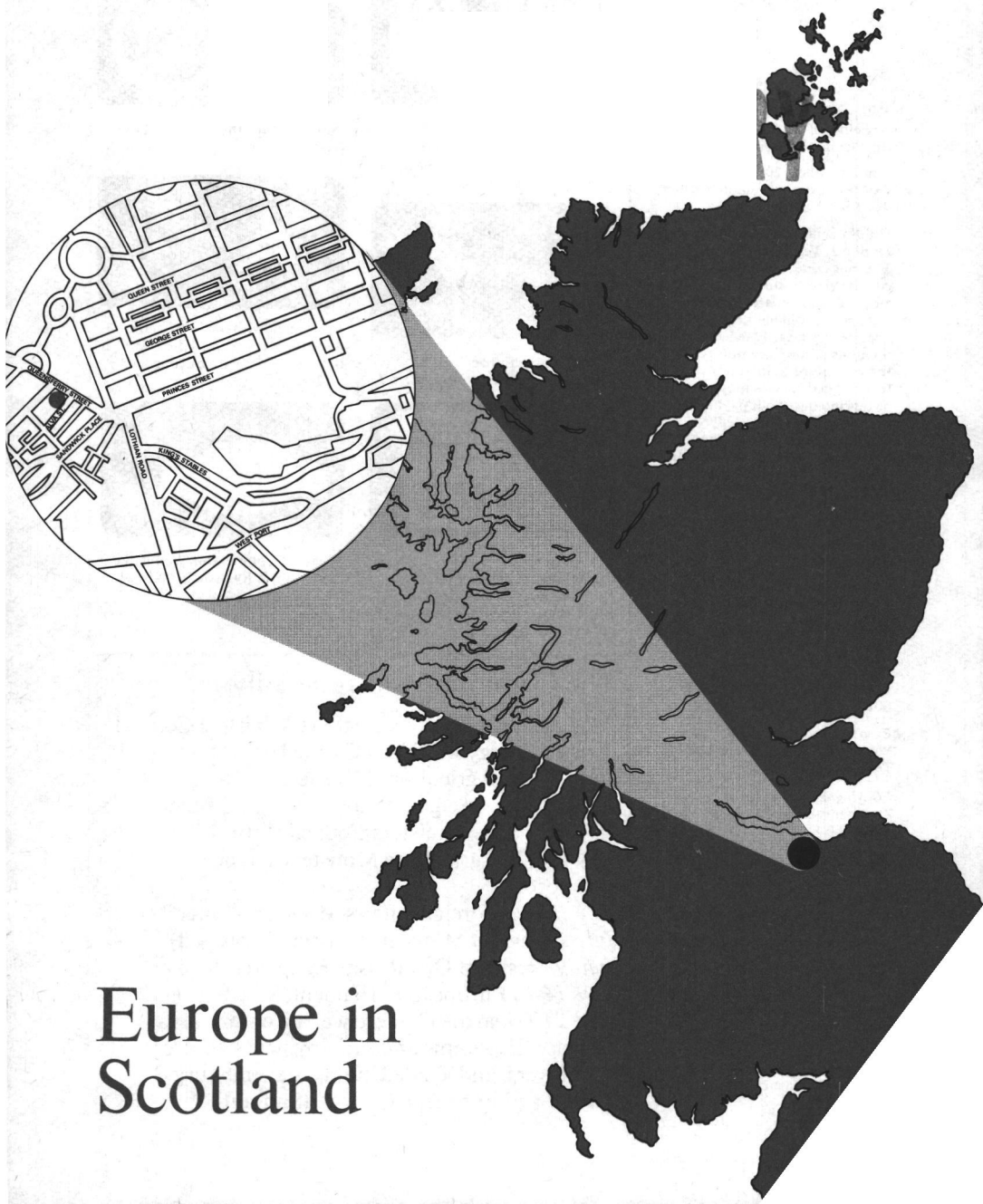


European Community

No. 4

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Europe in
Scotland



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Politics



Scots in Europe
George Thomson looks at the scope for Scots in the European Community. p 3-4-5-6.

Dossier

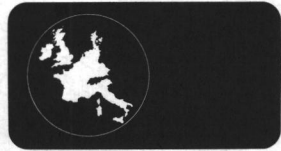


New items for the record. p 11

News



The Month in Europe
The money muddle continues. p 7.



