this detailed examination is to avoid 'unacceptable situations' arising for any member state. As it was primarily the unacceptable situation in which it found itself in regard to budgetary payments and receipts which gave rise to the 'mandate', the United Kingdom has a particular interest in giving this issue a prominent place on the Council's agenda.

The British presidency will also have responsibility for steering negotiations on the Community's 1982 budget through the Council. In this exercise, the conduct of relations with the Parliament will be of singular importance in order to avoid a repetition of last year's debacle which had still not been resolved as Euroforum went to press.

The United Kingdom will also have a special interest in resolving the impasse in the way of the establishment of a common fisheries policy. The hold-up largely concerns access to certain British waters.

On the international front, the British Foreign Secretary, Lord Carrington, will have to deal with the follow-up to the Community's initiative on the Middle East. The second half of this year will also witness negotiations for the extension of the Multifibre Agreement, which will have an important bearing on the employment situation in the Community, not least in the United Kingdom.

Lord Carrington also has a special interest in promoting political cooperation and the closer coordination of the member states foreign policies.

THE MONTH IN EUROPE

External Relations

Parliament sets deadline for Turkey

The European Parliament passed a resolution at its April plenary session in Strasbourg demanding the suspension of the Community's association agreement with Turkey unless democratic institutions and practices were restored there within two months.

The elected government in Ankara was overthrown in a military coup last September and in its wake both the European Commission and the Council of Ministers expressed their concern that the military regime's guarantees about respect for civil rights and the restoration of democratic institutions be observed and followed up without delay.

The Community's interest and concern is all the more justified in that Turkey is unique in having an association agreement with the Community which is designed to lead to eventual Turkish membership.

In its resolution, the Parliament said it considered that there had been no move towards the restoration of democracy in Turkey despite the assurances given by the military authorities in Ankara to the Community institutions.

External Relations

Cut-price food offer to Poles stepped up

The European Commission has decided to add 50,000 tonnes of rice to the list of food products which it has offered to Poland at reduced prices to relieve food shortages there in response to a request from the Warsaw government.

It had already been agreed to make available to the Polish authorities between 500,000 and 600,000 tonnes of provision. This represents about 30,000 railway truck loads.

The amount of food involved is worth some £108 million but is being made available at up to 15 per cent below world prices. The purchases are being made with the help of £18 million from the Community's budget and credits worth around £86 million being advanced to Poland by Community member states.

The European Parliament has passed a resolution warning the Soviet Union that unless Poland is allowed to settle its internal problems without foreign interference it will demand the immediate reconsideration of the credit arrangements with the Community which the Soviet Union and its allies enjoy, and an embargo on the export to the Soviet Union of all modern technology.

Third World

Talks with ACP states help clear the air

Ministers from the European Community and the 60 African, Caribbean and Pacific (ACP) states who met in Luxembourg recently succeeded in clearing the air on a number of contentious trade and aid issues which have affected Community-ACP relations in the last few months.

Emphasis during the debates was on three major issues: trade, the operations of the system for the stabilisation of export earnings (Stabex) of the ACP countries and differences over the Community's sugar policy and its impact on ACP exports.

It was agreed that trade issues will be dealt with by at least three special working groups. The first of these will look at ways of increasing ACP exports to the Community. While the Community ran up a trade deficit with the ACP worth about \$4 billion last year, this was essentially due to oil imports from Nigeria. Other ACP states still import more from the Community than they export to it.

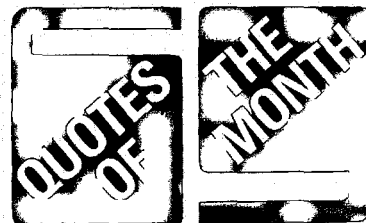
The second trade group will analyse the impact of the Community's generalised system of preferences on ACP exports. Finally, yet another group will study the possibility of concluding long-term food contracts which would enable

'One cannot speak of real European unity as long as countries like Spain and Portugal are kept out of it. Unless they are included, one will not be able to speak of a Community but of alliances'.

— Sandro Pertini, President of the Italian Republic.

'The Community must be aware that closer relations with the Mediterranean countries demand choices in the trade sphere. The cost may be high and all member states will have to make their contribution. The real problem is not whether it will be necessary to pay but how to share the burden between the member states, and particularly between the regions of the enlarged Community.'

— Lorenzo Natali, Vice-President of the European Commission.



'The Federal Government does not feel directly concerned by the problem of the location of Parliament'.

— Helmut Schmidt, Federal German Chancellor.

'Some of our European partners' industries are facing grave problems, including massive unemployment caused by Japanese exports, and this should lead Japan to exercise moderation so that such industries are given at least a breathing space. Europe must get rid of all protectionist tendencies, but also concentrate its efforts on exporting to Japan.'

— Kjeld Olesen, Danish Foreign Minister.

'What we need is a new aim. Now that we have an economic Europe, we must start getting down to building political Europe, that will also enable us to undertake new economic initiatives.'

— Walter Scheel, President of the Europa Union, former German President.

ACP states easy access to Community food surpluses.

The meeting noted that the Lomé Convention's system for the stabilisation of ACP export earnings - Stabex - was currently under considerable strain. Requests for transfers overshot the available funds last year, prompting ministers to agree to a 20 per cent increase in the 1980 Stabex allocations.

Under the Stabex system, the Community compensates ACP countries for loss of export earnings on certain products due, for example, to natural disaster or a collapse in the world price.

Situation of refugees deteriorates

The European Commission is sending emergency aid of £7 million to help refugees and other displaced persons in five African countries - Somalia, Zaire, Sudan, Nigeria and Uganda.

The decision has been made in response to requests for aid made by affected countries or by humanitarian organisations following a large increase in the number of refugees in Africa as well as the displacement of a large number of Ugandans within their own country.

The situation is particularly serious in Somalia where it is estimated the total number of refugees could be as high as 1.5 million. Most of these are from Ogaden. The majority of the other refugees are Ugandan.

The alarming deterioration of the situation in Africa has given rise to a major increase in emergency programmes co-financed by the Community in recent years. Its financial aid nearly quadrupled between 1979 and last year to around £21 million, while food aid tripled to more than £11 million. More than half the Community's emergency aid for refugees throughout the world is currently going to Africa.

On the same day as it voted new aid to the African refugees, the Commission also decided to contribute 5,000 tonnes of wheat, worth around £405,000 to the World Food Programme to help with the relief of around 1.5 million Afghan refugees in Pakistan.

Following this, it voted a further £8 million to help these same refugees, as well as £2,700,000 for the victims of civil strife in Kampuchea.

Community food aid programme gets go-ahead from Brussels

The European Community's 1981 food aid programme for Third World countries has now been adopted. The £326 million programme covers aid in cereals, skimmed-milk powder and butteroil sent to about 40 countries in the third World.

Community food aid, including about one million tonnes of cereals, 150,000 tonnes of skim milk powder and 45,000 tonnes of butteroil, is designed to meet three basic objectives - immediate assistance for the victims of natural disasters and the growing number of refugees and other displaced persons, long-term efforts to raise the nutritional standards of the populations in the Third World and finally, contribution to the overall economic and social development of the recipient countries, particularly those with an annual per capita GNP which is below \$600.

Commission experts recognise that the Community's food aid programme is still inadequate compared to the real needs of the developing countries. Third World requests for Community assistance exceed by far the amounts of cereals available every year. Total demand in cereals aid for 1981, for instance, came to about 2 million tonnes, compared with the 927,663 tonnes which were available for such aid.

The 1981 food programme shows a marked increase in allocations for African countries which face serious food shortages. The amount of aid given to Africa in the coming year will increase by about 40 per cent to reach 234,000 tonnes, instead of the 168,000 tonnes given in assistance last year. Approximately 95 per cent of the Community aid focusses on the poorest of the developing countries.

The Commission has pointed out that at least some of the aid in cereals sent to Third World countries had been found to be unfit for human consumption. It intends to establish a blacklist of Community firms which are found guilty of such malpractices.

Direct responsibility for controlling the quality of food destined as aid falls not on the Commission but on the national intervention agencies which buy the cereals from private stocks held by major firms.

Community funds

Aid for Greek earthquake victims

Greece is to receive £1½ million in emergency aid from its partners to help victims of earthquakes which hit the country in February and March of this year.

At the same time, the European Commission has decided to make £43 million available to Greece in the form of loans benefitting from a 3 per cent interest subsidy for the reconstruction of the damaged areas.

In mid-April, the European Investment Bank, the Community's long-term lending institution, announced that it had made its first loans to Greece's since its accession to the Community last January.

The money, totalling almost £20 million, will go to small and medium-scale industries, towards the development of industrial estates and towards energy-saving projects in industry.

Energy

Consumption down while GDP grows

The Community of Nine last year saved 44 million tonnes of oil equivalent which means it cut its total energy consumption by 4.6 per cent. Yet, at the same time, it increased its gross domestic product by 1.3 per cent and industrial production fell by only 0.5 per cent.

In previous years since determined savings programmes have been implemented as a result of the oil crisis, a drop in energy consumption has tended to go hand-in-hand with a drop in GDP and an increase in GDP has been accompanied by a rise in energy consumption.

The fall in energy use last year is attributed by Eurostat, the Community's statistical publication which has been measuring the trends, to more rational utilisation of energy, the deterrent of rising energy prices, warmer weather and structural changes caused by the steel crisis.

The biggest energy savings were

THE MONTH IN EUROPE

made in the United Kingdom (9.2 per cent) and Denmark (5.9 per cent) and the smallest in Italy (1.2 per cent) and France (1.3 per cent). In relation to individual energy sources, the use of nuclear power increased by 14.5 per cent. There was a drop in the use of all other sources with the exception of coal, which increased by 0.5 per cent. The drop in oil consumption was an encouraging 8.7 per cent.

Ever since the quadrupling of oil prices in 1974, oil has played a crucial role in the Community's balance of payments. Just how crippling this has been was revealed recently by the European Commission in reply to a European Parliament question.

In 1973, just before the hike in prices, oil imports into the nine member states - Greece was not then a member - represented 1.7 per cent of gross domestic product. The estimate for 1980 is 4 per cent.

In money terms, imports cost £8 billion in 1973. The figure for last year is expected to reach £43 billion.

Political Parties

Socialists say No to SDP

The United Kingdom's new Social Democratic Party, one of whose leaders is Roy Jenkins, former President of the European Commission, will not at the moment be accepted as a member of the Confederation of European Community Socialist Parties.

This is because the British Labour Party, from which the bulk of the new party's members have broken away, is an active member of the Confederation. Nor is the SDP a member of the Socialist International which is a prerequisite of membership of the Confederation.

The SDP has not yet applied for membership either of the Socialist International or of the Confederation.

Transport

New motorway link for Greece?

