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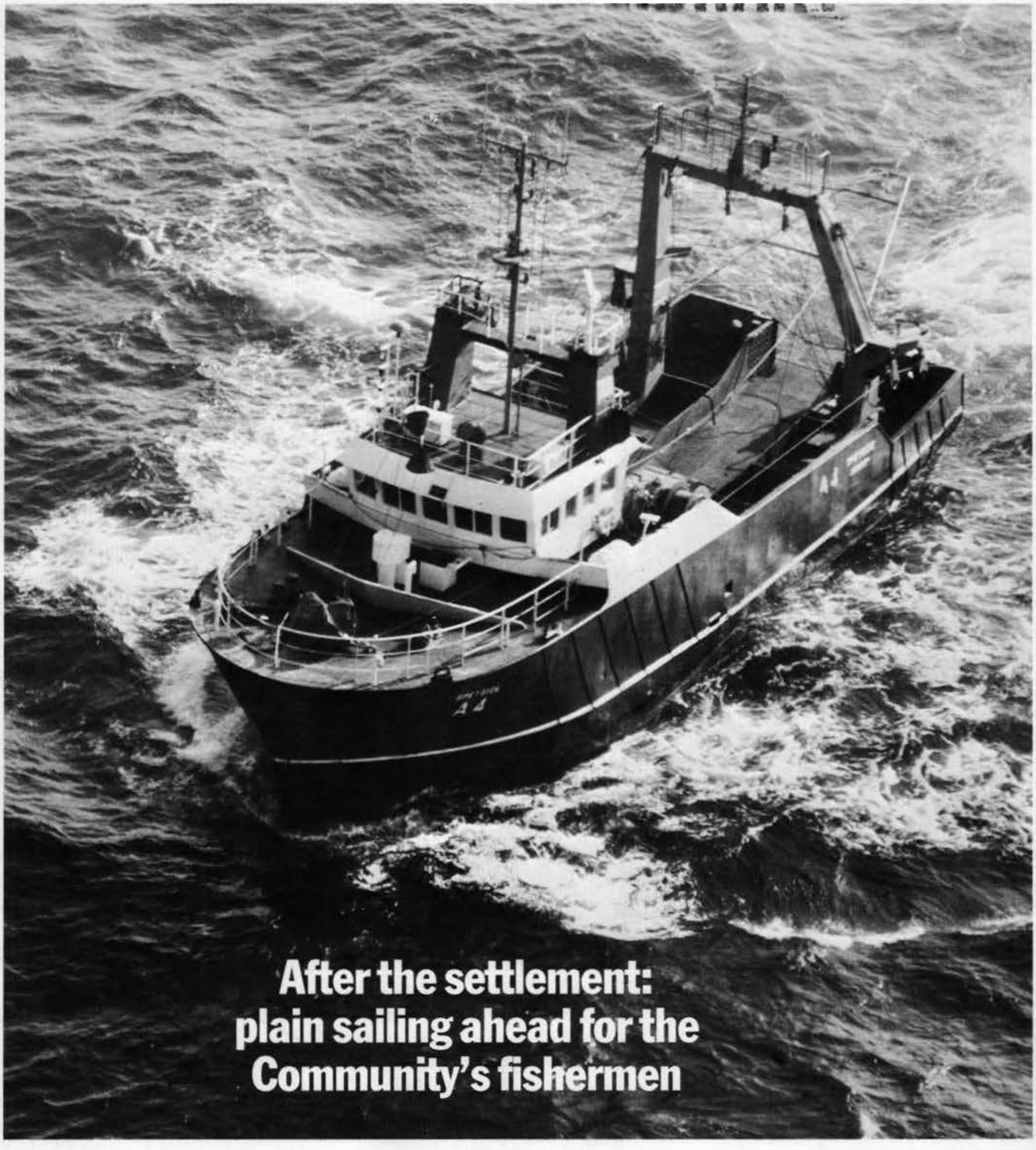

After the settlement: plain sailing ahead for the Community's fishermen

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☐ Having numbered the Jan/Feb issue No. 1, instead of 1/2, we have numbered the present one 2/3. Order will be restored in April (No. 4).

