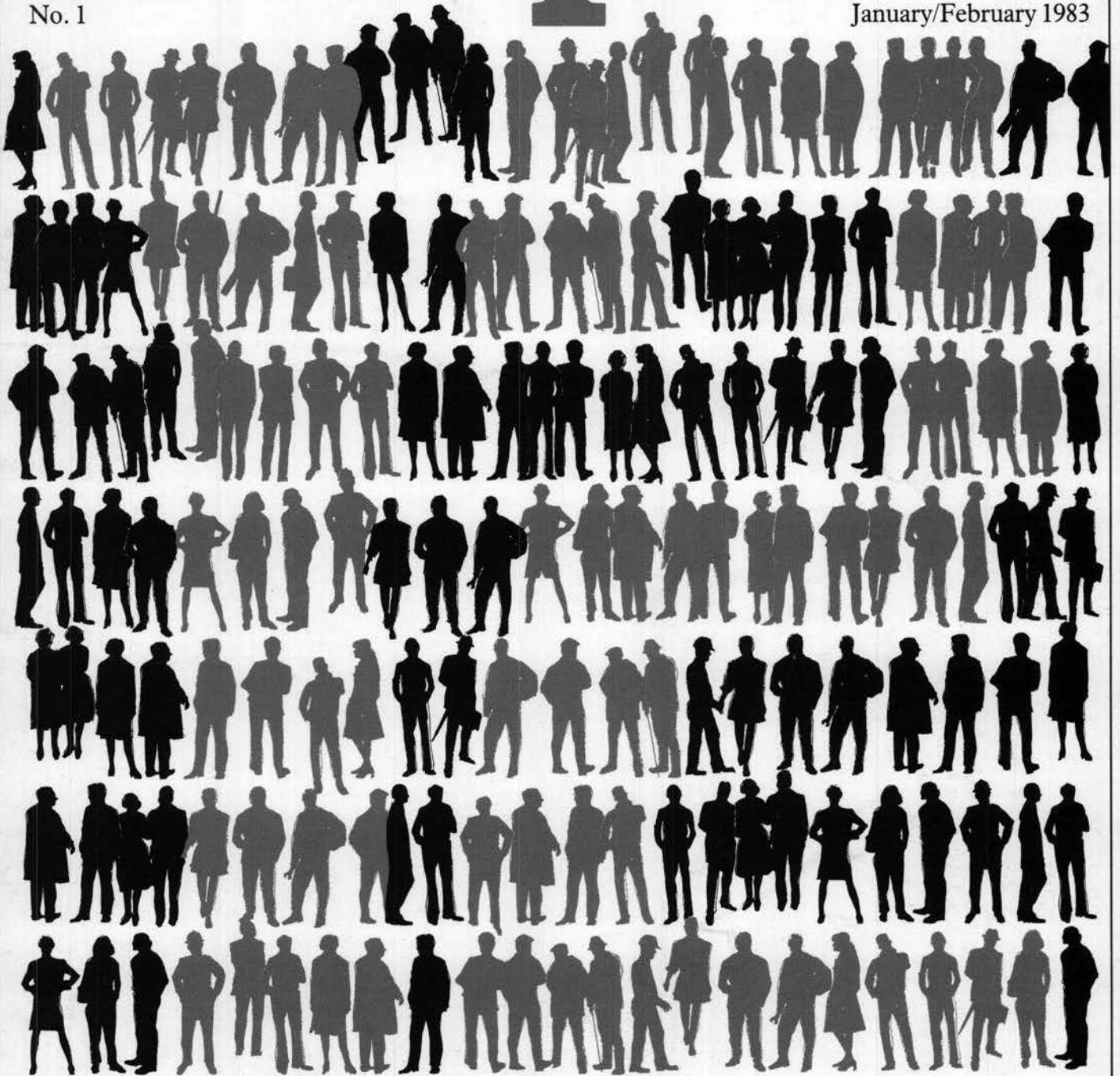


Europe

83

No. 1

January/February 1983



**12 million EEC jobless by the end of '83?
Gaston Thorn spells out the priorities
for a new industrial strategy**



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Published by the Commission of the European Communities, 20 Kensington Palace Gardens, London W8 4QQ.
Tel: 01-727 8090

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Printed by Lawrence-Allen Ltd, Weston-super-Mare, Avon

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Europe's jobless: is there a way out?



With the average rate of inflation in the European Community now in single figures, unemployment has become the biggest economic concern of all ten member states. In the Community as a whole, 11.5 million men and women are now out of work – over 10 per cent of the workforce. And that figure is rising.

Finance, economics and labour ministers, meeting in Brussels on 16 November, sat down to work out an overall job-creation strategy. They achieved

agreement on the remedies. But they were less precise on how these should be carried out. They agreed only that there was no short-cut to reducing unemployment, and that the main remedy lay through creating conditions for a broadly-based economic recovery.

After the meeting, trade union and employers' leaders gave their reactions and comment. First, BOB TAYLOR spoke to Georges Debunne, President of the European Trade Union Confederation.

BOB TAYLOR: How does the European Trade Union Confederation judge the outcome of the Brussels meeting?

GEORGES DEBUNNE: The trade unions are deeply disappointed because it endorsed the present deflationary, monetarist policies, which only make unemployment worse. We believe there have to be measures to stimulate consumption, albeit within limits that do not rekindle inflationary pressures. The ETUC reckons that productive investments are a vital factor – so much so that it should be the public sector that takes the lead. Private enterprise would then follow.

It is, of course, essential that reflationary policies be applied by all member states at the same time. A policy of reflation practised by one member state alone is no longer possible, as recent events in France have amply demonstrated. In a way, we feared the session would fall below our expectations. Already the preparatory consultations with governments and with the European Commission showed us how hard it was to get the ETUC's ideas across.

What are the ETUC's priorities for getting people back to work?

There is no viable solution to unemployment today other than sharing out the amount of work to be done among more people, thanks to a cut in working hours. The situation is made even worse by the present demographic trends, which show that until 1985, and possibly beyond, there will be more young people starting their working life than there are pensioners going into retirement. In addition, technical innovation is almost exclusively geared to increasing productivity and reducing labour inputs. For these reasons, work-sharing is absolutely necessary.

'Young people should not become a source of cheap labour'



Part-time working, on the other hand, should remain the exception rather than the rule. It is a discriminatory kind of arrangement, especially against women. Little progress was made on any of these issues at the meeting. The resistance of the ETUC in face of government inaction is rising. The ETUC is now nearly ten years old, and is keen to organise its members in the different member states under its banner in favour of Community-wide action to defend their interests. We are confronted with governments which could ultimately endanger our political and social democracy. Trade unionists are losing confidence in the Community. If they no longer believe in it, they may not be motivated to vote in the next direct elections for the European Parliament in 1984.

The basic element of our platform is straightforward – a reduction in working hours, without loss of earnings, but with wage moderation. If workers accept cuts in real wages by accepting pay rises below the rate of inflation, then it must serve a purpose by enabling firms to hire extra staff. Previously, higher productivity was translated into salary increases. Now, it should be translated into new jobs. The reaction of governments to our proposals show they do not take the ETUC seriously.

Where does job-creation figure in the ETUC programme?

Young people must have priority in employment policies. But young people should not become a source of cheap labour. They should not be paid less money than older worker where they do a full day's work. Specific work experience programmes for young people have not been a success in general. Then again, in making a special effort for young people, older people out of work should not be forgotten. Do

'It has proved difficult to have a dialogue with the European Employers Federation'

you think it is easy for someone made redundant at the age of 45 or 50 to find a job?

Is the ETUC ready for a dialogue with the employers at Community level?

It has proved difficult for the ETUC to have a dialogue with the European Employers Federation. A meeting was set up recently, but it was subsequently cancelled. The employers have systematically opposed the creation of a formal framework at Community level for discussions with the trade unions. When we propose that the framework for discussing reductions in working

hours should be the Community, we are told that the appropriate level is national level. When we go to national employers' organisations we are told these issues should be treated at the level of individual sectors of industries, and so on.

There is a manifest bad faith when it comes to a dialogue with the

'There is a manifest bad faith when it comes to a dialogue with the trade unions'

trade unions. There is clear obstructionism on the part of the employers when it comes to talking to us at European level. Personal contracts can be good. But people tell us, 'We don't have a mandate to negotiate, we are not authorised to discuss this question'. This is not the basis for a meaningful dialogue.



'We are on the threshold of a great technological revolution which will have a profound effect upon levels of employment'



For the employers' reaction, the following questions were put to Guido Carli, President of UNICE...

What, for businessmen, are the fundamental factors underlying the European economic crisis?

GUIDO CARLI: The salient feature lies in the range of divergences expressed in money terms. Let me explain. In recent years, in all the Common Market countries, variations in wages adjusted for price variations (true wage variations) have shown controlled divergences. In general, there has not been a tremendous variation, in real terms, between EEC countries. However, if these are expressed in money terms we see that the divergences have increased. In 1982 basic wages increased in Italy by 18 to 19 per cent, in West Germany by 4 to 5 per cent. These are the two extreme positions. But, if we examine the position of basic wage increases in Common Market countries, we see that the deviation from the mean for the Community has considerably increased. This type of divergence also exists for the national debt, expressed as a percentage of the gross domestic product, and of the money supply. The proportion of the national debt, expressed in money terms, also shows a wide spread. Here we have a paradox. The proportion of national debt to national income is increasing faster in Germany - where inflation is low - than in Italy, where inflation is high. This happens because inflation lightens the burden of the debt every year in real terms.

What are the dangers of this trend?

This situation leads one to fear for the EEC's ability to hold together. In the Community the controls which were supposed to induce countries to adopt converging policies have not worked. In this situation two dangers can be envisaged. The first is that there will be increased recourse to political protectionism within the Community. This is apparent today in many forms, from border controls hindering circulation of goods to restrictions on payment, in the form of more stringent exchange controls or subsidies.

The second danger is that, faced with the failure of convergent policies, the continued existence of the European Monetary System might be put into question. I believe the EMS continues to make a useful contribution to the cause of unity within the

'The situation leads one to fear for the EEC's ability to hold together'

European Community. There are two reasons for my belief. Firstly, parity adjustments have always taken place through conciliation. Secondly, the EMS has ensured a high level of stability of exchange rates within the Community, reducing the uncertainty typical of exchange rates fluctuating out of control.

To what extent can the divergent forces you describe be combated, and the European economy be put back on a convergent course?

It is true that variations in wage costs expressed in money terms, are greater than when expressed in real terms and that there is a

problem of mobility arises. It is necessary to lift restrictions on the mobility of the labour force.

Would not these factors involve too heavy a price in social and human terms? What do you think of the Commission's proposal to reduce working hours, so as to redistribute existing employment?

Protectionism and autarchy are always the consequences of this type of adjustment. I think that today we need shock treatment, to achieve results in a very short time. If restrictions were imposed on working hours, which would give rise to reduced competitiveness on the part of the Community, this would be a serious error.

'We need shock treatment...'



correlation between these divergences and the divergences between the public-sector deficit and the creation of a money supply. But the correction should be found on the side of the public-sector deficit and creating money. The picture we are faced with is dominated by uncertainty. But this should encourage us not to give up those elements of institutional stability which the Community is able to offer.

Certainly, progress towards unity of the European community has not been as envisaged by the founders of the EEC. Within national markets, sectorial policies have increased, even though they are contrary to the concept of the market economy. But there is no need to repeat the mistake made between the wars when, seeing nothing wrong with the market economy, the idea of moving in that direction was rejected. Let us not forget that the years in which the reconstruction of the post-war economy made most progress were those in which some great myths were accepted – including that of the construction of a world market based on multilateral trade and payments, and on stability of exchange rates.

'It is necessary to lift restrictions on the mobility of the labour force'

What obstacles need to be removed to survive the present recession and to begin to absorb unemployment?

In all industrialised countries we are witnessing profound structural changes. In the past decade, 15 million jobs have been created in the United States. If the same thing were to happen in the Community today there would be no unemployment. But in every country the level of employment in manufacturing industry has fallen. Jobs have been created in legal, financial and administrative areas, not in industry. The country where events most resemble those in the USA is Italy. In Italy jobs have been created in recent years, but only in the service industries. However, at the same time the number of people looking for work has increased. The composition of the labour force has changed – the proportion of women is tending to increase.

We are on the threshold of a great technological revolution which will have a profound effect on levels of employment, and on the distribution of jobs among different industries. So the

Would there not be a risk of the Community finding itself trapped between the USA and Japan, which are aiming at new technologies, and the developing countries?

Between 1963 and 1980 the proportion of Community exports, out of the total of world exports, fell from 18.7 per cent to 16 per cent, excluding exports within the EEC. This indicates how important it is for the Community to remain highly competitive with foreign countries. Today the Community is losing ground in international markets, against a background of ever fiercer competition.

'The break between Europe and the US is bad for everyone'

Then there is the problem of what to expect in the context of world trade. I believe that what happened at the GATT summit recently is extremely serious. The break between Europe and the United States is bad for everyone, because the prosperity of the Community depends increasingly on the development of trade outside the Community. Then there is the problem of the rate of the dollar against Community currencies, marked by the fluctuations that have damaged world trade. For years Europe has been reproaching the United States for not having a sufficiently strict monetary policy. When the USA at last moved towards stricter monetary policies, based on a quantitative control of money, and when some European countries adopted similar policies – notably Great Britain and Germany, both countries which are centres of reserved currencies – it was bound to happen that the exchange rates between the three reserve currencies – the dollar, sterling and the mark – would reflect the differences in interest rates. So, faced with higher interest rates in the USA, the dollar could not fail to go up, which – unusually – has done more harm to the American economy than to Europe.

The problem remains establishing a rate of exchange between Europe and the United States, and agreements to limit exchange rate fluctuations. Otherwise I can foresee a continuing decline – monetary divergences, protectionism, exchange controls, subsidies – which would do irreparable harm to the unity of the world market.

A new industrial strategy for Europe

President Gaston Thorn cited some sobering economic statistics in calling for a new industrial strategy during a speech in Turin. His figures confirmed the gloomy economic climate of the Community. The unemployment rate is expected to exceed the 12 million mark by the end of 1983. Only 2 million jobs have been created in the Community in

the last 12 years, as compared with 19 million in the US and 5 million in Japan. The investment rate has plummeted from 6.4 per cent in 1965 to a negative figure during every period since 1980. And while public investment has diminished from 10 to 6 per cent in the last 12 years, public expenditures have increased from 32 to 50 per cent.

In examining the complex causes of this situation, President Thorn pointed to lack of Community solidarity. 'While the economic crisis should have been the occasion for a reinforcement of common effort, it has instead become an excuse for new opposition between countries,' he said.

Gaston Thorn reminded his audience that 'integration is not a given, but rather a continually evolving process which depends on the efforts of its peoples.' In specifying areas in which immediate action must be taken, the President outlined nine priorities for a new industrial strategy.

These include elimination of intra-Community trade barriers through respect of the rules of free trade and a simplification of customs formalities. Elimination of fiscal disparity between countries through harmonisation of the currently unequal rates on value added tax. And creation of the European enterprise as a legal entity.

Also central to the new industrial strategy is the substitution of European for national norms in production, as well as work and social conditions, easier loans for innovative small and medium-sized enterprises, and pilot programmes selectively offering Community financing to projects in research, energy, transport and training.

Finally, Mr Thorn called for a coherent Community plan of industrial modernisation, as well as a re-adjustment of the Community budget in favour of industrial programmes.

Socialist parties in the Community are now demanding 'basic changes in policies and a reorientation of resources and institutions of the European Community' to deal with the crisis of growing unemployment.

What these changes should be is spelt out in the resolution, entitled 'The Crisis in Europe and the Socialist Response', adopted by the Confederation of the Socialist Parties of the European Community at their biennial congress, held in Paris last November.

Greece, alone of Community countries, is not a member of the Confederation, although Spain and Portugal, two countries seeking to join the Community, are represented.

The British Labour Party abstained on the resolution, which called for increased private and public investment, social and regional equality, shorter working hours, a new industrial policy, energy conservation, and establishment of a new international monet-



'While the economic crisis should have been the occasion for a re-inforcement of common effort, it has become an excuse for new opposition between countries'

ary order.

Here, the Confederation paid tribute to the European Monetary System, which delegates considered should be used as an instrument for better control on capital movements and

for improved mutual assistance whenever a member currency comes under speculative attack.

The Socialist parties condemned attempts to shield national markets from imports, which they described as one of the main threats to the world economy of today, and argued that such tactics would not effectively combat unemployment, even on a medium-term basis.

One of the most controversial elements in the resolution was the suggestion that Community governments should extend their political cooperation talks to cover 'cooperation on questions of European security... particularly with regard to international negotiations on disarmament'.

'Jobs for Youth' campaigners call on Brussels

Ten young people from Britain travelled to Brussels at the end of November, to take part in a 'Euro Jobs For Youth' campaign, launched by European Community's Youth Forum. The party were selected by the British Youth Council, which represents groups ranging from the Girl Guides to the Young Socialists. All the young people chosen had one thing in common – their experience of unemployment.

In Brussels, they joined similar groups from the other member countries, and spent three days lobbying their respective Euro MPs and the Council of Ministers.

They also presented a 'Jobs For Youth' charter, containing a set of proposals for improving the job prospects of Europe's youth.

It also included a request for more money to be allocated from the European Social Fund, to set up business advisory centres in all the member countries and to encourage new and small business enterprises. It also asks for the length of the working week to be reduced in order to create more jobs.

The Community's Social Policy Committee and Youth Committee listened to what the delegates said, but made them no promises. Nevertheless, the British party felt that the trip had been worthwhile, and they intend to continue using the Youth Forum as a platform for their views.

Youth worker William Clemmey, who travelled with them as a BYC representative, said it had been heartening to join with young people from other EEC countries who shared the same problems as British youngsters. He said: 'It was worth making the journey, just to make our common voices heard.'

Jobs for the boys – and girls – is the aim of youth opportunity schemes such as this one on Tyneside.



BUILDING EUROPE by Queen Beatrix

‘We in the European Community are involved in a laborious process. Why should we deny it? Europe's advance towards greater unity is a process of evolution. Everyone adopts the pace that accords with his nature and history.’

