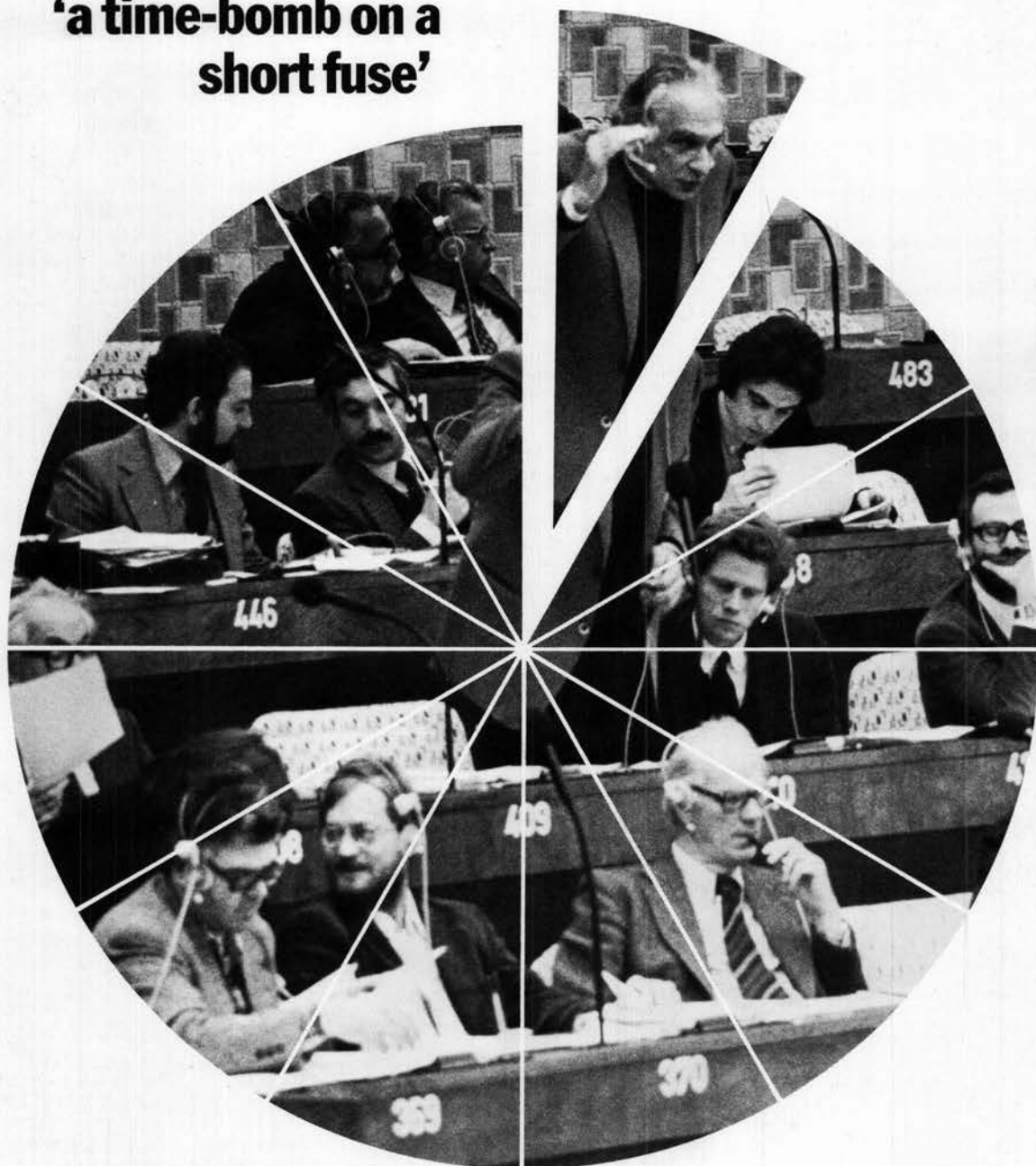


# Europe 84

Nos. 1/2

January/February 1984

## MEPs at Strasbourg: 'a time-bomb on a short fuse'



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## European aid takes the road to the Isles

**W**inter in the Western Isles puts the problems of the crofting communities into perspective. The beauty of Lewis, pictured above, Harris and the Uists, which attracts numerous tourists in the summer months, is hidden by the mists as gale-force winds from the Atlantic pound the Outer Hebrides.

Rain and spray pour down on waterlogged fields and hills, making much of the land unsuitable for farming. Exposed areas, like Watersay – the most southerly of the inhabited islands – and Barra, need to provide housing for cattle to protect them from the severe conditions. That can mean housing livestock from mid-November to early May.

The transport of suitable animal feed to the islands, during the winter months, adds considerably to the operating costs.

The islands have been inhabited since pre-historic times. Even then, with limited means at his disposal, man managed to survive. In recent years, however, there has been a steady

decline in the population as new generations have left to seek their living in a more hospitable environment.

But the mood and the hopes of the islanders are changing, as a result of an Independent Development Programme (IDP), backed by European money, which is one of three pilot schemes within the EEC. Over a five-year period, which started on September 1, 1982, £20 million is being given to the Western Isles for agriculture and fisheries projects. The EEC contribution will be 40 per cent of that total.

**ROY STEMMAN reports from the Western Isles of Scotland, where Community funds are helping crofters and farmers to make ends meet**

At the same time, £36 million investment will be made on the Harris tweed, knitwear, seaweed, tourist and craft industries, as well as on infrastructure and energy projects.

The IDP grant aid gives the islanders an opportunity to tackle, in a unique and co-ordinated way, the social and economic problems which affect their lives. The other two pilot schemes are in France and Luxembourg.

Crofts are usually small farms of a few acres, grouped together in townships, with fenced-in arable land but using common grazing land on a co-operative basis with their neighbours. 'There are very few crofts capable of providing a full-time occupation,' says Bill Lawson, the IDP team leader, who is based at Stornoway on the island of Lewis. What the EEC-backed scheme sets out to do is simply to help crofters make better use of their land.

A former land economics lecturer at Paisley College of Technology on the Scottish mainland, which he served for 17 years, Bill Lawson has had a strong attachment with the Western Isles for 30 years, mostly through



## '£20 million is being given to the Western Isles for agriculture and fishery, of which the EEC will contribute 40 per cent'

holidaying and researching 11,000 family and croft histories. Now he spends his full time travelling throughout the islands in order to discuss and explain the IDP scheme and the many initiatives that are now open to the islanders.

Land improvement, such as fencing and draining, was the first priority. In the first year of the IDP, 4,044 applications were received from 2,163 crofters – that's just over a third of all land holdings in the area.

Half of the applications were for fencing – the first stage in land improvement – and 42 per cent of them went on with additional schemes. At the end of the first year, more than £1 million had been paid out on the 839 land improvement schemes that had been completed.

One problem that should soon be overcome is the number of under-used crofts which exist, particularly on Barra. The Crofters Commission is finalising a Crofters Outgoers Scheme which will assist the release of smallholdings to active crofters. Once land is fenced and adequately drained – and Bill Lawson would like to see 10,000 acres reclaimed during the life of the programme – crofters can receive additional financial assistance for livestock improvement from IDP.

Over £100,000 has been paid out to applicants under the calf and heifer schemes. But winter feed for cattle is a major problem and it may be necessary to wait until land improvement provides greater quantities of food before the numbers of dairy cattle is increased.

One crofter, Andrew MacKinnon, is overcoming the cost of winter feeding by fattening some of his cattle in the Orkneys. He represents a new breed of crofter: once a joiner, he has given up a secure job and high wages to farm 150 acres at Griminish, Benbecula. This tiny island, between North and South Uist, was the place from which Bonnie Prince Charlie, dressed as Flora MacDonald's maid, escaped in a rowing boat to Skye, in 1746.

It was the IDP incentive which encouraged the young man to put his savings into the croft, with the intention of building a 35-strong cow herd and doubling his flock of 60 breeding ewe by the end of the five-year programme.

At Upper Barvas, Lewis, a 400-acre farm has been bought by Donald Maciver, who is returning to the Western Isles after a 13-year absence of farming on the mainland. He, too, is taking full advantage of IDP, beginning with a £90,000 scheme to drain 70 acres of bog and moorland. This he will follow with 250 acres of surface seeding, seven miles of fencing and an increase in herd size of 40 to 100



cows. His sheep will total 300 and he will be building a cattle shed and shelter belts.

Mr Maciver's Glebeland Farm, however, is exceptionally large. Lewis has thousands of tiny crofts, but they can all take advantage of the EEC-backed project. At Upper Barvas, for example, the grazing committee hope to improve the 4,000 acres of common land owned by the 20-croft township, including a 100-acre area that is already being fenced and drained.

The IDP also encourages stock marketing and existing groups, such as Lewis Livestock, Harris Livestock and Uist Calf Producers, have all been able to extend their operations with financial help from the programme.

But not all the IDP money is being spent on the land. At the end of the five-year period, it could be that as much as half of the £20 million spent will have gone to fish farming schemes. Already, floats and rafts are to be seen in several of the island's lochs and rivers: the only visible evidence of a highly capital-intensive underwater industry.

Since the Hebridean fishing grounds are a rich source of food, expansion of the islands' fishing activities is a shrewd investment. Over £½ million has been paid to 10 applicants involved in fin-fish (salmon and trout) farming, and a further £150,000 is helping 22 shell-fish farming projects (mostly mussels) get started. Tremendous interest in this industry has been shown but shortage of spat has been a limiting factor so far. There is also keen competition for suitable sites.

Mussel farming is a part-time occupation and not labour-intensive, which is why it seems to be attracting the greatest interest. Spats, collected in May, are suspended on

Above: the inshore fleets are being joined by a new industry – fish farming. Right: sea-coast on the Western Isle of Orkney, which is receiving wage-subsidy grants from the European Social Fund.

long ropes from rafts and left to feed themselves on plankton before being harvested 18 months later.

What will make fish farming ventures even more attractive to the islanders, as well as commercially more viable, is the establishment of fish and shellfish processing plants on the Western Isles. Already, £¾ million has been paid by IDP to four processing schemes.

The crofters are also looking at ways of providing energy. Peat has long been a source of heat, and new peat-cutting machinery has been demonstrated to the islanders. Discussions on tidal, hydro and wind power electricity generation have also taken place.

Wind, of course, is something the Western Isles has in abundance, and the crofters will be awaiting the outcome of tests which have been taking place on another group of Scottish islands, the Orkneys, which spread like stepping stones from the north-east mainland coast. An experimental 250 kilowatt machine has begun operation, and is to be followed by a three-megawatt generator in 1986, costing over £5 million. EEC funding has been sought for the project.

In November 1983, the 100 inhabitants of North Ronaldsay, the most northerly island in Orkney, were linked by submarine cable to the National Grid.

The £860,000 required to supply their 60 homes with electricity came from the North of Scotland Hydro Electric Board, the EEC Regional Development Fund and the Orkney Island Council.

Before the National Grid stretched out to reach this northern outpost the inhabitants of North Ronaldsay relied on diesel generators and gas bottles. They waited as late as possible before using them, then tried to watch TV,

## 'As much as half the £20 million may be spent on fish farming schemes'



vacuum and iron all at the same time in order to make the most economic use of the power supply. Another EEC grant, of £536,700, has enabled electricity to be supplied by submarine cable to Rousay and Westray.

Further north, on the Shetlands, the North of Scotland Hydro Electric Board has received a £5.4 million Regional Fund grant for an electricity generating station at Lerwick.

But it is not only the Scottish islands which have needed to be linked to the national electricity supply. Even on the mainland, in the sparsely populated Highland Region, some people have been living without electricity until recently. In December 1982, 26 homes close to the shores of Loch Eriboll, a remote Sutherland community, were connected to a new overhead power line extending from Durness.

This was one of several schemes under the North of Scotland Hydro Electric Board's economic development programme, costing £1½ million. The board's chairman and chief executive, Kenneth Vernon, commented: 'The programme, which has an EEC grant, enables us to take electricity to the last few remaining communities without power.'

Throughout the Highlands and islands of Scotland there is a great need to encourage new jobs, and the European Social Fund

### **'The EEC has funded tourist ventures which, as well as attracting visitors, will provide jobs for local people'**


(ESF) has been of crucial assistance in this respect. In November 1983, for example, the ESF announced that it was giving £2.2 million to three Scottish authorities – the Strathclyde, Central and Highland Regions – who would use the money to provide 4,000 new jobs.

In the same tranche, the ESF gave grants to the Western Isles Council and to the Orkney Islands Council (£58,000 and £19,500 respectively) to enable them to provide wage subsidies to firms creating new jobs for unemployed people. (This is similar to the very successful Strathclyde scheme reported in our last issue.) The Shetlands Islands Council also received a £23,400 ESF grant for a continuous wage subsidy scheme.

The EEC has also financed a number of tourist ventures in the Highlands which, as well as attracting more visitors, will also pro-

vide new jobs for local people. In the summer of 1983 the ERDF announced a £600,000 grant towards the modernisation of a swimming pool at Inverness and the construction of a tourist information centre and cinema at Fort William, at the foot of Ben Nevis.

Among EEC-aided rail schemes is a £415,000 project to provide radio signalling between Dingwall and Kyle of Lochalsh, where passengers board the ferry to the Isle of Skye. £210,000 is coming from the ERDF for the radio signalling scheme – the first of its kind in the country – which will control all train movements on the 63-mile stretch of line from a control room at Dingwall station. Instructions will be relayed to drivers by VHF radio to a unit in their cab and also through a visual display unit. It is due to go into operation in the early summer.

And what do the people of the Highlands and Islands do when they want to get away from all the tourists? They can become tourists themselves. A train to Glasgow or Edinburgh will enable them to catch 'The European', a new through train to Harwich which was launched in May, 1983. The daily train service runs via Manchester and Nottingham, connecting with the overnight Sealink sailing to the Hook of Holland. From there they can catch direct trains to many European cities. 

# ESPRIT – that's the spirit for the electronics race

**T**he ESPRIT programme on its own, says Michel Carpentier, will not close the 'technology gap' that now separates Europe from Japan and the United States. But without it, he adds, our chances of catching up would become very slim.

Carpentier is the senior French Eurocrat who has been drafted in from the European Commission's Energy Directorate to head the new ESPRIT task force that is in charge of the new ten-year programme for boosting European research and development efforts in the field of information technology and telematics.

With the pilot phase of ESPRIT now under way, and the first of two five-year main phases costing 1.5 billion ECUs each due to start in 1984, the project has moved off the drawing board. It is now a crucial part of the Community drive to stimulate industrial innovation. For the ESPRIT programme's major aim is to encourage EEC-wide projects at the advanced 'pre-competitive' phase of information technology (IT) research and development. Because there is no immediate commercial application, competitors in different member states can greatly reduce wasteful duplication of R & D costs through cooperation.

The aim is that the European Community's dramatically worsening position *vis à vis* its American and Japanese competitors should at the very least be restored to technological and commercial parity by the early 1990s. But Michel Carpentier makes it clear that ESPRIT must be seen as just one element, albeit an important one, in the overall strategy to be adopted by EEC governments.

The European Commission's concern is that urgent steps must be taken to improve market conditions for Europe's producers of IT; the Ten must agree to liberalise their national information technology markets and public procurement policies in order to create a unified domestic EEC market on a par with those enjoyed by the equivalent industries of the US and Japan.

In other words, the member governments must provide information technology companies in Europe with a new 'market pull' that will complement the ESPRIT programme's 'technological push'.

