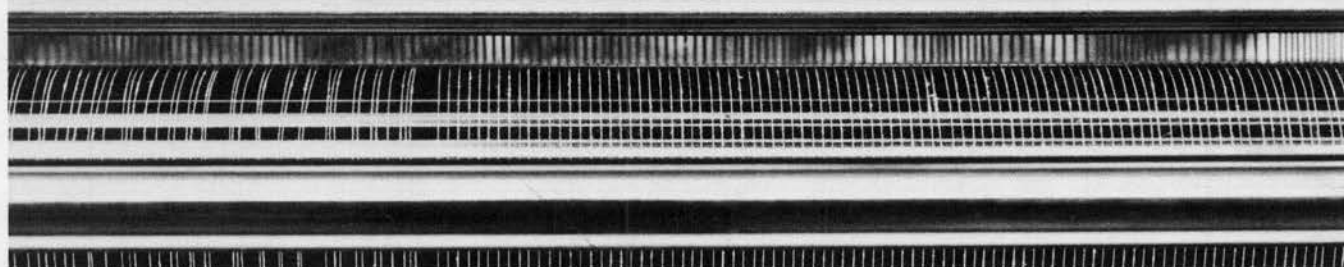


# Europe 81

No. 6

June 1981

## Hard times for Europe's textile industry



## Habitat and landscape – the first environmental film festival

**‘As far as the European Community is concerned the most important thing in the long run is free, duty-free access to our market, the largest market in the world’**

– CLAUDE CHEYSSON, former Commissioner  
for development and co-operation,  
in reply to a speech by Mr Robert Mugabe



### Canaletto in London

Europe's investment  
in Scotland

What has happened  
to the deutschmark?

The drive for new  
energy sources

EURO  
FORUM

# A role for Europe – from the Western Isles to Zimbabwe



Roy Stemman has been in Scotland, which is at the receiving end of several Community grants towards projects exploring the possibilities of alternative energy sources. His report starts on the page opposite.

What are the prime causes of the troubles in the textile industry? How best can the Community cope with the challenge of Third World and US competition? Shada Islam examines the difficulties which beset employers and workers alike (page 10).

Robert Mugabe, in an interview, outlines his plans for the Zimbabwean economy and indicates the role he sees there for the European Community (page 22).

Avignon in March this year was no place for a litterbug or a casual polluter; but John Greenwood was there to report on the first European environmental film festival, at which British entries received three awards (page 14).

We look, through the eyes of a German commentator, at what has happened to the deutschmark (page 17), while a French correspondent tells us that an increasing number of his countrymen 'feel more Breton or Basque' than French (page 12). Canaletto in London: Denis Thomas considers the work of the man who is perhaps the Italian painter most enjoyed by the British (page 20).

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*George Scott*

Iona is a sacred place. It is also cold and damp, which means that its famous cathedral and other ancient buildings are rapidly deteriorating. But help is on its way to the historic Hebridean island, in the form of an ingenious heating system which will halt the

## WHY EUROPE SEES SCOTLAND AS A GOOD INVESTMENT

**ROY STEMMAN** reports  
on Community help in the  
drive to make Europe  
self-sufficient in fuel

decay. It is just one of many energy-related projects which are receiving financial aid from the EEC in Scotland, which is already the largest UK recipient of European grants and loans, including help from the European Investment Bank.

**W**hen St Columba and his 12 Irish disciples settled on Iona 1,300 years ago, in order to bring the Gospel to Scotland, they transformed the tiny island off Scotland's west coast, into a place of international religious significance. In time it became the burial place for 48 Scottish kings, including Duncan and his murderer, Macbeth. Four Irish and eight Norwegian kings were also laid to rest there.

Iona now attracts a quarter of a million visitors each year, most of them Christian pilgrims, and the island's ancient buildings – mostly of medieval origin – have been restored to provide accommodation for them. The Iona Community, a group of clergymen and laymen, have masterminded this restoration. But their biggest problem is the climate: the granite stone stores the cold, and the mild weather produced by the Gulf Stream creates condensation. Large areas of green mould have appeared in the Abbey Church and most electrical fittings are rusty.

The remedy is one that St Columba and his disciples would doubtless have treated with scorn: central heating. But with the rising cost of fuel, the running costs of a conventional heating system on Iona are prohibitively expensive. So architects Ian G. Lindsay & Partners have come up with a scheme that utilises the cause of the problem – the Gulf Stream – to good advantage.

A heat pump is to be used which will take the sea water (at a constant 9 degrees centigrade) extract some of its heat and return it to the sea. The system will enable the Abbey to be heated to 5 degrees above ambient temperature, and the remainder of the buildings to 12.5 degrees – sufficient to provide fabric protection. It will also supply hot water for the visitors.

A grant of £33,000 has been made by the EEC to the Iona Community trustees towards the cost of the system, which should be operational by the end of 1982. It will be watched closely by other west Scottish concerns in a

Installation at Sullom Voe, formally opened last month by HM the Queen.



PHOTO: BP



BRITISH TRAVEL ASSOCIATION ▲

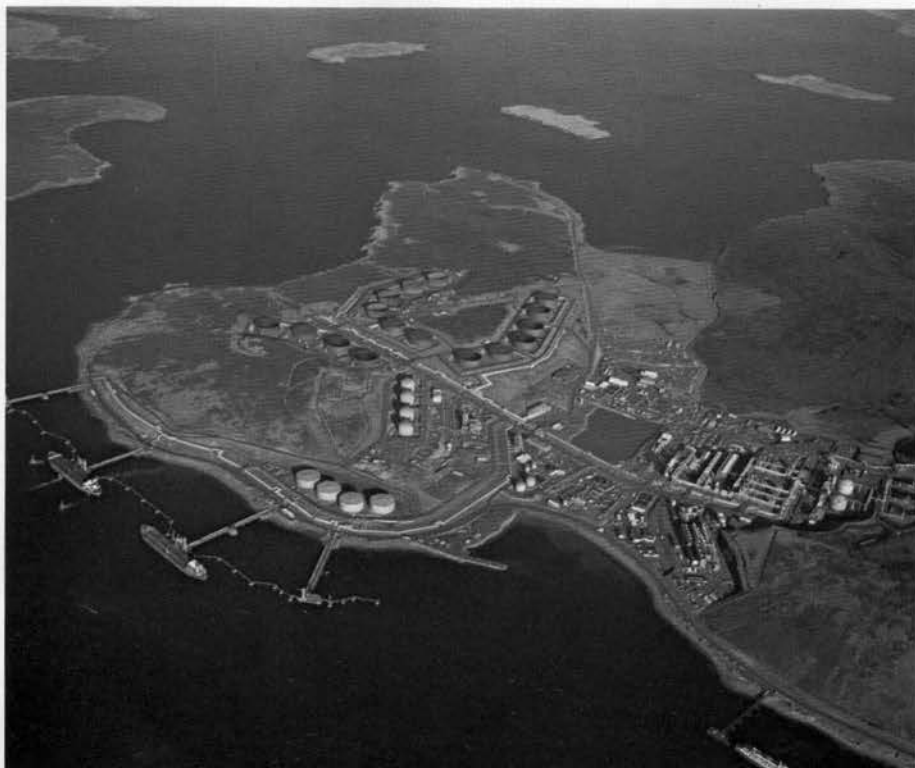


PHOTO: BP

More than half Britain's offshore oil will be coming ashore at Sullom Voe (left). Above: the Cathedral on Iona, soon to be heated from the Gulf Stream. Right: European funds have also gone into Sumburgh airport, on Shetland's mainland, including a terminal building (lower picture), to service installations.

position to dip into the energy resources of the Gulf Stream; for, although heat pumps are used quite extensively on the Continent, no other part of Europe has the same potential for using warm sea water.

Another source of 'free' energy is the sun. But most businesses regard solar power as having limited industrial potential at present. The domestic situation, on the other hand, may be very different. An Edinburgh firm of architects, engineers and quantity surveyors, Reich Hall Blyth Partnership, has won a Special Commendation in the first European passive solar competition, for its design of a group of houses on a south-facing slope close to Edinburgh Castle, in the city centre.

The scheme involves collecting heat from the sun in a large, communal glazed hall,



storing it in a swimming pool and massive brick walls, then feeding it to each flat. Supplementary electrical energy would be generated by windmills on the roof. Using these natural sources of energy, the annual cost of heating each flat would be just £36.

Although it won the special commendation, the project is no more than a concept on paper. The competition's awards did not include the finance to put such ideas into practice.

Wind, wave and solar power projects may be important sources of energy in the future, but the UK's fossil fuel reserves are sufficient to keep us going for a few more decades. Large sums of European money are being poured into Scotland to enable coal, gas and oil to be recovered from the earth, and to provide all the ancillary services and facilities which such multi-million pound industries require.

The importance of coal to the European Community was underlined in 1980, when the EEC introduced a new scheme to support development of particularly important coal production areas and projects, to meet the needs of the next century. And the first financial package deal was negotiated for Scotland. ▶



A £22 million 'soft' loan, and a £1 million interest rebate, were made to the National Coal Board by the European Coal and Steel Community (ECSC) for the development of new reserves and the extension of existing surface facilities at the Longannet complex in Fife. Announcing the deal in September, last year, Mr Christopher Tugendhat, EEC commissioner for budget and finance, said: 'Coal, sometimes thought of as dirty and old-fashioned, is entering a new era of development, modernisation and central importance for meeting our energy needs.' The Commission, he added, has estimated that by the year 2000 coal production in the Community will need to have increased by 25 per cent.

The UK is a major source of coal within the Community, accounting for 50 per cent of its production. The Longannet complex qualified for help because it supplies fuel to the Longannet power station, which gives Scotland three-quarters of its coal-fired electricity.

The reserves of Longannet's Castlehill pit were declining, however, and the NCB embarked on a £40 million project to sink a new shaft at Castlebridge and make other borings to the west, where there is an estimated 60 million tons of coal, to ensure that the power station's demands would continue to be met.

As well as providing essential coal, the scheme also guarantees the jobs of 1,000 Fife miners into the 21st century.

European money is not given or loaned just to increase output or open up new opportunities – it is spent on human beings, too. It is recognised, for example, that coal mining is a hazardous occupation that sometimes costs lives. When miners were killed in a pit accident at Longannet in 1975, the European Community gave a small grant to their children.

The ECSC is also anxious to safeguard the health of miners and steelworkers. So it has made several large grants to the Edinburgh-based Institute of Occupational Medicine so that it can study working environments, and in particular the development of pneumoconiosis and other lung diseases in coal miners.

Since it was formed 11 years ago, the Institute's main research interest has been the coal industry, and European grants have made an important contribution to its work.

Other energy-related projects which have been helped by EEC money – in the form of loans from the European Investment Bank – are the new Peterhead power station, which received £10.4 million, and the 425-mile Frigg pipeline, for which British Gas Corporation obtained a £47.8 million loan.

British Gas are also working on the most efficient way of making gas from coal, once North Sea supplies run out. In January this year, the EEC announced a £3,200,000 grant towards the £30 million project. The coal gasification research is being carried out at British Gas's Westfield Centre, Fife.

But it is the oil bonanza in the North Sea that has created the greatest activity and had the greatest impact on the Scottish economy.



## ...by the year 2000 coal production in the Community will need to have increased by 25 per cent

Most of the rigs are 100 miles off the Shetlands, a group of over 100 islands of which only 15 are inhabited. Together with the Orkneys, they were settled by Norsemen in the 9th century and ruled by Norway or Denmark for the next 500 years. Christian I of Norway pawned them in lieu of a dowry on his daughter's marriage to James III, and they became part of Scotland around 1468.

Because the rigs need to be serviced by helicopters, which have a limited flight capability, the Shetlands have become an important base for oil operations. A £1 million grant has been made by the European Regional Development Fund (ERDF) to enable Sumburgh Airport on Shetland's mainland (the largest island) to be developed to cope with the tremendous increase in air traffic which has come to it literally out of the blue.

Sumburgh was ideally placed to be a transit airport and it has had to grow to keep pace with the oil industry.

The scale of that growth can be appreciated by comparing aircraft movements at Sumburgh over the last decade. In 1970 the tiny airport handled 2,386 landings and departures: just a handful of flights a day. All were fixed-wing aircraft – not a single helicopter flew to the Shetlands in those days. Seven years later, aircraft movements had risen to 20,257 and Sumburgh also handled 18,496 helicopter flights to and from the island.

In other words, in 1977 it was handling more aircraft movements and passengers in a single month than it did in the whole of 1970.

To cope with such activity, a new terminal building has been constructed at Sumburgh to deal exclusively with oil-related flights. It handles more flights a day than Luton, Edinburgh, Birmingham, Stansted or Glasgow airports.

The Shetlands' capital is Lerwick, the most northerly town in the British Isles and now an important oil terminal. The ferry from Aberdeen used to tie-up in the harbour in the centre of this picturesque town; but the oil rush has changed all that.

Massive transportable roll-on/roll-off loads now arrive at Lerwick, and they go directly to the new terminal at the North Harbour, built with the aid of around £1 million from EEC funds. Even the little local ferry which runs between Lerwick and Bressay, an island half-a-mile away which shelters Lerwick Harbour, has been completely renewed with the help of European money.

The oil that is recovered from the North Sea comes ashore by pipeline at two main sites: Sullom Voe to the north of Shetland – now Britain's biggest oil port – and at Flotta, south of Orkney. An EIB loan of £16.9 million was made to the Shetland Islands Council for Sullom Voe oil tanker harbour. But that is a drop in the ocean compared with the total construction costs of the port – now estimated at around £1,200 million.

The terminal, operated by BP, was opened by the Queen in May. It is expected to receive 900,000 barrels of oil a day this year, which is more than half of Britain's offshore oil production. About 40 per cent is handled by British refineries, and another 40 per cent goes to Europe and the United States. Its capacity is 1.4 million barrels a day.

But not only the Shetlands are involved in the offshore oil industry. Aberdeen is bustling with activity, and some of the rigs in the southern sector can be serviced directly from the granite city. An ERDF grant of £330,000 has helped Aberdeen improve its port facilities. Over £1 million from the same EEC source has also gone to Haliburton Manufacturing and Services at Arbroath, which makes equipment for the petroleum industry.

The European Social Fund, which is concerned with the employment of workers, has given a £500,000 grant towards the cost of pilot courses in deep-sea diving at the Underwater Training Centre, Fort William. Diving technology has advanced rapidly as a result of off-shore oil exploration and the greater depths of water at which work needs to be performed. As well as improving standards, the Community money has helped reduce the risk of fatal accidents to divers.

Finding oil on the doorstep is all very well, but its recovery calls for colossal investment. European grants and loans at preferential rates have been of enormous help, and nowhere more so than the Shetlands, which have received hefty Community investment and encouragement. The irony of the situation is that Shetland was one of only two areas in Scotland which voted against Britain's membership in the 1975 referendum. E

## PERSONAL COLUMN

## Sir Peter Parker



**T**he Community has been lamentably laggard in responding to the transport imperative in the European context. There is far too little to show in practical evidence for the fine words of the founding fathers. They had the wisdom to recognise the crucial importance of transport in the life of the Community. Article 3 of the Treaty of Rome specifically requires 'the adoption of a common policy in the sphere of transport'.

Transport, and especially the international railway network, has a vital role to play in the reinvigorated EEC. For, as Lord Thorneycroft said in the March issue of EUROPE 81, the Community is the most powerful trading block in the world.

Trade, the basis of the concept of the European family, needs transport. The basic principles which have since evolved are to allow transport to function mainly on market economy principles, within a fair competitive framework, while at the same time making provision for social costs and benefits to be taken into account. In other words, the common transport policy adopts a 'mixed economy' approach.