The Community may make a financial contribution to the construction of a Motorway in Austria, a non-member state, which would be an important road link between the newest member state, Greece, and its nine partners.

The European Commission has recommended to the Council of Ministers that negotiations be opened with Austria for the conclusion of a general agreement for cooperation in the field of transport.

This would cover the regulation of passenger and goods transport by road and rail, the development of infrastructure such as the motorway, and tax matters.

The Institutions

MEPs angry over site stalemate

The European Parliament has deplored the failure of the Community's 10 heads of state and government to agree on a permanent single seat for the Parliament.

The Ten agreed to maintain the status quo, which means that the Parliament's 434 members must continue with what has been described as their 'travelling circus', dividing their time between Strasbourg and Luxembourg, where plenary sessions are held each month, and Brussels where its committees meet.

In a report on the Parliament's own budgetary control, British European Democrat Peter Price pointed out that the Parliament had only spent £65 million out of the £74 million in its budget for last year.

While this was partly due to the late adoption of the budget because of a row between the Parliament and the Council of Ministers, which between them decide the overall Community budget, he claimed that a lot of money could have been saved if the Parliament did not have the extra expense of moving its members and secretariat of more than

1,000 between its present three places of work.

He said that the decision of the heads of state and government at Maastricht had shown a 'flagrant disregard' for the taxpayers of Europe.

Inadequate funds

The European Regional and Social Funds are not large enough, in the view of the European Commission, to make a tangible contribution to reducing the differences existing between the various regions of the Community, an aim enshrined in the preamble to the Treaty of Rome. In the absence of adequate backing for these funds, the Commission stresses the need for better coordination of all Community and national funds designed to help backward regions.

THE NEWS IN BRIEF

Trade with India

Negotiations on a commercial and economic cooperation agreement between the Community and India have been completed. The five-year non-preferential pact, which will replace a 1974 agreement, is expected to be formally signed later this year. In the first 10 months of 1980, Community exports to India were about £1 billion, compared with imports of some £800 million.

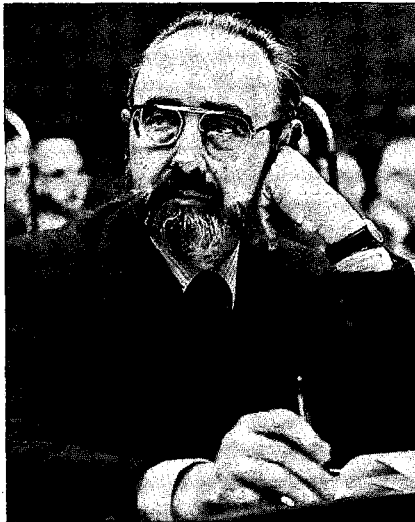
Slow-moving

More than one-fifth of the proposals for Community legislation which the European Commission has submitted to the decision-making Council of Ministers over the past five years are still awaiting approval. Of the 2840 proposals submitted up to March 1 last, 2242 had been adopted, 109 had been withdrawn by the Commission and 489 were still pending. At least once a year the Commission re-examines all proposals still awaiting decision and withdraws those which are no longer relevant.

Aid for Fishing

The European Commission has granted aid of around £11 million for 172 projects designed to modernise the European fishing industry. The money will be spent on the construction and modernisation of vessels.

Another British member, Richard Balfe, who is a member of the Socialist group, supported this remark but pointed out that there was no use in complaining about waste of money on three different work places when the Parliament itself frequently chose to hold meetings in other places as well.



Edgard Pisani, a Frenchman, has been appointed Commissioner for development and co-operation (relations with developing countries) in succession to Claude Cheysson, who is now Foreign Minister in the new French government.

Trade

Food exports to USSR to be renewed

Trade in agricultural produce between the Community and the USSR, which was disrupted following the Soviet invasion of Afghanistan more than a year ago, is to be normalised.

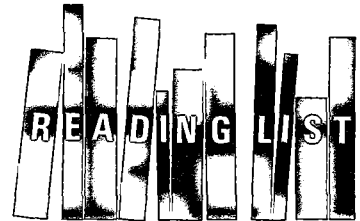
In January of last year the Community decided to support President Carter's embargo on sales of agricultural produce to the Soviet Union by agreeing that the Community would not step up its trade to the USSR, thereby replacing American produce and undermining the American political stance.

Following the decision by President Reagan to lift the embargo, the European Commission has decided that there is no longer any need to maintain the restrictions on Community exports.

This means that the Commission is reintroducing for trade with the Soviet Union the system whereby potential Community traders tender for export certificates which carry with them export refunds to compensate them for the lower price the Soviets are prepared to pay.

The normal refund policy will apply

to exports of surplus cereals, for which there is most demand, beef and poultry. But it will not for the present be applied to dairy produce such as butter and butteroil because stocks are currently low.



Regional Development

Fifth annual report - 1979 - on the European Regional Development Fund. In the report the Commission describes how the fields of action of the fund developed in 1979, and gives details of fund assistance in the member states.

Ref: From HMSO.
ISBN 92-825-2054-4 £5.00.

Developing Countries

Generalized preferences for the Third World. This useful leaflet explains how SGP works.

Ref: European file 9/81.

Industrial Policy

An industrial strategy for Europe: a leaflet outlining the different ways the European Community is striving to overcome the problems of industry.

Ref: European file 10/81.

Statistics

Eurostat review 1970-1979. This new Eurostat publication presents in a single volume the main statistics showing how the European Community has developed over the last ten years.

Ref: From HMSO.
ISBN 92-825-2119-2 £5.50.
Statistical Office publication programme for 1981: lists of both official publications and internal documents.

Ref: Eurostat - Programme 1981

Transport Policy

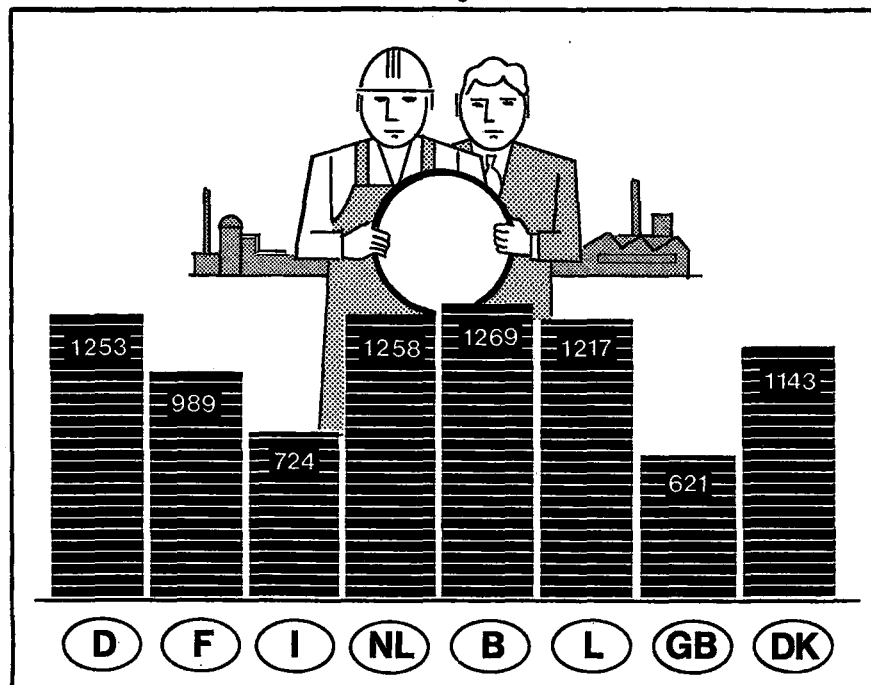
This booklet explains the working of EEC transport policy. It also gives an idea of the many problems still to be solved both at member state and Community level.

Ref: European Documentation 2/1981.

For further information, please write to the Information Unit, Commission of the European Communities, 20 Kensington Palace Gardens, London W8 4QQ.

The cost of labour in the Community

Monthly costs for manual and non-manual workers in industry in 1978 (in ECU; 1 ECU = 54p).
Figures for Ireland and Greece not available.



EUROPE AND YOU

The Commission unwraps its package for reform

On 30 May 1980 the Council settled the problem of the 'unacceptable situation' created by the United Kingdom's contribution to the Community budget for 1980 and 1981. It undertook to solve the problem for 1982 onwards by means of structural changes, and gave the European Commission a mandate to submit proposals to this end before 30 June 1981. The Commission has now tabled its proposals for the European Council to consider.

First it considers that the budgetary aspect does not give the full picture. The budget is neither a reflection nor a measure of Community activity. For this reason it has placed the solution to the problem referred to it in what it sees as its true perspective, which is the strengthening and development of Community solidarity.

The Commission is convinced of two things: first, that its size and its capacity to persuade make the Community strong; and second, that the time is ripe for proposals and action. It is not pleading for a strengthening of the Community as an end in itself. It sees it rather as the only course open to member states on the domestic, Community and international fronts.

The Commission is aware that the present crisis will not yield to half-measures or short-term remedies. This is why its report to the Council is comprehensive and why the various sections – on the future of the institutions, changes to existing policies and guidelines for new ones – are equally important.

Because its suggestions will take time to produce results, the Commission proposes a transitional solution to prevent a recurrence of unacceptable situations within the Community. In the introductory section, it sets out the reasons compelling the Community to use its strength to loosen the external constraints that bind it. Two principles govern its future – solidarity and consistency. The Commission goes on to stress the importance of the institutions' working towards fulfilment of the political alliance entered into by each member state when it signed the Treaties.

For 1982, the Community is pledged to resolve the problem by means of

structural changes. If this is not achieved, the Commission will make proposals along the lines of the 1980 to 1981 solution, and the Council will act accordingly.

The Commission's report recognises the importance of two pillars of the European venture – the single internal market and the common agricultural policy. But, in the face of the present problems, it considers that progress must be made in new areas to make up for lost time. A comprehensive Community strategy would open up new prospects for stable, long-term growth and fuller employment. This strategy would be built around the following framework:

First, consolidation of the zone of monetary stability which the Community is taking pains to construct, notably by making rapid progress towards a fully institutionalized European Monetary System. Second, development of a modern and dynamic European industry, based on full exploitation of the economies of scale and the security provided by a genuine internal market, and on industrial strategies substituting Community cooperation for fragmented and isolated national policies.

Thirdly, production of energy, particularly new forms of energy, which with the industries involved in developing them offer an unparalleled opportunity for growth and employment, and a means of reducing the cost of imports. The Commission intends to propose that precise targets be set to achieve energy savings, to diversify production and to provide the necessary infrastructure. To finance these measures, better co-ordination of national financial resources, and more money from the Community, are a must. It also proposes an

original and probably unique Community contribution to the development of new industries and technologies and an active competition policy to serve as a source of co-ordination and economic convergence.