Agreement with the Maghreb
Algeria, Morocco, and Tunisia: their new links with Europe. p 12-13.

Report



Europe in Scotland
Stanley Budd, Head of the Commission's new office in Edinburgh, outlines his tasks. p 8-9-10.

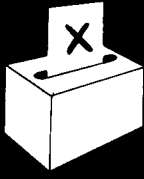
Aid



What the Commission would like the Community to do in Nairobi. p 15-16

The Community in June/July

- May 31+June 1* Foreign Affairs Ministers Council
- June 10* Energy Ministers Council
- June 21+22* Agriculture Ministers Council
- June 28+ 29* Foreign Affairs Ministers Council
- July 8* Finance Ministers Council (Proposed)
- July 19+ 20* Agriculture Ministers Council (Proposed)
- July 19+ 20* Foreign Affairs Ministers Council
- July 22* Budget Ministers Council (Proposed)
- June 9* President Ortoli visits Egypt and Jordan
- June 14-18* European Parliament, Strasbourg
- June 24* Tripartite Conference of Community Finance/Economic and Employment Ministers, Employers, and Trade Unions, Luxembourg
- July 12+ 13* European Council (Summit)



Scots in Europe

George Thomson looks at the future

The future of the European Community is full of question marks. And in that respect I find the Community very similar to contemporary Scotland. Partly for the same reasons, partly by coincidence – the current situation in Scotland presents similar features. There is intense discussion of institutional change, there is political flux, there is major economic change, and growing awareness of new opportunities and dangers.

I am a Scot by nationality and by emotion, for Scotland is beyond argument a nation distinct in its character from the other nations which form the United Kingdom. I am British by citizenship and have no desire to see the British Isles become the Balkan Isles of Western Europe. Finally, I am European, not only by profession but by conviction.

I would only add that it is easy to feel as a Scot – and harder to feel as a European. Generations of history go into my being a Scot. But the future lies in adding a European dimension to one's natural sense of country. The really demanding challenge to the sense of idealism and dedication of the younger generation is to create these new horizons for our loyalties.

The last two or three years have seen a significant and remarkable resurgence of Scottish consciousness and self-confidence. The psychological trigger would seem to have been the

discovery of oil; but the effects are spreading out from economic developments to politics, the arts, and the whole fabric of Scottish society. It is not only Scotland. Throughout the Community I find the same resurgence of regional consciousness.

I do not think these basically healthy developments conflict with the need for and scope for a growth of European consciousness. I see no conflict whatsoever in this. Indeed, in my view as a Scot, a large part of what is distinctly and most valuably Scottish has been the international and outward-looking nature of the Scots. Think of the international role of Scots in exploration, in developing the Commonwealth as soldiers and administrators and engineers and traders; think of the international outlook and impact of writers such as Scott and Burns, and of philosophers such as Hume and Smith.

Change

But the world has been changing. Some of the Scottish influence abroad was the product of forced emigration, and one of the main objectives of regional policy, which is my responsibility as a European, is to ensure that forced emigration of that kind never happens again. And many of the avenues for an international contribution from the Scots have closed – there are no

longer the same opportunities for developing the Commonwealth, for exploration, for soldiering.

The new opportunity for Scots is in Europe. There are new places for the Scots as administrators in the European Community, which they seem to exploit with all their traditional zeal. But there are also big new openings for Scottish businessmen and exporters; whether these opportunities are being taken will depend on energy and enterprise.

Every week in Brussels I see evidence that many Scottish bodies are taking the initiative in getting to know how the Community works. Scottish local authorities, the Scottish TUC, representatives of Scottish universities, the Scottish Council, Scottish lawyers, and Scottish school-children are just some of the Scots who have been making their mark in Brussels. But a tremendous amount more remains to be done before we can say that Scots are really making the most of their new European opportunities.

People

There is also much that must be done by the Community itself if we are going to create a Europe which is more than a Europe for the technocrats. We need a deliberate and conscious effort to create a Europe of the common man and woman. We need to create a Europe which is as meaningful and valuable for the man in the Gallowgate and the housewife in Easter House as for the technocrats in Whitehall.