Since the early Sixties, however, the European Commission has been struggling, a sort of slow-motion wrestling, with this priority. There has been an attempt to translate principles into reality along three main lines of action: promoting liberalisation of the transport market by the removal of quantity controls; striving to harmonise competitive conditions; and promoting legislation to compensate transport undertakings and in particular railways, for unremunerative 'public service' operations.

In the event, particularly in the UK, liberalisation has mainly preceded harmonisation, and a proper balance has not been achieved.

### 'Community and national legislation on drivers' hours and tachographs is not properly enforced'

For example, in our highly competitive domestic freight business we have seen the market distorted by the heavy lorry (as we told the British government's Armitage inquiry). The heavy lorry fails by a large margin to make a proper contribution to infrastructure costs. Moreover, Community and national legislation on drivers' hours and tachographs is not properly enforced. Even if it were, there would still be a long way to go to bring working conditions in road transport into line with those in railways.

However, I am glad to see some encouraging recent developments, particularly the initiative by the European Commission in the field of infrastructure. We hope fervently that

the combined efforts of the Commission, the railways and Members of the European Parliament will persuade the Council of Ministers to enact a proposal which has been lying on the Council's table for over four years: the setting up of a fund to aid transport infrastructure projects of community interest.

So change is in the air, perhaps. I am pleased to hear that our government is as concerned as I am. For Kenneth Clarke, our under-secretary of state for transport recently said in the House of Commons that 'we should like to make more progress in the right direction' when speaking about transport infrastructure within the Community. The group of nine – now ten – European railways have themselves sorted out railway priorities; and at the top of the list is the welcome, business-like proposition of the Channel tunnel.

Historically, the 'Chunnel' has been a saga for over 100 years. BR and SNCF three years ago started the debate anew, and there are several competitive ideas under review now – but in fact *all* the likely ones have rail in their strategy. The BR/SNCF scheme for a tunnel is both modest in concept and modest in cost. It provides high-quality facilities at a provisional estimate of £765m (at 1980 prices). The investment, shared between Britain and France, would be spread over a seven-year period and show a rate of return, in real terms, of just below 10 per cent.

The tunnel would consist of a single-track railway tunnel and service tunnel, constructed along the route already established by earlier studies. Trains would be phased through the tunnel, and bring the centre of Paris to within only 4½ hours from the centre of London. Brussels will be less than 4¼ hours' journey. In freight the link will add a vital arm, for the whole of the UK, with bulk trainload and Freightliner services providing a core to the movement of goods across Europe.

### 'In our highly competitive domestic freight business we have seen the market distorted by the heavy lorry'

The British Parliament's select committee on transport has published a report recommending a single-track tunnel dedicated to conventional rail traffic – a solution corresponding very closely to that which BR/SNCF have developed, although the committee favour a larger bore as possibly being in the longer-term national interest. The final decision on whether such a fixed link should be provided, and if so what form it should take, must rest with the British and French governments themselves.

The tunnel priority is perhaps the most sensible – and incidentally the most spectacular – illustration of that transport imperative for Europe which I began with. I have written from a rail point of view, but it is transport infrastructure as a whole which matters. The 'rubber wheel or steel wheel', argument is stale and unproductive. We must work together in a more purposeful, constructive and European way.

□ Sir Peter Parker MVO is Chairman, British Railways Board.

# 'Since 1975, Scotland has received £166.5m from the European Regional Development Fund...'

**Hostility to the Community is said to be strongest among the Scots. GEORGE YOUNGER, Secretary of State for Scotland, points to the benefits – especially north of the border**

**T**aking Britain into the European Community was a fundamental aim of successive governments from 1961, yet membership remains a political football. Controversy should have ended in 1975, when we voted by more than two to one to stay in the EEC.

The recent *Which?* survey, reported in the April issue of *Europe 81*, showed a depressing ignorance of Britain's relationship with our partners, which may be a commentary upon the failure, or unwillingness, of some politicians to move public discussion about the Community forward from the arid debate about whether Britain should be in or out.

The *Which?* survey claimed that a substantial majority thought that EEC membership had been bad for Britain, and Scotland was the area most hostile towards the Community. But how much worse things would have been for Britain in the Seventies, during which the world economy seemed for ever in recession, if we had not had free access to the Community market of 250 million consumers, and had faced the repeated economic storms alone.

The Community, as the largest trading bloc in the world – accounting for 37 per cent of world trade if intra-Community trade is included, or almost 20 per cent if trade between the Ten is excluded – can work effectively to limit trends towards protectionism, and can combat unfair trading practices better than an individual state. In international trade, the Community's common interest is far greater than the marginal sectoral disagreements which may divide us. I am confident that the new dialogue with Japan will lead to an improved balance of trade in our favour.

Membership has also helped alleviate the social consequences of the decline of some of our major traditional industries, especially steel, shipbuilding and textiles. Pressure from the UK led the Community to impose temporary compulsory production quotas in the steel industry and to restrain steel imports.

Although each member has to improve the efficiency of its own steel industry, restructuring can only be achieved within an orderly European market. The Community's action ended a price-cutting war between the European steel industries which could only have ended in disaster for us all.

There could be cash aid, too, for the Government have applied for a contribution from the European Coal and Steel Community towards the £170 million being spent by BSC on



## A good haul for Scottish fisheries

Scotland is the biggest beneficiary from the grants made in April for 53 fishery projects in the United Kingdom, totalling £2,456,698. The grants have been made to help coastal fisheries, with priority given to regions facing particular difficulties in modernising their fishing industries.

Of the 53 projects to which cash has been allotted, 24 are in Scotland, 16 are in County Down, 12 are in England and one is in Wales.

Of the Scottish projects, 20 are for building or improving fishing vessels. The other four are for salmon fish farming in Argyllshire and the Isle of Skye.



early retirement schemes and redundancy payments.

Community action is also helping the textile industry. Well over two-thirds of imports of textiles and clothing from low-cost sources are now covered by 41 bilateral agreements negotiated by the European Commission under the Multi-Fibre Arrangement.\*

But in the face of ruthless political attack, it will not be enough in the years ahead for the Community to rest on the laurels of past achievements, or just to offer its citizens little more than shelter from the extremes of the world economic climate.

Unemployment can't be cured by magic, and weaknesses must be attacked at a national level. Yet the Community can help create the conditions for recovery, and it must complement national measures. All the institutions of the Community are aware that, while bringing down inflation must continue to be the top priority, measures are needed to assist those groups hardest hit by unemployment.

We in Britain get substantial assistance from the European Social Fund, with a number of projects for training, retraining, resettlement, and job creation - in fact about a quarter of the total aid available last year, totalling £135 million, bringing the cumulative total of grants to over £537 million, much of which has been spent in Scotland.

Scotland also derives considerable benefit from the European Regional Development Fund. Since it was established in 1975, Scotland has received £166.5 million from it out of total grants made to the UK of £566 million. From the first allocation of ERDF grants for 1981, which amounted to £81 million, Scotland received almost half.

All of these benefits of membership are undeniable. Our emerging economy would be cast down in ruins if it stood on its own in the Eighties.

Currently, over 43 per cent of our trade is within the EEC - up from 29 per cent in 1973. In 1980, for the first time since we joined the Community, we enjoyed a trade surplus with our partners, and the improvement was by no means exclusively attributable to our oil exports. If we pulled out of Europe, our trade with the EEC would be severely disrupted at a cost of hundreds of thousands of jobs in Britain.

Withdrawal would cripple investment from countries like Japan and America. They invest here because of the European market. If free access to the much larger Community market was in doubt, they would take their money and jobs elsewhere. Scotland's high proportion of multinationals means the Scottish people would be particularly hard hit.

Since 1973, nearly 50 per cent of all North American investment in the EEC has been in the UK. Nissan's new plant will serve the whole of Western Europe. They are not looking here because we are British, or Scots, or Welsh, or English, but because we are Europeans!

Opponents of membership have long said

\*See special report, page 10.

# BOOKS

**The German Social Democratic Party 1875-1933.** By W. L. Guttsman. Allen and Unwin, £18.50.

The tragic history of the great German Social Democratic Party is certainly worth a book and, in fact, has been the subject of many. From its proscription by Bismarck to its destruction by Hitler, attacked from the right and later from the left, the party survived through its solid organisation and its support from the trade unions. After the National-Socialist terror it emerged again in the Federal Republic to capture power indefinitely in the Seventies. Mr Guttsman is a sympathetic analyst of its chequered experience before 1933, and anyone wishing to understand the curious mixture of socialist theory and conservative practice which characterised the party would do well to read his book.

If one then asks 'What went wrong?', it remains hard to give an answer. On the whole, the SPD believed in the right things, but these led it to tragedy. Perhaps it behaved too normally in abnormal times; a new mode of politics was needed which it could not supply. But that dilemma was not confined either to Germany or to Social Democrats.

**Paris and the Provinces: the politics of local government reform in France.** By Peter-Alexis Gourevitch. Allen and Unwin, £18.00.

Ever since Jean-Francois Gravier's *Paris et le désert français* - a genuinely original book in its time - the question of decentralisation in France has been a subject of political controversy and political manoeuvring. This was the issue that unseated de Gaulle in 1969, and, since then, French politicians have preferred to let it alone. In fact, to deprive Paris of its predomi-

nance over the political and administrative scene would also be to deprive national politicians, either in power or hoping to attain power, of their gift of patronage. Hence extreme reluctance on all sides to surrender the means of pressure habitually exercised by the metropolis on the peripheral areas of France. Professor Gourevitch has written an interesting book on this ever recurrent subject, though perhaps he does not realise the dead weight of history to be shuffled off by reformers in this area.

**Spain: Dictatorship to Democracy.**

By Raymond Carr and Juan Pablo Fusi. 2nd edition. Allen & Unwin, £12.50, £4.95 (paperback).

This second edition of a standard work on contemporary Spain was published before the recent attempt at a coup d'état. Nonetheless, as the final words of the last chapter indicate, the authors perceived the approaching danger, created in large part by the terrorist campaign in the Basque provinces. Now, one may suspect, although the immediate peril has been averted by the resolute behaviour of King Juan Carlos, the army has not said its last word. It is a pity because, against all historical precedents, the transition to democracy in Spain had been carried out with good sense and moderation on the part of the political parties (including Senor Santiago Carillo's Communists) and the various interest groups concerned. If only the Basque provinces had behaved like Catalonia...

There are a number of good books on Spain in English. This intelligent work adds to them and provides a most useful guide to events which, alas, may quicken.

A.H.

we have ceased to be masters of our fate. Talk of 'Europe imposing things upon us' is plain nonsense. No major piece of Community legislation can be enacted without the consent of the British Government.

In more and more areas, progress in European co-operation will have a substantial benefit for our citizens.

I hope to see a liberalisation of air fares between the Community countries, and the Government will also, during the British Presidency, be trying to ensure a freer market for services such as insurance.

Much still remains to be done in completing the common market on goods in the Community, and many non-tariff barriers to trade are still a real impediment for some smaller

firms trying to export to the Community. I believe, too, the next few years will see an improvement in the working of the Community labour market, with a greater notification of job vacancies between Community countries.

I believe we must play an assertive role in guiding the Community into new fields of activity, and be prepared to take better advantage of the incomparable opportunities which our membership offers.

There is much good coming from the Community, and I will ensure that the people of Scotland continue to benefit and are kept aware of the true extent of this bonus.

□Abridged from *The Scotsman*.

Europe's embattled textile industry faces a number of challenges. Some of these are being taken up with Third World textile-producing countries in Geneva, in negotiations for renewal of the rules which have regulated world trade in textiles since 1974. Others

will involve Community policy-makers in bilateral trade discussions with the American administration. Nearer home, steps will be taken to modernise Europe's textile industries, to adapt them to changing requirements.

## Hard times for Europe's textiles

**Stiff competition from the Third World and America is forcing European companies to take action, reports SHADA ISLAM**

The last twenty years have been particularly difficult ones for Europe's textiles industry. Competition has come from the Third World, where clothing and textiles manufacture requires only modest capital investment and is labour intensive. This has prompted the development of highly competitive textile and clothing industries, particularly in South-East Asia.

European Community imports from these newly industrialised countries grew by about 25 per cent during the period 1973 to 1976, leading to fears that they would take over the European market almost completely. Another challenge is from the United States, notably in the man-made fibre sector. US textile producers have adopted an aggressive export policy, making significant gains in

### The Community textile and clothing industry accounts for 30 per cent of women's jobs

European markets due to the size and efficiency of their industry, aided by the US Government's policy of controlling oil and natural gas prices.

In Europe itself there has been a marked slackening in textile demand, linked to the current economic crisis. As a result, annual increase in European textiles consumption is expected to grow at a rate of only 1 per cent per year, compared with 5 per cent during the period 1970-1973.

The effects of these major changes have been felt with particular intensity in Europe. A study undertaken by the European Commission has noted that, in the Community as a whole, about 700,000 jobs in the textile sector disappeared between 1973 and 1978. Of this total, 422,000 jobs were lost in the textile industry and 278,000 in the clothing sector. About 4,200 European firms went out of business, representing a net workforce reduction of 22 per cent in the textile industry and over 20 per cent in the clothing industry. The same



BEN JOHNSON

'Very limited alternative possibilities for a predominantly female workforce...'

pattern is seen in all the member states; but areas without other industries, and with very limited alternative employment opportunities for a predominantly female workforce, were the hardest hit.

The number of such jobs lost was particularly high in the Netherlands, Belgium and Denmark, where over 40 per cent of jobs disappeared between 1973 and 1978. In the

United Kingdom and Italy, the overall loss over the same period was around 15 per cent.

Employment in the textile and clothing industry continues to shrink, reports the Commission, even though the rate of job loss in most of the member states has slowed down. The Community textile and clothing industry still accounts for roughly 8 per cent of manufacturing industry's contribution to the Community gross national product, 9.5 per cent of jobs in manufacturing industry, and 30 per cent of women's jobs.

The survival of the sector is therefore of crucial importance to the European economy. Even today, ridden with crisis and difficulties as it is, the EEC's textile and clothing industry is still the world's foremost export industry.

The Commission study, however, highlights the fact that, since 1973, the production index for textiles and clothing has followed a steady downward trend. Despite some recovery in 1979, it has not managed to return to the 1973 position. The overall volume of textile production in the Community fell by over 9 per cent between 1976 and 1978. Investment in the sector improved in 1978 (when it totalled 224.9 million ECU) compared with figures for the previous years (when investment fell to 186.5 million ECU in 1975). But it has still to reach the 257.2 million ECU invested in the sector in 1973.

The problems facing the textile sector were highlighted by the one-hour strike ordered by the European textiles trade union - Comitextil - involving textile workers in all member states last December. The strike was called by the unions to draw attention to job losses and to galvanise the European Community into action against imports both from the developing countries and from the United States.

The discussions in Geneva mark the third time that textile producing and importing countries from the industrialised North and the developing South have come together to discuss ways and means of regulating international trade in textiles. The first Multifibres Arrangement, concluded in 1974, had the express aim of fostering the expansion of textiles trade, the reduction of barriers to such trade, and the progressive liberalisation of world trade. The Agreement was also designed to ensure the orderly and equitable

development of this trade and to avoid disruptive effects in individual markets and on individual lines of production in both importing and exporting countries.

When the MFA came up for renewal in 1977, the Community's policy-makers were well aware of the crisis in their textile industry, and of the fact that the MFA would need to be extended – but with certain modifications. Their attention was drawn to the fact that, during the period 1970 to 1974, textile and clothing imports in the Community had risen by 22.5 per cent, as against 64 per cent for the United States. Overall, the rate of penetration (the ratio of imports to consumption) in the Community was put at 20 per cent, compared with 10 per cent for the United States.