Finally, the Commission considers that there will be no expansion of Community activities as long as the Community budget remains artificially hamstrung by the current limit on resources.

The Commission believes that Europe cannot make a new start until it puts its house in order – in other words, until it solves its budgetary problems. It reviews the main areas of Community activity – the common agricultural policy, regional policy, social policy, borrowing and lending – and comes up with precise guidelines which would allow rapid Community action in these areas.

For agriculture the Commission advocates a price policy based on a narrowing of the gap between Community prices and prices applied by its main competitors, and a hierarchy of prices designed to improve the balance of production. A corollary to this would be an active export policy designed to stabilise world prices at a more satisfactory level. This would involve the signing of long-term export contracts, which would, in turn, encourage the emergence of a strong, well-organised agri-food industry.

The fixing of a production target for each product would reflect the degree of self-sufficiency of the volume of exports desired.

Arrangements to contain output would vary from product to product. The possibilities include a system resembling that now in operation for sugar, payment of a reduced intervention price above a certain threshold (in cereals, for instance), an extension of the co-responsibility principle (in milk products, for instance).

Income subsidies would be introduced in certain circumstances for small producers. The problems facing the Mediterranean area, precisely because of the dominance of agriculture in its economy, come in for special attention. Market and structural policies can help, but they cannot deal single-handed with a set of problems which reflect a specific economic context.

This is why the Commission is planning to propose medium-term Community programmes combining measures to tackle incomes, markets, pro-

duction and structures. These would be devised in close collaboration with the member states concerned to allow incorporating of national and regional objectives. These programmes, which would harness the Community's agricultural and financial instruments to one and the same task, could be submitted to the Council and Parliament before the end of 1982.

The Commission believes that, if these reforms to the common agricultural policy are carried through, the growth rate of agricultural spending would fall below the growth rate of resources available to the Community.

On the regional and social fronts, the Community needs to spend more to better effect. It proposes that Regional Fund assistance be concentrated on the most deprived areas, via integrated programmes, but not to the detriment of regions with declining industries. National measures taken to correct the regional disparities which persist in even prosperous Member States must accord with Community terms of reference.

In the social field, the Commission proposes to give priority to Community measures which top up national measures, and thus ensure that the Social Fund is focussed on areas where Community assistance will be more valuable and effective than a combination of national measures or the duplication of national and Community measures. This instrument must also allow for the economic and social situation in the Community, and be used in conjunction with other Community instruments, particularly as regards structural policy. The Social Fund's resources must also be concentrated more specifically on job creation and vocational training, via comprehensive programmes, rather than individual projects.

The Commission is also proposing guidelines for improving the operation of the Community's borrowing and lending instruments.

But the Commission feels that the package of agricultural and structural measures which it is proposing, albeit a step in the right direction, will take some time to bear fruit. This is why it is also proposing a medium-term solution to ensure that the problem of fair returns for member states does not deadlock the normal decision-making procedure.

After careful analysis, the Commission has decided not to propose a general financial mechanism. Instead it advocates a remedy to the problem caused by the pattern of production and consumption in the United Kingdom, which means that it benefits less than

The main points in brief

- A new financial mechanism related to the low level of agricultural spending in the UK, which would cut Britain's budget contribution until new policies have developed
- Greater concentration of the Regional Fund's resources, to focus on regions suffering most from underdevelopment
- The possibility of financing such a mechanism from those member states which receive most from the Common Agricultural Policy
- Big expansion of the non-quota section of the Regional Fund
- Narrowing of the gap between Community farm guaranteed prices and world prices
- Use of the Social Fund for job creation
- An active food export policy
- Increase in Social Fund resources
- Limitation of guaranteed farm prices with production targets
- Expansion of the European Monetary System, with all member states participating
- Possible income support subsidies for certain producers in specific circumstances
- Elimination of remaining trade barriers
- Support for priority research programmes in energy, food, and environmental protection

its partners from the Common Agricultural Policy.

The Commission is proposing a special financial mechanism based on a demonstration of solidarity towards the United Kingdom by member states more fortunate in this respect. Compensation for the United Kingdom would be assessed by comparing its share of the Community's gross national product with the proportion it obtains of EAGGF Guarantee Section expenditure.

Action to stop 'unfairness' to UK, says Gaston Thorn

In his announcement of the European Commission's proposals, made in Luxembourg on 23 June, Gaston Thorn, President of the Commission, singled out Britain as being faced by an unfair budgetary situation. He pledged special corrective measures until that situation was put right.

Mr Thorn compared Britain's position with that of Germany, four-fifths of whose budget contribution finds its way back in repayments. He added that the proposed reforms should be seen in the context of recommendations for changing the CAP arrangements, so that

more funds are made available for development of the poorer regions.

With Europe facing its worst crisis in 30 years, said Mr Thorn, the Community needed to make new efforts to meet the situation, or it might not survive.

'The Community is running out of its own resources' — Tugendhat

At a press conference in London to explain the new Commission proposals, Christopher Tugendhat, commissioner for budgets, declared that the European Community 'is running out of its own resources in the most literal sense of the term.'

Mr Tugendhat went on: 'To increase "own resources" the parliaments of all ten member states would have to ratify an extension — and if the Community went on as it is, they wouldn't.'

That is true now. It was *not* a relevant consideration in 1977, when the Commission last proposed fundamental changes to the CAP, because we weren't then coming up against the ceiling. That is why it is no longer a question of whether there should be changes or not. It is a question of what sort of changes there will be.'

EUROPEAN REVIEW

Tuning up with a common chord

Euripides, Mairead, Castrillon, Stefano, Christophe, Matthias, Michael, Anders, Merijn and Karen may come from ten different countries, but they are going to see a lot of each other this year. They are all violinists in the 1981 European Community Youth Orchestra.

This is the orchestra's fourth season, and 130 of Europe's best young musicians have been chosen from some 4,000 applicants from all over the European Community. They will have the unique opportunity to play together under world renowned conductors in concerts in Britain, Italy, Germany, France, Ireland and Greece. They may even spend Christmas touring South East Asia and China.

The European Community Youth Orchestra (ECYO) sprang from an all-party resolution agreed by the European Parliament in 1976, with the idea that the Community cannot exist solely as an economic and political union, but should be strengthened by cultural bonds. A particularly effective way of carrying the message of European unity, it was felt, would be through youth and the performing arts.

So the ECYO was established to bring together young musicians of the highest possible standard from the member countries of the Community to perform each year in its major cities, demonstrating the co-operation and creativity of European youth.

The Orchestra is sponsored by the European Commission, member states, governments and the private sector. Its patrons are the Prime Ministers of the 10 member countries. Its president is the former British Prime Minister, the Rt Hon Edward Heath. He points out that as well as the satisfaction of playing together with fellow musicians of their own generation and seeing so much of Europe during their tour, the young musicians in the ECYO recognize the responsibility which falls upon them for upholding the musical standards of our cultural traditions. The ECYO brings humanity and spiritual nourishment to the economic and business life of the Community.

The orchestra performs under the auspices of the International Festival of Youth Orchestras Foundation of Great Britain and its musical director is the distinguished conductor Claudio Abbado. After an initial period of financial difficulties, in 1979 the ECYO visited the major music festivals of Europe and played to acclaim in Salzburg, Berlin, Venice, Copenhagen, Avignon, Ghent, and London.

As one critic has said: 'The best of Europe's youngsters are today reaching a level of technical proficiency and musical accomplishment that can only be described as phenomenal...'

In 1980 the orchestra played in Salzburg, Stuttgart, Belgrade, Siena, the Royal Abbey of Fontevraud, the Lucerne Festival, Luxembourg, Amsterdam, and the Edinburgh Festival. An ECYO Chamber Orchestra of 40 players has been formed from the cream of the ECYO. The orchestra has also been promised a Eurovision showing every year for one of its concerts.

A tour of the USA this Easter had to be cancelled because of lack of financial help, but the orchestra instead toured Sicily and the earthquake zone of Italy, giving concerts of works by Mahler, Mozart, Bartok and Bruckner to raise money for the relief fund, but also, in Avellino, for the earthquake victims themselves, their friends and rescuers, in the hope of bringing some relief to their misery. They were also invited to a private audience with the Pope at the Vatican.

One aim of the ECYO is to give Europe's best young musicians the chance of working with some of the world's finest conductors, who will inspire them in their musical ambitions and increase their awareness of the musical aspects of European culture. This summer the orchestra will work

with the conductors Rafael Kubelik and Daniel Barenboim, as well as with Claudio Abbado.

In July in London, Dublin and Cork, they will play Schubert's Unfinished Symphony, and Mahler's 1st Symphony. At St Alban's Abbey (UK) in August they will play Berlioz's *Te Deum* - a performance to be recorded live by Deutsche Grammophon. Then in Athens they will play Ravel's *Daphnis and Chloe* (2nd Suite) and Schuman's 4th Symphony. They will perform the same works later in the month at Lake Como and Frankfurt, and end the summer tour at Berck-sur-Mer with Schubert and Mahler.

If the Christmas tour goes ahead as planned, these young musicians will rehearse in Manila in the Philippines for 10 days before giving concerts in the South East Asian capitals and going on to give performances in China.

The composition of the orchestra varies from year to year, depending on the quality and quantity of musicians available in each Community member state. The turnover in 1981 is 52 per cent.

The Orchestra is ideally chosen on the merit of the individual musicians, but the organisers do try to have as even a proportion of musicians from the ten countries as is artistically possible without seriously jeopardising the standard of the orchestra.

A panel of musicians in each country conducts preliminary auditions and then all finalists throughout the Community are auditioned by a selected panel which includes the associate musical director, James Judd. The competition and tour are fully subsidised, so no young musician should be prevented from taking part for financial reasons.

This year, six members of the orchestra come from Belgium, three from Denmark, seven from France, three from Greece (for the first time), six from Ireland, 12 from Italy, 17 from the Netherlands, five from Luxembourg, 24 from Germany and 44 from the United Kingdom.

The organisers believe that the experience of living and working together, developing friendships, and at the same time achieving a common goal - a Community Symphony Orchestra - will give these young people the musical chance of a lifetime, and, in the process, produce 'more enlightened Europeans, equipped to play a part in the welfare and betterment of the European and other Communities.'



'Protests and threats of strike action...'

The 4-hour lunch break – and why the Greeks take it lying down

It is impossible for the visitor to Greece to resist the Greek life-style. Many a businessman gets off the plane in Athens, resolute and energetic, his appointment-book full, determined not to waste a minute. However, in Greece he encounters a disconcerting experience – the siesta.

Afternoon business meetings? Greek colleagues refuse them, politely but resolutely. Deciding instead to fill the time with shopping, the visitor finds himself in deserted streets, facing lowered shutters. The significance of the little printed card displayed in shop windows becomes clear, even to the visitor with no Greek. It means 'closed'. Alone in his room, he finally admits himself defeated by local customs, and lies down. What a relief!