The essence of the ESPRIT programme –

**'ESPRIT must be seen as just one element in the strategy of EEC governments'**

**Information technology offers a challenge to Europe's electronic industries – helped by Community funds which amount to 50 per cent of all spending on 'pre-competitive' research**

the neat acronym stands for European Strategic Programme for Research and Development in Information Technology – is that R & D projects that qualify for the 50 per cent or more Community funding on offer must have a strong cross-border character. At the same time, they will, it is hoped, help bring together the major European electronics groups and the hundreds of much smaller high technology companies, universities and research laboratories that are so often the springboard for innovative new technologies.

The projects concerned in the pilot phase of ESPRIT give an indication of the Community-wide character. Of the 36 projects that were selected from over 200 submissions to the independent selection panels appointed by Brussels, a number have half-a-dozen or more different participants from various member states. The bulk of the projects, though, group two or three participants from two or three member states.

The number of organisations concerned in making what were sometimes multiple proposals totalled 77. Of these, 27 were in Great Britain, 21 in the Federal Republic of Germany, 10 in the Netherlands, eight were in Belgium, four in France and two in Italy.

To be considered, project partnerships for ESPRIT have to group at least two pure research facilities from different member states, and must also include at least one 'commercially orientated' partner, preferably an EEC industrial company. When the six panels met in Brussels in the spring of 1983 to select the projects that would make up the one-year pilot phase, they found that only a third of the 200 proposals that had come in after 2,500 organisations had been contacted by the Commission were either of the right technical quality or met the ESPRIT cross-frontier partnerships criteria.

That apparently harsh selection process may reflect, though, the European Commission's need to limit pilot projects to the budget ceiling of the scheme. In its pilot phases, ESPRIT will cost just 23 million ECUs, of which half is funded by the Community and

the remaining half is provided in matching money by the participants. The total value of the 200 or so submissions was 580 million ECUs, requiring EEC financing amounting to 290 million ECUs in all, or 55 million for the first year. As it was, of course, the Commission's financial support for the pilot phase is limited to 11.5 million.

The ESPRIT task force is now working on the plan for the main phase, which during 1984-88 will require 750 million ECUs in Community funding and which by April or May of this year will result in a major new call for proposals by the Commission. The work-plan's structure is that there are five areas for action within the ESPRIT programme – three of which are crucial technologies.

France's involvement in some of the 36 ESPRIT pilot projects is through a much smaller number of organisations and companies, many of which are concerned with several different projects. Thomson-CSF, for instance, is partnering Britain's Plessey and GEC companies in the development of an advanced interconnect for VLSI (very large scale integrated circuits), and is also involved in no less than four other ESPRIT projects. Again, CII-Honeywell Bull is taking part in seven different projects ranging from knowledge information management systems to multimedia user interface at the office workstation.

ESPRIT is still in its infancy, even though it is fair to say that, since the 1980 start of discussions between the Commission and the major

**'The hope is that Europe will be catapulted into the forefront of the international IT race'**

European companies in what is called the Joint European Planning Exercise in Information Technology (JEPE-IT), the programme has moved with impressively *non-communautaire* speed. But Michel Carpentier points out that, already, one of the important aspects of ESPRIT is that its projects are set to become an integral part of the major European IT groups' R & D programmes. In reply to the point that ESPRIT, for all its fanfare, represents only 6 per cent of Community R & D spending on IT, Carpentier points out that it also accounts during its first main phase for about 50 per cent of all spending on pre-competitive research.

The hope is that concentration on pre-competitive technologies will catapult Europe back into to forefront of the international IT race. The need to do so is growing almost daily: the EEC's IT companies have only 40 per cent of their own home markets and 10 per cent of the 'third' markets around the world in which exporters compete evenly. That means the Community has just 15 per cent of the almost \$500 billion world market for IT, yet its natural share should be 30 per cent. □



# STRASBOURG NOTEBOOK

**ADAM FERGUSSON, Member of the European Parliament for Strathclyde West**



IF THE axiom holds good that the Community only makes progress through crisis, then it must be presumed that, at last December's summit in Athens, the crisis was still not acute enough to get anything done. Financial breaking-point (so inaccurately described as bankruptcy: but it is not bankruptcy to be forced to be cost-conscious) was in sight, although we had not reached it; and the game of chicken could go on a little longer. The danger now is that, for once, the

eleventh hour will pass, and it will not be possible to stop the clock long enough to allow common sense to claim its victory once again.

At the beginning of 1984, what with the Lebanon, the disarmament problem and all, a political role for the Community was never more urgent. If it were to lapse into the economic chaos that the Athens failure indicated, that would be less of an economic disaster than a political one. For, just as Western Europe remains one of the great sanctuaries of world freedom, so has the European Community, in part through its actual and potential economic strength, become one of the principal gyroscopes of global political stability.

The six-month Greek presidency certainly had its failings, of which the inability of the ten Heads of Government even to produce a joint communiqué in December was possibly the most alarming. Yet the recriminatory aftermath of the September meeting of the Council of Foreign Ministers, when the Greek president refused to condemn the destruction of the Korean airliner, though scarcely less shocking to the Community's *amour propre*, did have one important positive aspect: by denying, in word and deed, that European political co-operation (EPC) had any part to play in the development of a common foreign policy, Mr Haralambopoulos reminded us all of how far EPC had come, and of how much we stood to lose if the emerging political entity of the Community were to be destroyed. If EPC is not about a common approach to extra-Community affairs, it is about nothing.

What, then, of life after Athens? Shall we see an early solution to the budgetary and agricultural policy problems accepted by one and all? Ten minds may by now be wonderfully concentrated, but that is of little avail if there is no common perception of what (or who) is bound to give. Or shall one or other member state be pressed into 'safeguarding its own position' in regard to supplying the Community's own resources?

After Athens, Brussels in March. By the time the heads of government meet again there, the fuse on the time-bomb laid by the European Parliament in December will be pretty short. And it is hard to tell – as this goes to press – who is going to lose most face if the unlikely once more fails to happen.

Hopes that Athens would produce solutions may have been simple piety; for it was not until debacle had come that the national leaders started to say that ten years of shirking the issues had made them practically intractable. Many other reasons for failure have been heard. They include, credibly enough, incompetent organisation and chairmanship; woefully inadequate briefing of both the French President and the German Chancellor; and, of

## 'By the time the heads of government meet in Brussels in March, the fuse on the time-bomb will be pretty short'

course, the intransigence of the British Prime Minister.

There seems to have been some justice in all these charges – although if her fellow heads of government have not yet discovered that Mrs Thatcher tends to start off any auction with her final bid, they are not likely to learn by March. However, it is hard to disagree with Mr Papandreou's own verdict that the failure was 'the result of a process of deterioration which has been going on for years' – the refusal to tackle the problems in the past having made matters immeasurably worse. It was even harder to deny Gaston Thorn's diagnosis, that the collapse stemmed from member states' persistently flouting Community rules.

Yet optimism has been the order among the depressed governmental spokesmen; and our fears may be exaggerated that 31 March will set the Community off into the rocky waters of a budgetary free-for-all of withheld contributions, frozen agricultural prices, national aids and universal litigation. Such behaviour will add rancour rather than urgency to the crisis – for so long as 'own resources' remain what they are, time is running out for overhauling radically the Community's commitments.

Suspicion and uncertainty of what the various parties may or may not do will not help things at the Brussels summit, benefit as it may from some obvious lessons from Athens. The Parliament will there be presenting the oddest of threats if it intends to honour its pledge not to keep the British rebate frozen after 31 March. But suppose the freeze continues. Do the parliamentarians perceive themselves to be pursuing the same reforms as Britain is calling for? Would they – as logic would suggest – positively wish Britain to start withholding payments precisely in order to increase the pressure for that common reforming policy? Why else use Chapter 100 of the Budget at all, unless to keep the rebate there, and the screws on, for as long as it takes?

Or is the Parliament's ulterior purpose the same as that of several member states – to solve the difficulties by forcing Britain to agree to an increase in own resources by upping the VAT percentage? If so, short of lasting provisions for financial and agricultural policy reform, it will certainly be disappointed. Or is it banking on the British Governments' vaunted respect for laws and treaties which will preclude any move – such as paying the British subscription into Britain's own 'Chapter 100' – which does not conform with the rules as normally practised? It must be foolish to force Mrs Thatcher to choose between the roles of Europe's champion or Britain's, especially at election time.

These waters may become less murky as the weeks roll by. The optimistic noises we have heard from the leaders who jointly contributed to the Athens failure may well herald a greater readiness to rethink positions long maintained.

However, the over-riding worry is whether the Community individually and collectively will survive the amount of concession and sacrifice which a lasting agreement implies, in sufficiently trusting and friendly a shape to move on to the *relance*: to embark on the new social and industrial policies, on the next enlargement, and on the expansion of its existing programmes which the dire economic condition of Europe so urgently demands. Only thus will the political gyroscope be set spinning again.

# Britain is out of step on workers' rights

Industrial relations in Britain differ from those in most other Community countries in that they depend on custom and bargaining rather than on regulation and labour law. Government efforts to change this situation in regard to trade unions have engendered

stiff resistance from the trade union movement. But proposed European Community legislation that would oblige employers of larger companies to provide their workers with a share in decision-making has created similar alarm in UK boardrooms.

**F**ew proposals coming out of Brussels have aroused so much agitation and condemnation this side of the Channel as the proposed legislation on workers' rights. The British Government published a consultative document in November which even the *Financial Times* regarded as 'a sustained, closely argued polemic' against the draft directives; while the CBI has made plain that however amended, it is against the principle of legislation on all counts.

The trade union movement, on the other hand, is disappointed that, in its winding passage through Community institutions, the European Commission's original proposals have been significantly diluted by the European Parliament, itself heavily lobbied by multinational and other companies.

Yet in the brief discussions in the Council of Ministers in December on the question of workers' rights to information and consultation, only the UK was opposed to the legislation *in principle*. Others have reservations about its practicality, problems of confidentiality, and so on. But the idea that workers should be kept as fully informed as are shareholders on a company's activities, or have trans-frontier access to a head company in the case of large groups or multinationals, appears far less alarming on the Continent than it does in Britain. In West Germany, worker participation in management has been in force for years; and, in general in Europe, the law is regarded as an ally rather than an enemy in improving industrial relations.

Certainly, if either directive does become law – and Britain may still exercise a veto on the matter – the legislation would introduce some radical changes in British companies which, apart from Ireland, tend to be run on different lines from those on the Continent.

The centres of controversy are two draft directives which, though formulated at different times and with different objectives, have become politically interlinked in the UK. One is the so-called 'Vredeling' proposal, named after the former European commissioner who introduced it in 1980; the other is an up-dated fifth directive on company law which originated as far back as 1970.

In Community terms, Vredeling is the more radical. The European Commission's rationale for introducing it is that information and consultation rights of workers are, by and

large, limited to the local level, and so no longer correspond to the reality of corporate decision-making which can take place in a country or region other than where workers are seeking information and consultation. Thus, the directive would apply to companies employing 1,000 or more workers (100 in the original version) in the Community as a whole, irrespective of the size of subsidiaries in each country. It should therefore affect the majority of multinationals or larger company groups operating in the Community at the present time.

Such a move would be very much in line with voluntary guidelines favoured by the OECD and the International Labour Office, and with the best industrial practices already operating in West Germany, Belgium and the Netherlands.

Stripped of jargon, the legislation would require the management of a parent company at least once a year, on a fixed date, to forward in an 'intelligible form' a clear picture of the activities of the parent undertaking and its subsidiaries as a whole to the management of each of its subsidiaries, with a proviso that, where shareholders are given an interim report, this should be communicated also without waiting for a fixed date.

Local management would, in turn, communicate this information without delay to employee representatives, such as trade unions, works councils or equivalent worker organisations, and would include reference to the company's economic and financial situation, probable business development, production and sales, the employment situation and investment prospects. If the local management failed to provide the workers' representatives with the information within 30 days of the fixed date, they would be able to approach the parent management in writing (instead of as in the earlier draft being able to

approach the parent company direct) with a view to obtaining the information.

In cases where the parent management is proposing changes directly affecting employees, such as transfers, modifications in production, or closures, it would have to inform each subsidiary management 'in good time' before a final decision was taken, so that employees could be informed and allowed 30 days to consult and give their opinion on the changes.

Confidential information could only be withheld on grounds that, if disclosed, it could substantially damage the company's interests or lead to failure of its plans. But it would be open to the workers' representatives to challenge the management over confidentiality, when the matter would have to be settled by an independent tribunal. Where secret matters were disclosed employee representatives would be bound, in the same way as management, to maintain discretion about the issues involved.

The Commission's draft directive on worker participation in decision-making has a much longer history, and is bound up with an on-going process to harmonise company law throughout the Community. While a number of directives have already been adopted in this field, this fifth draft directive has encountered opposition over a period of thirteen years, and could again be defeated by a British veto.

In 1970 the Commission proposed a European Company Statute which companies with cross-frontier interests could adopt as an alternative to national company law. It envisaged a two-tier structure, with an executive management board and a supervisory board with specific legal powers, which would include representatives of both workers and shareholders, much on the lines of what has proved successful in West Germany.

Since then, the draft directive has passed through many stages and, after a heavy mauling in the European Parliament, has emerged in a more flexible form, which tries to take into account the different company structures and habits of collective bargaining that are distinctive to the UK. Whereas two-tier systems of supervisory and management boards are common to companies on the Continent, in Britain the norm is for a unitary management board with executive and non-executive directors, the latter with no supervisory function over

**'In Europe, the law is regarded as an ally rather than an enemy in improving industrial relations'**



management. If adopted, therefore, the directive would require considerable changes in the style of British management.

Under the legislation, governments would have to ensure legal provision for a company to be organised on a two-tier system, consisting of a management and a supervisory organ, but countries like the UK, where the unitary system prevails, would be permitted to choose between a two-tier system or a one-tier administrative board, where non-executive directors would have a supervisory rather than a management role.

The draft directive differentiates very clearly between the strategic role of supervisory boards or non-executive directors and the role of management. Worker participation would apply only to the supervisory or non-executive role. Management would still be entitled to manage.

The directive would be mandatory only on public limited companies which directly, or indirectly through subsidiaries, employ over 1,000 people within the Community (compared with 500 in earlier drafts). It also lays down rules governing the annual general meeting, the protection of shareholders, and the functions of auditors, fields in which the British government has less reservations than over the knotty point of worker participation.

Because of differences in law and custom, the Commission suggest a choice of options for worker participation in decision-making which includes employee representation, or co-optation of from one-third to a half, on supervisory boards; a separate worker consultative body, with obligation on management to supply it with full information; and, more relevant to British conditions, a method of employee participation agreed through collective bargaining – which could mean workers

## 'After a heavy mauling in the European Parliament, the bill has emerged in more flexible form'

elected, appointed or co-opted as non-executive directors to the company board.

Unless workers decide by majority vote that they don't want a hand in it at all, some form of participation will be compulsory. If it cannot be arrived at within a year by collective bargaining, one of the other options would automatically apply.

The Government's consultative document – on which it has called for comment by the end of February 1984 – expresses 'profound reservations' about both directives, arguing that, while it is firmly committed to the principle of managements informing and consulting employees, such arrangements should be voluntary and not the subject of legislation.

Apart from the allegedly possible unfavourable impact on foreign investment of the Vredeling proposal, the Government is also concerned about overlap and confusion in supplying information to workers under the two directives and, in particular, the practicality of the secrecy provisions of both.

