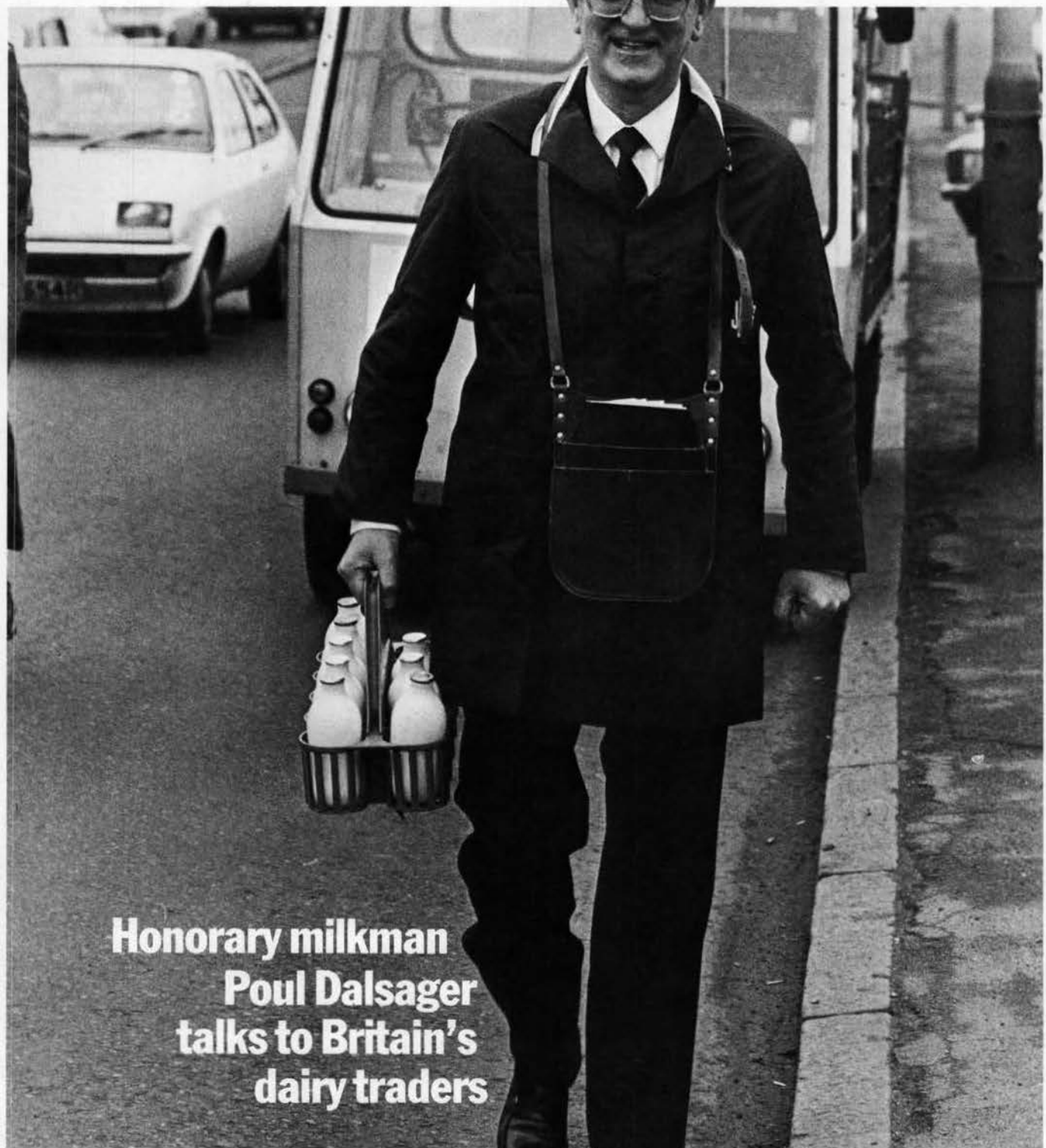


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**Honorary milkman
Poul Dalsager
talks to Britain's
dairy traders**



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EUROFORUM is inset after page 12. Cover picture by Press Association

After ten years of British membership of the European Community, the physical signs of Community involvement in British life and of British involvement in the Community are multiplying rapidly.

Notice-boards and plaques, acknowledging the contribution made by Community finance, are an increasingly common sight on new trading estates, new roads under construction, at vast projects like the Kielder Dam in north-east England and at much more modest, but no less worthwhile, ones undertaken by local authorities.

The several Community sources of grants or low-interest loans are all serving a common objective of helping to finance projects or activities seen to be in the general interest of the Community, but which might not get off the ground if they had to rely upon money raised wholly from national, local or commercial sources.

But perhaps the significance of Britain's membership is even greater, in terms of jobs and future economic growth, where it is less immediately apparent — in the dramatic development of Britain's trade with her Community partners and in the attraction to the UK of foreign investment seeking a base, a launching-pad, for trade within the Community.

The importance of sustaining the Community market for British goods, and of continuing to attract American and Japanese investment, cannot be emphasised often enough.



GEORGE SCOTT



More production – but fewer jobs – down on the farm

Over the past twenty years there has been a dramatic decline in employment in EEC farming: only 8.7 million people were working in agriculture in 1980, compared with 19 million in 1960.

The trend has been particularly strong in Belgium, France, Luxembourg and Germany since 1970, and reflects a move towards larger holdings. Amalgamation of small farms has been a feature of the past decade in these countries, and it is this which has cut labour requirements.

The trend towards lower employment on the land could continue, as farms move towards an average size closer to that in the UK, Denmark and the Netherlands. Figures published in the annual report for 1982* show that, where small farms predominate – as in Germany, France and Italy – there is a relatively high percentage of people working on farms whose actual working time is less than a quarter of the normal working week outside agriculture. So as the average farm size increases, the numbers employed tend to decline.

The age structure of the farming population also gives an indication of the likely future trend of employment. In Italy, for example, 30 per cent of farm holders are over 65 years

HOWARD SMITH reviews the Commission's latest agricultural report, and finds there is plenty of food for thought...

old, and the proportion is also high in France, Ireland and Luxembourg. In time their farms will be amalgamated or added to existing units, which will again encourage the movement away from labour-intensive farming.

Between 1975 and 1980 the number of farms in the Community fell from 5.9 million to 5.67 million at the most; and more recent figures for Italy, Ireland and Greece will probably show an even greater decline when they become available.

As far as farm incomes are concerned, 1981 saw a continuation of the decline in real terms which set in at the end of the Seventies. By the end of 1981 the average farm income was worth only 88 per cent of its 1974 value in actual buying power. However, the trend was far from uniform throughout the Community.

There was probably a considerable upturn in farm earnings in 1982, particularly in the

UK, Belgium, Luxembourg and Denmark. Indeed, 1981 effectively marked the end of the period of serious decline in farm income: the fall was relatively small compared with the drop that had taken place in 1980, when incomes were 7 per cent lower than in the previous year. In some countries, such as Denmark, Belgium, Holland and Luxembourg, the long-awaited improvement in earnings had already begun in 1981, helping to offset the continuing downward trend in Germany, France and Italy.

National trends in farm income largely reflect the profitability of the dominant types of production in each country. In the Netherlands and Belgium, for example, average farm incomes showed an increase in 1981, largely as a result of the high profitability of pig and poultry production, which accounts for a high share of those two countries' total agricultural output. Overall figures for the Community for 1981 show that the level of labour income for this kind of intensive livestock production was substantially greater than in most other types of farming (except vine growing). Earnings in these sectors of the farm economy are also generally higher than those in comparable jobs outside agriculture, according to the annual report.

However, it now appears that net farm in-

comes in several other types of farming are slowly starting to close the gap. Income performance since mid-1981 has started to pick up in field crops, grazing livestock, mixed livestock, and mixed crop/livestock operations. On the other hand, there is still no sign of any improvement in the net income of farms with either mixed crops or 'permanent crops', i.e. fruit or vineyards.

There is also a long way to go before farm incomes in the Community as a whole catch up with earnings in comparable jobs in other sectors of the economy. In the United Kingdom the difference is fairly narrow, as also in the Netherlands; but in Germany, Ireland, Denmark and Italy farm incomes still lag a long way behind. In fact, in those four countries three-quarters or more of all farms have a labour income which is less than 80 per cent of levels to be found in comparable jobs outside farming.

But while farm incomes may now be showing signs of recovering from three years of decline, the Community has run into trouble with its exports of agricultural products on to a depressed world market, especially now that, as the report says, 'Community production in general is running at high or record levels in the major product sectors, in particular for cereals, rape seed, sugar, milk, sheepmeat, pigmeat, eggs and poultry, wine and apples'.

For several of these products, demand is simply not keeping pace with the growing supply which the common agricultural policy

has encouraged over the past twenty years in the drive for self-sufficiency and satisfactory farm incomes. The 12.2 per cent price increase agreed in May 1982, which was needed to prevent any further decline in farm incomes, has, according to the report, given a stimulus to most agricultural sectors. But while production has risen, consumption has declined or stagnated, particularly for temperate products such as cereals, sugar, beef and some dairy products. At the same time world markets are depressed and import demand from the Community's traditional customers has slackened.

So it appears likely, says the Commission, that spending on agriculture could begin to rise again in 1983 as a result of a necessary increase in export refunds to bridge the gap between EEC prices and depressed world prices. This would follow two years in which the growth in spending has been kept in check.

The Commission warns that the open-ended spending of the past cannot continue. Stocks of major products are on the increase again and 'world markets will become more difficult'. There are already guaranteed price thresholds for cereals, rape seed, milk and

'Farm incomes have not caught up with other earnings'

processed tomatoes to discourage any further growth in production. After a certain point the producer will now have to bear some of the cost of disposing of excess goods on the world market. Similar measures should also lead to a cutback in sugarbeet area in 1983.

This is not, to say, however that the Commission intends to withdraw from the world export market. In the long term, EEC farm prices will be aligned with international prices, so that spending on export refunds will be cut back substantially. However, in the medium term it is doubtful that the world market will grow significantly. Over 1973-80 the EEC's major export growth markets were the Third World and the state-trading countries, and it is these which have trouble finding hard currency or credit.

At the same time there is increasing competition on the world export market, particularly from the United States. This could also mean a reduction in third country sales opportunities. The present CAP arrangements will therefore have to be adapted, says the Commission, in order to ensure that increasing production can still be sold, either within the EEC or on the world market, but at reasonable prices and without endangering farmers' incomes. The Commission cautions: 'As in other sectors of the general economy where the rise in unemployment continues unabated, it will not be possible for agriculture to be shielded indefinitely from the realities of the market place'.



Food exports are up – but the Community is still a net importer

Overall the EEC remains a major net importer of food. In 1980 the Ten exported food worth 19,900 million ECUs – but that was still far short of its total food import requirements, which stood at 42,500 million ECUs. France is far and away the Community's main food exporter, with sales of 5,700 million ECUs in 1980, followed by Germany, the UK and the Netherlands.

Germany heads the league of food importers, with total imports of nearly 11,000 million ECUs in 1981, or a quarter of the EEC's total imports. Following the Germans are the UK, France, Italy and the Netherlands.

Total cereals production from the 1982 crop is estimated at a record 128 million tonnes, mainly due to the excellent weather. France is still the 'bread basket' of the Community: in 1981-82 France exported around 9.6 million tonnes of wheat, barley and maize.

For beef, which accounts for 16 per cent of the Community's total agricultural production value, output at 6.9 million tonnes in 1981 (including veal) was slightly lower than the previous year, primarily because the economic recession has cut back demand. Germany and France accounted for almost half of the Community's beef and veal production in 1981. Exports in 1982 were forecast at 510,000 tonnes – 23 per cent lower than in 1981.

The EEC is the world's second largest producer of pig meat after the People's Republic of China: in 1981 it produced 103 million tonnes. Germany alone accounts for 30 per cent of that amount, although Denmark has by far the highest degree of self-sufficiency, producing three times as much as it consumes.

In sheep meat the EEC's self-sufficiency has risen gradually in recent years to 76 per cent in 1981, with production reaching nearly 700,000 tonnes and a further increase forecast for 1982. The UK accounts for nearly 40 per cent of total production. However, imports are still substantial, with New Zealand by far the dominant supplier – it shipped 218,000 tonnes to the EEC in 1981, or over 80 per cent of total imports.

Left: perfect weather for Europe's farmers in 1982 helped to produce record cereal crops. Right, above: the Community is now second only to China among the world's leading producers of pig-meat. Right: not all the Community's farmers are high earners. Italy is one country where earnings are still far behind those in other member states.



Commission proposes a 'virtual standstill' on milk dairy product prices

The milk product market in the European Community is in clear surplus. Production is rising too fast. But consumption is not going up as fast as milk output.

We are to some extent the prisoners of our own success: although the Community's support prices for milk products are lower than in most developed countries, such as our European neighbours or the United States, our milk producers have made massive improvements in efficiency and production.

I have learned from the British dairy trade's comments on the Commission's price proposals for 1983-4 that they find our production forecasts too low and our consumption forecasts too high. In other words, we are too optimistic, in their view.

Let us take a realistic look at the statistics that member states have provided us with over the last ten years or so. In 1973, the (then) nine EEC countries had milk deliveries amounting to 81 million tons. In 1981 they were 97 million tons. Thus the average annual increase was 2 per cent. Similarly, the total consumption in milk equivalent increased from 82 million tons in 1973 to 87 million tons in 1981, or an annual average of 0.8 per cent. Unfortunately the trend of total consumption is only 0.5 per cent per year.

The Commission has repeatedly made clear this problem, and made proposals to the Council to correct it, while at the same time making the maximum efforts to restrain the cost of disposal of our milk products. Thus we have had the apparently contradictory situation of, on the one hand, a huge saving in the budget cost of our guarantee for milk and milk products - which fell from 4,752 million ECUs in 1980 to 3,343 million in 1981 and 3,314 million ECUs in 1982 - a reduction in expenditure of about £900 million in 3 years; and, on the other hand, continuing pressure from the Commission to achieve a real restraint in the volume of milk production.

In the last price package the Council took major decisions on the reform of the operation of the common agricultural policy by setting guarantee thresholds for cereals and milk, thus bringing to an end in these sectors the open-ended guarantees which have prevailed since the introduction of the common agricultural policy.

I am surprised that many commentators in the United Kingdom have not appreciated the importance of this development, which could not, of course, have any effect in the first year but will certainly do so from now on. We had the same experience in the sugar sector, when

POUL DALSAGER, the EEC Commissioner for agriculture, briefs Britain's dairy traders on moves to bring supply and demand into better balance



the introduction of the new regime could not affect the results in the first year but, as soon as it was fully applied, reduced the acreage by 9 per cent and production by 7 to 8 per cent in a single year.

In the milk sector, the Council has already decided that it will take measures to offset the

additional costs due to the excess of deliveries above the guarantee threshold. The Commission has followed through its declaration of last year in proposing to abate the intervention prices by 2.2 per cent. We now know that the increase in milk deliveries in the Community in 1982 is of the order of 3.5 per cent. We are therefore now proposing that the increase of 5.5 per cent in intervention prices should be abated by 3 per cent, not by 2.2 per cent as originally proposed.