More effective measures essentially against imports were clearly required. The Community told its MFA partners that member states would only renew the Agreement if a number

### 'As the EEC countries see it, the situation requires continuation of import controls'

of Third World suppliers signed bilateral agreements limiting their exports to the EEC to levels which, in some cases, would be a departure from certain MFA rules. For example, the Community stipulated that for some eight sensitive textile products, the import levels set by the EEC could be lower than those allowed under the MFA. These quotas were part of the internal global ceilings for all imports of sensitive items from the developing countries, agreed to by EEC countries in 1977.

The main long-term aim of the tightening of imports was to give the Community's industry time to restructure and modernise. In the short term, the Community was looking for ways to 'stabilise' the penetration rates of imports from low-cost countries in the Third World.

The Community's policy appears to have been successful in meeting at least one of these objectives. A recent Commission study stresses that, from 1976 to 1979, imports of MFA textile products increased by only 4 per cent, compared with 25 per cent during the first three years of the application of the first MFA.

But problems have cropped up on other fronts. Exports to the Community have increased at an annual rate of 7.4 per cent from countries in the Mediterranean region with which the EEC has 'preferential' relations. But the major threat currently comes from the industrialised countries, particularly the United States, whose exports to the EEC rocketed by 74.5 per cent in 1979. The Commission notes that 'among the reasons for this trend are the boosting of export promotion, currency fluctuations, and the difference in



the costs of raw materials (feedstock and raw materials) and energy, all of which are additional to the advantage gained from large-scale production.'


As the EEC's industry, trade unions and governments see it, the situation in the textiles sector requires continuation of import controls vis-à-vis third country suppliers. In a recent statement, the European trade union committee for textiles, Comitextil, made it clear that a mere renewal of the MFA is not sufficient to deal with the ever-increasing competition facing European textile producers. The agreement, they note, will need to be renegotiated, so that it can take account of the economic and social situation prevailing in the Community, the fact that the EEC textiles market is over-saturated and facing stagnating demand and the reality that other world textile markets are now closed.

A similarly 'restrictive' approach has been adopted by the European Parliament. In a resolution adopted recently, the Parliament stressed the 'need to consider textile imports from all low-cost sources in determining acceptable import quantities.' The Parliament also called for the installation of a system of review of quota ceilings at regular intervals, so that the rate of growth of import penetration does not exceed the rate of growth in Community demand for textile products. It underlined that 'quota allocations to the newly industrialised supplier countries' should be related to 'the degree of access they allow to Community products'. The Parliament also dealt with the problems created by increasing American exports to EEC countries, stressing that a mutually acceptable agreement should be concluded with the Americans, who should also be persuaded to take a greater share of low-cost imports.

These arguments are not taken lightly in the Third World. At a series of meetings held in Geneva last year, the developing countries expressed their deep concern that 'the commitment of developed importing countries to liberalise world trade in textiles and clothing remains unfulfilled'. Furthermore, they added, 'the restrictive nature of the regime

under the MFA has been aggravated by the unrestrained trade among developed countries, which grossly discriminates against developing countries.'

Third World nations are particularly worried about the fact that, as they see it, developed countries restrain textiles and clothing imports from developing countries, while continuing to expand their exports to developing countries – not only of textile machinery, chemicals, fibres and related products, but also of non-textile products affecting the overall trade balance.

European Commission experts have yet to formulate the guidelines to be followed by the Community in the Geneva negotiations. But, foreseeably, the Community has asked for a renewal of the MFA. At the same time, action against Third World suppliers will have to go hand in hand with efforts to control imports from the industrialised countries. 

## BRITISH MEPs SPEAK OUT



Michael Welsh

Barry Seal

In a debate in the European Parliament in April on the renewal of the multifibre agreement, MEPs from Lancashire and Yorkshire made speeches on behalf of the textile industry in their regions.

Mr Michael Welsh (Lancashire Central), said that, in the United Kingdom, over 60,000 people in the industry had lost their jobs in the previous nine months. He urged that the United States should take a greater share of low-cost imports, so as to ease the pressure on Community textile markets. He also had a message for Third World countries who are building up their exports of low-price textiles: 'In your own interests, do not force us to put up protective barriers'.

Mr Barry Seal (West Yorkshire) called on the Commission to follow the example of the Belgian and French governments' approach to the textile industry. The level of access to the EEC, he said, should be determined only by the state of the Community market.

A report on the renewal of the multi-fibre agreement, drawn up by the Committee on External Economic Relations, was agreed.

# How it feels to be French in 1981

**Like other Europeans, the French are experiencing social, political and cultural changes which strike at their national morale. In this article, JEAN LACOUTURE, a prominent journalist and correspondent, gives a personal view of the 'angst' in France today**

I have a friend from Eastern Europe who 'chose freedom' in 1960. Fifteen years later he became French. Here is what he says today: 'When I chose to become French, I reproached myself for taking the easy way out, for abandoning the toughest fight. Now, however, I realize that perhaps I chose the more difficult way. Long ago it was appealing to be French. From now on it will be a test. I do not regret anything...'

A test? To be French in 1981 is to feel on trial. A trial of ideas, a trial of opinion, perhaps even a trial for witchcraft, brought on as much by events as by the world and by the very citizens of one's country. It is a trial in which legal briefs are more numerous than lawyers, in France as well as abroad; in which the indictment is forever getting longer; in which the witnesses for the defence are getting harder to find. It is a trial in which no verdict is expected, but in which the accused does not hope to be completely absolved.

What puts France on trial are three crises – of the domestic system, of the international system, and of the western economy – which, for the first time in more than 30 years, have all struck at the same time. The governmental crisis is demonstrated by the recent presidential election campaign. Republicans by principle, monarchists by instinct, the French made do with a republican monarchy, which proposed solutions to their problems.

As soon as the wheels of the system got jammed, they no longer saw what was republican in this monarchy, and what was monarchical in this republic.

As regards the economic crisis, the French are not the only ones subjected to it and they probably suffer less than the Belgians or the Spaniards. What is serious in France is the unemployment problem – less cruel than in Britain and scarcely more so than in Germany, but which assumes menacing tones for French democracy if one takes into account the exceptionally large number of foreign workers here. Any new threats on the employment scene are viewed as an aggression, and constitute an encouragement to xenophobia and racism.

Nevertheless, the anxiety which troubles the French appears to be directed toward something else. It takes on a more encompassing form than a mere governmental crisis or social-economic threat. Should one speak of an identity crisis? Would the French nation, which was formerly united, jealous of the harmony and elegance of its territorial foundation, of the cohesion of its language and culture, watch it all lose substance, dissolve in larger and amorphous shapes, or fall into little parts? It is true that an increasing number of citizens feel more Breton or Basque than French, and others more European than Provençal or Alsatian.

However, though this phenomenon may now grow, it will not pose a great risk. It is not expansion and contraction of 'Frenchness' which would be undesirable, mutations which are a symbol of life, the breathing of history. The 'angst' in France today, this feeling of being on trial – as with Kafka's heroes, knowing neither the nature of the indictment nor the text of the law – springs from what could be called the essence of being French. All nations have a purpose, from having a mission to fulfill – at any rate, a profound reason to exist – to a mere occupation of space. But few peoples have believed it as much as the French, even outside the two or three centuries when France was the dominant power abroad.

It is not enough to say that today this attitude is obsolete. The issues troubling the French are more their survival as a people, their being, than their lost power, their threatened wealth, their challenged unity,

their minor impact on diplomacy, their little apparent credibility in military deterrence. More important are issues that concern their history, their art, their culture, and – pompously – their civilisation.

It is precisely from this point of view that the two most recent indictments have been published, one in an article, and the other in a book. The article was published not long ago in the *New Yorker*, a magazine for which I have a very high regard. In it one could read that the arts, the social life, and human relations in Paris were nothing more than falsification, decadence and futility. One who lives inside a mechanism does not always perceive its failures. The fact that an American observer has recently perceived in such a manner a cultural life which used to be great, and which used to be important to the world, can be upsetting.

It is true that, since the deaths of François Mauriac, André Malraux and Jean-Paul Sartre, the French political and literary scene has been left without this particular species, the 'eternal Voltaire,' the committed writer, the righter of wrongs, the defender of the accused, and the accuser of the powerful; and it is true that the Nobel Prize for literature has eluded us for so long. These facts force us to question the cultural fertility of France.

## 'An increasing number of citizens feel more Breton or Basque than French...'

Beyond fertility, a recent book, *L'Idéologie Française* by Bernard-Henry Lévy, deals with the very significance of French culture, in that it portrays the racist regime of Vichy as the most typical expression, in modern times, of French tradition. Everything in French civilization that does not come from intellectual universality – the 'human rights' declared in the French revolution, secularism, and enlightened philosophy – should be attributed to racism and xenophobia.

One has to consider that such a book appeared in a country already shaken by the xenophobic initiatives of the most powerful of its workers' parties. It appeared right after a number of racist murder attempts had disrupted the nation's conscience, and just as France's neighbours were accusing it either of giving or not giving asylum to terrorists from the Italian Red Brigades and the military branch of the Basque independence movement. So one can see why the French ask themselves questions. And among the first is: What does it mean to be French today?

Can a people give up its own unique role? Should it, when threats of all kinds appear, look to alignment, integration, or merging into a larger community? The answer would be yes, definitely, for France as well as for Great Britain or Italy – unique nations rich in history and latent fertility – if this choice were not to mean abandoning responsibility.

Like our friend from Eastern Europe who chose to become French and is realizing today that he faces a test, so too the British, the Italians, and the French know that their crowded history is primarily a challenge, which should be dealt with first on a national, collective level and then in a global realm. To be French in 1981 is to feel on trial. However, there is no cause which cannot be defended, and no test which does not contribute to a renaissance. ☐

# EUROFORUM

## OPINION

### We have a mandate to overhaul the CAP

Important new developments in the European Community are either being planned or are under way on several fronts. These developments are important for the Community, and they are also important for the UK.

Efforts are now being made to improve co-ordination in foreign policy, to increase co-operation on economic and monetary matters, to reform the financial system of the Community, and to develop the activities of the Community in a way which makes it more clearly relevant to the everyday concerns of ordinary citizens.

Of particular significance is the restructuring of the Community Budget as agreed by the member states on 30 May last year. The Budget as it currently operates leads to two complaints. The first is that it is unbalanced as between agricultural and other Community activities, such as regional policy, social policy and industrial policy. The second is that its costs and benefits are distributed between member states in a capricious and unfair fashion. There is, of course, a link between these two problems, since the domination of agriculture means that those who lose on the CAP swings cannot gain comparable benefits from the other policy roundabouts.

The European Commission has been at work for several months now on an analysis of the Community Budget and on devising ways of overcoming these difficulties. We are committed to producing proposals in time for the Euro-

pean Council to be held at the end of June. We were given this task at the time of the settlement of the so-called British budgetary problem just over a year ago. One of the central purposes of our mandate is to prevent the recurrence for any member state of the sort of 'unacceptable situation' in which the UK found itself.

Within the next couple of years the Community will reach the limit of its own resources - customs duties, agricultural levies, and up to the first 1 per cent of VAT levied on a common base. This provides the catalyst for changes and improvements, which are in any case badly needed, in the way money is spent through the Community Budget. They must be introduced if we are to succeed in persuading member states that additional resources should be made available for the Community's further development.

It is, in my view, particularly in the interests of those countries that do badly out of the present situation that the development of the Community should not be held back. At present we simply do not have the financial means at our disposal to build up the policies that would help them.

The overhaul and modernisation of the CAP, while maintaining its basic

principles, is a central aspect of this mandate. Careful thought will have to be devoted to its future financing and, in particular, to the relationship between market requirements and social objectives. We need to consider whether a re-vamping of the legislation of the 1960s will be adequate to meet the needs of the 1980s, or whether instead we should consider the practicability of creating a separate way of helping poorer farmers which does not distort the price mechanism and create expensive and unpopular surpluses.

We also need to look at the activities of the Community in other fields where new policy initiatives, and new financing methods, may have a part to play in creating a more balanced and fair Community Budget. In times of high unemployment, crisis in old industries and opportunity for new high technology industries, we must try to ensure that Community policies make a greater and more relevant contribution to the resolution of the problems which are of the greatest concern to its citizens.

CHRISTOPHER TUGENDHAT  
Vice President of the European Commission, responsible for budget and financial control.

## TALKING POINT

The negotiation of the Community's common agricultural prices for the current marketing year took place against a backdrop of demonstrations by farmers massed outside the Charlemagne building in Brussels where the Agriculture Ministers met at the beginning of April.

The farmers wanted an overall price increase of 15 per cent. The European Commission, mindful of its responsibilities to consumers as well as to the farming community, favoured 7.8 per cent. The final figure agreed was 9.5 per cent.

The Commission proposed what it considered to be a prudent price increase. At the same time, it is trying by means of a corresponsibility levy on over-production in dairying, which may be extended to other sectors, to involve farmers more closely in the management of the common agricultural policy while at the same time continuing to offer a guaranteed living income to those ▶

# THE MONTH IN EUROPE

## *The Regions*

### Community aid to 'quake victims ready to flow

**Details of Community assistance to the regions of Southern Italy devastated by last November's earthquake have now been worked out and the aid of 1 billion ECU will soon begin to flow.**

The assistance is in the form of loans for projects to rebuild industry in the area and to restore infrastructures.

The loans will be made either out of the European Investment Bank's resources or from the funds of the New Community Instrument which was set up to improve investment backing in the infrastructure and energy sectors, and from which Italy has already benefited. The loans will qualify for a 3 per cent interest subsidy financed out of the Community's budget.

Italian authorities are currently in the process of identifying suitable investment projects in the disaster areas which can qualify for the cheap Community loans. Some projects are already at the vetting stage.

Two days after the earthquake

*continued from previous page*

engaged in this vital sector of the economy.

While there is no intention of abandoning the Community's only true common policy, there cannot be unfettered growth in expenditure on agriculture. Nor can the unacceptable gap between spending from the Community's already limited budget on agriculture — around 67 per cent last year — and spending in other areas continue to exist.

Last May, the Commission was given a mandate to carry out a global review of the possibilities for adapting and developing different Community policies, as well as an analysis of the associated problems of financing these policies. The place of agriculture in the overall economy, and its share of Community budget spending, form part of this detailed review which is currently taking place.

struck on November 23, the European Commission decided to grant immediate aid of 1.5 million ECU with more substantial emergency aid to follow once it had fuller information about the disaster. This immediate aid was paid on November 27.

The following day the Commission decided to supply the Italian authorities free of charge with vital food aid in the form of 15,000 tonnes of cereals, 1,900 tonnes of meat and 1,000 tonnes of olive oil.

Just before Christmas, a supplementary budget of 40 million ECU was voted by the European Parliament and the 1981 budget has set aside an additional 15 million ECU for the victims of the disaster.

## *Industry*

### Agreement on programme to help steel

**Industry Ministers of the Ten have reaffirmed their intention to phase out public subsidies in the steel industry by mid-1983. At a recent meeting in Brussels the Ministers approved a resolution outlining a four-point programme for restoring international competitiveness to the industry.**

They called for progressive phasing out of all public aids that do not directly contribute to a reduction in production capacity; for a reduction in overall steel output; and for a ban on expansions of production capacity that are not accompanied by equivalent cutbacks elsewhere.

The Ministers also asked the European Commission to look into all types of national aid currently being used in the European steel industry, with the aim of drawing up a central information system to be used to check that any future planned aid conforms with approved restructuring plans.

There was also a firm commitment to look at 'appropriate measures' to offset the social effects of steel cutbacks and help find alternative jobs for redundant steelworkers.

The Ministers also repeated their firm desire to see Europe's steelmakers agree on voluntary production and

price limits to replace the Commission's mandatory controls which are due to expire in June.

The steel producers, Eurofer, are holding a series of meetings in a bid to meet the deadline.