The idea of worker non-executive directors with a 'supervisory' function would also, in Government's view, 'involve a significant departure from present UK practice', where executive and non-executive directors work together collectively and not as supervisors and supervised. It regards the Employment Act, 1982, which requires companies to report annually on procedures of 'employee in-

volvement', as a defence measure in arguing its case against Community legislation.

The Confederation of British Industries' attitude largely reflects the Government's view, but the CBI emphasises that its reaction to the two directives differs. Though it opposes Vredeling on all counts, on the fifth directive, while favouring increased worker involvement in decision-making through voluntary agreements, it is opposed to uniform legislation on this issue.

Such legislation in the field of industrial relations, it claims, makes no contribution to industrial competitiveness or development of the common market. It could sour relations between workers and management, says the CBI, and, apart from the radical effect it would have on British company structures, could impede decision-making and involve great difficulties over disclosure of confidential information.

Not surprisingly, the trade union movement takes a different view of the proposed legislation. While the European Trade Union Confederation (ETUC) has criticised the watering down of the original Vredeling directive, the British TUC is more phlegmatic. It considers that, having run the gamut over a number of years, further discussion on the directives can only lead to further deadlock. If Vredeling were adopted, says David Lea, Assistant General Secretary of the TUC, much of the fifth directive on worker participation would fall automatically into place. What is needed, he insists, is a framework for workers' rights, covering information and consultation which would benefit both sides of industry, notably in combating unemployment and meeting the challenge of changing industrial scene.

British trade unions have moved a long way in the last twenty years from suspicions of participation in decision-making to active concern. But British employers have been slow to respond, compared with their Continental counterparts. In the TUC view, joint trade union committees could provide, on the employees' part, the vehicle for implementing both Vredeling and the fifth directive in the UK, while allowing for flexibility to meet the needs of individual firms.

It is clear that the issue is an important one, not only for the Community but also for industrial relations within the UK. The CBI estimates that, in Britain today, about 80 per cent of companies – including the top 100 – have some scheme for providing employees with information or a share in decision-making. But it admits that the degree of involvement differs widely from firm to firm.

There is no doubt that the possibility of legislation has sharpened perceptions on both sides of industry, on an issue that publicly has lain largely dormant in the UK since the Bullock Report of 1977. Even if, as seems likely, no final decisions are taken on either directive for many months, the Community, as in other social fields, has prodded Britain into a reassessment of its ways.



# What can the Community do for the arts?

**A**t the end of November, Community Ministers of the Arts met at Delphi in Greece for the first time. There was no lack of topics to discuss. In October 1982 the European Commission had published a report setting up a schedule and outlining future action, based on four main points: the improvement of living and working conditions for artists; the free exchange of works of art; the conservation of our architectural heritage; and efforts to popularise the arts.

From Athens to Edinburgh, Europe's cultural wealth is infinite. In view of its diversity, the Community cannot draw up a cultural 'policy' or coordinate the cultural policies of the member states. The Community's role is to help the arts, not to pontificate on culture. Accordingly, the Community will have to provide the economic and social means to facilitate their growth.

The Treaty of Rome, which established the European Economic Community in 1958, is supposed to promote economic and social development. Cultural factors cannot be ignored: the rules of the Common Market should apply to both goods and services in the arts. The Community should therefore try to improve the living and working conditions of artists and writers.

The Common Market is also committed to eliminating distortions of competition between member states, in order to establish a single unified market. In the cultural sector that means harmonisation of VAT, and the question of royalties: for example, royalties are due to an artist or writer for 70 years in the Federal Republic of Germany, and only 50 years in Belgium.

The Treaty of Rome gives the Community the means to act. In 1969, a meeting of heads of state and government agreed for the first time on the need for action in the arts sector. The commitment was reiterated in Copenhagen in 1973, and was followed by an extensive debate in the European Parliament.

The European Commission acted in 1973 by establishing a special service, for which the President of the Commission, Gaston Thorn, has been personally responsible since the beginning of his term of office in 1981. In 1977, a first action programme for the arts was sent to the Council of Ministers. Today, the Community spends about 1,585,000 ECUs a year on the arts.

'Saying one likes the arts, is no use if one does not like artists,' says Robert Grégoire, the head of the cultural service at the European Commission. There is no doubt that, in its action to support the arts, the Community takes a social approach. The arts are created by men and women who, according to Mr Gré-

**Extra funds are being made available to help cultural enterprises. Meanwhile, most workers in the arts are out of work or earning less than average incomes**

goire, are often 'real workers'. We need to improve their living and working conditions. An estimated 80 per cent of actors are unemployed, and 95 per cent of writers earn less than the minimum wage. Many composers earn almost nothing.

The Community has acted in several areas, notably vocational training. The Community gives out about 50 grants a year for the conservation of Europe's architectural heritage, music and dance. These go to the young dancers of Maurice Bejart's MUDRA dance school in Brussels, young instrument makers in Cremona (Italy), young composers at the University of Surrey, young musicians in Dublin and Siena, young painters in Venice, and trainee head gardeners in Munich. The European Community Youth Orchestra, founded in 1978 in London, and currently led by Claudio Abbado, offers young musicians a launching-pad to a professional career.

The Community is also making efforts to create job opportunities by means of festivals and exhibitions. Every year, the Wiltz Festival in Luxembourg, welcomes actors, musicians and dancers from different member states. At the Castle Museum, Norwich, special displays put England's connections with Europe in historical perspective. In 1984-85, the Community is to support a travelling exhibition, entitled 'Ten Masters, 100 Works'.

As regards literature, the Community has given financial support to the translation of works that are representative of different member states. Some 20 titles were translated in 1982. The cinema is also on the list: negotiations are under way for the creation of a European Film Festival at Lille.

In 1980, the city of Edinburgh received 100,000 ECUs for the restoration and conversion of a 19th-century building into an arts centre. In 1982, the European Investment Bank lent money to the archeological museum on the Greek island of Milos. In 1983, the Community lent money for the restoration of the magnificent 'Giants' Staircase' of the Doge's palace in Venice.

The most spectacular operation has been the restoration work on the Parthenon—an operation that will take ten years.

In 1983, 500,000 ECUs of EEC money went towards the work, and the same amount will be given in 1984. After that a European fund for historic monuments will take over.



Young EEC-aided dancers and choreographers under the eye of Merce Cunningham.

Improving living and working conditions involves more effective protection of the artists themselves, or 'cultural workers', as the European Commission describes them. The Commission has carried out several studies on the social security of artists, and the negative impact of technical developments.

Social security for artists is far from satisfactory. It is often very difficult for self-employed artists to pay the employer's contribution over and above the normal contribution. Two member states, France and the Federal Republic of Germany, have found a solution based on the concept of a 'collective employer': the publishing houses and the art trade pay the employer's contribution for the whole profession. The Commission intends to ask other member states to adopt a similar solution.

The protection of artists is linked to the question of pushing through legislation on royalties and translation rights. A Commission proposal for a directive will try to harmonise the period during which royalties are due. After the royalty period, the Commission wants to introduce a 'public paying period', within which the distributors would pay royalties to authors' societies, instead of getting the works for free. These societies could then extend their activities and contribute to the promotion of further works.

There are also certain tax reforms which could help artists enormously. For example, artists have to pay VAT everywhere except in Denmark and France. In other countries they are subject to the same taxes as people working in business or industry. The Commission has

## 'The rules of the Common Market should apply to both goods and services in the arts'

repeatedly asked the Council of ministers to approve a directive aimed at reducing VAT on the sale of works of art, and exempting artists from the tax in the case of direct sales.

Another means of combating unemployment among artists is by expanding outlets and furthering their reputation abroad. The Commission advocates the free circulation of works of art and artists' tools. The Council of Ministers has been presented with proposals for regulations which, once they are adopted, will lead to a considerable simplification of form-filling and red-tape.

The Commission also intends to appoint a group of experts to study the national provisions and practices which currently block the exchange of works of art. Article 36 of the Treaty of Rome in fact allows member states to prohibit or restrict the exportation of 'national treasures'. The Commission has also proposed a European list of stolen works of art.

LILLAN PURDOM

# Bringing up baby – with time off for father

**O**ver three million children are born every year in the Community. One home in two has one or more children under the age of 15 – and in about half of them the mother goes out to work.

Bringing up a child in our society is a fundamental problem. A report published in 1982 by the Commission's consultative committee on equal opportunities for men and women concluded: 'Europe still operates largely according to traditional role models. Paradoxically, the mother role and its privileges often constitute an obstacle to the employment and promotion of women, while the father role is clearly that of the worker.' It added: 'A better balance must be found if people are to accept the idea that bringing up children is a fundamental task as much for the father as for the mother.'

The Commission supports the Committee's finding; and in November 1983 adopted a proposal for a directive on parental leave and leave for family reasons, under its action programme for equal treatment of men and women. The proposal would give fathers and mothers, whether married or not, the right to a non-transferable parental leave of at least three months, to be taken at any time during the two years following the birth or adoption of a child. The fact that it would be a personal right is aimed at encouraging fathers to use it. Up to now, only mothers have tended to have easy access to this kind of leave.

The existing situation varies between different member states. Maternity leave for mothers at the time of birth is common. But parental leave, in one form or another, only exists in the Federal Republic of Germany, Belgium, France and Italy. In Belgium it only applies in the public sector, and in some other sectors where collective agreements have been negotiated.

Such leave is not paid. In Italy it is, but only for the mother. In France parental leave is given in the public sector and in firms with over 100 employees. The mother can give it up in favour of the father, but he is not paid. However, the French Council of Ministers has adopted a draft law aimed at extending leave to either the father or the mother for up to three children.

Where provisions exist for prolonged maternity leave, such as in the United Kingdom and Luxembourg, the mother is only en-



## 'The Commission is trying to encourage fathers to play an active role in bringing up their children'

titled to get her old job back. The Federal Republic of Germany provides paid parental leave for up to four months. But the European Commission has taken the Germans to the European Court of Justice over the fact that it only applies to mothers. Greece and Denmark have both adopted draft legislation on the subject.

The Commission's draft directive also deals with a second issue – leave for family reasons. It says that member states should agree on a minimum number of days that a worker can take off each year for pressing family reasons, such as the illness of a spouse or child, the death of a parent or the marriage of a child. This leave would be paid, and most member states already have some such system.

The Commission believes that both measures come under the general heading of a reduction in working time, and would contribute to increased flexibility in the organisation of working hours.

The replacement of workers on leave with unemployed young people would provide work experience and reduce unemployment, it says. The key element in the proposals is the equal treatment programme to which the Community is committed. Because of it the Commission has consistently differentiated between maternity leave and parental leave, in an attempt to encourage fathers to play an active role in the bringing up of their children.

However, it is worth noting that in Sweden, where a similar system has operated for several years, the results have been a good deal less successful than was originally hoped. Despite equal treatment and paid leave, only 13 per cent of fathers have used it. This might suggest that what is actually needed is a change of attitudes, rather than a change in the Community's laws.



# Against the rules – but who's to blow the whistle?

**S**tate aids are to industry what a big brother is like to a small boy fighting his equal on a school playground. They give advantage, they confer security – and they invite retaliation.

In an ideal common market they would not exist. But the Community is still far from being that. With ten governments vying to extend or maintain their own industrial performance, the temptations to offer subsidies, price concessions and special deals to help one's own can be irresistible. Frankly it would be a small wonder, indeed, if they *were* resisted. If big brother can help make life a little easier for his own, then so be it.

This attitude is of long standing – and in the views of the Community's founding fathers, entirely wrong. The Treaties lay down as a fundamental principle the idea of free and fair circulation of goods and services between member states. Each is to compete on its own merits, without help from government or public authority.

Article 92 of the Treaty of Rome says it clearly: 'Any aid granted by a member state or through state resources in any form whatsoever which distorts, or threatens to distort, competition by favouring certain undertakings or the production of certain goods shall, in so far as it affects trade between the member states, be incompatible with the common market.'

Under article 93 of the Treaty, member states must notify the European Commission about proposed or existing aid. Brussels is empowered to approve, reject or modify it. In 1980 the European Court of Justice laid down that the Commission could only approve aid when the proposed assistance 'contributes to the achievement of Community objectives and interests'.

In 1981 the Commission identified the three basic principles governing its decisions: state aid should not lead to the transfer of industrial difficulties or unemployment from one member state to others: it should enable the beneficiary to return to normal business without help, and it should be 'transparent' – that is to say, the Commission should be able to identify and monitor it at all times.

Unfortunately, state aid is often extremely difficult to detect. A British shipyard complained earlier this year that Denmark had 'bought' a contract by suspending local insurance taxes on workers, thus cutting the labour costs to the successful yard. In such cases the Commission makes an investigation. But the problems of identifying aid can be awesome, and nowhere is this more true than in the nationalised industries, whose financial relationships with governments and other public authorities can sometimes seem impenetrable.

**The idea of a common market, enshrined in the Rome Treaty, keeps coming up against the realities of 'big brother' protectionism. The only solution would be for all the Ten to adopt truly open trade policies between themselves**

This in turn raised the question of whether, in ruling on the relationships between governments and nationalised industries, the Commission may not be stepping into rather awkward political territory. If a member government chooses, for instance, to subsidise a certain form of energy for social or other non-economic reasons, is it right that the Commission should stop it?

I put this point to Frans Andriessen, the Dutch Commissioner in Brussels who handles matters of state aid. 'This is a basic market-oriented economy,' he said. 'The Treaty of Rome allows member states to have their own political systems. But the Treaty basically sets out a market economy. So even state-owned companies have to behave as if they were private.'

Mr Andriessen quoted the case of French textiles, where the government introduced a subsidy scheme a year and a half ago to protect its domestic industry. The Commission judged the French plans to be incompatible with the Treaty. France did not agree, and the case went to the European Court of Justice, which found in the Commission's favour.

'So the French stopped it. Now we are discussing with France how the French system can be adjusted to comply with Community rules. It was a clear-cut case of a national scheme that was unacceptable. The French can do what they like but they have to behave in accordance with the Treaty of Rome.'

Doesn't this breed a certain resentment among member states about the Commission's behaviour? Mr Andriessen does not

**'Over the past two years, the declared total of state subsidies by member states has doubled'**

think so. 'We have to take decisions every week. Governments realise that if we say No today to their projects, we shall say No tomorrow to others that could affect their markets.'

The temptation to provide public money to maintain economic activity and employment is naturally strongest when economic conditions are poor, and the pattern of aids over the past ten years reflects this. In 1970, before the recession, the Commission considered only 21 applications for aid. In 1981 the figure was 141. Over the past two years the officially declared total of state subsidies by member states has doubled.

This begs the question of whether the practice of state aid might decline given the improved economic prospects for the Community countries next year. But Mr Andriessen said he was 'not very optimistic'.

The problem is partly psychological, he explained. 'Industries have more or less got accustomed to the fact that they can go to government for help. It's not the same in every country. But a plea for aid in one country could affect the industry of another.'

Mr Andriessen went on to make the point that the supposed economic recovery was not well spread. 'There are sectors in difficulty, such as steel, textiles and shipbuilding. There is the question of competition from the Far East.' He seemed convinced that the problem of grappling with state aids would remain with the Commission for a considerable time to come.

The essential problem is that, while the European Community is a supposedly free trade area, a genuine common market, its political and fiscal integration has nowhere near matched the strides it has made in reducing tariffs and duties between members. Thus while intra-community trade develops, the social and political concerns of member governments remain isolated and impregnable. This leads to inevitable tension as governments seek to meet national concerns that are often in conflict with Community principles.

