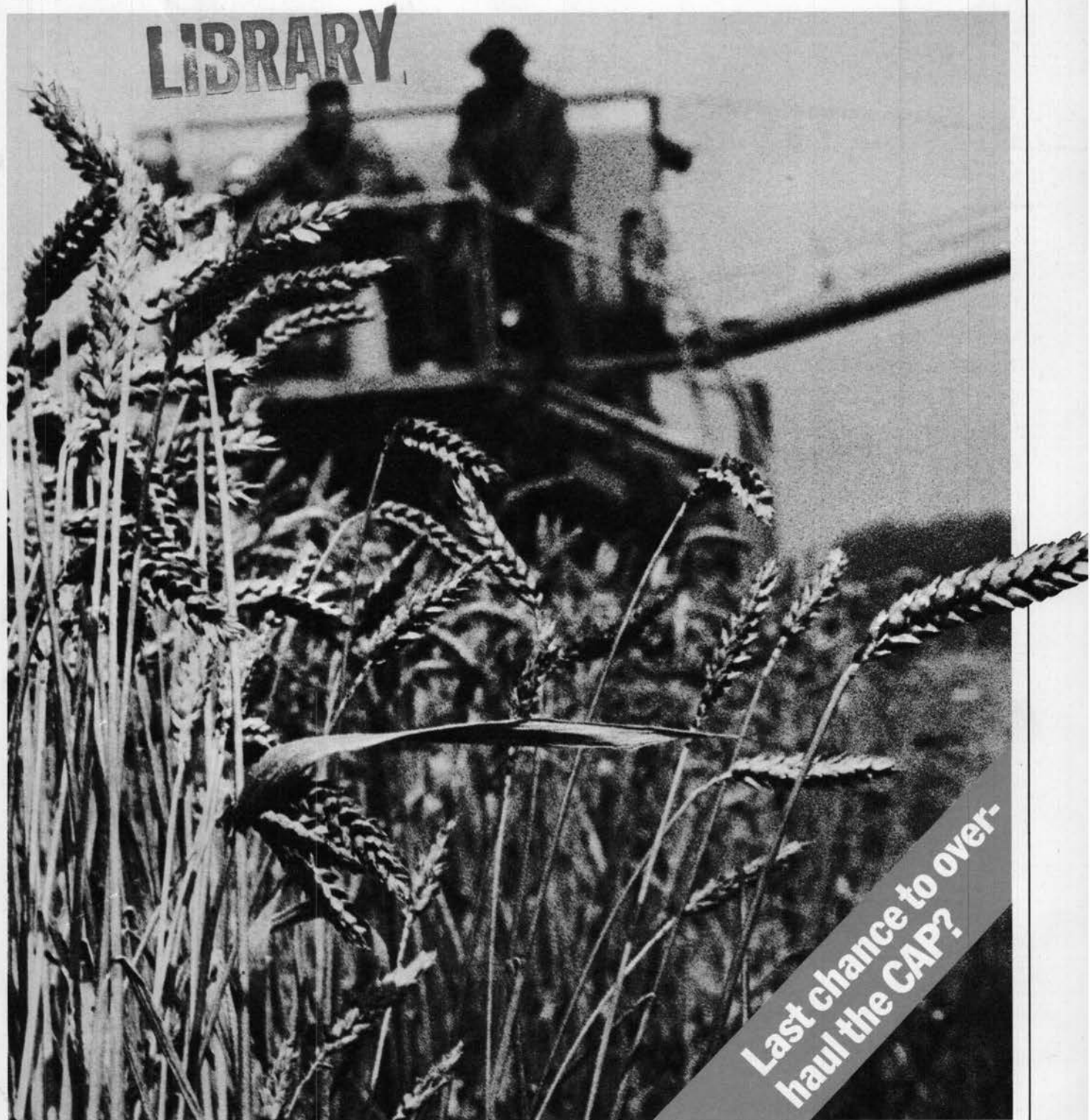


Europe 83

No. 10

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**Last chance to over-
haul the CAP?**



In this issue...

Interview with Andreas Papandreu	3
East Midlands is the place to grow. By Roy Stemman	4
The jobless young: what the Ten are doing. By Charles Jenkins	6
The young themselves are taking a hand. By Kathy Harvey	8
A last chance to overhaul the CAP. By Peter Dreyer	9
Watch it – we are being outnumbered! By Adeline Baumann	12
Steel submits to still more cuts	13
Getting to work can be bad for you. By Geoff Andrews	14
Parents and teachers are getting it together	15
Community reports	16
Three Baroque masters: the generation of 1685. By Derwent May	18
Questions in the House	19
What freeports mean to Europe. By Richard Bailey	20
How can we deal with oil spills?	22
Funds for Scotland's salmon farmers	22
Turner at the Grand Palais	23
Letters	23
What's in the papers	24

EUROFORM is inset after page 12.

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'An opportunity for our country to work out principles for a Community of nations'

The Greek Presidency of the EEC coincides with what is certainly one of the most critical periods which the Community has faced. How do you see this crisis?

PAPANDREOU: There is no doubt that the long and deep recession which has affected the whole world has also created serious problems for the functioning of the Community. We can see glaring inequalities, both between countries and between regions, which are going to be accentuated, while at the same time there are great social problems which remain without a solution.

However, it is very difficult to put through new policies. How can we talk of final unity at the very moment when the less developed countries see themselves being left without any incentive? Here I would like to emphasise that the Greek Presidency is fully aware of the task before it, and of the problems confronting the Community, and will attach a great deal of importance to the question of inequalities between different countries. It goes without saying that such a task can only be properly carried out if the Community's 'own resources' are increased. The question of the Community budget is therefore of fundamental importance.

Does Greece have any concrete proposals to make on the subject of the Community budget?

The Greek Presidency is committed to carrying out a review of the whole Community system, with the purpose of giving the Community new impetus, of equipping it with regulations which are more equitable and of enabling it to face up to the grave social and economic problems confronting it. We will keep to this commitment. Further, I would assert that the Presidency could be an opportunity for our country to work out principles which, if they are agreed by the Nine, could form the basis of a different kind of Community, a Community of Nations.

What are your observations on those problems which are specific to Greece?

As you well know, as soon as our Movement took office, we posed the question of special arrangements for Greece. We believe today, as we have done in the past, that the consequences of full membership for a country like Greece, which is so far behind the Community in its income level and in its industrial infrastructure, could be extremely dangerous. This also applies, of course, to Ireland. You will recall that, not so very long ago, Ireland was held up as an example of how a small, re-

The Prime Minister of Greece, Andreas Papandreou, answers questions put to him by André Deliyannis



latively weak and poor country could gain considerable benefits from its membership of the EEC. However, none of that is borne out today: the effects on the development of Irish industry are actually negative. I would also like to remind you that, since we joined, Greece's balance of payments with the EEC has considerably worsened.

We have submitted a 'memorandum' to the EEC in which we stress the special features of the Greek economy, that is, those special features which I have mentioned and which have to do with the level of incomes and the structure of industry, and in which we insist on the necessity of taking whatever measures are necessary to favour the development of the most backward regions and of the Greek economy as a whole, which is weak in comparison with the average level for Western Europe.

You have referred to the social problems confronting the Community. How does the Greek Presidency intend to face up to them?

We are now confronted with a very great problem of unemployment, which of course is a re-

sult of the present economic recession, and also of the fact that our economies are now going through a period of transition as part of the technological revolution, in the sense that the development of new fields of technology such as microelectronics, telecommunications, etc, does not necessarily result in increased employment.

What is your view on the question of the enlargement of the Community, and of Spain and Portugal becoming members?

The majority of political parties in these countries are in favour of joining. The view of Greece on this subject has long been known: since the people of these countries wish to become part of the European Community, we should not stand in the way of this development, and I would go as far as to say that it is natural for us to urge that this process should be speeded up.

However, it is quite obvious that the problem of the Community budget will only get worse when the Community is enlarged; if we are to avoid serious economic consequences for the EEC finances, the most important thing is to arrange for an increase in the 'own resources'.

There are two particular problems – the Community's industrial policy and the development of new technologies. What is the position of the Greek Presidency on these issues?

The EEC has not as yet worked out an industrial policy, and neither has it seriously understood the problem of advanced technology, a field in which Japan leads the United States, while Europe lags behind. It is therefore absolutely necessary for Europe to keep abreast of this extraordinary revolution of the 20th century. Everyone wishes this, knowing the importance of what is at stake, but as yet it has not proved possible to determine by what methods it is to be achieved. I think that, in the second half of 1983, the EEC must consider with all due seriousness the question of its participation in this third great revolution, the technological revolution. However, we are forced to admit that the Community at present exhibits certain basic weaknesses, whose effects are to inexorably worsen the deep economic crises which have shaken the world.

I would also like to emphasise that, apart from the Community's agricultural pricing and product range policy, there is the European Regional Development Fund, which aims to reduce the inequalities between the different countries and regions.

East Midlands is the place to grow

Long before the European Community was more than just a dream, two brothers left Holland to set up a horticultural business in England. It was 1936, and the world was still suffering the effects of the Depression. But John and Leonard van Geest knew what they were doing.

They chose the East Midlands as their operating base, establishing Geest Horticultural Products Ltd at Spalding, in the sparsely-populated farming county of Lincolnshire.

Today, their enterprise is one of Britain's largest private companies. For Geest Holdings has expanded from its horticultural base into the wholesale fruit, vegetable and flower markets – cultivating vast areas of the region's fertile soil for the purpose – as well as into industrial products and even computers.

Over recent years, Geest has developed a close working relationship with Marks & Spencer, supplying the retail stores group with fresh produce, house plants and other horticultural items of the highest quality.

Bananas, too. Following an agreement which the van Geest brothers signed with the Windward Islands in 1952, the company imports every good quality banana the islands produce – upwards of a thousand million a year. To bring them to the UK, the company established its own shipping line; and it has a waiting list for cabin accommodation on its banana boats.

Throughout the years of remarkable growth, Geest has kept its headquarters in Spalding, providing employment for a large number of local people throughout the area. It has also maintained close links with Europe, through a healthy export trade as well as on a business level with its Dutch-based associate company.

Cultivating millions of houseplants under glass, in a warm, humid controlled climate, requires major capital investment by the company, and it has been able to turn to the EEC for help. It has qualified for grant aid under the Farm and Horticultural Development Scheme, which enables it to recoup varying percentages for work on new buildings and drainage, or invested in general equipment.

It qualified for this EEC assistance in 1981, with an arrangement that gives aid for a five-year period on all capital expenditure. As a result, it has built a new £½ million warehouse and carried out a number of nursery improvements.

Because they carry Marks & Spencer's name, these house plants do not advertise

Close links with Europe – through a healthy export trade

ROY STEMMAN visits a part of England where European funds are helping both new and established businesses to prosper

Geest's involvement. But every High Street M&S store, and hundreds of thousands of homes and offices, display the Geest Products. Our gardens, too, burst into bloom with Geest bulbs, plants and shrubs, mostly sold through mail order, including the Hortico catalogue, which is part of the Geest operation.

Spalding's bulb industry dates back to the early 1880s. And among the other growers in the area are Lingarden Co-operative, a group of 100 farmers – mostly Lincolnshire and Norfolk-based – whose packing house is at Holbeach. Visitors to the Spalding Flower Festival will testify that UK bulbs can match the Dutch.

Indeed, British daffodils are reckoned to be better than anyone else's, and account for 88 per cent of the UK's bulb exports – the major markets being in Holland and Germany. Over 8,000 acres are given over to bulb cultivation. And the value of the export market alone is around £2 million.

As well as its massive horticultural production, Lincolnshire's fertile soil provides the home market with wheat, barley and vegetables. Though it accounts for only seven per cent of the UK's agricultural land, the East Midlands grows one-fifth of the country's wheat and sugar beet, 12 per cent of barley, and 16 per cent of potatoes.

Help from Europe, in the form of grants totalling well over £5 million, has been given by the Agricultural Fund. Projects on which that money has been spent range from the expansion of a Stilton factory at Hartington, Derbyshire (£95,370), the extension of an egg-packing plant in Chesterfield, in the same county (£32,894), and more than £¼ million towards the construction of a poultry processing factory at Caister, Lincs.

The Greater Nottingham Co-operative Society has also benefited under the Agricultural Fund, which gave £146,000 towards its £2 million investment in new bottling, packaging, and butter and cream-making plant. A slaughterhouse at Boston, Lincs, has received over £280,000 for improvements, and a vegetable processing plant in the same town has had a grant of £213,000 for expansion and improvement.

The same fund has provided grant aid for the construction of numerous pumping stations, in and around the flat fenland of Lincolnshire, to improve the drainage.

A single project – the construction of a slaughterhouse and the expansion of a meat processing factory at Crick, Northamptonshire – accounts for £598,000 of grant aid to the region. Other payments amount to £10,000 or so. Together, they total more than £5 million.

Clearly, agriculture is a major contributor to the East Midlands' economy, as well as keeping the whole of the UK well supplied with freshly grown or processed food. But the region is also an important industrial centre, and has been so for centuries. Knitwear, lace and footwear brought prosperity to the area. Although competitively-priced foreign imports have had an impact on these traditional industries, they are still very important.

Nottingham is the region's industrial and commercial capital. Its association with the textile trades dates back to the 13th century, when the purity of its water attracted dyeing and dressing to the town. The emergence of knitwear owes much to the Rev William Lee of Calverton, near Nottingham, who is said to have been so annoyed by the constant noise made by his wife's knitting needles that he invented a simple knitting machine.

It worked. Queen Elizabeth I was given a demonstration, and in no time at all more knitwear was being made in the area than in any other part of the UK. That is still the case today – one-third of the workforce in the city and the county of Nottingham are employed in the manufacture of hosiery, knitwear and associated trades.

Grants of over £5 million from the European Agricultural Fund

Clothing manufacture is of equal importance: a quarter of the entire UK production of light clothing comes from Nottingham, much of it being exported throughout the world. Nottingham lace is the product most people associate with the city, and it still provide jobs for 5,000 people. The lace industry's turnover is around £30 million, of which nearly a third is sold overseas.

Although the region is still the main UK centre for footwear manufacture, it has suffered a greater decline than the other traditional industries – as, indeed, it has elsewhere in the European Community.

The European Social Fund (ESF) has been particularly helpful in assisting with cash fund training programmes in these industries to enable workers to adapt to the rapid changing methods of production. Over £12,000 has been spent in Bedfordshire, f

example, to retrain 93 workers in the clothing industry.