## *Enlargement*

### Community gives assurances to Spain

**The Ten are ready to press ahead for Spanish membership of the Community as soon as possible, Dutch Foreign Minister Chris Van der Klaauw told his Spanish counterpart Jose Pedro Perez Llorca in Brussels recently.**

Further support for the Spanish government after the recent abortive coup in Madrid came at the European Summit in Maastricht, where Community leaders issued a statement expressing their 'great satisfaction at the reaction of the King, Government and people of Spain in the face of the attacks recently made against the democratic system of their country.'

The Community is also prepared to give financial aid to Spain before it joins the Community. January 1 1984 is the most likely target date for Spanish accession.

## *Trade*

### New rules sought to protect textile jobs

**In a bid to protect the Community's fragile textile industry, where jobs are being lost daily, the European Commission is proposing to make new trading arrangements with Third World Countries.**

It is planning to negotiate administrative co-operation arrangements with the main countries which export textiles to the Community under preferential agreements when textile trade arrangements lapse at the end of this year. Most of these countries are in the Mediterranean basin.

The Commission would like to set up consultation machinery which would be activated once imports from these

**Broader bench**

The European Court of Justice, which is the final arbiter of Community law, is to add an extra judge to its bench, bringing the total to eleven. The first judge to be appointed to the new post will be French. There is already a French judge, as well as one from each of the other member states. The number of advocates-general will be raised by one to a total of five.

**Not for Soviets**

Charges that 700 head of Irish cattle have been exported weekly over several months via Belgium to Romania where they are then slaughtered and ultimately go to Soviet troops in Afghanistan have been denied by the European Commission. It said in reply to a European Parliament question that while 13,800 cattle had been exported in the latter months of last year it had received assurances from the Romanian authorities that none of the meat had been exported to the Soviet Union nor to its troops in Afghanistan.

## THE NEWS IN BRIEF

**Aid for Zimbabwe**

The Community has joined one of its member states, the United Kingdom, in a special aid package for newly-independent Zimbabwe. It is contributing 14.5 million ECU to help finance six projects to meet urgent economic and social needs in rural areas. The UK is contributing 34 million ECU and the Zimbabwean government the balance of 41.5 million ECU. Since independence, Community aid to the former British colony has totalled around 60 million ECU. In November, Zimbabwe became the 60th member of the Lomé Convention.

**New date**

The resumption of the North-South dialogue, which is designed to pave the way for a new world economic order, has been postponed from June and will now be held in October. More than 20 delegations representing industrial, developing and oil-producing countries are expected to take part. At the last series of negotiations in 1977, the Community pledged \$385 million to a one billion dollar programme to help the poorest countries.

countries reached a certain level and before they became a threat to jobs in the Community's own textile industry, in which around 1 million jobs have disappeared in the past decade.

In addition, the Commission would like to lay down uniform rules for textile outward processing traffic—the system whereby raw materials are exported temporarily from the Community to be processed elsewhere, generally in low-cost developing countries.

While these operations are of benefit to poor Third World countries, they also help to protect jobs in the Community by maintaining the level of activity in its textile industry. They are also a useful means of exporting Community equipment and know-how, as well as creating new markets for other Community goods by boosting purchasing power in the developing countries.

*External Relations*

### Ten offer more cut-price food to Poland

In response to urgent requests by the government in Poland, where food stocks are reckoned to amount to only 12 days supply for the whole country, the European Commission is proposing to make almost 550,000 tonnes of food available to the Warsaw government at 15 per cent below world prices.

This is the Community's second emergency food package for the Poles, 400,000 tonnes having been set aside, again at reduced prices, just before Christmas. About 60,000 tonnes of this has already been delivered and the rest is on its way.

The cost to the Community of providing the latest cut-price food is reckoned to be of the order of 33 million ECU. It is made up of 400,000 tonnes of cereals and the balance of sugar, meat, milk powder, butter, cheese and colza oil.

The Commission's proposal is in line with the determination expressed by the ten heads of state and government at their European Council summit in Maastricht on March 23-24 to give as much help as possible to Poland.

It is possible that individual member governments may make financial credits available to the Polish government to enable it to take up the Community's offer. It was the delay in

arranging these credits, as well as other technical difficulties, which delayed the delivery of the first consignment of cheap food.

### Ten send food aid to China for first time

The Community is sending emergency food aid worth 6.2 million ECU at world prices to relieve famine in China. The aid, in the form of 2,000 tonnes of milk powder and 8,000 tonnes of colza oil, will be distributed in the provinces of Hebei, which has suffered drought for the past 37 years, and of Hubei which has had serious floods for the past 26 years.

The United Nations disaster relief Organisation has reckoned that China needs a total of 500 million ECU worth of such aid. The Community has donated what it could this year after assigning its food aid stocks to other needy countries before the Chinese need became known.

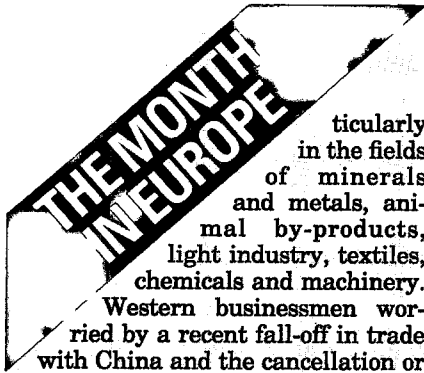
### Retracing the footsteps of Marco Polo

An historic meeting of East and West took place in Brussels before Easter when a high-level Chinese government delegation and top European businessmen came together to discuss trade and investment opportunities in the world's biggest single market.

The EEC-China business week, the first of its kind, which was organised jointly by the European Commission and the Peking government, brought together 100 Chinese officials and 300 Community businessmen.

The Chinese delegation was led by Vice-Premier Gu Mu. He was accompanied by three vice-ministers of trade and state planning, as well as the managing directors of six import-export corporations and senior government officials. The Community participants were senior executives from about 300 companies and banks, as well as Commission representatives.

The emphasis was on the promotion of individual contacts which enabled the Community participants to explore trade and investment possibilities, par-



ticularly in the fields of minerals and metals, animal by-products, light industry, textiles, chemicals and machinery.

Western businessmen worried by a recent fall-off in trade with China and the cancellation or postponement of a number of projects, were reassured by Mr Gu Mu that China was going through a temporary period of economic readjustment but that the Peking government intended to continue with its 'open-door' trade and investment policy.

'Certain people have misunderstood the political and economic situation in China to mean that little business can be done with China, but this shows a lack of farsightedness,' he said.

Since the opening of official relations between the Community and China in 1975, which led to the signing of a framework trade agreement three years later, trade between the two has grown substantially, doubling in both directions between 1975 and 1979. Chinese exports to the Community rose from 667 million ECU in 1975 to 1,324 million ECU in 1979. Trade in the other direction rose from 1,153 million ECU to 2,101 million ECU.

Figures for the first nine months of last year show a further increase of Chinese exports to the Community to 1,340 million ECU but a decline in Community exports to China to 1,242 million ECU. Chinese authorities have assured the Community that this is only a temporary phenomenon.

### Transport

## Freer driving proposal is stalled

**The Community's Transport Ministers have failed to secure a 25 per cent increase in Community road haulage permits being sought by the European Commission.**

These allow transport companies to cross different Community frontiers without having to have a different set of papers for each Community country.

By helping to cut through red tape the quotas, currently numbering 3727, reduce hauliers' administrative over-

heads and driving time. This in turn should help keep down the final price of goods to the consumer.

Both Germany and Italy are opposed to increases, until more is done to help the Community's railways and this stance is likely to prevent any rise in the number of permits this year. Even a compromise ten per cent rise was deemed unacceptable by both governments.

### The institutions

## No change on location of work places

**The Community's heads of state and government decided unanimously at their summit meeting in Maastricht to confirm the status quo about the current location of the Community's institutions.**

The work places of the institutions are all provisional but there has been increasing controversy over the European Parliament which until now has divided its monthly plenary sessions between Luxembourg and Strasbourg while meetings of its specialist committees are held in Brussels.

At its March plenary session, the Parliament voted to hold the rest of this year's sessions in Strasbourg. The Parliament's 1,500-strong staff, which is based in Luxembourg, has been agitating in favour of the Grand Duchy.

The first sitting on March 23 of the Parliament's special session to debate this year's agricultural prices had to be abandoned because of strike action by its staff.

### Third World

## Role of NGOs examined

**The European Community's rapidly growing links with Third World oriented non-governmental organisations (NGOs) were closely analysed in Brussels recently at the seventh annual assembly of European NGOs.**

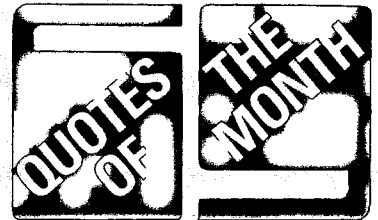
The meeting, attended by about 80 NGO representatives from the Community countries and a number of European Commission officials, looked

'The call for protectionist measures in world trade is heard again and again not only inside the Community but everywhere in the world. It is a reaction of fear, no more and no less. And as fear is the worst of counsellors, it should be ignored. Protectionism will not safeguard our standard of living, it will ruin it.'

— Wilhelm Haferkamp, Vice-President of the European Commission responsible for External Relations.

'Europe is very difficult to run with ten members. I have always been in favour of reforming the way it is run. Meetings of ten participants have to discuss issues on which there must always be unanimous decision before any action can be taken. The system is therefore gradually becoming paralysed. This is why the system needs to be reformed.'

— former President Giscard d'Estaing.



'It is no longer tolerable that Germany should be such a large net contributor to the Community budget whilst being unfairly treated over steel and fisheries.'

— Helmut Schmidt, Federal German Chancellor.

'We now detect some in Europe who believe that the arms control negotiations can somehow substitute for, rather than complement, the modernisation efforts in our weapons systems. They believe that we can bargain the reduction of a deployed Soviet weapons system for a promise not to deploy our own offsetting system. Commonsense, as well as the long history of arms negotiations with the Soviet Union, tells us that this is illusory. The only way to deal with the Soviet Union is from a strong position. Only if it is absolutely clear then that we are in the process of fielding weapons of our own will they agree to serious bargaining on their weapons.'

— Richard Allen, President Reagan's National Security Adviser.



at the different areas in which the NGOs and the Community have cooperated since 1976. Such joint action has focused on project co-financing, development education efforts within the Community itself, and help in the channelling and distribution of the Community's food and emergency aid to developing countries.

Over the last five years, the Community has financed some 693 'micro-projects' in the developing countries, in close cooperation with NGOs. While these 'micro-projects' are small by definition, their total cost came to about 125 million ECU, with the Community providing one-third or the total.

Speaking to the general assembly, Claude Cheysson, who has since been appointed French Foreign Minister, stressed the importance of action in the Third World and noted that the Commission had put in a request for more money required to meet increasing project-financing demands made by the developing countries and the NGOs.

He underlined that the 14 million ECU written into the Community budget for NGO co-financing operations fell far short of the real requirements in this area.

The Community's emergency aid channelled to the developing countries through the NGOs is valued at around 10 million ECU.

## Ten speed up food aid to fight famine

**Because of the critical food situation in a number of African countries, the Community has decided to release about half of the cereals earmarked for food aid this year ahead of schedule.**

'We are completely in favour of Turkey's eventual accession to the Community. Today, it may be a long way off, but we would never oppose moves in that direction.'

— Konstantin Mitsotakis, Greece's Foreign Minister.

'I should be most happy to see the consumer organisations devoting more effort to action at Community level. At present we have to admit that they tend to restrict their action to the national level.'

— Karl-Heinz Narjes, Commissioner for Consumer Protection.

A total of 27 countries throughout the continent will benefit from the release of 124,000 tonnes of stocks. The main beneficiaries are Mozambique (13,000 tonnes) and Tanzania (10,000).

In addition, the Community is to provide Somalia, which has been particularly badly-hit by shortages, with 11,000 tonnes of cereals out of reserves remaining from its 1980 food aid programme. Somalia is to receive 8,000 tonnes under the first half of this year's allocation.

About 50 countries and international organisations have now agreed to grant aid totalling around \$1.3 billion to Zimbabwe.

## Green light for aid to El Salvador

**The Community is to go ahead with its emergency humanitarian aid amounting to 400,000 ECU to the population of El Salvador, mainly for the purchase of medical supplies.**

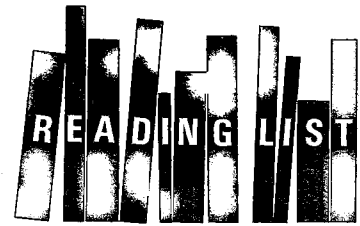
In addition, it is supplying, as emergency food aid, an initial quantity of 1,000 tonnes of rice and maize. There will also be additional aid in the form of 200 tonnes of milk powder and 120 tonnes of butteroil.

The aid will be distributed through the International Red Cross and the Salvadorian Red Cross. Additional aid of 1,000 tonnes of cereals, 700 tonnes of milk powder and 200 tonnes of butteroil will be forthcoming once non-governmental organisations which are neutral and can prove their ability to distribute the aid in the war-torn country are identified.

## Community aid for refugees

**The plight of refugees, for the most part victims of political and military upheaval around the world, continues to cause concern among international relief agencies.**

The European Community's emergency aid programme, to which all member states contribute, is already at full stretch. The bulk of the Community's emergency aid last year was devoted to relief of refugees, mostly in Africa and South-East Asia.



**A Commission proposal for the Community food aid programme for 1981.**  
Ref. ISEC/B11/81.

### Generalised system of preferences 1981

This background report outlines how developing countries benefit from the scheme.

Ref. ISEC/B12/81.

### Health

Commission report on the 1977 EEC directive on monitoring the population's exposure to lead.  
Ref. COM(81)88.

### Institutions

#### The Court of Justice of the European Communities.

New edition of a booklet outlining its composition and main tasks.  
Ref. European Documentation 1/81.

#### European Interest groups and their relationship with the ESC

This publication from the Economic and Social Committee examines the structure, role and activities of twenty two Community umbrella organisations. Ref. Gower Publishing 0566 00 3651 £25.

### Social Fund

Nearly a million people have been helped through the Social Fund. This is revealed in the eighth report of the fund, which details how grants were used in the Community countries in 1980.  
Ref. ISEC/B13/81.

### Harmonisation

The Court of Justice of the European Communities has given, in the 'Cassis de Dijon' case, a judgement likely to have far-reaching effects on free trade within the Community.  
Ref: Background Report ISEC/B64/80

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

## EUROPE AND YOU

# Mme Veil on 'the focal point of 260 million Europeans'

I am particularly pleased at being given this opportunity to describe the activities of the European Parliament since its election by universal suffrage, because of the totally distorted image which has reached the general public.

There has been talk recently of certain overseas trips made by delegations of the European Parliament, and condemnation of what was felt to be their excessive cost. Less attention has been given to assessing the real value of this type of contact to our institution in particular and the European Community in general.

This mention of the work of the delegation leads me first to the Parliament's activities in the international field. As a result of the development of political co-operation, Parliament has naturally come to spend more and more time debating the major issues of international politics, particularly with a view to preparing for international meetings or on the occasion of the presentation of the Council's Reports on the European Council.

Last autumn, for example, Parliament adopted by a very large majority the report on the Conference on Security and Co-operation in Europe, recommending in particular, that the governments of the member states ensure that the principles set out in the Helsinki Final Act are adhered to without exception by all the signatory states, and reaffirm that further progress on détente in Europe depends on human rights and fundamental freedoms being respected.

Last year the Parliament was quick to make known its views on the events in Iran in a very strong condemnation of the seizure of the hostages. As far as the events in Afghanistan are concerned, the very clear position adopted by the majority in condemning outside interference, calling for sanctions and a boycott of the Olympic Games, enabled the world, including both the Soviet Union and the USA, to hear an unambiguous European voice which had not always been the case on previous occasions.