In this issue...

EUROFORUM is inset after page 12. Cover picture by courtesy of Fishermen's Mission

The first two months of this year have seen the settlement of two disputes of concern not only to Britain but to the Community as a whole: the achievement of a common fisheries policy – our lead story in this issue – and the agreement to pay to the UK a rebate on its 1982 contribution to the Community Budget.

The resolutions of those problems remove sources of damaging tension within the Community; but the dangers facing all ten member states remain grave. The difficulties over Britain's Budget contribution have not been solved. The European Parliament has made clear that it will not approve another temporary answer – in other words, another rebate – next year. The financing of the Community must be changed.

The Commission has produced a 'Green Paper' setting out options for the future, and will put forward specific proposals after studying reactions to that paper. The full text is reported in EUROFORUM, along with President Thorn's address to the Parliament on 8 February. Mr Thorn confronted the massive problems of unemployment and economic decline which now beset the whole Community. He did so in terms that could leave no-one in doubt about the consequences if our ten countries fail to show the necessary political will, imagination and courage to stimulate recovery.

GEORGE SCOTT

At last – we have a 'Blue Europe'

The long-running fishing dispute is over. The ten EEC partners brought the issue to a close on 25 January with an agreement that was greeted by Britain's agriculture and fisheries minister, Peter Walker, as providing British fishermen with 'a better dominance of our coastal waters than anything that they have enjoyed in the history of the British fishing industry'. The new deal, he told the House of Commons, 'reduces or altogether extinguishes' the rights of foreign vessels to fish along nearly threequarters of Britain's coastline. Quotas on catches allow Britain a sizeable share of edible fish, a 12-mile limit on nearly all coasts, and a conservation 'box' around the Orkneys and Shetlands – all effective for an initial period of 10 years. The future of Britain's fishing industry now seems secure, with a considerable share of fish in Community waters, and an effective conservation policy. President Gaston Thorn has called the settlement an act of political courage. Here, ERIC MEYER looks back at the sequence of events that has led to a common fisheries policy, after twelve long – and sometimes bitter – years.

In retrospect, perhaps those 12 years have not been too long a time to find a common framework for the German, Belgian or Irish trawlers fishing for cod off Norway or the St Lawrence river in Canada; the Sicilian sardine boats fishing a few cable-lengths offshore; the Danish, French or Dutch boats landing herring from the North Sea; the Danes with their industrial fishing for fish-meal factories; or the Breton fleet working off Senegal, and bringing home hundreds of tonnes of tuna after each trip. While it may not be a miracle cure, the common fisheries policy (CFP) consists of a set of commonsense regulations, financial arrangements and agreements with third countries, guaranteeing all fishermen the right to earn a living from their work.

Let us take a look at the main events.

1970: The 'Six' propose the principle of shared sovereignty over the sea, thus founding 'Blue Europe'. Note that the four member countries concerned did not have very good fishing waters, and that their fleets had traditionally fished off the coasts of the four countries applying for membership – the United Kingdom, Ireland, Denmark and Norway.

1972: The enlargement of the EEC. In a referendum, Norway chooses to stay out, mainly in the fear of losing sovereignty over her waters. The new member states have to concede the extension of their 'exclusive rights' to a strip along their coasts varying between 6 and 12 miles, until 31 December 1982.

Berlin, January 1978: The first conflict: the United Kingdom opposes her eight partners on the question of access, claiming 'exclusive' possession of 12 miles, and 'preferential' possession of 50 miles. For a full understanding of what was at stake, it should be explained that the richest fishing stocks are close to certain coasts, the British coast among them (the shal- ▶

Under the CFP, Danish fishermen are to get more mackerel – at a better price.

lower depths provide favourable currents, light conditions and warmth not available further offshore).

July 1978: First 'interim' agreement (after 7 months of 'legal vacuum', due to the British veto): first draft of the structures policy, on an annual basis.

September 1978: First outline agreements with Spain, Norway and the Faeroe Islands.