Thus we are proposing a virtual standstill on butter and other milk product prices in the Community. The producers must now plan on the basis of lower real prices to offset the big increases in productivity (yields, herd sizes, feeding, etc). I think that, this signal once given, and the reductions once introduced by the Council, the first steps to an effective restraint on production will have been taken and will be increasingly in evidence in later years.

We have also to think about the development of consumption. This is a clear reflection of the economic recession and the level of unemployment on the one hand, and the widening of the gap between the prices of dairy products and competing products on the other. For the time being, only cheese and cream consumption continue to increase in the European Economic Community, hardly exceeding the population increase.

This is where we hope that the impact of the guarantee threshold and the consequent fall in prices in real terms will benefit the consumers and increase the competitiveness of dairy products relative to vegetable fats and proteins. Our two intervention 'surplus' products, butter and skimmed milk powder, are in the centre of this competition.

Butter production in the European Com-

'Producers must now plan on the basis of lower real prices...'



munity increased by 7.5 per cent and skimmed milk powder production by more than 8 per cent in 1982, compared with 1981. For butter, this increase corresponded to the increased milk production (in milk-fat), after casein and cheese production had increased by 20 per cent and 2 per cent respectively. For the third consecutive year, we succeeded in maintaining butter consumption almost stable, but this time by applying more special measures, notably Christmas butter.

For skimmed milk powder, the offtake within the Community increased by 74,000 tons or 4.7 per cent, primarily because of the re-introduction of the pigs and poultry scheme. Nevertheless, both butter and skimmed milk stocks have risen, reflecting a decrease in exports of butter of 125,000 tons and of skimmed milk powder of 150,000 tons.

The third important element of our surplus situation is that the world market offtake has

'We find challenges all around the horizon'

been slowing down and world market supplies have doubled their rate of increase from below 12 per cent annually to well above 2 per cent. As a result, the international stocks have increased faster than production, and amounted at the beginning of January 1983 to about 600,000 tons of butter and 1.4 million tons of skimmed milk powder.

These market developments will mean increased expenditure on the Community milk budget, because internal disposal measures are much more expensive than export restitutions. But the total guarantee expenditure for milk in 1983 is expected to remain well below the 1980 level and to represent less than 30 per cent of guarantee expenditure. On the world market, we shall seek to maintain our market share; but we shall also observe our international commitments and will ensure that other countries do the same.

The proposals of the Commission contain the necessary elements for a medium-term solution to our problems, based on a prudent price policy; the operation for the first time this year of the restraints linked to the level of milk deliveries; maintenance of the 2 per cent co-responsibility levy, and continuation of the 120 million ECU support to small milk producers.

This implies also a continuation of several important measures to increase sales, within and outside the European Community. A reinforcement of the national school milk scheme would rank very high on Britain's shopping list, as well as on mine. In fact, we find challenges all round the horizon. An example is the unfortunate development of liquid milk consumption in the United Kingdom; or the low cheese consumption level in the United Kingdom and Ireland; or the low butter consumption level in the Netherlands. The challenge is not only a guarantee of

work to be done but also for new avenues to be tried out. Choosing between the many medicines which have been recommended over the years, I feel confident that the medicine we

finally give the patient will cure and not kill.

□ Mr Dalsager was addressing the Dairy Trade Federation's conference in London on 2 March.

Yes, we really are getting it together

According to Karl-Heinz Narjes, replying to a question in the European Parliament from MEP Dieter Rogalla (Federal Republic of Germany), the Community is steadily drawing closer and closer together.

The establishment of a common market, said Mr Narjes, together with a customs union, a common system of VAT, a programme for the removal of technical barriers to trade, and the promotion of a uniform legal environment for business activity, has produced 'a series of spectacular early successes which would have been unthinkable without an economic Community'.

The encouragement which they – and, not least, the breathtaking pace of European integration – gave to trade and industry resulted in an unprecedented upswing, he said. His answer continued: 'In the wake of the recession, the impetus and resolve have waned markedly, and there is a danger that the Community's early successes may remain no more than isolated achievements. They may even be undermined if the remaining barriers between member states are not quickly removed and the growth of new trade barriers is prevented.'

'Common rules have been laid down in a series of 59 directives covering all automobile parts except for windscreens, the weight of trailers and tyres. There are now fewer technical barriers to trade between the member states than between individual States in the USA.



'However, there is still no Community-wide system of type approval, because the last three proposals for directives have been kept on ice by the Council for several years.'

Mr Narjes added: 'A national of any member state already enjoys the right to engage in gainful activity either in paid employment, or in a self-employed capacity, in any other member state, whether or not he is a national of that state or even resides there.'

'Nevertheless, action is still necessary to increase the free movement of persons and freedom to provide services. This is the aim behind one of the Commission's latest initiatives. On 9 September 1982 it sent the Council a number of proposals for simplifying formalities and identity checks at internal Community frontiers.'

30 YEARS OF EEC STATISTICS

The latest publication of the Statistical Office of the European Communities (EUROSTAT) is rather special. It has only one figure in it: the figure 30. The explanation is quite simple. EUROSTAT has just published a small illustrated commemorative brochure containing a potted history of the development of Community statistics of the last 30 years, from the first trickle of data about the coal and steel industries to the present flow of information on all aspects of Community activities.

The Statistical Office's total output amounts to a huge reservoir of facts, many of which are accessible anywhere in Europe through on-line telecommunications systems (EURONET). Looking further afield, EUROSTAT has launched, through commercial hosts, its first on-line service in the United States.

In April this year EUROSTAT will hold one of its regular conferences with the heads of national statistical offices in England. The Central Statistical Office, on behalf of her Majesty's Government, has made arrangements for the conference to be held in Leeds Castle, Kent. The conference will be opened by Peter Walker, Minister for Agriculture, in the presence of Richard Burke, who is the European Commissioner responsible for EUROSTAT.



What chance of bringing down those trade barriers?

With much of the world now retreating behind the protectionist barriers, how well is the European commitment to harmonisation of technical standards and regulations – a central tenet of GATT and the Treaty of Rome – weathering the storm?

The successful removal of tariff protection within the EEC has thrown into focus a second series of hurdles, known to exporters as non-tariff or technical barriers to trade. Adding to the conflicts that already pit the great trading blocs of Europe – the United States, the Far East and Japan – against each other, a catalogue of non-tariff barriers prepared for last November's GATT ministerial ran to 800 pages and listed more than 600 measures.

But according to a recent Brussels report, the increasing relative importance of non-

LYN JULIUS looks at the ways in which member states are using national practices to frustrate Community trading laws, as laid down in the Treaty of Rome

tariff barriers maintained or introduced by EEC member states shows that market unity is not all it should be, either. Technical norms, the report says, can deter companies from laying down Community-wide production lines. They can also prevent small and medium-sized concerns from supplying near-by markets.

British motorists' readiness to pay more for a new car than in other EEC countries counts as a non-tariff barrier to trade.

Variations in exchange rates, fiscal barriers – even the fact that the British are prepared to pay more for the same car than Belgians or Danes – all count as non-tariff barriers which the signatories to the Treaty of Rome are pledged to overcome. But variations in technical norms are a separate and immensely complicated question, not only because they are often unintelligible to the layman, but also because they can be as deep-rooted as custom and climate. They can often result in delays and lost export sales. They penalise the smaller exporter, in particular, because they may affect the design or engineering specification of a product – a cost that only a large firm is able and willing to bear.

Over the past few years, however, many governments have come to regard reference to voluntary standards as the best way to ensure that their technical regulations do not create barriers to trade. Nevertheless, many exporters find themselves at the sharp end of standardisation when norms are used to provide technical criteria in legislation. This trend is

'Progress is painfully slow in adopting international standards'

increasing with the proliferation of health and safety legislation all over the world.

While more than half the work of the major national standards authorities in Europe is now international, the explosion in world trade over the past two decades has so outstripped the plodding pace of harmonisation that many standards bodies now operate an advisory service to guide domestic exporters through the labyrinth of foreign regulations, approvals procedures and certification practices of other EEC member states.

Since Britain's largest export market is West Germany, not surprisingly a third of enquiries from UK exporters concern German requirements. These advisory services tend to view foreign requirements not as barriers consciously erected to keep imports out, but obstacles which research and money can in time overcome.

They argue that norms and standards, which cover a product's performance, dimensions, safety and fitness for purpose, are all shaped by a country's experience. Earthquakes, being more common in Italy than in West Germany, would naturally affect the specifications for Italian buildings and machinery. Then there are historic differences in administrative procedures between countries where the system relies heavily on codified law, centrally enforced, and countries where a federal system of government is

in operation. Quite detailed requirements are written into French Decrets, Arrêtés and Règles, whereas there is no single set of building regulations for the whole of West Germany, for instance.

Finally, there are the peripheral barriers – lingering national differences in measurement and calibration practices even despite metrication; patents and trade marks; language barriers.

The apparatus for the eventual harmonisation of norms and standards has long been in place. Although harmonisation in Western Europe is an overriding priority, the International Standards Organisation (ISO) and its electrotechnical counterpart, IEC, run extensive standardisation programmes that range beyond Europe. Representatives of international manufacturers' federations, consumers, independent bodies from 77 members of ISO and 44 members of IEC sit on specialist committees.

But progress is painfully slow in producing and adopting international standards. Although the number of ISO standards so far published exceeds 4,000, production lags behind technological change. And if it takes a national standards committee years, sometimes decades to reach agreement, how much harder it must be to reconcile conflicting international interests! Precisely because they are a consensus, many international standards turn out too general to be practicable. They are either ignored or altered beyond recognition before they can become nationally acceptable.

These difficulties have been compounded by the recession. Britain and France, in particular, are insisting on tougher quality specifications in the face of Japanese competition, while encouraging their own consumers to buy more domestically-produced goods. Commitment to ISO and IEC has faltered as some representatives have been withdrawn from international committees to save money. Meanwhile, ISO and IEC committees have been witnessing a developing contest for influence where the committee secretary, seconded from a national standards authority, may attempt to pressure the committee into accepting an international draft based on his own national standard. The commercial advantages to his own country's exporters could then be enormous. ISO committee secretariats are currently dominated by France (392) the UK (367) and Germany (348).

Where ISO could not produce its standards on time, it was hoped that European standards would fill the gap. The main vehicle for the European standardisation programme, CEN, and its electrotechnical sister organisation, CENELEC, are both based in Brussels. If accepted by a significant majority of CEN members, standards are published without variation of text as national norms. However, since 1961, when CEN was founded by 15 EFTA countries, a mere 67 standards have been produced. The main difficulty, once again, is getting all states to agree.

Somewhat more plentiful are the Coal and

Steel Community 'Euronorms', published by the Commission. They are issued in five languages and may be referred to in EEC Directives. Although more than 140 Euronorms have been adopted as the basis for member states' customs and statistical nomenclatures, the EEC does not insist that its members incorporate them into national legislation.

Meanwhile, Community policy has rested on the twin pillars of issuing directives based on CEN or ISO standards, and of building up a body of fresh interpretation of the Treaty of Rome. Since the test case known as 'Cassis de Dijon', the Community policy regarding non-tariff barriers to trade has been that any pro-

'Some schemes can involve more than one approval or testing authority'

duct lawfully produced and marketed in one member state must be admitted to the market of any other member state.

In 1976, Rewe-Zentral AG, a Cologne cooperative, was refused a licence by the German Federal Wine Monopoly Commission to import Cassis de Dijon because its alcoholic content was below the 32 per cent stipulated by the Commission. Rewe-Zentral took the matter to court, claiming that the minimum alcohol levels fixed by German law were a restriction on free trade and a violation of Articles 30 and 37 of the Treaty of Rome. Somewhat unconvincingly, the Federal German Government invoked Article 36 in its defence, claiming that low-alcohol drinks could more easily encourage alcoholism than strong drinks!

Furthermore, Articles 3 and 100 stressed the importance of maintaining national competence for technical specifications, until such time as Community law existed in these areas. The case eventually reached the European Court of Justice, which ruled in the cooperative's favour. Shortly afterwards, standards were once again highlighted when signatories to the GATT agreement on technical barriers to trade promised to take steps to ensure that technical regulations and standards were not adopted or applied with a view to creating obstacles to international trade.

But there are still ways in which countries can duck the issue. Standards may be voluntary, but third-party certification – independent assurance that a product does indeed comply with a standard – is often mandatory, especially in developing countries where certification is a safeguard against dumping. Inside the EEC, the number of products covered by this legal requirement has been considerably reduced. But the eventual customers still expect to see the certification marks they have grown accustomed to over the years on the products they buy. What was once a legal requirement has become a commercial necessity.


Where new products or materials are used for which there is no standard in existence and special procedures have to be developed, then a European approach can be taken. A typical example is the system for new building regulations. Already there is a scheme, common to Western Europe, for the certification of electronic components. First moves have been made towards an international accreditation scheme for testing laboratories.

But national practices die hard. Confusingly, some schemes can involve more than one approval or testing authority – a government department, trade association, insurance company or private firm. For products such as boilers or pressure vessels, compulsory certification or approval is almost a universal requirement. In France, final approval is given by a government department; in West Germany by an independent test and inspection group; and in Britain by a professional institution.

However, both GATT and Article 36 of the Treaty of Rome still acknowledge that national prohibitions and import restrictions may yet be justified on safety grounds – or more precisely 'public morality, policy, security, protection of health and life of humans, animals or plants'. To comply, for instance, with the Germans' equipment safety law, imported equipment usually carries proof of approval by the German association of electrical engineers; but other acceptable means constituting the generally recognised rules of technology may also be proven. This 'deemed to satisfy' formula is also used in the UK's building regulations.

Since 1974, the Health and Safety at Work Act has introduced a host of new regulations which must be complied with under British law. In France, the legislation concerned with the safety and protection of people at work is the Code du Travail. Though it has been on the statute book for many years, it has only recently begun to be imposed and enforced – leading to instances of French Customs impounding or detaining equipment from abroad which did not have paperwork evidence of compliance with French law. These regulations do not deliberately set out to disadvantage foreign importers, since they apply to home manufacturers as well. But they are hardly in the spirit of free trade.

Although problems relating to laws, standards and certification requirements are probably the most obvious, technical barriers may soon include product liability legislation. When the impending EEC directive on product liability becomes law, it is not difficult to see the role of insurance companies in Western Europe becoming more significant in setting criteria for quality control and testing, which may well constitute further barriers to trade in the future.

In the long term, the only solution is international or regional agreement on technical requirements. In the short term, money, patience and expertise in international law are attributes that exporters would do well to possess in abundance. 

of European competition. In the wake of demonstrations, an agreement between the Dutch authorities and the European Commission has now been reached, by which Dutch growers will have to pay normal industrial rates for their gas from April 1st.

The committee's report suggested a variety of other ways in which European horticulture could be made more competitive, including research programmes aimed at reducing energy consumption and upgrading agronomy research in the Community budget.



Florists' wilting market

The recession means that fewer and fewer people are saying it with flowers, according to a report on horticulture published by the European Parliament's Agriculture Committee. But, while demand for flowers has slumped, the popularity of potted plants is on the up and up, they say.

Although some growers have managed to adapt to the new market conditions, numerous others have gone out of business. Job losses in the cut flower sector have been worse than in any other branch of European horticulture, which currently provides jobs for an estimated quarter of a million people, according to the report.