I can assure you that the contacts which Members of the European Parliament maintain with countries outside the Community show that the leaders of these countries and local public opinion attach increasing importance to our work, which is very closely monitored by foreign diplomats and observers. The clearest proof of this awareness of the reality of Europe's existence through the work of the European Parliament was the visit of President Sadat, who formally addressed international opinion from the rostrum of our Parliament.

**'The Parliament had a duty to be present in Freetown, in accordance with the Lomé Convention'**

Similarly, the resolutions which we adopt in defence of human rights provide psychological support, and sometimes even more than this, to those victims who are arbitrarily held in detention or exiled from their native countries. We have been told that our stand on such issues may bring about real improvements, and sometimes even lead to the release of individuals in the countries concerned.

At the meeting in Bogota between representatives of the Latin American Parliament and the European Parliament, 100 parliamentarians from all over Latin America, and political exiles from various countries of that continent stressed the great value which they placed on contacts with our institution and on the support which it gave them in defending human rights in their countries. It is difficult, therefore, to see how Parliament could have refused to send a representative delegation to Bogota, particularly at a time of serious developments in Central America.

In the same way, the Parliament had a duty to be present in Freetown for the meeting of the Joint Committee, which brings together, in accordance with the Lomé Convention, representatives of the Parliament of the ACP countries and of our Assembly. This body, and the consultative assembly whose work it prepares, has often played a decisive role in the development of the exemplary policy of co-operation introduced by the Community for the benefit of the 61 African, Caribbean and Pacific countries.

I would also mention the recent visit to Japan by a Parliamentary delegation, which resolutely pursued its objective of promoting the interests of European industry and highlighting the effects of Japanese exports on the employment of European workers already severely hit by unemployment.

The large number of interpreters who accompany our delegations on their trips is a result of the obligation incumbent on the European Parliament, as on all the Community institutions, to give equal treatment to the seven official languages. I regret this situation, but it would be absurd if this linguistic situation were to condemn our Assembly to inactivity and silence.

It would be difficult to accept that our elected Parliament, which represents a Community made up of ten of the 30 genuinely democratic states of the world, should not play its natural role of defending democracy and human rights as well as the interests of its electorate.

This appears to me an essential role, one which we fulfil with dignity and in accordance with the traditions of the parliaments of our countries, which introduced the very concept of democracy to the world. We are not any the less active in fulfilling our institutional obligations as far as the life of the community is concerned, nor do we forget the concerns of the citizens in our various countries in the present difficult economic situation.

Although they are less spectacular, the debates on the more purely European issues nevertheless take up the major part of our time.

Parliament has set itself the task of extending its control over the implementation of Community rules. By tabling written and oral questions it calls upon the Commission and the Council, and through them the national governments and administrations,

to account for their activities or omissions. I feel that this democratic control is fundamental as a counter-balance to the technocratic nature of the process of building Europe.

Given the budgetary powers of the European Parliament, debates on the Budget provide it with an opportunity to make public opinion and governments aware of the overriding need to reconsider the financing of common policies and seek a better balance between them.

In this connection you will be aware of the decisive role played by the Parliament in the field of regional policy. It was on the insistence of Parliament that the ERDF was created in 1975 and that the 'non-quota' section of this Fund was established in 1979. Each year Parliament uses the margin of manoeuvre available to it within the framework of the budgetary procedure to increase ERDF appropriations.

Why has it insisted? Because our institution, as the focal point of the preoccupations of 260 million Europeans, is better able than any other to appreciate to what extent the existence of regional disparities threatens the efficient operation of the Common Market.

**'The Assembly has warned governments of the financial consequences of unsaleable surpluses'**

The vote on the budget, and the debates on agricultural prices, have also given the European Parliament an opportunity to express aloud certain worries about the Common Agricultural Policy which the governments have often hesitated to formulate. In reaffirming by a large majority its support for the principles of the Agricultural Policy and its willingness to defend farmers' living standards, the Assembly has warned the governments of the financial consequences of generating unsaleable surpluses of certain products, and hence of the need for adjustments.

The rejection of the Budget last year, which was an expression of Parliament's desire to limit certain items of expenditure in order to develop other Community policies, resulted in this desire to improve the system being taken into account.

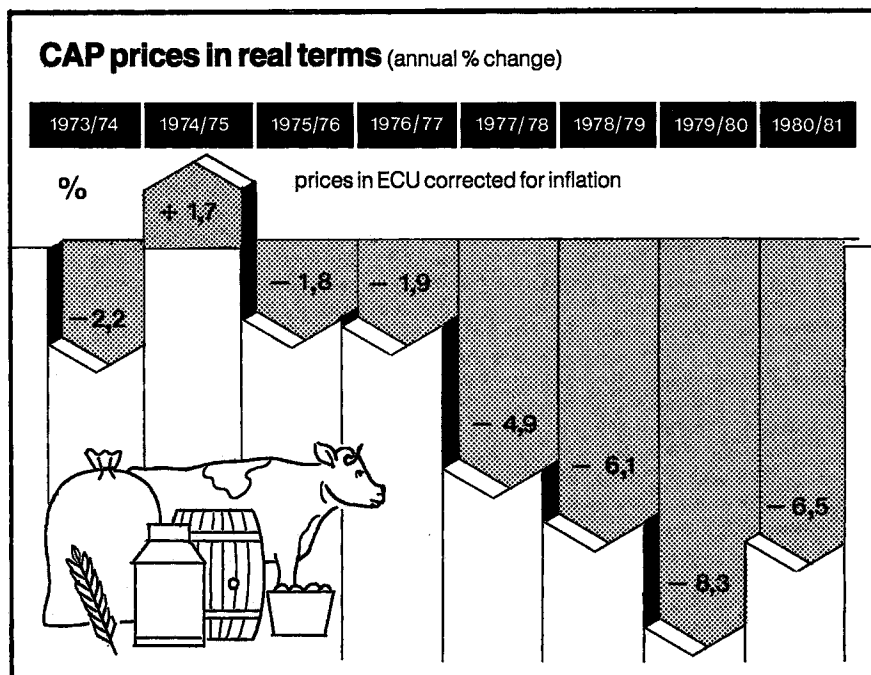
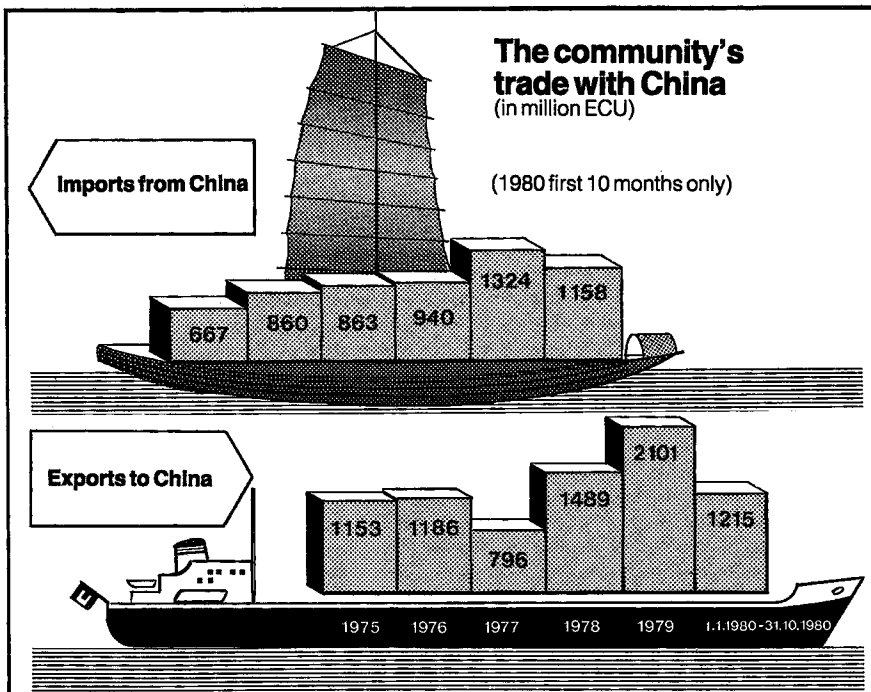
Development Policy, the second most important Community policy in terms of the funds allocated, has also been a focus of attention for Parliament, which last year devoted a carefully prepared major debate to the subject. Parliament was particularly concerned to

bring to the attention of European public opinion the fact that defining a new international economic order was not only a question of assistance provided by rich countries to poor countries, but that on it also depended the safeguarding of world peace and the survival of our own economies.

Finally, I would remind you of the recent full-day debate on the situation of women in the European Community, conducted in the presence of many representatives of the specialist press and

of the women's organisations of the ten Member States. It is thus the duty of the European Parliament to remind people that, while the European Community is undoubtedly an economic area in keeping with modern times, it is also a close grouping of democratic nations.

□ *Mme Simone Veil, President of the European Parliament, was speaking at an event organised by Scotland in Europe, held in Edinburgh on April 3*



# EUROPEAN REVIEW

## More protection for victims of violence urged

The European Parliament has called on the European Commission to draw up minimum standards for compensation of victims of violence.

A report drawn up by German Christian Democrat Rudolf Luster, drew attention to the disparities in compensation offered to victims of criminal violence in the Ten.

Mr Luster also noted that where rules do exist in the Community not all member countries treat foreigners and nationals equally.

The report called on the Commission to bring forward proposals creating a minimum Community standard for financial awards from public funds to victims, or their dependents; establishing a minimum compensation payment at Community level; requiring member states to make awards under this system regardless of the victim's member state of origin; and easing procedures for redress against offenders resident in other member countries.

## Better training for young people is called for

Two reports calling on the European Community institutions to play a more active role in the development of education and work training opportunities for young people have been adopted by the European Parliament.

The first, drawn up by French Liberal Mme Marie-Jane Pruvot, lamented the low level of Community spending on youth, culture, education and training (only about 0.6 per cent of the Community budget).

Mme Pruvot urged the Community to step up its role in a number of fields, particularly in ensuring equal educational opportunities for the young, improving the structure and number of European Schools, promoting exchanges of youth groups, encouraging voluntary work by young people in

developing countries and helping the young disabled.

The Pruvot report also called for an increase in Community funds to the European Youth Forum, which represents young people at Community level.

The second report, written by British Conservative Derek Prag, dealt with planned schemes to strengthen the link between training for young people and the needs of the job market. The Prag report warmly welcomed a recent proposal of the European Commission on this subject, but criticised the lukewarm attitude of Community member states to the proposal.

## European Parliament seeks more help for the disabled

Effective measures to help the Community's 13 to 23 million handicapped citizens in 1981 – the United Nations International Year of the Disabled – have been called for by the European Parliament in Strasbourg.

Several hundred disabled people from all over the Community were in attendance to lobby MEPs and listen to the debate.

A report drawn up by British Labour MEP Anne Clywd called for protection of jobs for the handicapped, who were the first to suffer from rising unemployment.

Mrs Clywd called on the European Commission to devise a workable quota system for firms, obliging them to employ a certain percentage of handicapped workers. She pointed to the German system where companies are required to fill six per cent of their jobs with disabled people. Any firm failing to do so can be fined and the money used to promote the interests of the handicapped.

The Clywd report, which was overwhelmingly approved by the Parliament, also called on member governments to ensure that disabled people had an adequate income to offset the disadvantages of their handicap.

Mrs Clywd was concerned that some member states, notably the

UK, actually appeared to be cutting back on invalidity benefits in the year of the disabled and many MEPs deplored the low level of Community spending in the Social Fund to help the disabled.

Social Affairs Commissioner Mr Ivor Richard assured MEPs that the Commission would press for a big increase in Social Fund spending this year. It currently accounts for only four per cent of total Community budget.

Mr Richard told MEPs that the Commission also intended to help promote the integration of the disabled within schools and in their local communities.

But he pointed out that the Commission's scope in this field was limited and that the real power to make genuine improvements lay with the member states.

## Cleaning out the Med: Ten to step up aid

The European Commission is planning to boost its financial contribution to an action plan to clean up the Mediterranean. The United Nations plan is expected to cost around \$12 million over the next three years.

The action plan was adopted in 1975 in Barcelona by all the littoral states except Albania. Apart from the Commission, 15 states have so far ratified a convention committing them to the joint action.

Until now, the United Nations has funded a quarter of the action plan through its specialised agencies and the rest of the money has been contributed by the states bordering the heavily-polluted sea.

So far, the Commission's contribution has been a nominal 30,000 ECU but, now that the UN is forced to limit its funding, the Commission has proposed stepping up its contribution. The amount will be decided when the time comes to draw up the Community's 1982 budget.

The Community's Mediterranean seaboard is about 22,000 kilometres long, which is more than half its total coastline. With the accession of Spain in 1984 it will be further extended.

## Attempt to make banks more accountable

The annual accounts and balance sheets of banks and other financial institutions will become more readable and understandable to shareholders and the general public once a proposal which has just been drawn up by the European Commission has been approved by the Council of Ministers.

The proposal will make it obligatory for all banks and similar institutions which operate in the Community to publish a full set of annual accounts. It is a follow up to a previous piece of legislation adopted in 1978 which applies to the annual accounts of other types of companies.

Current practices in the member states for the presentation of accounts by banks and other financial institutions are so divergent that it is difficult for potential shareholders or others to make proper comparisons.

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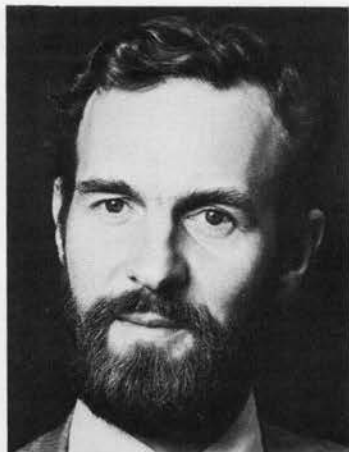
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# STRASBOURG NOTEBOOK

## BEN PATTERSON, Member of the European Parliament for Kent West



**T**he European Parliament has recently undergone some quite severe assaults on its morale. The Henley Centre for Forecasting has found the Parliament second only to the National Union of Students as the body the British public would least like to see running things. In February, *Which?* revealed that only 5 per cent of that same public could name their MEP.

Then there has been the press: as we dispersed for the Easter holidays, the British papers made particularly gloomy reading. John Palmer in the *Guardian* reported that there was 'hardly a single MEP who believes that the European Parliament is doing even a minimally effective job'; Walter Ellis in the *Financial Times* saw us all wandering down 'the corridors of weakness'; and even David Wood of *The Times* doubted that the elected Parliament was proving itself 'any better than the nominated Parliament which preceded it'.

Now, can all this be put down to a mid-term trough – or a swing of media fashion? One wonders whereabouts in Strasbourg that week such astonishingly coincidental opinions were born. One can even look on the bright side of the opinion polls: some 37,000 of my constituents can apparently name me correctly.

On the other hand, the novelty value of those first international elections in history, two years ago, has clearly worn off. On this anniversary it is not enough to reply, as did a colleague of mine, when asked what the Parliament had achieved in its first year, 'about as much as the House of Commons did in its first hundred.'

Our critics make a number of charges. The first is about money. Anti-marketeer Teddy Taylor MP was reported after a whistle-stop visit to Strasbourg in April as saying that Parliament's expenses were 'a colossal, shameful affront to the British taxpayer'. A pity, then, that he was unable to be present that same week – with the press, perhaps? – when Parliament actually debated its expenditure for 1980. He would have heard the budgetary control committee vice-chairman, Peter Price, point out that the cost of the European Parliament per citizen works out at about 27p a year – 'slightly more than the cost of one single copy of a daily newspaper'.