November 1978: Herring fishing officially suspended for three years in the North Sea (stocks exhausted). No Community controls provided.

1979-80: Boarding of French lobster boats by British coast guards (tension arising out of the absence of regulations on access, conservation of stocks and controls). First bilateral Franco-British talks.

30 May 1980: Agreement to register CFP expenses with the farm fund (EAGGF) – an accounting operation which symbolically gave 'Blue Europe' the status of 'Green Europe' (CAP).

1 October 1980: Adoption of common regulations for stock conservation – end of the 'lobster war'.

February 1981: German annoyance, following the refusal of the British to sign the EEC-Canada agreement – the Bremerhaven and Cuxhaven fleets benefited most from the Canadian quotas, but London wished to associate its signature with the solution to the problem of access.

August 1981: Slump in herring prices.

29 September 1981: Adoption of the Common Market Organisation, which strengthened local fishermen's organisations and guaranteed them a minimum wage.

1 December: Signature of the EEC-Canada agreement.

December 1981: Systematic bi-lateral consultation between Northern member states, to solve the problem of access. 'Philosopy' of their approach: to 'consolidate' current fishing practices, to eliminate the thousands of historical 'rights' accumulated over the centuries, but never used. The problem with this solution was that it excluded all 'newcomers' wishing to claim new rights. This is the case of Denmark (today) and Spain (tomorrow).

June 1982: After 15 months 'silence', the Commission presents a complete set of new proposals on access (returning to compromises by the member states), quotas, and improving the Market organisation and structures policy.

15 June 1982: With the 'British crisis' over access hardly over, the 'Danish crisis' begins, with very firm demands on quotas and access.

2 July 1982: Adoption of the regulations on control of catches.

July – December 1982: The Commission negotiates with Norway on the increase of quotas from common stocks (Skaggerak). Concessions are repeatedly made to Denmark on quotas, but not on access.

26-27 October 1982: The Nine announce that 'negotiations are complete' – so they adopt 'Blue Europe', but without voting on it, awaiting the agreement of Denmark, which claims 20,000 tonnes of mackerel fishing off the West of Scotland and seven licences in the area of the Shetland Islands (these two claims are for new rights).

December 1982: In spite of new concessions from member states and the Commission, the Danish government, under pressure from the Danish Parliament's European committee, still reject the formula.

January 1983: Trilateral discussions between the Commission, Mr Genscher and

The CFP affects every aspect of the fisherman's life – from catching fish to processing, via sale by auction and agreements with countries owning waters

Traditional fishing ports such as Grimsby, left, can expect to benefit from the long-awaited settlement.

Mr Elleman-Jenssen in Brussels, Strasbourg and Bonn.

25 January 1983: Official signing of a common fishing policy by all ten Community fisheries ministers.

The sharing-out of catch quotas among member states was one of the biggest problems in putting together a CFP. It could be compared to the first time agricultural prices had to be fixed under the CAP. The Commission wanted the quotas agreed for 1982 to serve as a reference point for future years. In putting forward proposals for quotas, it used three criteria established by the Council in its declaration of May 30th 1980. First, the special needs of regions depending on fishing and related industries as a way of life. Second, losses caused by third countries closing off their fishing grounds. And third, traditional fishing grounds.

'Stock conservation' consists essentially of a series of minimum net mesh sizes per species, in order to save the young stock. As for regulations on control, each member state is obliged to declare its catches and an initial corps of 20 European inspectors is to be introduced.

The Common Market Organisation is responsible for financial arrangements designed to support minimum prices. The EEC will contribute to a payment to fishermen, in the event of prices collapsing, of a 'repurchase price' (intended to deliver catches to meal factories), and processing subsidies (canning or deep freezing). Furthermore, the EEC delegates the administration of these prices and subsidies to *producing organisations:* the organisation may set rates 10 per cent higher or lower than the official level, withdrawn or processed, so as to encourage the fisherman and his organisation not to count on these guarantees except in a crisis. This 'CMO' will bring dramatic changes to fishermen's lives in certain countries, both by uniting them, and by releasing them, to a certain extent, from the hold of the wholesale fishmonger buyers.