On a smaller scale – and showing that the EEC is concerned with projects of all sizes – was Leicestershire County Council's programme to train seven women aged over 25 in occupations related to the dressmaking and design industry. It received £3,878 from the ESF. The project received further aid in a later application.

Charnos Ltd, of Ilkeston, Derbyshire, also applied successfully for ESF aid. Some 150 of this well-known hosiery company's workers were threatened with redundancy. With the help of a £15,450 grant from the Social Fund, Charnos was able to retrain them in new methods and move them to a new production line.

Social Fund assistance is not limited to helping the textile trade training projects. One of the most remarkable ventures in which it has played a part is the Hyson Green Workshops. These are situated in a poor part of Nottingham and were originally garages belonging to a complex of flats.

Vandalism was rife. The garages, usually empty because the tenants could not afford cars, were the main target. So the Hyson Green Tenants' Association decided to develop the garage block. Despite official opposition, it won local support and even arranged a visit to Brussels in 1979 to seek ESF aid.

With the help of a £4,000 grant from the Social Fund, it has been able to transform the garage block into 28 workshops with a training centre above, run in co-operation with the Manpower Services Commission. Youngsters on the Youth Opportunities Programme, aged 16-19, are given practical training in a variety of skills, and the merchandise they make is sold.

For the most part, the East Midlands does not qualify for help under the European Regional Development Fund (ERDF) because of its comparative prosperity. There are notable exceptions, however, the most important of which is the steel town of Corby, which has received considerable help from the European Coal and Steel Community (ECSC) as well as the ERDF (see EUROPE 83, May). The region has received some ERDF aid for infrastructure and industrial projects, however, including close on £1 million for Kodak's spooled and packaged film manufacture at Annesley, Nottinghamshire.

While the ECSC has come to the rescue of Corby and its redundant steel workers (as well as 1,000 redundant steel workers in Grantham, Lincs, and Nottingham) it has also enabled the National Coal Board to invest heavily in the region. Nottinghamshire stands on thick, rich coal seams, which provide a living for over 30,000 of its residents and dependants. Its coal output of around 22 million tonnes a year is about a fifth of the national deep-mined output.

More than £14 million has been borrowed at cheap interest rates from the ECSC to develop the Nottinghamshire coal industry, and a

The European Social Fund has helped with cash for training programmes

further £9 million in loans has been made available for development in other parts of the region.

It is not only the mines that benefit from ECSC money. A £½ million loan has enabled miners' houses at Meden Vale, Notts, to be modernised, and a further £340,000 has been borrowed from the same source to improve dwellings at Boughton, Notts.


Cheap rate loans are also available from the European Investment Bank (EIB). The Severn Trent Water Authority has taken advantage of these by borrowing nearly £8½ million for major sewerage and drainage works in Nottinghamshire and Derbyshire.

The East Midlands does have problem areas, but for the most part it seems to have weathered the recession well. Perhaps one

reason is its dependence on small firms: it has a broad-based economy and many geographical advantages.

Expansion is the watchword of most of its towns – and they are succeeding, even without the inducements which assisted areas can offer. Northampton, for example, is nicely situated on the M1, midway between London and Birmingham.

Since 1970 Northampton has added one new firm, 45 jobs, 48 new homes, 65 people, 6,250 sq feet of shops and offices and 22,000 sq feet of new factory space every 11 days. At the same time, it has attracted nearly 70 overseas firms from 15 countries.

If past history in the region is a guide, many of these businesses can expect a secure and prosperous future. Just 60 miles north, in the city of Nottingham, are three nationally famous companies – Boots the Chemist; John Player, cigarette manufacturers; and T.I. Raleigh, the world's largest producer and exporter of bicycles. They all originated in Nottingham around a hundred years ago, and they still have their roots there. There's life in the old place yet. 



Geest, at Spalding, keeps in close contact with its associate company in Holland.

The jobless young: what the Ten are doing to help

The high level of European youth unemployment presents one of the most important economic and social challenges of the 1980s. It is evident that there is no simple answer to be found in Keynesian or any other economic theory, or by a bold and sweeping 'new deal' similar to President Roosevelt's in the 1930s. The problems and opportunities are much more complex. There is much to be gained, however, from learning from the experience and new initiatives of different countries, and from setting joint objectives for member states.

The most significant development are moves to provide a guarantee of a period of work, plus training for all school leavers. The Commission's directorate general for social affairs has urged all member states to adopt, as soon as possible, a guarantee of at least two years.

In June, employment and education ministers met to discuss the proposal, but were only able to agree on a six month guarantee. Benelux, Denmark, France and Germany were all willing to commit themselves to fully two years.

But the UK insisted that its one-year Youth Training Scheme is all that it can afford in the foreseeable future, while Italy and Greece felt that six months was the maximum that they can afford. Italy, Greece and Ireland, however, might all be willing to go up to two years, if the Social Fund (75 per cent of which is next year to go to youth and employment and training) were to be expanded sufficiently to cover a considerable part of their costs.

So far, only the UK and France have actually introduced schemes of this kind, though Denmark was to have done so before a change of government, and Germany has for 30 years had a work-based training system which has absorbed virtually all school leavers not going on to further education.

The UK's Youth Training Scheme (YTS) started this September, and expects to eventually take on 460,000 school leavers, to be paid an allowance of £25 per week. They must be provided with a minimum of 13 weeks of formal training, whether on the job or on release to a college. It remains to be seen how effective this training turns out to be; but participants in pilot schemes at British Rail in Swindon and ICI Wilton, where training has

CHARLES JENKINS, of the Economist Intelligence Unit, looks at measures being taken in the various Community's member states to deal with the worsening plight of the young unemployed



taken place on the job, seem to have appreciated what they have been taught. The majority of school leavers, over 300,000, have found places with existing employers. But a substantial minority are working on specially-created projects or are based at college rather than with an employer, both of which are much less satisfactory, especially when it comes to finding permanent jobs or more advanced training at the end of the year.

YTS represents considerable political commitment on the part of the Conservative government and on the part of the Confederation of British Industry which is actively supporting it. The Manpower Services Commission, which provided the ideas behind the scheme, forecasts that 7 out of 10 will find a job or further training at the end of the year, compared to 5 out of 10 at the end of the previous Youth Opportunities Programme. The extent to which this forecast proves justified will be carefully watched.

In France, the 16-18 programme which started a year ago has some similarities to the British YTS; but whereas YTS can be joined by all school leavers, including those who have got a job outside the scheme, the French programme is intended only for those who have not

found a job - about 100,000. In theory, this would imply that the training of many of the others is being neglected but in practice far more young employees are apprentices than in the UK. Great emphasis is placed on 874 advice centres for school leavers.

Much more of the training (50 per cent) takes place in state-run colleges, but some training also takes place on the job and close liaison is being encouraged between the colleges and the employers. Participants receive 500 francs per month for the first six months and 700 francs thereafter (equivalent to £14 per week), much less than in the UK. The duration of the programme is indefinite, though generally at least a year. As with the UK, it represents a considerable commitment on the part not just of the government, but also of private employers.

Until the change to a more right wing government in September 1982, Denmark was to have had the most comprehensive scheme, with a guarantee of a year's work plus training, not only for school leavers but for all under-25-year-olds. Denmark has a very well developed training system, which is partly work-based (apprenticeships) and partly college-based (initial professional training). Both provide for interchange between the two. During the 1970s, 30 per cent of 16-year-olds continued with education, 50 per cent went into one of the two types of training and 20 per cent went into unskilled work or became unemployed.

Much has been done in the last few years to absorb this 20 per cent by encouraging companies to take on more apprentices and expanding the training colleges. It should not be too difficult for the government to make the provision comprehensive at any rate for all school leavers, with at least two years of training plus work experience.

At present, neither Belgium nor the Netherlands provide any kind of guarantee for school-leavers, but it is not difficult to imagine them doing so in the near future. Belgium, whose school leaving age is still at the surprisingly low level of 14, is planning to go to the other extreme and raise it to 18 over the next four years. The years 14-16 will be job-orientated, and 16-18 will include work experience. Its joint undertaking with other member states to a six-month guarantee should, however, imply more immediate action.

But the commitment of the government of Wilfried Martens to youth employment creation is not in doubt. He introduced a law at the beginning of 1983 to compel employers to reduce working hours by 5 per cent, with no wage compensation but a requirement to take on 3 per cent more employees. Negotiations

'In France, far more youngsters are in apprenticeships than in the UK'

'In Italy, threequarters of the total unemployed are under 29'

'Neither Belgium nor Holland at present provide any kind of guarantee for school-leavers'

between government, employers and unions (who do not like the lack of wage compensation) have been arduous, but it is claimed that over 50,000 new jobs, largely for young people, have already been created.

Youth unemployment in the Netherlands is higher than in any other member state. The problem has been accompanied by an increase in juvenile crime and drug addiction. In March 1983, over 100,000, or 36 per cent of those who had left school during the previous twelve months, were still unemployed. Action has been held up by continuing political crises and an alarmingly high public sector borrowing requirement, which makes new expenditure difficult to afford. School and college-based training is, however, well developed. For many pupils, it begins three years before the school leaving age (16) and can continue afterwards if a fairly modest level of attainment is reached.

The problem is that it is divorced from the world of work. Training qualifications are often little use in finding a job. There have, however, been some pilot schemes of interchange between college and work, and these could provide the basis for a comprehensive guarantee of training and work, similar to those of France and the UK. The employers' organisation VNO has declared itself in favour of such a guarantee, and, although in this respect it may be in advance of some of its members, the conditions seem right for a government initiative. Because of the very high level of general unemployment in the Netherlands (16 per cent), the chances of finding a job at the end of such a guaranteed period may still be bleak and, for this reason, the Labour Party and the Christian Democrats are both calling for a drastic cut in the working week from 40 to 32 hours.

Of all the EC members, Italy does least to provide jobs for its young people. Three-quarters of the country's 2.1 million unemployed are under 29, and there are some areas in the south, the worst example being Naples, where almost half of young people are unemployed. The reason is not lack of training facilities, which have expanded enormously in the last 20 years, partly in schools and partly in training centres run by the regional governments. 75 per cent of pupils stay on at school after the school leaving age of 14. Those who are not aiming at higher education do courses with specific vocational orientations.

Two main causes stand out for the failure of young people to find jobs, however well trained they be. First, job security for those who have jobs in state or large private companies is almost sacrosanct. Government



BEN JOHNSON

'There is no link between training and the world of work'

funds go towards preserving jobs in overcapacity sectors like steel and chemicals rather than helping new industry. Secondly, as in the case of the Netherlands, there is no link between training and the world of work.

A law passed in June 1977 provided big incentives for companies to take on young people in block release from training centres. Some 80,000 were taken on in this way during the four years of the law's operation, but they were almost entirely in the state sector. The reason was that companies were unwilling to take on young people other than those whom they had selected. A new law is now being prepared which will give incentives for taking on young people from training centres, but which will allow the employers to select who they take on.

No wonder Italy was reluctant to committing itself to providing a guarantee for young people. It is difficult to see how it will be able to do so even for the six month period which it has reluctantly undertaken, unless employers' attitudes change. A serious attack on youth unemployment requires a commitment

not only from the government but also from employers in both the state and private sectors, as has been forthcoming in at least some degree in both France and the UK. In Germany, employers have taken this commitment seriously since soon after the war.

Greece has less unemployment than most other member states, in spite of its relative underdevelopment. It has, however, recently been increasing and the government is concerned to improve its provision for training, especially in rural areas, and is interested in money from the Social Fund to do so. Ireland has a high general level of unemployment, but has managed to keep youth unemployment at a lower level than many other member states, largely through the activities of its Youth Employment Agency.

The Agency has a wide brief for both training and job provision and has been successful in fostering a large number of local initiatives. Before the Commission took up the idea, the Agency was already urging the Irish government to provide all school leavers with a guarantee of a year's training plus work experience.

I have left West Germany to the end because it has the most effective provision of job-based training of any member state. The system as it exists today goes back to soon after the last war, and its origin goes back to the 1890s, when small businesses complained of the effects of unbridled free competition and pressurised

'Federal Germany has the most effective job-based scheme of any member state'

the government into making nationwide training standards legally enforceable. Today's system is run by industry and commerce but standards are set by the government and there is close cooperation with the trade unions.

Testing is carried out by local chambers of commerce but there are very few failures. On the other hand, the training facilities provided, and the examinations which have to be taken by those who wish to attain the status of 'meister', are subject to rigorous scrutiny by the chambers.

The role of 'meister' is central to the system. About a quarter of trained workers eventually attain this position, which gives them the right not only to supervise training but usually also to supervise production. It is also essential for anyone who wishes to start his own business. Thus teaching is integrated with normal work, which is a great strength of the system.

The German training system has traditionally provided for 90 per cent of those who do not go on to further education. It has therefore very nearly amounted to a social guarantee. But, although the number of training places has increased by 50 per cent over the last 15 years, it is showing signs of strain in coping with the enormous bulge of young people now coming on to the labour market. The children of immigrant workers especially are finding it hard to get places.

With the decline of mass production employment, which used to be able to give unskilled or semi-skilled workers long-term job security, skills are becoming more and more necessary for all workers, not just for a higher echelon of workers. Employers are more likely to take on someone who has shown himself able to master one skill, even if the job in question involves learning a new skill. An analogy may be made with the learning of foreign languages: once a person has mastered one language, it is always easier to learn new ones. So criticisms made of the German system, that many workers are in jobs other than those for which they had been directly trained after leaving school, are misplaced.

It can be seen, however, that in some countries (such as the Netherlands and Italy) a high level of training is not succeeding in enabling young people to find jobs. An important reason is the lack of a link between training and work, which is why the concept of what the French call 'alternance' is gaining ground. The more time spent at a place of work, the more chance there is of the employer taking on the employee at the end of his training, and the more impressed other employers are likely to be by his experience. ☐

The young themselves are taking a hand

The past year has seen the Community making a concerted effort to face and overcome the problems of youth unemployment in all its member countries, but the progress has been slow. Now youth organisations have decided to step up their campaigning in an attempt to force some concrete action from their respective government.

The European Youth Forum, a pressure group experienced in lobbying parliaments, are the co-ordinators of the campaign. They are disappointed, however, in the results of their efforts so far, and feel they have elicited little more than promises.

Last November, ten British youngsters, sponsored by the Forum, joined with groups from other member countries to lobby MPs in Brussels. They put forward their own plan for reducing youth unemployment and presented it to the European Parliament, who responded by holding a special session in April.