Governments then become more devious and seek to hide their national aids in increasingly imaginative forms. The Commission is aware of this and has stepped up its demands for 'transparency' on a sector by sector basis. The game becomes increasingly sophisticated. The penalties of failure become more serious.

'The idea of a genuine common market is nonsense if members cheat and secretly pay their industries to steal or hold markets to which they have no right,' says an EEC official. 'The idea of a common market can only be upheld if all members play by the rules.'

# EURO FORUM

## No consensus after Athens on Gaston Thorn's 'second generation Europe'

Never before had a Summit meeting of the European Council been such an unmitigated failure. After the December session, no one attempted to disguise the result or make believe that some sort of partial agreement had been achieved. For the first time in the history of the meetings, no communique was published and no 'conclusions' were presented to the press by the President. Naked disagreement was visible to everyone.

The bald presentation of the facts was no accident. It was deliberately chosen by the President of the Council, Mr Papandreou, in conjunction with Commission President Gaston Thorn, to let Europeans know that, for the moment, no consensus exists on the plans for a 'second generation Europe' discussed at the last Summit in Stuttgart.

Four themes were on the agenda. First, reform of the CAP and controls on agricultural spending. Second, definition of a future system of EC finance that would correct the imbalances complained of by a number of member states and increase the Community's 'own resources'. Third, revision of the Community's structural policies, primarily those aimed at increasing economic convergence and helping poorer regions, to increase their efficiency and Europe's sense of unity. And fourth, a relaunch of existing common policies and the introduction of new ones, to improve the operation of the common market and progressively create a single unified industrial, scientific and financial area.

Agreement on the four themes would have allowed Europe to overcome the

### 'Agreement would have allowed Europe to establish a timetable for an enlargement of the Community'

current difficulties relating to Spanish and Portuguese accession, leading to the establishment of a timetable for enlargement of the Community, that would bring it to its optimal size.

The overall design of the plan was clearly lost in the preparatory work leading up to the Summit. Emphasis was placed on one or other theme. Some governments concentrated almost exclusively on agricultural spending controls and reform of the CAP. Others regarded the correction of budgetary imbalances as having absolute priority. Others again wanted increased support for infrastructures and rejected almost any reform of the CAP.

The Presidency and the Commission

tried to maintain the global overview, but it soon became apparent that overall agreement was not in the offing. In a number of areas the search for compromise required major efforts and concessions that the member states were not ready to make.

During the preparatory stage a variety of meetings at ministerial level were exclusively devoted to the Summit. But no delegation was prepared to make concessions, believing that they were best left to the heads of government. Although understandable, this attitude dangerously slowed up their 'normal' work.

The rapid re-establishment of a normal situation and a resumption of 'business as usual' is not only necessary to allow Europe's reputation to recover, to restore confidence, and to bring unanimity back to the Community of the Eighties.

They are also necessary for concrete and practical reasons required by industry and businessmen, who have consistently stated that they need Europe and that a unified area is essential if they are to compete with the United States and Japan, increase economic growth and create jobs. François Ceyrac, the President of the Economic and Social Committee, says: 'The failure of Athens has spotlighted the growing gap that separates politicians from the concrete realities of Europe: Europe is growing day by day and its strength comes from necessity.'

Guido Carli, the President of UNIGE (the EC industry union) believes that the delay in creating a unified economic area has been damaging. 'Businessmen must be able to look at the Community as a home market. But 25 years after the signing of the Treaty of Rome, the market is still fragmented by numerous technical trade barriers, protected public markets and frontier red tape. The cost of this non-Europe and concealed protectionism has been paid in terms of growth, competitiveness and jobs, and is an estimated 50 billion ECUs.'

The Community budget of 25 billion ECUs pales by comparison. Differences in Athens centred on a fraction of the total and resulted in prolonging the cost of non-Europe. Europeans are paying the price.

According to Carli the evolution of information technology in Europe could create 4 million jobs by 1990 — a third of all Europe's unemployed. With figures like that, how can one possibly argue about whether the ESPRIT programme should cost 750 million ECUs or 700 million ECUs? How is it possible?

If the failure of Athens led to some sort of thought on these lines, it will not have been totally wasted.

FERDINANDO RICCARDI

# Europe's press on the outcome

Critical reactions to the failure of the Athens Summit dominated Europe's newspapers after the meeting, apportioning the blame to everyone but their own national representatives.

The Dutch press were almost unanimous in describing the Summit as a complete failure, blaming a combination of British demands, the North-South divide and economic pressures in all the member states. *Trouw* described the British attitude as one of 'understandable self-interest'. But *NRC Handelsblad's* EEC correspondent said that the 'intransigent and dawdling stance of the British delegation subordinated other issues'. *Algemeen Dagblad* observed that the EC seems to be being 'deliberately demolished by European leaders, and expressed sympathy for the European Commission. *Financiële Dagblad* partially attributed the Summit's failure to the confusion caused by Greece's attempts to break the deadlock over agriculture by presenting a new set of proposals drastically different from those prepared by the Commission.

The Luxembourg papers firmly placed the blame for the Summit's failure on the short-sightedness of European leaders. Almost all of them quoted Commission President Gaston Thorn at length. The *Luxemburger Wort* took the Thorn line that the stalemate had more to do with 'the procedures and entrenched attitudes of the Summit than the working of Europe'. The *Republicain lorrain* took a similar view, observing: 'One thing is certain and has been confirmed by this Summit: the inefficiency of the European Council in its existing form'. The *Journal* asked if the Community was 'finished', but concluded that ways out of the crisis did exist. The *Republicain lorrain* described the financial bickering in Athens as 'pathetic'. In an editorial it commented that 'we all seem to have forgotten that Europe has become an absolute necessity'.

In Belgium, *Le Soir's* front page ran a cartoon of President Mitterrand and Mrs Thatcher throwing churns of milk over each other. 'Europe has lost its ideal and the means to achieve it,' said the paper. But *La Libre Belgique* thought that the crisis could be 'a salutary experience' and might be preferable to 'burying one's head in the sand'. *Le Peuple* observed in an editorial that 'everybody will lose from the affair'. *La Cité* said that the crisis was predictable. 'Advances are not made emotionally, but by responding to national interests,'

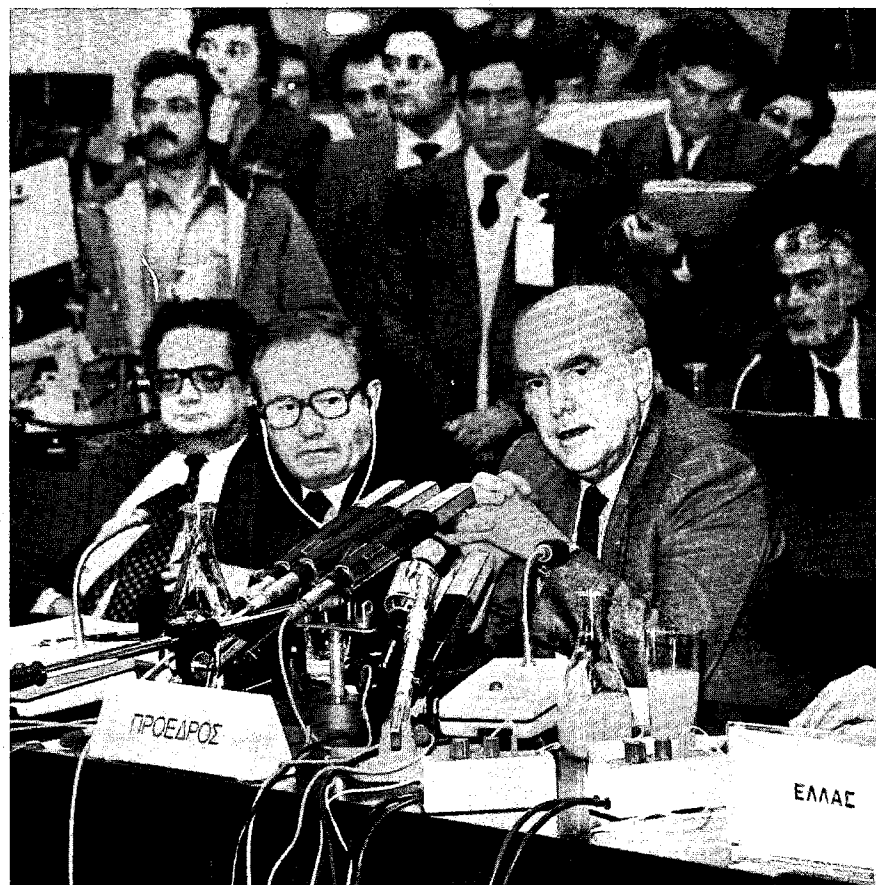
it observed. The Flemish press took a slightly different line.

*Nieuwe Gids* blamed the stalemate on the CAP, while *De Morgen* resorted to the more colourful metaphor of 'Europe drowning in the milk lake'. *De Standaard* said that Mrs Thatcher had 'rejected the ultimate compromise' and *Het Laatste Nieuws* thought that, given the circumstances, the European Parliament would reject the 1984 budget.

The West German press greeted the failure of the Summit with near universal dismay. The *Frankfurter Allgemeine Zeitung* led with the headline 'European Summit in Athens wrecked - not a single question successfully answered'. It went on to describe Chancellor Kohl's 'bitter disappointment' and noted that this was the first time that the European Council had been unable to find a compromise. Another story assessed the outcome of the Summit under the headline

'With empty hands'. *Die Welt* took a similar view, referring to the budget crisis and observing that 'Europe has run aground under the Acropolis.' The *Süddeutsche Zeitung* was even more direct, describing the meeting as 'The Summit of the helpless'. It went on to compare the event to a Greek tragedy, 'with each character singing his (or her) own dirge'. The *Frankfurter Rundschau* spoke of 'the agricultural market monster in the ruins of Athens', and the *General Anzeiger* described it as 'a black day for the spirit of Europe'.

In Denmark, *Information* set the tone with the headline 'Total fiasco in Athens: the Summit ended without a communique'. In a front-page leader it told its readers that 'the EC looks more and more like a bankruptcy case in which the bankrupts are arguing about who is going to pay the bill'. *Jyllands-Posten* hoped that 'the failure would be a turning point for the EC - otherwise the Community - like the Acropolis - will become a memory of something that once existed'. *Trade and Economy* criticised Mrs Thatcher as 'unyielding' and *Politiken* described the affair as 'Thatcher versus the rest', going on to describe the crisis as 'self-made'. *Berlingske Tidende* on the other hand, led with the



Glum faces at the Summit. 'A dream divided,' said the Daily Mirror.



view 'A crisis, yes – but not a catastrophe'. *Borsen* agreed that it was 'the worst crisis ever' for the Community, but saw some hope in the fact that 'everybody declared themselves willing to contribute to a solution of the serious problems'.

The *Irish Times* said that 'Total failure of the Athens Summit has plunged the EEC into its deepest crisis for two decades. It faces near certainty of running out of money next year and into paralysing deadlock that will jeopardise expansion into new policies and enlargement to include Spain and Portugal'. The paper went on to claim that the European Parliament 'will probably reject the 1984 budget in protest'. Other Irish coverage was more optimistic, noting that failure to reach agreement at the Summit means a temporary respite from the threat of a 'super-levy' on surplus milk production.

The Greek press took the line that the crisis was partly due to British intransigence, and partly due to reluctance by the rich northern countries to finance their poor southern neighbours. *Ethnos* said that Mrs Thatcher had 'torpedoed the Summit', *Uradyni* said that she had 'blocked all decisions', and *Eleftherotypia* described her position as one of 'your money or your life'. Both *Ta Nea* and *Eleftheri Gnomi*, however, concentrated on 'flagrant blackmail exerted by all the rich countries' (by not giving Greece more money.) 'The EEC wants to keep the South in poverty,' claimed *Eleftheri Gnomi*, quoting Mr Papandreou's condemnation of the larger member states. But not everybody was pessimistic. *Kathimerini* ran a headline 'Stalemate does not mean the end of the EEC'. The Communist paper *Rizospastis*, however, took the opportunity to exhort the government to quit 'the Community's carcass'.

In Italy, the *Corriere della Sera's* headline 'A failure for Europe' summed up the reaction of the Italian papers. The story went on to note that this was the first time no communiqué had been issued at the end of a Summit. Like the Greeks, the Italians emphasised the North-South divide. *Il Sole* said that the Community had 'foundered on national self-interest in Athens'. *La Repubblica* said that Europe was going to pieces, and in an editorial entitled 'In the name of the mule', attacked the stubbornness of European leaders. *Il Messaggero* said that Europe was 'on its knees', and *Il Tempo* shared the view, again blaming national self-interest and myopic leadership. Most of the papers held Britain largely responsible for the crisis.



Outside, demonstrators took the opportunity of voicing grievances over Cyprus.

The French papers tended to portray the outcome as a 'stalemate' rather than a 'fatality'. *Le Monde* typified the approach by looking ahead to the budget negotiations that will resume under the French presidency of the Council of Ministers after January. *Libération* observed that it will be 'up to France to put the pieces back together again'. *La Croix* said that it was difficult to associate the 'derisory haggling' of the Summit with the fate of hundreds of thousands of farmers. *Le Matin* and a number of other papers used their editorials to bemoan the fact that Europe no longer appears to have a voice in world affairs, referring to 'the end of a certain idea of Europe'. *Libération* took up the theme, talking about 'geopolitical devaluation of Europe'. *Le Matin* saw the failure to reach agreement primarily in terms of a Thatcher-Mitterrand confrontation, and ran a headline 'Iron Lady – Marble Man'. Most other papers shared the *L'Humanité* view that a combination of Mrs Thatcher's demands and Chancellor Kohl's support for them

were responsible for the deadlock.

'European Community leaders yesterday retreated from the most comprehensive failure in the history of EEC Summits', said the *Financial Times*. The *Telegraph* headline quoted Mrs Thatcher – 'Nothing is decided' – but British papers were nearly unanimous in their support for her stand. The *Times* said that 'the largest share of responsibility must be borne by Mr Mitterrand, who suddenly abandoned positions which had been regarded as holding the key to compromise, and to a less than forceful Greek presidency'. Support also came from the popular press. Most blatant was the *Express*, which ran a story 'Maggie de Gaulle – leader with courage to save Europe'. The *Mail* took a similar line, with 'One fight Maggie has got to win'. (The previous day it published a two-page feature entitled 'You must be mad, Monsieur', attacking President Mitterrand's proposals on agriculture.) The *Mirror* editorial was far more restrained, sadly referring to 'A dream divided'.

# EUROPEAN REVIEW

## More funds for UK

The Community is to make a further financial contribution of 195.561 million ECUs (about £113 million) to seven infrastructure programmes in the United Kingdom. On behalf of the Commission, Antonio Giolitti has just signed a decision to this effect under the supplementary measures in favour of the United Kingdom.

This brings the 1982 figure for the supplementary measures for the UK to 887.561 million ECUs (about £513 million). The total since the measures were instituted in December 1980 now stands at 4 129.357 million ECUs, or about £2,386 million.

At the same time, seven earlier decisions of March 1983 have been amended, with changes in the distribution of grants among the regions and the special multiannual programmes for infrastructure investments in the UK based on the expenditure actually incurred by the authorities for these programmes in the UK's financial year 1982/83.