The European structures policy has now really taken off, with a much enlarged triennial budget of 250 million ECUs. Its aim is to participate each year in individual projects for improving harbour equipment, or boats, so as to meet local demand, or to favour the spread of new technology, enabling energy savings, for example. Numerous marine aquaculture projects are also adopted, each year, with the aim of modernising traditional 'marine farms' in the Adriatic, or the installation of an advanced unit on the island of Oleron.

The agreements between the Community and the Faeroe Islands, Norway, Sweden and Canada enable almost all the Northern European fleets to fish outside their waters. These agreements are vital not only, for example, to the German fleet, but also to the dozens of British and French boats. The agreement with Spain, limiting her access to the Bay of Biscay (France), runs until March 30th and negotiations for 1983 are underway. A series of agreements is being negotiated with certain black African countries (Senegal, Guinea-Bissau and others), in order to have access to their stocks of tuna, while at the same time developing the fishing industries in these countries.

So, European fishing has been saved by 'Blue Europe'. But much remains to be done. The CFP affects every aspect of the fisherman's life – from catching fish to processing, via sale by auction and agreements with countries owning waters. The history of the CFP shows that 'Blue Europe' has not been achieved without reservations, but that the final result has still been for the general good, and for the good of European integration!

The twelve years of negotiation for the CFP correspond, at world level, to generalisation of the principle of sovereignty extending beyond the traditional 12 miles to an 'economic' zone 200 miles around coasts, and to the negotiation of a Convention of the Law of the Sea.

In this context, the CFP represents the European contribution to this reorganisation of the Law of the Sea on a planetary scale. If one takes into account the current trend of coastal countries to restrict access to their waters, it is clear that the CFP has probably saved deep-sea fishing: the influence of the EEC has enabled it to obtain more favourable agreements from countries than would have been possible by each member state individually.

However, the protagonists of the Common Fisheries Policy would be wrong to sit back and relax. With the entry of Spain and Portugal, the South is likely to command more and more of the EEC's attention to develop a very old and very important fishing industry (the Iberian Peninsula has 3,660 trawlers of over 50 tonnes – equivalent to threequarters of the entire Community fleet), and as-yet unexplored possibilities. For example, the Moroccan authorities estimate their 'TAC' (allowable catch) at 1.5 million tonnes, only 400,000 of which are landed each year. Moreover, Morocco would be willing to share this wealth, in exchange for the development of its own fishing industry.

In the longer term, Europe could contribute to the solution of another problem – the disaffection of the European consumer with fish, compared with meat.

The Commission has acknowledged this problem, and will probably assist in future research into fish processing, so as to present fish in more attractive forms and so promote higher consumption.

What's in it for Denmark

In exchange for signing the agreement, Denmark gets another 20,000 tonnes of mackerel in British waters off the West of Scotland and seven licences to fish in the 'box' around the Shetland isles.

Under the CFP, Denmark will receive an allocation of 21,900 tonnes of mackerel for 1983. In future, everything will be done to guarantee the Danes a minimum quota of 20,000 tonnes in agreements with third countries. In the event of these countries not giving the Community a 'Total Allowable Catch' (TAC) figure, the Community will make special provisions for Denmark. If the TAC is 25,000 tonnes, Denmark will have a priority claim on the additional 5000 tonnes. And other member states will only then get access to the remainder of any TAC above that level.

Also, mackerel exports will be discouraged and the Danish industry will get more European mackerel at a better price. If a country does not use up its quota, another country can use up the rest. The official size of the Sheltand 'box' has been reduced, only boats over 26 metres now need licences; and there is now free fishing for certain species destined for fish meal.

Latest poll finds EEC citizens in pessimistic mood

What is the mood of Europeans as another uneasy year lies ahead? How do they view European unification and Community membership? What change has there been in Spanish and Portuguese attitudes as accession comes nearer?

These were the three main areas examined by the 18th Eurobarometer survey, conducted last October. As at the end of previous years, interviewees were asked about their hopes and fears for the year ahead in key areas of their own lives and the life of their country.