Everyone who attended agreed that some guidelines for a 'European' employment policy ought to be drawn up, as a basis for future Community action. The creation of more vocational training courses and day-release schemes were recognised as priorities in any programme to improve prospects for school leavers.

But turning these good intentions into concrete terms has been far from easy. Apart from the difficulties of finding funds for long-term programmes, the European Parliament has run into difficulties due to the variety of political standpoints taken by its members. Achieving a uniform policy, let alone any specific projects, has been a struggle.

One controversial suggestion, that each country should devote at least one per cent of its gross national product to combat un-

employment, was dropped, along with the resolution to lower the number of working hours in a week. Not surprisingly, those Youth Forum members who attended came away frustrated by the Parliament's failure to implement any of their proposals.

But the session was not entirely fruitless. In June, the Ministers of Social Affairs and Education decided to review the way in which the European Social Fund is used. They promised to give priority to the support of young people and agreed that grants from the Social Fund should go right across the board to avoid regions getting more than their fair share of aid.

This recent initiative has laid the firm basis for the development of a really European social policy, and even the Youth Forum agrees that it is a significant step forward. At a time when the Community in general is having to tighten its belt, no one can expect miracles.

The Forum have decided, however, to increase the pressure on governments in order to keep young people the focus of attention. With the European Parliamentary Elections coming up in 1984, they are making a special effort to see that social policy becomes a major election issue.

The United Nations has designated 1985 as an International Youth Year, but youth organisations will not be waiting until then to act. Groups in Britain are already organising activities to promote discussion about the kind of social and economic future their members face.

This means that in the next two years more attention will be paid to the young, and pressure on the European Parliament is bound to increase. By 1985 Europe's youth are hoping they will have a better future to celebrate.

KATHY HARVEY

'With the European Parliamentary Elections coming up in 1984, the Youth Forum are making a special effort to see that social policy becomes a major election issue'



A last chance to overhaul the CAP

On 28 July the European Commission made known its proposals for a sweeping reform of the Common Agricultural Policy (CAP) as well as for ways and means of making three structural funds more effective.

The release of its two anxiously awaited reports just before the traditional summer break, and following three days of intensive debate within the Commission, occurred strictly according to plan.

In submitting these reports to the Council of Ministers – that is to the ten national governments – the Commission was carrying out the mandate it had been given six weeks earlier by the European Council of Heads of State and Government meeting in Stuttgart.

By 1 August, the Community leaders had then requested the Commission to put forward its ideas on adapting the CAP to the situation facing the Community in the foreseeable future, so that it might fulfill its aims more coherently; and on increasing the effectiveness of the structural funds, with an eye especially on coordinating policies more effectively, avoiding duplication of effort and expenditures, and achieving greater budget discipline.

In plain language this read: 'Tell us how you will cut the cost of the CAP and get more mileage out of the money you are administering.'

It would be a mistake, however, to regard

PETER DREYER considers the Commission's internal tussle over the Common Agricultural Policy, and offers a personal assessment of the complicated issues that still lie ahead

these two reports as an isolated endeavour. Commenting on them before the press, Commission President Gaston Thorn emphasised that they must be understood as an integral part of the 'Stuttgart effort'. This, in turn, is no less than to relaunch the European Community and to lay the foundations for its dynamic development in the decade ahead. Negotiations to that end would start immediately under special emergency procedures: the target is to complete them in time for the package of decisions to be wrapped up by the December 1983 gathering of the European Council in Athens.

Everyone knows, of course, that these

'Some of the basic premises are not what they were in 1862'

negotiations will bear on many complex issues other than those covered by the two Commission reports. Chief among them are:

- The need to secure the finance for policies for the longer run and to provide the Community with 'own resources' which would also take into account the additional requirements which will result from Spain's and Portugal's membership;

- The pursuit of the enlargement negotiations with those two countries in such a way as to have accession treaties ratified concurrently with agreements settling the Community's future financing;

- Measures to avoid the now recurring problem, typified by the seemingly unending altercation with the United Kingdom, about a fair allocation of member nations' budget contributions;

- Greater budgetary discipline and sound financial management;

- The introduction of new policies and more effective Community action in research, innovation and technologies which will improve the international competitiveness of EC enterprises.

All these issues, it is worth recalling, have one common denominator – they cannot be pursued, or indeed resolved, separately. They are closely interlinked to the point where ultimate agreement on any one of them is contingent on agreement on all the others.

The crux of the matter is that some of the basic premises of the CAP are no longer what

‘There will have to be a shift towards fixed production thresholds, beyond which producers will have to pay their share of the cost of disposal’

they were when that policy came into being in 1962 and the years immediately following. With the Community's active farm population shrunk, since then, from more than 17 million persons to fewer than eight million now, the key target is no longer that of arriving at a certain degree of self-sufficiency in the Community for most types of produce. Instead, production of many products is now in steady (and steadily growing) surplus. This confronts the Community with the need of disposing of excess production in world markets, often at a very high—not to say exorbitant cost. Furthermore, there can be no assurance as to the future level of demand.

For the Commission, evaluating this state of affairs, there can be no doubt that, if the CAP as such is to be saved and its underlying principles maintained, there will have to be an incisive shift towards tighter control of production and expenditures, along the lines of recommendations made to Ministers in 1981 but not then acted upon. In effect, this will amount to the fixing of production thresholds (or their tightening where they have come into existence fairly recently) beyond which producers themselves will have to pay their share of the cost of disposal.

President Thorn, Agricultural Commissioner Poul Dalsager and their aides have made it quite clear that the Community would not be in its present financial predicament, where revenue soon may no longer suffice to meet commitments, had their warnings been heeded and their proposals been taken seriously, two years ago. Now, though, no one could blind himself any longer to the Community's parlous condition. 'We have lost two valuable years,' a high Commission official sighed.

Based upon a situation where the demand within the Community, and outside, for products like milk, wheat, beef, and so forth is stagnating or declining; where it is no longer reasonable to provide unlimited price and intervention guarantees; where the future outlook is uncertain; and where Community farmers consequently must understand that they will have to share more than hitherto in the cost of disposing of produce beyond given thresholds, the Commission's CAP proposals centre on four major aspects.

These are, first, a price policy. Attention

will continue to be paid to the producers' income needs, of course. Yet factors such as the state of agricultural markets, the Community budget and the general economic situation will also be taken into account. Conceivably even nominal prices may be frozen or reduced.

Secondly, guarantee thresholds. They were introduced in 1982 for especially milk and cereals. Now they would be extended to other produce, too. They will be used as a trigger for various measures with which to make sure that producers participate more fully in the cost of surplus production disposal.

Third, the safeguarding of small producers. Inevitably these will be more vulnerable to the measures envisaged. Where necessary, the Commission proposes to step in to alleviate excessively harsh effects. And fourth, Import surveillance. The level and growth rate of imports will have to be scrutinised more closely. It would not be fair to require EC farmers to make sacrifices while at the same time permitting shipments from third countries to nullify their effect.

Over and above this, the Commission is postulating the elimination within the next two years of the so-called monetary compensatory amounts (MCAs). These it regards as a source of great inequality among Community farmers: for they mean that some farmers suffer from exchange rate shifts, while others are protected from them.

What does all this signify in practical terms? It might be useful to examine at somewhat greater length certain areas which might become the most controversial (as well as critical) during the debate in the months ahead.

There is first of all the milk sector. A general consensus exists that this is the most troublesome problem of all where conditions have deteriorated for several years past and, failing energetic action, will get steadily worse still. The present plight transcends the borders of

‘The milk problem transcends the borders of the Community’

the Community furthermore. Following a recent in-depth study of policies in the dairy sector the Organization for Economic Cooperation and Development (OECD) concluded that: 'there is increasing recognition that the critical state of the international dairy situation calls for more severe measures than have been taken so far. . . . If no efficient measures are taken, there would be a risk of bringing about a complete disruption of the international market.'

Within the EC, with consumption of dairy products stagnating, a production increase of 3.5 per cent last year, and a like one anticipated for 1983, are adding further to existing surpluses. The guarantee threshold fixed for the current year is now expected to be exceeded by at least 6 per cent. In order merely to compensate for the additional expenditures which this probably implies, the 1984-85 milk price might have to be cut by as much as 12 per cent. But such a measure, while curtailing sharply and immediately the incomes of farmers (for many of whom milk is the main cash crop) would still only have a delayed effect on production. Some agricultural experts will argue even that it might not have such an effect at all.

As the Commission sees it, action most suited to eliminate the grave imbalance at present to be faced and yet taking into consideration key economic and social aspects would be to implement the guarantee threshold operation through a quota system. This would have to be accompanied by a restrictive price policy. The system would be applied by means of a supplementary levy similar to that suggested by the Commission in 1981.

A quota based on 1981 deliveries would be established for each dairy. All deliveries in excess of this quantity would be subject to a supplementary levy, calculated so as to cover the full cost of disposing of the additional milk. The dairies in turn would apply this charge to individual producers according to criteria still to be fixed.

In the Commission's opinion this method would stabilise deliveries; would not aggravate the situation (and incomes) of small producers; would rapidly discourage additional production; and would yield sufficient revenue to be used for disposal where deliveries exceed thresholds after all. Additional mea-

'No longer should loans and grants be made almost automatically, leaving Community organs only marginal scope for decisions of their own'

asures still to be submitted would take care of hardship cases.

To complement this scheme there should be a levy on intensive production so as to stop the development of 'milk factories'; the suspension of intervention for powdered milk during those periods when it is less needed; and the withdrawal (in two stages) of consumer subsidies for butter which are not really cost effective. Also up for investigation is the question of how to deal with imports of New Zealand butter: existing special arrangements will expire at the end of this year. A reduction of those imports would comply with the reflection that Community producers should not be the only ones to make sacrifices; the Commission is quite aware, however, that curtailing butter purchases from New Zealand implies disadvantages as well as advantages. The two must be weighed carefully against one another.

External trade issues likewise form an important part of the Commission's proposed strategy in the cereals sector. The overall objective is, and indeed has been for some time, that of narrowing the gap between (higher) Community and (lower) world market prices. Yet it is thought that the future implementation of the guarantee thresholds, now in operation since 1982, will not be possible without the rapid and effective limitation of imports of cereal substitutes. Already this has been done for imports of manioc and brans.

But action should now be taken, for which the Commission would wish to make full use of its rights within the GATT, regarding incoming massive shipments of corn gluten feed and citrus pellets. For both of these commodities the United States figures as the principal supplier.

In yet another sector, US interests would again be affected through the Commission proposals for the oils and fats market. Serious imbalances also have emerged here.

The flow of products imported free of duty is said to have added to the disequilibrium between, on the one hand, olive oil and other vegetable oils, and on the other butter and other fats.

As a result the consumption of butter and olive oil has declined, and costs in the oil and fats sector have been pushed up.

The Commission's argument is that, if it takes further steps to restore the balance in the dairy sector by applying a supplementary levy on milk, and thereby an internal check on butter production, balance in the oils and fats market would have to be re-established by introducing a non-discriminatory internal tax on the consumption of oils and fats (other than butter) regardless of their origin. Such a fats tax, of which the huge US shipments of soy beans and other soy products would be the chief third country target, has been talked about in one way or another and off and on for nearly two decades.

The Commission holds it to be entirely compatible with the Community's international commitments: it also expects it to yield 600 million ECUs annually.

'Because the Community is running out of funds, it may no longer be possible to postpone action'

In this context, the Commission finds it difficult to figure what savings the adoption of its overall recommendations would produce for the Community budget: far too many as yet unknown or simply 'iffy' elements within outside the Community are involved. It is roughly estimated that, should the measures the Commission is suggesting come into effect in the 1984-85 crop year, agricultural expenditures would be reduced by 2.5 billion ECUs in that year, and by respectively 2.9 and 3.2 billion ECUs in the two following years, though these figures are, of course tentative. If proven to be correct, they would in turn average out at about 15 per cent of the anticipated Community total budgets in each of those three years.

It is hardly surprising that the Commission's companion report on improving the effectiveness of its three structural funds (the Social Fund; the Regional Fund; and the Agricultural Guidance Fund) failed to provoke an echo matching that of the CAP Reform report. As might have been expected,

press reactions and comments from other sources focused chiefly, and in many instances exclusively, on the Commission's ideas for overhauling the CAP.

In essence the Commission proposals – often, incidentally, reinforcements of pleas and suggestions made several times in the past – are highlighting three principal elements.

First, the Commission advocates the strict conditionality of fund activities. No longer should loans and grants be made almost automatically, leaving Community organs with only marginal scope for decisions of their own. Instead, each operation should be subject to specific conditions, to be discussed bilaterally with the member country involved. This would also enable the Commission to establish a closer link between each individual project and the totality of its programmes and objectives.

Second, fund activities should concentrate more on operations of a Community character. This would be preferable to having the funds simply participate in the financing of national policies (or projects) where the part played by the Community tends to get reduced to nothing more than that of an ancillary source of money.

Third, the funds ought to centre their operations on well defined priority objectives, be their nature geographic, functional or otherwise.

At this stage it is both premature and difficult to speculate how Ministers from the member states will deal with the reports they requested, and have now received from the Commission. That the issues at stake are, and for a long time have been, extremely controversial ones is to make a trite remark. A new element, though, may have been added because financially speaking the Community now stands with its back to the wall. Because it is on the verge of running out of funds, it may no longer be possible – in contrast to former and perhaps outwardly similar occasions – to postpone action.

Naturally, the Commission has strongly insisted on this point. But it also holds that what it has recommended is altogether realistic. 'We have not introduced a single idea', Mr Thorn told the press, 'which we cannot expect to be adopted even if we are not convinced that everyone will be.'

Watch it – we are being outnumbered!

With his attention focused on economic growth curves, the dollar exchange rate and crude oil price trends, the average European has little time to worry about things like demographics. And yet 'population problems are so basic that they can wreak an awful revenge on those who choose to ignore them'.

Certainly the latest demographic data, published in the 'Eurostat' magazine of the European Community, gives plenty of food for thought.

Of the four and a half billion souls on this planet, 272 million are citizens of the member states of the Community. Currently, the Europe of the 'Twelve' (Spain and Portugal included) represents about seven per cent of world population, which is more than the United States or the USSR.

Yet, to judge from the data collected by the Statistical Office of the Commission, the demographic status of Europe is likely to suffer in the relatively near future. In fact, it is estimated that, by the year 2000, the Europe of the 'Twelve' will only represent 5.4 per cent of total world population.