It's well known that in southern Europe the mid-day lunch-break is likely to be extended. In Italy and Spain it is considered bad form to make telephone calls between one and three in the afternoon. Even in France, which is hardly a completely Mediterranean country, the siesta is sacred from Cannes to Calais. Economic activity literally comes to a halt, or continues round a groaning table. There, over a delicious meal, people chat freely about things that, further north, they would prefer to discuss over the conference table. It is the local variant of the Mediterranean siesta.

The Greek-style siesta is different again. It generally consists of a fairly light mid-day meal, during which conversation frequently ranges from the drachma or the dollar to politics – virtually the national sport. But after the dessert, farewells are said and there is a

general move towards the siesta.

The Greek siesta also differs from the conventional one in its length. It is not unusual for it to last a full four hours. Everything stops. The shops shut around one or one-thirty, and do not re-open until five or five-thirty. On Mondays, Wednesdays and Saturdays, all purchases have to be made in the morning, because the shops stay closed for the whole afternoon and evening. In ministries and council offices, you scarcely ever find anyone after 2 pm on any day of the week.

The reason for this prolonged mid-day break, during which the streets are as empty as they are during a televised cup-final, can be attributed to the climate. In summer, temperatures actually reach 30°C by early morning, sometimes even 35°C. Who can bear to work in such conditions? True, the siesta goes on in winter as well, which implies that there is more to it than just climatic conditions. In reality, the siesta is a national institution.

But not everyone is happy with this situation. Large-scale industries have problems keeping machines and production lines going during the mid-day break. Banks, public services and import-export firms can't even answer the phone at a time when the rest of Europe is working flat out. In short, from an economic point of view, the siesta is an anachronism, a tradition that has been outdated since the invention of air-conditioning. In Athens, for example, it causes four huge traffic-jams a day, as tens of thousands of people make the journey between home and work four times over. Others, whose bed is too far away, follow the age-old tradition of taking their nap in the shade of the trees.

In recent decades, all governments have been opposed to the siesta. They have tried to persuade the Greeks to adopt the working patterns of northern Europe. None have been successful. Just recently, when Greece joined the European Community, the Karamanlis government did its best to abolish the siesta, or at least to reduce it to a more acceptable length. As soon as the news leaked out that the matter was under consideration, the trade unions reacted with violent protests and threats of strike action. The siesta held its ground.

The fact that the siesta is so passionately defended leads one to suspect that it means more to the Greeks than mere tradition. In fact, it is to the siesta that the Hellenes owe their staggering nocturnal vitality. The Greek dinner, which traditionally does not begin before 10 pm, is usually followed by a tour round the *tavernas* which can last until the small hours. The endless discos, night-clubs and bazuokia, the Greek version of the good old floor show, are regularly visited every evening. Only those who recoup in the afternoons the hours of sleep sacrificed at night can go on being part of the 'night-shift'.

It is easy to believe that the three or three and a half hours of work that the Greek system allows for in the early evening are not among the most productive. This period serves less for going on with what got interrupted by the siesta, than for organising the rest of the evening and night. So in the late afternoon the lines are jammed.

Staff in charge of offices and companies are resigned to the situation. Even the customer who goes into a shop in the afternoon must be prepared to be patient. The assistant will probably be on the phone, so he will have to wait. The energy crisis in 1979 gave the government an opportunity to attack the problem of the siesta from another angle. Since then, all night spots have had to close at 2 am. The pill is a bitter one for the Greeks to swallow. Previously, they never closed – least of all by night.

WELL DONE, OO-EEC!

Elda Stifani and Herbert Allgeier, who piloted the EEC entry in last month's transatlantic air race. Their time, 51 hours from Le Bourget to New York and back, placed them 12th on handicap in their class – against professional competition.



BE YOUR OWN BOSS? NOT THE BRITISH!

Britain has the lowest percentage of self-employed or family workers, according to the latest Community statistics – a mere 7.7 per cent of all employees.

Most other Community countries have double this percentage. Top of the self-employment table are Italy and Ireland, each with 28 per cent.

PROPOSALS FOR TEXTILES

In view of the loss of some 800,000 jobs in the Community textile industry, the European Commission has recommended that member states agree to a five-year extension of the Multifibre Agreement on imports, which governs the international trade in textiles.

In a communication to the Council of Ministers, the Commission proposes that the accord, which terminates at the end of the year, be extended. Other recent proposals have covered pacts the Community has made with Mediterranean supplier countries, and standardisation of the national rules on transformation of textile products. Future ones will cover the use of the Social Fund and Regional Fund to help the Community textile industry in the midst of crisis.

Figures released by the Commission indicate that between 1973 and 1980, 15 per cent of the firms involved in textiles in the Community, and 800,000 workers representing 25 per cent of the workforce, have been lost. The industry nevertheless remains important, in that it provides about 10 per cent of industrial jobs in the Community.

Can Europe achieve a common market for pharmaceuticals?

National regulations stand in the way of Community-wide authorisation of new drugs and medicines.

But things are moving, reports PETER O'DONNELL

The ten European Community states constitute the world's largest single market for pharmaceuticals. Or rather, they will as soon as they become a single market. So far, progress towards unification has been limited. But new proposals on pharmaceuticals may lead, before the end of the year, to the breakthrough awaited by governments, industry, and consumers: the free circulation of pharmaceuticals within the Community.

For the moment, the greatest impediment to a single Community market in pharmaceuticals

springs from the national controls on drug marketing. In the interests of protecting its population, each member state obliges anyone wishing to market a medicine to obtain an authorisation from the national authorities.

These requirements differ from one member state to another and are only of national validity. There is no effective Community mechanism for mutual recognition of national authorisations. So, at present, the common market for pharmaceuticals does not exist.

The pharmaceutical industry is anxious to see the benefits of membership of the Community extended to its products. It maintains that the duplication involved in having to apply separately for a marketing authorisation in each member state of the Community is costly and wasteful, and that the attendant delay in making new medicines available throughout the Community is a dis-service to doctors and to their patients.

In fact, there has been some progress in harmonising the national requirements for marketing authorisations. Since 1965 successive Community directives have established a common form for the application dossier, and common norms and protocols for the rigorous battery of analytical, toxicological, pharmacological and clinical tests demanded by national authorities in support.

But the greatest innovation came at the end of last year, when the Commission presented proposals to the Council of Ministers for a directive which would institute the mutual recognition of national authorisations. If adopted by the Council, this measure will allow a medicine duly authorised in any member state to be sold on the market of any other member state.

The Council must come to a decision on the proposals before December 1981, and the European Parliament and the economic and social committee are currently preparing their propositions.

But assuring access to a single market is not the only task facing the Community. 'The problems of medicine prices and reimbursement by the social security organisations are major barriers to free movement. The fixing of prices that are too low or the debarment of a

Production of pharmaceuticals is on a national basis—but the aim is a single market.



BEN JOHNSON/MOODY PICTURE AGENCY

medicine from reimbursement constitute just as effective a barrier as the refusal of a marketing authorisation,' maintains the EEC.

The view is echoed by the European Federation of Pharmaceutical Industry Associations, which insists that the 'elimination of distortions of an economic nature is essential for the establishment of the conditions of the free movement.'

The bulk of drug costs in the Community is met out of state-run or state-influenced health insurance funds. While no two systems are the same, the one point they all have in common is that they reflect national government concern to contain health care spending. The Treaty of Rome leaves intact the power of member states to take appropriate measures on pricing. But there can be violation of the treaty—as the European Court of Justice has confirmed—when a price system does not permit either a producer or a European Community importer to sell his product on the market of that member state at a remunerative price.

Intervention by the Commission has already led to some modifications in national pricing practices, and there is keen expectation of further moves in this direction. The

'The pharmaceutical industry is anxious to see the benefits of EEC membership extended to its products'

Commission has stated recently that it 'will continue its efforts to establish a transparent and orderly market in which price could play the regulation role proper to it.'

Community action is not directed uniquely at recalcitrant national governments. Pharmaceutical companies have been fined, both by the Commission and by the Court of Justice, for infractions of Community law relating to competition. There are also proposals for further Community legislation aimed at eliminating confusion in the European pharmaceutical market. In certain circumstances, according to the Commission, changes of product name or composition may impair competition, and the Council of Ministers has been asked to adopt a series of measures accordingly. Again, a decision must be made before the end of this year.

Now the activity is centred on the foreground questions. The two main lines of Community action, in the words of the Commission, are to create a single market and to improve its operation so that clearly defined rules eliminate distortions. The proposals currently under discussion are central to achieving those goals. For pharmaceuticals in the Community, 1981 is a crucial year.

□ Peter O'Donnell is European editor of Scrip World Pharmaceutical News.

THE PINTA ON YOUR DOORSTEP GETS THE OK FROM BRUSSELS

There have been allegations that Britain's doorstep milk delivery system is collapsing, or about to collapse, because of EEC action.

These stories are not true. The European Commission is convinced of the value of this system, and is confident that it will continue for as long as British consumers want it.

For many years the British dairy trade has been concerned with the costs and difficulty of maintaining daily milk deliveries to the consumer's doorstep. In some areas the frequency of service has been cut back. The rising cost of milk deliveries is the main reason why dairies have had to curtail this service.

The new fear is that unrestricted imports of ultra high temperature (UHT) milk might jeopardise the service. Imports of this milk to Britain are currently difficult, as all such imports have to be re-treated in premises licensed by local authorities before they can be sold in Britain.

The European Commission is now considering further proceedings, after the UK government had refused to change the British regulations at the request of the European Commission. In 1978 proceedings were begun in the European Court by the Union Latière Normande against the Society of French Dairy Farmers (as importers), on the grounds that British government regulations restricting the importation of UHT milk were discriminatory. Under the Milk and Dairy Regulations 1959 this type of milk was only allowed to be supplied by dairies licensed by British local authorities. Such licences are not granted to foreign dairies.

The Court's judgement avoided the main issues of licences for producers, and instead argued that Britain was entitled to prohibit the import of milk in metric containers until December 31, 1979.

Ultra high temperature milk has been heated for approximately one second at 132.2 degrees centigrade or, for imports, three seconds at 140 degrees centigrade, thereby making it sterile. This treatment is more efficient at eliminating bacteria than pasteurisation or sterilisation, and enables milk to last for up to six months unopened, thus making it a more viable product for importation.

The Consumers' Association are in favour of the availability of imported UHT

milk, on the grounds of increased consumer choice. Their one reservation is on health grounds. The House of Commons agricultural committee report suggests that it should be possible to import UHT milk into Britain, once adequate health standards have been laid down.