On the whole, replies to the question, 'Will 1983 be better or worse than 1982?' were the same as at the end of 1981: the pessimists (38 per cent) still outnumber the optimists (25 per cent), but the ratio between them has improved a little since the end of 1980. On the industrial front, the majority of those interviewed in most countries expect strikes and industrial disputes to increase in 1983.

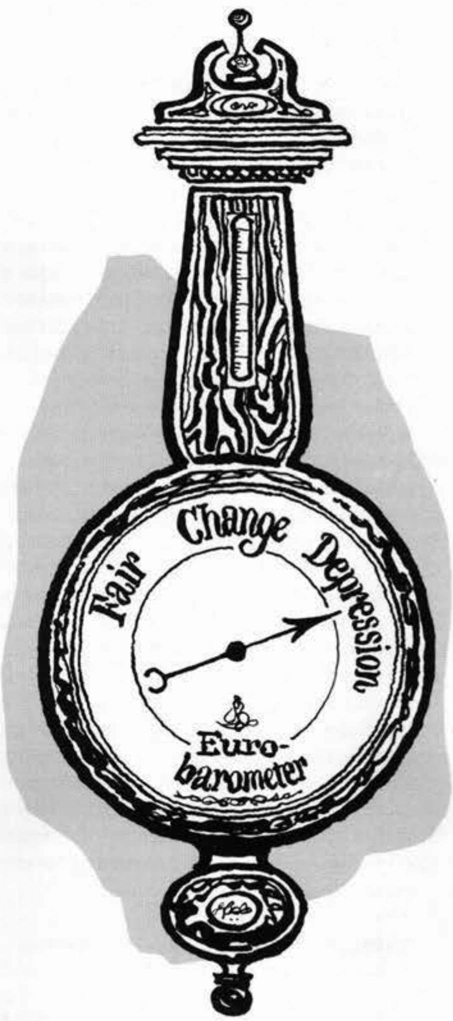
This pessimism extends to the international scene. Here the only notable change on 1981 is in the United Kingdom, where the proportion of people expecting a troubled year has fallen from 50 per cent to 35 per cent.

Taking a longer view, the number of people who considered that there was a danger of a world war in the next twenty years increased sharply between 1977 and 1980. It has fallen since then and 18 per cent of Europeans now consider war probable – i.e. they consider that there is more than one chance in two, compared with 24 per cent at the end of 1981 and 34 per cent at the end of 1980. The Irish are a little more apprehensive than other Europeans, while the Danes and the Greeks are far less worried than their neighbours.

Two other topics were dealt with for the first time in this Eurobarometer: recent changes in the country's general economic situation, and the financial situation of individual households. These questions have been put regularly over the past ten years at the instigation of the Directorate-General for Economic and Financial Affairs, in connection with studies of the socio-economic situation, and have yielded some interesting information. It seemed a good idea to include them in a Eurobarometer survey, as an experiment, so that the replies could be analysed in a context which would add to their significance and exploit them for other purposes.

The preliminary finding is that 38 per cent

There seems to be little change in Europeans' dim view of the immediate future, or of the way things are going for them



of interviewees consider that the financial situation of their household is worse now than it was twelve months ago (compared with 15 per cent who claim the opposite), while 62 per cent feel that the general economic situation of their country has deteriorated (compared with 14 per cent who consider that it has improved).

Democracy emerges as a relatively stable short-term indicator

There is a correlation between these answers, but they are quite distinct. The first set of answers reflects actual experience, while the second reflects a somewhat distorted view of a general situation reported by the media and determined by socio-political discussion. It is clear, for instance, that replies are influenced by interviewees' political leanings, and hence change over time in line with the popularity of the government in power.

All these variables are crucial to an ongoing, in-depth analysis of European public opinion. Eurobarometer therefore attaches particular importance to questions bearing on satisfaction with life, the feeling of happiness and satisfaction with the way democracy works.