The national census figures show that the Community today comprises 61 million Germans, 57.14 million Italians, 55.7 million Britons, 54.3 million French, 14.3 million Dutch, 9.85 million Greeks, 9.7 million Belgians, 5.12 million Danes, 3.44 million Irish and 365,000 Luxembourgers.

Of the 271.6 million people recorded in the Community in 1981, 139.3 million were women (seven million more than the men). The 15-44 age group – with 43 per cent of the total – was the most important overall, followed by the 45-64 age group (21.8 per cent), the 0-14 age group (21 per cent) and finally, with 14.2 per cent of the total, the 65s and over – of whom 11.4 per cent were men and 16.9 per cent women.

The total population of the Community only grew by 700,000 between 1980 and 1981, thus continuing the slowdown that started in the 1970s. The only country in the Community unaffected by this trend was Ireland. Even Spain and Portugal, the two candidates for accession, were contaminated by the so-called 'white plague'.

In 1981 the birth rate average for Europe stood at 12.4 per thousand inhabitants, compared with 18.7 per thousand for the USSR and 15.9 per thousand for the United States. Ireland remains unchallenged as the Community record holder, with a rate of 21 births per thousand, followed by France (14.9 per thousand) and Greece (14.5). Birth rates in the United Kingdom, Belgium, the Netherlands, Luxembourg and Italy are all close to the European average, while Denmark (10.4 per thousand) and the Federal Republic of Germany (10.1) come bottom of the table.

By the year 2,000, according to the latest projections, the Community's population will be only 5.4 per cent of the total world population

As for the death rate, in 1981 this stood at 10.6 per thousand. It was particularly high in the United Kingdom (11.8) and Germany (11.7), and much lower in Greece (8.9) and the Netherlands (8.1 per thousand).

In 1981 3.35 million births were recorded against 2.88 million deaths – which means that the natural growth rate of the European population stands at 1.7 per thousand. The record is again held by Ireland, followed, at some distance, by Greece and France.

At the other end of the scale, where deaths exceed births, we find Denmark with a negative natural growth rate of -0.6 per thousand and West Germany with a negative rate of -1.6 per thousand.

On the other hand, including the immigration figures, the global population growth rate of the European Community was 2.1 per thousand, but was negative in the United Kingdom (-0.1 per thousand) and Denmark (-1). It is only thanks to an immigration rate of 2.5 per thousand – the highest of the Community, for which the average is 0.4 per thousand – that the population of West Germany registered a slight rise.

The regions with the highest birth rates are Ireland as a whole, the Nord-Pas-De-Calais (17.3 per thousand), the Loire (16.5), Haute-Normandie (16.4), Picardy (16), Campagna (15.9), the Mezzogiorno (15), Sicily (14.2) and the Belgian province of Limbourg (15.2 per thousand).

Looking to the future, the projections for the four principal countries of the Community – representing 85 per cent of the population of Europe – show that the population of the Federal Republic of Germany will fall to 59.1 million by the year 2000 (compared with 61.7 million in 1981), but are a little less pessimistic about the other three. Population figures are expected by then to be in the region of 58.6 million for France, 58 million for Italy and 58.3 million for the United Kingdom.

Certainly, the revolution in contraceptive practices and the legalisation of abortions in many member states have contributed to this fall in Community birth rates. While no detailed statistics are available on these two factors, Community data show that there is a marked fall in the number of marriages.

Six Europeans in every thousand got married in 1981, and 1.6 out of every thousand got divorced. The highest marriage rates were recorded in Greece and the United Kingdom, with 7.3 and 7.2 marriages per thousand inhabitants respectively. The highest divorce rates were returned by the United Kingdom and Denmark (2.8 per thousand each). In contrast, the divorce rate was very low in both Italy and Greece and nil in Ireland.

The youngest marriages on average in the Community are Belgian: 24.6 years old for men and 22.1 for women. The Danes, by contrast, tend to marry late: 28 years old for the men, and just over 25 years old for women.

The Danes can also claim one other record – the number of children born out of wedlock. The country shows a rate of 357.5 illegitimate children per thousand births, followed by France (126.8 per thousand births) and the United Kingdom (125). Greece, by comparison, returned the lowest rate of illegitimate births in the Community, with a figure of 15.8 per thousand.

ADELINE BAUMANN

DO YOU SPEAK EUROJARGON?

A new book, 'A guide to Eurojargon', claimed by its authors to be one of the world's 'most unbelievably boring' books has been published by the Consumers in the European Community Group, the umbrella body for UK organisations involved in EC consumer issues.

'A guide to Euro-jargon,' says CECG, 'is possibly one of the most cataclysmically boring, mind-blowingly tedious, and staggeringly dull publications to come along in a very long time. Its only serious rival in the EC boredom stakes could be the interchange of letters between the European commission and the government of Hungary on goat meat quotas.'

The guide is part of a campaign to help consumers penetrate the mysteries of 'Eurocracies', the special Euro-language invented, CECG says, to make simple issues appear immensely complicated and deter would-be critics. The idea is to help the public to penetrate a 'smokescreen of jargon' such as 'adult bovine animals' and 'green pounds'.

CECG say that the book should come as a boon to 'those who thought the Lomé convention was about bridge, that the doorstep selling directive was about selling doorsteps, or that Norm Price was a Brussels official.'

□ British Business

EURO FORUM

What is government's role in economic policy? asks Gaston Thorn

The question facing governments in taking economic policy decisions is how to take these in such a way as to increase confidence, and how to avoid taking decisions or making interventions which undermine confidence.

This was very much in our minds at the Williamsburg Summit. Indeed, the need to generate confidence is itself a justification for holding such meetings, even if the detailed policies are worked out elsewhere.

I am willing to accept that in the present situation extensive 'spend your way out of recession' policies could lead to a collapse of confidence, because enough people believe that such a policy would inevitably lead to increased inflation, deteriorating balance of payments and a general decline in activity.

On the other hand, I find it hard to believe that policies which leave the economy bumping along at the bottom of a recession can be such as to inspire confidence.

In order for investment to take place, there must be a real prospect of profits and sales. It seems to me unlikely that recession conditions will promote such expectations.

The only policy that can generate confidence amongst investors is a policy that increases the chance of reasonable profit and growing sales.

Therefore, the question is not whether or not government should involve itself in economic policy; but how, how far and with what limited aims in view.

'The suggestion that government can somehow confine itself to making the rules is naive'

It is not a question of whether government is there just to make the rules. Government is not only entitled, but to some extent obliged, to take action on its own discretion to influence the economy.

Indeed, the suggestion that government can somehow confine itself to simply making the rules is naive. When a decision falls on your desk, however carefully the rules have been drawn, they often seem ambiguous and difficult to interpret.

Even decisions not to intervene can begin to look interventionist with the complexity of real choices before you.

But in saying this, let me make it perfectly clear that I recognise that many government interventions in economic policy making in the past have certainly been marred by excesses.

These fall into four broad categories:

First is excessive volatility of policy, whether it is hard to adapt to an ever changing situation; whether it is the old problem of stop and go, or favouring competition one day and the benefits of large scale industry the next, policy makers have always been prone to changing their minds; some change is inevitable, but a consistent policy framework needs to be maintained.

Then there is the tendency for intervention to become pervasive. We all know that it is much easier to start intervening than to stop it; and the result has been a growth in the responsibility of government until it accounts for nearly 50 per cent of all expenditure.

Again, there is a tendency of government to substitute its own economic wisdom for the market place wisdom of business.

This can be through such measures as restrictive purchasing arrangements; or it can be through politicians trying to take commercial decisions which would

ON THE LINE

The cyclical recovery of the world's economy is confirmed in forecasts published in 'European Economy', though there is 'considerable doubt' about the underlying strength of the recovery.

The outlook for the European labour market remains poor, with employment declining for the fourth and fifth consecutive years.

The pattern is not uniform in individual countries, however. Low growth and loss of output will result in France, Belgium and Luxembourg, because of adjustment policies, while UK growth is seen as satisfactory. Private consumption in both years will be sluggish, because of a modest rise in household income.

Fixed investment is expected to stabilise this year and then pick up. Stockbuilding is not expected to play its traditional part in the cyclical recovery; however, nor is foreign balance likely to provide a significant stimulus for recovery.

The Community's external balance is expected to move further towards equilibrium. The rise of public expenditure in the EC as a whole is expected to decelerate markedly from 9.5 per cent in 1983 to 7.8 per cent in 1984.

'What is government's role in economic policy? asks Gaston Thorn'

be better left to others;

And there is an excess of optimism in the caring society. I cannot find it in myself to agree that the growth of public concern for the welfare of the less well-off is a bad thing; but when we are told that much of the expenditure does not reach the target groups, then we must re-examine our policies.

It is interesting to review Community policy in the light of this criticism. As regards macroeconomic policy, my colleague Mr Ortolí has strongly urged the member states to restrict the extent of their intervention; but he has made it very plain that there should be a limit to this restriction, urging that, if further declines in activity take place, the automatic stabilisers should be allowed to operate and that those member states who have made most progress in controlling their budgets should use the room for manoeuvre thereby gained to prevent renewed recession. In advocating this, we have sought to achieve a balanced, steady policy which will reinforce the expectation of a sustainable recovery.

Where we have found situations of manifest crisis, and have the authority to act—and the most evident of them is in the steel industry—we have been unwilling to abandon the responsibility of government to the vagaries of the market place. In such cases, where the forces at work appear to us to be such that individual firms are unable to withstand them on their own, but where the common good requires the survival of a viable Community industry, government intervention cannot be shirked even in the face of public criticism. There would be far more criticism to be faced if the industry, with its strategically vital output, its skilled labour force and its huge fixed investment, was just allowed to collapse.

On the other hand, we must recognise the difficulties which can arise from excessively interventionist policies. Our own experience with the CAP shows the difficulty that might arise from generalised price controls, output guarantees and protection from the forces of the international market place. It shows clearly the difficulty of escaping from interventions begun for the best reasons—not because there has been any shortage of critics of the weaknesses of the CAP, but because of the lack of politically



Gaston Thorn, President of the European Commission, was speaking at Talloires on 1 September. This is an abridged version of his speech.

practical suggestions as to how to resolve its problems without putting worse ones in their place.

The need to generate increased confidence to promote worthwhile investment is well met, in my view, by the positive interventions of the Community through making rules for a game that we can win: exploiting the potential of our large internal market, thereby ensuring that the full benefits of large scale production are available to European producers.

The work undertaken by my colleague, Mr Narjes, in trying to persuade the Council of Ministers to complete the internal market, aims precisely to give European producers these benefits. It is a matter of serious regret that the Council, despite notable progress, has yet to take the vital decisions to make the completion of the internal market into a reality.

'There is an excess of optimism in the caring society'

And the regret is not just on the part of the Commission. It is still more on the part of firms denied the benefits of an extended home market, which could prepare them to take on anyone in the world.

The dependence of the Community on imported energy and its susceptibility to serious damage through energy shortages has been seen only too clearly over the past decade. Therefore the initiative of the Commission to ensure the development of a Community energy strategy, making the fullest use of our own resources and achieving real economies in energy consumption, is a fully justified intervention in the market place.

There is also general recognition that the support of research and development at the pre-production stage is a worthwhile investment for government. If we are to be in a position to compete successfully with our dynamic trade rivals, we cannot afford to confine our research and development activities to the small scale prescribed by the limits of firms or of national resources. European producers must have access to the best and latest in technology.

Four weeks in Belgrade: frustrations of the developing countries

The sixth UN Conference on Trade and Development ended as dawn was breaking over the Yugoslav capital, Belgrade. The last resolutions having been adopted, spokesmen for the major groups sought to sum up the results of the four-week Conference.

Martin Huslid, Norwegian ambassador and spokesman for the developed market economies (Group B), expressed 'a certain satisfaction' at the results. They could have been more extensive, he said, but the word 'failure' did not apply.

The spokesman for the Soviet Union and other centrally planned economies, Peter Dietze, said the Conference had achieved 'certain positive results' but no breakthrough on the key issues. He made it clear that his Group (D) was as concerned with helping developing countries as with securing an end to the restrictions on East-West trade introduced by the West.

The most uncompromising statement was that of Somalia's Abdillahi Said Osman, spokesman for the 125 or so developing countries that make up the Group of 77. The Conference, he said, had failed in large measure to live up to the expectations which the world community had placed in it. An historic opportunity to contribute to world development and recovery had been missed.

It was not difficult to sympathise with the developing countries in their frustration. According to the statement on the world economic situation adopted by the Conference, the brunt of the crisis has fallen on the developing countries, especially the least developed among them. 'Much of the past achievements of the developing countries has been undermined,' the statement continued; 'their current development efforts have been disrupted and their growth prospects weakened.'

The Group of 77, it must be remembered, had placed great hopes in the meeting. It had prepared for Belgrade by holding a series of regional conferences before coming together in Buenos Aires to draw up a common platform and to

Certain positive results – but no breakthrough at Unctad-VI

adopt a 'message for dialogue and consensus'. The closing stages of the Conference had been especially frustrating for the 125 developing countries, most of whom had to stand aside while the last-minute compromises were negotiated by a handful of countries. And once having accepted them, the developing countries kept their word and refused to reserve their position on key points.

In describing the results of Unctad-VI as 'meagre' and a source of 'deep disappointment', the Group of 77 was comparing the resolutions adopted by the Conference with those which it had drafted at Buenos Aires. But the industrialised market economy countries had made it clear even before the meeting opened in Belgrade that these draft resolutions were unacceptable to them in several instances. Nor had this come as a surprise to the Group of 77. In its call for dialogue and consensus the Group had explicitly asked the developed countries 'to make proposals of their own, in order to ensure at Belgrade an effective dialogue, conducive to agreement.'

A more balanced assessment of the results of the meeting probably will have to wait until later this year, as several Community officials have pointed out. It is significant that all the groups represented at the Conference agreed to use

'For most countries the key issue is protectionism'

its results as the basis for further work. The Group of 77 declared at Belgrade it would build on them during the forthcoming negotiations within the continuing machinery of Unctad and other available fora. Group B saw the Conference results as forming the basis for further work in Unctad.

As far as the European Community is concerned, it looked forward to meeting half the membership of the Group of 77 in September, when negotiations for a successor to the Lomé Convention were due to open in Brussels. The negotiations will have offered both sides an opportunity to resume the dialogue in much more favourable conditions and should result, therefore, in an agreement based on the interdependence between the EC and the ACP countries.