The Dairy Trade Federation, which represents Britain's dairy companies, argues that the availability of cut-price UHT milk in the shops would increase the level of shop purchases, which at present accounts for 9 per cent of milk bought daily in England and Wales and a rather higher percentage in Scotland, and would thereby make doorstep deliveries uneconomical. The Federation argued to the House of Commons committee that an increase in milk purchases coming from shops 'would increase the unit cost of the delivery system to the detriment of its maintenance.'

The Dairy Trade Federation argument is based on the premise that the widescale availability of cheaper UHT milk in shops would lead to a drastic change in consumer habits. But how far would consumer habits change? Surveys in the Consumers' Association magazine *Which?* (October 1980) found that, of nearly 1,800 housewives surveyed, almost 90 per cent said they would not switch from their daily deliveries to buying UHT milk. Of the 10 per cent who said they would change, most said they would switch only if it was at least 2 pence a pint cheaper.

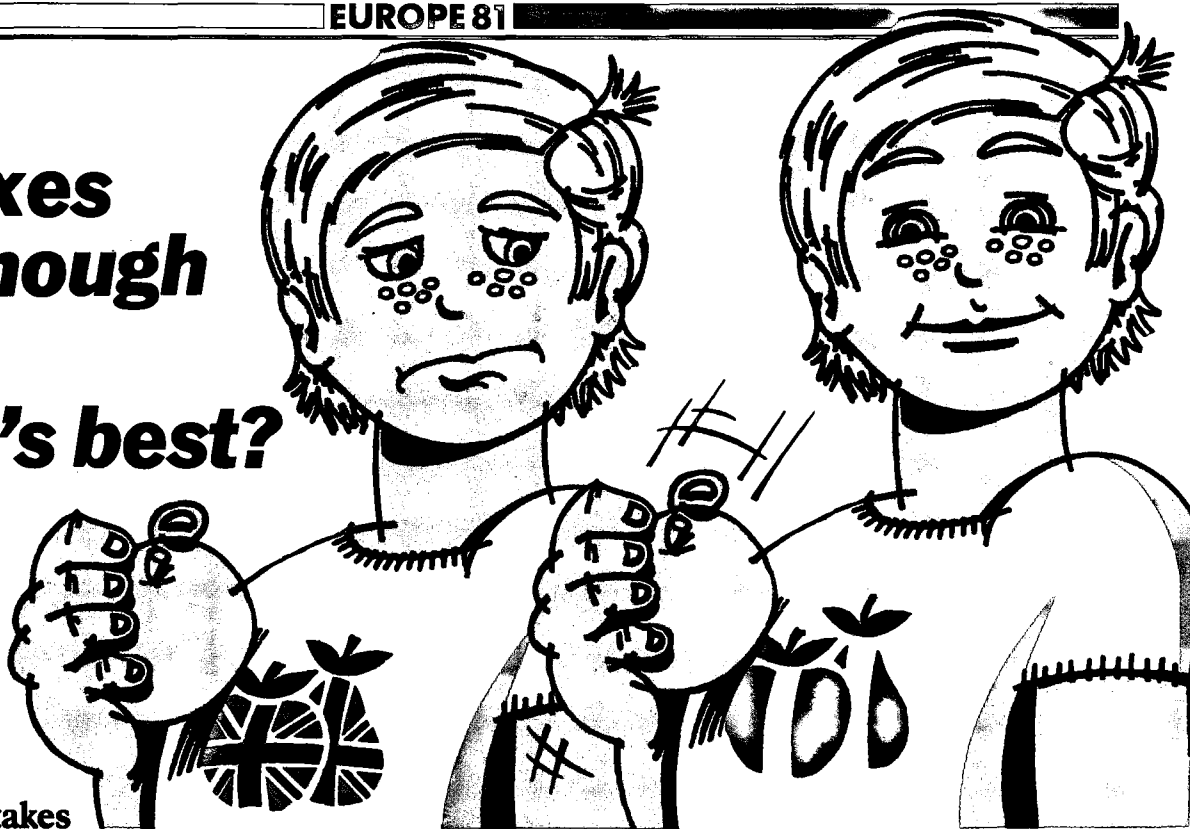
'90 per cent would not switch to buying UHT milk'

Flavour is an important consideration, as the Commons Agricultural Committee pointed out. They were told that UHT milk is disliked for its taste, and they gained the general impression that, at any likely price advantage, it was doubtful whether it would attract more than a strictly limited number of customers.

The cost of UHT milk in supermarkets compared with fresh milk will be quite crucial in determining how much of the market goes to UHT milk. French milk is relatively expensive because of a premium of about 2p a pint, which consumers pay to make milk production worthwhile in the winter months.

Are Coxes good enough to beat Europe's best?

JOYCE BETTS asks if we should really put our money on the national favourite in the Big Apple stakes



Six months ago I reported on the Golden Delicious campaign, and the British apple growers' plans to put up a fight for homegrown varieties. Those cheery posters – Brush Up Your English – began sprouting in shop windows and on market stalls. They even appeared on television.

In the past few months there have been efforts to promote English apples under a collective name – Kingdom. The Government helped by making £300,000 available for the promotion – and the French retaliated with an advertising campaign announcing Le Crunch.

Now, it is reported, retailers are none too happy at the outcome. Home-grown apples are not doing particularly well. The public go for competing varieties from countries like Holland – where they grow an excellent Orange Pippin – Italy, the US, and even Chile. French growers, determined to maintain their share of the market, have been sending over more of their Granny Smiths, which have also sold well.

And I have to say that, faced with a choice between native Coxes at 38 pence a pound and imported apples at about half that price, I myself have thought twice about buying British. Mr Ron Parker, director of fresh food for Tesco supermarkets, has been quoted as saying that British growers have been 'charging a premium and still giving mixed quality.' The Kingdom campaign has been criticised for letting the consumer down by allowing Grade 2 apples into what was meant to be a Grade 1 operation.

Viewers of the BBC's inquiry into the apple market in 'The Risk Business' at the end of May will have seen how hard English growers

have to struggle to stay in the game, now that the French have come up with such an impressive competitor to the traditional Cox. The Cox, indeed, begins to look like the wrong apple for English growers to persevere with. One Kent farmer, after reciting a catalogue of its shortcomings, declared: 'The Cox is an absolute swine.' I have never heard our dear little apple called such names before.

People in the trade are beginning to think that another strain ought to be developed which really does stand a chance in the aggressively competitive market in which they make their living. The Cox, it is said, is all right for the back garden – the sort of apple you like to eat straight off the tree, and never mind the bird-pecks and maggots – but it just won't do as a mass-marketed product.

'I have never heard our dear little apple called such names before...'

So the search is on for an English apple that does come up to the demands of a common market. At the agricultural research establishment at East Malling, in the heart of Kent's orchard country, they are patiently testing a number of candidates. A successful apple in the British home market apparently has to be crisp, of good shape and colour – pure green or ripe red – and capable of being stored in chilled conditions for long periods with no loss of taste. There are hopes for a

young contender called Jupiter, but it still has to pass some severe storage tests before anyone gets excited about it.

Meanwhile, those fruit farmers whose faith in the native product is undimmed – 'We can sell all the top-class Coxes we can grow,' says one of them – have to invest in the kind of hydro-kinetic equipment that gives other countries the edge in quality control. They also have to deal ruthlessly with ageing trees, continually replacing them with young ones, which bear the sweetest fruit. Some orchards, we are told, are staggering along with trees up to 25 years old.

The Women's Farmers Union, whose members are the militants of the campaign to beat the Golden Delicious, go around the retailers, checking on the quality and description of the fruit on display. The traders, they say, are not all playing the game. They put profit before patriotism, and devalue the home product by putting premium prices on inferior produce. Shoppers can see for themselves, if they take the trouble, that not all the highly priced English apples are of prime quality. The old trick of putting the best apples in the front of the box and filling the shopping bag from a barrel in the shop is still working.

These ancient practices seem to me quite as upsetting as the alleged dodginess of the French, with their under-the-counter help by way of cheap loans and subsidised bad-weather insurance for fruit farmers. In any case, is this sort of thing really against the rules of the Common Market? One man who thinks it is entirely legitimate is David Curry, MEP for Essex North West. He has defended what he regards as historic French practices in support of the farming industry, and puts ▶



most of the blame for British fruit farmers' troubles on the Cox, 'a very different apple from the Golden Delicious.'

If we can believe the arithmetic, it costs £130 to produce a tonne of English apples, and only £80 a tonne to produce the same quantity of Golden Delicious. So there is still a long way to go before polishing up our English means pushing out the French.

And not only the French. I lost count of the different countries whose names appear on the greengrocers' labels. So I rang the Apple and Pear Development Council, in Tunbridge Wells, and asked for a run-down on all the apple exporters whose fruit we eat at some time of the year. It's quite a list: Australia, Canada, Belgium, Luxembourg, New Zealand, South Africa, the Republic of Ireland, Italy, Denmark, Germany, Spain, Portugal, Greece, Hungary, Poland and the United States.

None of these come anywhere near the quarter of a million tonnes of French apples which we British get through every year. But they push up the total of imported apples to close on 400,000 tonnes a year.

The English apple season lasts from October to April. French apples start coming over in September, and are in the shops till June. The out-of-season market is a free-for-all. It does not need much working out to see what a battle the innocent little Cox has on its hands.

Bankers like the ECU

The ECU (European Currency Unit), the currency basket of the European Community, is emerging as a new parallel currency used in banking transactions and for investment purposes.

Lloyds Bank was the first in Britain to issue a certificate of deposit denominated in ECUs. The interest rate is linked to the market rate for ECU deposits. The market for such deposits is developing alongside that for Special Drawing Rights (SDRs) which, unlike the ECU, include the US dollar. Both units appeal to investors because their dependence on a basket of several national currencies makes them a useful hedge against currency movements.

A number of commercial banks are willing to settle ECU transactions directly, without passing them through the foreign exchange market, because the European Investment Bank functions as the source of supply and demand for ECUs. By contrast, SDRs have to be converted into US dollars or other currencies for settlement purposes.

BOOKSHELF

The Community Legal Order
By Jean-Victor Louis. Price £2.60.

The Old World and the New Technologies By Michel Godet & Olivier Ruyssen. £2.60.

The Finances of Europe By Daniel Strasser. £7.00.

All published by the Commission of the European Communities, and available from HMSO, Holborn Viaduct, London EC1P 1BN.

Eurostat Review 1970-1979. Prepared by the Statistical Office of the European Communities. £5.50.

In *The Community Legal Order* Jean-Victor Louis deals fully with treaties, acts and regulations, international law, and with the difficult and often touchy relationship between Community and national law. Lucidly set out, this book will be understood by both lawyer and layman.

The Old World and the New Technologies is summed up in its own subtitle: Challenges to Europe in a Hostile World. This book identifies prospects and problems as they affect the EEC now, and suggests a plan of action for the future.