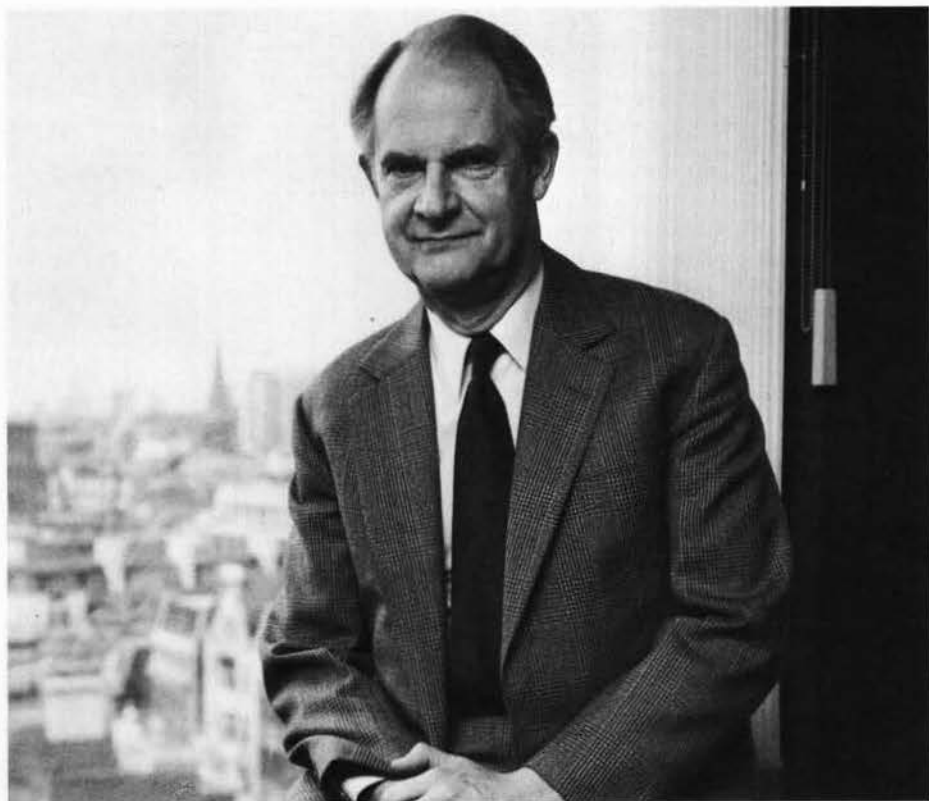
The problems that occupy us at the moment are so wide-ranging and overwhelming that they perturb us to the depths of our being. We no longer have cut-and-dried solutions, but go forward searching and groping. At such times we are sorely tempted to withdraw behind our national frontiers and let Europe be. But only if we are self-confidently aware of our identity can we become good Europeans; indeed, it is a precondition for cooperation. Only from our own beginnings can we build the Europe of today and tomorrow.

This idea was already propounded in former times, when Sir Thomas More, of London, and Erasmus, of Rotterdam, corresponded with each other as first-generation Europeans. The United Kingdom can, and undoubtedly will, contribute in large measure towards the accomplishment of the European Community.

In 1940, a dark moment in British history, Winston Churchill called for unity in these words: 'If we open a quarrel between the past and the present, we shall find that we have lost the future.' That is just the point, even now. ▀

– Queen Beatrix of the Netherlands was speaking at the Guildhall, London, during her state visit last November.





Why the boss of the CBI believes in Europe

Whether he is speaking personally or as the voice of British industry Sir Terence Beckett is a committed European. 'I can talk endlessly about Europe' he told me, and proceeded to outline his views and beliefs with a passion born of experience.

After all, he was responsible for twelve of Ford Motor Company's European companies between 1968-1974. His belief in Europe, however, goes back much further. As one of the generation who came through the last war he is acutely aware of the futility of a situation which had allowed Europe to make an enormous contribution to the civilisation of the world, yet had contrived to put its principal nations at war for over a thousand years.

From an early age, he hoped the European nations would come together to preserve their heritage and promote peace, for the benefit of civilisation as a whole. That hope soon turned to conviction when changing trade patterns made it essential that Ford should operate more effectively, and in order to achieve economies of scale it decided to integrate its European manufacturing operations.

This decision was taken before Britain joined the EEC, but in anticipation of its membership. Even when President de Gaulle rejected Britain's application to join, Sir Ter-

ROY STEMMAN visits Sir Terence Beckett, director-general of the Confederation of British Industries and a self-confessed champion of the EEC

ence told Henry Ford that it was inevitable that we would one day be part of the Common Market.

By the time the UK joined forces with the other Community countries, ten years ago, Sir Terence was vice-president, European Sales Operations. That job did not involve the British or German companies but in 1974 he returned to the UK to become managing director. In the five years when he was running Ford in Britain, he saw its profits rise from £3

'At our annual conference, all 800 delegates gave their support to the EEC'

million to £347 million after tax. After a 30-year career in the motor industry he left to take up his duties as director-general of the Confederation of British Industry in October 1980, since when he has been an energetic and fearless fighter on behalf of his 300,000 members who between them employ some 12 million people.

A TV and a radio sit side by side on a window shelf which runs the length of his tenth floor office suite in London's Centrepoint building. They are a reminder of the importance of communication in his work: the media often seek his views, and Sir Terence's punchy remarks, whether aimed at Government or the unions, make front-page headlines.

'The CAP is the main area requiring attention'

One of the penalties of being a public figure is that cartoonists are likely to depict you in unusual ways. Sir Terence appears to take that in his stride, with a quiet sense of humour. As we chatted, a secretary brought in an original cartoon by Franklin which had just arrived, together with a note from the Chancellor of the Exchequer, Sir Geoffrey Howe. It depicted Sir Geoffrey, dressed as the Princess of Wales, holding her new baby. The babe in the cartoon, however, is Sir Terence, representing the CBI... and he is shown crying loudly.

This interlude over, Sir Terence spoke about the CBI's enthusiasm for Europe. 'At our council meetings we get unanimous support for the EEC. At our annual conference last November there was also unanimous backing for a motion in favour of Britain's membership—all 800 delegates gave their support. Why? Because it gives us access to a very large market—comparable with America and larger than Japan. And that is vital, particularly with the way technology has moved in the last 30 years. The Community is now the largest trading block in the world, and a politically stable area in an unstable world.' He added:

'It's silly for people to talk about going back to old trading patterns. The Commonwealth markets have established new ones—with Japan, for example. The trade unionists, of course, advocate coming out of the Common Market but the point we make to them is that 2½ million jobs depend on it, and a large number of those would be at risk if Britain were to leave.

'Britain has also benefited from USA and Japanese investment. In our first ten years of membership, 60 per cent of American investment in the Community and 50 per cent of Japanese investment has come to the UK.'

In addition, Sir Terence is delighted with the responsiveness of British industry to the opportunities of the Community, enabling a change in trading patterns over the last decade from £2½ billion in exports to more than £20 billion—an increase far greater than the rate of

inflation, and representing 60 per cent of total exports in 1982.

'But we are not blind to the Community's shortcomings,' he told me. 'We think the Common Agricultural Policy is the main area requiring attention, because of its budgetary impact on the UK and the fact that it is such a cause of souring relations, which is a great pity. We need to change the mechanisms.'

The CBI would also like to see some aspects of the internal market reformed, giving Britain better access to the insurance market, for example. Cheaper air fares would also be an enormous help to businesses. With a Brussels office and various committees and delegations paying regular visits to the city, the CBI is able to keep its finger on the EEC pulse. It also makes representations through its contacts in the Government and civil service, with MEPs and others. It is keen to see some reforms, notably less bureaucracy and greater emphasis on what can be done to remove the obstacles to internal trade. In time, Sir Terence believes, there will be a common commercial law for the

'We must not forget our trade links with Denmark'

EEC, so that companies can be constituted on a European basis.

As we looked out across Soho from Sir Terence's office suite, shoppers could be seen scurrying along the pavements of Oxford Street and Tottenham Court Road, and the traffic crawled at an even slower pace. Many of those cars were foreign. The CBI's director-general recalled the time, 20 years ago, when he and others were sounding the alarm bells about the fate of the British car and motor cycle industries. 'Our motor industry is half of what it was then, in terms of the number of vehicles produced, and our motor cycles have virtually disappeared.'

Now he is warning that six other industries are in danger of demise, because of the high costs of electricity. The chemical, glass, steel, paper, brick, cement and ceramic industries all depend on electricity to a large extent, and they are having to pay much more for it than other European industries, because the cost of coal is so high in the UK.

His concern is real enough. But the man who trained as an engineer and economist, and was voted Businessman of the Year in 1978, seems to allow these problems to sit lightly on his shoulders. His philosophy became clear when he made a passing reference to the Danish refusal to agree to a Common Fisheries Policy and its threat to fish right up to the British coastline.

'We are bound to get these disputes at a time of change and deep recession. If we didn't, it would be a very dull world. We must not forget, either, that we have very strong trade links with Denmark. One of the values of the EEC is that it does enable you to see things in perspective.'

Rules and ruses in the protection racket

Should margarine be sold in cubes or cones? A silly question? Not for the manufacturers – or, ultimately, the consumers.

The European Court of Justice has just condemned Belgium for blocking trade because it only allows the sale of margarine if it is packed in cubes. The legislation blocks the entry of foreign margarine, especially margarine from Germany which is packaged in cones. As the Belgian authorities see it, the cube shape is part of a consumer tradition and prevents any confusion with butter.

This is not an isolated case. Examples of similar subtle forms of 'protectionism' are to be found in almost every Community member state. For instance, apple or malt vinegar cannot enter Italy, because only wine vinegar is recognized south of the Alps. All kinds of historical reasons are raised to justify the ban on imports of foreign vinegar, imposed by Italy.

Then there is the German legislation, dating back to 1516, which bans the sale of any beer not made exclusively from malt or barley. This stops the sale of English, Danish and Alsatian beer in Germany. And, although condemned as completely illegal by the European Community, it is still applied.

'Speculoos', the rather delicious Belgian biscuits, cannot be sold in the Netherlands because their cinnamon content is considered too high – and could endanger the health of the Dutch. The famous 'Dijon Cassis' is also still not sold in Germany, because its alcohol content does not conform to German standards. The European Court of Justice has condemned Germany for this, but has not persuaded it to change its rules.

There are hundreds of other examples of protectionism, justified by reference to ancient laws, health of citizens, or consumer protection. These pretexts are, at first glance, perfectly legitimate and even admirable. But a closer look reveals a more dangerous trend towards protectionism – or rather 'neo-protectionism' – of a specifically European nature.

The EC Treaties ban all traditional forms of protectionism, such as tariff barriers and quotas. So Community member states look for other ways. Using their imagination, they succeed in avoiding Community regulations and achieving their aim: the protection of a specific product or a threatened sector.

The European Commission is now getting four times as many complaints against trade barriers than in the past – 400 currently, compared to 50 in the 1970s. Of these, 110 are currently being investigated by the European Commission and the European Court of Justice.

For the Commission, which enforces Com-



munity rules, the scenario is always the same. Firstly, indications that the sales of a particular product on a market are being slowed down. Secondly, the argument used is always legitimate. Thirdly, the authority responsible for the ban tells the Commission that identical treatment is meted out to national products and foreign products. Final stage: a closer look shows that the measure is designed to stop imports indirectly.

What kinds of measures are being used? Almost everything, including bureaucratic formalities, red tape, papers to fill in, overzealous customs officers, fines. States are particularly good at drawing up very complicated lists of norms and standards, which must be respected by foreign exporters and which vary from country to country.

The European Commission is also suspicious of slogans used to encourage consumption of national goods such as 'Buy British' or 'Reconquest of the national market'.

The European Commission is increasingly concerned by the increase in such neo-protectionist measures. Warnings have been given by a number of European Commissioners, including Karl-Heinz Narjes and Frans Andriessen. The Commission's stance is clear. It is based on two decisions taken by the Court. The first deals with Italian vinegar, and the second with 'Dijon Cassis'. It stipulates that any product sold and consumed in one Community member state should be allowed into the others, unless specific health reasons can be invoked.

So, if apple vinegar and 'Dijon Cassis' do not kill people, or at least make them extremely sick, they have to be let in.

Getting hooked on computers

Suppose you are product manager of a margarine factory in Denmark, and you want to extend your sales to the Middle East. In order to be able to give continuous proof to your Moslem customers that your factory contains no pork, you are looking for an infallible way of detecting any animal fat in the vegetable oils which are your raw materials.

Or say you are a businessman in Flanders, and you have had the idea of using (hot) cooling water from a power station to breed crayfish. Before investing, you want to be sure that the project is financially viable.

Or again, let's say you manage a small chicken farm in Northern Italy, and you want to get to know about techniques for keeping fowls outdoors.

In each of these three cases, you are missing the magic ingredient – precise information, both specialised and essential, requiring days of painstaking research in files and specialist magazines. Time you haven't got: such files or magazines may be hundreds of kilometres away.

However, if your solution exists, one of the surest ways of getting to it is Euronet Diane, the telecommunications network designed at

'Telecommunications had to be European or not at all'

the initiative of the European Commission. It now opens up to 300 million potential users the services of 300 data banks in 15 European countries in the European continent – the 10 member states of the EEC, plus Switzerland, Spain, Portugal and Finland.

By consulting the data banks to find out which one is related to your problem, using a terminal connected to EURONET, you can obtain your answer in just a quarter of an hour.

So the Danish product manager will find the test he needs (developed in Zeist in the Netherlands some years ago, based on gas chromatography). The would-be crayfish breeder will discover that even an almost free supply of hot water will not give him much chance of matching Turkish or Czech competition (he has to abandon the idea, but saves his investment). As for the poultry farmer in the Po valley, he will find in France a study on the bacteriological effects of keeping chickens outdoors.

On the terminal screen the information arrives quickly, and apparently simply. However, when you see how it gets there – from the source to the enquirer's screen – you can see that it requires close cooperation between a whole series of professions (researchers, technicians, specialised press, etc) speaking every

It is not just businessmen and bankers who stand to profit from the new technology – computer power is here for all, reports ERIC MEYER

language and coming from every country. Thus the anti-fat test, before reaching the margarine factory in Aarhus (Denmark), has to zig-zag over thousands of kilometres, from Zeist (Netherlands) to Frascati (near Rome) where the data bank is based; via Hamburg (where the scientific article was published), London (where the British Library found the article), and Reading (where the IFIS – International Food Information Service – prepared the computer record). Thus Euronet Diane is an unequalled instrument for distributing techniques and ideas throughout Europe.

Towards the end of the 1960s, the United States recognised the opportunities for tele-

communications as a public service. Roland Haber, in charge of the 'Echo' host computer, managed by the Commission in Luxembourg, recalls: 'Each EEC country could have installed its own network. Data banks could have been set up all over, by computerising a chunk of the huge reserves of information we have here in Europe. But no one country would have had enough potential users to justify such an investment.'

So telecommunications had to be European or not at all. This was fully grasped at the Commission, and then in the member states. Following a resolution of the Council of Ministers in June 1971, the Commission began to organise the demonstration network Euronet Diane, which was officially inaugurated on 13th February 1980. In absolute terms, the Community investment was limited: 16 million ECU up to 1980 (2nd plan of action), plus 15 million between 1981 and 83. Nevertheless the Commission has not exactly built but rather co-financed and directed this network, carrying out all the work of defining common standards and techniques, in cooperation with the nine telecommunications authorities of the time, plus Switzerland, which partici-



pated from the beginning.

Furthermore, Euronet and Diane each correspond to a different reality. Euronet, to start with, is a cable linking the five telecommunications 'nodes' of Paris, London, Frankfurt, Rome and Zurich. It is also a very powerful transmission system, with a capacity of 4000 simultaneous calls, which France introduced in 1978 on its own 'Transpac' network. However, Euronet's days are numbered: as the national (interconnected) networks are set up, it is disappearing as it is integrated into them. Besides the French 'Transpac' network, the British 'PSS', the Dutch 'DNI', the German 'DATEX/P' and the Belgian 'BCS' (the latest arrival - opened in November '82) are now operational.

DIANE is the 'club' of 49 host computers in operation in the EURONET network, which maintain the 300 data banks or bases. The Commission is endeavouring to get potential users familiar with them by organising seminars, meetings and film shows in the different member countries. To join the 'club', and benefit from collective promotion, one sole condition is required of the host computers: they undertake to supply their information on a non-discriminatory basis - without limitation and at the same price.


Who are these host computers? Their origins are very diverse. In Rome, the Supreme Court had the idea of storing the thousands

of Italian decrees on computer. In France, CNEOX, specialists in applied research on the marine environment, set up in Brest the largest data bank on the marine world. But the very first host computer is in Frascati, at the European Space Agency, with ESA/IRS, which controls 34 banks and 14 million items of information - a quarter of all the data available in Europe. In fact, acknowledges Roland Haber, with the crisis, host computers must now prove their usefulness and find their users. 'For example, we notice that they are moving en masse from the "base" to the "bank" which holds 50 per cent of the market, as against 30 per cent two years ago. This is to meet demand - clients want the information direct, not a bibliography.'

As for the users, they appear very modest in numbers - 3,000 at the beginning of last year. But they are growing fast, according to Barry Mahon, head of the Euronet Diane team in Luxembourg. Users, and research into host computers are growing at a rate of 40 per cent per annum. Clients are spread fairly evenly between public bodies, industries and universities. However, one of the team managers sees another category of enthusiastic clients in the Americans and the Japanese. When the host computer, 'Téléservice-Questel', opened in Paris, he says, 150 subscriptions were obtained in Japan in just 45 days.

Like Euronet, Diane and its host computers will be unrecognisable tomorrow, because of the tremendous changes taking place. The Commission is continuing to help them progress, by participating in the technical research which they cannot do alone. Priority is given to the computer language, which must be developed so that the host computer can give an 'active' rather than a 'passive' response to the enquirer, helping him to direct his search more precisely. Another problem to be overcome is that of the national languages: instantaneous translation (by computer), which it is hoped to introduce in a few years' time, should enable a French doctor, for example, to consult DIMDI, the German host computer specializing in his field.