First will be the contribution the Community is able to make in dealing with the scourge of technological unemployment, particularly amongst the young. Second, I would put the issue of how far the Community

enables the voice of the housewife to be heard – and heeded – throughout the land, especially in regard to excessive surpluses of food. The farmer deserves a fair deal, but so does the consumer, and a new balance needs to be struck.

There are many other actions which could be taken to make a human reality of Europe. People should be able to travel around the Community as freely as they can travel in their own country. A European passport backed by easy-to-use health service arrangements for travellers would help to make people really feel citizens of Europe. Travellers in Europe, businessmen trying to export, often find they are faced not with an Iron Curtain, but a red tape curtain. Efforts are being made to tear that down: they require reinforcing. Imaginative programmes of educational exchange, developing town-twinning, extending links between Chambers of Commerce, extending the choice of goods for the consumer, strengthening Community machinery for safeguarding individual rights – working in that sort of direction will make a reality of European citizenship. And this Community of the common man will receive a great impetus from the establishment of direct elections to the European Parliament.

The Community of the future will, however, be no Community if the weaker economies get weaker while the strong get stronger; if we have a Community of the rich and a Community of the poor. And it must be recognised that the world economic crisis has ruthlessly divided the weaker Community economies from the stronger ones. It is not too much to say that the world economic crisis is putting on trial both the mixed

economies and the multi-Party democracies of Western Europe.

Unemployment

When the present high tide of slump recedes, as it is beginning to do, we shall discover that down on the sea-bed convulsions have been taking place. In addition to the traditional pools of permanent unemployment in areas like Clydeside, we shall find significant new pools of unemployment in industries and areas accustomed to prosperity.

Even on optimistic assumptions of a return to a Community-wide growth rate of four or five per cent, it is likely to mean a continuing unemployment to the end of the decade of at least three million. Because of the bulges in the birth rate, too many of these will be young men and women arriving on the labour market for the first time.

This imminent new unemployment problem has been stirring the conscience of the Community. A Tripartite Conference of Ministers, trade unions and employers started the search for solutions in November, and it is important that some practical ideas are ready for the next round in the summer.

Ameliorative social policy may be able to make a contribution on the margins – one can explore ideas such as shortening working hours and reducing retirement age, improving the working of the labour market, and public job creation.

But the truth is that the ameliorative social policy is not enough, and does not reach the heart of the problem. What is needed is an active policy of positive structural change.

The Scottish situation has two special aspects in this context. First, there are already long-standing prob-

lems of structural unemployment stemming from the decline of traditional industries, particularly in West Central Scotland, which will be aggravated by the new upheavals. But, secondly, the oil discoveries present an important opportunity for achieving the necessary structural change. The challenge is to exploit the oil opportunities in such a way as to bring long-term benefits and growth to the Scottish economy, and to ensure that the new oil revolution does not bring in its wake the problems and the suffering that followed the Highland Clearances and the industrial revolution.

Community help

The Community record of helping Scotland is not too bad so far.

There have been over £10 million in grants from the Regional Fund to strengthen the Scottish industrial structure and create jobs, ranging from £792,000 for printing works at Bishopbriggs to over £1 million for an airport in the Shetlands.

The Community has been active in support of the development of North Sea oil and gas. The Commission has proposed a minimum import price for oil, and other measures to support such investments as in the North Sea.

The European Investment Bank has made several loans since the Referendum to help develop energy in Scotland. It lent £16.9 million for the construction of the oil tanker harbour at Sullom Voe in the Shetlands. It lent £20 million for electricity transmission on the Firth of Clyde and from Peterhead. It has lent the British Gas Corporation a total of £67.8 million to help finance the laying of pipelines in Scotland and the north of England which will deliver natural gas from the Frigg

field, which is in addition to the £10.4 million lent to finance production in the Frigg field at an earlier date. Bogside colliery at Longannet has had a share of another £6 million loan from the Bank.

The modernisation of the Scottish steel industry has benefited from Community aid with, for example, a £6 million loan to BSC Clydesdale, and grants to help resettle and retrain redundant steel workers. Other European Investment Bank Loans have included £1 million for Olivetti Ltd in Glasgow, and £17.3 million to help to modernise the telephone network in Scotland.