According to Treasury figures, the equivalent for the House of Commons comes to more than twice that (and of course worth every penny).

It is also true that Parliament's sittings have all too often degenerated into a procedural shambles. But in March – by a series of votes which went virtually unnoticed in the press, so smooth were they by comparison with similar past occasions – Parliament adopted an entirely new set of rules, which should produce both short-term and long-term improvements.

In both cases, the changes will have most impact on legislation. (But surely the European Parliament has no legislative powers? Oh yes it has! Making laws is a process, not a single act – unless you think that Westminster doesn't legislate either.)

The recent ruling of the Court of Justice in the 'isoglucose' case underlined the fact that Parliament's vote is essential to the Community's legislative process. (Because the Council had not waited for it, a quota regulation was declared null and void.) During this consultation, Parliament can exert pressure on the Commission to amend or drop proposals. Our new rules make the most of this opportunity – and also of the various procedural agreements with the Council in the legislative field, which you won't find in the treaties. It is not as dramatic as voting down a budget, or decapitating a king. But this is how parliamentary power really grows.

Then there is the question of Parliament's meeting places, about which enough has been written already (except that it really is *excessively* irritating to be blamed by press, public and even our own staff for a situation which is all the fault of national governments). Now attention is shifting to an even more intractable problem: languages.

## The cost of the European Parliament per citizen works out at about 27p a year – 'slightly more than the cost of one single copy of a daily newspaper'

It came to light during the Great Bogota Scandal, for instance, that 38 MEPs visiting South America had to take 58 interpreters with them, making staff costs almost twice those of the members themselves.

Can anything be done? There are various bright suggestions. Everyone should speak English (or French). There should be a difference between 'official' (i.e. all seven) and 'working' (English, French, German, Italian) languages. We should use 'asymmetric' systems (i.e. you speak your own language but get interpretation in only two or three).

All come up against the same stumbling-block: it is politically unacceptable that those speaking minority languages should be put at any disadvantage.

As far as the written word goes, computer translation may come to the rescue. The EUROTRA project is one research field in which the Community leads the world.

Yet, quite apart from the impending arrival of Spanish and Portuguese, the problem is even worse than we thought. What of the recent altercation between the Parliament's Welsh vice-president, Allan Rogers, and its Scots chairman of the Environment Committee, Ken Collins? 'I'm sorry,' complained Collins, after a tortuous Rogers ruling, 'there must be something wrong with the interpretation.'

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

## British films win three awards



**W**arnings sounded at the festival, held at Villeneuve-lez-Avignon, were loud and clear. The theme was 'habitat and landscape'. The films showed how, in his greed, Man ruthlessly destroys natural beauty, the treasures of his own past – and even, ultimately, himself. Some saw nothing but despair. Others held out hope that all is not yet lost.

For the first festival of its kind, the organisers – the European Cultural Foundation of Amsterdam – did well to attract 165 films from 18 European countries. They admit, though, that entries from some, like Germany and Scandinavia, were uncharacteristically weak, and there were none from Spain. The international jury had whittled them down to 50 for actual showing during the six day festival.

All the entries were made with the aim of increasing public awareness of the problem, at a time when environmental protection can too easily be considered an economically dispensable luxury. Many of these films have been, or will be, shown to mass audiences through TV. The winner of the European Commission prize (*Ravaged Coastline*) and of the European Parliament prize (*People of Barrio*) will be dubbed into all EEC languages, to make sure they are widely seen.

The host country, France, almost swamped the festival by putting up half of these films. Fortunately most were excellent, illustrating the two main concerns of the ecological movement in France: protecting the individual and the landscape from the brutal spin-offs of industrialisation, and preserving those gems of natural and man-made environment in which France is so rich.

## MAN AND HIS HABITAT

**Europe's film-makers have been showing their work at the first Environmental Film Festival, held in March. JOHN GREENWOOD was there**

The Frenchman's pride in his rural roots is well known, with every middle-class Parisian seeming to have a granny back in a village in Normandy or Brittany. So it is not surprising that the festival was treated to a loving, nostalgic tour of the provinces, to a hymn of praise to the peasant life, based on the use of human and animal energy rather than fossil fuels, to a life ruled by the natural seasons: 'Quand c'est le moment des pommes de terre, on travaille les pommes de terre' ('When it's potato time, we dig potatoes') says a wizened crone with a weather-battered face.

And yet this apparent harmony between Man and Nature is achieved largely at Man's expense – 'C'est trop pénible' ('It's too hard'), says the old lady, heaving an enormous bale

up into the hayloft. There is resentment, too, that the farmers should have to pay to keep their villages looking pretty for the benefit of tourists and weekend home owners.

The French are also deeply concerned about the apparent ruthless contempt of industrialisation for environmental values. The special prize of the European Commission went to a film produced at Lille University, *Littoral Dévasté* (*Ravaged Coastline*) which illustrated this in 25 minutes of dreadful litany: massive civil engineering works, like nuclear power stations with military style defences, oil terminals, some useless and abandoned projects like the old Channel Tunnel workings, have disfigured the Channel coastline; the air and sea water are hopelessly polluted.

We were shown the cancerous entrails of a locally caught fish; the dunes and woods wrecked by thoughtless urbanisation, vandalised by massed motor cycle trials. Even well-meaning tree-planting operations are failing – the saplings die, but oddly the privet stakes take root.

After such powerful images, efforts to show the other side of the coin, however sincere, were inevitably ineffectual. There were films sponsored by the nationalised gas and electricity industries, railways, motorway builders, oil companies, attempting to show their care and sensitivity to the landscape. They were greeted with ironical cheers and thin applause.

Similarly, the National Coal Board entered a film on the cleaning up of a century of coal waste tipped on Durham beaches. Now it is being piped out to sea, but black grime is still washed back.



Britain had the second-largest entry with seven films, and three of them were prizewinners. Brian Moser's ATV film in the Frontier series, *People of Barrio*, won the special European Parliament prize. It tells of six families' struggle to establish themselves in Guayaquil, the main port of Ecuador, where half-a-million people live in bamboo shacks on stilts over tidal swampland.

Continental Europe expects every Briton to have a sense of humour, and this was the quality most praised in the two other British prize-winners.

The title of Jonathan Gili's Granada TV documentary about restoring the Albert Dock which won the top prize, is hardly side-splitting – *Pool of Life: Liverpool's past, present and future*. The quote is seemingly from Karl Jung. As the commentator says at the beginning, 'You can't be neutral about Liverpool, you either love it or loathe it.' The humour, bitter at times, lies in the breezy way the city's history is traced back, through the

successive trades on which its former prosperity was based, and using familiar TV techniques of historical reconstruction, animating old prints, musical jingles and so on.

First there was the sinister Africa trade – triangular journeys of slaves to America, rum and sugar to England, trinkets back to Africa – then cotton exports, later, more human cargoes of emigrants, especially after the Irish potato famines, and on through the golden years of the British Empire until the port which once carried twice as much trade as the port of London virtually ceased to exist. Now, to save £500,000 a year, the dock gates have been left open and it has silted up.

Granada TV's *Pool of Life* featured actor Bernard Hill, shown above on location with Merseyside Museum's director Richard Foster. Below: a still from the Finnish prizewinning entry, *Metsurit*. Left: officials, experts and an MEP, Mrs Beate Weber, discuss issues raised in the films.


*Dream City*, directed by a group of students from the National Film School in Beaconsfield, was a sure winner – and indeed won the prize for the best fiction film. But it was alarmingly close to reality, contrasting the grandiose schemes and pretensions of the planners of Milton Keynes new town with the reality of actually living there. In the film, the best endeavours of the officials of the Development Corporation are demolished by the perplexed human inhabitants. Brought together by Jubilee street parties, they revolt and set up the Flathill district people's republic. But they only know what is wrong. 'Now we've got our independence, we've got to find out how to use it,' is the ambiguous ending.

A few of the other films stick in one's mind. There was a strongly polemical Dutch film, *Sacrifice Area* by Otto Schuurman (Special Mention) with images as striking as any in the festival. The 1868 Fort Laramy treaty did indeed give the Sioux back their traditional homelands in the Black Hills of South Dakota in perpetuity, but the whites retained the mining rights. The Indians are now being 'relocated' to make way for opencast strip mining by Union Carbide and the Peabody Coal Corporation. There were shock and horror pictures, of abandoned uranium mines, their groundwaters bleeding out charged with arsenic and radioactivity, while the Indians 'fight rather than submit to the final act of genocide, fight against the multinationals and nuclear power.'

The Greek films were on a different time-scale. *Layer of Destruction* by Kostas Vrettakos showed archeologists' hopeless efforts to finish excavating the newly discovered ruins of ancient Kallipolis before they were submerged again by the rising waters of an artificial lake. The irony was heavy. It seems that in time the lake itself will fill with sludge, another 'layer of destruction', turning the valley into a fertile plain. Maybe Kallipolis has been preserved for archeologists of a more deserving future age.

The most memorable film was the only Finnish contribution, *Metsurit* (*Forest work*) by Erikko Kivikoski, which deservedly won the festival jury's special prize. It lasts only seven minutes. There is no music, no commentary. There are two alternating scenes. Inside, an out-of-work lumberjack sits dejectedly alone at a wooden table, which is covered with dead beer bottles and a butt-filled ashtray. He has the rheumy eyes and pallid, unshaven skin of the alcoholic and nicotine addict. With desperate calm, he slowly smokes, drinks from the bottle and watches through the window of his log cabin.

Outside, we see and hear his destroyer. A massive machine claps a fir tree, chain-saws through its trunk in seconds, deftly twists it round in a flurry of snow, and plucks it from its neighbours. In a couple more seconds, it strips its branches, saws the trunk into three logs of exactly equal length and neatly stacks them before moving to its next victim.

This is the ultimate image of Man's self-destruction in the name of productivity. 



# How the Community's Social Fund is helping those in need

**Young people, migrant workers and the handicapped are the main groups who have been receiving practical aid**

**T**he European Social Fund is helping nearly a million people to train or re-train – and Britain is among the countries which acknowledge the Fund's influence on the drawing-up of training schemes. The Community's eighth report on the Fund shows that it is particularly helpful to the young, to immigrants, and to the handicapped.

Member states were asked last year to report on their experience of the Fund to the end of 1978. The British report, while acknowledging the Fund's usefulness, found that the geographical restrictions to assisted areas imposed by Fund rules created certain disadvantages: the handicapped, for instance, are not only to be found in deprived areas. There were also difficulties about helping migrants above a certain level in language courses because of lack of Fund provision.

In the assisted areas of the North, Scotland, Wales and Northern Ireland, however, help from the Social Fund was taken into account when planning the scale of the Youth Employment Programme (YOP) in 1978, and the later Training Opportunities Programme (TOPS) set up by the Manpower Services Commission. Over 55,000 young people benefited from the Fund.

In addition, some 35,550 people were helped under the Employment Transfer

Scheme to move house or travel longer distances to new jobs. An ambitious scheme in Scotland, undertaken by private companies, attracted a grant towards the training of 1,000 people for work on the oil terminal at Sullom Voe. In Wales, 355 new jobs were created in the brewing industry through Fund help.

Altogether 198,000 people were helped through the Social Fund in the UK in 1978, representing about 23 per cent of the 870,000 beneficiaries throughout the Community. The report considers that, where it could be used, the Fund undoubtedly helped to combat unemployment.

In Ireland, where the whole country is a priority area under Fund rules, the Com-

**... 198,000 people were helped in the UK in 1978...**

munity contribution proved to be a major influencing factor in improving standards and quality of training. The Industrial Training Authority responsible for training schemes admits that it was able to develop programmes on a scale that would have been impossible without the 55 per cent contribution to costs from the Fund.

In France, the Fund was extensively used to help train over 100,000 young people, particularly in the French overseas departments. Again, the report admits that without the considerable amount of aid provided many operations would not have been carried out.

For Denmark, the Fund contributed to improved vocational training for young people in Greenland, and in helping handicapped

people to train for employment. In Italy, over half the schemes aided by the Fund were in the priority area of the Mezzogiorno. In Germany, while the Fund made a relatively small contribution in financial terms to the promotion of employment, the report notes that this contribution was vital. It was used particularly on training schemes for 'second generation' immigrants, where, but for the Fund, increasing demands on both public and private bodies would not have been met. **E**

## A PENNY IN THE POUND ON FOOD PRICES

What effect will the agricultural price decisions by the Council of Ministers in April have on the household budget?

The level of support prices goes up to just over 9 per cent on average, with more of it going on meat than on cereals. But market prices are not necessarily affected by an increase in guaranteed prices. And direct subsidies will help to contain the prices in the shops.

The Ministry of Agriculture accordingly estimates that food prices in the United Kingdom will rise by about 1 per cent on the retail price index in a full year. And the UK butter subsidy of 12.6 pence a lb is to continue – financed entirely from the Community budget.

If 'green currency' changes are taken into account, the level of price increases varies between member states. Italian support prices go up by an extra 6 per cent, French and Danish prices by an extra 2.69 per cent, Irish prices rise by an extra 4 per cent, and Dutch and Belgian prices by an extra 1 per cent. UK support prices will rise in line with the 9 per cent general increase, whereas West German support prices rise by just over 5 per cent.

The monetary changes bring seven of the 10 member countries to the common price level. Only the UK, Germany and Italy are currently applying monetary compensatory amounts on agricultural trade.

The Ministers accepted the need to encourage the use of home-grown cereals, especially for animal feed, by allowing a relatively small increase in intervention prices – 6 per cent. They did not accept the Commission's proposals for a 'super-levy' on milk and butter to penalise excess production. But they increased the basic levy from 2 per cent to 2½ per cent of target price, and also committed themselves to offset any extra costs that might arise in the dairy sector if milk supplies this year go up by more than 1 per cent over the 1980 figures.

People helped by the European Social Fund in 1978

Country	Total		Migrant		Others*
	Young people		workers	Handicapped	
Belgium	8527	2155	285	497	5590
Denmark	12,869	4226	–	1896	6747
Germany	393,450	30,903	311,020	5984	45,543
France	140,111	100,998	21,864	1348	15,901
Ireland	55,741	14,592	228	12,341	28,580
Italy	61,430	22,482	12,360	6145	20,443
Luxembourg	129	10	–	119	–
UK	197,905	55,107	9027	42,467	91,304
<b>TOTAL</b>	<b>870,162</b>	<b>230,473</b>	<b>354,784</b>	<b>70,797</b>	<b>214,108</b>

\*Mainly workers in government-assisted areas of high unemployment and industrial decline.



# What has happened to the deutschmark?

Not so long ago the German economy was riding high, and the mark with it. RAINER HELLMANN, Brussels bureau chief of the German news agency VWD, describes what has happened to the European Community's strongest currency



A poor country becoming poorer is no story, and hardly anybody cares except its creditors. But a rich country appearing suddenly in a poor man's suit and showing an enormous open current account makes a big story – and a big case. At first, a little *Schadenfreude* is inevitable, especially if the rich country in its better days did not abstain from giving its partners well-meant advice on keeping out of debt and preventing inflation.

Only three years ago, we Germans made great but vain efforts to explain to our western partners, especially the United States, that our economy was not strong enough to pull the western world out of the recession. Reluctantly, at the Bonn summit of the seven western nations in mid-1978, Germany agreed to deficit spending of 1 per cent of its GNP, designed to achieve a significant strengthening of demand and a higher rate of growth in order to help its partners to overcome the world-wide economic recession.

Today, some authorities see this as a Teutonic Eve biting the apple while feeling herself safe in the Garden of Eden – only to be expelled two years later from a Paradise where, for 30 years, the market economy had been allowed to work with no outside interference. The majority of experts think differently. They see the main cause of economic upheaval as the oil-price wave of 1980. This, joining up with many smaller but not then visible waves, helped to sweep the almost permanent German surplus into a 15 million dollar deficit.