Unctad-VI asked the IMF to consider the establishment of 'special arrangements' for the benefit of the least-developed countries. But a number of EC countries felt the IMF should not be asked to discriminate.

An alternative would be an additional complementary facility in favour of the least-developed countries. Proposals to this end had been put forward by some EC countries, a sort of international Stabex, funded by all industrialised countries. Some variant of this may yet emerge, for the Unctad Secretary-General, Gamani Corea, has been asked to convene an expert group to look into the need for an additional facility.

For most developing countries in Asia and Latin America the key issue was the fight against protectionism. For the Group of 77 the very existence of import restrictions in the industrialised countries was proof that they had failed to restructure their manufacturing industries – i.e. to phase out the so-called 'smokestack' or 'sunset' industries. They therefore wanted the industrialised countries to call a halt to further restrictions; to eliminate existing ones within a given period of time; to pursue a policy of structural adjustment.

Inevitably, Group B could not accept the claim that import restrictions invariably represent a failure to adjust. The steady loss of jobs in the European textile industry, for example, is proof enough that the industry is modernising itself as fast as possible.

The Conference agreed that the aim of debt restructuring operations must be to help debtor countries re-establish their creditworthiness. This would allow them to obtain fresh loans on appropriate terms and so regain their development momentum. Group B in fact declared its willingness to consider measures for alleviating debt burdens on a case-by-case basis.

EUROPEAN REVIEW

Cheaper wine on the way?

British consumers should shortly be able to buy wine up to 30 per cent cheaper, at prices similar to those in other European Community countries, as a result of the Court of Justice's recent ruling that the UK's current system of excise duties are discriminatory against cheap still wine.

The Court rules that, regardless of the basis of comparison, the UK's tax system subjected imported cheap wines to an additional tax burden in comparison with domestically produced beer.

The UK was therefore indirectly protecting beer, in contravention of the EEC Treaty, in the sense that, in the Court's opinion, cheap wine and beer satisfy 'identical needs' and were therefore directly similar products.

The UK's tax system had the effect of stamping wine 'with the hallmark of a luxury product', according to the Court, which meant that consumers could not regard wine as a genuine alternative to beer.

The Court did not expressly specify the ratio between duties on wine and beer that would be acceptable, leaving this to bi-lateral negotiations between the Commission and the UK. However, it did give certain values that the ratio should not exceed, according to whether the duty was based on unit volume, pre-tax price or degree of alcoholic strength.

One benefit of the Court decision could be that wine consumption in the UK will increase, thus helping to offset the Community's growing stocks.

Natali hits out at TV 'stereotypes'

Socialist MEP Horst Seefeld is concerned that nationals of some member states are being portrayed in films and on television as barbaric, bloodthirsty or violent in other community countries.

Vice President Lorenzo Natali, the Commissioner responsible for information, agrees that such misrepresentation in films and on television 'flagrant conflicts with efforts to bring member

states closer together on a basis of friendship'.

As far as counteracting such practices is concerned, the Commissioner points out that the content of all media is subject only to the controls and restrictions laid down by national legislation, enabling producers to express a very wide range of differing views.

The Commission will contribute to any effort to promote wider comprehension and greater friendship between the peoples of the Community, says Vice President Natali.

Extra cash for the UK

The new financial contribution of 692 million ECUs, approved in March, brings the total aid granted for supplementary measures to the UK by the Community since December, 1980 to more than 3,900 million ECUs.

The most important commitments made in March were to telecommunications projects totalling 360 million ECUs, roads programmes allotted almost 115 million ECUs, and water and sewerage projects given over 101 million ECUs. Railways received over 59 million ECUs, and housing programmes 57 million.

Running into trouble at sea

Fisheries Ministers have decided to maintain the ban on herring fishing in the North Sea for Community boats, but to allow Norwegian vessels to resume catches.

The Community ban, first imposed in early July on British and Dutch boats after they had reached their interim quota, is expected to continue into October. It applies only to the northern and central sections of the North Sea.

The ban has been imposed not because there is a lack of fish - scientific evidence suggests that 84,300 tonnes may safely be taken by Community boats this year - but because Ministers are unable to agree on the Commission's proposals for dividing up this total.

No such difficulty exists with Norway. As a result, the Ministers agreed to

give Norwegian fishermen a second interim quota of 20,500 tonnes.

Ministers also gave their approval to an agreement with Equatorial Guinea which will allow 27 French trawlers to catch tuna off the West African coast.

In the absence of any settlement on the share out of the seven other main species of edible fish, the Council agreed to continue operating under the quotas used for 1981.

No cheap butter for Christmas

A second sale of cheap EC butter during a given year is unlikely, according to Agricultural Commissioner Poul Dalsager.

'Christmas butter sales would lose much of their publicity appeal and their economic effect if there were more of them during the year', Mr Dalsager says in reply to a written question by French MEP Pierre-Bernard Couste.

The 1979/80 Christmas butter operation shows just how much consumers gained. There were more than 150,000 tonnes of butter sold off, in five member states - France, Belgium, the Netherlands, the Federal Republic of Germany, Italy - with consumers benefiting from price reductions ranging between 22 per cent and 45 per cent.

The age of the super-train?

Greater Community coherence and stronger, more competitive and attractive European railways would be the result of high-speed rail links between the capitals of the Community, according to MEPs Rudolf Wederkind and Elmar Brok.

Some of rail transport's values are that it is energy saving and does little harm to the environment, says the MEPs.

They are calling on the Commission to submit a report on progress on research into the introduction of European high-speed links. The report, in their view, should also look into the Channel Tunnel project and at a European approach to co-ordinated transport planning.

Steel submits to still more cuts

A decision at the end of June to set new capacity targets for the Community's steel industry reflects a continuing decline in the demand for steel and steel products. Italy has been asked to make the biggest cut-back, and the United Kingdom the smallest.

Until the mid-Seventies the steel industry was riding high, but since then it has been in a continual state of crisis. In 1977 the 'Davignon Plan' introduced voluntary agreements on production ceilings and minimum prices, but these broke down under pressures of low demand.

In October 1980, using its powers under the Paris Treaty (1951) the Commission decided to declare a 'manifest crisis' in the industry. This, with the assent of the Council, enables it to establish a system of production quotas, accompanied by such other measures as may be relevant under Article 74 of the Treaty, including anti-dumping legislation and import levies.

By the summer of 1981, however, the situation had further deteriorated. The Council then agreed a new package of measures, involving mandatory quotas on 70 per cent of steel output, and introducing guidelines for national subsidisation of the industry, with the intention of phasing out all such aids (apart from interest rebates and repayment of loans) by the end of 1985. Subsidies would only be authorised by the Commission if they could be seen to be directly related to a real effort to reduce steel capacities and make the industry profitable by 1986.

Meanwhile, the industry's capacity, or Maximum Possible Production (MPP), continued at about 50 million tonnes over demand. In 1982, at an informal meeting of steel ministers in Elsinore, it was agreed that there must be a determined effort to cut back on redundant plant, while leaving the present system of production quotas intact. As with all the crisis measures the aim was to share the unpleasant burden of cutback as fairly as could be devised, and governments were asked to submit their plans to the Commission to enable it to publish its decision at the end of June 1983.

Some countries, notably Belgium and Italy, were reluctant to make a major cut in their capacity. The total suggested reduction of 18.4 million tonnes therefore fell far short of the 30-35 million tonnes approved last November. The Commission has now used its power to adjust the figures, taking into



In under ten years, the workforce in steel has fallen by almost 40 per cent.

account previous genuine restructuring measures, to a total of 26.7 million tonnes.

In under ten years, from 1974 to June 1981, the workforce in the Community steel industry fell from 796,000 to 494,000 – a reduction of almost 40 per cent. UK workers have taken a major share in this reduction, from 194,000 to 67,000 over the period, a fall of nearly two-thirds (65 per cent), with the biggest drop over the last five years, 1978-83. This is reflected in the fact that the Commission has asked for only an extra 500,000 tonne cut in capacity additional to the 4 million tonne cut proposed for British Steel for 1985 in the Government's submission. The French steel industry has taken heavy cuts in manpower over the last ten years, whereas the Italian producers have remained at almost the same manning levels.

Meanwhile, following the measures imposed as from 20 July on imports of certain speciality steels by the American authorities, consultations have taken place between the United States and the European Communities, at the latter's request, in the framework of Article XIX of the GATT (General Agreement on Tariffs and Trade).

During these consultations the European Communities through their spokesman, Mr Horst Krenzler, Director at the Commission of the European Communities, formally re-

'The American measures cause considerable injury to Community special steel exporters'

quested from the United States, whose delegation was led by Ambassador Peter Murphy, compensation for the injury which will be caused to the Communities by the reduction of exports to the United States as a result of the American restrictions.

At the political level, the European Communities consider that the American measures are contrary to the commitment to fight protectionism, which the United States have accepted in various international bodies: the GATT, the OECD, not to mention the Williamsburg Western Economic Summit.

In the GATT area, the Communities consider that the American measures cause considerable injury to Community speciality steel exporters.

They also see them as not being in conformity with Article XIX of the GATT (safeguard clause), which has been invoked by the United States. The Communities insisted on their right to compensation.

Clearly, recourse to the safeguard measures of Article XIX of the GATT is only justified to the extent that it is possible to establish a direct link between the imports, on one side, and the serious injury to the national producers, on the other.

The Communities also underlined the excessive and very damaging nature of the American measures. Moreover, the effect of the new tariff measures to which are added in certain cases anti-dumping and countervailing duties, already in application, will practically lead to the exclusion from the American market of several Community products.

The Community asked for a second round of consultations, to be held at the beginning of September, where the United States could react to the Community's request for compensation. **E**

Getting to work can be bad for you

A study of commuting in Europe finds that the cost of travelling to the office and back is measured in stress and ill-health as well as in the price of petrol or a season ticket. GEOFF ANDREWS reports

Commuting can seriously damage your health. It kills almost as many people as industrial accidents, can cause premature births, increases sickness and absenteeism – and may cause heart disease.

These are some of the findings of a study of the daily journey to work by two scientists with the Government's Transport and Road Research Laboratory, based on 300 research programmes throughout Europe.

Their 200-page report, for the Dublin-based Foundation for the Improvement of Living and Working Conditions, examines the effects of commuting throughout the EEC.

The death figures come from a Finnish study which showed that, in a sample group, 80 people were killed on the daily journey to and from work compared with 108 who died in industrial accidents.

A Swedish study showed that the most likely victims were middle-aged women with manual jobs, and that they were most at risk when walking. The premature birth data came from France, among women who travelled for more than 90 minutes a day, apparently because of the extra physical effort and prolonged vibration.

The research concludes that stress is partly responsible for the higher rate of sickness found among a group of London commuters whose journey lasted more than an hour. They were 39 per cent more likely to be ill, which could be linked to the findings that regular exposure to higher blood pressure and adrenalin levels associated with rush hour frustration can make the body more susceptible to heart disease.

A number of physiological studies confirm that drivers have a faster heartbeat when overtaking or carrying out complicated manoeuvres and that the rate can also be affected by excessive noise.

Some studies showed that many commuters found their journey a relaxing interlude between home and work – particularly when it did not involve any changes – but this was less true in the London area, where a far higher proportion than elsewhere described their journey as tiresome.



The extended working day can also cause troubles at home. Long journeys to work often meant that travellers spent less time asleep than average. They also undertook fewer activities outside the home, joined fewer clubs and had to do most of their mundane domestic jobs at the weekend.

Housebound wives find themselves doing more of the tasks that a commuting husband might otherwise do. Other surveys found that established communities were upset by the newly-arrived generation in commuter belt villages. Commuters' wives have been christened 'green widows' in Holland, where cheap public transport encourages long-distance commuting.

Long-distance commuters are more often late for work sick or absent, more accident prone at work, less keen on overtime and less likely to attend company or union functions. If they travel by car, many of their odd days off probably reflect their car's health rather than their own.

The survey does appear to lay the myth that crowded trains and buses spread coughs and colds. The London survey that showed high rates of absenteeism coincided with a 'flu epidemic in Britain, but there was no evidence that those who travelled in the most crowded conditions were more likely to catch the bug.

Lead pollution from traffic is most likely to affect cyclists and motorcyclists, but everyone has to suffer noise and smell. London's traffic is, on average, 70 per cent more noisy than in

other British cities, and it is unlikely to get better. But there is no research into how much of a nuisance this noise constitutes.

Air pollution increases directly with traffic levels, so peak commuting times produce the highest levels.

The ill effects are greatest at the end of the day, when tired travellers are more susceptible to the build-up of carbon monoxide. They may not be aware of the effects, but their mental abilities may be depressed and in extreme cases they will suffer from headaches, a common complaint in smog-ridden Athens in particular, says the report.

The concentration of carbon monoxide inside a car is higher than at the kerbside and can produce almost the same effect in the blood supply as that found in a heavy smoker. But despite the frustration of rush-hour traffic, car travel is consistently the most preferred way to get to work, limited only by cost.

Denmark has restrained this growth since 1979, when the Iranian oil crisis made its petrol prices the highest in Europe. As a result, 35 per cent more commuters now use public transport, helped by improved services and steady fares. Denmark's public transport deficit has increased, but a 15 per cent drop in petrol consumption has produced a net benefit.

However, there is no evidence that commuting is on the decrease. It has even spread to some of the remotest parts of western Ireland, with workers on the Shannon industrial complex travelling for more than three hours a day to take advantage of higher wages.

'The extended working day can also cause troubles at home'

□ A European Study of Commuting and its Consequences: a Foundation for the Improvement of Living and Working Conditions by L. Pickup and S. W. Town. Loughlinstown House, Shankhill, Co. Dublin. Reprinted from the Guardian.

Parents and teachers are getting together

In the school system of tomorrow, parents and teachers may be equal partners. Schools may reflect more the different communities of which they are a part. A European parents' movement could influence parliaments and decision-makers, schools would move with the times, and be open to change.

That, at least, is the ideal. It could become a reality if the aspirations – and actual steps – considered by parents, educationists, researchers, politicians, and teachers who came together in Luxembourg earlier this year for a Community conference on school and family, come into being.

Organised by the Commission of the European Communities, and entitled 'School and Family in the European Community', the conference had as its basic document a study entitled 'The Child Between', carried out by a team of researchers from the University of Glasgow and written by Dr Alastair Macbeth. It was a report on school/family relations in the ten countries of the Community. Over the two-and-a-half days of discussion, the call came repeatedly for the 'demystification' of schools, and for schools and schooling to develop into a shared and sharing experience.