But Community finance has not been limited just to large scale industrial restructuring. Grants of over £200,000 have been allocated by the Community to support pioneering methods for coping with poverty in the heart of Glasgow and Edinburgh. A further £360,000 of grants have been allocated to support research at the Institute of Occupational Medicine in Edinburgh into social and medical problems in the coal and steel industry. And a large share is ear-marked for Scotland of the massive £46 million allocated to the UK from the Social Fund this year for retraining unemployed people. Many small projects for modernising agriculture have also benefited from the Farm Fund.

The long term

But new ways of making a Community contribution to the new unemployment problems of the coming years remain to be worked out.

In a situation in which we are faced with unacceptable levels of long-term unemployment, it is no good seeking to solve a national unemployment problem by exporting

it across one's neighbour's frontier. Economically and politically it is disastrous, for your Community neighbours are also your best customers and your closest allies.

Massive new investment is needed to make the Community less dependent on imported oil. Massive new investment is needed to bring about the structural changes in Europe which follow from the fact that new countries are going to develop their own industrial base and do for themselves many of the processes that at present employ European workers.

But all this will require careful identification of the sectors and regions most affected. It will demand a higher growth rate for investment and a lower growth rate for consumption than is politically agreeable.

This will raise big problems of gaining public consent for painful changes – for readiness to retrain for new jobs, for wage restraint.

It will require the fullest flow of information from Government right down to the shop floor and the spread of effective and well-informed participation in decision-making.

It will also raise the question of participation in an even more politically sensitive way – the need for a wide participation in the ownership of the new investment. For if consumption is to be held back in favour of investment in restructuring, it cannot expect to enjoy public consent if it simply leads to greater concentrations of private and corporate wealth. That is why new institutions like the Scottish Development Agency are of great importance, not only economically, but in terms of creating political consent.

Perhaps the increasing awareness of the new post-recession unemployment problem will provide the fresh impulse we so desperately need.



The month in Europe

Honour for M. Monnet

In recognition of his great work as a founder of the European Community, the Heads of State, at their April meeting, decided to confer on M. Jean Monnet the title of Honorary Citizen of Europe.

Vulnerable exchange rates

France's decision to leave the 'snake' or joint float of European currencies on March 15 was seen by the Commission as 'further evidence that the Community exchange rate system will remain vulnerable until member States give tangible proof of their political will to press ahead with economic and monetary integration, which is indispensable if the achievements of the Community to date are to be safeguarded.'

The European Council, meeting at the beginning of April in Luxembourg, gave 'no tangible proof' of urgency on this matter.

However, on the same day as France left the 'snake' the Community announced special Community loans of \$1,000 million for Italy and \$300 million for Ireland. Commission Vice-President, Wilhelm Haferkamp, hailed this as a 'major effort of imagination' and, at a time of monetary upheaval, an important contribution to greater stability and confidence.

Recent Community help

Meanwhile, Britain has recently benefited from loans from a number of Community agencies covering a wide range of projects. These include:

□ £17.3 million from the European Investment Bank (EIB) for Scottish telecommunications. The total cost of the works planned is £160 million, making possible 245,000 extra exchange connections.

□ £13 million from the EIB for water plans in the North of England. The works include an additional 12½-mile aqueduct from the Haweswater Reservoir in the Lake District to a treatment plant on the existing Haweswater aqueduct; two further aqueducts and a treatment plant; and a second contribution to the Kielder water scheme, to which the EIB loaned £7.5 million in October 1975.

□ £1.25 million from ECSC funds for the British Steel Corporation's Ebbw Vale works.

□ £15 million from ECSC funds to help finance a new drift mine at the existing Prince of Wales Colliery near Pontefract, North Yorkshire.

□ £150 million from ECSC funds to the British Steel Corporation to help finance investment at the Redcar and South Teeside works.



Europe in Scotland

Stanley Budd, head of the Commission's new office in Edinburgh, describes his task

'A future full of question marks.' With this phrase, in an article elsewhere in this issue, George Thomson introduces some parallels between Scotland and the European Community.

Both, as he says, are in a period of much uncertainty. They share intense discussion of institutional change, political flux, and major economic movement. There is growing awareness of the new opportunities and new dangers which loom up for the Community, as for Scotland. Above all, there is lively argument and commitment on all sides.

It is invigorating to be in the middle of it. And it is difficult to think of a single aspect of the Community's work in which Scotland will not be profoundly and often passionately involved, and in which it will not speak with a distinctive voice.