The past six months have seen little change in satisfaction with life. Italy, where there has been a statistically significant decline in satisfaction, is an exception to the general rule. The feeling of happiness has not been covered in a Eurobarometer survey for three and a half years. The most recent findings are slightly lower than those for April 1979. On average, 18 per cent of contacts claimed to be 'very happy', 59 per cent 'fairly happy' and 21 per cent 'not too happy'. The Dutch are well in the lead with 44 per cent claiming to be 'very happy'; the Greeks and the Italians bring up the rear with 10 per cent and 9 per cent respectively.

An analysis of the replies shows that the factors determining the feeling of happiness are different from those determining satisfaction with life. Satisfaction with life appears to be dictated by political ideology, level of income and nationality; while happiness largely depends on nationality and family situation.

Although satisfaction with the way democracy works varies considerably from country to country, it emerges again as a relatively stable short-term indicator. However, this average reading may conceal major differences within a given country, depending on individual socio-political attitudes, notably, attitudes to the government in power. For instance, there was a significant decline in the level of satisfaction in Ireland between April and October 1982, no doubt heralding the political crisis and change of government.

The diachronic analysis (October 1980 – October 1983) of satisfaction in relation to the political leanings of contacts in France and Greece provides valuable information about what could be termed – by analogy with economic concepts – disruption of the socio-political balance and shifts leading to a new balance.

As for attitudes to Europe and the Community, a number of completely new questions, and questions which have not been asked for some time, were added to this part of the questionnaire, the key section of the survey.

Firstly, an attempt was made to gauge the feeling of dependence on political decisions made in other countries. It had been assumed that there would be a positive correlation between this and a favourable attitude to Europe. This did not prove to be the case, at least as the question was worded. Be that as it may, it is interesting to note that almost seven Europeans out of ten – a little more in Denmark and a little less in Germany – are aware that their countries are dependent on decisions taken elsewhere. More than 40 per cent of those interviewed, in other words, more than half of those who felt their countries were dependent, thought that this dependence would increase in future.

Replies to the standard question on the unification of Western Europe show that there is still a rather vague consensus in favour of Europe: an average of 70 per cent 'for' and 14 per cent 'against', with a majority 'for' in all ten countries, including Denmark (40 per cent 'for' and 37 per cent 'against') and the United Kingdom (61 per cent 'for' and 21 per cent 'against'). However, it should be noted that this 'emotional' consensus has declined almost everywhere since 1973, particularly in Germany. Ten years ago the Germans were far more ardent supporters of unification than the French; the opposite is true today. Nevertheless, in both these countries, seven or eight in ten expressed broad support – no more, no less – for efforts being made to unify Western Europe.

What does 'no more' mean? This, obviously, depends on the action to be taken, the way it is presented and the commitment of political leaders. Thus, 54 per cent of those interviewed would be in favour of joint action to fight unemployment, while 33 per cent would expect better results if their country acted on its own. The Community option was chosen in seven of the ten countries, the exceptions being Ireland (45 per cent as against 47 per cent), Luxembourg (44 per cent as against 46 per cent) and the United Kingdom (44 per cent as against 50 per cent).

Given that these findings represent broad support, it can be said that, although the battle is far from won, it is worth fighting.

It is obvious that if this 'broad support' is tested by more probing questions it will weaken somewhat. For instance, only 33 per cent of Europeans would be prepared to make some personal sacrifice, such as paying a little more tax, to help another country experiencing economic difficulties; 54 per cent would not countenance this idea. Only in Italy would a majority accept this approach (48 per cent for, 38 per cent against), and even here an ulterior motive might be suspected. The British were most opposed to the idea (70 per cent against, 22 per cent for).

It must be appreciated that all of these replies provide information which must be interpreted in the general context. This is borne out by the fact that a sizeable majority in every member state feel that their country has benefited less than the others from Community membership. The thinking behind this is illogical since, even supposing that Community membership is a 'zero-sum game', there have to be winners and losers. These replies are slightly more negative than four years ago, especially in the United Kingdom, where the feelings of frustration experienced by three-quarters of the population go a long way towards explaining British attitudes to Community membership.