## Easier air travel?

European air travellers have a friend in Karl-Heinz Hoffman. He is calling for a Community airport policy, with an overall plan to speed inter-regional movements of passengers, mail, and cargo, while reducing noise and protecting the natural environment at the same time.

Mr Hoffman is calling on the Commission and member states to collaborate in drawing up a plan that identifies current short-comings, avoids investment imbalances, and enables airports to be developed in a coordinated fashion 'with due regard to the most rational use of space possible'.

Airports generate investment and employment, but should achieve 'genuine financial autonomy' — an essential for fair competition, he says. Thus he wants all forms of state aid and subsidy to airports made public.

Furthermore, Mr Hoffman says such an airport policy should not require an additional EC expenditure, since resources for development and assistance already exist in the European Regional Development Fund and airports' financial problems ought to be solved at

national level.

In addition to simplifying and speeding up customs and police formalities at airports, Mr Hoffman thinks the EC policy should abolish the relative differences in status of airport staff and develop the infrastructure to provide public transport connections between airports and neighbouring towns.

## Help for hard-up entrepreneurs

To help channel finance to young growth industries, 35 European venture capital companies decided in November to improve international co-operation by founding the European Venture Capital Association (EVCA), with the help of backing from the European Commission.

The new group hopes to encourage venture capital companies to take equity stakes in new companies across national borders within the EC, a practice still in its infancy in Europe.

One of the main aims of the EVCA is to encourage the establishment and development of small and medium sized enterprises which have significant growth potential in terms of products, technology or business concepts and services.

Unlike the United States, Europe lacks the large numbers of entrepreneurs willing to go it alone with new technology, and the EVCA hopes to help fill this gap.

According to Raymond Appleyard, Commission director general for the information market and innovation, 'the educational system needs to be gradually changed and more emphasis placed on business education.'

The Commission is helping with the starting costs of the EVCA, whose member companies have already current portfolio investments worth 1.5 billion ECUs.

Mr Appleyard, who played a key role in preparatory work over the past sixteen months on the establishment of the new association, commented after the launch that EVCA should be able to fill 'the need for reciprocal information and advice'.

Further information on EVCA can be obtained from Philippe Roelandt, 11F Clos de Parnasse, 1050 Brussels.

## Safety at sea foundation proposed

Greece's strong, ages-old connection with shipping and the sea may appear in modern guise if Parliament's Transport Committee gets its way. They are proposing that the Community's newest member be the base for a new European Foundation for Safety at Sea.

This budget-financed body would be charged with cataloguing, examining and conducting research on safety at sea; devising safety strategies for international shipping; creating proposals for Community policy in the field; and conducting advanced training courses for ships' crews.

According to MEP Konstantinos Kaloyannis, inadequate safety training is one of the major dangers involved in sea transport, along with the old age and 'extremely low standard' of structural safety in many vessels and the fact that a large number of countries do not respect existing international shipping conventions.

The foundation is needed, says Mr Kaloyannis, because the EC has a large number of recommendations and directives on safety and pollution of the sea, but nobody, except the Commission, to coordinate them.

## On your bikes

The bicycle should now play its full role in the European Community, says the president of the Danish Cyclist Union, Peter Elming, after the setting up of the European Cyclist Organisation.

'Until now the EC has mainly dealt with motor vehicles, and the bicycle has been neglected,' he says. 'Several proposals have been made by ECO to the European Parliament, including an extension of cycle paths all over Europe and for more uniform regulations about carrying lamps on the bicycles, for example.'

'There are Member States, which have no regulations for bicycles and we feel the EC should take this up. Response so far has been positive.'

## Women in local government meet in Pisa – by one who was there

**A** conference in Pisa in November for women in local government in the European Community gave local authority councillors and officers from Europe a rare opportunity to meet and discuss common problems and goals. It was organised in collaboration with the European Commission by the Council of European Municipalities, the European Movement, and the Province of Pisa.

Making arrangements to attend a three-day conference would present problems for most women. With only ten days' notice, for women in local government with ward responsibilities and committee meetings as well as family commitments to fit in, it might have seemed impossible. The selection of UK delegates was in no sense democratic: Malcolm Taylor, from the London office of CEM, faced with the task of putting together a delegation in a matter of days, consulted the local authority associations and trade unions and contacted individuals directly. The result was a delegation of nineteen, mostly elected members but including three women from NALGO and one local authority officer.

The UK delegates wanted to learn from, and share with other European women, their experience of encouraging women to get involved in local politics and in developing positive action policies. They had hoped for an opportunity to see how the role of women in local government in Britain compares with that of European women. In Britain, less than 20 per cent of councillors are women; and among senior officers in the 521 local authorities, there is only one woman chief executive.

Although the great majority of delegates from all countries were local councillors, the emphasis was on European unity and on the elections to the European Parliament, which will take place in June. Perhaps this should not have surprised the British women as much as it did: the bodies sponsoring the conference are all more pro-European than Britain, and, indeed, than most of the EEC member states except Italy.

What is more, the Commission has a considerable reputation in the field of equal rights, having done more to promote equality for women than any of the member states individually. Its achievements, the aims of its Action Programme, and the importance of the work of the European Parliament's Committee of Enquiry into the situation of women in Europe were set out by Sarah Evans, from the Commission's office in Brussels. Who can blame the Commission if they took this opportunity to raise the profile of the Euro-elections

and European unity among local authority representatives – decision makers who could take the message back to their councils?

And yet the conference title, Towards the Renewal of European Society, rankled. Furthermore, the conference organisation, on the plenary session format (understandable enough, because of the need for simultaneous translation), did not lend itself easily to a free exchange of ideas.

Once the ice had been broken, the sharing and learning which delegates had hoped for began to happen. Language barriers in informal discussions seemed a whole lot less formidable with good will – and with the unstintingly willing help of Louise Richards, of NALGO's International Department. The hospitality of the Province of Pisa melted whatever chill remained. At a dinner in typical Tuscan style, delegates uninhibitedly burst into national song and dance: the Brits let their hair down with 'Knees up Mother Brown'.

But the favourites of the conference were the women from Greece and Spain, so recently restored to democracy. For socialist delegates, there was a special reception and welcome from the Secretary of the Italian Socialist Party, who charmed everyone with gifts of red carnations and commemorative medals.

If the conference was not so much about

women in local government, it did give women decision-makers a chance to discuss the contribution women can make to peace.

The familiar divisions on nuclear disarmament were evident. Senator Giuseppe Petrilli, President of the European Movement, argued from the platform that the European nations must break away from the 'warfare culture' and unite for peace. 'Only a federal Europe will enable us to find new solutions – to base safety on peace, not peace on safety,' he said. Eleni Papadopoulou, from Keratsini in Greece, doubted whether a united Europe in itself could be a force for peace. Doreen Fleming, from the Association of District Councils, chairing the session on peace and a united Europe, said that the conference could not take a stand for one side or the other in the nuclear arms debate, but that, in the Council of European Municipalities, 'a united Europe is our way of saying "peace".'

Despite the misunderstandings about the aims of the conference, its achievements were real enough. The British delegates came away with a better understanding of the issues that unite and divided them from women in local government in Europe, and with a determination, in Frances Morrell's words 'to do it again, and do it better'.

MORAG ALEXANDER

## How they brought the CFP into port

**I**n a newly-published and well-researched book\* Michael Leigh demonstrates that the achievement of the Common Fisheries Policy in January 1983 was a case study of conflicting national interests gradually merging into an integrated Community policy. The process took nearly a decade, and the fishing issue lost Norway – and, much later, Greenland – to the Community. However, commonsense and external pressures finally won the day.

When the Community was founded in 1958, fisheries were not at issue among the Six; but by the time of enlargement in the early Seventies, the situation had changed. The 'cod wars' with Iceland, the extension of exclusive fishing zones, overfishing, and lack of proper conservation, were becoming matters of concern. The expected advent of Britain, Ireland, Norway and Denmark – all with important fishing industries – to the Community, created a sudden unanimity among the Six.

On 30 June 1970, the day accession negotiations opened in Luxembourg, they announced their own CFP, which included the principle that access to and exploitation of the Community's fishing grounds were to be based on non-discriminatory rules.

In the event Norway, influenced by its powerful fishing industry, refused. The other three, despite reservations, accepted the situation, partly in the belief that the policy could be changed once they were in. But it

took nearly ten years of often bitter haggling to achieve a reasonably equitable policy covering catch quotas, establishment of 12 mile exclusive limits, and accepted conservation measures.

To the non-specialist reader, the fascination of Mr Leigh's book is his detailed description of how the contending parties behaved during the negotiations, and the role played by the Commission and the other Community institutions – plus the fact, as the third largest fishing region in the world, member governments also had to take account of international competitive pressures in the fishing industry. Strident self-interest gradually began to melt to the realisation that, to face these pressures, it was in the interests of all to act together as one rather than continue their internal quarrels.

Thus, though the fishing industry accounts for only 0.12 per cent of the Community's active population and 0.6 per cent of its GDP, evolution of the CFP makes an excellent case study of the way the Community works, providing an example, as Mr Leigh puts it, of tangible integration by the indirect functional route. Member countries often end up performing their duties under the Treaties less from Community-mindedness than from the calculation that such behaviour will serve their interests.

PEGGY CRANE

\**European Integration and the Common Fisheries Policy* by Michael Leigh. Croom Helm, £17.95.



# Are we doing enough to help the children?

**Economic pressures – and nationalistic attitudes – threaten the Commission's plans in the education area. IAN MURRAY, the Times correspondent in Brussels, sends this report**

**O**f all the statistics which pour out of the services of the European Commission, there is one which never fails to shock. It comes out every month, and in recent years it has grown persistently all the time.

It is the figure which shows how many young people under the age of 25 are out of work in the Community. At the latest count it was 5 million and rising. The majority of those are kids who have left school and never known the pride of picking up a wage packet.

This cruel economic fact has increasingly concentrated the minds of Community ministers. It is the sort of statistic which brings down governments and damns politicians. It is a problem on a scale which demands attention, and which positively insists that every co-ordinated effort should be tried to eliminate it.

This fact was recognised last summer, when the first-ever joint council of Labour and Education ministers met in Luxembourg to try to agree on ways in which schooling could fit a child for work rather than for the dole queue. It was one of the more harmonious meetings that the troubled Community has ever known. With no hesitation at all, the ministers agreed that, in future, three-quarters of the money available to the Community's job-creating social fund should be used specifically to help the youngsters train for a real job.

Allocating the money was the easy bit. More difficult was identifying just where the money should be spent in order to train people to do something which was economically useful. The one area where all agreed more must be done was in training for new technology.



And so it is that it has now become formal policy within the Community to try to integrate new information technology into the school system. It is an idea which ought to have been approved years before; but the fact that it has at last been done ought to give Europe the chance of catching up in this area of the future.

The first feelers are going out now, to pool the experience within member states on how to introduce new technology into schools. The aim is not only to use it in teaching but for vocational and advanced training. The Commission is to give the whole project financial help and impetus by organising exchange visits, particularly for teacher training.

The Community already has its own teaching co-ordinating computer network, called Eurydice. This started work in 1980 and was given the task of underpinning the main education action programmes of the Community. Its four initial tasks show the priorities given by the Community to its

education policy. These are: helping in the transition from school to working life; teaching and learning foreign languages; the education of migrants and their families; higher education policy.

Eurydice has a fast-growing data base, which enables the policy makers in member states to compare notes on the different educational strategies elsewhere in the Community. By drawing on the wealth of European education experience it is possible, for example, to tailor language courses to meet the real needs of employers.

Eurydice was the brainchild of the education ministers during the more affluent and idealistic mid-Seventies. Education formed no part of the Treaty of Rome as such, and it was not until 1976, after 18 months of work, that a seven-point programme for Community action in the education field was adopted. Much of that action programme is still awaiting real action. Eurydice apart, there has been little more than token work to bring about the

## 'Charity begins at home – and there has been little money or time for the more generous schemes'

kind of co-ordination and co-operation envisaged as necessary to bring about greater European understanding.

The problem has been that, increasingly, the Community effort has had to be channelled into what was, in 1976, only the seventh listed point in the action programme – preparing young people for a working life and giving school leavers a better chance of employment. The mere fact of falling on hard times has tended to make the members of the Community more nationalistic. Charity begins at home; and there has been little money or time for the more generous exchange schemes and co-operation programmes that were being considered a decade ago.


The nationalistic spirit has also made it more difficult to spread the essential language training which would be so important a part of increasing Community understanding. In turn, this has slowed down efforts to obtain mutual recognition of certificates and diplomas – an essential prerequisite for the free movement of labour, which is meant to be one of the cornerstones of the common market.

Lip-service, at least, is still paid to the old idealism. Last June, the European summit agreed the text of what was called 'a solemn declaration on European Union'. Among its many clauses were the calls for 'closer co-operation between establishments of higher education, including exchanges of teachers and students ... and development of the teaching of languages of the member states'.

These are almost identical to two of the seven points for action agreed seven years earlier. The need to go on repeating them is a fair indicator that these ideas have yet to become normal practice. The good intentions are there, without the means.

One place in which the Community has tried hardest to help with language teaching is in dealing with migrants. Some of them are refugees, like the 8,000 Vietnamese in Denmark who are currently being taught to speak Danish at the Community's expense. Some of them are Community nationals, like the Italians in Cologne, who are being given the opportunity to train for either Italian or German qualifications.

Dealing with migrants has formed the basis of a number of pilot projects which are being funded and studied by the Commission. From them it is expected much will be learnt on how best to integrate migrant populations into new surroundings.

From its limited resources, the Commission has managed to find the money to set up joint study programmes in around 400 universities and higher education colleges. 



BEN JOHNSON

## More grants this year for higher education schemes

Over 400 grants were announced in December by the Commission for higher education institutions seeking to cooperate with partners in other member states.

The Education Ministers of the Ten, meeting in Luxembourg on 2 June 1983, had stressed the need for continuing the Commission's grant schemes, with a view to further intensifying cooperative links between the Community countries' higher education institutions. The announcement of the new round of Commission grants may therefore be seen as a direct follow-up to the Ministers' conclusions.

Close on one thousand applications for support were received in 1983 – the highest number since the grant schemes were introduced as part of the 1976 Action Programme in the field of education. In 1983 the Commission was able to award more grants than ever before, due to the consistent efforts of Council and the European Parliament.

Probably the best-known of the Commission's higher education grant schemes is that for the development of Joint Study Programmes – organised arrangements between specific higher

education institutions, whereby students are exchanged for integrated periods of study and staff members are assigned the task of teaching integrated parts of the partner institutions' courses. At the end of 1983, 149 grants of this kind were announced by the Commission – 50 per cent more than in any previous year – out of a total of 222 applications. Of these, 66 have been awarded to completely new joint programmes not hitherto in receipt of Commission support, the remaining 83 being earmarked for further support to programmes commenced with the Commission's help in preceding years.

Several member states' institutions received more JSP grants last year than ever before. Greek institutions more than doubled their previous best performance. Belgian, French, German and British institutions have also been particularly successful in obtaining support.

As in previous years, the grants range across the broad spectrum of subject areas. Among the grants going to new programmes, the Natural Sciences (with 14 of the 66 awards) and Architecture (11 awards) have fared especially well.

The Commission has announced the continuation of the grant schemes for Joint Study Programme development, and for Short Study Visits by higher education personnel during 1984. A document setting out all the details on all three schemes, together with the application forms required has been issued in all the working languages of the Community. The documents are available from the office for Cooperation in Education, 51 rue de la Concorde, B-1050 Brussels.