Energy

Energy, employment, fishing, direct elections to the European Parliament, agriculture, workers' participation in industry – all these are certain to be central themes for the Community in the coming year.

Take only the first. Energy policy for the Community (this still surprises many) is concerned with a great deal more than North Sea Oil. Indeed, one of its aims is to reverse

the present ratio of dependence – 60 per cent on oil, 40 per cent on other energy sources – of the nine members of the Community.

We may be seeing the beginnings of a revival in the coal industry. We are in the process of forging new, and (we must pray) better relations with our traditional oil suppliers. We are discussing nuclear power, methods of conservation, better utilisation of hydro-electric power and gas resources, and new sources of energy from the sun and the tides.

There cannot be a region of the Community with more to offer in terms of experience in these fields than Scotland.

Interest

There were many – myself among them – who feared apathy and indecision in last year's Referendum in Scotland. We were wrong. Today, interest in the Community is intense.

The *Aberdeen Press & Journal* may not reach the desks of every tycoon in London, Brussels, or Paris (though perhaps it should, since it is required reading for many of the captains of Scotland's new industries, as well as of the fishermen of the North East). Very literally on the periphery of Europe, it yet perhaps prints more news of Community affairs than any journal outside Brussels.

Figures long known to advertising

managers still come as a shock to those whose business is British public opinion. The *Daily Record*, published in Glasgow, outsells *The Times*, *Guardian*, *Telegraph*, *Mail* and *Financial Times* added together in Scotland. The *Sunday Post* gets into three-quarters of Scots households. The *Scotsman*, the *Herald* and the *Courier* are alive and well in Edinburgh, Glasgow, and Dundee.

The copies of the national dailies read in Scotland are true editions, with their own Scots-based reporters at the very top of their profession. Television and radio are produced for Scots, by Scots, with a highly individual flavour. There are a host of first-rate provincial weeklies.

If I write as that worst sort of regional chauvinist, the man who has spent half his life in London, it is merely to note that what may be obvious to a Scot is not always acknowledged elsewhere!

The office's job

In these circumstances the Edinburgh office of the Commission must above all conduct a two-way traffic. We must do our best to help explain Community policies; but equally it is our duty to try to ensure that Scotland's problems and opportunities, the views of Scots people, are properly understood in Brussels and Luxembourg.

Neither task can ever be easy. Fortunately, there are many allies.

When the Referendum was over and Scotland's future in the Community secure, it did not take local authorities, trade and professional organisations, and businessmen long to interest themselves in the question of Community funds. With proper speed they convened seminars and discussion groups on the subject, and spread the news.

With help from colleagues in Brussels and London we have taken part in more than 40 such meetings on the question of funds since I arrived in Edinburgh just over a year ago.

Scotland has done well from Community funds – in cheerful round figures £250 million in loans and grants since we joined. Perhaps half the time of myself and my secretary is spent on this subject still. But more and more interest is growing in the decision-making processes of the Community, and how Scotland's voice can best be heard in its councils. As devolution becomes a reality this interest must increase.

Our partners in Europe have known for years how best to put themselves across in Brussels: not only at political level, but by using the lobbies, the pressure groups, informal links with the Commission, trade and professional bodies, sources of information. Scotland – perhaps because of the year of re-negotiation – is still learning.

Visits

Throughout Europe, budgets are being trimmed. My own is no exception, and I propose to be properly frugal. But in one respect I hope there will always be some bawbees in the kitty, and that is to try to ensure that no one from Brussels, whether his field be in agriculture, fishing, energy, industry, textiles, transport, or social policy, ever visits Britain and stays south of Hadrian's wall. For those who need to know what is happening in Brussels, there is no substitute for the horse's mouth; and no amount of reading of the cuttings from the Scottish press with which I bombard Brussels weekly can compare with

looking at Scotland on the ground.

With the generous cooperation of the Scottish office there have already been many visits from Europe to look at Scotland, study our problems, and gain from our experience. Jointly with the Central Office of Information, the Community is taking a pitch at this year's Royal Highland Show. 'Scotland in Europe', the tartan activists of the European Movement, have provided platforms for many of Europe's political figures as well as giving our Eurocrats a chance to demonstrate that they are neither faceless nor weaned on a diet of Eurobread or Eurobeer. The Scottish office, the quasi-governmental organisations, the Regional and District Authorities, television, radio and the press have laboured with energy and imagination to explain what the Community is about.