The Commission also announced last November its decision to finance research into problems of document transmission, a 'bottleneck' in the development of telecommunications. This would provide the client with complete documents, either instantly (via the terminal to a printer), or after a very short delay. However, the most far-reaching change, out of all this technical progress, will come from telematics - the use of the family TV as a terminal, with a simplified keyboard, coupled to the telephone.

In this way the number of clients could reach several hundred thousand in a few years, and telecommunications would have a direct influence on the work, study and leisure of the mass of the population. A fundamental change has come about with the appearance of Euronet Diane - 'computer power', which yesterday was reserved only for public bodies and large companies (multinationals), is now available to all. 

Portugal would be welcome, says trade secretary

In a situation where protectionist pressures are increasing, the existence of a largely free market in the Community is enormously important.'

So said Lord Cockfield, Secretary of State for Trade, speaking to the British Portuguese chamber of commerce on 22 October. In the context of continuing negotiations for Portugal's membership, the trade secretary has clearly underlined Britain's commitment to an enlarged European Community.

Benefits of membership would be enhanced by enlargement, Lord Cockfield said. Enlargement would demonstrate that the Community was capable of further development in a world beset with economic and industrial anxieties.

With Europe taking the lead, it would also give impetus to the belief that nations had to work together, particularly at a time when the world recession was giving protectionist arguments greater respectability. The role of the Community on the international front was also important when it came to removing barriers to trade between Europe and the rest of the world.

The British Government 'warmly welcomed' the prospect of Portuguese membership of the Community and was willing to help Portugal during the preparations for accession wherever possible, Lord Cockfield said. Moreover, as industrial expansion in Portugal led to an expansion in the country's international trade, so Britain looked forward to an expansion of Portugal's internal market and the consequent expansion in two-way trade in goods and services between the two countries.

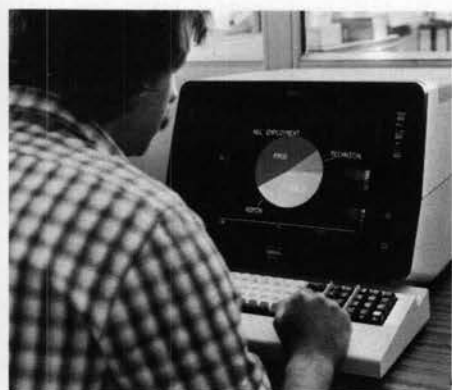
Britain was in a position to make a special contribution to Portuguese economic development at this time, he maintained, by way of direct investment, joint ventures and the supply of know-how as well as the supply of machinery and plant.

On services, the trade secretary took the opportunity to restate Britain's determination to push ahead for a completion of the common market by achieving free trade between member states in services as well as goods. 'An immense amount of work has been put into ensuring that the internal common market in goods works freely and efficiently and that obstacles are removed,' he said. 'But the same cannot be said of trade in services.'

He pointed out that the Government believed that it was 'high time' the objectives of the Treaty of Rome were achieved in the matter of free trade in services. Twenty-five years after the Treaty was signed it was still not possible to trade freely in insurance within the Community.

□ British Business

'Clients are spread between public bodies, industries and universities'





30 June 1970: enlargement negotiations begin in Luxembourg.

Ireland's up-and-down career in Europe

If the three nations who joined the European Community in 1973, the Irish, ten years later, are having the fewest doubts about the wisdom of that decision.

They were the most enthusiastic at the time, voting by more than five to one in favour of membership in a referendum in May 1972. The Danes decided by a much narrower margin, and the British were sharply divided.

Ten years on, while the Irish remain clearly in favour of membership there is not the enthusiasm, nor the wide acceptance that the Community is an integral part of national life and policy, that is to be found in Italy or Germany. The percentage for the EEC has moved up only to 44 per cent, while that against has more than doubled from 7.4 per cent to 18 per cent. This lack of growth in positive support for membership almost certainly reflects widespread disappointment in the effects of membership.

Ireland voted to join in 1972 because the economic logic of doing so was obvious, and the prospects were attractive. The main attraction was the Common Agricultural Policy. In 1972 Ireland was still heavily dependent on farming, both for employment and exports. Most farm exports went to Britain, whose cheap food policy meant low prices for Irish exporters.

Irish exporters of all sorts were heavily dependent on the British market—in 1972, 60 per cent of all Irish goods sold abroad went to Britain. Another great attraction of EEC membership was the chance of lessening this historic dependence on Britain. Membership was also regarded as essential to Ireland's drive to attract foreign capital into investment in Irish industry. Foreign capital was, and still is, the key factor in Ireland's industrialisation.

There were other, less clearly defined, expectations. It was hoped that with both Britain and Ireland inside the EEC, Anglo-Irish relations would be put on a new and better footing, and the problem of Northern Ireland might somehow become less difficult. Others hoped that, in the wider political and cultural

In its first decade in the Community, Ireland has enjoyed growth and prosperity – followed by economic crisis. A report by DENNIS KENNEDY, European Editor of the Irish Times

context of Europe, some of the less attractive aspects of Irish society, such as militant, extreme nationalism and obscurantist religious taboos, would weaken and disappear.

Experience has shown that things do not change so easily, or so rapidly.

On the practical side, some expectations were realised. Irish farmers enjoyed an unprecedented boom as incomes went up. Industrial exports progressed, and by 1981 the percentage of total exports stemming from agriculture was down to 27. Dependence on the British market lessened, as more goods were sold to mainland Europe. By 1981 the percentage of total exports going to Britain had dropped below 40.

Foreign investment was boosted. By 1980 foreign-owned firms were employing 34 per cent of the manufacturing workforce, as against 27 per cent in 1972, and the real growth in jobs in the past decade has been in foreign companies. But the oil crises of the Seventies had made nonsense of much that was predicted in 1972, and overall there must be disappointment after a decade inside the EEC. Redundancies were expected as the result of new competition, but have been much higher than predicted. Today, unemployment in Ireland is second only to Belgium's, inside the EEC.

Nor has there been any evidence that the economic gap between Ireland and the rest of the Community is closing. Ireland's GDP per capita remains at about 60 per cent of the EEC average—roughly what it was in 1972. Within Ireland, regional development has made little

progress, and EEC funds to aid the poorer parts of the country have been less than some had hoped.

Even the boom in agriculture did not last. Prices rose annually during the transition from low Irish farm prices to high EEC ones, and as the EEC itself was increasing farm prices substantially each year. But the transition ended and the EEC's annual price rises became much more moderate.

Irish farmers, having borrowed heavily to develop their farms, found themselves hit by very high domestic inflation and exceptional interest rates. Irish agriculture moved rapidly from boom to crisis. It is only now beginning to recover, and is understandably worried about the future of the Common Agriculture Policy.

Meanwhile, the economy in general has run into a crisis of the most severe proportions, arguably as the result of mismanagement which has allowed public borrowing and inflation to reach unacceptable levels. It is interesting, however that, even in this time of very severe difficulty, there is little or no tendency to blame EEC membership for Ireland's economic problems.

But where anxiety has increased, particularly over the past year or so, is in the area of political cooperation. When Ireland joined in 1973, the government explicitly accepted the political implications of the Treaties of Rome and Paris, and declared its readiness to work

'Irish exporters were too heavily dependent on the British market'

towards the goal of political unification in Europe. But it stressed that this did not entail any military or defence commitments on the part of Ireland.

Since then Ireland has participated in European political cooperation without trouble, until the past two years. Now two rather new developments have combined to raise doubts. First European political cooperation itself has taken on a new momentum, and has specifically included consideration of the political aspects of security matters—but not defence or military affairs.

Secondly, Irish governments, particularly under Mr Haughey, have given a new emphasis to Irish neutrality as a fundamental aspect of foreign policy. This was especially so during the Falklands crisis, when some critics argued that Irish neutrality had been given a dimension it had never had in the past.

This concern over neutrality and European political co-operation may account for the increase in outright opposition to the EEC in Ireland. It is a question that may become more acute for the Irish as pressure continues for closer political cooperation, and for more consideration of security and defence-related matters within the context of the Ten. **E**

EUROFORUM

After Geneva – the risks to free trade in the world's economic community

The GATT ministerial conference (24 to 29 November 1982) ended in anticlimax. The 88 ministers and delegates who came to Geneva all, without exception, declared themselves in favour of more free trade and against protectionism worldwide. The final document, agreed by all sides after it had been at last worked out in wearying day-and-night negotiations, binds all GATT signatory states to resist protectionist pressures, from whatever quarter, with all the forces at their command.

More could not have been achieved in Geneva than was achieved, namely political self-restriction in difficult times, an appreciation of the proven basic principles of GATT, and a working programme for clearing up matters of dispute such as protectionist measures and agriculture.

Some had hoped for substantially more. First, for a legally binding commitment not to take any further measures which run directly or indirectly counter to GATT, e.g. self-restriction agreements or administrative measures which hinder imports, and to progressively reduce existing measures which run counter to GATT, such as quantitative import restrictions. Second, for a commitment to reduce, or at least to freeze, agricultural export subsidies (these subsidies are at present allowed by GATT). Third, for a progressive extension of the GATT rules to include services, where at present they only include trade in goods. And fourth, for an agreement on the question of whether protectionist trading policy measures (eg. temporary increases in duties, or the introduction of quotas) may be applied generally or only selec-

WILHELM HAFERKAMP, Vice-President of the European Commission, underlines the options – and implications – arising from the GATT 'summit'

tively – that is, against the main exporting countries only.

There was no reformulation of GATT. The re-examination of the present rules, particularly as regards agriculture and the trade protection clauses, has been referred to the trading policy experts for the next 12 or 24 months.

The conference was not able to give the go-ahead for a further liberalisation of world trade. The European Community had described this as unrealistic long before the conference. The view of the European Community was that what mattered was to take measures to stop protectionism spreading, and to honour the corresponding commitments in the

final document. The other partners accepted this realistic view.

The public is nowadays often given the impression that free world trade does not exist any more. This is quite wrong. Never before have goods been able to circulate so freely around the world. Never before has international competition been fiercer, at least in Europe and North America. Never before have duties in the industrialised countries and in a few of the developing countries been lower.

It is only necessary to look at the selection of goods available in European department stores or from large mail order firms. If our international order was characterised not by free trade but by protectionism, then the selection would be quite different – there would be no Japanese pocket calculators or motor bikes, no watches from Hong Kong or Switzerland and no Korean shirts.

Where free trade is concerned there is little with which the EEC can be reproached: we import twice as much in the way of industrial goods as the USA, and four times as much as Japan. This also applies to sectors such as textiles, where trade is subject to great restrictions in *all* industrialised countries, with all the unwelcome bureaucracy that this brings.

Nevertheless, it is obvious that there are cracks in our world trade system, which has been developed in a pragmatic fashion in the course of the last 30 years. When 10 per cent or more of the labour force is unemployed, any government will be exposed to the temptation to create extra employment by restricting imports and encouraging exports, especially exports to countries from which more is imported than is exported in return. This is the reason for the growing protectionist pressure against, for example, Japan.

In a desperate macro-economic situation, an appeal for reason in trading policy will go unheard. This happened in the Thirties and could happen again if there is any further increase in unemployment, or if government, employers and employees do not succeed in stopping the downward spiral very soon.

When there is a disequilibrium in currency rates of exchange – for example, as a result of politically motivated movements of capital or fear of devaluation, or because of government manipulation of the rate of exchange – politicians come

'The conference was not able to give the go-ahead for further liberalisation of world trade'

under increasing pressure to correct the trading imbalance, which is often achieved by means of little protectionist tricks. It would be better to create the proper conditions for trade, that is, to let the rate of exchange settle down to a level that enables the balance of trade to be restored.

When countries' trading policies have led them into a dead end where they have to use all their foreign earnings for debt servicing, or to pay for imports of energy or foodstuffs, then appeals for them to open up their markets to foreign textiles, perfumes or cars will be to no avail. In such cases, what is required is for the trading policy to be revised.

If, in addition to such faulty macro-economic development, there is loss of competitiveness in certain sectors, with the threat of redundancies, calls for protectionist measures are intensified. Everyone can give examples of such 'sensitive' sectors. What manufacturers would not prefer to develop and sell their products in a market which was as far as possible protected?

The strength of protectionist pressure at the present time is explained by a combination of unfavourable conditions such as has not been seen in Europe and in the USA for the last 50 years, and the political achievement of those who have prevented the dyke from giving way is all the more worthy of respect. Cracks have appeared here and there. There are self-restriction agreements for textiles and steel. Exporting countries have agreed to 'voluntary' restrictions of exports of 'sensitive' products.

However, the flow of exports has not been diminished - only the rate of increase has been reduced. This 'restricted' flow of exports, instead of increasing by 20 to 30 per cent each year, is now only increasing by 3 to 5 per cent. Purists will see this as a transgression of the sacred rule of international competition. Political realists will say that only such a restriction of the increasing flow of exports will prevent whole sectors and regions of industry disappearing from the map within a few years, without the chance to adapt or change.

Nevertheless, even political realists must accept that many small cracks may eventually lead to a catastrophic flood. If the large number of more or less concealed protectionist transgressions continue and multiply, as in the last 10 years, then by 1990 at the latest there

'Small cracks may eventually lead to a catastrophic flood'

will be a new kind of international trading order. The flow of trade will then be more strongly influenced by political factors, and more bureaucratically ordered, in a similar fashion to the present situation in western Europe. Textile and steel are cautionary examples.

Such a development will sooner or later bring disadvantages for all of us. We only have to look at those countries which have ordered their external trade in such a manner.

The EEC depends on its exports of industrial products, just as Japan does. This is the only way for both of them to meet their requirements for energy and raw materials. A retreat to 'Fortress Europe' is no solution for lack of competitiveness, even if many dream of this

possibility. Without international competition there can be no international competitiveness and no technological lead.

If Europe is not to be reduced to a third-class economy, three conditions are necessary: a readiness to accept technological, economic and social change; the ability and will to adapt to changes in the world economy; the political will to offer continued support for an open trading system, and not to take cover behind a protectionist wall.

The siren songs of protectionism are bewitching, but they lead to the abyss. It is up to everyone to oppose such a development, and not just politicians. Trade policy is only possible when the world economy is in order.

'Britain's experience in world affairs has helped to give us a new direction'

Looking back over the last ten years, it is possible to identify a number of ways in which Britain has been instrumental in helping the Community to enlarge and consolidate its world role. Your great experience in world affairs has helped give the Community a new dimension: in our relations with developing countries; in achieving our unified voice on foreign policy; and in our reinforced stance against international protectionism.

The Commonwealth still has close ties with the United Kingdom. But, after enlargement, it was possible for the Community as a whole to share some of Britain's responsibilities to the developing countries of the Commonwealth. The Lomé Convention, which now links the Community with more than sixty developing countries of Africa, the Caribbean and the Pacific, was an achievement of the best kind of creative politics, transcending what member countries could have achieved individually. UK experience was a key element in devising this new relationship between North and South.

Political cooperation over foreign policy matters has taken on growing significance. The development of political

□ Gaston Thorn, President of the European Commission, gave a press conference in London on 25 November 1982, to introduce the London Office's publication, 'Britain and the Community', marking the United Kingdom's first ten years in Europe.

cooperation reflects the conviction that the Community must be in a position to express the political dimension of its world role. British governments have long been strong advocates of effective political cooperation and have given it powerful political impetus. Britain was able to reap the benefit when, thanks to such cooperation, the Community was able to make a united response to the Falklands crisis. The progress made over the last ten years has been considerable.

The Community as a whole is heavily dependent for its economic well-being on its capacity to sell its goods, services and expertise on world markets. We must strive to avoid the competitive protectionism that characterised the 1930s. Events at that time showed that 'beggar-my-neighbour' trade policies brought terrible consequences for all.

In this endeavour we count on the firm support of the United Kingdom.

These changing aspects of the Community are of benefit to all our member

'It would be dishonest to pretend that Britain's membership has been problem-free'

countries, including the United Kingdom. They enhance our capacity to act in an unpredictable and difficult international scene. The original Community has gained much, then, from Britain's membership. But Britain, too, has gained. Apart from the benefits of our more unified political approach, you have marked up concrete economic advances.

Britain's entry into the Community coincided with the first oil crisis, accompanied by the unprecedented peacetime shortages on world food markets. Since then, the United Kingdom has been hit by the economic recession that has now fastened its grip on the rest of the Community. Against this background, the economic benefits of Community membership seemed a long time coming. The unified market seemed more of a burden in the early years than an advantage. No longer is this so.

But it would be dishonest to pretend that Britain's membership has been problem-free. Integrating the United Kingdom into the Community – or the Community into the United Kingdom – has, from the political point of view, been more difficult than we ever imagined. At first, the difficulty seemed to be related only to the United Kingdom. Now we can see it as something more general. In Britain and Denmark, Community membership remains a political issue, even ten years on. The same is true for Greece after two years. It may well be true for Spain and Portugal.

We must accept that only rarely will the political choice between 'inside or outside?' be as clear-cut as it has seemed in Ireland. Normally, it will be a keenly debated question for years after the original choice has been made. The insistent question will be 'What is the Community doing for me?' To the first generation of Europeans, it is a sufficient answer that it has made unthinkable another European civil war. But increasingly people look for concrete economic advantages.

If we are to exploit the Community's potential to the full, we must press ahead and develop policies in new areas. This is made more than ever necessary by the depression which is gripping all our economies. A united response to these difficulties will be much more beneficial than isolated national efforts.

We need more Community, not less. It is vital that we break the habit of improvising temporary solutions to our existing problems. We must somehow break free of the short-term and concentrate on the very considerable economic problems that we shall face in the next decade. The Community budget is no doubt the greatest of our present preoccupations. It gives rise to twin concerns: Community solidarity is weakened by the imbalance in benefits flowing from Community policies; and Community development is stunted by the limit imposed by present financial resources.

Both these concerns must be met in the construction of a new resource base for the Community. We must agree on new sources of Community finance in order that we can develop the policies and advantages of the Community in a balanced way. This new resource base must be such that it puts an end, once and for all, to talk of a 'just return'. The Community has not been created to act as a clearing house for national government cheques.