As delegates listened to the report (evidence coming from 1,744 headteachers, 1,087 school report forms, and over 3,000 school prospectuses) the complexities of parent-teacher liaison became obvious. But there was encouragement – notably in reports from Denmark, the Netherlands and parts of Germany, where liaison between schools and parents has been successful.

In an age of economic and social upheaval, and increasing inner city tensions, the story of Coventry's educational experiment had special significance. Mr Robert Aitken, director of education of the city of Coventry, told how his was an inner city area of multiple disadvantage, where, in the last 12 years, active parent-teacher partnership in schooling has resulted in a very successful community education programme.

In Coventry, there has been a marked improvement in reading scores among 765 children assessed, in increased language skills, in cutting the number of slow learners, and in a decrease in parental aggression. Also, where there were no university entrants ten years ago, there are now 76 each year, as well as a considerable increase in the number of parents attending adult education classes for their own advancement. Other developments such as mother-and-child toddler groups, home-visiting, and pioneering adult education work, have widened and deepened teachers' views.

Mr Alex Van Der Jagt, from the Nether-

A report on the relations between schools and families in Europe calls for the 'demystification' of the learning process

lands, agreed that the school of the future will not work without cooperation with parents. He pointed out that Holland has just introduced a new law to involve parents, teachers and administrators in joint educational work. The prime purpose of parents' organisations will be to influence the thinking of governments, administrators and teachers – who he said were adapting only slowly. Schools, he said, should reflect the 'multiple personality' of the community.

In Denmark, Danish traditions of contact between school and family have been reinforced by recent legislation, which puts emphasis on the partnership between parents and teachers. The philosophy is for 'versatility, self-activity, imagination, independence, participation, and co-determination in a democratic society'. Denmark's 277 municipalities are charged with the obligation to provide basic schooling, and there are parental representatives both on the municipal education committee and the school board for

each school. Partnership between home and 'folkeskole' is required by law.

Meanwhile, the Community's education ministers have given their full backing to the joint study programme aimed at promoting links between universities within the Ten, and encouraging student and teacher exchanges.

This programme, set up in 1976, has used its small budget of 500,000 ECUs to fund 270 staff and student exchange schemes in the Community. More than 400 higher education institutions are participating, from all the Ten countries. The demands for such grants are increasing, says the Commission.

Ministers agree that there is a growing need for personnel with European experience and the capacity to speak more than their mother tongue. As a step in this direction, it has been decided to consolidate the joint study programme at Community level, and to use follow-up measures in the member states.

A network of national centres, coordinated by the Community, will also be set up to monitor and give quick information on academic qualifications in each of the member states. It is hoped this will facilitate academic recognition of study courses taken abroad. In addition, in future students should be able to use nationally awarded grants and loans to study in a foreign country, especially if such studies are an integral part of their courses.

The Commission now hopes that this commitment will entice more students to study abroad. Agreement has also been reached on a three-year programme of visits, information exchanges and seminars, as well as comparative studies on the use of new technologies in schools. The Commission budget proposals for 1984 provide for the launching of this programme. **€**



The poor are getting poorer

One of the odder effects of the economic crisis has been to widen the gap between rich and poor. The economically weak, whether they are individuals, families, firms or countries, have been the first to suffer from the recession. Regions are no exception to the rule.

A recent motion tabled by the European Parliament's Regional Committee, has examined the problems of Europe's poorest areas and ways to bridge the gap.

The trend has continued. In 1979, Groningen, in the North of the Netherlands, the richest area in the Community, recorded a GDP of 223 per cent the Community average. GDP in Calabria was about 35 per cent of the Community average. The report also showed that several parts of Ireland and Greece have even lower income than Calabria, but do not show up in the statistics.

MEP calls for glue-sniffing report

An MEP has called for an investigation into the practice of glue-sniffing amongst young people in Europe, following the recent death of two young glue-sniffers in the UK.

British Socialist Roland Boyes says that forty-five people died of glue sniffing in Britain last year, and that an increasing number of unemployed youngsters are picking up the habit.

Appeals from school authorities in the North-East of England to publicise the problem have resulted in widespread press coverage and research efforts into finding an unpleasant additive that would make glue-sniffing a less attractive form of drug abuse have increased.

New car licences for old

If you go to live and work in another Community member state, you are given a year to trade in your old driving licence for a new one issued by the authorities of whichever country you happen to be living in.

European Transport Commissioner Giorgios Contogeorgis provided details of the system in response to a written question from German liberal MEP Mechthild von Alemann.

The issue arose from the case of an unfortunate Dutchman who worked in the Federal Republic during the week and spent his weekends with his family in the Netherlands. A German court fined him for driving without a valid licence and with Dutch number plates, whilst resident in the Federal Republic. In fact, he had simply never got around to changing his Dutch licence for a German one.



More beers on tap

The bar with a dozen beer taps all dispensing the same brew may soon become a thing of the past, with the introduction of a new European ruling on exclusive dealing agreements.

The new rules stipulate that exclusive agreements can only apply to goods in which the supplier normally deals.

In pubs not owned by a brewery, agreements covering beer and other drinks are now limited to five years. In 'tied houses', they will still last the duration of the lease, but all publicans will now be able to turn to other, cheaper suppliers for everything outside the agreement.

Agreements between oil companies and filling stations will be limited to ten years and only apply to hydrocarbon-based fuels.

Beefing up the small businesses

Despite shaky signs of recovery, investment in the Community is not increasing. Consequently, the dynamism of small and medium sized enterprises (SMEs) in Europe is being impeded.

As part of the European Year of the SME, the European Commission has proposed a scheme to help finance innovation in the sector. The aim of the Community initiative is to put innovative firms in Europe on an equal footing with their American counterparts.

The achievements of a number of small businesses are recognised throughout the Community, as well as their problems.

A recent study commissioned by the permanent Conference of Chambers of Commerce and Industry of the EC, emphasised that the interdependence of European firms has never been stronger, but that governments are increasingly resorting to protectionist measures.

But it is in the area of finance for small businesses that the problems are most acute.

SMEs operate under a severe handicap. Under-capitalisation, limited access to capital markets and a lack of collateral are all factors which undermine the competitiveness of small firms.

Clearly, the Community cannot involve itself in managing SMEs. The Commission initiative is primarily aimed at encouraging the private sector in the member states to become more active in financing investment in SMEs. This would stimulate economic growth and create new jobs in the future.

Financial assistance from the Community would complement existing national measures aimed at financing innovation. The state of Community finances could not allow for real subsidies, but a formula could be worked out to provide a combination of £11.2 million from the budget and a special loan worth £56.3 million from the New Community Instrument (NCI).

The original aspect of the funding would be that the borrower would not be required to provide any special guarantee.

The Community budget would pay if it had to. Interest payments could also be charged to the Community over a two to three year period.

The risk would be shared between the Community and the intermediary.



Safe deposits for vital organs?

Organ transplants are now practised throughout Europe, but as yet very little cooperation at European level exists in the field.

In a recent report compiled for the European Parliament's Health Committee, Italian Christian Democrat MEP Antonio Del Duca has called for a harmonisation of organ transplant procedures throughout the Community and improved cooperation between organ banks.

The Health Committee says that the time has come for real cooperation at Community level. Over the next year it wants the Commission to introduce plans on developing new links between European organ banks.

News for employees of the multinationals

Reconciling the interests of workers who want information about the future of their jobs with the interests of the multinational companies employing them is the ambitious objective of a new directive proposed by the European Commission.

Social Affairs and Employment Commissioner Ivor Richard describes it as 'important, appropriate and a major contribution to European social legislation'.

Nearly half of Europe's workforce is employed by 'transnational' corporations. Parent companies are often located abroad, and em-

ployees in subsidiaries often find themselves cut off from the decision-making centre. Hence the need for Community legislation to guarantee access to information and consultation in firms employing over a thousand workers in Europe.

Under the proposed directive, the management of the parent company is required to send information on the state of the firm, its finances, its economic prospects and planned investments to the management of the subsidiary. The information would have to be passed on to representatives of the workforce at least once a year. Failure to comply would be punishable under national law.

The second aspect of the proposal deals with consultation. The Directive would require management to consult workers over any major decisions likely to seriously affect them, such as plant closures, major organisational changes, introduction of new technology, etc.

In the area of 'secret' information an arbitrator would be given the task of determining whether or not specific information was confidential.



High-tech in the classroom

European Community Education Ministers have adopted a Resolution aimed at increasing the role of modern information technologies in schools. The programme is designed to allow the European Commission to implement a range of joint initiatives with national authorities over the next three years.

It will concentrate on four main areas, including an assessment of the role of new information technologies in education and exchanges of personnel involved in training teachers how to use it.

Also listed is improved transferability of computer software and training programmes between

countries and an improvement in the educational impact of computers.

The extension of the highly successful 'Eurydice' educational information network to improve information exchange in the sector is also recommended.

The Commission says that the programme will perform the dual function of providing young people with the technical and professional skills that they will need at work and preparing them for the technological change that is central to Europe's future economic growth.

Steps to outlaw lethal toys

Fluffy teddy bears that turn into blazing infernos in front of gas fires, clockwork mechanisms that trap tiny fingers and painted animals that are poisonous when sucked – these are just three examples of how lethal toys can be.

Legislation on toy safety currently varies widely between different European Community countries. In a bid to protect Europe's smallest consumers from dangerous products, the European Commission has just published a set of three proposals calling for the introduction of uniform safety standards for toys sold in European shops.

If adopted, the proposals would mean that member states would have to subject toys to rigorous tests in approved laboratories to establish their mechanical and physical composition, their flammability and their chemical properties.

Toys meeting the specifications would be marked with a hexagonal EC symbol to indicate that they conform with common technical safety standards. Any toy failing to comply with the regulations would have to be withdrawn from the market.

The detailed proposals, which were first discussed in 1980, also list the sorts of warning that should appear on various types of toy. For example, skateboards should be marked: 'Warning: protective clothing should be worn'. Other toys would be marked according to the age-group for which they are suitable.

In 1981 the Commission published a report (Cf EF 44/81) showing that sneezing powder containing 3.3 dimethoxy-benzidine could give one cancer, and that stink bombs containing ammonium polysulphide could cause inflammation of the skin and eyes.

Cadmium is bad for you

European Environment Ministers have adopted a new European Directive aimed at limiting the amount of cadmium released into Europe's rivers and streams by industry.

The move, which constitutes an important step towards cleaning up Europe's aquatic environment, follows a similar Directive designed to limit mercury discharges, which was adopted in 1981.

Mercury and cadmium are just two in a series of 'dangerous substance' directives that the European Commission intends to propose over the coming years.

The Commission recently submitted a list of 129 substances under investigation to the Council of Ministers which included chlorine and phosphorous-based chemicals, mineral oils and suspected carcinogens.

Milk with your wine

'The Americans want to change our wine', was the indignant reaction of the European Bureau of Consumer Unions (BEUC), when told that US firms were asking for a modification of the strict norms that apply to wine manufacture in Europe. The object of the appeal was to persuade the Community to accept imports of treated American wine.

American producers admit to using powdered milk, mineral oils and ion exchangers to clarify, stabilize and prevent oxidation of their wine. All three practices are contrary to European norms.

The BEUC believe that the additives affect the quality of the wine and could pose a health hazard. US producers can also make wine out of inferior products that would not be used in Europe, they claim. A major debate between European consumer groups and scientists is likely to emerge over the issue.

But the European Community authorities are not particularly worried. The balance of trade in wine is heavily in Europe's favour, they say. In 1981/82, the US imported over 4 million hectolitres of wine from the Community and only exported 75,303 hectolitres to Europe.

The US administration has agreed to put an end to a number of additives which have been permitted up to now.



Smokers set cigarette record

The number of smokers in Europe has declined over the past ten years – but people are smoking more cigarettes per day, according to European Social Affairs Commissioner Ivor Richard.

Replying to a written question from Belgian Socialist MEP Marijke Van Hemeldonck, he said that a recent Commission report on smoking habits in the Seventies showed that there were 85.4 million smokers in the then nine Community member states. That represents about 42 per cent of the population aged 15 and over. Anti-smoking campaigns had obviously borne fruit. The figure reflected 5.7 million fewer smokers than in 1970, a 5.8 per cent drop.

But total cigarette consumption has continued to rise steadily since the early 1960s. In 1979 an estimated 564 billion cigarettes were smoked in Europe – 186 billion more than in 1960, and 68 billion more than in 1970.

Whilst fewer people are smoking, the ones who have not kicked the habit are compensating by smoking more. Average daily consumption in 1960 was between 13 and 14 cigarettes a day. By 1979 it was between 16 and 19.

The report also shows that more and more young women are taking up smoking, swelling the ranks of young smokers.

But what can be done to stop the spread of smoking? The Commission says that the answer lies in health education and information campaigns mounted by national authorities. A lack of funds means that concerted action is unlikely to emerge in the near future.

However, the Commission is seriously concerned about the problem, according to Ivor Richard. It is maintaining close links with other concerned bodies, including the World Health Organisation (WHO) and the Council of Europe.

Three Baroque masters: the generation of 1685

Nineteen eighty-five has been designated European Music Year by the European Community. It is the 300th anniversary of the birth of three great composers: George Frederick Handel, Johann Sebastian Bach, and Giuseppe Domenico Scarlatti.

They might have been three characters deliberately invented by a divine artist to display the unity and variety of European music.

Handel was the first to be born, in February 1685, in the Saxon town of Halle, where his father was a barber-surgeon. His father wanted him to go into the law, but he practised the clavichord secretly in an attic. By the age of 17 he was organist of the Calvinist cathedral in his home town. Bach was born a month later, in Eisenach, one of a vast family of musicians. At the age of 18 he also became a church organist, at Arnstadt, and composed his first chorales there. Domenico Scarlatti, the son of the opera composer, Alessandro Scarlatti, was born in October. By the age of 16 he was organist and composer to the Neapolitan royal chapel.

Two of these young local organists, Handel and Scarlatti, were destined to travel far; Bach's entire life was spent in Germany. But this was the Baroque era of public music, and the subsequent compositions of all three men bear the clear mark of that: they were composing for patrons or prosperous audiences, in court, church or theatre.

DERWENT MAY reviews the careers of Handel, Bach and Scarlatti, in whose honour the year 1985 has been designated European Centre Music Year



Handel went to Italy a gifted but immature composer, and came back to Germany a profoundly accomplished one, whose career was never to falter thereafter. Opera was what he really wanted to write, and after a few more years in Germany, he decided that his best hopes lay in England.