In personal terms, the goodwill and helpfulness of everyone in Scotland has made an often difficult task a rewarding and engrossing experience. We move to our new and handsome premises at 7 Alva Street, Edinburgh, this month, and are officially open for business in June; I hope two of the Commissioners, Mr Thomson and Signor Scarascia Mugnozza, may be here to launch the ship.

We shall miss the basement of the George Hotel, where cramped surroundings have been leavened by the helpfulness and unfailing good humour of the staff – even when visitors occasionally had to be ushered in via the kitchen!

I share with Gwyn Morgan, my counterpart in Wales, the pleasure of returning home: in my case after almost twenty years. It is a privilege and a pleasure.

Address

The office headed by Stanley Budd is expected to open officially in July 1976. Its address is: 7 Alva Street, Edinburgh EH2 4PH. Its telephone number is (031) 225 2058. Its telex number is 727420.

Scottish timber

Although no common forest policy has yet been formulated, the Commission recommended in February 1975 that the Council request the Community to prepare a programme of afforestation and forest management. More recently the Commission stated that it was aware of the forestry potential of Scotland and that its policy will take Scotland's special circumstances into account.

Farm improvement grants

Britain is to receive £3,468,192 from the Community in farm improvement grants for 25 projects throughout the United Kingdom, nearly a third of the total sum going to Northern Ireland. A second allocation is to be issued later this year. Applications for future grants should be made through the Ministry of Agriculture or the Scottish or Northern Ireland Departments. The projects concerned must first qualify for UK assistance.



Dossier

Europe's Trade Unions meet

The second Congress of the European Trade Union Federation met in London on April 22-24. In the course of its deliberations it adopted a programme covering the Community's action over the next three years. The main emphasis, however, was on the need to remedy unemployment. With this in mind the Congress recommended a reduction in working hours to 35 hours per week and a longer period of holiday. Participants also thought that there should be a harmonisation of unemployment benefits upwards throughout Europe.

In his address to the Congress, M. François-Xavier Ortoli, President of the Commission, also placed stress on the need to reduce unemployment. Growth, said M. Ortoli, should be associated with an active employment policy, an attempt to deal with the areas of rigidity which, in the 1980s, may accompany economic expansion.

Aid for the coal industry

Economic recession in 1975 has led to production and imports of coal exceeding consumption by a substantial margin, resulting in a rapid build-up of coal and coke stocks. Mr Leonard Williams, the new Director-General for Energy of the

Commission, made this clear recently when he presented the annual report on the Community's coal industry for 1975 and forecasts for 1976 to the ECSC Consultative Committee.

Since the oil crisis of 1974 coal has assumed a new importance as an energy resource within the Community. To encourage full use of this resource the Commission is proposing new State financial aids to the industry to replace earlier ones that expired at the end of last year.

The major forms of subsidy proposed aim at:

- Aiding investment for the stabilisation of production;
- aiding the recruitment, training and adaptation of mining personnel and stabilisation of the work force as may be necessary;
- aiding the building-up and maintenance of stocks with a view to improving flexibility in coal production and making it more readily adaptable to periodic fluctuations in demand;
- special help intended to stabilise, in the long-term, the sale of Community steam coal for power stations;
- aid to avoid pit closures and redundancies in special circumstances where, though the coalfield may be unprofitable, such action would give rise 'to major social and economic disturbance' in an area where work is not available.



Agreement with the Maghreb

The Community has signed agreements with Algeria, Morocco, and Tunisia

The cooperation agreements with Algeria, Morocco and Tunisia, which were signed between April 25 and 27 end a long period of negotiations between the European Community and those countries. The signature also brings into effect the first section of the Community's Mediterranean policy – an aspect of trade relations which includes exchanges with the Arab countries, Israel, Greece, Turkey and Spain.

Origins

The relationship between the Community and the Maghreb countries stems from a declaration of intent in the Treaty of Rome stating that the Community wished to conclude association agreements with the independent countries of the franc zone. The document said that the Community was 'anxious to maintain and intensify the traditional trade flows and to contribute to the economic development' of the countries concerned.