The size of Britain's contribution to the Community budget has become a matter of concern to the British people. I have already indicated that the lasting solution to this problem must be found in the creation of the Community's new resource base. But, to get matters into proportion, let me point out that in 1982 the United Kingdom's contribution – as a result of the recent agreement – amounted to three hundred and eighty seven million pounds, which is equal to less than 3 per cent of Britain's defence expenditure.

The Commission is developing ideas for a new resource base that would achieve these objectives. It will come forward with its proposals in the first three months of next year, so that we can be ready for the Community's enlargement to include Spain and Portugal.

Enlargement makes it necessary to look again at the operation of the common agricultural policy. I am convinced that the objectives of the policy are as valid today as they were when the policy was founded. But some of the policy's mechanisms undoubtedly require adjustment.

Demands for common agricultural policy reform have been insistent in the United Kingdom ever since entry. At first UK opinion urged the adoption of a generalised deficiency payments system. We have built deficiency payments into several of our agricultural market support systems. Indeed, about 30 per cent of our total expenditure in the agricultural sector now goes on some kind of deficiency payment, like that for sheep or else on consumer subsidies like that

for UK butter. But to generalise the system of deficiency payments would lead to very considerable increases – tenfold on some estimates – in our agricultural expenditure. The growth in British self-sufficiency since 1973 has been such that it would even be too expensive for the UK on its own.

The adaptation of the common agricultural policy is a problem that has to be faced. The Community has already shown that it is prepared to tackle the problem of structural surpluses. For five major commodities, including cereals, milk and sugar, we have set up a system to discourage unreasonable increases in production. When production exceeds a certain threshold, producers must expect either a reduction in their guaranteed price or to have to contribute financially to the cost of disposing of the additional production. This is a major development which has perhaps not been sufficiently appreciated in this country.

One can only be impressed by the way in which, despite the difficult economic background, Britain has sought to take advantage of the economic and political opportunities created by Community membership.

The British Government has seized upon, and used, Community instruments wherever they were available. In one sector, however, you choose to go it alone. I refer, of course, to monetary and exchange rate policy.

Until now, the British Government has considered it inappropriate for the pound to participate fully in the European Monetary System. This is explained by the importance given to monetary policy as an economic instrument in recent years. It is also linked with the status of the pound as a petrocurrency. So far, so good. But now you are faced with the task of maintaining the advantages that you have fought so hard to gain. The time is now ripe, in my opinion, for Britain to join the European Monetary System. The advantages of participation would outweigh the costs. In particular, a stable exchange rate would make the overall economic environment more favourable for investors and would help structural adjustments of the UK economy.

Recent movements in the pound's value may illustrate some of the problems that may lie in store. I believe that

'The time is now ripe for Britain to join the European Monetary System'

Britain will exert greater control over the value of its currency within the European Monetary System.

British membership of the European Monetary System would also benefit the Community as a whole. It would be a real contribution to the development of the system. And it would come at a time when the Community was seeking a concerted approach with its main international partners towards the stabilisation of exchange rates and interest rates. It is also important for the Community to fight as a team against the international move towards protectionism.

It is important that the Community can work together to modernise old staple industries. It is equally important that, together, we take steps to relaunch our economic activity.

The present recession is not a temporary downturn in our economies. Let there be no mistake about that. We are in a period of fundamental transition. We cannot base our collective future—as

we have our past — on the success of heavy industries.

There is a desperate need to develop new industries in the service and high technology sectors. This is best done at the Community level rather than country by country.

In the last ten years, then, we have come some way together. In Britain one can see initial suspicion giving way to a cautious acceptance that Community membership does, after all, bring benefits. But we must go further. The Community must develop if it is to respond to our present economic circumstances. Only in this way can the Community prove its importance to our second generation as it has done to our first generation Europe.

The Community provides, I believe, the only political and economic framework in which we can realistically confront the problems that will face us in the years ahead.

GASTON THORN

Is a unified economic policy in sight?

If the EEC keeps to the proposed timetable decided upon the Heads of Government during the Council of Europe meeting held in Copenhagen in early December, then the first quarter of the New Year will be one of the most productive that Europe has known for a long time. It will represent a happy prelude to the whole of 1983, a year which appears already to be one of great importance to community construction.

Let us take a look. The government leaders considered that, by common consent, a timetable should be decided upon for specific actions to be taken at Community level in order to complement the parallel efforts undertaken at national level by each of the member states. As a result of this orientation they instructed the Council at Brussels to take a decision no later than the end of March 1983 on the priority measures proposed by the Commission to reinforce the internal market. They also resolved to accelerate the adoption of current and future Commission proposals in the fields of research, innovation and energy, and to take a decision on the Commission proposal to increase the 'New Community Instrument' appropriation by a further 3,000 million ECUs. They also agreed to examine, as a matter of priority, the Commission's proposals concerning the means of guaranteeing young people professional training or a first job, and on the reorganisation of working hours.

The Community can act by creating a true internal market to prompt industry to invest

The Commission can draw a certain satisfaction from this programme: it includes each of its proposals and implicitly approves its initiatives. All of the measures envisaged are more or less within the strategy to be put into action to combat unemployment and to revive the economy. The heads of government have not envisaged a uniform economic policy for the EEC to this end, nor did the Commission propose this.

Certain commentators have felt this to be a disappointment, or even an omission — proof of the absence of agreement on the ways to be followed. However, it is not a good idea to prescribe the same re-

medies to both the countries which have already (or nearly) won their battle against inflation, and also to those which still suffer from worrying rates of inflation and unduly large budgetary deficits.

As long as there are divergent economic trends, there will need to be different policies. The objective is rather to bring about progressively the conditions necessary for a better harmony, which in its turn will make the cohesion of economic behaviour patterns and a greater stability of exchange rates possible. The timetable proposed by the heads of government is aimed at realising these conditions.

Firstly, has the Council of Europe discovered the common market? This is not a trite question. Several Community countries in order to cope with internal problems, have increased trade barriers to imports originating not only from third party countries but also from other Community countries. This is a mistake, and a foolish one at that. In exchange for an apparent — and in any case short-lived — protection of the national market, all the prospects for future development are compromised by such actions.

European industries can develop investment projects and development plans if they are guaranteed that they can count on a market of 250 million consumers in which goods can circulate freely. If this certainty should disappear, then all their industrial plans are doomed to failure. The combined heads of government have realised that the road upon which certain of their national governments are embarked is a dangerous one, and they have asked the Council to decide, before the end of March, on the priority measures aimed at making the EEC into a unified market, where the conditions of a national market would be gradually introduced and which would go much further than the elimination of duties and quotas.

On the initiative of Mr Karl-Heinz Narjes, the Commission had already presented a paper on this subject last November, underlining that the 'internal market' means not only the free circulation of goods, but also and especially the radical simplification of customs formalities; the elimination of technical trade barriers by the establishment of EEC norms; fiscal neutrality for companies (tax régime for mergers, elimination of double taxation, etc); the progressive opening up of public sector markets, including advanced technology sectors; legal environment (EEC norms on misleading publicity, on company law, etc); the right of establishment and the freedom to perform services.

Revival of investment is essential to improve the competitiveness of European industry

Forty projects within these various fields are before the Council. The heads of government have asked that the principal and most urgent of these be adopted within three months. The European Parliament is actively supporting the efforts of the Commission. The professional bodies (Industrial Association of the Community, Chambers of Commerce, etc) have reacted against these barriers. The realisation, at the highest level, of the risk implicit in protectionist measures should allow rapid progress to be made towards a real 'internal market'.

The second orientation decided upon by the heads of government concerns the revival of investment, which is essential to improve the competitiveness of European industry against international competition and to create new jobs. The strategies to be employed depend essentially on the member States' according to the coordinated orientations defined by the 'Economics/Finances' Committee and taken up by the heads of government.

But the Community as such can also act — first of all by creating the veritable internal market which will prompt industry to invest as already indicated; but also by the enlargement and the improvement of its own financial instruments — especially the NIC, which has the specific job of financing productive investments. The heads of government did not limit themselves to a request for the general strengthening of this: they explicitly took up the figure of 3,000 million ECUs proposed by the Commission as an extra appropriation in addition to the amounts available at present. The NIC gathers up the floating capital on the capital markets (including those in the Arab countries and in Japan), recycles it, and directs it towards investments.

The third point taken up by the heads of government concerns a vast range of Community actions aimed at realising certain joint research projects, at making information networks available to industry, at financing pilot projects in the fields of energy and innovation, so that the results may be made available freely to all. The difficulties experienced by the Council are, in general, to be found in the cost of these actions: the Ministers tend to reduce the appropriations for the various programmes. The request by heads of government to

accelerate the procedures should allow these reticences to be overcome.

The fourth orientation covers the specific measures with a social character. In general, the Ten do not favour aid programmes which create artificial jobs, because as soon as the aid finishes these jobs disappear. The only way of creating lasting employment is to revive investment and industrial activity. However, this does not mean that nothing should be done on the social level. On the contrary, the heads of government explicitly refer to the guarantee for young people of either an immediate chance of work experience or of further training.

They also refer to the reorganisation of working hours, which covers a very large number of possible measures aimed at a better distribution of the available work among the whole of the population. Here, too, the Commission's proposals, established after a long process of preparation and consultation, are available.

But no-one is unsophisticated enough to believe that, even if it is respected, this programme will alone resolve all the problems of the Community. It falls far short of it. Other matters are just as important as that of economic revival and the fight against unemployment (even if this one does benefit from priority, because it influences all the others). The government leaders did not take any decisions on these other matters at Copenhagen. They will be discussing them partly or in whole at the next Council of European in March. Meanwhile, the Community institutions will continue to study them and promote them.

On the internal Community front, the budgetary problems should be mentioned from both their points of view: provisions aimed at settling the 'British problem' for the coming years, and the increase of its own resources. The Commission has put forward some suggestions on this first aspect, deeming that the United Kingdom's contribution to the Community budget will remain positive during 1983 and 1984, thus making the maintenance of 'budgetary compensation' in its favour necessary. Indeed, the contribution of each country to the Community budget must be brought into balance both in the medium and the long term by the development of common policies which will benefit all the member states equally.

As for the second aspect, the Commission has already announced that it will soon be proposing that the present ceiling of receipts belonging to the Community be exceeded in order to cope with the development of common policies and

Without a solution to the budget problem, the Community will go into a state of crisis

the requirements of the new enlargement (Spain and Portugal). The Commission will continue to advocate a cautious budgetary and financial policy, because Europe must not squander its resources. But the EEC must be in a position to finance its construction and its elaboration in the interest of all its members.

As far as relations with the rest of the world are concerned, the EEC must first of all overcome its present uncertainties with regard to negotiations on the membership of Spain and Portugal. The political 'yes' to these countries' membership must be translated into behaviour conforming to the objective. The Commission has already indicated certain conditions which are necessary to enable this new enlargement to be achieved satisfactorily, and the member governments owe it to themselves to be coherent.

The definition of more harmonious commercial and economic relations with the United States and Japan represent the second 'external' objective of the Community. This is an objective which is tied to commercial policy, to the struggle against protectionism, to the maintenance of international free exchange and at the same time to the improvement of European industrial competitiveness and, as far as the United States is concerned, to the rigidity of some aspects of the common agricultural policy, without touching on the essential principles and mechanisms.

The third fundamental 'external' objective concerns the redefinition of Community policy over cooperation with the third world, starting with the preparation of negotiations for a new Agreement with the African, Caribbean and Pacific States (ACP).

So the projects are numerous. The subjects are all of concern also, because in the majority of cases the EEC is 'obliged' to decide. These are matters which cannot be postponed from one year to another. Without agreement on its own resources, and without a clear and lasting solution to the 'British budgetary problem', the Community will go into a state of crisis due to a fundamental disagreement over the means for its own financing. It will then be unable to maintain the agricultural policy and the other policies which represent its substance itself.

FERDINANDO RICCARDI

EUROPEAN REVIEW

How much does Europe care about the aged?

'Does Europe care?' ask the organisers of EuroLink-Age, a new pressure group established in Brussels in November 1982 to lobby the Community on behalf of the elderly.

EuroLink-Age is an informal coalition of non-governmental organisations, academics, MEPs and professional people working with and for pensioners in the ten member countries of the Community. Representatives from the national organizations (from 'Age Concern', England, and 'Le Troisième Age', Belgium, for example) held their first meetings in Brussels on Monday, 22 November. As the Danish representative said, 'Europe has now become the right forum for discussions—here we can all learn from each other.' Initially however, members want to learn how the European institutions work and to draw up a joint plan of action.

EuroLink-Age's wide-ranging agenda covers many of the problems associated with old age. But they would like to see these problems approached in a more positive way: more pre-retirement preparation, more use of old people as volunteers, an improvement in the status of old people and a greater recognition of the contribution which they can still offer to society. They would also like to see young unemployed people trained to work with families in which there is a frail or demented elder member living at home.

Sharpening up the competitive edge

The European Commission has for the second year running called on Community Governments to agree to a range of measures that would strengthen the working of the Community's internal market.

This move was taken by the Commission because of growing anxiety that the recession was leading Member States to pass increasingly internal protectionist measures.

In a strong intervention in November

Mr Narjes, Commissioner for the Internal Market, hit out at the Member States who were raising administrative and bureaucratic barriers to trade.

About 30 proposals, some which have been blocked for up to ten years, are ready for decision, explained Mr Narjes. He wants the Council of Ministers to start negotiations within the next two months and reach decision before June 30 next year.

The Commission's priority proposals fall into three categories: harmonisation of regulations on the certification of third country products; the transmission of information on the technical rules and industrial standards set by Member States; simplification of customs procedures.

Commissioner Narjes made clear that none of these proposals go against the economic interests of a particular Member State; all that was required was 'political will'.

The Federal Republic of Germany which will be taking over the presidency of the Council of Ministers in January, wants to see a strengthening of the internal market and has put this high on its list of priorities. Council Presidency support for the Commission's initiative could mean an early start to the negotiations and an eventual agreement on some of the measures before the proposed June 30 deadline – coincidentally the last day of the Federal Republic's presidency.

A European Year of the Family?

Families as such need more attention, according to Mrs Maria Cassanmagnago Cerretti's report to the Parliament's Committee on Social Affairs and Employment.

It appreciates the Commission's efforts to assist families with hardships, but is asking for more general attention and more funds to be spent on the family as a social unit.

The report calls for a family affairs division created within the directorate general for Social Affairs and Education that would identify and consider all aspects of Community policy which influence the family. It also wants member states to be urged to adopt policies to strengthen the position of the family in society, taking into account the changing roles of men and women.

UK accepts turkey imports

The European Community has scored another success in its attempt to do away with all veterinary barriers to intra-Community agricultural trade.

Renewed pressure from the Commission on the United Kingdom to comply with the Court of Justice ruling and open its borders to poultry imports has put an end to one of the longest episodes in the veterinary rules war game amongst Community countries.

The fifteen-month long import ban was originally applied to poultry and eggs in order to protect British flocks from the fowl pest virus, Newcastle Disease. Under the threat of renewed legal action for breaking the Community's free trade rules and rising discontent among French turkey breeders anxious to corner part of Britain's lucrative Christmas turkey market, the Government lifted the ban on French poultry six weeks before Christmas.

One of the last obstacles to trade to be removed was the request for larger-sized labels on imported birds which could not be realistically provided by French machines geared to the smaller 'European' labels.

However, there are still strings attached to the decision to resume free trade.

Trading with Yugoslavia

The Community's Cooperation Agreement with Yugoslavia came into effect in the New Year, with plans for a Business Week in Belgrade in March and a Cooperation Council of ministers planned for April.

The Business Week, which will be organised by the European Commission, will be designed to improve contacts between European and Yugoslav entrepreneurs, with the aim of boosting trade, investment and joint ventures.

Sectors represented will include wood, agricultural machinery, machine tools, electronics and car components, in addition to general areas of potential business cooperation.

More cash for the regions

The Commission has proposed that a further 710 million ECU from the non-quota section of the Regional Fund be allocated to areas affected by the decline of the steel, ship-building and textile industries.

Regions that will benefit are in Belgium, Greece, Italy, France, the Netherlands, Ireland and the United Kingdom.

The extra cash will strengthen and supplement the 220 million ECU package established for these areas two years ago. The Commission attaches special importance to rundown steel areas which will have to contend with job-losses under their restructuring programmes. 230 million ECU will be earmarked for promotion of industrial innovation and give investment aid in the form of capital grants to small and medium-sized companies.

A further 260 million ECU will be devoted to the promotion of new economic activities in depressed textile and clothing manufacturing areas.

160 million ECU will go towards the promotion of small firms and rural tourism in regions which are likely to be worst hit by the accession of Spain and Portugal. 43 million ECUs is to be made available for investment in energy projects and a further 17 million ECUs will be granted to rundown shipbuilding areas.

Securing Europe's gas supplies

Member states would be well able to deal with a major interruption in natural gas supplies from non-Community countries for an extended six-month winter period, according to a survey recently carried out by the Commission.

Only minor problems would arise at times of peak demand and then only in the most extreme circumstances.

The shortfall would be made up by using supplies in storage, spare production capacity, interruptible contracts and flexibility in import contracts.

The Commission decided to carry out the survey because natural gas imports, particularly from the Soviet Union, will account for an increasing share of the Community's requirements in the years to come. By 1990, imported gas is expected to constitute about 44 per cent of

all gas used in the Community or eight per cent of total energy consumption.

The Commission recommends that additional measures should also be taken to increase the security of supplies. These include further diversifying imports, stepping up domestic production and developing substitute natural gas (SNG) from coal.

President urges two-way trade

A successful partnership between the European Community and India depends on two-way trade. This was the message given by Commission President Gaston Thorn, during his visit to India at the beginning of November.

'Practical and down to earth measures in the field of trade promotion are needed,' he told the Council of Community Chambers of Commerce, meeting in New Delhi on 2 November, adding that the establishment of this new body in India represents a practical attempt to promote trade between the two distant partners.

Increased cooperation in the industrial sector was also emphasised by Mr Thorn during his week-long visit, as was the possibility of extending European Investment Bank loans to projects of common interest. Finally, Mr Thorn stressed the need for closer cooperation among the developing countries, an idea close to Mrs Indira Gandhi's heart.