European growers face added difficulties caused by cheap imported flowers from abroad. Between 1973 and 1980 imports from Colombia, Israel, and Kenya increased by an average 33 per cent a year.

Rising costs have conspired against the horticulturist, but it has been the fuel price explosion that has hit him the hardest. According to European Commission estimates, energy accounts for between 17 and 56 per cent of the total cost of producing flowers.

Consequently, recent fuel subsidies given to Dutch horticulturalists provoked an outcry from producers in the rest of Europe, who claimed that the Dutch government's decision to sell them cheap gas constituted a serious distortion

Inflation eases off

Inflation in Europe last year fell to an average of 9.4 per cent, the lowest level since 1978, according to a recent Eurostat consumer price index report.

Lowest levels were recorded in the Netherlands (4.4 per cent), the Federal Republic of Germany (4.6 per cent) and the United Kingdom (5.4 per cent). Belgium registered 8.1 per cent, Denmark 9 per cent, France 9.8 per cent, Luxembourg 10.4 per cent and Ireland 12.3 per cent. The highest rates were found in Italy, with 16.2 per cent and Greece with 19.1 per cent. In Spain and Portugal, the two countries waiting to join the Community, rates were 12 per cent and 18.9 per cent respectively.

European Commission officials say that, by way of comparison, the United States had 3.9 per cent inflation last year and Japan had only 2 per cent.

Pay rate slows down

Average increases in the hourly wage in Europe varied from between 4 per cent in the Netherlands to 23 per cent in Italy in 1981, according to a report released by the European Community Statistical Office.

Smaller increases than usual were recorded everywhere except Italy, Ireland and Denmark and in four countries - Germany, the Netherlands, Belgium and Luxembourg - labour costs rose by less than 10 per cent.

Only Italy and Denmark showed higher increases than the previous year. The slowdown in average increases was particularly marked in the United Kingdom, where they fell to 12 per cent, and in Luxembourg (4 per cent).



The train feels the strain

Today's high speed trains travel at speeds of up to 130 m.p.h. but technical advance isn't everything, and Europe's railway networks have had to adapt to new market conditions in the so called 'age of the train'.

The Commission has been hoping to help them out by encouraging cooperation between European railways, in areas such as personnel training, harmonising fares, and reviewing systems of management. It has proposed a series of measures primarily aimed at improving the quality of the service offered to passengers.

They include a training programme for railway personnel, to start at the end of 1983, comprising language courses, specialised seminars and exchanges of staff. Commission officials also want to see closer cooperation between countries to provide a better system of rail connections for international travellers.

Previously, in 1982, the Commission asked the Council of Ministers to accept a proposal aimed at simplifying border controls for merchandise transported between Community member states.

Other measures proposed include a plan to improve the international management of freight and passengers, by introducing a single marketing and price system, which would be independent of internal rates. The idea would involve a computerised international information centre, which would initially only deal with container traffic, but which would eventually be enlarged to cover the whole spectrum of merchandise transported by rail.

The Commission has also prepared a critical analysis of the business structure of state-owned railways in Europe. The study shows that closer cooperation between the generally autonomous companies and the government could be achieved.

French aid 'incompatible' says Commission

The Commission has criticised France for introducing aid measures for the textile and clothing industry, in the form of a reduction in the social security charges normally borne by companies.

On 12 May 1982 the Commission decided to initiate the procedure of Article 93(2) of the EEC Treaty in respect of the measures. Having given the parties concerned the opportunity of submitting their comments, and of carrying out a detailed examination, the Commission says it takes the view that the measures in question, as applied by the French Government, constitute operating aid, since they are not tied to restructuring efforts on the part of the beneficiary companies and so do not require these companies to adjust to the new market conditions.

Such operating aid to an industry which is facing difficulties in all the member states, it says, is liable to distort competition and affect trade between member states. The Commission consequently decided on 12 January that the aid involved is incompatible with the common market and cannot be granted on the basis of the present procedures and terms.

Turning the clock back?

Improved medicine and living conditions mean that life expectancy is still increasing in Europe. At the moment it averages about 70 for men and 75 for women. One of the problems, also increasing because of it, is ageing.

Although the process cannot be stopped, it may be possible to slow it down, according to scientists. The European Community has been coordinating research into the problem for several years, and a new joint programme may soon be agreed with Switzerland.

European interest in the subject dates from 1978, when Community ministers decided to instigate a 'Concerted Action Committee on Cellular Ageing and Decreased Functional Capacity of Organs' to coordinate national programmes in what they felt was a socially impor-

tant area. The committee's mandate expired in 1981 and a British Socialist MEP, Thomas Megahy, has asked the European Commission to list its achievements.

According to Commission Vice-President Etienne Davignon, they lie primarily in stimulating cooperation between forty-four European research establishments. Efforts focussed on three main fields: the cellular basis of liver ageing, immune response during ageing, and ageing of the crystalline lens.



Give your dog the needle says MEP

A trip to the tattoo parlour for your favourite pooch could put an end to Europe's booming trade in stolen pedigree and hunting dogs, according to a French (Communist) member of the European Parliament.

Danielle De March, who is a former vice-president of the Parliament and represents the constituency of Toulon, says that networks of professional dog thieves exist in some European countries, who make a living by stealing dogs and selling them at a profit.

She has appealed to the European Commission to put them out of business by introducing a system of dog records, harmonised at Community level, which would include registration marks tattooed on your pet.

Better use of timber

The European Community and Sweden are expected to go ahead with a joint research programme into the use of wood as a renewable raw material resource.

The Swedes, who are major wood exporters, already carry out extensive research into forests and the use of wood through the Swedish Board for Technical Development, the Swedish Council for Forestry and Agricultural Research, and the forest industry itself.

Joint research topics will include improved wood production, the harvesting of wood and biomass, the protection of wood against deterioration, uses of wood in construction, and the use of wood as a source of chemicals, such as cellulose.

QUESTIONS IN THE HOUSE

Mrs Barbara Castle, United Kingdom:

Does the Commission consider that railway preservation societies merit the granting of Community financial support in the context of the development of tourist centres in areas of above-average unemployment?

Answer by Antonio Gioitti on behalf of the Commission:

'The Commission does consider that in the context of the development of tourist centres in assisted areas such investments could make a positive contribution to the economic development of the region. Applications for aid from member states would be seen in a positive light.'

This type of investment has been aided from the European Regional Development Fund. However, applications from member states in respect of such infrastructure projects invariably form part of global applications covering a number of investments, to which a global amount of aid is accorded. Therefore it is not possible to isolate and quantify aid relating exclusively to railway preservation societies.'

Mario Pedini and Renzo Filippi, Italy:

'The Commission requires member states from 1 April to collect customs duties on goods imported from third countries, even if they are sold in airport duty-free shops or in flight. Is the Commission aware that this would make certain airports in non-member countries more competitive?'

Answer by Gaston Thorn on behalf of the Commission:

'This change of practice will leave the great bulk of goods sold in tax-free shops untouched because the trade is principally in goods of Community origin. Furthermore, assuming tax-free shops maintain the existing mix of goods carried and simply add the amount of the duties and levies to existing prices the effect on retail prices will be relatively limited.'

Based on the information it has so far been able to obtain on the relative level of prices charged by duty-free shops inside and outside the Community, the Commission considers moreover that because of the wide variation in prices, it is unlikely that there would be any significant diversion of traffic to third country airports in order to benefit from duty-free prices.'

Mrs Johanna Maij-Weggen, Netherlands:

'According to recent articles in the press, the annual Turkish dolphin and porpoise hunt in the Black Sea has taken on such proportions that these species are now in danger of extinction in the Black Sea. For this very reason, other countries in the same area curtailed dolphin and porpoise hunting in the Black Sea as long ago as 1966. Is the Commission prepared to request the Turkish Government to put an end to this practice?'

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

'The Commission does not intend to request the Turkish Government to put an end to dolphin and porpoise hunts in the Black Sea, since the practice is already governed by the stringent rules laid down by Turkey's national legislation.'

Mr Pol Marck, Belgium:

'Motorists are increasingly confronted with changing and divergent road traffic regulations from one Member State to the next. Can the Commission state what attempts have been made so far to standardise these regulations, for example in the matter of speed limits, the use of snow chains, studded tyres, fog lamps etc?'

Answer given by Giorgios Contogeorgis on behalf of the Commission:

'The Commission is aware of the differences of traffic rules not only as between member states but also between other European States. On account of the wide range of problems involved and in order to avoid duplicating work the Commission is following closely the relevant work which is taking place in the other international bodies, such as Economic Commission for Europe (ECE), European Conference of Ministers of Transport (ECMT), OECD and the Council of Europe.'

In particular, the Commission follows the efforts being undertaken in ECE for updating the International Convention on Road Traffic (1968) which covers many aspects of the road traffic rules, including those quoted specifically by the Honourable Member. It believes there should be scope for carefully selected Community initiatives in this field, following an investigation into road safety now under consideration within the European Parliament.'



Laser price war looms

Europe's infant audio laser pick-up industry may need temporary tariff help to overcome tough price competition from Japan, according to a recommendation just released by the European Commission.

European firms have already started manufacturing the machines, which have just begun coming on to the market. They face daunting competition from Japanese hi-fi producers, most of whom already observe a single standard, designed to make marketing the laser pick-up easier, and who hold licences granted by the Europeans to produce it.

Japan's world domination of the hi-fi sector currently extends to about 100 per cent of its home market, 90 per cent of the US market, and 75 per cent of the European market.

If European laser audio systems are to reach profitable levels of production, and provide a return on the expensive research and development which went into them, a more realistic duty than the existing 9.5 per cent must be negotiated through the GATT, according to the Commission. Its recommendation to the Council of Ministers calls for a five-year suspension of the current tariff and the adoption of a so-called 'autonomous' duty of 19 per cent on laser pick-up audio system imports. This, they feel, would provide European producers with, at least, a temporary respite from Japanese competition.

Loans from the EIB could mean 58,000 safe jobs

Funding by the European Investment Bank, the European Community's bank for long-term finance, showed a healthy upturn of 22 per cent in 1982. This was in direct response to the European Council's request for help in stimulating investment and creating jobs.

Lending totalled 4.7 billion ECUs, compared with 3.8 billion in 1981, despite the continuing unfavourable economic climate and high interest rates. The objectives pursued are, in order of priority: regional development; reducing dependence on imported hydrocarbons; and industrial modernisation. The EIB has also pursued its efforts in the framework of Community development aid, particularly in Africa and the Mediterranean countries.

Lending in member countries amounted to more than 4.24 billion ECUs, with a significant expansion in operations in Greece. There, in the second year following Greece's accession to the Community, the EIB advanced a total of 459 million ECUs, as against 159 million ECUs in 1981.

An appreciable recovery was recorded in activity in the United Kingdom, along with a sharp upswing in Denmark and France and a further rise in Ireland and Italy. In contrast, a downturn in operations was observed in Belgium and Germany.

In line with the foremost task entrusted to the Bank under the Treaty of Rome, priority was accorded to lending for regional development, which increased substantially compared with 1981. The bulk of funds was channelled to less advanced regions and to areas where unemployment is most rife, as well as to parts of Southern Italy and Greece devastated by earthquakes in 1980 and 1981. Some 80 per cent of loans within the Community went to projects in Italy, the United Kingdom, Greece and Ireland—countries where structural problems are most acute.

The EIB also accorded priority to financing investment aimed at cutting back the EEC's dependence on imported hydrocarbons, improving communications within the Community, promoting development of high technology and protecting the environment.

Projects financed in the energy sector in 1982 should, once fully operational, provide means of replacing the equivalent of 17.3 million tonnes of oil per annum, including savings accruing mainly from schemes promoting more efficient use of energy in industry.

A salient feature of EIB activity in 1982 was the upswing in loans for productive enterprise, with a particularly pronounced increase in funds earmarked for smaller-scale ventures via global loans channelled to banks or financing institutions. New global loans made available in 1982 totalled 903 million ECUs, as

The European Investment Bank has responded to the call by making more funds than ever available in the Community's priority areas

against 469 million in 1981, while 454 million ECUs in all was approved from ongoing loans of this type in support of 1,200 smaller ventures.

The majority of such loans granted in 1982 were designed to establish or expand SMEs (small and medium sized enterprises) in regional development areas, whereas others were intended specifically to promote energy savings. November saw the first batch of global loans from NCI resources for productive investment by smaller businesses located outside regional development areas. These will complement similar loans provided by the EIB and the ECSC to aid regional development or conversion, modernisation of enterprises and energy saving.

The EIB also helped to finance improvements to transport infrastructure between member countries, as well as installations to protect the environment (sewerage scheme in the Gulf of Naples, equipment to reduce pollution in the Baltic) and projects making use of advanced technology.

On the employment front, ventures backed by the EIB should lead to the creation or safeguarding of more than 58,000 permanent jobs. Moreover, implementation of ventures financed by the EIB since 1977 which generally cover several years are thought, mainly in the case of infrastructure schemes, to have secured employment, directly or indirectly, for more than 410,000 workers in 1982.

In the United Kingdom, lending almost doubled, to 490.6 million ECUs (£273.8 million) from EIB own resources, compared with 252.7 million ECUs (142.6million) in 1981. This upturn can be ascribed largely to the quite lively demand for credit to finance energy and water schemes and regional infrastructure—chiefly in Scotland, the North, Yorkshire and Humberside, the North West and, to a lesser extent, Wales, the South West and the East Midlands.

Loans for energy equipment (188.4million ECUs, or £104.7million) were directed mainly towards the development of domestic resources, such as nuclear fuel storage and handling facilities in the North, the Torness Point nuclear power station in Scotland, the tapping of a North Sea oilfield, the laying of a submarine cable to connect the Orkneys to the Scottish power grid and the construction of a thermal power station in the Shetlands.

Lending for water supply and sewerage schemes rose from 68 million ECUs (£39.6 million) in 1981 to 99.2 million ECUs (£55.7 million), with funds going to Scotland, the East Midlands, Wales, Yorkshire and Humberside, the North West and the South West. Also included were road schemes, the development of industrial sites and vocational training centres.

The European Investment Bank has also announced a loan of £5 million (8.3 million ECUs) towards improvements at Manchester Airport. The loan (over 12 years) is to the Greater Manchester Council. It will go towards the cost of the extension and strengthening of the main runway, improvement of taxiways, renewal of runway lighting system and landscaping works, totalling £23 million. Manchester has a Government-designated role as a category 'A' gateway international airport, and is the main UK airport after London Heathrow and Gatwick.

It is also a major asset for regional development, which is the prime motive for the EIB's support. It serves a catchment zone of about

In Britain, EIB lending has almost doubled over 1982

13-15 million people, principally in North-West England, Yorkshire and Humberside and North Wales—areas which have been hard hit by loss of jobs in traditional industries such as textiles, clothing, steel, shipbuilding and car production. The airport (which generates employment for 5,000 people within its boundaries) is seen as a vital element in attracting new industries, or helping existing ones expand and compete effectively, particularly those which need frequent connections with the Continent and the United States.

Since 1973, the EIB has channelled some £2,650 million to investment projects in the United Kingdom.