He was not mistaken. Early 18th-century Londoners had perhaps acquired their taste for opera from Purcell; at any event, Handel came to live in England in 1712, and composed 40 operas for the London stage – all in Italian. He was the successful businessman behind many of his operas, as well as the composer. When the taste for Italian opera faded, he turned to the art of the oratorio – though for performance in the concert-hall, not the church. For many years he was best remembered for these works of his later life – *Saul*, *Belshazzar*, and, most famous of all, *Messiah*, which was first performed in Dublin in 1742. Ever since George II stood up for the Hallelujah Chorus in *Messiah*, English audiences have continued to pay it that tribute.

Handel also became a great orchestral composer, producing splendid works for pageants and firework displays, and a marvellous set of

concertos for strings and harpsichord. Right to the end, although he became an Englishman, the Italian art of melody and the grandeur of German religious music were an essential inspiration to him. His operas were ignored for a long time after his death in 1759; but witty and colourful productions like that of *Semele* at Covent Garden in the past season are at this very moment bringing them a new popularity.

Bach and Handel knew of each other, but they never met; twice, a meeting was arranged, but each time it fell through. Also both of them, in their early days, had their eye on the job of organist at Lübeck, held by the aged Danish composer, Buxtehude; but each turned it down, because to get it would have meant marrying Buxtehude's 30-year-old daughter. However, Bach once walked 200 miles to hear Buxtehude play.

Bach's early music was mostly for organ – preludes for the choral music in church, and exuberant fugues. He was court organist to the Duke of Weimar from 1708 to 1717, and from these years date his first church cantatas – like small oratorios – of which he had to write one a month.

In 1717, however, he became the musical director at the court of Prince Leopold of Cöthen. Under this regime, he had full scope for his pleasure in composing secular orchestral music, which for him was mainly music of Italian character. The most famous works of



Top: Bach. Above: Handel. Right: Scarlatti.

QUESTIONS IN THE HOUSE

this period are the six 'Brandenburg' Concertos, dedicated to the Margrave of Brandenburg. For these, Bach invented exquisite variations on the groups of answering instruments which, along with the eloquent accompaniment of the harpsichord, were characteristic of the Baroque Italian 'concerto' of the time.

Bach returned to church music when, in 1723, he became director of music at St Thomas's Church, Leipzig. Here he stayed till his death in 1750. He wrote some of his greatest cantatas at Leipzig, and also his two wonderful settings of the story of Christ's Passion, the *St John* and the *St Matthew*.

But Bach suffered a greater eclipse than Handel after his death. Even in Leipzig, his cantatas were seldom heard. In England, Samuel Wesley became an ardent spokesman for 'St Sebastian', as he called him, in the first decade of the 19th century; but it was Mendelssohn who finally brought him fame again, when he conducted the *St Matthew Passion* in Berlin in 1829. Bach has been revered by musicians and public alike, ever since.

Domenico Scarlatti's life took him in a quite different direction, away from that Italian

'Scarlatti introduced another European tradition - flamenco from Spain'

heartland. Though he was in charge of the music at St Peter's in Rome for a while in his thirties, he seems to have found his father's continuing influence over him irksome, and in 1720 he went to Lisbon as teacher to the royal princess, Maria Barbara, later to be Queen of Spain. He moved with her to Madrid in 1729, and lived there till his death in 1757.

In Madrid, he wrote over 500 harpsichord sonatas, brilliant and astoundingly varied, into which he brought themes from yet another European tradition - the Iberian, with its flamenco rhythms and clapping castanets. His sonatas were not in the new, complex form of which Bach's son, C.P.E. Bach, was to be the pioneer; but they seem in their own way to take us into a fresh era. A haunting, personal mood plays through many of them; and they are often performed by the 20th-century masters of the harpsichord.

The anniversary of these three composers, who went on learning all their life from musicians in other European countries than their own, seems to provide the right auspices for a European Music Year. I said at the beginning of this article that no-one could have dreamed of what they were going to write before they wrote it themselves. But that applies in turn to the music of their own great followers - Beethoven, Mozart, Wagner and so many others. It is the essence of new music to be absolutely new.

With the right patronage, the right inspiration - what may 1985 not have in store? €

Thomas Megahy, United Kingdom:

'According to the Eurobarometer poll conducted by the Commission in December 1982, nearly three-quarters of the UK population aged 15 and over do not think much of their country's membership of the EEC. In view of the fact that the Commission has "every reason to expect a smaller turnout" at the EEC elections in 1984 than in 1979, when "only one British voter in three took the trouble to go and vote", would the Commission care to predict the level of turnout for the 1984 elections in the UK?'

Answer by Lorenzo Natali on behalf of the Commission:

'The Honourable Member is adding together percentages which demonstrate fairly dissimilar attitudes: people questioned who feel that membership of the Community is a "bad thing", those who have not made or cannot make up their minds ("neither good nor bad") and the don't knows.

The actual breakdown of replies for October 1982 and April 1983 was as follows:

Do you think that the UK's membership of the EEC is:	October 82 %	April 83 %
- A good thing	29	28
- a bad thing	40	36
- neither good nor bad	26	29
- Don't know	5	7
Total	100	100

The sentence quoted by the Honourable Member with regard to the expectation of a smaller voter turnout in 1984 than in 1979 ended with the words "if nothing is done to change the situation - but then these results may just be the inspiration for the action that is needed".

The turnout at the election is determined by a large number of factors, one of which is definitely the voters' assessment of what is at stake. It would be rather rash to make a forecast on this topic twenty months - and even only fourteen months - before the election is to be held.'

Cornelis Berkhouwer, Netherlands:

'Does the Commission consider that the social security surcharge on tobacco products to be implemented in France from 1 April 1983 further to article 26 of Law 83/25 will be in conformity with the provisions of Council directive 72/464/EEC on taxes other than turnover taxes which affect the consumption of manufactured tobacco?'

Answer by Christopher Tugendhat on behalf of the Commission:

'The Commission considers that French legislation on this matter runs counter to Articles 2 and 4 of the Council Directive of 19 December 1972 on the taxation of manufactured tobacco and to Article 11A (2)(a) of the Sixth Council Directive of 17 May 1977 on the harmonisation of value added tax - uniform basis of assessment.

On 14 July 1983 the Commission served notice on the French Government under Article 169 of the EEC Treaty and is awaiting the French authorities' comments before deciding what further steps to take.'

Pol Marck, Belgium:

'I understand that the Headmaster of the European School in Luxembourg is refusing to allow the distribution of school milk. Is the Commission prepared to make representations to the Executive Board of the European Schools to enable school milk to be distributed? It would appear strange if the European Schools, unlike thousands of schools in the Community did not participate in the school milk programme promoted by the Council, Commission and Parliament within the framework of the dairy produce disposal scheme.'

Answer by Richard Burke on behalf of the Commission:

'From information supplied by the Head of the European School in Luxembourg it appears that school milk was distributed until 1962.

The question was re-examined with the Parents' Association in 1978 and it emerged that there was no need to reintroduce the distribution of milk. Milk is available from the school canteen and may be obtained by any pupil who asks for it at the noon break.

It transpires that less than 25 per cent of primary school pupils make use of this facility.'

William Albers, Netherlands:

'Is it true that virtually any driver in Belgium can obtain, against a small payment, the licence prescribed by the ADR agreement for driving vehicles carrying dangerous goods?'

Answer by Mr Georgis Contogeorgis on behalf of the Commission:

'It is for signatories of the ADR agreement to enact domestic legislation incorporating its provisions. The relevant Belgian legislation was passed on 5 November 1982 (Moniteur Belge, 30 November 1982 p. 13741).

This act enables drivers upon production of satisfactory proof that they have between January 1 1980 and 31 December 1980 been the driver of certain specified types of dangerous goods transport for a period of at least six months, to be issued with the certificate without examination.

In order to avoid any misunderstanding, it must be stressed that article 5 of Regulation (EEC) No 543/69 does not introduce a compulsory requirement for a certificate of professional competence, the certificate being an option in cases where a member state wants to permit people younger than 21 years but older than 18 years to drive goods vehicles of more than 7.5 tonnes or, in passenger transport, to drive having no previous experience.

However, if a member state decides to avail itself of the option of the certificate, the provisions of Council Directive No 76/914/EEC of 16 December 1976, laying down the minimum requirement for such a certificate, must be respected.'

'Dangerous goods drivers must have at least six months experience'

What freeports mean to Europe

RICHARD BAILEY
reviews the merits of
freeports as a means of
attracting more trade, in a
time of cut-throat
competition

In the past year, the British Government has been under considerable pressure to examine the possibility of setting up freeports as an incentive to foreign investors and a means of increasing overseas trade. Freeports are already operating in the developing countries of the Far East, in the United States and to a less extent in Western Europe. There are now over 400 in operation in 78 different countries including Community members, with Australia the only continent without a single example.

Freeports are one of several variations on the customs-free theme, which includes free trade zones, transit zones, industrial free zones and entrepôts. The official definition of the classic freeport is that it is 'an enclosed, policed area in an airport, seaport or other locality, treated for customs purposes as being outside the territory of the host country'. The difference between freeports and the other types of custom free zone lies in the actual treatment of goods while under their charge.

The great divide is between freeports that provide storage, handling and processing facilities, and industrial zones where raw materials are imported and manufactured into goods for export in what is virtually an enclosed industrial estate offering, in the case of its Far Eastern version, a package of financial and tariff inducements plus the attraction of cheap labour.

So far as the European Community is concerned, freeports are important mainly in relation to trade with third countries. Individual members cannot give themselves tariff advantages against each other, but would benefit in trading with GATT members including the United States and Japan. Trade with the Soviet bloc, which is carried on under annually negotiated tariff quotas, passes freeports by.

The existing Community freeports are very much national growths. The most venerable is Hamburg, with traditions going back to the days of the Hanseatic League. Rotterdam, which is not a freeport under any accepted definition, developed a system of customs free warehouses to meet the needs of its extensive entrepôt trade based on outward shipping links with the East and West Indies, and internal connections with the Rhine and its related inland waterways. More recently, and before Denmark joined the EEC, Copenhagen was



Copenhagen is one of the more recent converts to freeport status.



created a freeport. Shannon, in the Irish Republic, unlike other European freeports, was set up in 1959 as an industrial free zone with a major industrial estate within its boundaries. Since joining the Community, the operation of the industrial aspect has been curtailed. Elsewhere in the Community, warehousing facilities exist in ports, airports and other centres; but most of these are ad hoc arrangements which would not be considered as freeports.

The way in which these very different ways of granting customs-free facilities operate illustrates their advantages and limitations. Hamburg, situated on the Elbe some eighty miles from the sea, is a natural communications centre. Its two freeports, the 'old' freeport dating from 1888 and the 'new' from 1910 cover about one-sixth of the port area, the remainder being a duty port of the normal pattern. Ships coming up the Elbe flying a customs flag are able to move directly into the

freepoint at any time of the day or night. Once unloaded, goods can be trans-shipped or put into warehouses without the need to lodge security bonds. Goods in the warehouses can be traded, sampled, sorted, packaged, and labelled. A derogation from EC Directive 69/73 of 4 March 1969 allows goods to be processed but draws the line at manufacture.

Rotterdam, which greatly increased its size and scale of operations with the construction of Europort in the 1960s, has no enclosed freepoint area but has devised a system under which warehouses of different types operated under common rules and regulations, are united by unique transport arrangements. The object of the Dutch system is to balance the traders' interest in speed of clearance and ease of handling with the need for official control of goods in transit.

The simplest operation is to store goods duty free in an officially locked customs shed on arrival in the port. This requires the lodging of security with a tax collection office, and permission to leave the goods in store has to be renewed at intervals. Alternatively, goods can be stored in a 'free' warehouse regarded as outside Dutch territory, in which packaging, processing and so on can be carried out under strict customs control.

Another variation allows the importer to store goods on his own premises in a so-called 'fictitious' warehouse, provided a stock account and annual accounts are lodged at the tax collection office. Finally, bonded goods may be carried on open lorries bearing an indicative sign of a set pattern through the port area without customs seal of supervision, under what is called flag conveyance.

Why, having spent a large part of the past 25 years removing tariffs, creating a common market, and introducing rules of competition, should new procedures and institutions which appear to be exceptions to EC regulations now be called for?

There are a number of reasons, some relating to the working of the Community, others due to changes in the technology and direction of international trade. The principal internal problem is the continued existence of non-tariff barriers to trade within the Common Market.

Long lines of lorries are to be seen at frontier posts which the Founding Fathers believed would have disappeared long ago. Also, the efficiency of customs procedures varies from country to country, and some are very slow. While freepoint facilities would ensure that some goods would pass straight into store, easing the volume of traffic to be processed, these internal frictions would not in themselves have prompted the call for freeports.

The external factors present a more considerable threat to the Community. The challenge of the newly industrialised countries to the old-established industries – steel, ship-building textiles and so on – has turned towns where these once flourished into depressed areas.

At the same time, growth in the volume of air transport – Heathrow now handles 35 per

'British ports that have the potential to flourish are the Channel and East Coast ports'

cent of UK imports – has left many of the old seaports, based on trade outside Europe, stranded. The old ports at London and Liverpool cannot compete with the computerised entry processing system which controls freight operations at Heathrow and Gatwick, which could easily operate freeport procedures. Sea transport has itself been transformed by the introduction of containerisation and specialist ships, operating between large ports and requiring a number of small 'feeder' ports to distribute their cargoes.

London, which formerly redistributed cargoes of raw materials and produce from the Commonwealth to European ports, has seen this entrepôt function disappear. The British ports that have the potential to flourish in this changed situation are the Channel and East Coast ports, and it is interesting to see that these are the most frequently mentioned as possible sites for freeports.

In the context of industrial and commercial change the idea of freeports as an adjunct to existing Community procedures is attractive. Most raw materials now enter the Community duty free, so that the industrial free zone type of operation introduced at Shannon is no longer relevant. The example of Rotterdam shows that it is not essential to have all the warehouses inside a fence, or have them operating the same procedures. The British initiative should result in proposals for the establishment of a limited number of freeports by the end of this year. E



ON THE ROAD WITH EUROBUS 83

An estimated 20,000 people visited the 1983 mobile European Community exhibition, which this year was mounted in a specially adapted double-decker bus.

The exhibition toured Wales and the West Country from 5 July to 17 September. As in previous years, it opened at the annual International Eisteddfod at Llangollen before going on to several other Welsh centres, ending up at Haverfordwest.