Daniel Strasser's *The Finances of Europe* covers the history and development of finance, analyses legal texts, describes policy since the Community's inception, and examines annual budgeting procedure. The roles of such institutions as the European Investment Bank, the European Coal and Steel Community and the European Parliament are considered.

The statistical review for 1970-1979, *Eurostat*, is a new publication bringing together in a single volume figures and data relating to Community activities, ranging from finance and population to industry and foreign trade. The information is presented in tabular form, with numerous well-designed charts and graphs.

MORE EUROPEAN LOANS FOR SCOTLAND

The European Investment Bank, the European Community's bank for long-term finance, has granted a loan equivalent to £20 million to help finance construction of the Monkland motorway through Glasgow. In addition, it will go towards improvements to water supply, sewerage and sewage disposal systems in Glasgow and the southern part of the Strathclyde Region. The loan has been made to Strathclyde Regional Council for 15 years at an interest rate of 11.95 per cent.

Environmental benefits

These works will improve the conditions for development in areas which have been hit by a substantial increase in unemployment caused by the decline of traditional industries such as steel, shipbuilding and heavy engineering. The schemes also involve significant environmental benefits - reduction of traffic congestion in central Glasgow, and treatment to modern standards of effluent discharged into rivers and the Clyde estuary. The total cost is estimated at more than £100 million, towards which the EIB has already lent £32 million in loans.

Motorway access

Monkland motorway, east-west artery in the main road network linking the city with the rest of Scotland and the south, will give key industrial areas direct motorway access to services such as container depots, docks and Glasgow Airport. The EIB is helping to finance construction of the final stretch, which is just before the interchange with the A8/M8 and the M74/A74 for London.

The loan will also help to finance major water supply and drainage schemes necessary for planned industrial development in North Ayrshire. These include Hunterston peninsula and Irvine New Town, plus reconstruction and extension of sewage treatment works, which will provide up to date effluent facilities to meet the demands of modern industry in Glasgow.

The Commission has successfully controlled member states' own regional policies, and prevented regional aids from being applied to too large a part of each country. But in the big declining industries, and in agriculture, the subsidy tide has been too strong. For every 'temporary' aid properly notified to the commission, approved and then phased out, two more rise up in its place.

- Economist

If M. Mitterrand lives up to his election pledges, we'll have good reasons to raise a glass or two on this side of the Channel as well.

The first test will come inside the Common Market, where the new President promises to be less anti-British than his predecessor, and more willing to consider reform.

- Star

Any idea that we could tear up our commitments to the community and continue to trade with it as though nothing had happened is ludicrous.

Do the anti-marketeers ever stop to think how many millions of jobs in Britain are dependent on our membership and the fact that our economy is becoming increasingly integrated with that of Europe?

In the atmosphere of bitterness and anger that our withdrawal would create there would be little likelihood that we could persuade the EEC to maintain free trade in industrial products with ourselves.

Job-creating investment in Britain by American and other international firms would cease if we were to leave the Community, because we would no longer have free access to the whole Community market.

There is also the question of international trade bargaining. The world is entering a new era of protectionism. Countries which exclude themselves from the big trading blocs like the EEC will be in a weak position and must expect to be discriminated against.

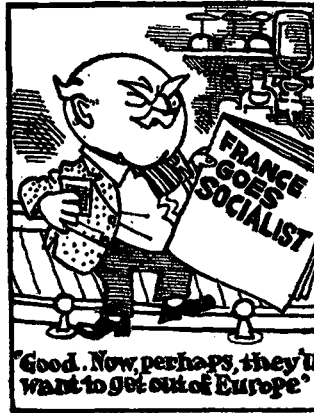
There is no realistic alternative to Britain remaining a member of the European Community.

- Dundee Courier

Margaret Thatcher has begun forging a new partnership with Chancellor Helmut Schmidt. It will mean Britain and West Germany working closely together inside the Common Market.

This new era of friendship was acknowledged on both sides as of great significance for the development of the EEC at a time of uncertainty following the French elections.

- Daily Mail



- Trog, in the Observer

WHAT'S IN THE PAPERS

The trouble is that Britain's entry into the Community more or less coincided with the onset of the world recession, set off by the 1973 increase in oil prices. In these circumstances it has been all too easy to blame the Community for Britain's troubles.

- The Times

Silkin-type questions are limitless and often sterile. They leave out of account altogether what for some of us remain the overriding political arguments for Western European unity.

- David Wood, in The Times

The crisis in the EEC Budget, the proposals for reform of EEC finances and the resultant pressure on the CAP, could lead to changes in the future which would have great importance for the Irish farmer.

Possible improvements in the CAP are currently being considered by the agricultural committee of the European Parliament, and the matter is likely to figure large in the debates of the whole parliament next month.

The urgency of EEC budgetary

reform is underlined by the fact that the EEC budget could go bust as early as next year. Expenditure could exceed the ceiling of 1 p.c. VAT contributions by the member states (which, along with the levies and duties of the Ten, comprise the entire resources).

The Irish Government would favour a lifting of the VAT ceiling to 2 per cent. But this is seen as no solution, really, since that ceiling could be reached by 1984-85, and anyway the more powerful Community members, including Britain and Germany, would not accept it, at least until there is fundamental reform.

Irish Press

Eurobees are about to get pots of money from Brussels to encourage them to make more honey. From July 1 beekeepers' associations from Denmark to Greece will be able to claim 1 ECU, the European unit, per hive each year - which works out in Britain at about 62p.

Already the bee bureaucrats have gathered some five million ECUs with which to pamper bees and their keepers between now and 1984.

The scheme will be administered

by the Intervention Board for Agricultural Produce, but the British Beekeepers' Association and other beekeepers' groups will be able to decide where the money goes - whether on feeding sugar, technology, marketing, or training.

- The Times

Britain's two Common Market commissioners have added their voices to demands that the Government withdraw the provisions of its Nationality Bill, which could leave British children born abroad stateless. Mr Ivor Richard and Mr Christopher Tugendhat have spoken out at the same time as the Legal Affairs Committee of the European Parliament has criticised the bill.

The European Parliament Committee noted that the proposal to restrict the right of British citizens abroad to transmit their nationality to children also born abroad could mean that some children might be born stateless.

The danger that children born to British couples would be made stateless arises from the fact that other EEC countries normally only give nationality to children after they are aged 18, or in some cases 21, when they would not have a right to a passport or the protection of any government in the event of their having to go abroad for education or work.

- Guardian

Male nurse Norman Imms won Common Market backing yesterday in his eight-year battle to become a midwife.

Father of three Norman, of Peterlee, Co. Durham, was rejected for midwife training by Sunderland Maternity Hospital because he is a man.

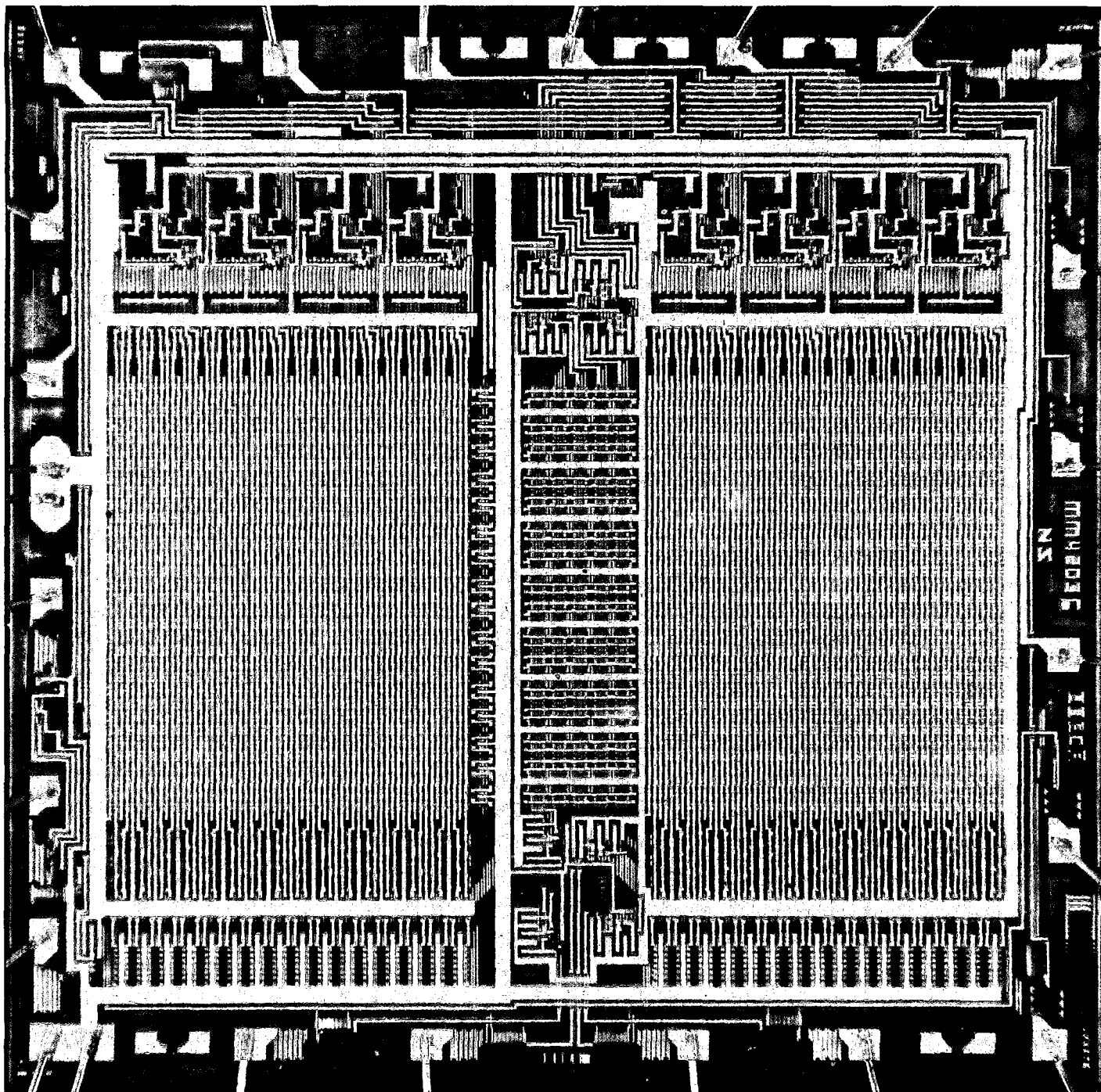
Yesterday the EEC legal division ruled that Britain was 'certainly not' complying with a Market directive to give equal opportunity to both sexes.

- Daily Mirror

'We cannot allow the budget to go on producing, as it does at present, redistributive effects which are entirely perverse - and which individual member states could not be expected to bear', he told a joint meeting of the Foreign Affairs Institute and the European Movement in The Hague.