# How the Agricultural Fund is helping to drain the Fens

**A**sixteen-foot drain belies its name. It is not, as you might think, a large cylindrical pipe, a part of urban sewage works, buried and hidden from sight. A sixteen-foot drain is a ten-mile straight run of water, between man-made banks, hard blue in the winter sunlight, decorated by swans.

All around is flatness, a landscape bounded by a circular horizon: fat, black acres of plough, stubble, sedge, root-crops, reed-beds and private fishing notices, and unconcerned lapwings a hand's throw away.

This is the Fen Country of Lincolnshire, where drains such as the sixteen-foot—also the forty-foot, the hundred-foot, and many more—have made agriculture possible, and where the eyes of anyone viewing them are well below the level of the sea, which lies all too close.

The Fens comprise a huge wedge-shaped tract of England, from near Lincoln 50km eastwards to the coast, and from the same point 115km through Peterborough and Huntingdon to Cambridge. Thence 55km north east to Kings Lynn, and the rest of the perimeter 40km of marshland skirting the Wash into which the great rivers of the region, the Great Ouse, Nene, Welland and Witham empty.

This is the land of Hereward the Wake,

## JACK WATERMAN reports from the heart of Lincolnshire, a county where Community funds are helping to make good farmland out of a waterlogged terrain

where King John lost his jewels, including the English crown (still unfound), and where Cromwell raised his Ironsides. Also the land of Slodgers and Fen Tigers, men who walked on stilts, wore eelskin garters above their knees against rheumatism, gathered their corn from platforms and fruit from boats, and for centuries counted themselves separate from the rest of England.

Today, it raises root crops, potatoes, sugar beet, onions and bulbs near Spalding on land recovered from what was once an inland swamp. But even today has its own secret separateness.

The Romans were the first to carry out work on sea defences and drainage in the Fens. Much later, in the 17th century, came the Dutch engineer Cornelius Vermuyden, who

carried out important work. So it is perhaps appropriate that today the European Community is making a vital contribution to ensuring that agriculture continues in the Fens.

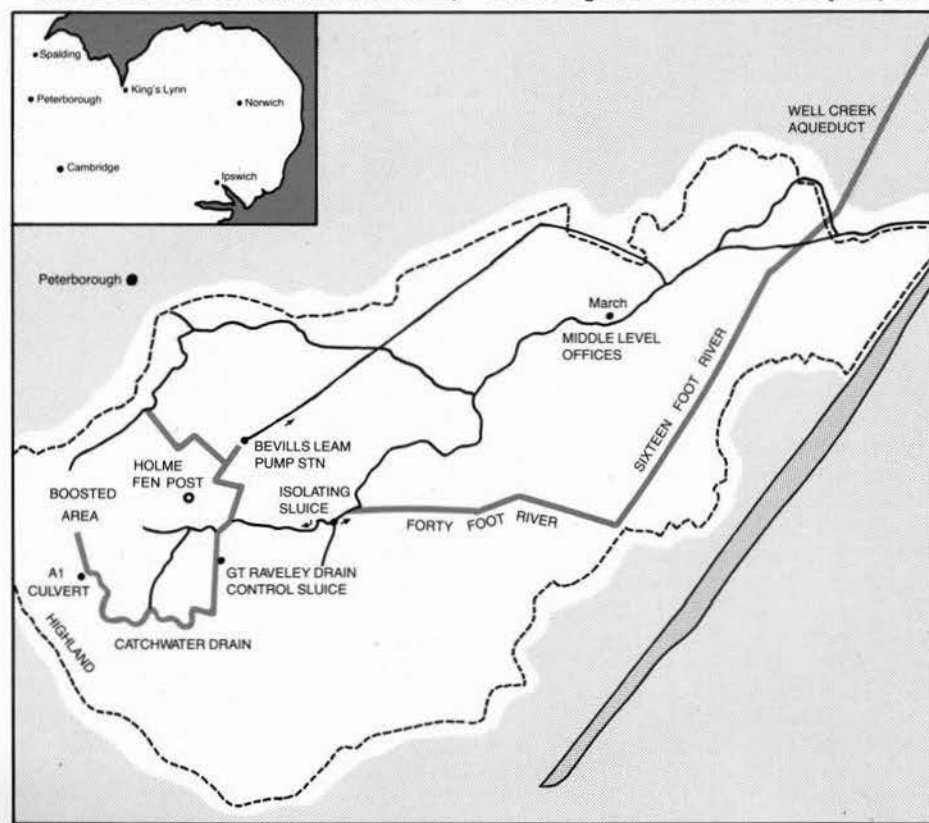
Since Britain joined the Community in 1973, nearly £2 million has gone in European Agricultural Fund grants to maintain and improve the land drainage system so important to the area. In the region formerly designated as East Anglia, the Fenland has benefited in this way by approximately £1½ million. The rest has gone to Lincolnshire, part of the old East Midlands region, where the complex problems of fen drainage differ from those farther south.

From the Agricultural Fund, in fact, by far the biggest single grant in East Anglia, representing 18 per cent of the total direct agricultural aid to the region, has been £824,151 towards a scheme south west of the little town of March in Cambridgeshire. It represents a substantial and essential contribution to underpinning the future of farming over a wide area nearby.

This complex and ambitious scheme, the total cost of which amounts to more than £5 million, has involved the building of a large new pumping station. In addition to much other work, now all but complete, it implements an ingenious plan for getting water away from the area and relieving the threat of flood. The Middle Level Commissioners, a body responsible for the arteries of land drainage (as against numerous smaller individual drainage boards who are responsible for the 'veins') in the area, and which administers a total catchment of 70,000 hectares, designed and supervised the Scheme with their own engineering staff.

Chairman of the Middle Level Commissioners is John Childs, who also farms 500 acres in the area near Chatteris. He describes the project as by far the biggest and most important scheme of improvement in the entire Fens for half a century. In the Middle Level offices in March, he, and Graham Clemmow, Engineer to the Commissioners, explained why the new Middle Level Scheme was so important and necessary. One of their fundamental problems— affecting the Fens in general, but the Middle Level area in particular—arises, paradoxically, out of the very process of drainage and land reclamation. The peat on which the Fen agriculture is founded is steadily shrinking, like a drying-out sponge.

In the Middle Level area, at Holme Fen, in 1851, an iron post from the Great Exhibition was sunk upright in the peat, with its top level with the ground. This was replaced in 1963 by another cast iron post accurately set to the ori-





Lincolnshire's fen country: 'the peat is steadily shrinking'.

ginal level of the first. Today, that post stands more than 13 feet above the level of the ground. In other words, most of the area is now a long way below sea level: hence the task of getting Fenland water into the sea is one which gets harder by the year – and never ends.

In 1844, to provide an improved gravity outfall, the Middle Level Drain was excavated to connect the area with a point about 14km down the River Ouse at St Germans, where tidal levels were up to 2.5 metres lower than those at the existing outfalls, and that is where, ever since, water from the Middle Level area has been discharged to the sea.

But it has been a battle, fought by the Middle Level commissioners, who became a separate body created by Act of Parliament in 1862. By the 1920s gravity drainage was no longer sufficient to protect the shrinking fens from flooding, and an impressive pumping station had to be built at St Germans, with three 1000 hp pumps, room for a fourth, and gravity drainage still used when Ouse water levels allowed.

Without the grant it is doubtful whether the scheme could have gone ahead; as it is, farmers in the area are under no illusion as to the debt to the EEC in tipping the balance.

John Bliss, another Middle Level commissioner and farmer says: 'We would have been in very grave trouble, and the scheme came just in time. It has saved us already on two occasions. But the EEC grant was the deciding factor in making it possible.'

Bill Bedford, too, who farms with his son Stuart: 'I've farmed here for forty years; the land is now 40 inches lower than when I first started – and this is a terrific scheme. We're

## 'Unless something was done, farming in the area would soon have become intolerable'

grateful to the Middle Level commissioners, and the grant from the EEC has given us more than breathing space.'

A tour of the work done shows why the farmers are enthusiastic. Without going into the immensely complex technical details, the scheme has provided at a cost (after inflation) of just over £1 million, a large booster pumping station on the stretch of water known as Bevills Leam (a marvel of automation and telemetry linked to taped voice recordings, and the trying of five successive vital telephone numbers in emergency). The capacity of the station is geared to that of the downstream drainage by regulating flows from the 'highland' brooks in the west of the catchment.

Water levels can now be lowered over the years as necessary within the boosted area without disturbance of the downstream system. The problem of increasing run-off has been eliminated and a long term solution to the problem of peat shrinkage in the south-west provided.

In addition, and essential to the scheme, have been the up-rating by an extra 200 tonnes a minute of one of the St German's pumps; raising, strengthening, and 'clay-puddling' to arrest seepage, of banks; deepening and

widening of channels; the provision of a new 12km catchwater drain round the 'highland' fringe; and, very important in ensuring the newly boosted flow is controlled and sent out seawards instead of re-circulating, an isolating sluice, together with flood storage and a control sluice to regulate the 'highland' flows.

This provides a particularly happy ending to the story. The area in which floodwater is to be stored is the Wood Walton nature reserve, a 208 hectare tract of fenland as it used to be in the 17th century, a place of rare beauty and even rarer flora and fauna. Here has been re-introduced, in another example of European co-operation, the Large Copper butterfly. This native of the fenland was extinct in the last century owing to the misguided enthusiasms of Victorian collectors; it was re-introduced from Holland in 1927.

Here also are a herd of Chinese water deer, dragonflies and damselflies, the marsh carpet moth, snipe. Long-eared owls, teal, and 60 varieties of birdlife, as well as the very rare fen violet and fen woodrush. The nature reserve will be a beneficiary of the scheme, assured of water to maintain its habitat.

Among its trees also are many nightingales. One of them, apparently, sang throughout the opening ceremony last May, when the Bevills Leam Pump House was opened by the Minister of State for Agriculture and Fisheries, Lord Ferrers. There could hardly have been a more appropriate comment on the promise of the scheme for the future. But on that, the final word must rest with Bill Bedford. He says: 'This is something Fenland will never ever forget. I believe its a scheme that will last for a hundred years. I've been told I'm exaggerating, but I believe it to be true.'



## Control arms exports, says report

**The Political Affairs Committee of the European Parliament has called for a set of rules governing the export of arms from the EC countries to the Third World, which would restrict the sale of certain weapons to certain countries.**

France, Italy, the United Kingdom and the Federal Republic of Germany are the 3rd, 4th, 5th and 6th largest arms exporters in the world, after the United States and the Soviet Union. 76.5 per cent of French and Italian, 81.7 per cent of British and 37.6 per cent of German exports go to the developing countries.

Nearly half of all Third World arms imports are destined for the Middle East, 17 per cent for the Far East, 9.2 per cent for North Africa, 9 per cent for Southern Africa, 9 per cent for South America and 6.4 per cent for Southern Asia.

The report, which was compiled by British European MEP Adam Fergusson, points to Argentina's role in the Falklands crisis as an example of 'an aggressive totalitarian state with an appalling human rights record', armed by 'at least six EC member states'.

The Argentine armed forces included aircraft and helicopters from France, Italy and Britain; missiles from France and Britain; two submarines from the Federal Republic of Germany; two destroyers from Britain; and an aircraft carrier from the Netherlands, in addition to weapons from the United States, Switzerland and Israel, according to the Committee.

The report rejects claims that a reduction in arms sales to the Third World would cost an unacceptable number of jobs in Europe. The armaments industry represents only 2.72 per cent of manufacturing jobs in France, 2.26 per cent in Britain, 1.33 per cent in Italy and 0.43 per cent in the Federal Republic of Germany, it claims.

## Let's switch to shift work — Ivor Richard

**European Commission proposals for a framework policy to reduce and reorganise working time in Europe could help employees on shift work, according to social affairs and employment commissioner Ivor Richard.**

A reorganisation of working time to include a fifth shift is one way in which the proposals might help the estimated 20 per cent of employees in the secondary and tertiary sectors who currently work shifts, he says.

Concern about the social impact of shift work has been growing in Europe since the publication of a report last year by the Dublin-based European Foundation for the Improvement of Living and Working Conditions.



## Court says UK is living 'in the age of Dickens'

**The United Kingdom will have to apply equal treatment to men and women at work, under a recent European Court of Justice ruling.**

The Court says that the British government has failed to adjust British legislation to comply with the 1976 European Directive. The case went before the Court in May 1982, following a preliminary ruling in October of the previous year.

The Euro-judges ruled that non-discrimination laws should apply not just to individual contracts, but also to collective agreements between unions and employers.

The UK had also failed to fulfil its obligations under the Directive,

when it excluded domestic employees from the law.

As far as discrimination against men was concerned, the Court said that adverts for 'Female Companions' and 'Chambermaids' were both 'sexist' and worthy of 'the England of Dickens', not the 1980s.

On the issue of male midwives, the Court ruled that the UK should allow anyone with adequate qualifications to undergo training for the job, whether male or female.

## Tax relief for migrant workers?

**Two million Europeans who live and work in other EC countries should get a fairer tax deal under new proposals just published by the European Commission.**

The last Commission attempt at tax reform was launched in 1979. Although approved by the European Parliament and the Economic and Social Committee, it still requires approval by the Council of Ministers.

Migrant and cross-frontier workers, described by a Greek Euro-MP as 'the first citizens of Europe', must be given the right to move freely in the Community — a fundamental freedom guaranteed by the Treaty of Rome.

The proposal would mean that people who live in one country and work in another (of which there are about 200,000) would be taxed in their country of residence on the income that they earn across the border. This would mean that they would get all the tax reliefs to which ordinary residents are currently entitled.

Taxation of workers in their country of origin is by no means a new idea. It already exists in the form of bilateral agreements between Belgium and France, Belgium and the FRG, France and the Federal German Republic, and Belgium and the Netherlands.

The new system is designed to remedy the numerous injustices of the past suffered by non-residents. It would maintain the internationally-accepted practice of taxing revenue in the country in which it is earned, but at the same time would introduce conditions to provide equal treatment for residents and non-residents.

The Commission proposals would also provide tax relief for the long-term contractual savings of non-residents, when they consist of life insurance, pension plans and home ownership.

The proposed directive, which would increase freedom of movement inside the Community, is particularly welcome in the light of Spanish and Portuguese membership and renewed interest in the Channel Tunnel.



## Protecting kids from poisons in the home

**Legislation to force manufacturers of household products to use child-resistant containers could save thousands of children from accidental poisoning, according to the Belgian Socialist MEP Marijke Van Hemeldonck.**

In a report for the European Parliament's Committee on Public Health and Consumer protection, Ms Van Hemeldonck said that the European Commission should amend existing European Directives on packaging and mount an information campaign to alert the general public to the dangers involved.

In the first ten months of 1983, the Poisons Unit of Guy's Hospital in London recorded 3192 cases of children who had swallowed pharmaceuticals and household products. In 1981 the Belgian Anti-Poison Centre received an average of 50 calls a day relating to children. Over 46 per cent of the accidents were caused by pharmaceuticals and 27.7 per cent by household products. Similar figures were recorded in Munich, where half of all calls received involved children.

A French survey in 1979 showed that most accidents involved common medicines such as tranquillizers, aspirin and cough mixture left around the house. Products packaged in eye-catching colours, including decalcifying agents, deodorants, bleach, paint and shampoo, also rated high on the danger list.

## Europe is behind in the bio-tech race

According to a recent American study compiled by the US Office of Technology Assessment, the European countries trail the United States and Japan in biotechnology. They are generally not as aggressive, either industrially or through government laws and policies, it says.