Between 1963 and 1969 talks continued between the Community and Morocco and Tunisia, eventually leading to the signature of agreements in March 1969. The length of time it took to arrive at agreement indicates the difficulty of reconciling the interests of Community and other Mediterranean producers of such commodities as

oil, citrus fruits, and wine. Meanwhile, relations with Algeria were complicated, and it was only in 1972 that the Community decided to open full negotiations.

In the context of an overall Mediterranean policy the Community was able to start parallel negotiations with all three countries. These continued between 1973 and 1976 and were concluded early in that year.

Agreements

The provisions of these agreements were as follows:

1 The agreements, which are of unlimited duration, provide for a Council of Ministers and a Committee of plenipotentiaries to examine how they are working and to resolve any difficulties which may occur. This is roughly the same mechanism as is operative in, for instance, the trade agreement between the Community and India.

2 Provision for economic, technical and financial cooperation. This basically covers the exchange of information and the organisation of contacts between interested parties. A financial protocol gives details of the Community's contribution over a five-year period.

3 Trade. The non-agricultural products of the Maghreb countries will have free access to the markets of the

Community. The only two exceptions to this are petroleum products and cork which will be subject to ceilings until the end of 1979. These products amount to 42 per cent of Moroccan exports; 65 per cent of Tunisian exports; and 92 per cent of Algerian exports.

As far as agricultural products are concerned, these will enjoy tariff concessions ranging from 20 per cent to 100 per cent which will cover about 80 per cent to 90 per cent of exports. For instance, wine will enjoy an 80 per cent tariff cut, citrus fruits 80 per cent, and fresh fruit and vegetables between 30 per cent and 60 per cent. Here it must be borne in mind that agricultural imports from the Maghreb countries make up only some 0.6 per cent of Community agricultural imports and that, in some cases, these commodities compete

with those produced in Community countries.

Community exports to the Maghreb countries will receive most-favoured-nation treatment.

4 Cooperation in the field of labour. Since many immigrants from the Maghreb countries are employed in the European Community, the agreements on cooperation provided for non-discrimination, consultation and the provision of social services for such workers.

The agreements with the countries of the Maghreb show once again how flexible the Community can be in dealing with the problems of developing countries. These agreements also extend the Community's contacts with the Arab world and with the countries around the Mediterranean basin.

Community aid to the Maghreb

million ua

	Algeria	Morocco	Tunisia	Total
EIB loans	70	56	41	167
Loans on special terms	19	58	39	116
Grants	25	16	15	56
Total	114	130	95	339

Maghreb citizens employed in the Community

	Algerians	Moroccans	Tunisians	Total
Total	444,400	187,900	84,800	717,100
of which:				
in France	440,000	130,000	70,000	640,000
in Belgium	3,000	30,000	2,000	35,000
in Germany	1,400	16,400	12,000	29,800
in the Netherlands	—	9,500	800	10,300
in the United Kingdom	—	2,000	—	2,000



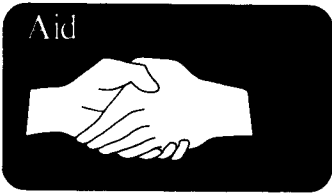
Research Grants

The Commission of the European Communities will award 15 research grants, each of a maximum of 150.000 Belgian francs, during the autumn of 1976 for research projects dealing with *The Recent Evolution and Future Development* – political, economic, social and legal – of *The European Community*.

Priority will be given to research projects on *The European Parliament and Direct Elections*.

Regulations

- 1 The research grants of the Commission of the European Communities are intended for young postgraduate researchers and for lecturers and university teachers at the beginning of their career, who are undertaking individual or team research on European integration, within a research institute or faculty.
- 2 The application should include:
 - a 5 to 10 page typed presentation of the research project;
 - an estimate of expenses;
 - a completed application form;
 - a curriculum vitae;
 - attestations of university degrees and diplomas;
 - a letter of recommendation from an academic authority.These papers are not returned to applicants.
- 3 Grants are not renewable.
- 4 The maximum grant awarded is 150,000 FB. It is paid in three parts:
 - half upon commencement of study;
 - a further quarter midway through the period covered by the grant, and upon presentation of two copies of a detailed progress report;
 - the final quarter upon reception of the typed manuscript referred to in point 7.
- 5 Recipients of grants who do not complete their research are required to refund the balance of the grant.
- 6 Employees of the institutions of the European Communities and their spouses and children may not apply.
- 7 The study must be written in one of the official languages of the European Communities. Two copies of the final typewritten text must be submitted before October 31, 1977.
- 8 The Commission of the European Communities may also contribute to the publication costs of the study, up to an amount not exceeding 30,000 FB.
- 9 Decisions to award grants will be taken by October 31, 1976 at the latest.
- 10 Applications must be submitted before June 30, 1976 to Commission of the European Communities, Directorate-General for Information, 200, rue de la Loi, 1049 – Bruxelles (Belgium).