'We must ensure that the broad pattern of net contributions and receipts for individual member states is tolerable, and not indefensible, he continued. 'Our basic budgetary arrangements should, I suggest, remain as now. But this new element needs to be added.'

- British Business



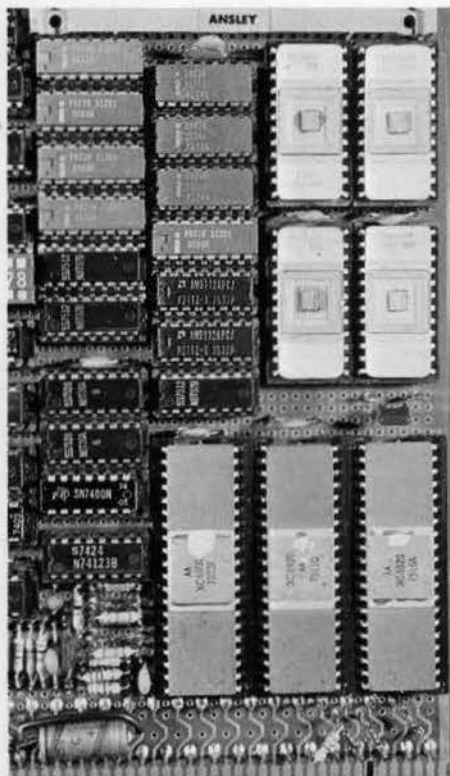
What chance Europe in the telematics market?

In the fast-approaching age of the micro-chip, Europe faces formidable competition from America and Japan, reports MICHAEL MOSSETIG

From Houston, Texas, to Hanover, West Germany, business executives have been looking at the office of the future – an array of computerised devices including word processors that type more than 600 words per minute, electronic mail and answering services, high speed copiers and printers, and desk top computers. The message from these

trade fairs is that the office of the future is already arriving at many corporations. The gadgetry in the exhibition booths provided the latest demonstration of how advances in computer technology, and in the computing power of a single silicon chip, are making the machinery small enough and cheap enough to become part of the ordinary office, and eventually the home.

While micro-chip technology advances, resistance also grows. In Western Europe in particular, governments and international bodies are adopting laws and codes designed to protect individual privacy as more and more information is stored in data banks and distributed around the world in fractions of seconds. And while the salesmen promote the



The micro-chip, as the enlargement opposite shows, is an elaborate miniature 'brain'. Mounted on a board (left) it becomes part of an integrated circuit. The picture below gives some idea of its scale – the chip is the segment in the middle.

office machines. National governments, European Community institutions and companies are trying to fight back. But, according to many experts, they face formidable challenges.

Since 1979, the European Commission has been trying to develop a common European strategy in 'telematics' – the fusion of telecommunications, micro-electronics, computers, and information. The Commission has been seeking approval from the Council of Ministers for at least part of the plan – a modest programme to co-ordinate support for European micro-chip research and manufacture. The second part of the plan – to develop common telecommunications standards and to open some national post, telegraph, and telephone equipment bidding to other European companies – faces heavier going in national capitals.

The official goal of the Community micro-chip programme is for Europe to increase its share of world-wide production from 6 to 12 per cent by the mid-1980s, and to reduce its present high level of dependence (from 65 to 80 per cent) on the imported product. Some government officials, corporate executives, and consultants think even those goals are considerably optimistic. They anticipate the Europeans will be racing to stay in the same place – to hold their present world share – even as national governments are providing about \$1 billion in direct support from the mid-1970s to mid-1980s, and even as corporate investment from such giants as Siemens and Philips comes to another \$1 billion.

Fighting for that small foothold becomes increasingly difficult as the technology advances. The original silicon chips of 1970 contained a thousand units of memory cells and transistors. Even the American companies which now dominate micro-chip technology risk being overwhelmed by Japanese competitors in the next round – the 64K chip with its 65,536 memory cells and transistors, which will supplant the 16K chip by the mid-1980s. Though still in its infancy, the 64K chip market will grow beyond \$1 billion by 1984, according to a *Fortune* study. Among the 16 companies fighting for a share of it are Siemens, Philips, Britain's Inmos, and France's Eurotechnique. But the epic struggle will be between the Japanese and Americans.

One indication of the Japanese advance is the increase in their European sales from \$12 million in 1976 to \$165 million in 1980, according to *Business Week*. Japanese companies have set up three silicon chip manufacturing plants in Europe, including Hitachi's factory in Landshut, West Germany. They join the 15 American-owned plants already operating in Europe.

Micro-chips have been described as the crude oil of future western economies. They are now finding their way into such diverse products as automobile dashboards and microwave oven control panels. The battle for supremacy and survival will affect scores of other vital industries in the next decade. For competitive and export-oriented companies in consumer electronics and automobiles, a six-month edge in buying into new micro-chip technology could mean millions of dollars in sales.

Most experts think the best opportunity for European companies is in mini-computers and microprocessors. Scores of European, American, and Japanese companies are already cutting into IBM's lead in this growing market, in contrast to IBM's dominance in large mainframe computers. Among the most vigorous competitors is the German computer company, Nixdorf. Last year it chalked up sales of almost \$700 million – and it was the only European company pushing its office systems and word processors at this year's Houston Fair.

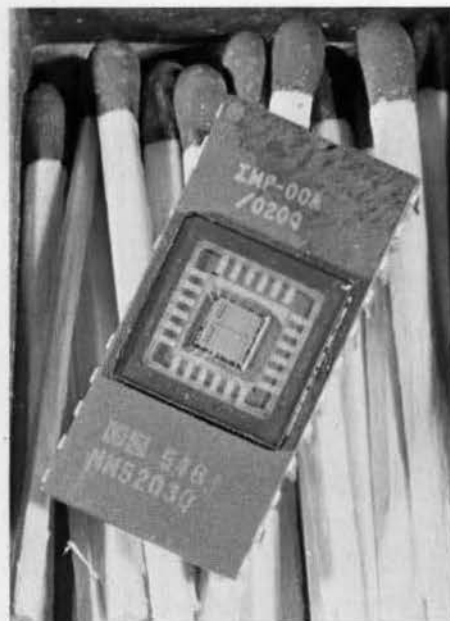
But, while the emphasis at Houston and Hanover was on hardware, politics is intruding more deeply into the European telematics scene. Far more than their American counterparts, European politicians and union leaders are trying to guarantee privacy safeguards and a trade union voice in telematics decisions. In contrast to the American practice of trying to assure privacy on a sector approach, as in banking and credit, European parliaments have tried to adopt omnibus data-protection laws.

They were originally aimed at curbing potential government abuses, the kind feared after the revelation that Germany's Federal Criminal Investigations Office was keeping computerised information on nine million people, or one-fifth the adult population.

But according to Business International (BI), an information service firm for multinationals, several countries have extended these laws to cover 'legal persons' or corporations. A recent BI report warned that such laws could be turned into a protectionist shield, behind which Europeans would try to develop their own data processing industry. The BI report also expressed concern that Germany's social democratic Government might yield to union demands for co-determination rights over corporate data banks.

The Council of Europe and the Organisation for Economic Cooperation and Development have each agreed on different sets of privacy guidelines. But national laws in Europe still vary widely, and Community officials have warned that without harmonisation there could be 'competitive distortions' among the Ten. Community efforts at harmonisation of privacy laws, held in abeyance until after the Council of Europe drafted its guidelines, will resume soon, officials have said.

The activities of unions in telematics are also having their effect on competition. The



capability of their products to improve productivity, trade unions are calling for stronger health and safety regulations and worrying that automation will increase employment.

These political and technological developments are among recent skirmishes in what some publications have called the 'information wars' of the 1980s. Countries and corporations will be fighting for supremacy – or survival of their industrial base – as information activities surpass traditional manufacturing in the 'post-industrial' Western economies. Western Europe now faces a double threat from American and Japanese companies in everything from the manufacturing of the basic computer chips to increasingly sophisticated applications such as robots and

'The Community aims to increase its share of world micro-chip production to 12 per cent by the mid-1980s'

German government, for instance, is sponsoring advanced research in industrial robots; but increasing union resistance during a time of rising unemployment has slowed their introduction into factories. German officials think their research and technology will prevail in the long run, but concede that the Japanese could grab the international lead in industrial robots in the next few years.

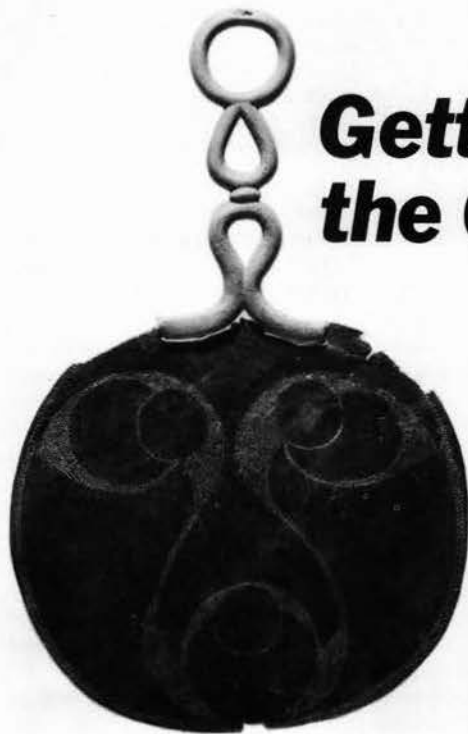
European unions have also been more adamant than most of their American counterparts in demanding health and safety regulations on computerised equipment. According to Tom Stewart, a London-based consultant, American firms such as IBM have initially resisted such interference, and then gone along with such changes as separating the keyboard from the video display terminal. These machines have been the particular focus of union scrutiny, because of unproven fears of radiation and because excessive or improper use can cause eye strain, headaches, and other ailments. 'This emphasis on human factors is slowing us up in Europe,' Stewart said, 'but when we get there, we will be better.'

One area where government promotion and regulation have given the Europeans an early edge is videotex – the link-up of computer information services to office and home television sets. Britain's Prestel service is the only national system in full public operation, with more than 9,000 subscribers. Test operations have been run or are planned in several other countries including France, Germany, the Netherlands, and Italy, where the national post, telegraph, and telephone systems have been promoting single national standards while trying to merge them into a common European standard. In the United States it is still a highly fragmented market.

Through such link-ups, businesses and homes will have instant push-button access to numerous data bases, ranging from computerised telephone directories in France to airline schedules, financial information, newspapers and news wire services, and corporate and bibliographic data bases.