India is one of the principal beneficiaries of the Community's Generalised System of Preferences and is the major recipient of EEC aid under the non-associated programme having received some 145 million ECUs since 1976.

The Council gets into gear

On the day of the deadline set down by the European Parliament, the Community's Transport Ministers communicated their response to the threat made by the Parliament to take the Council before the Court of Justice for 'failure to act' in the formulation of a Common Transport Policy.

The Parliament adopted a resolution in mid-September threatening the Court action, but gave the Ministers two months in which to respond to its resolu-

tion, before deciding whether to proceed.

Exactly two months later, the Council provided a comprehensive response, detailing exactly what stage had been reached in the examination of a long series of European Commission proposals on which the Parliament complained no action had been taken.

The main thread of the Council's letter to the President of the Parliament, Piet Dankert, was that, in these troubled economic and social times, there is great difficulty in arriving at agreement on any common policy, including transport. The Transport Ministers share the political interest expressed by the Parliament in achieving a common policy for the sector, said the letter, and consider that good progress has been made towards that objective.

Human rights still to the fore

According to a large group of Euro MPs, the 400,000-strong Greek minority in Albania is being prevented from practising its religion, studying in Greek, or travelling to Greece to maintain family ties. They are calling on Albania to respect the Helsinki Conference Acts and re-open the Greek churches, allow religious services in them, permit the Greek language to be taught at all levels of Albanian education, and to open all border crossings with Greece.

In the same vein, MEPs Van Hemeldonck and Viehoff are calling on Czechoslovakia to release four intellectuals who have been sentenced to long terms of imprisonment for their involvement with a non-official cultural journal. The MEPs claim the arrests are an open violation of the Helsinki provisions guaranteeing freedom of expression.

The case of Ida Nudel, a Soviet Jew, has also been raised in the European Parliament. A group of six MEPs claim that, since applying for an exit visa to Israel in May 1971, she has been continuously harassed and repeatedly arrested and tortured by the Soviet authorities.

She was released from exile in Siberia last March, but has since been refused residence permits in Moscow and Riga. This leaves her homeless and unable to apply for an exit visa.

The MEPs are calling on the foreign ministers of the member states to use their good offices to persuade the Soviets to grant Ida Nudel an exit visa as soon as possible.

Family lib

Women's roles and family needs received an enterprising boost from an opinion paper drafted by MEP Jock Vandermeule Croucke for the Parliament's Committee on social affairs and employment.

The paper encourages member states to offer comprehensive information programmes on the need to share domestic responsibilities when women go out to work and to consider schemes allowing couples to choose between maternity and paternity leave when a child is born.

The opinion also urges member states to remove all restrictions on part-time work so that more men and women can choose to work this way and share family duties.

Open university?

Six Euro MPs are calling on the Commission to study Britain's Open University to see whether it offers scope for use in other member states.

They want to know whether the system could provide cultural and vocational education to help working, unemployed, and elderly adults throughout Europe to cope with rapid changes in life-styles and the economy.

Lady scholars

Female applicants last June won 10 of the 31 grants in the Community's scientific and technical training programme, Commissioner Etienne Davignon told the European Parliament.

His statement came in response to a question by MEP Mrs Mechthild Von Alemann, asking what proportion of the Community's scholarships had been awarded to females. Mr Davignon explained that the grants are intended for applicants of both sexes, but in some programmes the percentage awarded to females proved higher than the percentage of female applicants.

More French

The population of metropolitan France now stands at 54,257,000, according to the latest census carried out last March. This is a 3.2 per cent increase over the last census recorded in 1975.

The rise in population was due to a natural increase in the

number of births over deaths and to a net immigration of 181,000 people.

The census showed that 43 per cent of the French population lives in four regions which cover 18 per cent of the countryside: Ile de France, Rhône-Alpes, Provence-Alpes-Côte d'Azur, and Nord-Pas-de-Calais.

'Lost' marbles

The Elgin Marbles are in the news again. Three Greek MEPs have tabled a motion at the European Parliament asking the British government to return the famous monuments and statues to their homeland.

The collection was brought to Britain by the Earl of Elgin and subsequently installed at the British Museum, where it has been displayed ever since.

New housing for the Mezzogiorno

A framework agreement was signed in November to lend 62.8 million ECUs to build 1,600 housing units in the Mezzogiorno to underpin industrial development in the region.

About 63 per cent of the loan will come from resources of the New Community Instrument for Borrowing and Lending (NCI) and the rest from the European Investment Bank's own resources.

The borrower is the Sezione Autonoma di Credito Fondario of the Banca Nazionale del Lavoro. The housing which will be built in Latium, The Marches, Abruzzi, Apulia, Calabria, Sardinia, and Sicily, will mostly be reserved for people working in local industry and services.

Bear facts

Brown Bears are in danger in Europe, particularly in the Pyrenees, where only ten to twenty survive.

Commissioner Karl-Heinz Narjes told the Parliament that the Commission is aware of the bear's critical conservation status and would consider using its funds to support projects to help it survive. MEP Hugo Muntingh wanted to know when the Commission would submit a draft directive on the protection of vertebrates in general and was told that a study is already in progress to determine which species are endangered in the Community and how vulnerable they are.

Start training

Following the Greek President's offer to hold the Olympic Games in Greece—their ancient and original home, MEP Gontikas is proposing that Europe organise its own version of the famous event to unite the 10 nations in 'noble pursuits'.

He suggests the first Community athletic games be held in 1984—to coincide with the second European elections. The place? Greece of course!

Alexandrian duets

A number of joint ventures were initiated last June at the Egypt-EEC Alexandria Forum on Investment and Cooperation, but the overall results of the conference can only be judged in the medium-term, Development Commissioner Edgard Pisani told the European Parliament.

Responding to a written question by Belgian MEP Luc Beyer de Ryke, Mr Pisani said more than 600 Egyptian businessmen and representatives of 233 European firms attended the forum, where the main aim was to promote contacts between private individuals and firms on both sides.

The operation's success depends on the follow-up, Mr Pisani said. The Commission has funds under this project to help promote investment and cooperation, but any measures funded will be chosen after consultations with the Egyptian authorities, he said.

Action on safety

Social Affairs Commissioner Ivor Richard has submitted a second action programme on safety and health at work to the Council. It covers the period 1982/87, and aims to carry on the activities of the first programme, adopted in 1978, which specified 14 areas of work and gave priority to controlling dangerous substances.

Regulations have since been sought relating to substances like lead and asbestos. The first programme also concentrated on exchanging information between member states and reaching a common understanding and approach to safety and health problems at work.

The new programme puts increased emphasis on safety on the shop floor while continuing work on dangerous

substances and other hazards, like harmful exposure to high levels of noise and vibration. It also underlines the need to develop safety-training schemes for young people and migrants.

Emergency aid for refugees

The Commission has decided upon the amounts of aid to be distributed by non-governmental organisations to refugees fleeing from conflicts in Southeast Asia, Afghanistan, Central America, and Southern Africa.

The aid is part of the Community's special programme to help fight hunger in the world.

After meetings in Geneva with the United Nations High Commission for Refugees and the League of Red Cross Societies, the Commission decided in November that the aid should be distributed by non-governmental organisations in the following way: 10 million to refugees in Southeast Asia, 10 million to Afghan refugees in Pakistan, 5 million to refugees in Angola, and 10 million to refugees in Central America.

Birth defects in Seveso

Social Affairs Commissioner Ivor Richard has assured the European Parliament that the Commission is supporting scientific efforts to assess the impact on human health of the leaks at the Seveso chemical plant in 1976.

But, Mr Richard said, it is hard for scientists to carry out comparative studies, because of the serious under-reporting of birth defects which normally occurs. His statement was in reply to a written question by MEP Vera Squarcialupi (Italy), asking how the Commission explained Seveso's higher than average rate of malformations in new-born babies and disorders of the liver and nervous systems.

Are fairs fair?

An unknown number of European children belong to travelling circus and fair families. Three Euro MPs are concerned about how little is known about these children and the work they do, as well as the apparent lack of educational and training facilities for them.

Thanks to the EEC, the present world-wide economic recession is not having the same catastrophic results as in the 1930s, when every country sought refuge in protectionism... Even although the cooperation is not effective enough, there is no alternative to the EEC. It is impossible to imagine Denmark not being in the EEC.'

These are the words of the Social Democrat Anker Jørgensen, who became Prime Minister the day after the EEC referendum in October 1972.

Political and national feelings had hardly ever been stirred up so much as during the referendum on Denmark's joining the EEC. 'The Danish language will disappear,' people said. 'The country will become incorporated into Greater Europe and lose its identity.' 'Danish land will be bought up by foreign capitalists.' 'The country will be swamped by foreign workers.' 'Danes will be forced to work abroad.' These and similar arguments were used by the opponents of the Community. The proponents were not exactly reticent, either. A 'Yes' for the EEC would ensure prosperity, full employment and a future without problems; a 'No' would mean increasing unemployment, huge price increases and diminishing prosperity.

The debate was often acrimonious. It split not only the country but also families and people at work, into two camps. Political alliances fell apart. Politicians, trade unionists, employers, clerics, actors and scientists formed groups to campaign either for or against joining. When the final decision was taken on 2 October 1972, nearly two million Danes (63.3 per cent of the votes cast) voted for entry into the EEC, and about one million (36.7 per cent) voted against.

Today, ten years after the referendum, both sides agree that their prophesies were much exaggerated. Denmark is still an independent country inhabited mostly by Danes; and the promised problem-free future has yet to materialise. In the words of the Foreign Minister, Uffe Ellemann-Jensen: 'The EEC corresponds neither to the rosy outlook described by its proponents, nor to the grim picture painted by its opponents.' In the opinion of the Minister of State, Poul Schlüter, Danish membership of the EEC has not brought any surprises: 'The problems which we have are just what we expected.'

The leader of the far-left Socialistisk Folkeparti (Peoples' Socialist Party), Gert Petersen, who opposes the EEC, admits that the threatened mass migration has not happened. At the same time, he sees old fears as being confirmed: 'We are so restricted by the EEC that we are no longer able to take independent measures against unemployment and the economic recession. We are worse off than comparable nations like Sweden, Finland and Austria, which have remained outside the EEC.'

The four liberal government parties and the Social Democrats point particularly to the advantages which EEC membership has

...and in Denmark, what the politicians say

Of the nine political parties, seven – with some 85 per cent of the MPs – have a positive attitude towards the Community, reports HEINZ ANDRESEN

brought for agriculture, which in fact brings Denmark millions in net profit each year. Industry has also succeeded in winning a share of the EEC market, so that neither Schlüter, Ellemann-Jensen, Erhard Jakoben (Centre Democrats), nor Anker Jørgensen questions Denmark's membership. Any notion of leaving is described as quite unrealistic. Comments Schlüter: 'That would be an economic catastrophe.'

In particular, the European Political Cooperation (EPC), which was not mentioned in the EEC treaty, is looked upon as being positive. To quote Poul Schlüter once more: 'This cooperation is of great value for the whole of western Europe, since it gives us Europeans greater influence, both in terms of economics and of foreign policy.' Erhard Jakoben, leader of the Centre Democrat party and Member of the European Parliament, describes it as 'quite fantastic' that Europe today speaks with one voice on many issues, which just a few years ago would have been unthinkable. He says: 'It is the member countries which have changed, not the EEC.'

However, even the pro-Europeans are not completely satisfied. Uffe Ellemann finds it 'lamentable' that EEC policy is still preoccu-

pled with agriculture, while little is done in other areas.

Poul Schlüter sees the poor employment situation as being the main problem for the EEC, and pleads for a comprehensive programme aimed at encouraging investment by private industry. He thinks it would be detrimental for the member countries to extend the public sector or give priority to artificially-created employment, as such measures would lead to higher taxes and increase the problems of private industry. He would also like to see a pragmatic development of cooperation among the Ten. 'Changing the political structure of the EEC would not solve anything, and for that reason I am sceptical about any possible abandonment of the veto right and the introduction of majority decisions in the Council of Ministers,' he says.

Anker Jørgensen is also against doing away with the right of veto. He says: 'Theoretically, minority decisions bring quicker results, but it doesn't work in practice, since the smaller member countries would be forced to accept such decisions, while the bigger ones would never do so. We naturally reject a system in which the big countries have a kind of veto right and the small ones have none.'

Of the nine parties at present represented in the Folketing (Parliament), seven of them, with some 85 per cent of the Members of Parliament, have a mainly positive attitude towards the EEC. The attitude of a large part of the population towards the EEC is significantly more negative. In the first direct elections to the European Parliament in 1979, the so-called 'Peoples' Campaign Against the EEC' took 21 per cent of the vote and won 15 of the Danish seats. The Peoples' Socialist Party are also opposed to the EEC. The Social Democrats, in particular, lost votes to the 'Peoples' Campaign'.

Anker Jørgensen does not believe the question of the EEC can lead to renewed friction in his party, since, as he puts it, the former opponents of the EEC among the Social Democrats are now more or less of the opinion that it's worth while staying in. Gert Petersen does not think that it would be impossible for Denmark to leave the EEC, but admits that, for this to happen, there would have to be a change of policy among the Social Democrats. He comments optimistically: 'We have seen the Social Democrats change their policies before, and it can happen again if the economic recession gets worse.'

Erhard Jakoben is not surprised at the Danish people's somewhat cool attitude towards the EEC. As he puts it: 'How can people understand the problems of Brussels, when it is difficult enough to follow what happens in the Danish Parliament?'

The general difficulties of the 1970s have spilled over into the popular attitudes towards the European Community in all three of the countries which joined ten years ago. Danish and Irish farmers expected, and in the early years got, substantial benefits from membership. But today the Community is even more unpopular in Denmark than it is in the UK – the fishing dispute has hardly helped – and while Irish opinion is somewhat more favourable it is less enthusiastic than in any of the original Six. ●

– Emile Noel, secretary-general of the European Commission, in the Financial Times, 5 January 1983.

Keeping to the left

From 1 January 1983, people coming from another European Community country to the UK to live have been eligible to exchange their foreign licence for a British one within a year. British driving licence holders who decide to live in another Community country will have similar rights.

Regulations have been approved by Parliament which will allow the exchanges to take effect. Applications for exchange can be made on the usual licence application form obtainable from Post Offices.

Community licence holders who also require heavy goods or public service vehicle licences will receive application forms from their local Traffic Area Office. In addition to holding an appropriate Community licence covering these vehicles, such applicants must also provide proof of recent driving experience as laid down in the Regulations.

Minimum periods of driving experience for vocational licence applicants are either six months in the 18 months preceding the date of becoming resident, or one year in the previous three years.

Lighting-up time for peat?

Coal is not the only solid fuel with a glowing future in the European Community's energy strategy. A recent report adopted by the European Commission shows that lignite and peat are also economically viable sources of energy.

The share of lignite and peat in the Community's internal energy production and consumption will be smaller than the part played by coal. In 1981, lignite represented 6.4 per cent of total production of primary energy in the Community; while peat represented only 0.2 per cent. But Community resources are

potentially important and could be exploited for some time to come in several member states.

The largest lignite reserves are in the Federal Republic of Germany. Estimates show that some 35 billion tonnes of lignite are exploitable from an economic point of view. Greek reserves are estimated at 2.7 billion tonnes, followed by reserves in Italy, France, the Netherlands and Denmark.

Every Community member state, with the exception of Belgium and Luxembourg, has some sort of peat reserves. The most peat is found in the United Kingdom and Ireland; 1,580,000 hectares and 1,200,000 hectares respectively. These are followed by Greece, the Federal Republic of Germany, Denmark, Italy, France and the Netherlands.

The European Commission is playing an active role in promoting lignite investment. In 1981 it lent 30.7 million pounds for the exploitation of new reserves in the Meyreuil mining region of France, and for the construction of a new electricity plant. In 1982, about £68.5 million went to finance the exploitation of lignite mines in Greece.

Community financial assistance has been used for the exploitation of peat in Ireland. Loans amounting to about £18.6 million were granted during the period 1976 to 1980, for the financing of investments in peat production and the construction of peat-fired power stations.

The extraction of both lignite and peat provides a large number of jobs, particularly in Ireland and Greece.

A health warning for fruit and veg

Are you worried that your candlelit dinner will be ruined by a fluorescent glow given off by the strawberries? Or that future children may sprout additional limbs because of radioactive onions?

Fear not. At the request of a Member of the European Parliament, the European Commission has been looking into the practice of giving food a shot of radiation before it arrives in the shops, in order to stop the bacteria getting to it before you do.

Apparently, safety measures to protect both workers using the dangerous cobalt 40 and caesium 137 irradiators and the general consuming public, are in force throughout the European Community under a Euratom Directive. But

Commission officials agree with German Socialist MEP Gerhard Schmid, that food products treated with radiation should be labelled to tell the consumer exactly what he is eating.

Radiation treatment of food is currently biggest in Belgium, where it is allowed for strawberries, onions, garlic, shallots, paprika, peppers and potatoes. In the Netherlands it is used for potatoes, onions, mushrooms and poultrymeat; in France for onions, garlic and shallots and in Italy for potatoes, onions and garlic. In Germany, Britain and Denmark it is banned in principle, but irradiation equipment does exist.

The Baltic States are part of Europe

'Cold and calculated slow genocide' is how the Political Committee of the European Parliament has described the actions of the Soviet Union in the Baltic states of Estonia, Latvia and Lithuania since 1940, when the Soviet occupation began under the Molotov-Ribbentrop pact, signed by Stalin and Hitler.

'In an era of world-wide decolonisation, the USSR is the last major colonial power on earth,' states the report, prepared by German Christian Democrat MEP Otto Habsburg. The Soviet Union has for the past 42 years 'deprived these three populations of their national identity and exploited their natural resources', which include bituminous tars and phosphorite, two important raw materials.

'There is a general sentiment of despair among the population,' states the report. It recalls the declaration made in April 1979, and signed by 45 Estonians, Latvians and Lithuanians, asking the United Nations to recognise the rights of the Baltic States to self-determination and independence and urging a referendum on this issue.