Among the West Country towns visited by the exhibition were Torquay, Paignton, and Weymouth. It also called at Brighton, where it coincided with a local authorities conference on town twinning.

Visitors ranged from holidaymakers to local MPs and MEPs. Children showed a particular interest in the exhibits and literature, and there have been several follow-up inquiries from schools.

The Commission's volunteer staff report that visitors as a whole expressed a lively – and noticeably friendly – interest. Maps of the Community proved especially popular – no less than 10,000 were given away during the exhibition's ten-week tour.

A fuller account will feature in the November issue.

How can we deal with oil spills?

The Commission has sent the Council a proposal for a directive on the drawing-up of contingency plans to combat accidental oil spills at sea.

After adopting a Regulation in 1978, setting up an action programme of the European Communities on the control and reduction of pollution caused by hydrocarbons discharged at sea, the Council decided, in 1981, to establish a Community information system which included provisions for compiling an inventory of the means of combating such pollution and put member states under an obligation to notify the Commission of the contingency plans which they had drawn up.

As the information received is incomplete, it was felt that an appropriately formulated proposal would provide an incentive for drawing up contingency plans and harmonising them on a Community-wide basis.

The danger of accidents is ever-present. A large proportion of Western Europe's oil supply is transported by sea in large tankers some of them carrying over 5,000 tonnes. And wider exploitation of the oil from the European continental shelf by means of drilling platforms constitutes a growing potential threat.

According to the figures available, European coastal waters have been affected by about 20 per cent of the accidental spills occurring (32 spills between 1974 and 1981.). For example, the Regional Oil-Combating Centre for the Mediterranean in Malta recorded 72 accident alerts in the Mediterranean between 1977 and 1982. In 12 cases where the accidents were followed by an oil spill the latter polluted the sea and the beaches.

A Commission-sponsored study on the need for measures to enhance the cooperation and effectiveness of the emergency teams came to three main conclusions. First, the lessons of past spills have not been fully appreciated, which suggests that neither the governments nor the industries involved are yet prepared to rethink their arrangements for combating oil pollution. Secondly, when there is an accident at sea, most of the spilled oil has to be dealt with near to or on the shoreline; the problems of protecting in-shore waters. Cleaning up contaminated shorelines and disposing of recovered oil and oily debris have generally been neglected.

Thirdly, a member state's system for treating spilled oil is rarely as effective as one is entitled to expect from today's technologies.

The Commission says it has no intention of supplanting the responsible local and national authorities. Its role will be to provide en-



Cleaning up the beaches, as here in Brittany, is only one of the costs.

couragement and guidance and help coordinate efforts so that a steady improvement in the contingency arrangements can be achieved even if there is no immediate emergency.

A major effort is being made to promote international and inter-regional cooperation in this field, under the auspices of inter-governmental organisations and international trade associations, and under various regional agreements. The Commission is convinced of the need to avoid any duplication of the work being carried out by organisations such as the IMO or the ILO or under the Bonn Agreement for the North Sea, the Barcelona Convention for the Mediterranean Sea and the Helsinki Convention for the Baltic Sea.

In the Commission's view, it is necessary not only to speed up the procedure for ratify-

ing and implementing the IMO and ILO Conventions within the Community, but also to promote collaboration between the authorities responsible for emergency operations in the maritime areas around the Community, thereby extending the scope of the emergency facilities to a much wider maritime area than that covered by the present conventions.

Accordingly, the proposal for a directive seeks to encourage the member states to take appropriate steps in their own countries to improve and speed up the efforts to combat accidental oil spills at sea and to increase the effectiveness of such efforts; and to pave the way for joint measures to combat oil pollution caused by accidental oil spills in maritime areas where they may have common interests and may have to act at the same time.

Funds for Scotland's salmon farmers

The Western Isles have become a major new development location for salmon farming. Special aid offered under the Integrated Development Programme for the islands, funded by the UK Government and the European Commission, has encouraged sixteen fishery projects since the scheme began last November, half of them for the on-growing of salmon.

The last ten years have seen the Highlands and Islands become the prime UK location for salmon farming. Just under 40 salmon farms have been established, creating 230 full-time and 65 part-time jobs in predominantly rural areas. Production currently exceeds 2,000 tonnes a year, and is expected to reach 5,000 tonnes by 1985.

The IDP, to which the EEC is contributing 40 per cent of the £20 million allocated for the scheme, provides for a five-year programme of investment in fisheries, agriculture and in-

frastructure.

Mr Ronnie Cramond, deputy chairman of the Highlands and Islands Development Board, who are managing the IDP fishery investments, says:

'The Western Isles are now a focal point for new development in salmon farming. The natural advantages of the islands - sheltered sea lochs and clean water - have been matched by an aid package which more than compensates for the islands' relative remoteness from markets. And the generous financial incentives are enabling individuals and new companies with limited capital to enter the salmon farming industry.'

Total investment in the eight salmon farming projects is £772,000 of which £535,000 is being met from IDP funds. Initially, they are expected to create nine full-time and eight part-time jobs. Five units will be in Lewis, one in Harris, and two in South Uist, one being the expansion of an existing farm.

Turner at the Grand Palais

Her Majesty the Queen and President Mitterrand of France are patrons of a major exhibition of Turner's work, to be held at the Grand Palais, Paris, from 14 October 1983 to 16 January 1984. A total of 257 works will be included, comprising 79 oils, 155 watercolours, 11 prints, 6 sketchbooks, and 6 printed books.


This is the first comprehensive exhibition of Turner's work to be shown in France, and it is unlikely that his work will be exhibited abroad again on such a scale, due to the imminent inauguration of the new Turner gallery in London. The selection committee has included Michel Laclotte, Chief Curator of the Musée du Louvre, and the exhibition is jointly organised by the British Council and the Reunion des Musées Nationaux, with support from the Association Française d'Action Artistique.

The exhibition will be shown on three floors of the Grand Palais and will give equal weight to oils and watercolours. Partly due to the restricted light levels necessary for works on paper, but also partly to emphasise the independence of Turner's work in watercolours, oils and watercolours will be shown in separate areas.

The exhibition will open with oils from the period before Turner's first visit to Italy in 1819, followed by a section of early watercolours, such as the large finished Swiss compositions, *The Great Fall of the Reichenbach* and *The Passage of Mount St. Gothard*, various sketches and colour beginnings from the Turner Bequest in the British Museum, and the *Louvre* and *Calais Pier* sketchbooks.

The second floor will show oils from the period between Turner's first visit to Italy and his second visit in 1828/9. Watercolours on this floor will include a group of nine Petworth subjects, works relating to Turner's journeys along the Meuse and Moselle, views in England and Wales, and prints and watercolours relating to his work in book illustration.

The third floor will be devoted to late works such as *Juliet and her Nurse*, *Peace - Burial at Sea*, *Rain, Steam and Speed*, and the *Burning of the Houses of Parliament*. A group of 17 late watercolours from Turner's visits to Switzerland between 1841-45 are also exhibited on this floor, including *Goldau*, perhaps one of the most exceptional of Turner's drawings.

An important exhibition of Turner's watercolours can be seen at two French regional venues, Bordeaux and Calais. Manchester City Art Gallery have agreed to lend their entire collection of 39 watercolours for these showings. The Manchester collection, which is the largest outside the British Museum, ranges from such early subjects as *Kilgarran Castle, Pembrokeshire (1798)* to *Bellinzona and Sion near the Simplon Pass*, both painted in Switzerland between 1843 and 1846. 



Turner in action, sketched in about 1830.

letters

Vitamin B scare

There is some alarm in the constituency over reports that the European Community is 'to rob bread of vitamin B', or more accurately, thiamine.

Can you provide some background to these hair-raising tales? Which European Community regulation covers the composition of bread and flour, and why are the requirements now to be changed?

Nicolas C Gibbon
Research Assistant to
Sir Jack Stewart-Clark, MEP

The Ministry recently proposed that it should no longer be obligatory for the bread manufacturers to include certain substances, including vitamin B, although they could continue to add it if they wished. This followed a report by the Committee on the Medical Aspects of Food Policy.

Misusing Seveso?

The most shocking thing about Seveso is the political use made of people's fears and anxieties. All the medical evidence is that the inhabitants of Seveso have not suffered long-term effects, and the only short-term effects of significance have been a number of cases of chloracne - an unpleasant but curable condition.

The effects of the industrial accident at Seveso are less horrifying than one motorcar accident. The only fatality at Seveso was the manager of the factory murdered by the Red Brigade as 'punishment' for having an accident.

I do not in any way argue against the need for controls on hazardous reactions or toxic waste. But the constant misuse of Seveso by journalists and politicians has brought into dispute the objective opinion of scientists and toxicologists to the great detriment of safety within the community. Judgements made on the basis of 'shock horror' stories are misleading and dangerous.

J. David
Welwyn Garden City

There are four million video recorders in use in Britain – and despite price rises, they are expected to carry on selling well.

Which makes the launching next month by RCA and Hitachi of the CED videodisc system a risky move. However, they expect to sell 100,000 players and one million discs by the end of 1984.

At £300, the basic disc player will cost less than a basic video recorder at the new EEC-agreed prices and £12 for a film is much better news than the average £40 for a prerecorded tape.

– Daily Mail

The gap between EEC and world prices has been narrowed dramatically and export restitution payments – the subsidy paid to bridge the gap and bring EEC cereal prices down to world levels – have been halved from £43 to £22 in six weeks and could be wiped out altogether if the trend continues.

This could make a real contribution to saving the CAP from going bankrupt as the Commission have budgeted £21.60 a tonne for barley restitutions this season. And they could even derive some income from exports if a tax has to be imposed to curtail exports and prevent EEC prices from going too high.

– Aberdeen Press & Journal

In a move reminiscent of the recent French action to limit imports of video tape recorders by insisting they be delivered to only one inaccessible location, the Canadians have reduced the number of customs officers empowered to clear clothing imports to just 26.

The Canadian action, which could cause another dent in the souring trade relations between North America and the European Community, follows the introduction of special measures last month that allow only those customs officers who have received 'special training' to clear clothing shipments.

– Financial Times

Britain is to have the largest databank on films and television in the world, with help from the Common Market.

The Information, Market and Innovation Division of the European Economic Community has allocated £129,000 to the British Film Institute to help set up the databank which eventually will cover 350,000 films and provide a world-wide service to researchers, students and academics.

– Guardian

Britain and France are likely to find themselves at the opposing ends of the argument over the European Commission's first attempt to impose wide-ranging worker consultation requirements on multinational corporations, to judge by the responses now being worked out by EEC governments.

With the Commission's proposal – known as the Vredeling Directive – drawing at best a tepid and at worst an unsympathetic welcome from most other member states, it seems destined for a long shelf-life in the Council of Ministers.

This could mean years rather than months before it finds its way into Community law, if it ever does so.

– The Times

Acid rain is on the political agenda. Earlier this year, the West German government pushed through legislation to cut sulphur dioxide emissions; the EEC commission recently produced a draft directive on tighter guidelines; the Reagan administration looks increasingly as though it will bow to pressure for more stringent emission controls from environmentally-conscious American voters and the Canadian government.

But if a political consensus is emerging a scientific one is still lacking.

– Economist

Long-life milk from Europe could be on Britain's supermarket shelves by the end of the year after the EEC Commission yesterday approved a British formula to prevent infected milk being imported.

– Star

European public opinion is overwhelmingly in favour of the development of renewable energy supplies – such as solar, biomass and tidal power and fewer than one in four Europeans believe that expansion of nuclear production is desirable or even acceptable, according to an exhaustive survey for the EEC energy directorate.

Of a representative sample of nearly 10,000 people throughout the Ten, asked which solution to the energy crisis they felt most appropriate, 51 per cent opted for renewable sources; 15 per cent for increased exploitation of traditional sources like coal; 14 per cent for energy saving programmes, and 10 per cent for nuclear development.

– Guardian

Huge fines on the EEC's dairy farmers were proposed yesterday by the European Commission. They are meant to be so severe that they will deter production of unwanted, highly expensive milk by the Community's increasingly efficient cows.

The Commission proposals, which will have to be agreed by the council of ministers before coming into force, would hit every dairy farmer whose herd produced over one per cent more than in 1981. There would be extra levies on top of that on farmers using intensive methods of feeding to boost milk production.

These proposals are the Commission's main attempt to make economies in common agricultural policy (Cap) spending. On their success or failure depends British hopes for eliminating wasteful EEC costs and finding extra money for new Community policies.

– The Times

Following ratification of a Bill establishing Greece's first four official nudist camps, the National Tourist Organisation of Greece is pinning its hopes on the arrival of 500,000 nudists as one means of recovering from this year's tourism slump.

Mr Dimitris Reppas, the Parliamentary Deputy who introduced the Bill, warned Parliament that Greece was losing substantial foreign currency earnings because its immediate holiday competitors, such as Spain, France and Yugoslavia, had 40, 45 and 62 official nudist camps respectively.

When Greece opened its first official nudist camp three years ago, the resort was forcefully disrupted by objecting bishops and church followers. But the Church's objections were ignored this time.

– Daily Telegraph

WHAT'S IN THE PAPERS

Europe's computing establishment has announced plans for a joint laboratory for basic research. The scheme runs directly counter to the strategy adopted by the only two big successful European-owned data processing firms.

Bull, ICL and Siemes confirmed that next year they will set up a research centre for knowledge processing, development of information technology that will make computer systems behave in an apparently intelligent fashion. The companies are national flagships in data processing. They will probably sink about £5 million a year into the centre, which will be set up near Siemens' headquarters in Bavaria.

Some 50 researchers will staff the centre. The companies hope to benefit from some of the £270 million a year which a still-unratified European Commission scheme, Esprit, will pass into computer R&D. They also hope to save money by sharing costs.

– New Scientist

The TUC is standing firmly behind its policy of trying to get Britain out of the Common Market. This was stressed when delegates defeated a move for a TUC study to deal with 'the problems of membership' of the EEC.

Supporters of the move argued that so long as Britain was in the Market there was a duty to get the best deal for the British people. But the General Council's line – that the resolution might clash with the TUC policy of withdrawal – won through.

– Daily Mirror

The Greek Socialist Government's approach to Common Market foreign policy has caused dismay and puzzlement among EEC officials.

'It now seems clear,' said a West German official, 'that Greece intends to block any policy that takes an anti-Soviet line.'

This view was shared by members of the European Parliament.

– Daily Telegraph