UNCTAD in Nairobi

The Nairobi Conference gets under way

The IVth meeting of the United Nations Conference on Trade and Development in Nairobi this month, comes at a time of intense debate between the industrialised and the developing countries. In the background is the determination of the developing countries – the Group of 77 – to see real advances towards a ‘New international economic order.’

Terms of trade

The proposals before UNCTAD IV essentially focus on using trade rather than aid as an instrument of development. To do this the structure of world trade, especially in raw materials, must enable the developing countries to sell their goods at remunerative prices and allow them to avoid the negative consequences of sudden fluctuations in international trade.

The UNCTAD Secretariat, therefore, proposes the establishment of integrated programmes on commodities including international stocks of commodities, a common fund to finance stocks, compensatory financing for fluctuations in prices and earnings, trade liberalisation and other measures.

The UNCTAD Secretariat also proposes measures to increase the developing countries’ share of world manufacturing output, reduce their debt burden, increase the transfer of

technology to assist their industrialisation, assist regional cooperation between developing countries and ensure that help goes to the countries which need it most.

These proposals reflect a united front by the developing countries to which the industrialised countries must respond. If UNCTAD IV is to help produce global solutions to at least some of these proposals, then the industrialised countries must also put forward a common position. In the formulation of that position the role of the European Community is of the utmost importance, because the Community, with its high level of interdependence with the developing countries, is bound to try to promote a constructive compromise at Nairobi which must take into account some of the principal concerns of the developing countries.

A new bargain

The Community and the other industrialised countries are already agreed on certain basic principles: to stabilise commodity trade so as to avoid excessive price fluctuations at prices remunerative to producers and fair to consumers; to improve, where necessary, market structures; to encourage the diversification of economic development in the developing countries; and to give special attention to the needs of the poorest

countries. The Community and the industrialised countries have already agreed to consumer-producer discussions for consultation on market conditions, with the possibility in particular cases of the negotiation of pricing and stocking arrangements, systems of export earnings stabilisation and other measures.

The Community will make clearer during the conference how it sees these principles being implemented in a way that will meet some of the principal concerns of the developing countries. In particular, on commodities, the Community will urge: the need to improve market structures; the need to stabilise prices at remunerative and fair levels; the need to improve access to markets and to give complementary help in the drive to diversify developing country economies.

The Community will adopt a positive position on the generalised

system of preferences on manufactured products. The Community will similarly take up a positive position on tropical agricultural products. The Community will follow up its recent positive proposals on special treatment for developing countries on tariffs.

The Community has already said that it will consider additional measures to those taken at the International Monetary Fund in Kingston recently on the position of poorer developing countries. The Community will also work for an agreement in Nairobi towards measures to deal with the indebtedness of developing countries, and will attempt to work towards a situation whereby the needs of developing countries in different stages of development are identified so as to permit the optimum use of aid and trade measures to assist their development.

Statistics of the Month

Few Eurocrats

Community employees make up only 0.012 per cent of the Community's total working population, according to figures released by the Commission in answer to a European Parliamentary Question from Mr John Osborn. In Britain, according to the same figures, those employed in public administrations make up 18 per cent of the total.

Business Cooperation

The Commission's Business Cooperation Centre or 'marriage bureau', set up in 1973, has helped to establish one or more transnational links in 189 cases so far, 44 of them in

response to requests from British firms. In all, it has circulated 327 requests for partners, as well as answering 2,259 requests for information. The greatest interest has been shown by small- and medium-sized firms in the steel, chemical, and food industries, with an average of some 250 employees.

Britons abroad

The present total of British subjects working in other countries of the European Community is 49,500 (no statistics available for Ireland). New arrivals numbered: 1973, 4,118; 1974, 4,894; 1975 (January-June), 2,498.