Why had the Germans been so sure they were on the right road? Well, it had been so easy to overcome the first oil-price wave of 1974 with high currency reserves, and with a deutschmark rising in value every month against the dollar. This absorbed a large part of the real impact of the oil price increase on the German economy. The oil crisis appeared to be a real problem only for countries with currencies as weak as, or weaker than, the dollar.

In recent years the deutschmark itself had become a petro-currency, though the German authorities tried to dissuade foreign central banks from holding it and to use it as a reserve currency alongside the dollar. More and more petro-dollars were changed into petro-deutschmarks, which finally reached a 14 per cent share as a reserve currency.

Why did nobody notice these underlying weaknesses of the German economy, in a period in which Germany was warning others to behave as virtuously as it seemed to do itself? Well, a patient hesitates to ask his doctor, when admonished to drink and smoke less, how many glasses

of whisky the doctor himself drinks and how many cigarettes he smokes. And, just as doctors are not necessarily teetotalers, so Germany's management of its economy had been beyond suspicion for some time.

For two or three years the Federal Treasury, the treasuries of the *Länder* and of the local authorities, had been spending a lot more money than they collected from taxpayers. In 1980 their indebtedness had increased by some 30 billion dollars. Though Germany has no sliding scale of indexed wages, the yearly wage negotiations in past years had resulted in wage increases that surpassed the gains in productivity. Germans – and inside Germany, the Bavarians – competed with Italy for top place in the European holiday calendar.

For the deutschmark, as for the dollar and sterling in their time, the prestige of reserve currency status has proved expensive. It hid the dangers of a sudden turn of the tide. Those who secure holdings of a new reserve currency in hopes of a profit are all the readier to get rid of it if doubts begin to grow. Currencies have no inbuilt memory. They react abruptly to the prevailing trend, and they project this trend into the future, overshooting in both directions, as the dollar did in 1977/78 and the deutschmark early this year. The dollar increased from 1.70 at its lowest to 2.25 at its highest, driving German import costs upwards and proving that dependency on oil is much more expensive than the Germans thought.

Inside the European Community the deutschmark was supported by the European Monetary System, where it was maintained inside the tolerated 2.25 per cent margin, thanks to the support of the French franc and the Dutch guilder. Supporting the deutschmark was a surprising new rôle for the franc. France had an inflation rate of 13.6 per cent in 1980, while Germany managed to keep its own as low as 5.5 per cent. However, investing money in France yields higher interest rates.

What can be done in such a changing situation? Hardly any government has ever had to react to so quick and thorough a change in its current account as Germany. Fortunately, the government did not try

to cure the evil by the traditional means—restricting internal consumption, imports and foreign spending by German tourists. A German policy that tried to plug all the holes from which money and capital was flowing out would have been a disaster for Germany's partners in the European Community and the world.

German tourists spend nearly 12 billion dollars a year abroad, and cause the biggest hole in the current account. But restrictions in this area would have caused severe reactions abroad and at home. If the freedom to move around the world with a filled purse had been restricted, Germans would probably have over-reacted by changing their whole spending behaviour. Such a measure would also have been resented by Germans, as marking the end of the long period of prosperity and of free movement. Besides, some of Germany's best customers, such as Italy, Spain and Greece, can only pay for their imports with the deutschmarks which German tourists spend on their holidays abroad.

The German authorities have also refrained from imposing capital export controls. These would also have raised new doubts about the mark. Even a gentleman's agreement, asking German banks to give no new important deutschmark credits to private customers abroad, was not continued beyond February 1981, since it proved that even this benign persuasion had a negative effect on the volatile capital markets.

The deutschmark does have the advantage of belonging to the European Monetary System, and of 'floating' against the other world currencies. For almost 18 months the EMS has maintained stable exchange relations between continental European countries (except for the recent devaluation of the lira) with which Germany shares almost half of its foreign trade. The soaring dollar and yen have caused an unwelcome rise in import prices. But in the longer run this rise will

also improve the competitive position of German exports outside the European Community.

Again, the sharp decline of the dollar in 1977, which made US exports very competitive on the German and international markets, will be offset, at least partially. Today, for the first time, Germany needs some help in its competitive position from the exchange rate.

But the real fight cannot be fought on the battlefield of exchange rates. What will decide Germany's position is productivity. What counts is whether the doctor who has not followed the advice which he gave to his own patients, will change. What counts is whether wages will no longer outrun productivity, whether the inflation rate can be kept below 5 or 6 per cent—notwithstanding soaring oil and commodity prices—and whether the German nuclear programme will finally be implemented, at least half as speedily as the French one.

What counts, also, is whether foreign markets will remain open for German exports, just as Germany is not closing its gates. The European Community, plus Japan and the United States, must continue to measure itself in open competition. The deutschmark reversal is just another unexpected reaction in a world economy which rarely follows a linear course.

What Germany does today will not show its effects before next year. 1981 will certainly be the worst year for the German economy, with a negative growth rate of 1 to 2 per cent and 1.5 million out of work. There is no chance of turning the tide in the very short run. But the orientations given this year to the German economy will decide whether Germany, and the deutschmark, are able to continue to play their leading rôle in the European Community and the European Monetary System, and whether they will continue to be a stabilising factor for the world economy. E

An unholy but powerful alliance of hunters, gamekeepers, tanners and taxidermists has succeeded in getting vital French nature protection legislation annulled on a legal technicality.

They claimed that the National Council for Hunting and Wildlife (Conseil National de la Chasse et de la Faune Sauvage), had not been consulted during the drawing up of the legislation fixing lists of protected birds and mammals adopted in April 1979.

To support their case the hunting organisations argued that some of the mammals protected by the law cause damage to woodlands and game and that populations would become too large without hunting.

They also argued that the lists had been drawn up in excessive haste and were not based on scientific evidence. The gamekeepers even claimed that they would be discouraged from pursuing predators if they could not sell the skins of the animals they caught.

The nature protection groups, FFSPN and SNPN, accuse the French environment minister of negligence in fulfilling its supposed role as protector of the natural environment.

As a result not a single species of bird or mammal is now protected—and all for a question of form, since the French Conseil d'Etat rejected all the hunters' other arguments.

—Eco-forum, Brussels

I have suggested to the Bureau of Parliament that all the present official languages—English, French, German and Italian, Danish, Dutch and Greek—retain that status but that a new category should be created of principal working languages. Only English, French, German and Italian would fall into this category.

By this means a great deal of the parliamentary paper-chase, where the real waste occurs, would be brought to an end.

Richard Cottrell, MEP for Bristol, in a letter to The Times

A report calling for a better financial deal for Northern Ireland could help the Province if adopted by the European Parliament.

It is being backed by Ulster's three MEPs, Mr John Hume, the Rev Ian Paisley and Mr John Taylor. It calls for an overall development plan to revitalise the Province's economy.

The report, drawn up by MEP Mme Simone Martin, after a request from Mr John Hume and a visit to the Province, proposes, among other things, a five-year 'tax holiday' for new industries, and urges the British Government to pass on to the Province the full benefit of EEC aid instead of absorbing it into the Exchequer.

—Ulster Newsletter

BSC's new chief, Mr Ian MacGregor, has begun to hit back, cutting prices to match imports blow by blow. Helped by vastly improved productivity and aggressive marketing, BSC is now the only bulk steel producer in the EEC with a rising market share: it has recently started up exports of strip steel coils to Talbot's French car plants, despite the problems posed by the strong pound.

—Economist

*I fear that the abolition of the British Passport is yet another piece of bureaucratic vandalism, and yet another move in the plot that is triumphantly proceeding to abolish our country and turn it into an off-shore province of the Continent.*

—George Gale, Daily Express

Europe's butter 'mountain' is now down to a molehill.

It has melted from a peak of 590,000 tonnes in 1979 to 39,700 tonnes—still enough to keep Common Market consumers spreading for a week.

Thousands of tonnes of the surplus have been sold off behind the Iron Curtain at cut prices.

It has also been whittled away by cut price sales to Common Market pensioners, hospitals, prisons, armed forces and schools.

An EEC official defended the subsidised sales. He said: 'It costs less to sell it off cheaply than pay the rising cost of storage.'

—Sun

*The abiding idiocy of the Common Market bureaucrats is their obsession with creating an Identikit European.*

*If they had their way we would be alike and do alike, look alike and talk alike.*

*They would build a Community whose ideal citizen wore a beret and lederhosen, smelt of garlic, spoke Esperanto and played cricket.*

—Daily Mirror

# WHAT'S IN THE PAPERS

*Sir—Regarding the Which? poll on British attitudes towards Britain's membership of the EEC, it is perhaps worth noting that the 1980 Community budget is but 0.9 per cent of the collective Gross Domestic Product of the member states. This is a modest price to pay for such an excellent whipping boy.*

—Letter in the Economist

The effects of economic recession, coupled with improved fuel conservation measures, led to a fall in energy consumption in the Community in 1980. Oil consumption dropped by 7.6 per cent, compared with an overall decline in energy use of 4 per cent.

There was one exception – nuclear energy, reflecting the more widespread use of nuclear reactors, notably in France, where seven new ones came into operation during last year. Meanwhile, research is continuing to find alternative sources.

## We are using less energy – and nuclear power is on the up-and-up

According to the latest review by the Commission, there has been a growing interest in new energy resources such as solar, wind and geothermal energy. Though these will supply only 2.2 per cent of Community consumption by 1990, there is thought to be a useful spin-off from research and demonstration projects, especially valuable to developing countries.

Meanwhile, oil's share of the total consumption is expected to fall from 55 per cent in 1979 to about 52 per cent this year. Rising costs, however, mean that the oil, even though less in volume, costs more. Import costs are expected to rise from \$75,000m in 1979 to an estimated \$105,000m in 1981.

On the world market, loss of oil from Iran and Iraq, following the outbreak of hostilities last September and amounting to the equivalent of 200 million tonnes per year, has been mainly compensated for by supplies from other countries or from stocks. In addition, consumption in OECD countries fell in 1980 by about 120 million tonnes, or six per cent, compared with 1979. Despite this, OPEC (Organization of Petroleum Exporting Countries) basic quality oil rose in price from \$18 to \$32 per barrel between July 1979 and November 1980.

Within the Community oil consumption in 1981 will total between 472 to 490 million tonnes. Community-produced oil will account for 18 per cent of Community supply, so that foreign imports should fall well below the agreed limit of 472m tonnes.

Gas consumption has fallen slightly. The Netherlands accounted for about half of Community production in 1979, and 57 per cent of this was exported to other Community countries. As the decline from peak production in 1976 continues, Dutch exports are likely to fall this year, and imports of natural gas from third countries are expected to rise to 27 per cent of consumption. Some countries, notably the UK, reported a dramatic fall in industrial sales in 1980, reflecting the deepening recession. The Commission does not think that the situation is likely to change much in 1981.

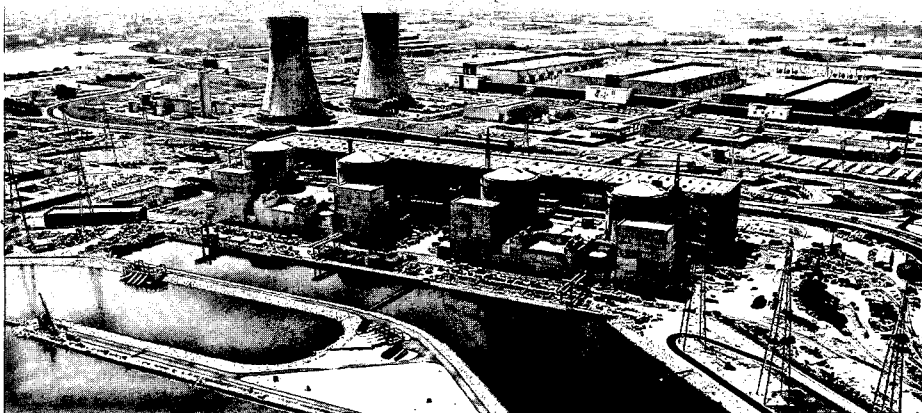
Demand for coal has been rising marginally since 1979, and is expected to total 313 million tonnes in 1981. The rise is partly due to

greater use of coal for firing power stations. Production in 1980 reached 243 million tonnes and this level is expected to be maintained in 1981. Imports have increased since 1979 from about 59 million tonnes to 72-74 million tonnes in 1980, and are expected to be bigger still in 1981.

There was evidence of consumer resistance to electricity in 1980, with smaller sales in appliances, combined with a more rational use of energy deriving from improved conservation and higher prices. Coal consumption in power stations increased by about 4 per cent, while 12.5 per cent less oil was used in the first half of 1980 compared with 1979, while hydro-electric plant accounted for some 12 per cent of electricity production. As well as France's new nuclear reactors, others are expected to come on stream in Germany and the UK in 1981, indicating a considerable increase in Community dependence on this source for electric power. The Commission notes that the economic costs of the nuclear contribution have proved cheaper than from oil or coal fired power stations.

The Community continues to rely on foreign suppliers for 80 per cent of natural uranium, but wholly on the USA for supplies of highly enriched uranium. Because of the relatively slow progress of nuclear development, however, the Community has more nuclear fuel available to it than it requires.


The French nuclear power station at Tricastin.



Community energy objectives for 1990 include more serious development than hitherto of non-traditional or renewable resources, such as solar, geothermal or wind energy. By 1990 these are expected to produce up to 28 million tonnes of oil equivalent as compared with 13.9 million in 1979.

Most Community activity in this field will be geared to aiding research and encouraging commercially-directed demonstration projects. Among these is a contracted research programme for solar energy applied to housing, power stations and the generation of electricity from photovoltaic conversion. A four-year research programme carried out by Community research centres, and started last year, will include testing of solar energy installations and complete solar systems combining heating and refrigeration, as well as equipment for solar power stations and basic research into new conversion processes.

The Community will also offer financial help (up to 40 per cent but possibly refundable) for demonstration projects by firms concerned with using solar energy for desalination, space and swimming bath heating, use in glass houses, pumping and so on, and the generation of electricity from biomass.

In geothermal energy the main aim will be to identify and assess new geothermal sources which can be used for demonstration projects. A four-year indirect research programme covers collection of data, improvement of operating technologies, and feasibility of extracting heat from hot, dry rocks. Help on the same scale and conditions as for solar energy will be available for certain types of demonstration projects such as electricity generation, industrial use, and heating of buildings and glass houses. However, the Commission adds a warning note: the technologies to deal with renewable sources of energy are still underdeveloped. It has still to be shown that, within the Community they will prove economically worthwhile. 



## CANALETTO IN LONDON

**Visitors this summer have a chance to see why the man who painted Venice was the most popular Italian artist of his time**

**C**analetto has always been a favourite with the English. From the time of his early association with the resident Consul in Venice, Joseph Smith, he was sought after by such visiting grandees as the Earl of Essex, Lord John Russell and the Duke of Leeds.

In 1727 the Duke of Richmond's agent in Venice wrote to say that Canaletto's prices were going up every day. The famous painter was so much in demand, he reported, that only 'by force of bribery' was it possible to secure even one painting every two months - 'sketch'd out and a little time afterwards finished.'

The king himself, George III, acquired from Smith a large group of Canalettos, along with other works, to hang in Buckingham Palace. In December 1762, tickets to view this 'grand collection' of pictures were advertised to the nobility and gentry. Today, and all through the summer, anyone can go to see them in The Queen's Gallery, adjoining Buckingham Palace - an unsurpassed collection that includes 38 paintings and over 50 drawings, all newly cleaned and restored.

A catalogue note claims, with some justice, that these works have never before been seen in such splendid condition, or can have made collectively such a vivid impression. There are few signs of haste, and none of slickness, in the execution: for so busy an artist, Canaletto maintained an extraordinarily high standard.