About £260 million of this has gone to transport infrastructure, both to strengthen European communications (e.g. improved UK-France, UK-Ireland ferry services) and to assist regional development, such as the introduction of high-speed trains on the London-Scotland and London-West of England lines, and motorway construction in Glasgow and Liverpool. The European Investment Bank has also helped to finance expansion of the airports at Birmingham and Exeter and at Sumburgh in the Shetland Islands.

Wales is scheduled to receive £4 million (6.6 million ECUs) for road building in the Cardiff area, to improve access to the city's dockland, building of a peripheral distributor road, and other roads serving light industry in the area. Better access to Cardiff airport is scheduled once the new peripheral road is finished, with consequent prospects for growth. ☐

☐ On 31 December 1982, one ECU = £0.60

EUROFORUM

An ambitious new scheme for the Mediterranean regions

The Commission has proposed an ambitious £4 billion plan to promote economic development in the Community's Mediterranean regions. The six-year programme, to run from 1985, is designed to narrow the development gap between the southern regions and the rest of the Community.

This massive effort, designed to tackle specific problems facing these regions, will be organised through Mediterranean integrated programmes, linking structural improvements to agriculture with schemes to encourage other economic activities.

Areas under consideration – to be developed in more detailed plans to be submitted to Governments for their approval – are: tourism; fisheries; renewable sources of energy; small and medium-sized firms; craft industries; transport; and infrastructure.

Introducing the programmes, Commission Vice-President Lorenzo Natali, the driving force behind the project, forecast that almost half of the total investment would be devoted to agriculture and related activities. This was by no means an excessive share, he added, given the large numbers involved in farming in these regions.

He pointed out that the Community spends only £270 million per year on olive oil – a sector involving 1.5 million farmers. The corresponding figure for rape seed, with its 300,000 producers throughout the Community, is £336 million.

Mr Natali added that all the regions covered by the scheme, despite their own particular problems, share certain characteristics. They are mainly rural in nature, far from the Community's

'Almost half the total sum would be invested in agriculture and related activities' – Natali

main industrial centres, with serious structural and natural disadvantages.

These difficulties were recognised by the Commission in its recent 'Mandate' report outlining the way ahead for the Community, which pointed to changes in existing policies and the need for new common endeavours. The integrated programmes for the Mediterranean regions are a natural consequence of translating these thoughts into fact.

The whole of Greece is to be covered by the programmes – a decision welcomed by Commissioner Richard Burke, who has been given special responsibility for Greece's relationship with the Community. It constitutes 'a specific attempt to respond to very many of the demands stated' by Athens to solving the problems of Greek membership, he said.

In France, integrated programmes are to be drawn up to cover Corsica,

51 million people living in the Mediterranean would benefit

Languedoc-Roussillon, Provence-Côte d'Azur, Midi-Pyrénées and Aquitaine. The Italian regions concerned are the Mezzogiorno, Lazio, the Marches, Umbria, Tuscany and Liguria.

The Commission has proposed that the total amount of assistance should be distributed in the following manner: £1.5 billion should go to Greece; £1.7 billion to Italy; and the remaining £680 million to France.

Recipient countries will be required to contribute to Community investments in these programmes on a level-of-prosperity basis. Mr Natali pointed out that 51 million people living in the Mediterranean would benefit from the programmes.

The next step will be the sending of the programmes to the Council and the European Parliament.

ON THE LINE

The European Court of Justice has condemned Britain's system of insisting on licences before long-life milk or cream may be imported into the country. The practice, it concluded, effectively banned imports of Ultra Heat Treated (UHT) milk.

The judges also criticised the stipulation that the imports had to undergo a second heat treatment and then be repackaged before they could be distributed round Britain.

Both measures, they concluded, were contrary to Article 30 of the Treaty of Rome, which guarantees the free movement of goods.

The British Government has always insisted the controls were imposed to protect consumers by ensuring the UHT milk was of sufficient standard. But there have been suggestions that controls were designed to keep out highly competitive long-life milk produced in France and Ireland.

The Court did, however, state that Britain could introduce new measures to ensure the imports were of a certain quality, provided they did not engender a disproportionate impact on trade.

Discussions are now taking place between the Commission and the British Government on the new system to be put into place.

EUROPEAN REVIEW

Commission believes competition can do the trick

The Community is not blindly pursuing competition policy as an end in itself – on the contrary, it views competition policy as being of essential assistance in the resolution of our economic difficulties.

This was the conclusion of Mr Frans Andriessen, European Commissioner responsible for competition, when he spoke in February at the London School of Economics.

He firmly denied that anti-trust policy was to blame for any of the current economic problems. On the contrary, he described the positive rôle of Community competition policy in the current recession.

'The stimulation which competition provides to adapt to changed economic circumstances,' he explained, 'is essential to enable undertakings to recover, retain, and improve their competitiveness.'

He then outlined how the Commission was encouraging strong competition in the Community. First, by acting to preserve existing competitive structures, eliminating distortions to competition such as unfair aids from governments and the formation of cartels and monopolies. And secondly, by creating the conditions necessary for effective competition to work properly, with measures to remove export bans, exemption from Community competition rules for agreements between companies that encourage competition, and measures to make sectors such as banking and insurance more open to competition.

The cost of drinking and driving

The European Commission has released figures showing that alcohol limits for drivers and penalties for drunken driving vary widely in different Community Member States.

Replying to a written question from Socialist MEP Winston Griffiths, Commissioner Giorgios Contogeorgis said

that the toughest limits exist in the Netherlands, where drivers are not allowed to exceed 0.5 grammes of alcohol per 1000cm³ of blood.

Britain, France, the Federal Republic of Germany, Belgium, Luxembourg and Denmark all observe limits of 0.8 grammes per 1000cm³, while Ireland allows up to 1 gramme per 1000cm³. No limits exist in Greece or Italy.

Penalties also vary. Driving licences can generally be suspended for periods of up to a year, and prison sentences range from up to 6 months in the UK to up to a year in France and the Federal Republic of Germany.

Fines are of the order of 500 IRL in Ireland, up to £1000 in Britain, between 500 and 1,500 DM in the Federal Republic, and between 500 and 3000 francs in France.

Sweden's Olof Palme pays a visit

The Community and Sweden further cemented their long-standing ties in February, with the first-ever official visit by a Swedish Prime Minister to the European Commission.

Mr Olof Palme told reporters that he supported the Community's move to include Portugal and Spain, and that this represented a further step forward for democracy.

While his own country's status of neutrality prevented it from ever joining the Community, it did not stop the two parties increasing their cooperation, he said.

Giving a clear indication of the areas close to his thinking, he singled out research, energy, transport and economic policy, particularly measures to tackle unemployment and provide help for the Third World.

Sweden is now the Community's third largest customer, accounting for 4.6 per cent of total exports in 1981, and the Community's sixth largest supplier, with 4 per cent of total imports. In 1981 Sweden exported goods worth £7,357 million to the Community and imported £7,300 million.

A 1972 agreement allowed for free trade in industrial goods between the Community and Sweden. The last tariffs – on certain paper products – will be removed on 1 January 1984.

Pressure on the Germans

The European Commission is to ask the authorities of the Federal Republic of Germany to act against insurance companies who discriminate against nationals of other Community countries resident in the Federal Republic, by increasing premiums or refusing comprehensive policies. This refusal is based on the grounds that non-nationals constitute a higher risk than Germans.

Replying to a written question from Martin Bangemann, leader of the European Parliament's Liberal Group, Commission Vice-President Christopher Tugendhat said that the blanket discrimination was incompatible with Articles 7, 48 and 72 of the EEC Treaty.

The Commission will ask the German Government to ensure that nationals of other Community member states residing in the Federal Republic receive the same treatment as German policy holders, he said.

Aid package is on the way

Refugees and flood victims in Sudan, Peru and Ecuador are to receive an emergency aid package totalling 600,000 ECUs from the European Community.

As a member of the African, Caribbean and Pacific Group, Sudan will receive aid under Article 137 of the Lomé Convention. The sum total of 300,000 ECUs will be channelled via the United Nations High Commission for Refugees to help refugees from Uganda, who continue to arrive in Sudan.

Peru and Ecuador will receive 100,000 and 200,000 ECUs respectively, to help cope with the destruction caused by torrential rainfall and flooding in certain parts of both countries. Some 300,000 people in Ecuador and 100,000 in Peru are reported to be in need of help.

The aid will be channelled via the non-governmental organisation, 'Deutsche Welthungerhilfe', to finance its emergency aid programme, which will provide medical supplies, local food-stuffs and basic essentials.

Good news for consumers

The Community's consumer price index rose 0.7 per cent between December 1982 and January 1983, marking the continuation of a nine-month period in which the monthly increase amounted to less than one per cent, according to Eurostat figures.

Italy recorded a monthly increase of 1.4 per cent, and Belgium and Luxembourg each had 1.2 per cent increases. The German Federal Republic and the UK saw consumer prices rise 0.2 per cent and 0.1 per cent respectively. Prices in the Netherlands were unchanged. The latest Irish statistics were not available.

Between January 1982 and January 1983, the rate of increase in consumer prices in the Community was 9.1 per cent, confirming the slowing down of the rate of increase which started at the beginning of 1982.

According to Eurostat, the Netherlands reported the smallest price index increase with a 3.8 per cent total for 1982, while the Greek price index rose 18.7 per cent.

Fresh moves on meat trade

Another round in the campaign to break down veterinary barriers to trade in meat was completed in February, when the Council adopted two directives concerning health and veterinary inspection problems affecting intra-Community trade and imports of fresh meat and live animals.

The new directives amend existing Community health rules governing trade in meat, and extend them to all stages in the production, storage and trade, including many more forms of presentation, such as offals.

New steps have also been taken to strengthen health controls designed to protect the consumer, such as compulsory sampling of meat for residues and dangerous substances. Another important innovation is on-the-spot Community checks to see whether establishments are complying with the rules.

Under the second directive, meat and livestock exporters to the Community now have to meet the same health requirements as Community producers.



A pluck at the harp strings by President Thorn, on his visit to Ireland.

Gaston Thorn calls on the Irish

'There's love there too though, boy' – a famous Cork saying – was how President Thorn summed up the reciprocal commitment of Ireland to the Community and the Community to Ireland.

His visit to Ireland at the end of February had several objectives – to meet Irish leaders, including President Hillery and Prime Minister Garret Fitzgerald, to prepare the next Council, and to speak to and with the Irish.

In a speech to the Adult Education Congress at the University College of Cork, President Thorn stressed that the special economic measures which are envisaged for Northern Ireland offer a small terrain of neutral ground on which proposals derive support 'from across the divides of the most afflicted corner of the Community'.

Earlier, Mr Thorn had said that the vitality of the Europe of nations and capitals ultimately depends on the vitality of its regions. He also took time to pay a particular tribute to the contribution that Commissioner Richard Burke was making to the work on the Greek memorandum and Greenland.

After Cork, President Thorn visited Dublin's Irish Institute of Public Administration, and spoke on the role of public enterprise in the European Community. He told his audience of chief executives of Irish state organisations that the task of the Commission is

'to ensure that state investment does not have an aid effect incompatible with the Treaty'.

He went on to acknowledge the contribution which public enterprises could make to the economic debate by virtue of their experience, their responsibility and economic strength.

A way forward for coal

In response to the express wishes of the Community's Energy Ministers, who laid the foundations of a common coal policy last December, the Commission has drawn up a work programme for solid fuels.

The Commission has proposed measures to promote the use of solid fuels by encouraging investment in the conversion of oil-fired installations to coal firing in industry, public buildings and district heating.

Intra-Community trade in solid fuels is to be developed so as to maintain adequate production levels of coking coal. Extra financial support is envisaged for restructuring the coal industry, for modernising viable coal production capacities, and for encouraging production and investment in the brown coal and peat industries.

The Council will also be asked to reconsider the question of a Community aid system to finance contingency stocks of coal and coke – a proposal which was first raised in 1977 – and measures to step up Community monitoring of coal imports from third countries.

Ever see a pig jogging?

If you see European farmers encouraging their pigs to jog round the yard next year, don't be too surprised. The Commission has proposed a new Community scale for grading pig carcasses based on a L-E-A-N-P-I-G classification.

Under the proposed regulation, pig carcasses would be weighed and graded according to their estimated lean meat content with improved measuring methods using instruments. Classification would be based only on 'objective and reproducible' measurements, rather than the mixture of objective and subjective systems in use for the past 15 years.

Pig carcasses with 60 per cent or more lean meat would be classed L. Categories E-A-N-P-I would be downward steps of 5 per cent, with G at the tail end having 35 per cent or less lean meat.

If the Council approves the proposed regulation, it would come into force on January 1st, 1984.

Things are looking up

Economic expectations in the Community improved slightly in January after their decline in the last half of 1982. The rise is similar to the one that took place among consumers, industrialists, and investors at the start of last year.

However, there are a number of factors now tending towards recovery from recession which did not exist then. These include the fall in interest rates by several percentage points, the drop in oil prices, the substantial decline in stock levels, and the general decline in inflation which is tending to strengthen real income levels and potential consumer demand.

If expectations continue to improve over the next few months, there will be grounds for a more favourable forecast of economic activity in 1983, says the Commission's latest monthly report on the European economy.

Industrial investment intentions for 1983 are weak, but better than in 1982. For Community industry as a whole, the Commission's survey estimates a 1 per cent rise in industrial investment for 1982, which is an 8 per cent fall in real terms. The prospects for 1983 show a 5 per cent rise in current values and a 2.5 per cent fall in real terms.

Increases in investment plans range from 3 to 17 per cent in nominal terms in the member states, with the only declines in Belgium (-7 per cent) and Greece (-23 per cent). But in real terms the only probable increase will be in the UK, which the report says, 'is farther along the road towards recovery from the recession than the other member states.'

Aids to hydrocarbons

The Community has given financial support worth 248 million ECUs to 278 projects in the hydrocarbons sector since 1973, according to Commission Vice-President Etienne Davignon.

Replying to a written question from Communist MEP Francis Wurtz, he said that aids have taken the form of subsidies, which are repayable when projects become commercial. Community funding normally accounts for between 30 per cent to 40 per cent of the total cost of each project, he said.

The Commission checks on the use of aids by asking for regular progress reports listing expenditure and results, from companies receiving subsidies.

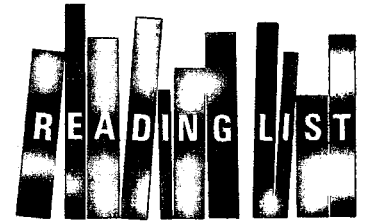
On-site inspections by Commission officials, and sometimes by representatives of the Court of Auditors, are also used during the initial stages to check that projects are progressing as planned, he said.

The gift of tongues

Language education is vital to freedom of movement and mutual understanding in the European Community, says a group of MEPs.

They are convinced that compulsory instruction in at least one other Community language should be provided in the schools of all member states, and that the latest teaching methods should be used.

So they are calling on the Commission to submit a programme designed to improve foreign language teaching in schools and the adult education sector through the latest educational methods. They also want the Commission to co-operate with national bodies to promote the exchange of teachers and students, and to encourage contacts between member state schools so that they can exchange information about use of the latest language-teaching methods.



The European Challenge—Europe's new role in Latin America. Published by, and available from, the Latin America Bureau, 1 Amwell Street, London EC1R 1UL, £3.95 plus £0.75 p&p.