But other replies appear to influence attitudes to the Community, too. This is true, for instance, of perception (especially in the press) of the growth of understanding between the member states. Since early 1981, assessment of this has been more unfavourable than favourable, except in Ireland and in Greece. However, this decline in the perception of 'the Community climate' seems to have been halted and there was even a slight improvement between April and October 1982.

There is still a rather vague consensus in favour of Europe

The general attitude towards the Community, which we have every reason to believe is linked to perception of the 'Community climate', is much the same as six months ago: 51 per cent feel that it is 'a good thing' and 15 per cent that it is a 'bad thing'. An exception to the general pattern is Belgium, where favourable replies dropped from 57 per cent to 41 per cent, probably because of the serious difficulties the country is now experiencing.

In Denmark, where the balance between supporters and opponents of the Common Market has been continually shifting since 1973, the supporters now have an appreciable lead over the opponents (35 per cent to 28 per cent). Unfavourable replies still predominate in the United Kingdom (40 per cent as against 29 per cent), although the margin has been narrowing over the past eighteen months (43 per cent and 27 per cent in April 1982, 48 per cent and 24 per cent in April 1981).

A number of questions designed to measure public awareness of the European Parliament were also asked. (The next European elections are due in the spring of 1984.) Public awareness is pretty poor at present: 54 per cent of Europeans claim to have read or heard something about the Parliament recently, slightly more than in autumn 1978, eight months before the first European elections. The proportion varies considerably from country to country. The Germans come top of the table with 70 per cent, followed by the Dutch with 66 per cent. The Danes (42 per cent) and French (40 per cent) are at the bottom.

Of those who claim to have read or heard something about the Parliament, 27 per cent had formed a generally favourable impression and 33 per cent a generally unfavourable impression. But – and this is undoubtedly disturbing – 40 per cent could not say, or had formed no impression at all. If this is anything to go by, the turnout for the spring 1984 elections is unlikely to be any better than that for the first European elections in June 1979. However, the campaigns to increase public awareness and mobilise voters have not yet begun.

Interest in the Community shown by Spaniards has always been comparatively slight, although not as slight as that of the Portuguese, and in both cases it is tending to decline as negotiations drag on. In October 1982 62 per cent of Spaniards considered Community matters 'important' or 'very important, although only 24 per cent said that personally they were 'very interested'. The percentages in Portugal were 32 per cent and 10 per cent, about half the Spanish level. If the answers to these two questions are combined, we find that only 13 per cent of Spaniards and 5 per cent of Portuguese feel very involved in Community affairs, while 31 per cent and 62 per cent respectively do not feel at all involved. No doubt the level of awareness of the remainder of the general public could be raised, but at the moment there is little interest in questions which still seem abstract and remote.

Only 12 per cent of Spaniards and 6 per cent of Portuguese consider themselves sufficiently well-informed about Community matters.

The attitudes themselves, and the general trend of public opinion, have changed little since the previous survey. Six Spaniards out of ten (59 per cent) and one Portuguese in three (31 per cent) support European unification and slightly smaller proportions (48 per cent of Spaniards and 24 per cent of Portuguese) consider that Community membership would be a good thing for their country.

These two attitudes correlate strongly with each other and also, apparently, with both the degree of cognitive mobilisation and political ideology. But these relationships are so far neither very clear nor very stable. In this, they reflect the degree of uncertainty which is currently the keynote of relations between the two applicant countries and the Community.

□ Eurobarometer: Public Opinion in the European Community at the end of 1982. Published by the Commission of the European Communities, rue de la Loi 200, Brussels.

WE ARE STAYING IN – PM

'We are in the Community and we are staying in' – so says Mrs Margaret Thatcher, the British Prime Minister, in a quote reprinted on the cover of a new publication from the Central Office of Information, 'The First 10 Years', marking Britain's decade as a member of the European Community. It is available, free of charge, from the Distribution Unit (LH 504), COI, Westminster Bridge Road, SE1 7DU.