The report says that 'a cold and calculated slow genocide' by the USSR is in flagrant contradiction with the principles of the final act of the Helsinki Declaration on Security and Cooperation in Europe, guaranteeing the rights of peoples to self-determination, and with the United Nations charter. The Baltic States are part of Europe, the report continues, and Europe therefore

cannot remain indifferent to the fate of fellow Europeans.

The Political Committee of the Parliament therefore wants the Foreign Ministers of the European Community, when discussing political cooperation, to adopt a joint position on the issue. It also proposes that 'the problem of the Baltic States' be submitted to the Special Decolonisation Committee of the United Nations. How could the Soviet Union oppose such a procedure since it has introduced similar requests itself on other occasions? The principle of decolonisation is indivisible. 'What is right for Africa is also right for Europe,' concludes the report.

What's the masculine of 'midwife'?

Equal rights for men and women is something that no politician can afford to ignore these days, particularly in the discrimination-conscious confines of the European Community. Now, British MEP Roland Boyes is doing his bit for the cause, by striking a blow for male rights.

He says that men who want to become midwives in the United Kingdom are effectively discriminated against because there are only two hospitals in Britain that are prepared to train them.

Training in midwifery is now the same throughout Europe and in 1983 midwives will be allowed to work in any Community country.

European Commission officials have told Mr Boyes that the European Court of Justice is looking into the legal ramifications of the case and will report its conclusions... hopefully before the 1984 European elections.

Are you banking on a loan?

The European Investment Bank has launched a 136 million pounds bid to help hard-pressed small and medium-sized enterprises in France and Italy. The funds, the bulk of which will go to Italy, come from Europe's New Community Instrument for long-term loan finance, and will be

made available to firms through local banks and financial intermediaries.

Small and medium-sized firms employing less than 500 people currently account for about 95 per cent of all registered companies in the European Community and they have been particularly hard hit by the recession and high interest rates. Bankruptcies have been increasing at nearly unprecedented rate. In the Netherlands last year they rose by 42 per cent on 1980. In the Federal Republic of Germany, traditionally Europe's strongest industrial economy, they increased by 27.4 per cent; in the United Kingdom by 26.4 per cent; in France by 20.3 per cent; and in Belgium by 15.8 per cent. Even worse figures have been recorded for the first half of this year and a post-war record is expected.

The new European Investment Bank loans - £116 million to Italy and £21 million to France - are part of a concerted response by the European Community's financial institutions to stem the tide. Last year the Bank made 860 loans, worth £158 million to small and medium-sized enterprises, from its own resources. Compared to the previous year, this represented a sevenfold increase in the number of loans and a fivefold increase in the amount of cash granted.

In coming years the Bank is expected to channel more and more loans like the French and Italian ones from New Community Instrument funds into the sector. Under the system, which has operated since 1979, the money is raised by the European Commission.

The fight for human rights

Since the signing of the Final Act of the Helsinki Conference on security and cooperation, human rights issues have been paradoxically less and less talked about in Europe. The European Parliament is very worried about

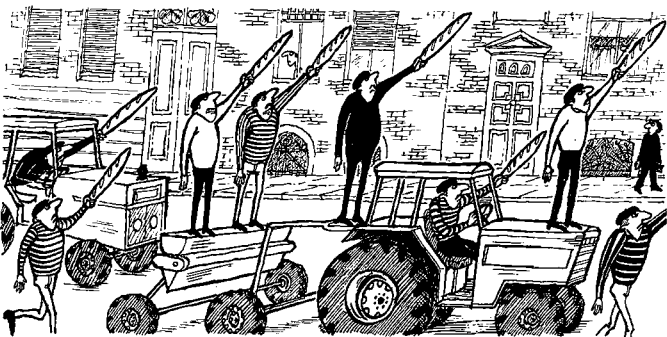
what it sees as the increase in human rights violations in Europe. Three proposals on the subject have been tabled, in November, by three groups of MEPs.

The first one, tabled by two socialist MEPs, Marijke Van Hemeldonck and Phili Vichoff, condemns the recent prison sentences imposed on Czech intellectuals and signatories of 'Charter 77'. It says it is particularly concerned with the arrest of Ivan Jirous, a former artistic and cultural director, accused of editing a non-official paper, and recently condemned to a long prison sentence. The arrests and subsequent sentences contradict the Helsinki Final Act, which guarantees freedom of expression, says the motion.

The second proposal expresses concern over the situation of the 400,000 members of the Greek minority living in Albania, who are currently deprived by the Albanian government of freedom of religious expression. The Albanian authorities have also forbidden the Greek language to be taught in schools and universities. The parliamentary motion calls on the Albanian government to restore freedom of religion by permitting churches to be reopened and services held again.

The other government to be condemned by the European Parliament is Ankara. According to another parliamentary proposal it is obstructing an inquiry, requested by the United Nations, into the fate of persons missing since the Turkish invasion of Cyprus in June 1974. There are strong indications that people reported missing are still being held either by the Turkish authorities or by the Turkish forces occupying Cyprus, says the motion, proposed by Greek communist MEP Leonidas Kyrkos.

'Producers maintain permanent lobbies in Brussels to protect their interests' - an illustration from a lively booklet, 'Making Our Voices Heard', published by Consumers in the European Community Group. Write to them at 24 Tufton Street, London SW1P 3RB, for a free copy.



QUESTIONS IN THE HOUSE

Brian Key, United Kingdom:

Now that the Commission has ratified, on behalf of the Community, the Convention on the conservation of European wildlife and natural habitats, how does it propose to ensure that member states comply with the provisions of the Convention, and to collate information for exceptions made to the Convention under Article 9?

Answer by Karl-Heinz Narjes on behalf of the Commission:

In accordance with Article 155 of the EEC Treaty, the Commission will ensure the Community complies with the provisions of the Convention within the limits of the powers vested in it by common rules already in force and by those which come into force as the result of measures adopted by the Council in the future.

The Commission will cooperate closely with the member states to make this Convention work as well as possible, in particular, by collating on behalf of the Community the information referred to in Article 9 and by preparing the report on exceptions, particularly on the basis of the information it receives in accordance with Council Directive 79/409/EEC of 2 April 1979, which is to do with the conservation of wild birds.

Vincent Ansquer, France:

Does the Commission intend to provide financial incentives for certain types of investment in the field of the rational use of energy?

Answer by Etienne Davignon on behalf of the Commission:

The Commission has adopted a draft Regulation authorising the granting, under the budget of the European Communities, of specific aid for certain categories of investment in the rational use of energy. The categories in question are as follows:

Investment in heat generation for district-heating systems using industrial waste heat, solid fuels and waste material; investment in the conversion of industrial fuel-oil-fired plant to coal, using innovative high-yield technology.

Investment in facilities for the handling, storage and preparation of coal intended for users other than power stations and coking plants; investment in the generation of energy from urban, agricultural and industrial waste and from agricultural by-products.

Andrew Pearce, United Kingdom:

In the allocation of EEC authorisations for road haulage operators, does the Commission take properly into account that British users are at a disadvantage in the use of their authorisations because of the time taken on sea crossings; and if not, will it undertake to give British road hauliers in future a large share of the permits available, in order to take account of this factor?

Answer by Mr Giorgio Contogeorgis on behalf of the Commission:

In its proposal on calculating and allocating the additional community quota for 1982, the Commission proposed a new method of allocating authorisations. Under this system the additional permits would have been distributed in accordance with the following criteria: first, each member state's share of the trade; and second, the licence used by transporters in each member state, the use figures being modified to take account of the distance of each of these member states from the centre of the Community - this being expressed in terms of travelling time (the Frankfurt region was the point of reference).

For sea crossings included in the total journey made, the corresponding loss of time was taken into account.

This new method of allocation was not adopted by the Council, which chose to distribute the additional quota based 50/50 on the way it is currently distributed and on licence use. Two countries (Greece and Ireland) benefited from a supplementary increase in their quotas in order to compensate for their peripheral situations.

The recent proposal of the Commission for the 1983 quota again takes account of the disadvantages experienced by certain countries because of their peripheral position.

J. M. Taylor, United Kingdom:

Would the Commission please indicate in how many member states corporal punishment is administered in schools, the form it takes, and whether it is administered by a member of staff of the school or an independent disciplinary agency?

Answer by Mr Ivor Richard on behalf of the Commission:

The Honourable Member's question does not come within the Commission's jurisdiction.

1983 is to be 'the year of the small company'

Small and medium-sized enterprises (SMEs) defy strict definition. Individual member states use various criteria, including turnover, accumulated capital or fixed assets to classify undertakings. But, owing to the diversity of the Ten's economies, size of workforce is seen as the most realistic measuring rod for the Community as a whole.

All firms with up to 500 employees are therefore loosely categorised as SMEs. Although no recent completely acceptable figures exist, it is safe to say that more than 95 per cent of all companies in the EEC fall under this heading (almost 100 per cent in Denmark and Greece, 98 per cent in the Federal Republic of Germany). SMEs are therefore the backbone of the economic and commercial structure of the Community.

The recession has taken its toll of large companies. But it is SMEs which are apparently finding it most difficult to weather the storm. Not since World War II has Europe seen such a spate of company closure. In the Federal Republic of Germany, traditionally the Community's industrial stronghold, 27.4 per cent more companies collapsed in 1981 than in 1980. In the UK, France and Belgium there were increases of 26.4 per cent, 20.3 per cent and 15.8 per cent respectively. In the Netherlands, company failures were up a massive 42 per cent.

The first half of 1982 saw an acceleration of the trend. West Germany was hardest hit - 50 per cent more companies folded there in the six months to the end of June than during the same period in 1981.

The more mercenary may view this weeding out as a sort of natural selection process which will ultimately result in more competitive industries. On the other hand, the financial chaos and widespread unemployment which has resulted from the recession may seriously undermine the ability of the survi-

More than ever is being done to lend a hand to small and medium-sized businesses - the backbone of Europe's economic structure, reports GERALD BOURKE

vors to bounce back. Nevertheless, the dismal statistics underline the need for greater efforts to help small companies stay afloat.

Following a proposal by the European Parliament to proclaim 1983 'the year of small and medium-sized companies and the craft trades,' the Commission is stepping up its own programme in favour of SMEs. 1983 has kicked off with an important conference in Brussels - January 20 and 21 - highlighting the problems facing small companies and discussing ways and means to overcome them.

The conference is to be followed by a series of seminars throughout the year, which will deal with specific areas of policy. These include various aspects of financing, innovation technology, and the elimination of trade barriers in both the Community and export markets. The Commission hopes that clarification at a European level will underline the crucial importance of SMEs, and will encourage individual member states to improve the domestic conditions in which small companies operate. The existing programme is a broad one, touching upon all the sensitive aspects.

Obtaining adequate financial backing is the biggest single problem for companies in these days of high interest rates and credit squeezes. A top priority of EEC policy is to improve small firms' access to capital markets. Indeed, when most banks are becoming increasingly reluctant to take risks by funding investment,

the EEC's lending institutions are actually making more and more money available.

The EIB's loans are also much 'softer' than those of other banks. Under its global loans scheme, low interest credit is made available to SMEs through financial intermediaries in the member states. These loans can be anything from 25,000 ECU to 4 million, and can be given for up to half the cost of the fixed investment. To qualify for an EIB loan, individual firms employ no more than 500 workers; have less than 75 million ECU in fixed assets; and have no more than one-third of their capital owned by a larger company.

In 1981, 860 loans, totalling 288.3 million ECU, were granted by the EIB to small and medium-sized companies in the Community. By comparison with 1980, this represented a sevenfold increase in the number of loans and a fivefold rise in the amount of cash granted.

Three years ago a new lending arm was added to the EIB - the so-called New Community Instrument, which funds SME investment in addition to providing money for infrastructural and energy-saving projects throughout the Community. So far two 'tranches' of one billion ECU have been raised on

'Top priority is to improve small firms' access to capital markets'

the world's capital markets, and a further 3 billion ECU is expected to be distributed under NCI III.

Small businesses also benefit from a considerable amount of support from the European Regional Development Fund. That 3,861 of the 4,102 industrial projects which received assistance between 1975 and 1982 concerned investments of less than 10 million ECU, is an indication of the extent to which small and medium-sized companies receive preferential treatment from this source.

Restructuring and improvement loans are also available on favourable terms from the European Coal and Steel Community (although the severe problems of these two sectors has reduced the number of loan applications) and also from the Agricultural Funds (EAGGF and FEOGA). The number of grants for research into energy-saving and the exploitation of alternative energy sources is increasing at a rapid rate. Studies have consistently shown that SMEs are more innovative than larger companies and the Commission bears this in mind when financing the risks associated with innovation.

It is often the case that managers of small firms are inadequately trained. A report earlier this year by the European Parliament's Economic and Monetary Affairs committee maintains 'that the day-to-day running of SMEs presupposes a level of skills and qualifications which not all of them have attained'. When the Commission outlined its priorities

'The dismal statistics underline the need for greater efforts to help small companies stay afloat...'



for the administration of the European Social Fund (which co-finances training and re-training schemes in the Community) over the next two years, the improvement of management techniques within SMEs was near the top of the list. Since small companies create more new jobs than large companies, this has a significant bearing on Social Fund allocations.

Small businesses constantly complain that they are obliged to function in an oppressive tax environment. Fiscal policy is largely the preserve of national governments, and the Commission powers of influence in this area are strictly limited. It has been trying for a number of years to bring some degree of harmonisation to member states regimes but its attempts have been strongly resisted by the Council of Ministers.

VAT receipts do, however, constitute a large proportion of the EEC's income and it is this form of taxation over which Brussels has most control. The most frequent criticism made by small companies is not the financial burden imposed by the tax but rather the complexity of the paperwork involved. There is, however, no standard Community VAT scheme for small firms and those operated by member states are very diverse.

In an effort to counteract this, the Commission is planning a single scheme for all small firms in the Community. Among other things, it wants to set a uniform ceiling below which businesses will be exempt from paying VAT. It is also formulating a simplified system which would base VAT accounting on payments and receipts as practical cash flow concepts, and therefore go a long way towards ironing out existing complications. Some member states already operate a system of deferred payments for VAT on imports. The Commission is now planning to extend this to all member states, and thereby remove one of the main obstacles to intra-community trade.

Barriers to trade can take many forms. A number of measures to speed up traffic are currently in the deliberative pipeline, including regulations to cut down on cross-frontier inspection of goods and to simplify customs formalities.

The Commission has always sought to create an environment in which SMEs can compete with large companies. While large-scale mergers are strictly controlled, SMEs are freely allowed to enter into market-sharing agreements as they are unlikely to cause disruptions. The Council has also approved a regulation enabling small producers to establish effective sales networks in other member states. A patent licencing law which is now being prepared will give SMEs access to new technologies and enable them to exploit their own inventions.

Much is being done in Brussels to create an environment in which small companies can thrive. But national governments are often in a better position to improve their lot. Perhaps the year of the craft trades and small and medium-sized companies will act as the catalyst. ☐



A Spanish master comes to town

Since last autumn, the Prado Museum has been packed with visitors to the highly successful Murillo exhibition, drawn from famous collections throughout the world. The 77 paintings and 25 drawings have now arrived at the Royal Academy, London, where they will be on show until 27 March.

Of the great Spanish masters, Murillo has been comparatively underestimated in recent times. But he achieved enormous fame and acclaim in his own lifetime. By the middle of the 18th century his paintings were so popular throughout Europe that an edict was passed to prevent their wholesale export from Spain. In 1852 *the Immaculate Conception of Los Venerables* was bought by the Louvre for 615,300 gold francs – the highest figure ever paid for a single painting at that date. Examples of his work were owned by the King of France, Queen Catherine of Russia and many English collectors, including Horace Walpole.

He was born in Seville in 1617 and, unlike his fellow townsman, Velázquez, the quintessential court painter, he hardly ever left his native town. Although it was a time of economic recession, merchants, both local and foreign, still amassed great fortunes trading through the port of Seville with the New World and the rest of Europe. These merchants, together with the aristocracy, were Murillo's main patrons, along with the Church.

While these assured Murillo's success in his own country, it was through his genre works that his fame spread abroad. An early example



Top: Murillo's 'Prodigal Son Feasting' (Bett collection). Above: 'The Flower Girl' (Dulwich Gallery).

is *The Street Urchin* from the Louvre, an sentimental picture of a ragged boy in which dramatic use is made of chiaroscuro. Later he refined his images of childhood into a more idyllic vision, as in *Two Boys Eating a Pie* from Munich, and *The Flower Girl*, in the Dulwich Gallery. All these are on loan to the present exhibition. They greatly appealed to 18th century English taste, and had a profound impact on Reynolds' and Gainsborough's 'fancy pictures'.

Murillo was also a painter of portraits and landscapes, and a superb draughtsman. Examples from each of these genres, for which he is less well known, are also included in the exhibition. ☐

Brushing up the entente cordiale

I love all things French – except the French,' one Englishman told me recently. It is a common attitude, alas.

The British go eagerly on holiday to France to savour her food, scenery, architecture, and just as eagerly they buy French cars, wines, perfumes. But – apart from a hard core of dedicated francophiles – they often find it hard to get on easy personal terms with a people they feel to be prickly, arrogant, chauvinistic.

Why is it that these two historic rivals remain locked in so many mutual misunderstandings and prejudices, and even enjoy the cherishing of their outworn clichés about each other?

Moreover, have these past ten years of Britain's EEC membership done anything to improve this climate and to bring the two nations to know each other better? At first sight, the answer to this last question might seem No, judging by the reports of mutton and turkey 'wars' and other such disputes. And yet, look more closely and the record appears far less negative.

In my view, the French and British are moving closer through a kind of osmosis, almost despite themselves. Of course there is bickering, partly because there is more to bicker about now that we are so closely linked within the EEC; but the quarrels have the air of family tiffs rather than real enmity. Slowly, some of the old clichés and prejudices are being broken down, as more people make real contact through the vast increase in exchanges of all kinds, cultural, social and commercial. For ignorance is the enemy: whenever the French and British do take the trouble to get to know each other personally, they usually end up friends.

Here is a brief survey of the growth in exchanges over the past ten years. First, tourism. The annual total of French visitors to Britain rose steadily from 763,000 in 1972 to a peak of 1,603,000 in 1980; then in 1981 it dropped back to 1,413,000, due largely to the fall of the franc against the pound sterling. The number of British tourists to France (excluding day trippers) has risen from 2,000,000 in 1972 to 3,577,000 in 1981. One recent factor may be the rise in the pound, but another is that the air package-tour to, say, Spain, has been losing some of its appeal in favour of the individual touring holiday by car, and for this France is the obvious venue.