A series of essays on Community—Latin America relations; European Social Democrats' relations with Latin America; transnationals; economic developments; human rights; the arms trade—and European trade and investments.

Government Coalitions in Western Democracies. Edited by Eric C. Browne and John Dreijmanis. Longman. £13.30 (paperback £9.95).

Government by coalition rather than by majority party is now almost commonplace in Europe, Britain being a notable exception. In this volume, a team of experts present detailed accounts of party and coalition behaviour in eleven Western democracies since 1945.

The United States and the EC: national economic strategies and international cooperation (£1.80)

Reform of the CAP and restructuring of the EEC budget (£2.40)

Published by the University Association for Contemporary European Studies (UACES), Kings College, London WC2R 2LS)

Two publications bringing together papers presented at important recent UACES conferences, at Cumberland Lodge (May 1982) and Reading (September 1982). The first focuses on a specific problem of US/EC relations: the tensions between the need for international coordination of economic strategy and the pressures on national government to emphasize domestic needs and priorities. The second deals with the intractable and inextricable problems of the British contribution to the Community budget and reform of the farm policy.

Community research and development: slow progress in the FAST lane

According to the final report of the Commission's five-year research and development study programme, 'one might use the word "despair" to describe the present situation.' It adds: 'We are still in search of what policy measures could possibly bring us out of this web of intertwined problems denoted by the crisis.'

The study programme undertook to examine what measures the European Community could take to harness the Community's R&D resources, in order to meet the serious industrial and social problems which the next thirty years will bring. The bleak message is itself an explanation of why such a study was felt necessary, even back in 1979.

The FAST Programme – which stands for 'Forecasting and Assessment in Science and Technology' – was given a budget of 4.4 million ECUs and a team of six researchers, who then brought together experts from all over the Community. Together they produced 36 separate studies, out of which a final report was drawn up outlining an overall research strategy.

In it, the FAST group concentrated on three major issues: work and employment; information technology; and the more distant issues related to the development of biotechnology. Each of these themes are closely interlinked with one another, but all relate to the rapid introduction of new technologies which are already beginning to influence trade, industry and the way we live.

JASPER BECKER reviews the conclusions of a Community programme that has produced 36 separate studies dealing with forecasting of scientific and technological developments

The report begins by contemplating the present outlook for Europe. It is poor. Unemployment at 11 per cent is still rising. To achieve an unemployment level of 2 per cent by 1995 would require the net creation of a million new jobs a year from now on. This is clearly an impossible dream. Even during the Sixties, no more than 260,000 new jobs were created annually.

The situation is all the worse because of the feeble health of Europe's primary industries. The traditional basic industries – cars, chemicals, textiles, steel, etc – are having to retrench heavily, while the new sunrise industries created out of the advances in information technology are falling behind in the race with the Japanese and Americans.

The questions to which the FAST team addressed themselves to were not, however, the immediate industrial or employment problems facing Europe. They dealt with the strategic questions concerned with how

Europe's R&D policy can in the long term contribute towards improving the competitiveness of European industry. This means both by stimulating innovation in traditional industries and enabling new industries to grow as quickly as possible.

Two approaches were taken to each of the three areas examined, firstly, to analyse what was at stake; and secondly, to propose the directions that the EEC's research policy should in future take.

Regarding information technology, the report concluded that there are a number of important general strategic questions which needed answering. What are the key technologies which Europe needs to master to maintain an effective industrial capability? How can they be acquired? And what precisely are the products and services for which there exists a genuine market or need? The FAST report concludes that, when these investment decisions are made, they must be done in full awareness of the choices open, and also be based on the assumption that it is beyond the resources of any one country alone to cover the entire spectrum of possible vital technologies.

So collaboration within the EEC is essential, as is collaboration with the US and Japan. But this must be done on the basis of a common approach.

More specifically, this means strengthening the ESPRIT programme, and a further coordinating of the member states' R&D programmes. Structural changes include the adjustment to the EEC's competition and anti-trust rules, to allow collaboration between major European companies; developing copyright laws which will offer protection to software programmes; providing finance for high-risk technology ventures; and breaking down the national barriers that hamper the free growth of information technology and data transmission products and services.

The new information technologies will inevitably displace a large number of jobs. But the FAST report also calculates that they have the potential to create 4 to 5 million new ones in Europe between now and 1995 – but only provided the opportunities are seized. One of the essential prerequisites is ensuring that there exists a qualified workforce, not only by training engineers and technicians but also by providing the whole population with the skills to make good use of information technology.

Biotechnology is, by comparison, at a far earlier stage of development and the issues and recommendations in the report differ accordingly. The FAST report believes that it is essential for Europe to field an expertise in so wide a range of scientific disciplines and technologies that it is beyond the capacity of any one member state to master. One option would therefore be the creation of multi-disciplinary research centres bringing together the best scientists that Europe has to offer. Beyond this, the report stresses the need for greater mobility and contact among European scientists: a greater exchange of information and more frequent discussions between the administrators of the national research pro-



grammes. Related supporting measures which are recommended by the report include data banks, data network services and the collection of biotic materials. In short, the primary role of the EEC would be to foster a practical framework for the development of biotechnology sciences and applications at a European level.

The consequences of the growth in the application of biotechnology are also treated. Biotechnology, the report predicts, will have a revolutionary impact on the way natural resources are managed, and more specifically on the agricultural and food processing industries and possibly on the chemical and energy sectors too. The strategic requirement here is to develop a more coherent overall view of the use of land and the integrated management of our renewable natural resource system'.

The application of biotechnology could mean being able to use agricultural wastes to provide energy; switching parts of agricultural production in Europe towards energy crops; developing new plant breeds that require fewer inputs of fertilisers; or reducing the use of oil and substituting indigenous raw materials as a feedstock for the chemical in-

'The only way to speed the schedule up is by international cooperation'

dustry. The potential for change is enormous. Ultimately, the Community's agricultural policies, its trading relations with the Third World, as well as the structure of the Third World's own economies, will all be shaken.


The report sketches out the various options open, and at the same time defines the areas requiring further scientific research. Although the findings are often too detailed and specific to summarise briefly, some broad conclusions are also reached.

Firstly, our way of looking at industry needs changing. The distinct lines between the various major sectors are blurring into two major axes – the agro-chemical-energy and the spatio-electronic.

Secondly, R&D is bringing changes at such speed that, as a policy, it must be given greater priority and integrated more fully with the implementation of the Community's economic, industrial and social aims.

Thirdly, it appears that the way R&D is managed in Europe is inadequate, since despite the substantial sums being spent, Europe is becoming more and more reliant on acquiring new technology from Japan and the USA.

The reports thus recommends much more forceful coordination and cooperation among the member states and their industries.

Finally, the FAST report makes a plea for further research into the social impact that the changes induced by technological advance will make on lifestyles and employment. 

Nuclear fusion – the problems and the prize

Since 1950, a great deal of research has been carried out into the phenomenon of thermo-nuclear fusion. This phenomenon – which occurs naturally in the stars and supplies the sun's warmth – is seen as a possible source of unlimited energy for the whole world.

What is required is to create it under the most advantageous technical and economic conditions. However, there are many problems to be solved and there is still a long way to go. Professor Donato Palumbo, of the EEC's Directorate-General for Science, Research and Development, has spoken to us of the difficulties which had been encountered, the setting up of the joint European programme and the future prospects. He says:

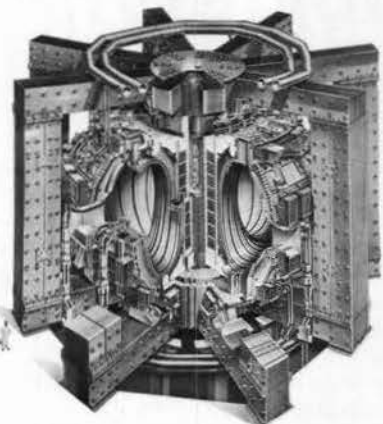
'At the moment it is very difficult to make forecasts about the results of our research, but we can say already that fusion is not just around the corner. We still have to solve extremely difficult physical and technological problems, which will require development work lasting a long time. Nevertheless, fusion, together with fast breeder reactors and solar energy, represents one of the possible long-term solutions to the energy problem, despite its inherent difficulties. By long-term I mean more than fifty years, around the year 2030.

'For example, at the centre of a fusion generator we have plasma, which is matter at a temperature of a hundred million degrees. This is something which does not normally exist on the earth, and which we have had to create in order to study it. To be able to produce this hot plasma, and to confine it long enough without it coming into contact with the material walls of the containment, is what we refer to as the problem of the scientific feasibility of fusion.

'Having solved the problems internal to the plasma there are still the problems external to the plasma to be solved. For example, the material wall will be subjected to an intense flux of neutrons and other particles emitted by the plasma. It must be able to maintain a vacuum and retain reasonable mechanical properties for a very long time. To assure the correct operation of everything external to the plasma is what we refer to as the technological feasibility, which is a matter of proving that once the fuel can be heated up and made to burn, the energy produced can be utilised.

'The next and final stage is to demonstrate the economic feasibility, that is, that the energy produced can compete with other sources of energy.

'It should be realised that the stakes are very high, since fusion could in the long term solve all our energy problems. However, the dif-

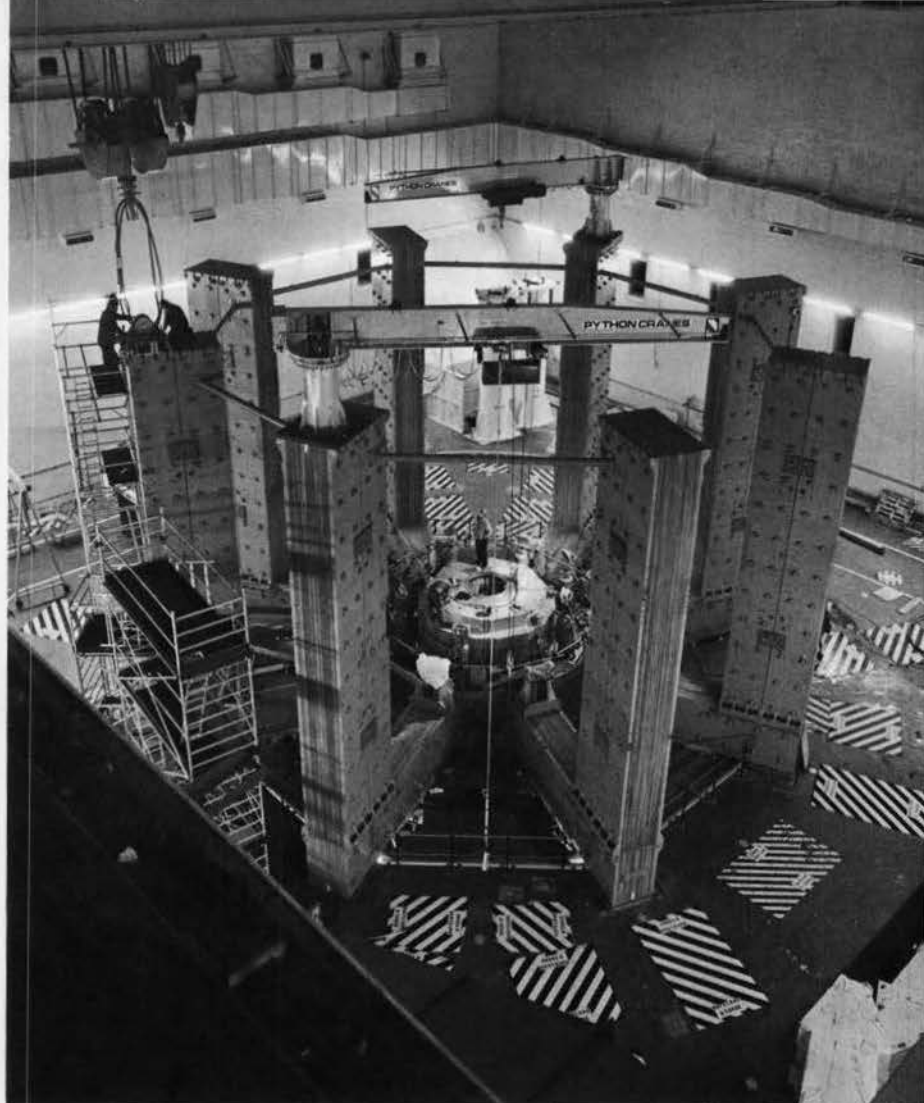


MARC VANDENPLAS talks to Professor Donato Palumbo, director of the EEC's fusion programme, about progress towards the ultimate solution to the world's energy problem

iculties to be overcome are immense. These two facts have led the EEC countries to unite their efforts in a joint European programme. This, I think, is the only field in which there is no real national programme and where the efforts of the member states are united in a single programme. The need for collaboration transcends European boundaries.'

The programme, which began in 1959, was one of the first Euratom programmes. It is based on contracts of association between Euratom and the various bodies which wished to develop it. Professor Palumbo explains that the first contract was made with France's Commissariat à l'Énergie Atomique. Then, little by little, other contracts were made with all other bodies active in this field. A decision was made by the Council in 1971, by which the fusion programme involves long-term collaboration covering all of the programmes being carried out by member states. The aim of the programme, he explains, is to arrive in due time at the construction of prototypes to be industrialised and marketed.

Looking at the geographical distribution of the laboratories, it can be seen that there are laboratories under contract in nearly all parts of the EEC. The organisation is complemented by two other elements – the inclusion of the activities of the Joint Research Centre at Ispra in the fusion programme, and the setting up of the JET (Joint European Torus) common programme. The cost is of the order of 250 million dollars, which is less than the daily European consumption of oil.



The Joint European Torus (JET) apparatus under construction, showing the massive limbs of the transformer coil. Right: the vacuum vessel is lowered into position.

The Commission pays 25 per cent of the associated laboratories' operating expenses, 15 per cent of the principal investments of these laboratories and 80 per cent of the cost of JET. It also pays the supplementary costs for the exchange of scientific personnel between the fusion laboratories.

The main effort in Europe – and indeed in the world – is based on the Tokamak line, which at present is the type of machine most suitable for containing the plasma and which will probably be the prototype of future fusion reactors. There are two types of Tokamak with two different purposes. Firstly, there are the very large units, built with the aim of studying, understanding and improving their performance so as eventually to be able to use them as fusion reactors. The units already constructed are Fontenay (1973), Culham (1976), Frascati (1979), Garching (1980) and Julich (1981). Other, smaller units are designed to study more specialized problems, such as plasma heating, and are in operation at Grenoble, Lausanne, Brussels, Jutphaas, Riso and Culham.

The European programme has been designed to spread the tasks among various laboratories, each of which is under the obligation to supply the results of its research

to other laboratories dealing with different problems. Professor Palumbo says that the 'Ecole Royale Militaire' in Brussels, which specialises in high-frequency heating, is to bring its contribution to the experiments with the large Julich Tokamak, where plasma heating is to be undertaken, in 1983. This will be the largest operation of this type carried out in Europe so far.