The European Commission shares the view. Despite the efforts of the member states, the results have been dismal. Europe's trade deficit, its deficit in terms of numbers of patents and the exodus of scientists, all testify to the weakness of the industry and the fragmented nature of national policies.

About 40 per cent of manufactured products in any industrialised country are biological in nature. Biotech's take-off is a powerful instrument of socio-economic development, innovation and renewal, particularly in the chemical industry. Scientific breakthroughs will also have a profound effect on health, agriculture and industry. Biotech also has the potential to help the Third World overcome basic food, hygiene and energy problems.

But the EC countries joined the biotech race late. Competing with the Americans and the Japanese is now largely beyond the capability of any single member state. The complex nature of modern biotechnology - which includes biochemistry, genetics, microbiology, and physiology - means that constant cooperation is needed between the sciences. Cooperation at Community level would clearly help, according to the European Commission.

State aids to research and development in the industry - which would discourage European firms from making agreements with US and Japanese companies - are currently insufficient and biotechnology in Europe is trapped in a variety of different legislative systems, says the Commission. The creation of a favourable environment, common to all EC firms, that would protect the interests of the producers, is in the Commission's view, an essential condition for growth.

The Community plans to play a crucial role in two areas. It will supply European industries with essential agricultural raw materials, notably starch from cereals, and will also concentrate on the prevention

and treatment of 'chronic and costly illnesses'. New genetic techniques can produce hormones and vaccines, as well as new diagnostic methods. These could soon cut health spending drastically, according to the Commission.

## Tip for contact lens wearers

An Italian Communist MEP has called for an end to anonymity for people who wear contact lenses. Vera Squarcialupi says that they should carry distinguishing marks for their own safety.

After an accident or illness, wearing contacts can damage the eyes and she claims even cause ulcers. Damage can be avoided if the victim is immediately identified as a wearer of contact lenses.

Commissioner Ivor Richard believes that a more discreet solution might be possible. He says the information could be included in emergency medical cards, which are currently used to identify people suffering from serious or chronic illnesses.



## MEPs are shocked by video horror show

Senior Scotland Yard officers swooped on the European Parliament in Strasbourg to deliver an unpleasant shock to MEPs in the form of a cassette-tape full of 'video nasties'.

The twenty-two minute showing shocked Euro-MPs. 'They didn't know that such things existed. About a third of the audience (of 130)

left before the end says Richard Simmonds, the British European Democrat MEP who has been asked to draw up a report on the subject for the Parliament's Youth and Culture Committee.

The cassette shown to the Parliament was identical to the one previously shown to the British House of Commons, which persuaded it to pass a bill outlawing such material and imposing heavy fines on distributors.

The UK currently has more video recorders per head of population than any other EC country, and its 'pioneering' legislation in the field should be a model for future action at European level, according to Richard Simmonds. In his report, which is due to appear in April 1984, he plans to ask the European Commission to draw up proposals for 'extremely severe penalties' and Europe-wide restrictions. But he admits that these might just drive distributors underground.

Last March, Christian Democrat MEPs led by Wilhelm Hahn tabled a motion calling for the creation of a European inspectorate composed of lawyers, civil servants, teachers, youth leaders, psychologists, psychiatrists and journalists to act as a 'Board of Censors' for video cassettes. The body would have powers to restrict any film dealing with violence, drugs, racial hatred, war and pornography, say the group.

## The going will still be tough in 1984

Europe's economy is on the mend, but the rate of recovery will be 'slow and fragile' and will vary in different EC member states, according to the European Commission's latest annual economic report.

Gross domestic product (GDP) in the EC countries will grow by 1.5 per cent in 1984, compared to 0.5 per cent this year, claims the report. US and Japanese growth rates are expected to be considerably higher and world trade is expected to increase by 3.5 per cent next year, it says.

Rising unemployment has slowed down over the past five months and is likely to stabilize at about 10.6 per cent of the workforce this year. But in 1984 it will increase again to about 10.9 per cent, according to the report. Average annual rates of unemployment in Europe rose steadily from 7.8 per cent in 1981 to 9.5 per

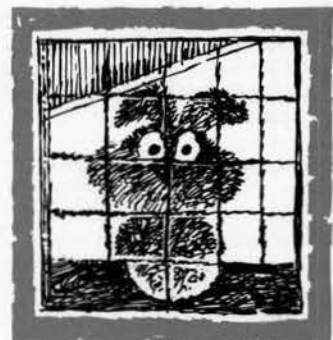
cent in 1982 to 10.4 per cent in September 1983.

Inflation, on the other hand, continues to fall. In 1980 the EC average was 14.3 per cent, compared to 8.2 per cent this year. The decline is expected to continue into 1984.

## 'Cut our expenses' call

A Belgian Euro-MP has condemned the high travel and living allowances paid to himself and his colleagues as 'unjustifiable'.

Socialist Karel Van Miert says that MEPs should set an example at a time when the economic crisis means that the vast majority of Europeans are suffering from a drastic loss of income. Flat-rate expenses granted to MEPs should be scrapped and allowances should be based solely on what they spend, he says.



## Animals under the knife

A German Socialist MEP has called for tougher controls on the use of animals for scientific experiments in Europe.

Luise Herklotz admits that the use of vertebrate animals is 'indispensable' to progress in medicine, but says that animals are often used even when reliable alternative methods are available. She is also critical of scientists who work without the use of anaesthetics, particularly when the results of the experiment concerned would not be affected by their use.

The Council of Europe has already launched an initiative to establish a European Convention on the protection of vertebrate animals used for experimental and other scientific purposes.





## Re-enter Carmen – a heroine for our time

**A** sudden shower of Carmens has fallen on Europe.

Peter Brook, who used to be the *enfant terrible* of the British theatre, has for the last ten years been running a Paris theatre, the Théâtre des Bouffes du Nord. In 1981 he produced a concentrated, 80-minute version of Bizet's opera *Carmen* there, using three different casts, so that he could keep the production running without a break for six months.

Now he has made three films of his *Tragedy of Carmen*, as he calls it, recording the different interpretations of the three casts. All three films have been showing to packed houses in a French chain of 'classic' cinemas; one has been shown on the French television channel Antenne 2; another has just been shown in Great Britain on Channel Four; the rest of Europe is planning its viewing of these same works.

What has Peter Brook done to *Carmen*? Is this just a short, palatable, Reader's Digest version of the famous opera?

Nothing could be further from the truth. Peter Brook and his colleagues have gone back to the story by Prosper Mérimée on which Bizet's opera was based. That original tale of

**An operatic masterpiece by a French composer, on a Spanish theme, re-staged by an Englishman, has been a sensation in Paris and a hit on British television. DERWENT MAY tells the story**

*Carmen* was set in Spain in 1832, only four years after Goya died, and it portrayed a cruel and alien country, characterised (in Goya's words) by 'the sleep of reason'. In Mérimée's story, *Carmen* is very plainly a witch, a prostitute and a thief – even if a proud, brave and passionate one. Bizet, writing for a Paris audience of delicate tastes in 1875, managed to keep intact the free spirit of his heroine, *Carmen* – but he had to soften the lines of the violent, immoral atmosphere in which she lived.

Brook has restored much of the Mérimée plot and feeling, and has dropped all Bizet's light relief. This approach to the opera is really part and parcel of the whole attitude to theatre

offered by the Bouffes du Nord. It is a small, intimate theatre, offering strong, direct, unsentimental experiences to its audience. Brook from the start wanted to 'make its walls sing' one day, and he certainly does not lack respect for Bizet's music. But he believed he could see how to draw out of it an essential, intense truth that he wanted to convey.

His collaborator on the plot and the revised libretto was Jean-Claude Carrière, who has worked with Luis Buñuel on the screenplay of many of his films, including *The Discreet Charm of the Bourgeoisie*. Brook's musical collaborator was the composer Marius Constant, who also conducted the opera. Constant prepared a kind of chamber-music version of Bizet's score, with fifteen players each representing one of the families of instruments found in a full-scale orchestra. He introduced kettle-drums into the music of *Carmen*'s first great song, the habañera *L'amour est un oiseau rebelle*, to suggest African drums and the note of 'African gaiety' that Nietzsche found in *Carmen*. Constant wanted, he has said, to 'bare the music to the nerves'.

Brook's *Tragedy of Carmen* opens, in fact, with a completely African-looking scene. A bent, witch-like figure, hidden under her

## 'Men come thick and fast in this, Carmen's world...'

cloak, is scratching in the sand. When a beautiful young girl comes by, looking for her soldier sweetheart – in fact it is Micaëla looking for José – the crone tries to grab her hand, seems to want to tell her fortune. But no sooner has Micaëla found José than the fortune-teller flings off her cloak, rises to her feet, and reveals herself as an enchanting gipsy girl – Carmen herself.

All is swift, swirling confrontation in this version. Carmen immediately declares herself as Micaëla's rival. She has a fight, as in Bizet's original version – but here the fight is actually with Micaëla, and it ends with Carmen slashing the other woman's forehead with a knife. There is no chorus, and so in this first scene there is none of the background bustle and humour of Bizet (in the new Covent Garden production, for instance, a live donkey dominates the scene with his stubbornness, in the first minutes after the curtain goes up).

José, as in Bizet, falls in love with Carmen, and lets her escape when he is required to guard her as his prisoner. But though Carmen

tempts José to follow her to Lillas Pastia's tavern, she mocks him as she goes, deftly locking him up in the cage-like cell she has herself been sitting in.

When we next see Carmen she is plainly the thief and prostitute of Mérimée's story. She is bringing the day's stolen pickings back to the tavern, and there she agrees to go upstairs to bed with José's officer, Zuniga, who showers money over her in a cascade, his is so full of a violent, icy passion for her.

Unfortunately, José arrives while Carmen is with Zuniga. They fight for Carmen, and José kills the officer. This is the point at which I think Brook's version acquires its particular strength. In Bizet's opera, the sentimental young José always seems too pathetic a character for the hero. He trails along after Carmen, slipping into his fate. Brook's José is also unworldly and sentimental as a lover, as he must be – a man lost in Carmen's world – but he is a fighter, and is trapped in his tragedy by strong actions rather than weak ones.

Men come thick and fast in this, Carmen's world, and the one who is eventually to take her away from José, the bullfighter Escamillo, arrives while Zuniga's corpse is still lying in the tavern. The single comic scene in Peter Brook's *Tragedy* follows; and that is a grim one – for José and the innkeeper have to hold the corpse up and pretend it is a drunken man. After that, José fights Escamillo too, lunging

wildly at him like a bull; but they are parted before any more harm is done. And now, for a very brief while, Carmen gives herself to José.

This is a haunting moment of fragile happiness, in a short work whose speed of movement is like a powerful wind of fate. The lovers sleep in the gipsy camp, surrounded by gipsy spells to protect them; but another character, not found in Bizet, now appears on the scene – García, Carmen's husband. Once again, José fights and kills – but meanwhile Carmen has read the cards again. She turns against José, and drives him away from the gipsy camp through the snow.


She dies, in the end, at the jealous José's hand, as in Bizet; and, also as in Bizet, she goes on fearlessly asserting her freedom to choose her way of life before he kills her. But fate hangs heavier over Brook's ending: Escamillo is not triumphant in the bullring, but is killed by the bull; while José kills Carmen with a heavy-hearted, ritual solemnity, as though he were merely accepting the role of being the hand of fate himself. We last see him crouched in the sand, waiting for fate to strike in its turn at him.

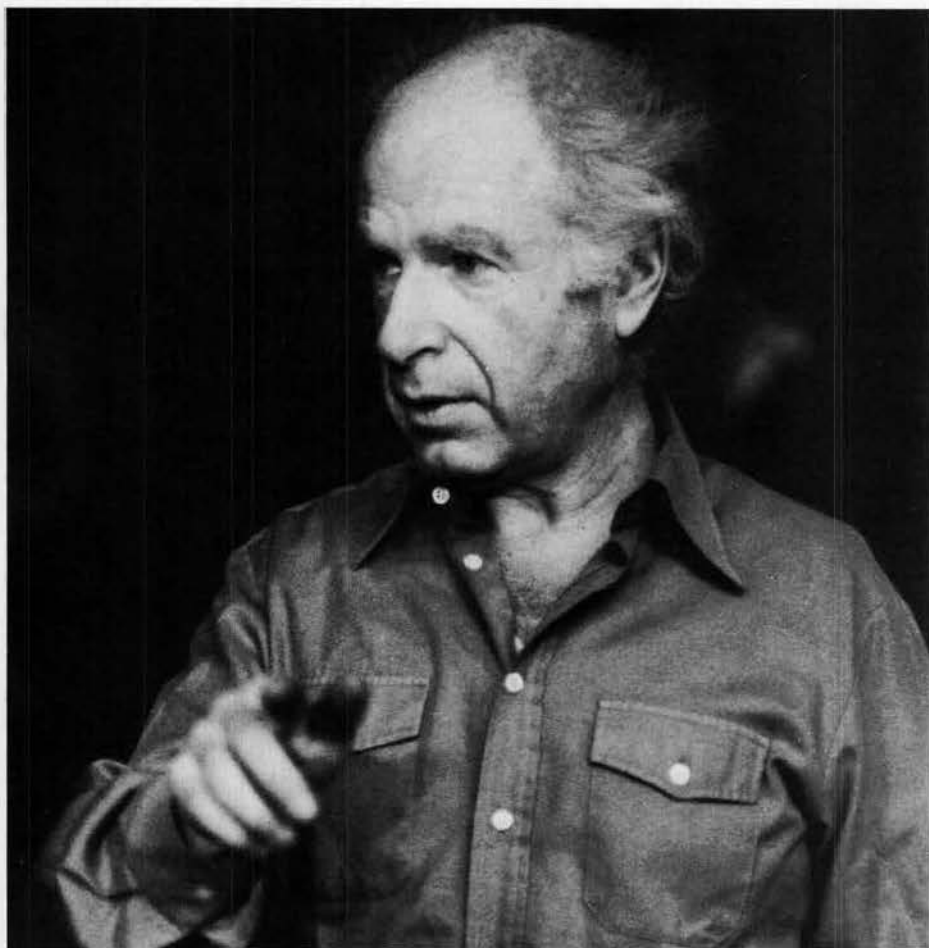
It is not surprising that this rapid-moving, relentless tale, abstracting only what it wants from Bizet's music and leaving so much out, should have annoyed many critics. They have argued that the wealth and amplitude of the music is precisely what makes Bizet's opera so much more than a simple, harsh tale. They like the large variations of light and shade in Bizet, the rich changes of mood, the skill with which such unromantic items as the Seville cigarette factory are brought into Bizet's art. And of course no one would want to lose for ever that scope and spaciousness.

But Brook's version of Bizet's classic is undoubtedly powerful and coherent. It keeps

## 'A bitter, ironic note, with fate alone triumphing'

the spectator completely absorbed; and the opera gets extraordinary force out of the music it uses. In Bizet, it is true, the joyous note of Escamillo's triumph in the last act also seems to speak of Carmen's triumph in asserting her freedom even as she dies; whereas in Brook it is a bitter, ironic note, with even Escamillo, the bullfighter, dead, and fate alone triumphing. But Carmen's dignity is, to my mind, even more strongly brought out by the plain recognition of the moral squalor in which she lives so blithely.

Peter Brook has also found some outstanding actors and singers. Certainly few people will forget the first sight of Hélène Delavault throwing off the old woman's cloak to reveal herself as Carmen, in the film shown on Independent Television's Channel 4. She is perhaps Brook's outstanding discovery – a Carmen always sensual and gay, yet steely and proud in full heroine's measure. 