There has also been an astonishing boom in cheap day trips to French ports. At Calais, the annual figure has risen since 1971 from 396,000 to 1,700,000. Now, it may well be asked whether a day's shopping-and-boozing spree really does much to improve the tripper's knowledge of France; indeed whether the sight of drunken British louts in the streets and cafés of, say, Boulogne, helps to raise the image of Britain in French eyes. Maybe not.



JOHN ARDAGH, an authority on France and the French, detects signs that relations, at least on a person-to-person level, are looking up

On the other hand, there seems little doubt that real holiday-making brings real dividends.

Britons who spend a fortnight or so in some rural area generally come home with a warmth of feeling for the French they have met, especially if they take one of those down-on-the-farm holidays in a *gîte rural*, now increasingly popular. And the same applies to the French who go bed-and-breakfasting in Britain.

The same argument holds good for town-twinning, which should not be scoffed at as mere freebees for mayors and councillors, for usually they embrace a wide range of exchanges between local sports clubs, school groups, choirs, even firemen and beekeepers. The number of town-twinning has risen since 1972 from 156 to 480, and it is rising still, despite recession.

They have not been harmed by the Franco-British commercial squabbles. A Devon twin-towner told me; 'The politicians and professionals may get hot under the collar about mutton and turkey embargoes. But when *we* meet up with our Normandy twin-friends, we either treat these topics as a joke or just ignore them.'

However, there are one or two small clouds over town-twinning today. They are seriously under-funded especially on the British side (rare is the council that will accept to give any

subsidy from the rates). And party politics sometimes get dragged in, especially as so many French communes have Communist mayors. I was told how one PCF mayor used his visit to his English twin-town to urge his hosts to lobby the British Government for the release of IRA prisoners. This did not go down too well.

Youth and educational exchanges, like town-twinning, have developed greatly in the past ten years. Very recently, however, budget cuts have begun to take their toll. A number of British local education authorities have this year suppressed all annual posts of French 'assistants' in schools, as a staff economy – a regrettable step that will weaken an important link in the chain of human contacts.

As for consumer trends, the vogue in France for buying certain British goods, and vice versa, has been gaining strength and seems unaffected by political frictions or xenophobic Press articles. During the 1980 'lamb war', some leading Britons including John Nott and Lord Buceleigh proposed a boycott of French imports. The result? Sales of French wines and cars in Britain did better than ever.

Similarly, the range of British goods that the French regard as 'chic' has been widening beyond the traditional luxury market for whiskies, tweeds and cashmere, to embrace *recherché* blends of English tea, and even Christmas puddings. 'Les After-Eight' are all the rage. And Marks and Spencer's store in central Paris sells 15,000 crumpets a week to the French. Some try to eat them raw.

I only wish I could report the same zest in the two nations' appetites for each others' current cultural output – painting, theatre, novels, etc. But it is in the arts that rapprochement has been weakest in the past decade.

Whereas French and British businessmen, industrialists and scientists today have close links and easily find common ground, by contrast the cultural pundits seem to inhabit two different worlds. And the impact notably of French contemporary culture in Britain is far weaker than 20 or 30 years ago.

Is this because both countries are in the creative doldrums, and so have little to offer? or because both are in a parochial phase and thus are less alert to what the other has to offer?—or a mixture of the two? At all events, few French painters of the past twenty years are at all known in Britain. Few new French plays nowadays cross the Channel, for there are hardly any playwrights left in a French theatre dominated by the director-as-superstar. And even the French cinema has gone into decline since the heyday of the *nouvelle vague*.

Above all, what has happened to the French novel since the days of Gide and Camus? Very few contemporary French novelists are known or read in Britain—Michel Tournier is one of the rare exceptions—and far fewer are translated than a generation ago. It may be that part of the blame lies with the insularity of British publishers, most of whom are far more geared to the American scene than to the Continent (and translations are costly). But it is true also that the French novel is in an arid phase, still suffering from the blighting influence of the *nouveau roman* and of structuralism.

Most French novels today are either mediocre historical works or else abstruse poetic/stylistic experiments, and neither are likely to have much appeal in Britain. Faber & Faber last summer made a serious effort to find some good new French novels, sending an editor to Paris who collected and read some 50 books; but not one was judged worth translating. Other firms have had similar experiences.

This is not to say there is no good new French writing: but it has moved away from the novel into sociology, history and philosophy, and here some books *do* make an impact in Britain: witness the success here of Le Roy Ladurie's *Montaillou*. And at least modern British novels have some success in France, where Fowles, Murdoch, Durrell and others are widely read and admired. Yet it is clear that far greater efforts need to be made to bridge the cultural gulf of mutual indifference and insularity.

In all exchanges, human and commercial as well as cultural, language remains the greatest barrier. Here the French at least have made spectacular progress in the past decade. Though still rightly proud of their own language, and often vexed at its global loss of ground to English, they nonetheless seem now to have accepted that they have little option but to buckle to and learn the world's dominant language, as everyone else is doing. Foreign language classes are now compulsory in all universities and at most school levels, and 83 per cent of pupils make English their first choice. And my own impression is that

'Whenever the French and British take the trouble to get to know one another, they usually end up friends'


perhaps three times as many French people speak fluent English as ten years ago.

In Britain, alas, this is not the picture. The numbers taking French for 'O' or 'A' levels, or for degree courses, have remained roughly static since 1972, whereas one might have hoped that our EEC entry would have provided a boost. But the steady growth of English as the world's lingua franca (which in some other respects may be valuable) does give us British even less incentive to learn other languages, thus providing an alibi for our innate linguistic, and intellectual, laziness. Hence more and more Franco-British exchanges take place in English. The result is that the French are thereby broadening their cultural horizons more than the British are.

Geography, too, is a barrier. Those twenty miles of water separating us from Europe have often in our history proved a vital protection against invasion; but today they are a practical and psychological handicap. It is ironical that most of the post-war initiative and enthusiasm for a Channel Tunnel has come not from the British, who might benefit most from it, but

from the French—and today British are again dragging their feet. Will the Chunnel ever get built? If it does, then a fast and relatively cheap Paris-to-London train link, on the model of the Paris/Lyon high-speed train, could bring a whole new dimension to tourism and other exchanges and—maybe help us to feel Europeans at last.

Even so, the Franco-British marriage will probably always remain an uneasy one—our temperaments are so different. No doubt most Britons will always feel more at ease not only with others of an Anglo-Saxon culture but with people such as Scandinavians or Dutch, who are relatively ready to meet us on our own terms. By contrast, those competitive and sophisticated French present the kind of assertive challenge that tends to make Britons feel awkward, disturbing their complacent assumptions of superiority.

Yet the more we travel and meet, the more the old clichés and prejudices will wane, as has already been happening. And I find that exchanges are often more successful at grass-roots level than between blasé 'top people' such as mediocrats. Once, when Crowborough, in Sussex, was hosting a sports meeting with its twin-town, Montargis, at the party afterwards the young leader of the French visiting team made a touching speech in not-quite-perfect English: 'Europe will not be created by the politicians in Brussels haggling over the price of butter, but by the people getting together, dancing, drinking, sinking...'
(sic). And so, till nearly dawn, we danced, drank and finally sank. 

Yes, Minister...

The French have unofficially decreed that any civil servant who wants to get to the top must spend a period of employment in one of the European Community institutions. If a Whitehall civil servant spends longer than five years working in the Community he or she is then struck off established service in Whitehall altogether. But in France, their jobs back at home are preserved including promotion prospects.

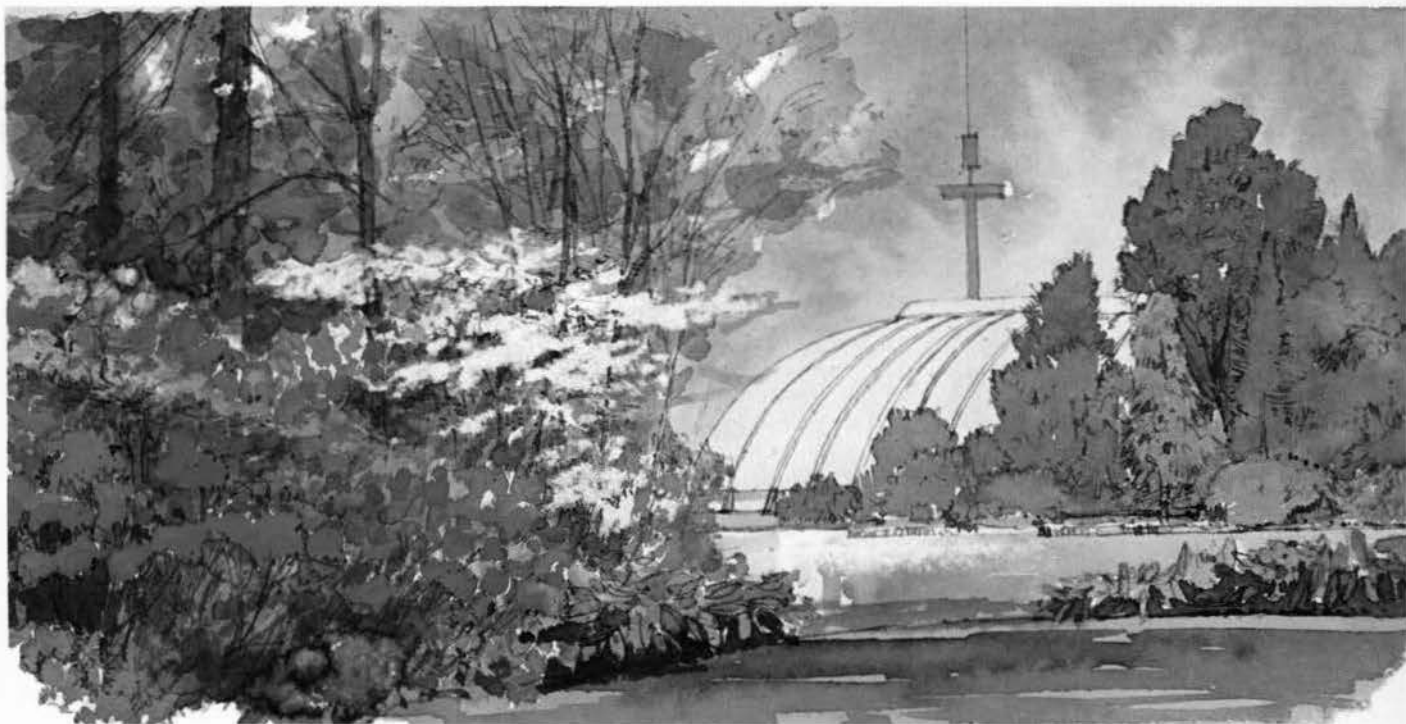
This points to a fundamental difference in outlook between the French and British administrations. The French see working in the Community as being essentially in the best interests of France.

It works at the political level too. Mitterrand himself was elected to the European parliament in 1979. As the French President he has no fewer than seven former MEPs among his key ministers. What chance has an MEP got of getting into Number 10 at the moment?

The answer is no chance at all. The Government is, of course, wholly committed to Britain's membership of the Community but industry and the public have yet to grasp the importance of that commitment and give it their full support. There are so many tangible benefits that Community membership will undoubtedly bring if they would commit themselves, not only to membership, but to knowing more about it and, above all, actually participating more in the Community's development.

The insular attitude to Community membership is probably the result of groundless fears. Again, look at the French—who are certainly no less French for being in the Community. Indeed, one could say that they have put the French imprint firmly on to the Community!

—Tom Normanton MP, who is also MEP for East Cheshire, in an interview with British Business.



Blooming Merseyside—the prospect for 1984

A massive clean-up on Liverpool's dockside paves the way for an international garden festival next year — on a site that hasn't seen a flower in a long time...
JACK WATERMAN
 reports

At 11.33 am on a squally, blustery day last November, on a temporary car park by the banks of the Mersey in a scene of gigantic earth-shifting and construction, a Belgian national flag was bent to a halyard, and raised to a masthead.

It took its place beside a Union flag and the azure symbol of the Bureau International des Expositions, already streaming in the wind from the estuary over new man-made mountains of soil and clay. A Belgian delegation looked on as Count de Kerchove de Denterghem, President of the Société Royale d'Agriculture et de Botanique, raised the flag.

They came from the Belgian Embassy in London, the Office Nationale des Debouches Agricoles et Horticoles, and from the Belgian architectural landscaping industry. They listened, as did a sizeable turnout of press and TV reporters and photographers, as Lord Aberconway competed with the howling wind and the sound of caterpillar earth-movers in making a speech of welcome.

Thus Belgium became the first country to accept formally the British Government's invitation to take part in the biggest event of its kind ever staged in Britain: the International Garden Festival, which will last from April to October 1984. The significance of the ceremony, as the Liverpool Daily Post reported next day, was that 'A small corner of Merseyside has been annexed to Belgium — until the end of 1984, that is.'

The hope now is that, where Belgium is flying its orange, black and red striped flag, others will follow. Discussions are going on with 30 countries which have expressed an interest — not only from Europe, but (among others) from, China, Hong Kong, and the United States. The aim is that a minimum of 20 countries will be presented, as Count de Kerchove was, with a certificate of site allo-

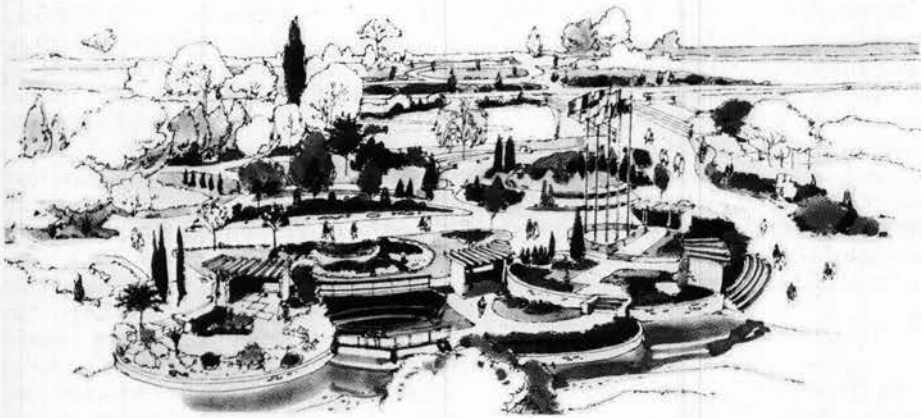
cation, endorsing their 'territorial rights' on Merseyside, and enabling them to show their own particular kind of national garden.

The scale of this international participation matches the concept of the Garden Festival itself: an idea, for these depressed economic times, of outstanding boldness, and with a time-scale that is a definition of vaulting ambition. Organised and promoted by the Merseyside Development Corporation, with the initial impetus having come from the UK Government Environment Minister, Mr Heseltine, the result promises to be a near-miracle.

Little more than a year ago, the site (approximately six kilometres south-east of Liverpool's centre, on a stretch of coast just beyond the docks where the Garston Channel threads past the Devil's Bank) was 101 hectares of dereliction; disused tank farms, tipped rubbish, a decrepit wharf, and burnt-out car wreckage from the Toxteth riots of 1981. That dispiriting spectacle has already been erased — bulldozed, and vanished from the map as if it had never been.

In twelve months, 3.2 million tonnes of material have been shifted on and around the site, hills created and landscaped, and a start made on the planting of a quarter of a million trees and shrubs. Already, just behind where the Belgian flag flies, are rank upon rank of new trees, heeled into the ground prior to removal to where they are to be planted. They begin with a line of *Acer Campestre* and proceed alphabetically through *Acer Pseudoplatanus* and *Betula Pendula* to the far distance — presumably to shrubs with names beginning with Z.

By the time another year is out, a further transformation is scheduled to take place. In this instance the change is of the order of magic that normally only a stage extravaganza



might provide. There will arise a landscape of dells, mill ponds, lakes, cascades and a long riverside walk; rose gardens, Victorian gardens, bee gardens, and butterfly gardens; glasshouses of tropical displays and (being Merseyside) a Beatles Maze. There will be a viewing tower, a great festival hall, and hot air balloons tethered above; a pub, restaurant and local railway. And of the International Theme Gardens, Mr Rodney Beaumont, the Festival design co-ordinator, has this to say:

'Within the whole event we are providing five and a half months of special attractions – and within the international theme gardens we shall have special days set aside for each country.

'The Belgians, as prize-winning flower-growers, were the first to accept'

'A landscape of dells, with ponds, lakes, cascades...' That is the prospect for Merseyside in 1984, when the derelict site shown above will burst into life and colour. Opposite: an artist's view of part of the finished gardens.

'If the French come, then there would be a Bastille Day, for example. But we think it very important for each country to project itself. The Belgians are very high up in the horticultural league, as witness their performance each year at the Chelsea Flower Show. We shall see their great strength here in a similar way – but this is a far, far bigger event.

If the Italians come we would see, for example, conifers. And if the Japanese, their gardens of contemplation.

'Our object is to let people see the specific character of each country's gardens all together here on this one site.'

The Belgians, with their great tradition of outdoor horticultural landscaping, are delighted at the chance to show their skills in this

context – although at this stage the precise form of their garden is still in the planning stage. Their architectural engineering representative, M. Jacques Lefever explains: 'We can't say specifically what we shall be doing. But we shall be bringing over a lot of botanic rarities, and we have a standard which we fully intend to maintain at a prestige event of this kind. The British public have come to expect it of us, because every year we do particularly well at the Chelsea Flower Show.'