However, in order to make real progress it was necessary to design a much larger, much

'The final stage is to demonstrate that the energy produced can compete with other sources of energy'

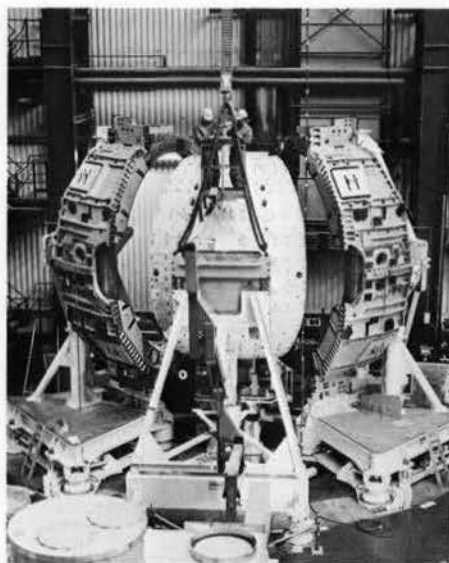
more expensive unit. The problem was formulated in 1972, and the detailed plans were worked out at Culham. Then, after losing two years deciding where to build it, Culham was finally chosen for the site. Construction started in 1978, and is now nearing completion. This large Tokamak – known as JET or Joint European Torus – has been given the status of a joint enterprise. Its aim is to achieve temperatures, densities and containment times that will enable it to be used to burn a mixture of deuterium and tritium.

The European programme is now entering

the second phase of fusion, in which solutions are being sought for technical problems such as producing magnetic fields, developing safe methods for handling kilogrammes of tritium and remote handling methods for reactor components, and various materials problems. It is to deal with these problems that the NET working group has been started, and which is to plan the next European unit, the Next European Tokamak. 'In the NET unit', Professor Palumbo explains, 'we will be concerned with the technological problems – that is, everything which is basically external to the plasma, as it is hoped that JET will have solved the problems of the plasma itself. NET is to be a Tokamak capable of burning a mixture of deuterium and tritium in long bursts of a hundred seconds, ten times longer than JET. Construction of NET is to start in 1990 and it should start operating in 1995.'

After NET, the plan is to build a demonstration reactor, called DEMO. This will be a full-power generating station producing electrical power, as well as heat for other purposes. Its purpose will be to demonstrate that all the necessary technology for a commercial reactor is sufficiently reliable, but it itself will not be a commercial reactor. It could be operational in the next decade after the year 2000. According to Professor Palumbo, the only way to speed this schedule up would be to look to the development of international collaboration. In Europe, for example, we have a joint programme and no national programmes. Outside Europe, collaboration has been developed with the USA and by multilateral agreements with the OECD's Internal Energy Agency and the International Atomic Energy Agency in Vienna.

There does not seem to be any hope of nuclear fusion reactors bringing us the energy which we will probably then need before the year 2015. The time could be reduced by increasing the allocated budget, and by training more specialists in this field. But the most effective method would still seem to be more extensive collaboration with the other countries of the world. E



'Some countries will take action to help their workers if collective Community action is not forthcoming'

We are now in the tenth year of recession. Over the past year, unemployment in the Community has risen by over two million. With a continuing rapid decline in industrial employment, and with a much lower rate of job-creation in service industries, there is an urgent and paramount need for the governments of member states to give absolute priority to reversing this trend.

The severity of the problem, and the social hardship caused, cannot be exaggerated. Substantial income losses have occurred for individuals and families. The incomes of those in employment is being reduced to transfer income to the unemployed. Not only are the Community economies becoming seriously weakened by lack of growth and investment, but the whole basis of community and world trading relationships is being increasingly questioned and threatened.

With the failure of the Community's free trading system either to guarantee existing jobs or create new ones, the threat to the Community is direct. Pressure is mounting for the protection of jobs at national level with inevitable damage to the gains of the common market. Uncoordinated national actions run a serious risk of working against each other.

The Commission recognises the difficulties of governments; but we believe that, if all countries of the Community were to act together, the traditional risks or adverse effects of expansion – notably on balance of payments and inflation – would be drastically reduced. We also recognise that there are clearly some countries who are not prepared to go on suffering unemployment at present levels, and who will take actions to help their workers if collective Community action is not forthcoming. That would undoubtedly mean a return to protectionism and a weakening of the Community.

In the present recession the share of job-creating investment in public expenditure has slumped, as more and more money has been required simply in order to provide income support for the unemployed. We must reverse this. And the most direct way of doing so is by an expansion of public investment expenditure in order to create jobs.

It should be remembered that, although funds would be funnelled through public authorities, the major increases in employment would be in the private sector – notably in the capital goods industries, in construction and in the associated technical services. We are not talking about increases in public employees, other than those who would anyway be required at a higher level of activity.

The Commission has already made proposals on the need for increased investment in a number of areas – notably on energy, communications progress and telecommunications. These should also be augmented with schemes for housing and the renewal of sanitary services, both of which would generate activity in the construction industry where there is currently massive excess capacity and unemployment.

At the same time, there should be a strengthening of the social support measures in industrial restructuring programmes. Such action would help workers who lose their jobs in such sectors to exploit more fully the opportunities for recruitment that could come through new public investment-induced employment. We have just submitted new proposals to the Council to help workers who lose their jobs in the steel industry.

In parallel with these actions, we need to strengthen support for all types of small enterprises, whether they be traditional small firms, or whether they be enterprises with some form of collective objective such as co-operatives and local employment initiatives. Small and new businesses require access to a large number of external support services and information – on markets, technological know-how, management techniques and training, access to finance – and we need to be sure that we are doing all we can to support such businesses.



In a speech to a seminar on unemployment in the Community, IVOR RICHARD, commissioner for employment and social affairs, lays the Commission's duty on the line

As well as promoting direct actions to generate additional employment, the Community has been very active on the whole question of the reorganisation of working time, and the contribution that that can make to creating more jobs. The Commission produced a new memorandum just before Christmas. It examines the conditions under which reducing the working time of individual employees can create possibilities for offering more employment to a larger number of people. It states that, on present economic and demographic trends, a more positive approach to working time as an instrument of employment policy is urgently required, although it acknowledges that a reduction in working hours alone cannot resolve the employment crisis.

The memorandum spells out the Commission's belief that the Community should explicitly support and promote the combined reduction and reorganisation of working time as an instrument of economic and social policy. The Commission is currently talking with the social partners in an attempt to reach broad agreement on working time. I hope that if we reach an agreement it will provide the basis for member states in setting targets for a reduction in individual working time.

Such a policy should be accompanied by measures to improve competitiveness and to safeguard basic social rights. A guideline of this kind would, of course, need to be carefully framed to leave room for considerable variations to take account, where necessary, of differences in the economic situation in each member state, in existing laws and practice, and of the needs of different sectors and of smaller firms. It would be up to the two sides of industry at the level of the firm or sector to give specific form to this general policy.

An issue which concerns us all at the moment is youth unemployment. We cannot overlook the scale of the problem: over 4 million under 25s are currently unemployed. This means that, for this age group, 20 per cent of them are unemployed – which is double the figure of general unemployment.

The European Council has given its support for the principle of a Community-wide guarantee of training and work experience for young people and the Commission has made proposals along those lines in its communication on vocational training in the 1980s and in the opinion of the review of the Social Fund. But we must also recognise that training, on its own, does not create jobs. Moreover, even the credibility of training is being put into question if there are no jobs thereafter.

In the Commission's view, we need to radically revise our existing attitudes to job creation and recruitment policies if we are to offer any sort of adequate reply to this massive problem. Urgent consideration needs to be given to a range of possible measures – whether these be special programmes linked to reductions in working time and flexible retirement, or the development of new forms of publicly subsidised employment linked to local needs. We need to assist recruitment schemes by private industry and support self-help job creation by young people themselves. We must, of course, ensure that the social partners and the representatives of young people are actively involved in such programmes.

I do feel that we must recognise the need for a commitment to young people under 25 – in this context, the term guarantee probably goes beyond what we can actually deliver. Nonetheless, we must make a commitment that those who have been unemployed for a given period of time – or have had less than a certain number of months of employment – should have access to various forms of paid activity, as well as to wider forms of support.

We cannot let ourselves accept the current situation, where vast numbers of young people are growing up with no real knowledge of what it is like to have a job, and who are becoming, in effect, part of the army of long-term unemployed before they are 25. The Commission will be making a whole set of proposals to the council next month, and we must be prepared to give serious consideration, and backing, to massive new actions to tackle the problem.

On the question of the better management of the labour market, particularly at local level, the Commission has for some time been working with the national departments of employment and the manpower agencies in order to both develop a more integrated, forward-looking approach in all countries, and in order to assist those countries who are in the process of reform to benefit from the experiences of others. This is one area where careful study, and discussion, plays an important role.

We are discussing with the social partners the ways in which they can most successfully co-operate with the governmental agencies to achieve a genuine tripartite involvement in the management of the labour market, so as to avoid us getting into the situation which so often confronts us today – reacting to events when they happen, rather than

anticipating them and developing more preventive responses.

Finally, I would like to say a few words about the European Social Fund. The fact that the review of the Social Fund is now taking place against such a bleak background has some advantages and some disadvantages. On the one hand, all governments are being forced to recognise that employment policies are important. Issues such as vocational training which have for many years been regarded by some politicians as technical matters, are suddenly at the centre of political discussions. So all member states are approaching the review of the Social Fund with a greater awareness of the central policy questions and of the priorities on which the Fund should concentrate. On the other hand, the disadvantage is that governments are very concerned by their domestic employment problems, and so their first concern is to see measures adopted which suit their own national priorities and initiatives.

In other words, the temptation is greater than ever for governments to see the Social Fund as simply a means of obtaining reimbursement of a part of the cost of national or regional employment and training measures. But this is not what the Social Fund is intended for – nor would it make economic sense, even if the Fund had the kind of resources necessary for such a role.

In the past it has fulfilled two main tasks: it has served in a relatively modest way as an instrument of redistribution within the Community, and it has served to encourage certain Community employment priorities and to help deal with specific Community difficulties.

It is important to bear in mind this limited but worthwhile function. The Fund is still a small – but, thanks particularly to the efforts of the European Parliament, a growing – proportion of the Community's budget. The contribution which the Fund can make to alleviating unemployment is modest when compared with the size of the problem. But it can nevertheless be a significant contribution if it is concentrated in the geographical and policy areas where it is most needed and where it can set examples to be expanded and followed within member states.

I reiterate my firm belief that, if we are to solve the problem of mass unemployment in Europe, it must be done by member states cooperating at a Community level. Our economic situation is now too serious for any member state to hope to solve its problems on its own. Those who believe that there are national answers, such as protectionism, to international problems are urging very dangerous courses of action. **E**

A gleam of hope for Europe's young jobless?

As unemployment among young people continues to rise, it is not surprising that they are now calling for action, not words. About 40 per cent of the young unemployed (aged under 25) have been without a job for more than six months, and more than 11 per cent for more than a year. Young women are the worst hit. Although they only make up 45 per cent of the total under-25 population, they constitute half of the young unemployed. About 24.6 per cent of young women are unemployed, compared with 20.2 per cent of young men.

Experts have blamed the baby boom, inadequate training, and an alleged lack of motivation. The Commission, on the other hand, argues that the root of unemployment among young people is the lack of available jobs rather than the lack of training and skills. Young people have never been as well trained as they are today – yet an increasing number of



The Commission's 'social guarantee' package will ease the plight of the under-25s – if member states agree to implement it

them are being forced to accept precarious, unskilled jobs with long or repeated spells of unemployment. This does not mean that training is of no value. Often there is a mismatch of skills within particular regions, and training is essential for the more disadvantaged groups who leave school without any formal qualifications.

As a result of the recession, and the reluctance of those already in work to change jobs, the labour market has become more rigid. Although this affects the employment opportunities of all young people, certain categories are practically condemned to long-term unemployment. This includes youngsters from poor families; those with low educational qualifications; second generation immigrants; the handicapped; and those living in areas particularly badly stricken. Within these categories young girls suffer the most.

The Commission has criticised member governments for seeking to solve youth unemployment through short-term measures aimed at all young people. This does nothing to improve the position of the most disadvantaged groups, it says, and little to resolve youth unemployment so long as such measures are carried out in isolation from wider job-creation policies. It has already made some headway in this field. In October 1982 an

Short-term measures do nothing to help the worst-hit groups

ambitious programme, to be financed by the European Social Fund, was proposed. Most of the proposals for action concentrate on projects for the under-25s.

The Commission has proposed that, within five years, all school-leavers should be entitled to at least two years of training and/or initial work experience. This is known as the 'social guarantee'. The scheme aims to provide all young people with 'a full-time programme of social and vocational preparation for working life' for one year after finishing school. They would then be entitled to a further year of vocational training, that can be used on a full-time or part-time basis, before reaching 25.

Pilot projects which link work with training will be extended under the programme, so as to examine ways of improving the advice and training facilities available at a local level, and of encouraging a coordination between teachers, guidance specialists and other agencies in the area. In addition, a second group of projects will be started to aid the development of training/production workshops which could later develop into self-supporting small enterprises or cooperatives. Training in business and management skills will be encouraged, and schemes to help set up and extend the work of local development offices and agencies will be funded.

In addition to its vocational training programme, the Commission is now drawing up proposals to help create jobs for young people and give priority to the most disadvantaged groups. The Commission will then seek the support of the member states, and together draw up a programme for implementation. It will ask member states to make appropriate allowances in their budgets.

The Commission is looking at two types of measures. First, ways of supporting activities already started by young people, such as the setting-up of cooperatives, by giving advice, guaranteeing temporary incomes, and facilitating access to 'risk' capital. Secondly, measures to increase the number of jobs, such as the possibility of setting employment quotas in the public sector; job sharing; recruitment and wage premiums; and an expansion of certain forms of subsidised jobs. All these measures will have to be accompanied by a more widespread system of local guidance and counselling centres for the young.

Certainly, these proposals, if widely implemented, would go some way to solving youth unemployment. But how willing are individual governments to implement these policies, and make the necessary budget provisions? Young people have no faith in training programmes which give little or no hope of subsequent employment. Yet in most of the member states there is little else on offer.

REBECCA FRANCESKIDES



Europaort and TED: contracts on the line

ROY STEMMAN reports on new systems for making data available to business concerns at the touch of a button

Every working day, £35 million worth of new business becomes available for tender on European public procurement contracts.

Each contract with a value of £110,000 or more has to be published in supplements to the 'Official Journal of the European Communities' and to be open to tender by organisations in any member state.

Until recently, that has meant a massive publishing exercise in Luxembourg, followed by rapid postal delivery to subscribers, who then need to scour the pages for contracts which are of interest. It works, and works well in most cases. But the often short tender periods make the time taken by postal delivery of the Supplement annoyingly wasteful to some companies. Looking for suitable contracts in countries that can be serviced is also a time-consuming exercise.

So it was only a matter of time before someone came up with a new method of communicating with the OJ Supplement's subscribers in a way that utilised the latest computer technology.

First to become available to the public, after successful trials, was NVA Europaort. This UK viewdata system was launched by the Minister of Information Technology, Ken-

neth Baker MP, in May last year, and has since been tested by thirteen chambers of commerce, sponsored by the Department of Industry.

Barry Williams, of NVA Consultants, the London-based consultancy which has developed the system, claims that an estimated 40 per cent of invitations to tender (ITTs) are ineligible through lack of time to prepare a properly documented bid, because the Official Journal can take up to five days to arrive in the post.