Opposite: Hélène Delavault, with Howard Hensel as Don José, in BBC Channel 4's production of 'The Tragedy of Carmen' by Peter Brook (above).



## QUESTIONS IN THE HOUSE

### Gerard Israel, France:

'In an article in *Le Monde* (27 July 1983) Commissioner Pisani, discussing the crises which, according to him, Europe has to face up to, mentioned "the hotchpotch of demands from the directly elected European Parliament". Can the Commissioner say what demands he was referring to?'

### Answer by Edgard Pisani on behalf of the Commission:

'The article to which the Honourable Member refers was concerned exclusively with issues of agricultural policy.'

The Commission would suggest that were the Honourable Member himself to analyse Parliamentary proceedings and resolutions he might find that they did not invariably reflect perfect consistency on every issue.'

### Jens-Peter Bonde, Denmark:

'Will the Commission allow ordinary bakers to buy butter at the same price as the biscuit industry?'

### Answer by Poul Dalsager on behalf of the Commission:

'The legislation concerning subsidisation of butter used in the confectionery industry limits eligibility to undertakings processing at least five tonnes of butter a month. All

undertakings, large or small, in the sector are entitled to denatured concentrated butter at a reduced price. The aid is set in such a way that there is no financial discrimination between users of butter and users of concentrated butter.'

The reason for restricting the butter subsidy to large firms is the need for control. The firms involved are inspected frequently at their own expense. Similar checks on a very large number of small bakers would not be feasible.'

Nonetheless, the Commission staff are well aware that small bakers prefer butter to concentrated butter and they are looking into all possible ways of reconciling the need for control with the bakers' wishes.'

In this connection, the Commission is financing research into possible methods of marking butter.'

The Commission staff will not be able to put forward concrete proposals on the subject until an effective control system, whether or not based on marking, has been devised.'

### Giosué Ligios, Italy:

'The Court of Justice of the European Communities has recently issued a ruling recognizing that Great Britain, in levying a higher rate of excise duty on wine than that payable on beer, has failed in its Community obligations. What steps does the European Commission intend to take to ensure that this ruling has the desired effect as soon as possible?'

### Answer by Christopher Tugendhat on behalf of the Commission:

'The Court of Justice having found, in case 170/78 (Commission v United Kingdom), that the United Kingdom has failed to fulfil its obligations under the second paragraph of Article 95 of the EEC Treaty, that Member State is now required, under Article 171 of the EEC Treaty, "to take the necessary measures to comply with the judgement of the Court of Justice".'

The decision in question was handed down only recently, and requires changes in the taxation law of

the member state concerned. The Commission will ensure that the member state concerned takes the necessary steps without undue delay.'

### Willem Albers, Netherlands:

'Is it true that there are no rules concerning the sleeping facilities to be provided for coach drivers, once they have been relieved in accordance with legal requirements, when driving long distances?'

And is the Commission aware that, in certain cases, only a minimum amount of space is available in the coach's luggage compartment for drivers to sleep in the course of the journey?'

### Answer by Georges Contogeorgis on behalf of the Commission:

'There are no Community regulations on sleeping accommodation for drivers of coaches. On the second question: Yes, but in view of the many different types of coach no overall judgement can be given on the adequacy of the facilities provided as compared with alternatives.'

Any future proposal by the Commission in this respect should form part of a balanced action programme relating to long-distance coach and coach travel.'

## What is freedom of the skies?

**W**e in the Kangaroo Group believe that European scheduled air fares are too high.

We cannot understand, for instance why it costs £74 to fly one way from London to Brussels. It would almost be cheaper to go by taxi. Nor can we accept that a one way ticket London - Athens should cost £280.

We believe that the main reason why European air fares are so high is that the market is dominated by national carriers who fix fares at identical levels, after conspiring together to share the market. The national carriers, we say, work together to keep private operators off the scheduled services, exerting pressure on their governments never to permit an airline to undercut the fares that they wish to charge.

We believe that this is a monopolistic practice which is not only unjust to the consumer, but also illegal under European law.

Article 85 of the Treaty of Rome prohibits all agreements between undertakings which fix the purchase price, limit or control production, share markets or apply dissimilar conditions to equivalent transactions. Article 86 prohibits any abuse by an undertaking of a dominant position in the Common Market.

We have therefore decided to seek enforcement of the Community's anti-monopoly laws, not only through negotiation, but also

through litigation. We began by bringing a case directly to the European Court of Justice in Luxembourg. However, the action was ruled by the judges as inadmissible in May 1982 on the ground that Freedom of the Skies had only an indirect interest in the matter under dispute.

In February 1982 we began an action for damages against Sabena Belgian Airways in the English courts, alleging that Sabena had overcharged by £50 on a ticket London - Brussels - London. (This calculation was based on the fact that £50 was 40 per cent of the then prevailing return fare of £125 and that British Caledonian had earlier indicated their readiness to fly the London - Brussels route at 60 per cent of the fare being charged by Sabena and British Airways.)

In order to save cost, we asked for the case to be heard in the County Court and we sought a reference to the European Court of Justice by

**'National carriers exert pressure on their governments never to permit an airline to undercut'**

the County Court judge. However, Sabena insisted that the matter should be properly heard before the High Court.

On 14 June, 1983, after a day's argument in the High Court, Mr Justice Parker said that the competition articles of the Treaty might well apply to our case, and that a reference to the Luxembourg court might have to be made at a future time. He refused our request for an immediate Luxembourg hearing. We feel nevertheless that the judge's remarks about the merit of our case amount to a significant step forward.

If, as we hope, these questions are eventually referred to Luxembourg, the judges will be able for the first time to indicate whether or not the anti-monopoly laws of Europe apply and whether or not the national airlines are breaking these laws.

If the judges decide in our favour, it will be the beginning of the end for the present system of conspiratorial air-tariff fixing by national carriers working within the IATA machinery. We would prefer to settle this matter by negotiation between governments, but we have despaired of obtaining any satisfactory settlement by this means.

We feel that the law must take its course and that the law is the only weapon which has any chance of bringing about change.

NICHOLAS BETHELL, MEP

□ Acknowledgements to Kangaroo News, published by The Movement for Free Movement.

# letters

## Best of Leicester

I noted with interest your article in the October 1983 issue on the East Midlands.

Although I welcome favourable publicity for the region, I do feel that Leicestershire deserved better representation. If one looks at indices of industrial success, Leicestershire does better than Nottinghamshire in a number of areas – for example, it has the best export record in the entire region.

I was disappointed that no mention was made of the designation of North West Leicestershire under the EEC scheme. With 23.8 per cent of the workforce in that area engaged within mining and quarrying, the prospect of the rundown of the coalfield is very serious. The EEC recognised this last June. Mention of the new potential this scheme offers for providing replacement jobs would have given the area a worthwhile boost.

Donald L. Sabey  
County Hall, Leicester

We hope to make a return visit to the East Midlands for a second report during 1984.

## Counting the votes

May I point out to you an error in your November 1983 issue ('Lining up for the 1984 Euro-elections')? The Conservatives in 1979 won 60 out of 81 UK seats on less than 50 per cent of the votes cast in the UK. Their mandate is due therefore to the 'plurality' representation system, not to the votes cast.

In any of the other member countries, the Conservatives' share of the votes would have yielded 30 or 40 seats, due to the more proportional systems of representation used outside the UK.

R. D. Knowles  
Dept. of Geography,  
University of Salford

## In concert

Having read the excellent article, 'Three Baroque Masters', in your October 1983 issue, I was delighted to see that the press services of the Community are contributing towards making the European public aware of the forthcoming European Music Year. What seems to be missing in the introductory paragraph, however, is a reference to the fact that European Music Year is a joint venture between the European Communities and the Council of Europe.

Thomas Alexanderson  
Secretariat General,  
Council of Europe, Strasbourg

We are pleased to acknowledge the Council of Europe's contribution to this, the first enterprise of its kind carried out jointly by the two bodies.



At the opening of the Commission's new London premises in December: Commissioners Tugendhat and Richard with the Head of Office, George Scott.

## 'NEW FUNDS MUST NOT BE SPENT ON MORE FARM SURPLUSES'

**D**espite the failure of the European Summit at Athens in early December, a solution to the problems facing the Community can and will be found.

This was the message delivered by Christopher Tugendhat, vice-president of the Commission, at the opening in Westminster of the new premises of the London Office of the European Commission shortly before Christmas. Mr Tugendhat added:

'My confidence springs from three factors: first, as a result of the failure at Athens to solve the Community's agricultural and budgetary problems and to face up to the great challenges to the West's security in the Lebanon and elsewhere, all governments must realise that the credibility of the Community, which is indispensable to their economic prosperity and international influence, is being put at risk.

'Second, the progress towards agreement which was made between the Summits at Stuttgart and Athens constitutes a foundation upon which I believe it is possible to build a long term solution.

'Third, the success of the Community's Foreign Ministers in reaching an interim solution to the problem of British contributions only five weeks after the failure of the Luxembourg Summit in April 1980 should caution us against reflex pessimism and the abandonment of all hope for the Community.

'However, if the Community is to resolve its current problems, it is essential not to overload its Summits either with too many issues at once or with excessive technical detail. I have

seen, over past weeks, the risk that Foreign and Finance Ministers will be tempted to abdicate responsibility for taking hard decisions if they know that they can pass the buck to the Summit, even though the latter is far less suited to grappling with such technically complex issues.

'Until a long-term solution is found, the Community will have to take tough decisions in order to live within the resources available to it. These will affect both the Common Agricultural Policy and other spending policies, though because of the scale of the Community's involvement in agriculture, the consequences of economies in that sector will be felt more widely and immediately than in others.

'Within the next few weeks the Commission will take agricultural measures that fall within its own area of direct responsibility and make proposals to the Council for other measures designed to achieve the necessary economies for 1984. It must also be obvious to all that there is no possibility of across the board price increase.

'New resources must not be squandered on more agricultural surpluses. They must be used effectively and economically for industrial and technological research and development, the diversification of our energy supplies, the tackling of unemployment and regional problems and other priorities.

'It must also be remembered that one of the most important challenges facing the Community is the breaking down of trade barriers and the creation of a real Common Market.'

The growth of farm spending has now trapped the Community in a place from which escape is impossible without somebody being hurt. Dairy producers are first in line, since controlling farm spending means cutting their incomes hard.

Those who will suffer the most are those who have shown the most enterprise in increasing their production in the past two years, in many cases borrowing heavily to build up their herds. Some will be forced out of business. In these circumstances, it isn't surprising that several governments in Athens preferred to turn their faces to the wall and hope the whole horrible mess would go away. It won't.

- Observer

Diving suits could well become the fashion among Italian winemakers as the results of 1983's vintage show a dangerous rise in the level of the wine lake. With the harvest now completed, and the grapes crushed and already fermented, this year's wine is submerging cellars in a further alcoholic flood.

Fortunately for the winemakers, 1980's record of 86.5 million hectolitres (equivalent to about 12 billion bottles) remains unbeaten. Nevertheless, when all the figures are added up, a 10 per cent increase on last year looks likely. Since 72.5 million hectolitres of wine were made in 1982, this year should again see production at the 80 million hectolitres mark.

The long faces worn in Italy's winemaking industry are due partly to the over-production which it has been experiencing since the mid-1970s. Between 1960 and 1972 annual production averaged 64 million hectolitres.

- Guardian

The West German Government is insisting on being given a much larger slice of the EEC pineapple quota. Instead of the 10,000 tonnes it currently consumes, it wants at least 15,000 tonnes.

France, however, insists in turn that the Community can import no more than the 28,560 tonnes than are allowed at low tariffs from Third World countries each year.

So Britain was asked to give up a slice of its quota to help satisfy the West German taste. Mr Paul Channon, the British Minister, was having none of it. 'We are fighting to keep our quota of pineapple slices,' he said. 'We are prepared to relinquish some of our quota of chunks.'

- The Times

There is little wrong with the treaty itself, even if it was drawn up quarter of a century ago and signed only by six of the present ten quarrelling and unhappy partners. It embodies a commitment to the free movement of labour and a free, unprotected market for industry. And although Article 42 explicitly exempts agriculture from the rules on unfettered competition, it is far from underwriting the absurdities that have since ensued.

All the immediate problems of budget contributions and unlimited farm support could be settled within the rules.

The difficulties that must be tackled lie elsewhere, in the institutions which have been set up to formulate policy, make the necessary decisions, and express the views of the 272 million citizens who now make up the Common Market.

- Sunday Times

Wine has now become firmly involved in the general agricultural war between the EEC and the United States. The abuses of EEC aid (especially by the Italian co-operatives which account for such a high proportion of American imports) has been the subject of a recent and damning study by the American department of agriculture, and a wine war between the EEC and the United States now looks inevitable.

- Economist

The Commission recently funded a study in detail of benefits and services in three comparable European cities: Bristol, Rheims (to the north east of Paris) and Saarbrücken (in the far west corner of Germany). The study found that, in an absolute sense, the poor of France are better off than those of Britain, and the poor of Germany better off than either.

But British social security seems to give more protection against 'extreme need' among, for example, unemployed households.

- New Society

Millions of pounds worth of Common Market funds are being squandered by bureaucratic bungling, delays and sheer waste, according to a report by EEC auditors.

In one overseas development project examined by the auditors the EEC had spent £18 million on a 48-mile road in the Congo - nine times the original estimate.

- Daily Express

Relations with EEC were already bad before the Turkish Cypriots declared UDI; and yet that move, quickly supported by the Turkish Government, appears to have passed by relatively smoothly. Greece's unpopularity in the Commission has worked in Turkey's favour, according to diplomats in Ankara.

Yet there are serious continuing tensions between Turkey and some EEC states, especially France, and the 600m ECU aid under the fourth financial protocol remains blocked because of Turkey's bad record on human rights.

- Financial Times

Attempts to tighten controls on transport of toxic waste across EEC frontiers were practically abandoned in face of West German opposition yesterday.

At a meeting of EEC Environment Ministers in Brussels, the Germans complained that the proposed Common Market rules were much weaker than existing national legislation in Germany. Bonn fears that a joint EEC policy could lead to pressure for a relaxation of its own rules.

- Daily Telegraph

The first batch of French longlife milk to arrive in Britain is unfit to drink.

Tests at its storage point in Salisbury, Wilts, showed that water had been added.

A local council spokesman said the added water in the 20,000 litres of milk meant it would break the laws set by two major health acts.

- Sun

Mr John Bradbury, who represents Britain's major confectionary giants, has just had a futile visit to Brussels to try to persuade the EEC to impose quality standards on the Greeks, who joined two years ago.

During that time he says, an 80,000 tonne mountain of unwanted Greek sultanas and currants has grown up. It is now being sold off as cattle feed.

- Daily Mail

# WHAT'S IN THE PAPERS

Thanks to Greater Manchester Council pressure in Europe, 27,000 adults in the county can look forward to a future of reading and writing, as well as doing basic arithmetic.

In a bid to boost Greater Manchester's adult literacy campaign, the GMC approached the EEC's European Social Fund last year and came away with £2.7 million to be spent on a three-year Adult Basic Skills Scheme spread throughout the county.

GMC's initiative means that each of the county's ten districts can virtually double what they spend on equipment, premises, staff and materials in the drive to help various disadvantaged adult groups play a more useful role in society.

- Glossop Chronicle



The Times