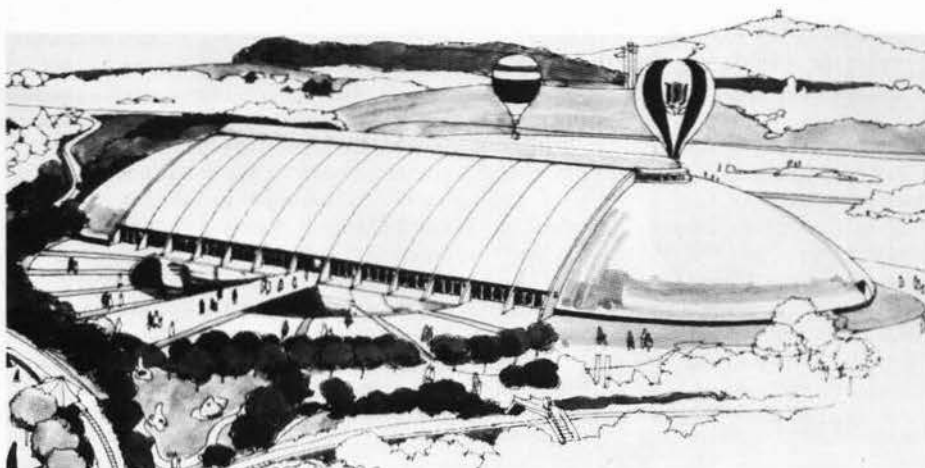
M. Robert de Craene, Agricultural Counsellor at the Belgian Embassy in London since 1978, is equally enthusiastic. 'We have already seen the site,' he says, 'and shall be able to plan for a truly national participation. Our ties with Britain are improving all the time – and they are far closer now than they were ten years ago at the time the UK entered the Common Market. We have a very good relationship, we are increasing all the time the volume of horticultural products between the two countries, and we are looking forward to the Garden Festival to improve this even more.'

The Count de Kerchove, heading the delegation, says: 'Horticulture is very important, both in import and export to Belgium, so we were very keen to participate. I've only just heard that we are the first internationally in the Festival. That is something that just happened, but it is something I'm very proud of, because it is an international horticultural project of such prestige and importance.'

As to prestige and importance, much has already been made of a comparison between the new Festival Hall – a building of great air and light – and the 'Crystal Palace' which was a wonder of the Victorian world at the Great Exhibition of 1851 (and which, appropriately for that comparison, perhaps, contained among its many exhibits a 40-foot model of Liverpool Docks, complete with 1600 scale-size sailing vessels). Paxton's great glass building, which arose in the space of ten months in Hyde Park, was approximately ten times the size of the new Festival Hall, the roof of which will be built of extruded translucent polycarbonate sheet.

But this is not to belittle other points of comparison between this great Merseyside event of 1984 with its industrial equivalent of more than a century ago. The once-derelict site is far larger than the ready-made park used for the Great Exhibition. The buildings will be completed, in only a little longer time, by far fewer than the 2000 men who were employed on the Crystal Palace. More important, perhaps, is a direct link in the field of international co-operation. Exhibits came to London for the Great Exhibition from all over the world (and the one uncompleted section when Queen Victoria opened it on 1 May, 1851, was the Russian part, because their exhibits had not arrived.)

The 1984 Festival, with its theme of international co-operation, has already provided much-needed work on Merseyside. While it is on, the local economy should further benefit from the number of visitors, not only from this



'A building to match the old Crystal Palace is on the drawing board'

country but overseas (more than six million flocked to the Great Exhibition, many of them in specially organised parties from all over the land).

Aside from the purely horticultural and garden aspect of this hugely ambitious affair, there will be other attractions. Already the Tall Ships Race is scheduled to end there. And, as Lord Aberconway, Counsellor General of the International Garden Festival, points out: 'We are brimful of confidence that

this will be a marvellous occasion – and, without it being a Disneyland or a Coney Island, there will be many, many other things to supplement the actual gardens.'

And after it is all over? The Festival Hall (in a similar way to the subsequent use of the old Crystal Palace) is to be taken over by Liverpool City Council, who propose to convert it into a spectacular new sports and leisure centre. In addition, Merseyside will have an additional place of beauty, as well as a long esplanade and riverside walk that it never had before.

Belgium – in the hope that many other European countries will follow her lead – can take pride in having led the way in contributing not only to the Festival itself but also to the lasting benefits that the event will ensure on the banks of the Mersey. □

And now – what about some help for the housing estates?

Liverpool's inner city problems have been making news, and receiving increasing attention. But what of less central urban areas, such as housing estates on the outskirts, where similar social and economic problems also arise?

During the past year an EEC-funded study of one of these areas – the township of Kirkby, in the Metropolitan Borough of Knowsley, adjacent to Liverpool – has analysed the problems in depth and suggested some solutions. The study was intended to consider the linked effects of the economic, social and environmental difficulties of these areas. In the past, attempts at improving the situation have often floundered because they have sought to deal with one or other of these aspects in isolation. The Kirkby Study is different: it is intended

A study undertaken in the Liverpool area, funded largely by the Community, puts up ideas for rescuing areas on the outer fringes of the city

to stimulate discussion of the problems of outer housing estates elsewhere in Britain and other parts of Europe.

Whilst some aspects are special to Kirkby, or to Merseyside, much of what has been written might have been written about other outer housing estates.

Funded by the European Community,

Merseyside Metropolitan County Council and Knowsley Metropolitan Borough Council, the report traces the root causes of the present situation on the estate, where unemployment over the past few years has been one-and-a-half times the level for Liverpool. Some 50 per cent of Kirkby families could be described as living in poverty or on the margins of poverty. Many adults have been unemployed for two years or more, following the closure of Massey Fergusons and other large engineering plants. Others have repeatedly been made redundant. Of the leavers from a typical Kirkby school, only 12 out of 300 found a job. This produces what many have referred to as 'de-skilling' which accompanies the loss of training opportunities which are no longer available.

The survey revealed the realities of the

A plan, backed by Community aid, that could be 'very cost effective'

struggle to make ends meet: 70 per cent of families had nothing left after paying regular bills; 50 per cent felt they were going without necessities in food and clothing; and 20 per cent were having rent or fuel bills paid for them directly.

Most positions of responsibility in the community – managers, local government officers, teachers – are taken by professionals who live well away from Kirkby. There is nothing unusual about this; but because Kirkby is a sizeable, self-contained town, the mixing between social groups in activities outside working hours – local groups and politics – is less than in, say, some inner city areas. The community therefore has fewer skills and expertise at its disposal when dealing with official agencies. Only church leaders and local councillors who both live and work locally bridge this gap.

The people of Kirkby, the report says, have shown great forbearance and resilience in managing to develop a stable community, where 'friendliness' and 'willingness to help' are put at the top of the list of what Kirkby people like about the town. They recognise and appreciate the progress made in providing sports facilities, the town centre shops, and the reorganised local bus service, and there is no doubt that the council's policy to demolish the unpopular maisonette blocks is universally popular.

Many people, however, have marked scepticism about government's willingness or ability to bring jobs to Kirkby, which they see as the top priority for action. They are also not convinced about the local authority's ability to get housing repairs moving or to 'clean the place up', which they also see as urgent needs.

There is thus a significant section of the community who feel that, given support and given a lead, and if offered more opportunity

to help itself (not merely 'paying outsiders') Kirkby people have the ability and skills to improve life in the town.

The study recommends a coordinated programme to help remedy the situation, starting with the creation of a North Merseyside business resource and initiatives centre; small industrial units; new mixed light industry/service premises in the town centre; and an investment fund for Merseyside to encourage new investment and support existing jobs. It also calls for a comprehensive programme for the unemployed, including free access to facilities, special training in getting new initiatives started (business and co-operatives), exchange networks, and an active search for new opportunities and new markets

People have shown 'great forbearance' in developing a stable community

and products and services, which local people could provide.

Many of these projects, and others proposed in the report, will make demands on public resources. But will not always require 'new' spending. They are also designed to make much more use of special funds from government urban aid and employment programmes, from the European Regional and Social Funds, and from independent foundations.

They would also gain considerable participation from non-public sector local firms in 'commercial improvement areas' by seconding expertise, and supporting the investment fund.

The report concludes that this kind of major programme, mounted with the help of central government and the local authority, backed by European aid, could be a very cost-effective way of contributing to the economic, social and housing needs of Merseyside as a whole. Unless something along these lines is attempted, adds the report, Kirkby and other outer estates will approach levels of unemployment which could shatter the social stability which the community has built up, in the face of severe problems, over the years. **E**

letters

Tribute from a 'hard nut'

As always, your magazine has some very important facts and information. May I say that, if you have converted me from being an anti-Marketeer to a pro-Marketeer, you have cracked a hard nut. The same information needs to get over to consumers everywhere.

Page 22 (News Review, November) calls for us to stop moaning about the Common Market. If the average man and woman does not have the facts, then it is far easier to be 'anti' anything than to be 'pro'. I have done surveys and studies in the Common Market since 1964, but until now had rigid views. I have often thought that, given the opportunity, it would benefit many of our unemployed if they had the means to go to Europe and see things for themselves.

Minni Sanders
West Cliff Road, Bournemouth

Portrait of the artist

Your issue of August 1982 and a letter from Patrick Emek in the November issue lead me to make a number of comments.

On the cover of the former, highlighting my grandfather's centenary, you have put a drawing. It would have been fitting, in talking about one European master, to explicitly mention that his portrait on your cover was by another European master, Augustus John. I know this, since I am the proud possessor of the original of the drawing.

With regard to Mr Emek's comments on the article, 'The Man who Remembered Dublin', if my grandfather is indeed turning over in his grave, it is in order to get a better look at the centenary shenanigans, by which he would have been tickled pink. His reactions would, of course, have varied, depending on the events, from smiles to sly grins and to sneers of utter contempt.

Being an Irishman, and consequently possessed of a considerable sense of humour, his reactions to the centenary events of 1982 would, I feel sure, have matched their content, spirit and quality.

Whether Joyce is 'fashionable' or not is not the issue. Many of the events have been in bad taste and overly commercialised; others have, of course, been more sober and dignified. The crux of the matter is that he has finally been recognised, including in his own country and in the city he vividly described in such details to thousands of readers.

On balance, I think he would be extremely pleased and satisfied that, forty years after his death, he has finally arrived and entered the 'Pantheon' of Irish and world literature by the front door.

Stephen J. Joyce
2 Rue de Civry, Paris

School report

For the past 12 months I have received your excellent monthly magazine. In fact, you send 10 copies to our department. Mr Roy Stanley, our Head of Department, and I, would like to say how much (as teachers of O-level and A-level Economics, Law, Business Studies and Sociology) we enjoy reading and using the articles as basic, recent information, presented in very interesting format.

For marks out of 100, as teaching material, the standard A-level texts would score 10, and your magazine 100!

Teaching as we do in the North-East, our interest has been furthered by articles on the Newcastle Metro, north-east industry, the Kielder Dam project, and most recently on Sunderland. That you present the life, economy and culture of Europe in the way you do is to be highly recommended. We thank you, and praise your excellent journalism and editorial presentation.

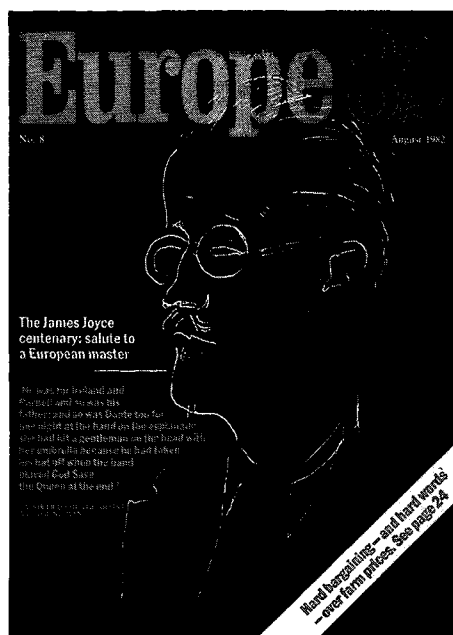
John Hunt, MA
St Mary's Comprehensive School
Newcastle upon Tyne

Nuclear waste?

In Euroforum (July 1982 issue) you describe thermonuclear fusion as being 'regarded by scientists as a potentially inexhaustible source of cheap energy'. As scientists we would contend that this is a monstrous statement. There is a vast diversity of opinion within the scientific community on this matter.

David A. Dawson, BSc (chairman)
Philip H. Harmer, MSc (vice-chairman)
Sunderland Liberal Association
Tyne & Wear

The item in EUROFORUM, reporting approval for a £347 million research programme into nuclear fusion, reflects the Community's belief that coal and nuclear energy between them will be providing up to three-quarters of the Community's electricity by 1990.



Joyce by John - with grateful acknowledgements.

Danish Foreign Minister, Uffe Ellemann-Jensen, was accused by his Social Democratic predecessor of 'betraying the cod of Greenland' two days before the summit started. He had allowed the West Germans to catch a further five thousand tons this year, so now there is some corner of a foreign freezer that is for ever Denmark.

The first thing one notices about the politics of trade is that almost everything said and written about them for public consumption rings false. Cod, in the Irish sense of high-flown mendacity, flavoured the conference wherever one went.

— Spectator

The British Airports Authority has decided to absorb the cost of an EEC ruling which would increase the price of some duty-free goods.

Rather than pass the increases on to passengers, the authority has opted to foot the bill estimated at around £2,000,000 next year.

The move follows a Brussels decision that duty should be levied from January 1 on all previously duty-free goods imported from countries out-side the EEC.

It would have increased the price of Japanese electronics and some spirits, including rum and bourbon.

The Authority will now pay the import duty itself.

— Standard

It is not isolationism that tempts modern America but a mood known in Washington as 'unilateralism' — a conviction that the United States must try to look after the west's global interests on its own rather than rely on soggy allies who do not always share its views on standing up to the Russians. Evidence keeps piling up to show that America and western Europe have diverging interests.

— Economist

Britain's mothers and fathers are lagging behind many of their European colleagues in maternity and paternity pay and conditions, according to a report released yesterday by the Equal Opportunities Commission.

It calls for an immediate increase in the maternity grant from £25 to £114, the introduction of paid paternity leave, and the removal of restrictions on the eligibility for maternity leave.

The report says that Britain is almost alone among 14 countries in insisting on a two-year working requirement with the same employer before maternity pay can be given.

— Guardian

The British government plans to resist a proposal, hatched at the European Commission in Brussels, to ban the spreading of raw sewage sludge on farmland. The ban, which is proposed in a draft EEC directive, would put £20 million per year on Britain's water rates, according to water industry sources.

A memorandum issued to water authorities by the Department of the Environment says that the proposals 'would have a considerable impact on sludge disposal practices' and are 'premature and rigid'. The DoE prefers its own, rather laxer guidelines which do not ban raw sludge.

— New Scientist

The measure of the vigour of the European stance has been the anger of the response. The Americans — whose farm lobby can make a French farmers' riot seem a rather ineffective irrelevance — are set to retaliate by unloading their butter mountain on to the world market.

Transatlantic exchanges are going to call for steady nerves in the weeks to come. Few of us have ever been happy with that part of the Common Market structure which is frankly protectionist rather than liberal. Meanwhile let us be grateful for the evidence of unity in Europe. It is more likely than any alternative to be an influence for sanity in world commerce.

— Daily Telegraph

Ironically, any move by the U.S. to swamp the market could simply mean even higher food mountains being stored throughout Europe.

A compromise proposal moved in Geneva by Britain — but opposed by the French — for a world-wide review of food trading practices is unlikely to head off the pressure in America for tough action.

— Daily Express

The Common Market appears to be heading for a cheap-food war with America that could hurt a lot of smaller countries.

The Geneva meeting of 88 trading nations ended at 5 o'clock yesterday morning in near-deadlock on what to do about subsidising farm prices.

One of the few victors in such a conflict would be Russia and the Communist bloc, who would get their butter and other dairy products even more cheaply from the Common Market's surplus stock.

All the losers would be in the free world.

— Daily Mail

Although Greece has not formally requested the return of the Elgin Marbles, Athens is intensifying pressure on Britain for the repatriation of the prized antiquities, taken by the 7th Earl of Elgin from the Acropolis Hill nearly two centuries ago.

Britain has categorically rejected the Greek campaign, led by Miss Melina Mercouri, the actress and Minister of Culture, and has been supported by most Western governments which apparently fear the creation of a precedent for the return of artefacts displayed in their museums.

— Sunday Telegraph

Progress on the harmonisation of insurance within the EEC has been very slow over the past few years, Mr Gerard Imbert, director of the Community's financial institutions committee admitted on the first day of the Financial Times conference World Insurance in 1983, held in London.

This lack of progress was disappointing, coming as it did after a period of considerable progress, he said. Freedom of establishment was now a reality for non-life business and was on the way for life business. Freedom of establishment and provision of services was also a reality for insurance brokers and agents.

However, Mr Imbert said there could be a real common market in insurance only when every insurer in the Community was genuinely able to provide insurance services freely in member states in which it was not established.

— Financial Times

The common market cannot now afford not to make radical changes to its farm policies. A decade ago, the EEC was a net importer of just about every type of food. Now, it is more than self-sufficient in pork, beef, milk products, wheat, barley and sugar. In 1981, for the first time, the EEC exported more cereals than it bought. Yet it enjoys no comparative advantage: EEC wheat prices last year were 38 per cent higher than on the world market, sugar 33 per cent higher, beef 52 per cent higher and butter 53 per cent higher.

Many European farmers cannot make it even with these high prices. Farm income in France, Britain and West Germany fell by more than 20 per cent in real terms between 1974 and 1981. Even so, these farmers have reacted by producing even more food to go into butter mountains, milk lakes and sugar lumps. Doubtless they could make a profit if prices were pushed up high enough, even in growing yams, pineapples and bananas.

A better way would be to reduce European prices gradually to world levels by freeing farm trade through the Gatt.

— Economist

WHAT'S IN THE PAPERS

Mrs Thatcher is coming under intense pressure from conservationists to rethink the Government's refusal to support a Common Market embargo on imports of baby sealskins from Canada.

A final decision is due from EEC environment ministers and a campaign is being mounted to persuade those countries who are against the ban — Britain, France and Germany — to change their minds, Britain is the main target. Around 80 per cent of the skins come to this country either for conversion to products such as key rings, snowboots and toys, or for re-exporting to other EEC nations.

A Common Market embargo would probably destroy the commercial basis for the cull of 100,000 harp and hooded seals on the Newfoundland and Labrador coast each March. The Canadian government has warned of a possible embargo against EEC exports in retaliation.

— Sunday Times