With Europaort, however, a subscriber simply tunes his TV monitor to NVA's private viewdata system - Odyssey - and receives details of the latest tenders published earlier that day in Luxembourg. He can give commands to the computer which take him easily and rapidly to exactly the information he requires.

As well as being a rapid and visual means of providing tender information, Europaort can also produce what appears on the TV screen on paper, when coupled to a printer. The joy of the system is that it requires no special skills to operate. It is as easy to use as reading a copy of the OJ Supplement. What happens is that, with the publication of the daily tenders in Luxembourg, the information is fed into an ICL ME29 computer and processed by NVA's in-house programmes.

Having linked up with Europaort, a company using the system's full service has four index options which group the current tenders either by category, country, awarding authority, or simply that day's additions. Furthermore, each index gives a four-line summary of the ITT which includes essential details about the goods or works concerned, the country and location; opening and closing dates of the tender; and the key to which the computer will respond to provide the full text of a particular ITT.

It is known in the information technology business as a 'user friendly' system. In other words, it requires only average intelligence and no training to operate, because it is programmed to take the operator to the items that interest him with a minimum number of simple commands or responses.

That was certainly the experience of the thirteen Chambers of Commerce which took part in the trials. All ten chambers in the West Midlands, as well as London, Reading and Bristol, had Europaort terminals and keyboards installed for a six-month period, to monitor the ways in which they could use it to the benefit of their members.

Total membership of the chambers was 21,000, ranging from 200 at Telford to 8,200 in London; and they each found different ways of disseminating what appeared on their TV monitors daily.

Some, like Birmingham's Chamber of Industry and Commerce, and those in London, Coventry and Walsall, established links with their local radio stations which broadcast details of the ITTs on a regular basis. In London, for example, LBC had responses from 60 companies wanting more information on ITTs. Birmingham also publicised the latest ITTs

through the Birmingham Post with a response rate of five a week.

Apart from providing their members with new business opportunities, the Europort exercise – as an unexpected spin-off – gave many chambers a better insight into the capabilities and interests of their members.

When the trials began, Europort was offering details of supply contracts only, but very soon added public works tenders. It now carries a full range of third-world contracts which are supported by the £2,000 million strong European Development Fund. This EDF information covers supply and works contracts in over 100 territories, including the 60-plus ex-colonial African, Caribbean and Pacific (ACP) states which are signatories to the Lome II Convention.

Europort's extended service now includes an EDF guide covering the 'indicative programmes' which are proposed and agreed at the start of each five-year EDF aid cycle, and will soon include GATT states.

Not every UK company feels able to serve overseas markets. Even so, a viewdata system could still be invaluable since over 25 per cent of European ITTs relate to this country.

The trial period is now over, which prompts the question: Has the honeymoon blossomed into a permanent and promising partnership of information technology and management support? Well, not exactly. Having nodded their heads in approval during the trials, the Chambers of Commerce appear to have parted company with the Europort terminals, however reluctantly.

Perhaps cost was a major factor. A full service costs £5,000 a year plus VAT, with more limited access to the system's information costing upwards of £1,000. Then there is the cost of a terminal and British Telecom's charges for using its lines to link up with the Odyssey computer. One independent estimate reckons the yearly cost to be between £10,000 and £12,000, which would take a lot of recovering for small companies.

But Europort is no longer alone in the market. Many firms will soon be doing cost comparisons between the NVA system and the EEC's own viewdata facility which has just become available. It comes from the most obvious place: the Publications Office of the European Communities in Luxembourg. Each day, as it compiles the tenders for publication in the OJ Supplement, the office simultaneously feeds it into an on-line databank, to which subscribers can gain access through Euronet, the computer-based Community data network.

Called TED – Tenders Electronic Daily – it has been operational since October 1982 and recently completed its test phase. Now it is preparing for commercial success throughout the Community since it can provide information on ITTs in seven languages.

UK users of Europort pay the usual telephone charges, depending on time of day, duration and distance between themselves and Odyssey in London's Whitehall. UK users of TED link up to a Luxembourg com-

puter, but the cost is the same to all users in the EEC, regardless of their distance from the viewdata base.

This is because Euronet is a 'packet switching' network which allows communication between computer stations and has been set up in co-operation with the national postal administrations. TED is also said to be 'user friendly', using a language based on the Common Command Language (CCL) – a standardised form of query for information systems. If you need to search for certain information, the FIND command is used. If you need guidance you issue a HELP command. And if you want to see how much help TED will give you, you tap out HELP HELP.

With a yearly access fee of only £36, TED would appear to be very competitive compared with Europort. But dialogue with TED costs £6 an hour, so users will have to do their sums very carefully to determine the economic advantages of one or other system.

There are other considerations as well. Although the two seem to be very similar in what they can do, those who have had an opportunity of using both Europort and TED, and have had no previous viewdata ex-

'It requires only average intelligence and no training to operate'

perience, seem to find the former the easier to operate. Europort's print-out is more impressive, too, because it gives you just the ITT. With TED you get the ITT details you require together with the 'garbage' of instructions that have been fed into the system to acquire the information.

One reason for the disappointing lack of follow-up from the Chambers of Commerce, after the trial period, could be that while Europort was first-class, the ITTs themselves did not live up to expectations. Recent supply ITTs have been heavily biased towards clothing, footwear and leathers goods in one category, and foodstuffs in another. Between them they account for a quarter of the products required (12.9 per cent and 12.2 per cent respectively).

Public works schemes have included street lighting for the Belgian city of Verviers; 41 old people's homes at Bromsgrove, Hereford and Worcestershire; and the building of an aquaculture demonstration centre and model farm at Dunkirk, for a French marine research establishment.

Fascinating and worthy though these contracts are, it could be that the Chambers of Commerce members were not sufficiently involved in the categories under tender to justify outlay on a permanent viewdata system.

Nevertheless, there are many UK companies which do find the OJ Supplements invaluable in their drive for more business. Recent successful supply contracts from this

country have met the demand for diesel generating sets in Zambia, motorcycles in Sudan, laboratory equipment in Sierra Leone, telecommunications equipment in the Solomon Isles, coffee pulpers in Tanzania, and 30,000 doses of semen to help the rehabilitation of a breeding centre in Uganda.

Rajesh Ganatra, tender co-ordinator of London-based Rajimpex Ltd, uses the OJ Supplements to find overseas business. News of Europort and TED had not reached him – neither has been extensively advertised yet – but he was keen to know more about them. 'We are living in an electronic age,' he told me, 'and we ought to take advantage of these systems.'

Land Rover is another UK company which uses the OJ Supplements to tender for new business. But the man with that responsibility, Ken Platt, saw no advantage in an electronic system over the printed page. The OJ Supplement reaches him without delay, and he can find contracts of interest very quickly. What would interest him is an extension of the viewdata service to include the full tender documents.

At present, if an ITT is of interest, he has to phone the European Communities Commission office in London and request the tender document. If, for some reason, those documents have not reached the Commission's office, then there is a delay; or if the tender document is hefty and expensive, Ken Platt may prefer to travel down from Solihull to inspect it.

If, at some future date, the ITT viewdata systems could be extended so that these essential documents could also be screened and printed, then they might have even wider appeal.

But it is early days, and even if no Chambers of Commerce take on Europort or TED, the electronic publishing systems will certainly find homes elsewhere. The Exports to Europe Branch of the British Overseas Trade Board has a Europort terminal and its library is trying out TED. Cheshire County Council is subscribing to Europort in order to keep manufacturing companies in its area informed of business opportunities, and a major city is considering using it to help boost employment.

Having learned valuable lessons from the Chambers of Commerce trial, which enabled them to refine and improve the system, Europort is now making direct contact with those chamber members who benefited most from the exercise.

Meanwhile, viewdata operators waiting for the systems to provide the latest ITTs from Luxembourg each morning can get a little light relief by casting a cynical eye over the more bizarre supply contracts which flit across their TV monitors.

Italy recently invited tenders for shoes (a case of coals to Newcastle, if ever there was one), and a couple of UK tenders were rather intriguing: HMSO announced a need for 3½ million toilet rolls, and the Home Office was interested in procuring 106.5 tonnes of tea. ☐

Top of the class at Béjart's ballet school

One of Europe's most enterprising ballet schools – Mudra, meaning 'gesture' in Sanskrit, and partly funded by the Community's cultural programme – this year includes dancers from no less than five Community countries: Belgium, Britain, France, Italy and the Federal Republic of Germany.

The school, based in Brussels, is the creation of Maurice Béjart, whose Ballet du XXme Siècle draws both on classical and on ritual and ethnic traditions from all over the world. Béjart insists that his performers must be able to

sing and act, as well as to express themselves in choreographic terms.

In a converted tram shed – which they share with scenery from the National Opera and the dancers from the Ballet du XXme Siècle when they're in town – Mudra students study the Béjart mixture of classical and modern dance, tap and Flamenco, theatre, improvisation and creativity, rhythm and musical technique, singing and voice production, Hindu dance, the martial arts, and Zen.

In the thirteen years since the school was founded, there have inevitably been some

changes. But the basic formula remains the same. Though Maurice Béjart is still the school's director, and choreographs works specially for the students, the day-to-day running is in the hands of a former Ballet du XXme Siècle dancer, Micha Van Hoecke. Some courses, such as Zen and the martial arts, have been dropped through lack of interest; and because of financial constraints (the Belgian state has had to reduce its subsidy, because of its severe financial problems) the programme has been reduced to two years. New methods of financing are urgently being sought, including sponsorship by private companies.

Keeping admission free is a basic principle, and competition to get into the school is fierce. Up to 300 young hopefuls, aged 15 to 19, audition each year. About 40 are taken on for a three months' trial.

For those who make the grade – 30 per cent do not – it is a gruelling schedule. 'They find my technique difficult to begin with,' says visiting dance teacher Linda Dingwall, 'but they're keen, and the standard is very good.'

Some 400 pupils have graduated from Mudra since 1970. Forty of them have gone on to join the Ballet du XXme Siècle, many have joined other companies; and some have become choreographers, actors, or designers. ☐



Britain in the Community 1973-1983

10 YEARS in Europe

On 1 January 1973, after years of hope and hardship, the United Kingdom joined the European Community. In the decade that has since, 10 years, the opportunities created by this membership have made it possible to reach, from a small and isolated island, a vast and varied range of new social policies.

The supplement to our December 1982 issue, marking the tenth anniversary of Britain's entry into the European Community, has attracted much attention and comment. It includes accounts of Britain's experience as an EEC member state in such areas as steel, technology, consumerism, food, agriculture, regional and social aid – and not least trade, an aspect of membership that has opened up new markets and opportunities.

'10 Years in Europe' is available, free and post free, from EC Distribution, PO Box 22, Weston super Mare, Avon BS24 9EW

The Commission's latest plan for the environment

Environment policy has proved to be one of the quiet success stories of the European Community. By adopting a resolution last December on what is being called the Third Action programme on the Environment the Council of Ministers has recognised the importance of maintaining the momentum.

The Commission had proposed the programme one year earlier; but only six months before that it was still not clear whether any such programme would see the light of day. It is therefore important, not just for what it actually says, but because it resolves an uncertainty.

Although the Community's environment policy is still less than ten years old, a surprising amount of Community legislation has been produced which is now having important effects on the environment policy of every member state. Some countries have founded their own environment policies on the framework provided by the Community, and even those countries which already had policies in existence have often benefited from the stimulus of Community legislation.

Sometimes Community policy has revealed weaknesses in national policy; and sometimes it has provided a stimulus to unblock a national measure that had run into difficulties. But, more important still, the very existence of the Community has sometimes enabled results to be achieved which individual member states could never have achieved by acting independently.

One example is the European ban on the import of whale products. Another is the directive which ensures that southern European countries adopt the same kind of policies on the protection of wild birds as has long been customary in northern Europe. There has also been important legislation regarding water and air pollution control and the testing of potentially dangerous chemicals.

What does the Third Action Programme promise for the future – and what, if anything, is new about it? First it must be said that the new programme is certainly not revolutionary. One of its aims is to ensure continuity with the first two such action programmes, both to complete outstanding matters and to monitor the implementation of legislation agreed under the earlier programmes. There is no point in Community legislation unless it is put into force in the member states. To check that this is indeed happening is becoming a growing task as more Community legislation begins to take effect.

Interestingly, this task is now seen not just as a matter for officials but for the public as well. The new programme notes the influence that public opinion can have in ensuring that

NIGEL HAIGH examines a new action programme to help bring environmental reforms within the national laws of the member states



'The programme says there should be a special fund for the environment'

national and Community laws are implemented, and gives this as one reason why the Commission proposes to support those non-governmental organisations that concern themselves with the environment.

But, if steady development of what has been started is one theme of the programme, there are some new ones as well. First, there is the important assertion that environment policy is not a luxury to be pursued only in times of prosperity but is rather, in the language of the Community, a 'structural policy' which must be continued at all times to prevent natural resources from being despoiled and to ensure that future development potential is not sacrificed.

Then there is the idea of transforming what

was initially a 'remedial' policy into what is becoming more a 'preventive' policy: it is not enough simply to have legislation to reduce pollution and nuisances once they are being caused – it is also necessary to be one step ahead, and to ensure that the potential environmental effects of any development or policy are thought about in advance.

To state this as a broad idea is easy enough; but the Commission recognises that the working-out of the idea will be far from easy and involves much effort and several new departures. Fortunately, the Community has already achieved one success in applying this idea. In the chemical field there is now a Community-wide procedure for testing the health and environmental effects of any new chemical before it can be marketed. The procedure is such that the test results in one member state are accepted in another, and so the additional purpose of a common market for the chemical industry is also served.

Another element of this 'preventive' policy is already the subject of proposed Community legislation. If this is agreed, public or private developers proposing to build certain types of polluting industries or major civil engineering works will have to submit with their applications for authorisation rather more information about the effects of their developments than is presently required by most member states.

An essential part of the procedure is that this information would be made public, and that the reactions of the public would have to be taken into account in reaching a decision. The programme proposes the extension of this idea – known as environmental assessment – in particular by applying it to measures undertaken by the Community itself and which might have significant effects upon the environment.

This last point has major implications. So far the environment policy has been a fairly self-contained activity within the Commission in Brussels, with the legislation proposed by the Directorate-General for the Environment having rather little effect on other Directorates-General whatever effect it might be having in the member states. The new policy will involve the Directorate-General for the Environment much more in the affairs of other departments, and will entail attempting having to influence the agriculture, the transport and the energy policies – to mention just three policies that do have major environmental consequences.

In pursuing this new approach the Community will be helped by a further development. Up till now the main activity of the Community in the environment field has been in establishing a body of law. Other Community policies, on the other hand, are pursued as much, if not more so, by the expenditure of money as by legislation. The programme says that increased use will be made of the possibilities offered by the Regional Development and Social Funds in pursuing environmental policy, which again means collaboration between the officials responsible for these funds

with the officials responsible for the environment.

But in addition, the programme has proposed that there should be a special financial instrument – in other words, a fund – for the environment. It would initially cover two fields: the promotion of so called 'clean' technology, and the protection of nature in environmentally sensitive areas. A very small sum of money was introduced by the Parliament into the 1982 budget for these purposes on an experimental basis.