But, even as such services help create the 'wired society' of the future, important national distinctions remain, according to Andrew Stephens, head of Prestel's international division. Tests so far have shown, he says, that customers in different countries have most frequently asked for different kinds of information. In Japan, most requests have been for horoscopes. In Britain, for stock prices and schedules of airline flights out of the country. In Germany, for government statistics. And in the Netherlands, for information on sexual therapy. ☐

Getting to know the Gauls



In London, an exhibition of antiquities from France includes such early European objects as a bronze mirror (left), an iron razor (below), a bronze bracelet (opposite), and a bronze helmet (below, right) strikingly similar to a modern miner's.

Celtic art is the achievement of a people whom we think of as barbaric ancestors. Their skills as metalworkers, jewellers and goldsmiths are apparent in the fine collection at St Germain-en-Laye. The cream of that collection is at present on loan to the British Museum. With other important Gallic objects from French museums, and finds made in Britain, it adds up to the most comprehensive exhibition of Celtic art ever to be mounted in London.

The lands of the Celts – otherwise known as the Gauls – extended from the British Isles across central Europe to Asia Minor, in the four centuries up to the Roman Conquest. The remains of these people are found at burial sites, where their earthly goods have been recovered from the graves. The richest of these are the *tombes à char*, in which the departed chieftain was interred aboard a two-wheel chariot. A reconstruction of such a burial is among the exhibits, including the iron tyres and harness of the chariot.

The collection at St Germain-en-Laye, 12 miles west of Paris, is housed in a building that has an unexpected link with British history. It stands on the site of a former chateau, used as a royal residence, which was the last home of King James II, who died there in exile in 1718. The collection owes much to the enthusiasm of Napoleon III, who set his troops digging just north of Chalons-sur-Marne, in the Champagne district, in search of Iron Age burials.

During the latter half of the 19th century some 12,000 burials were uncovered in the Champagne area, mostly from the later Gallic period known as La Tène. In spite of the relatively crude methods available, and the ravages of two wars, a quantity of marvellous objects has been recovered there. They form

the basis of the present exhibition, which will be on show at the British Museum until 13 September.

The Gauls, as Caesar was to discover, were a formidable people – 'madly fond of war, high-spirited and quick to battle', as an early historian said of them. Their graves usually contain a complement of weapons, notably spears and short swords, as well as tools for more domestic purposes. Metal helmets, looking oddly like a modern miner's headgear, are more rare. It is presumed that most warriors wore leather ones, which have inevitably perished.





Battle dress seems to have consisted of breeches and a light cloak, over which senior ranks might wear breastplates or chain mail. Few shields remain, though several iron bosses have survived. Iron shears, suitable for cutting hair, and a primitive form of iron razor, suggest that both men and women took some pride in their appearance.

Jewellery worn by the women includes neck-rings and bracelets. According to one chronicler, women were the equal of their men in any encounter. A Gaul's wife was 'usually very strong and with blue eyes, especially when swelling her neck, gnashing her teeth and brandishing her arms of huge proportions, striking blows mingled with kicks as if they had been bolts from the strings of a catapult.' This was the stuff that the early English warrior queens, Cartimandua of the Brigantes and Boudicca of the Iceni, were also made of.

Their pottery is distinguished by its elegant proportions and delicate engraving. But home-made wares rarely approach the quality of imported objects such as the British Museum's pair of beaked flagons. These reflect the Gallic passion for wine, imported from Greece and Italy, which they paid for in slaves – one slave for one jar, according to the Greek historian Diodorus. The beaked flagons, made in Etruscan workshops, are of bronze – superb vessels, made for a long and expensive carouse.

Exposure to southern cultures introduced the wealthier stratum of Gallic society to Greek and Etruscan art, influencing the design and embellishment of helmets, bowls, drinking vessels and ornaments. One famous example, the gilded helmet of Amfreville, which was fished out of the Seine in Louis Napoleon's time, introduces an important motif to the linear art of the Gauls – the

tendrils, used here to link triangular shapes in a whirligig chain.

From the south, too, came pieces of ornate coral, much in demand as decoration and for the magical rosinness of its forms. A fine gold torque from Mailly, found in recent times, has an inscription in Greek on its inner face seemingly listing other items available from the same workshop. Metalwork and coins ploughed up in Snettisham, Norfolk, include a large torque, very similar to the Mailly find. Other examples, of equally fine quality, have turned up in places as far apart as Denmark and Ireland.

The refinement of such work, and the appetite for beautiful possessions, says something about the Gallic mentality which is belied, to some extent, by their obvious belligerency. No doubt, in a hard world, survival took precedence over life-style. There is little comfort in the grim gods whose semi-human likenesses remain imprisoned in the limestone from which they are cut. It is easy to imagine such figures half-hidden in sacred groves, worshipped – as the poet Lucan de-



scribed them – with savage rites, 'the altars heaped with hideous offerings, the trees sprinkled with human gore.'

One figure, at least, suggests the dawning of a less captive intelligence. It is the bronze figure of a god, found in the river at Bouray-sur-Juine in 1845, which has so far defied all efforts by scholars to date it. The maimed torso glows like gold, squatting on legs that end in the hooves of a deer. One eye socket is empty. From the other, a coloured glass transfixes the spectator with an imperious glare. There is a torque around the neck, on which there sits a handsome, classical head. The barbarity of the Gauls, one feels in its presence, was not to last.

DENIS THOMAS

GOOD RED MEAT – OR HEALTH HAZARD?

Nitrates and nitrites are salts used primarily as medicines or as fertilisers. But the public is not generally aware that the red colouring of tinned meat, of ground meat and of a variety of sausages is the result of these ingredients. They possess a number of virtues – they help to preserve meat and add to its flavour – but there are also some negative aspects.

Experiments on animals have proved that these substances are linked to the formation of cancerous tumours. They attack primarily the oesophagus, the pancreas, lungs, liver, bones and the skin. Few portions of the anatomy may be left unscathed.

In a written question addressed to the European Commission, Mrs Squarcialupi, an Italian Communist member of the European Parliament, asked what measures have been taken to regulate the use of nitrates and nitrites and to substitute less harmful procedures for their use.

In its reply, the EEC Commission answered that it is aware of the problem and has asked the scientific committee on food products, an advisory group set up in 1974, to conduct a study on the problem of the presence of these substances in foodstuffs.

When the results of this study are available the Commission will judge whether special Community measures are required. It also underlines that research is under way in Europe and elsewhere to find new products to substitute for nitrates and nitrites, or to reduce their use to a minimum.

Letters

Towards a single Europe

I was very pleased to read in your April issue that European Commission President Gaston Thorn has expressed his views to the European Parliament on the future of the Community.

In my view, it is pitiful to see such a fine idea brought into disrepute because of the continual wrangling within, from which the Community can derive no benefit.

Do we want a successful Europe? And, if we do, ought we not to stop thinking in terms of individual countries and instead create a United States of Europe in which all peoples would be 'European Citizens' and not just British, German, French and so on, with one European Parliament to govern overall, and individual countries becoming constituencies or regions electing their members?

Like Gaston Thorn, I am sure that this is the only way to survival.

Edward J. Garland
Purley, Surrey

Jobs for the boys

I am a Business Studies student at Sheffield University. The other week a friend of mine introduced me to your magazine, and I was very impressed and intrigued, especially by the article 'Jobs for the boys?' – so much so that I'm now beginning to believe that perhaps the EEC is a good thing. Could you send me a copy every month?

R. K. Randev
Gateacre, Liverpool 25

... and girls

I must express my strong protest at the title of your article on the Youth Opportunities Programme, 'Jobs for the boys?' in your April issue.

What about the girls? Aren't girls the majority of unemployed youth? It is all the more depressing to find this sexist title in your magazine when a few pages further on you report on the debate on women's rights held by the European Parliament at their February session in Strasbourg.

I am afraid this is only a reflection in the media of a widespread mentality in our societies which pays lip service to women's demands as a separate subject, without integrating them into all areas of policy.

M.F. Wilkinson
23 avenue des Frères Eggrain,
1150 Brussels

Tourism rules OK

It is true, as Jack Waterman writes in his article on the growth of tourism, that the Lascaux cave is now closed to the public, probably for ever. But at least the French authorities are doing something to keep their tourists happy, by building a replica of the cave and its paintings on a site nearby.

How long will it be before the Greeks go one better and build a plastic Parthenon?

A. P. Appleyard
Liddle's End, Dorset

The Community is for real

Robert Jackson (May issue) is absolutely right. European *integration*, the creation of *common* policies, does require a painful effort. The keenness of industrial lobbyists to counter EEC consumer protection proves that the Community is for real, and not just engaged in the 'congenial task of co-ordinating sovereign policies'.

We must block our ears to the siren song saying intergovernmental co-operation is all you need. Otherwise, as Ralph Dahrendorf has said of another European organisation, the Council of Europe, the Community risks sinking into a long slumber from which it is unlikely to awake.

This is what its enemies would like, of course. But I, for one, fear the consequences for Europe of reverting to unbridled nationalism.

W. G. Meecham
Ealing, W.5.

Plea from a Don't Know

It's all very well linking anti-EEC feeling with ignorance (your feature in the April issue), but I am a pro-European, had no idea until I read your article 'When Don't Know means Don't Like' how our subscription to the EEC compared with other expenditure, and still do not know who my MEP is, nor how to contact him, nor even how to find out.

Perhaps more than just ignorant constituents are to blame, educated or uneducated. Perhaps, also, you could help me fill these gaps in my knowledge.

D.D.M. Soward
Ellesmere College, Shropshire

□ A free leaflet giving details of British MEPs and their constituencies is available from the European Parliament Office, 2 Queen Anne's Gate, London SW1H 9AA.

□ We invite readers' letters for this page, while reserving the right to shorten them, if necessary, for reasons of space.

BIG GRANTS FOR NORTHERN IRELAND FROM THE COMMUNITY'S SOCIAL FUND

The European Commission's first allocation of the 1981 Social Fund Grants for the UK has amounted to some £40 million. Money from the fund is used to assist vocational training, retraining and resettlement schemes in the member states of the Community, with special emphasis on helping the unemployed and young people entering the labour market for the first time, especially in poorer regions.

The Fund is oversubscribed this year, so the Commission has been unable to issue decisions on all the applications made.

Under the latest allocation of grants to the UK, £13,331,740 is to be allocated under the Youth Opportunities Programme in Northern Ireland. Another large allocation is to BSC (Industry) Ltd, which has been granted the equivalent of £1,000 per person to fund training schemes in private firms for 2,800 people who find themselves unemployed as a result of steel closures.

On a smaller scale, but nonetheless of great significance, is the allocation of grants for four schemes to help small businesses in rural areas of Scotland, including the Highlands and Islands, in Wales, and in assisted areas of England.

In addition to the £13 million grant made towards the cost of the Youth Opportunities Programme in Northern Ireland, the province has also been granted £3,280,602 for training 4,280 unemployed adults at government training centres and £1,049,745 for training 6,140 unemployed in Northern Ireland's private sector.