What does emerge is his artful compression, and sometimes rearrangement, of his subjects. Knowing his public, he invested his pictures with rather more 'subject interest', as dealers call it, than is likely to strike the eye of a spectator. He did so with taste and judgement, enveloping the scene with the precious element of imagination.

To a visitor who knows Venice well, the viewpoint often seems perplexing. Canaletto liked to take up position, either in imagination or afloat, in places where no ordinary tourist would pause.

From Canaletto's visits to England: Old Walton Bridge (Dulwich Gallery) and The Thames from Somerset House, a drawing from the Royal Collection now on show in The Queen's Gallery.

Venice in Canaletto's day was already living on its past, increasingly dependent on tourism, putting on its brilliant, theatrical spectacles as much for foreign visitors as to keep up old observances. Venice for pleasure was as big a draw as Venice for art.

Mrs Piozzi, Dr Johnson's friend, called Venice a city 'where pleasure has set up her own standard'. Canaletto's paintings gave people a foretaste of the easy-going grace of the *Serenissima*, and returning travellers an evocation of an experience that few of them would want to forget. Only Turner, a century later, matches him in that.

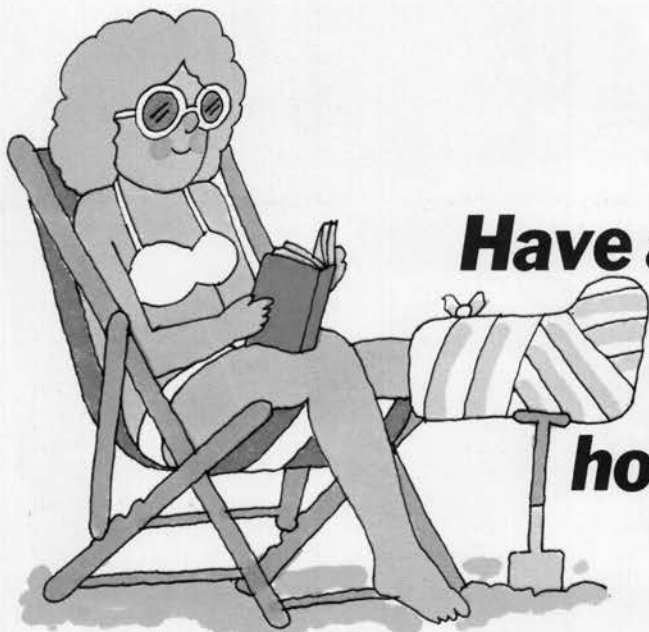
The exhibition includes two large views of the Thames, taken from the terrace of Somerset House during Canaletto's first visit to England in 1746. He seems to have liked England, where he found new patrons and painted their ancestral homes - Alnwick, Warwick Castle, Syon House, Badminton. He might have been disappointed in the English light, and in the opaque water that flows down the Thames. But there is still a splendid, airy breadth to the English pictures,

however lacking in that smiling touch which came to him so easily in Venice.

One marvellous work from his time in England, *Old Walton Bridge*, is to be seen in the Dulwich Gallery, which re-opened early this year after a face-lift that puts it again among the most attractive of all English galleries. It houses the oldest of British public collections, pre-dating the National Gallery; and, like the Queen's Canalettos, most of the paintings there are now seen at their best.

Canaletto painted his *Walton Bridge* in 1754 for Thomas Hollis, a staunch Whig and republican, who stands in the foreground with his friend and eventual heir, Thomas Brand, an Italian servant, and a dog. Also in the picture is a seated painter, flourishing his brush. I like to think this is Canaletto himself, as relaxed beside the Thames as if he were back on the Grand Canal.

DENIS THOMAS



## Have a care-free holiday!

**Holidaymakers in Community countries this summer are advised to check the arrangements for dealing with sudden illness or accident before they set off. Reciprocal schemes apply in all member countries – but not all medical care systems are free.**

**Essential information can be found in the leaflet issued by the Department of Health – SA 30/Jan 81. You can get it free from local social security offices. The main thing, though, is to carry with you Form E 111, which is your certificate of entitlement to treatment.**

Reciprocal medical care in the Community applies to short-stay visitors, such as those on holiday, abroad on family

visits, or on short business trips. Coverage has been extended this year to include the self-employed and Greece.

Treatment is usually limited to urgent cases of illness or accident. It is free, or provided at reduced cost, depending on the health care schemes operating in each country. In other words, the visitor is treated on the same terms as applies to the people of the country visited.

The basis of reciprocity is that visitors should normally be covered by their own national insurance schemes. A UK national, a national of another Community country (including Gibraltar), a stateless person or a refugee ordinarily resident in the United Kingdom, are covered for treat-

ment provided they are, or have been, insured under the national insurance scheme (or that of a European Community country). Not only the employed and self-employed, but also those in receipt of benefit such as pensioners, the unemployed, and the disabled are all eligible.

### **A visitor is generally entitled to treatment for conditions needing immediate attention**

All children under 16 and young people under 19 who are still receiving full-time education, or who are apprentices, are covered by parental insurance.

A visitor is generally entitled to treatment only for conditions needing immediate attention during the visit. However, pensioners and their dependants, or people receiving industrial injuries benefit, may be able to obtain a wider range of treatment.

Arrangements for free or reduced cost treatment only apply if treatment is undertaken by doctors and hospitals operating under the sickness insurance scheme of the country concerned. Not all charges are refundable, but the local sickness insurance office will pay those that are. Refunds should be applied for in person or by post before leaving the country, otherwise it may not be possible to receive expenses on return home or prompt settlement.

The two leaflets – SA 30 and E 111 – are available from the DHSS Leaflet Unit, PO Box 21, Stanmore, Middlesex HA7 1AY.

**After his first year in office, Zimbabwe's prime minister outlines his efforts towards economic stability – in which Europe can play a part. Interview by Roger de Backer**

**'Sometimes I feel that we are manipulated by the developed countries'**

# ROBERT MUGABE

*The EEC has tried to reply as quickly as possible to Zimbabwe's most urgent needs and Zimbabwe has itself now joined the ACP group of countries under Lomé II. What do you expect from this cooperation with both the EEC and the ACP groups of countries?*

I think it's a great advantage to be associated with the EEC, which is a market with tremendous advantages for developing countries – the only one of its kind in the international community as such.

We believe that a number of commodities which we can produce here are needed in Europe, and can gain entry into the Common Market. Our membership of the Lomé Convention gives us a definite market for those commodities.

Already we are happy that we have certain quotas in respect of commodities like sugar and beef and we hope that we will continue to be assured of that market each year. And of course the relationship with the EEC also creates an opportunity for us to have bilateral relations with its individual members. It's easier when they know that you're associated with them through the Lomé Convention.

Help comes through the EEC, but it also comes to us bilaterally, and already we are in association with France and Germany, for instance. Quite a number of projects have now been accepted by West Germany. They will participate in the development of our economy by granting us soft loans.

We have the possibility of getting capital goods where we need them – because countries like France, Germany and Britain are highly developed and have an abundance of capital equipment which we need for our industrial development, agriculture and mining.

Just now we are planning the electrification of our railway. Tenders have been submitted, and we have given seven contracts to Britain

and one to a consortium of companies which comprises West Germany, France, Belgium and other countries.

*Mr Mugabe, what prospects do you see for the Zimbabwe economy?*

Our endeavours are directed at increasing our inputs into the economy, whether by way of capital or skilled labour. That is the productive process. The planning of the entire process of production is a national endeavour. But what we cannot control are the vagaries of the outside markets, or the trends in price structures abroad caused in some cases by continually increasing fuel prices.

Those are matters that are largely beyond us. But we can, to some extent, help to influence them by the developing countries combining forces to ensure that our commodities are not subjected to arbitrary price structures abroad.

Sometimes I feel that we are manipulated by the developed countries. However, we



have to ensure that the developed countries do participate in our economies by making capital goods much cheaper to us and by extending aid in the form of skills.

We need technicians and, of course, help to produce our own skills. If there is co-operation, and an understanding on the part of developed countries that we need to start a process that will lead to real development, then they will come to our aid and give us maximum assistance.

We do not want to see an economic order which is unfavourable to developing countries and favours only the developed countries. We want a new world order where we get fair treatment for our products.

*What scope do you see for regional co-operation in southern Africa, and from a political point of view what is your opinion on the evolution of both South Africa and Namibia?*

As a newly independent country we are naturally worried about our external relations. We do not want to be isolated politically or economically.

I think the most compelling programme for countries of this region is to link themselves economically. Political relations have existed

for quite a long time, since it was the front-line states which embarked on assistance programmes for the liberation movements.

But what is needed now is to build out of this political relationship an economic relationship which will enable us to work together, to come to the aid of one another, to develop common services and a common economic relationship. We must establish a common market for the region, selling to each other those goods which otherwise would have to be bought from abroad.

Why should we buy textiles from Britain when they are produced in our region? Why should we have to export sugar abroad when it is required just next door? And what of our transportation system? Can't we improve it by working together to facilitate the outflow of goods to whatever markets we have?

We hope that the targets we have set ourselves for a joint transport system, a joint communication system and a food security programme for the region – which, of course, Zimbabwe is heading – are worked on enthusiastically, so that the region could produce goods and market them more cheaply than it would otherwise do.

□ Condensed from *The Courier*

*'As far as the European Community is concerned, the most important thing in the long run is free, duty-free access to our market, the largest market in the world. For Zimbabwe, with its already high proportion of exports of manufactured products, and with its remarkable potential, this is of the greatest significance. Lomé gives all of the guarantees you need.'*

– Claude Cheysson, formerly Commissioner for development and co-operation, in reply – below – to a speech by Mr Mugabe in Salisbury, March 23.



# Letters

## Blaming the Common Market

The difficulty of becoming enthusiastic members of the Community is, as Roy Mason says, that we lead an island life and are not joined together in the way that our partners are.

I am a Londoner (Cockney) who spent a year at a Catholic boarding school in Belgium, and as a young man worked in an office in Paris, followed by a couple of years in Antwerp. It is not difficult for me to be European in outlook. I realise, however, that people who do not have such a background tend to blame the Common Market for all their troubles.

As for unemployment due to the recession, technology has done away with many jobs. We often hear of machines doing work formerly done by six or eight men.

If our people consider themselves a race apart, different from Continental people, they should be reminded that we evolved exclusively from Continental origins. André Maurois, a celebrated French author (and a friend of Britain) once wrote that 'the English evolved from the correct blending of Nordic and Latin.'

15 Burton Grove,  
Epsom, Surrey.

E.A. Traynor

## An answer to Roy Mason

With friends like Roy Mason, who wrote in Personal Column in April, the European Community needs no enemies in Britain. If this is how concerned Europeans project the Community to public opinion, small wonder that the *Which?* poll showed public hostility to Europe dwarfed by public ignorance.

Of course the Community is not working as it should to protect its citizens from the consequences of world recession, as it worked so magnificently to secure for them the benefits of world economic growth. Nor is the Common Agricultural Policy making much progress towards the elimination of structural surpluses, and the damage those surpluses cause when they are dumped on world markets.

Why is it not working as it should? Roy Mason himself has supplied the answer - 'the blatant nationalism which more and more seems to dominate successive meetings of the Council of Ministers'. And who is shouting loudest in this cacophony of discordant nationalisms? The British Labour Party, with its demands that the British Government should veto every development in the EEC which impinges on even the most secondary British interests.

Roy Mason goes out of his way to magnify real but minor irritants, such as lavish expenditure by MEPs or totally false allegations such as threats to the British sausage or British beer; and in Parliament, week after week, he seeks to discredit Peter Walker's attempts to reach an agreement on a common fisheries policy - an agreement which, like all agree-

ments since the world began, necessarily involves some concessions by all parties, and that includes us.

Roy Mason is right to urge that the EEC should use its food surpluses in ways which will really help the poor - the poor peoples of the world and the poor people of Europe. But for heaven's sake let's stop playing the game of the anti-Europeans (and the anti-marketeers *are* anti Europeans, for they want co-operation with Europe only on terms which the other Europeans would never even consider) by talking about the catastrophe of the CAP or the cost of the budget contribution.

The CAP has provided a decent living for farmers and prevented rural depopulation, and has ensured to the consumers of Europe uninterrupted supplies of basic foods at a cost markedly below the general level of inflation and more cheaply than in the USA or Japan. The EEC budget costs us about one-seventeenth of what we spend on Social Security, and the 'swollen Brussels bureaucracy' is smaller than Camden Borough Council.

But the real point is that the European Community is the heartland of free Europe, more than ever under threat from its enemies within and without, more than ever a beacon of hope for those Europeans who have only just recovered their freedom or who are hoping to do so.

House of Commons, (Sir) Anthony Meyer  
Westminster, SW1.

## Problems for dairy farmers

Since the United Kingdom's accession to the European Community, dairy farmers in Northern Ireland have derived great benefits from the CAP, in marketing aids and structural grants. Nevertheless, some serious problems now exist in the industry.

The chief problem is that, within UK interpretation and application of dairy policy, the maximum obtainable return to the producer from the market for manufacturing milk (82% of our supplies) is inadequate. This would also be seen as a problem in the rest of the UK were it not for the high proportion of their milk output (over 50%) used in the liquid milk market at premium prices prescribed by national Government.

Factors which contribute to the inadequate return on manufacturing milk throughout the UK include the continued access of New Zealand butter; the persistent depressed state of the UK cheese market; the traditional product mix in the UK; and the imbalance between actual product yields and processing costs in the UK (as affected by UK inflation and interest rates) and the allowances made by the Commission in the milk price calculation.

In England, Wales, and Scotland these inadequacies of return from the manufacturing market are cushioned by the liquid premium on 50% of their supplies. But in Northern Ireland the same liquid premium cannot counterbalance the low manufacturing return, because it applies only to 18% of milk output, despite our having the highest per capita consumption of milk of any region of the UK.

The result is that our dairy farmers are receiving prices that are about 10% under those earned by their counterparts in Great Britain. And margins in milk production have virtually disappeared.

The tragedy of this situation is that milk production (for which Northern Ireland is ideally suited climatically) is not being permitted to make the contribution that it could make to the depressed economy of the region. Unemployment in Northern Ireland presently exceeds 17%. The expansion of grass-based agriculture is potentially one of the best routes to providing much-needed jobs.

For the same reason, the industry in Northern Ireland views with alarm the recurring proposals to impose additional levies or taxes on expanded milk production throughout the Community. Our view is that the disincentives should be confined to areas of the Community that are producing more milk than they can market, and to areas that are not particularly suited to milk production.

So if dairy farming is to make its optimum contribution to our hard-pressed economy, we need policy changes both at national and at Community level that make allowance for the problems and circumstances of the region.

Managing Director, George Chambers  
Milk Marketing Board for  
Northern Ireland, Belfast.

## OH, UPRIGHT JUDGES!

Mrs Susan Worringham and Miss Margaret Humphreys, employees of Lloyd's Bank, have cause to be pleased with the Community. They sued the bank, alleging sex discrimination in its pension scheme which allows men to benefit more than women.

The Equal Opportunities Commission backed the women through the British courts right up to the European Court of Justice. There, the judges ruled that pension arrangements fall clearly within Article 119 of the Rome Treaty, which requires that men and women should receive equal pay for equal work. Pay is defined broadly to cover remuneration in cash or kind which workers receive from employment.

The case is now referred back to the UK Court of Appeal to interpret the ruling in practice. But it is expected to have wide repercussions, not least in support of the EOC claim that occupational pension schemes should be included in British sex discrimination law where they are now exempt.

This is the second case that the EOC has backed to the Court of Justice, and has won both times. Another three cases are awaiting the Court's ruling.