Perhaps the most important new idea is that environmental policy must be considered as an aspect of a policy for natural resources, and should be approached through an overall strategy. One whole section of the programme is, indeed, headed 'Developing an Overall Strategy' and another 'The Protection and Rational Management of Land, the Environment and Natural Resources'. It must be admitted that the programme is a little vague as to what actions will actually flow from it. To some extent, the idea provides further justification for trying to connect the Community's environment policy with its other policy areas, as already noted. It also means recognising that the resources of the environment are, on the one hand, the basis of economic and social development while also setting limits to it. Natural resources, therefore, have to be well managed; and this requires introducing the idea of quality into economic considerations which have traditionally been largely quantitative.

It is indeed surprising that, although the EEC is an economic community, and for the last ten years has had an environment policy, there has so far been very little analysis in a specific Community framework of the rela-

'Controls are proposed on the international transport of toxic waste'

tions between the economy and the environment, although attempts have been made to do this at national level.

It should not be thought that the programme contains nothing but abstract ideas – there are plenty of quite concrete proposals as well. Particularly topical at the moment is the matter of air pollution, given the widespread concern over the effects of acid rain on lakes and forests. Here the Commission proposes working towards the setting of emission standards for certain sources of air pollution, including those with high stacks, and also working towards stabilising and then reducing total emissions. New controls are also proposed on the growing problem of the international transport of toxic waste.

Another passage from the earlier programme that has been given new emphasis concerns action at international level. Member states, and sometimes also the Community, are involved in the work of many international organisations (the United Nations, OECD, etc) and frequently they adopt a common position on issues. The Community will continue to speak in these bodies with a single voice, using to advantage the influence it has acquired in other areas of international co-operation.

One area where the Community will be particularly active is in the pollution and development problems of the Mediterranean region.

In its dealings with underdeveloped countries the Community should now, according to the programme, regard environmental protection as an integral part of its aid and development policy.

The Council, as we have noted, adopted its Resolution within a year of receiving the proposal from the Commission – compared with the two years it spent considering earlier programmes – which is quite fast for considering a complicated document. The explanation is that the Council has not, as previously, gone through the programme with a fine tooth comb seeking to amend passages which they disagreed with or found too ambitious. Instead, the Council has simply approved the general approach to the programme and has then listed eleven priority areas in which it wishes to see action.

Some of these are themselves fairly broad, although others are as specific as 'noise pollution and particularly noise pollution caused by transport' and 'combating transfrontier pollution'. In general, however, they cover quite enough ground to keep the Commission busy until 1986 – which is when the programme ends – and the resolution cannot in any event take away the Commission's right to put forward whatever proposals it deems appropriate.

The Council's priorities are therefore useful guidelines for the Commission as to the kinds of subjects on which the Council will look favourably. It is significant that the very first of these is integration of the environmental dimension into other policies. This, as we have seen, is one of the most important but also potentially one of the trickiest for the Directorate-General for the Environment. It is no doubt glad to have such backing. **E**



Looking at Europe: pointers to some British attitudes



A survey of what UK citizens feel about the EEC comes up with some forthright comments

The pioneering social research organisation, Mass Observation, founded by the anthropologist Tom Harrisson in 1939, has recently been revived by the Tom Harrisson Mass Observation Archive, based in the University of Sussex. Last autumn a limited survey was carried out on public reactions to Britain's membership of the European Community.

Some of the evidence gathered reveals the human reality behind the statistics of the opinion polls. It should be stressed that Mass Observation is not itself an opinion poll. Its object is to suggest the nuances of opinion, and to clothe in flesh and blood the quantitative data available elsewhere.

Many of the Mass Observation observers, and those to whom they spoke, do feel a considerable degree of identity with the general

idea of Europe. A typical comment is that of one woman observer who remarks: 'I feel European... I love European history, European culture. I feel I'm part of it.' Another male observer comments: 'I vaguely feel that anything that tends to unite Europe must be good'.

Against this can be set those who feel, in the words of another comment, that 'We have lost our identity—our coinage of pounds, shillings and pence no longer exists.' It should also be noted that even general approval for the 'European idea' does not necessarily imply support for the European Community in its present institutional form. An observer who describes himself as a 'confirmed internationalist' writes: 'I have found no-one, repeat no-one, who supports the EEC in both principle and application without qualification.'

Many of those, who would not see much good in the detailed arrangements of the European Community, do, however, recognise the political and security advantages of membership. A typical comment is: 'My own personal views are that we need a strong, united Europe for our common defence—and, whatever the price we pay, it cannot be as much as we would pay if we were invaded... In strength we gain independence, and that is worth all the teething troubles the Common Market is suffering.'

On the other hand, reaction to European attitudes during the Falklands campaign is very mixed: 'Support from other European countries was valuable during the Falklands crisis... But: 'I do know one thing—the EEC were not exactly a pillar of strength during our last little bit of trouble. With friends like that, who needs enemies!' The second type of reaction seems to be more frequent, and there are comparisons between the attitude of Britain's Community partners and that of Australia and New Zealand—to the latter's advantage.

Behind many of the criticisms of the EEC lie worries about the surrender of British sovereignty implied by the treaties. 'One of the disadvantages of the EEC,' writes a woman observer, 'is its interference with our self-government,' adding significantly: 'Occasionally this is beneficial—e.g. legislation to protect animals or reduce petrol pollution.'

Another line of criticism is that the Community does not live up to what it professes: 'Nationalism is rife in an organisation which should be above such considerations.' And a woman observer, angered by 'television pictures of the destruction of wholesome apple crops', gives a philosophical basis to her doubts about European integration: 'I believe that people are basically conservative and are reluctant to venture away from what is familiar (i.e. their own country's culture and language group) to a country which they still see as 'foreign', even if it does have close economic and political ties with our own.' Against this opinion must be set the view that 'everywhere, regionalism seems to be taking over from nationalism.'

More specific topics, prompting comment,

are food and food prices. There are rumours of the supposed horrors perpetrated in the name of the common agricultural policy and the demon harmonisation:

'A customer in the shop who works for Courage brewery... expressed the view that the fact the pubs were closing and brewery workers were losing their jobs was the fault of the Common Market imports of lager beer and wine.'

'I sincerely hope that our daily pinta is not forced to stop.'

'In East Anglia there are rumours circulating that two local farmers have been put out of business by EEC regulations concerning the size of apples that can be sold. They cannot sell a certain proportion of their crop because the fruit is too small, and so have been forced to sell their farms.'

This last rumour is mentioned by a number of observers, providing an interesting example of how such 'horror stories' spread.

A more general comment on the CAP, made by a 55-year old professional man, speaks for many respondents when he comments: 'If someone in the private sector was incompetent enough to make a surplus of what they were producing they would be dismissed.' A rather different (and somewhat unexpected) point of view is expressed by an observer who remarks: 'One used to feel that if one went

'One of the disadvantages is interference with our self-government'

abroad, one would find shopping to be markedly different, which would be an extra interest. Now, one feels that the same things are on sale in any supermarket in any country.' Another observer (who, however, raises the apple question once again) comments more favourably: 'I think the consumer has benefited from the import of foodstuffs, we have a wider choice and often a cheaper selection.' Yet another reports: 'Old age pensioners are of the opinion that they are better looked after in the EEC.' References to fishing, of course, are much affected by the plight of the British fishing industry: 'Our fishing fleets have been reduced to a small minority, whereas those of the French and Dutch have increased beyond all expectation.'

Not altogether unexpectedly, the word 'bureaucracy' produces stock reactions:

'I do dislike the massive bureaucracy of it all—like the United Nations.'

'The vast bureaucracy which the Community thrives on is a pain in the neck. How come a resolution on duck eggs can run to several thousands of words, when the Declaration of Independence came to around two hundred and fifty?'

'The image which comes across to me is that of a well-meaning, muddled bureaucracy.'

Some respondents who are favourable to

European integration are nevertheless disappointed by the little progress that has been made in breaking down national barriers: 'Despite the fact there were plans afoot to bar passports and abandon frontiers between Common Market members nothing has been done.'

The Channel Tunnel clearly takes on a symbolic value: 'A Channel Tunnel would have made Britain more effectively a part of Europe', and passports appear as the mark of nationalism: 'If we are truly a Common Market, why do we need passports to visit other Common Market countries?' And: 'It should be possible for all citizens of the Community to live and work in any part of the Community they choose.'

Advantages from membership are recognised by many respondents. The obvious point is EEC aid in various forms:

'If it wasn't for regional aid some of our industries would be even worse off.'

'Wales has done well in grants from the Common Market. Last winter there were grants to farmers who had suffered storm damage here, from the EEC.'

The European Parliament and its members come in for some critical comments. A typical remark from a housewife is: 'The only thing that ever sticks in my mind about the Common Market, is how much the Euro MPs claim on expenses and waste on frivolous items.' Such comments (and they are very frequent) can also be accompanied by hopes for the future:

'At present the European Parliament lacks teeth, and—alas—is used by too many politicians as a useful additional source of income, and a place where they can forward their own interests, rather than work to become a force in their own right. But in time this body can be an immensely powerful force in Europe and the world at large.'

Finally, much stress is laid on ignorance and the difficulty of acquiring knowledge about the European Community and its institutions. One comment on the European Parliament speaks volumes:

'Because the European Parliament is even more remote than central government in London and we seem to be told very little about its policies, either political or economic, I don't feel I know enough about it to judge whether it is good or bad. In theory I think it is good, but how is it constituted? I don't even know how its members are elected, or indeed if they are simply appointed by governments of their individual countries.'

In another response, a retired primary school headmistress is said to know 'nothing about the Common Market and thought she ought to have taken more interest.' The same respondent adds: 'No graffiti to be seen in Bransholme or Bridlington', and 'Common Market jokes seem to have died a natural death.' Another observer asks: 'Why do we know so little about it? Is it just lack of interest or are the media hiding the truth because we would not like it?'

A senior American trade official said yesterday that the US Government was under pressure to develop its own version of the CAP. The deputy US trade representative, Mr David McDonald, said during telephone interviews with Brussels-based journalists that American farmers had stopped questioning the legitimacy of the EEC's farm policy and started asking for one of their own.

—Guardian

The Americans have decided to subsidise the sale of 1 million tonnes of flour to Egypt, to get that market back from Europeans. In retaliation the European Community is offering some \$80 of subsidy per tonne of wheat sold to China, a big customer for American grains. Cheer like mad: the resulting chaos just might persuade European governments at least to insist on overdue economies in the EEC's common agricultural policy.

—Economist

Two funds invested in Europe figure in the top five performers so far in 1983. Henderson European and GT European were almost level with gains of 26.9 per cent and 26.2 per cent respectively at the end of February, in fourth and fifth places in the league table.

—Sunday Times

The next Labour Government is committed to leaving the Common Market because membership of the EEC has made it more difficult for Britain to deal with its economics and industrial problems, says the Labour Party's campaign document. Withdrawal would be completed well within the lifetime of a Labour government.

The document stresses that it is also committed to bringing about a withdrawal in an amicable and orderly way, so that it does not prejudice employment or the prospect of increased political and economic co-operation with Europe.

—Daily Telegraph

Greece's Socialist government has revealed that it has abandoned any thought of leaving the EEC. The move is similar to its gradual disengagement from threats to leave Nato and to expel American bases.

The development was sealed when the EEC announced a decision last week to increase financial and practical assistance to Greece and made it evident that no changes could be made in the 1981 treaty of accession for Greece or in the 1956 founding Treaty of Rome.

—Sunday Telegraph

The voluntary ban operating since December has already knocked the bottom out of the market for seal skins of all kinds, not only the baby Harp and Hooded seal pelts covered by the embargo.

As a result, Canadian and Norwegian hunters have postponed the spring slaughter of as many as 200,000 seals, due to begin this week.

Pressure has nevertheless continued on EEC governments to introduce a watertight legal ban on imports which would finally sever all European trade links with the Canadian and Norwegian culls.

—Daily Telegraph

Mrs Thatcher yesterday succeeded in extracting a seemingly binding assurance at the EEC summit meeting that a further rebate on Britain's payments to the Common Market budget for 1983 will be signed, sealed and delivered by next June.

Contrary to expectations, president Mitterrand did not oppose the promise to extend year-by-year budget rebate payments to the UK.

—Guardian

The Community has forced Mrs Thatcher to pay more attention to the Equal Opportunities Commission. Last July, the European Court of Justice upheld a complaint by the Common Market Commission that Britain had failed to comply with an EEC directive on equal pay for women. This required countries to set up effective machinery for evaluating jobs for the purposes of equal pay. As a result of this ruling the Government in the face of opposition from Mr Tebbit is bringing in legislation to comply with Community requirements.

—European Unionist

Britain and her Common Market partners made an urgent appeal to the Arabs and the Israelis last night to seize the chance for peace in the Middle East. In more forthright terms than ever before, the EEC called upon Israel to show 'it stands for genuine negotiations' and an end to the creation of new settlements on the West Bank of Jordan.

—Daily Mail

The European Commission has conceded defeat in its efforts to impose rigid controls on subsidised butter exports to the Soviet Union. In future, it will apply its normal system of export rebates, subject to some measures to control export quantities.

The change has been forced on the Commission by relentless pressure from the French Government and by the fact that Moscow has not tried to buy a single tonne of EEC butter since the Commission imposed a tightly controlled tender system last November.

This was designed to give the Soviet Union the opportunity to purchase supplies for the first time since the mid-1980 EEC embargo over the Soviet invasion of Afghanistan.

—Financial Times

It remains an appalling scandal that subsidised farm incomes should increase by 45 per cent at a time when everyone else is enjoined to keep his increase to a tenth of that amount. The CAP is a racket, and the bigger the farmer the bigger the racketeer.

—George Gale, Daily Express

Britain yesterday lost the battle to keep down its massive Common Market bill when Euro MPs voted to give the EEC's eight million farmers a seven per cent rise. The MPs rejected warnings that the rise could bankrupt the EEC. Britain's Tory and Labour MPs were defeated when they joined forces to vote for a farm price freeze.

—Star

The fiasco that has surrounded Europe's Super-SARA experiment into nuclear safety — a project that has cost £100 million but is now to be abandoned part-built — is spilling over into another arena of big-budget research, nuclear fusion.

An international row is brewing among scientists who say that the EEC's ISPRA establishment in Italy is trying to make up for its loss of Super-SARA by stealing other plum research contracts for which it is ill-equipped from specialist fusion laboratories throughout West Europe.

One principal casualty could be Britain's chances of building the prestigious successor to the JET fusion project, based at Culham in Oxfordshire.

—New Scientist

WHAT'S IN THE PAPERS

Farmers can produce as much as they like. Anything they can't sell is bought at profitable prices by the European taxpayers (including you, of course).

This policy has just set two fantastic records. There are now for the first time more than a million tons of cereals in food stores in Britain (1,647,707 tons compared to 394,563 this time last year).

The cost to us all of buying surplus food from farmers has for the first time risen over a billion pounds (£1000) in a year. This compares with £600 last year.

—Daily Mirror

The German and French election results were due as much to public reaction against rising unemployment as to concern about nuclear missiles. For the Western governments have yet to find an answer to the main problems of the world economy — unemployment, inflation, protectionism, unstable currencies, massive international debts and the crushing poverty of two-thirds of the world's population.

—Observer