Portugal draws nearer to the Ten

When the former Portuguese socialist Prime Minister, Dr Mario Soares, formally applied for the accession of Portugal to the European Community in March 1977, it was the start of a double challenge. Portugal would be forced to review the whole of its economic, social and even political structure. At this same time, the Community itself would face all the difficulties of a southern enlargement.

FERNANDO DE SOUSA, a Portuguese journalist in London, reviews the progress – and the problems – of Portugal's bid for membership of the Community

Portuguese agriculture – however picturesque – falls far short of meeting the nation's food needs.

Later Spain's application was to increase these problems. Post-revolutionary Portugal was living through times of uncertainty. As western Europe's poorest nation, it was looking forward to a better economic and social future, and to a strengthening of its new-born democratic institutions.

These were some of the reasons why, on 19 May 1978, the European Commission recommended to the Council of Ministers a positive and urgent response to Lisbon, followed by aid packages intended to help ease economic reforms. Finally, on 6 June 1978, the Council approved the Portuguese application. Ties between Portugal and the European Community had become closer in the late sixties, when the European Community was starting its initial enlargement, leading to the entry of the United Kingdom, Denmark and the Republic of Ireland in 1973. The ground had to be laid for a trade relationship between the enlarged Community and the EFTA countries.

In 1972 a free trade agreement, still in force, was signed by Portugal and the European Community. However, before the coup of April 1974 the dialogue was rather cool, due to some misgivings on the Portuguese side regarding the spirit of the Treaty of Rome, and by the opposition of European democracies to the Portuguese dictatorship. Only since the coup this relationship has taken on real meaning.

The formal application in 1977, and the positive answer by the Council of Ministers in 1978, were the most effective steps leading to the Portuguese entry to the European Community in the future. In Portugal itself, this was becoming a major public issue. All political parties, except the Communists, supported Portugal's application, which was considered at the time as the 'priority of priorities' of its foreign policy.

However, political commitment was being matched by increasing doubts from businessmen, industry and trade leaders, and from the public. European accession was one of the greatest challenges for the young Portuguese democracy, still on the threshold of a new kind of economic development. The 'Carnations Revolution' had produced a new type of industrial relations, opened commercial doors, shaken the whole agricultural system, and underlined new divisions between the public and private sectors. The European Community was a sign of prosperity and social development, but this only emphasised the gap between Portugal and the rest of Europe. Political instability during the years following the revolution was sure to cause problems. First steps have tried to identify the main issues and problems of the accession, to be dealt with in later sessions.

Portuguese per capita income is the lowest in Western Europe. Nearly one-third of the workforce is employed on the land, but contributes only 10 per cent of the gross national product. The industrial sector is rather weak, partially due to a continued lack of investment, which has caused declining productivity levels. There is only a narrow range of important industries, mainly oriented towards textiles.

'Since early last year the pace of the talks has become more intense'

Portugal shows a considerable vulnerability to external markets. It has to import more than 80 per cent of its total energy requirements – thus becoming highly vulnerable to oil price fluctuations – and imports 60 per cent of its food. The United States is the source of almost all the grain the country needs – about $700 million-worth a year.

Agriculture desperately needs to be increased to offset this huge import bill. To take politically sensitive measures has seemed difficult, since it affects an important group of voters. Portugal has about 800,000 small farmers, but many of them produce only enough for their own consumption. At least 70 per cent of the rural population is estimated to be illiterate, so it becomes difficult to manage any kind of book-keeping, to cooperate with accurate statistics, or to accept easily some desperately needed measure of modernisation.

Such a low level of development means that Portuguese agricultural products will not present major problems to the European Community. Recent reservations, mainly from southern French farmers, are directed to the more developed Spanish rural framework. Only after extensive reforms in the Portuguese agricultural system will it be possible for Portuguese farmers to profit from the CAP, and both Portuguese and European leaders are well aware that this requires time and investment.

Fishing is another problem for the Portuguese economic system. The country has the oldest fishing fleet in Europe, with the lowest productivity levels. Its Spanish neighbour relies on the greatest fleet in Europe, and Portugal is seeking to secure new areas in the Atlantic for its fishing activity. However, to accomplish such a task it needs new vessels; and one of the main problems is the lack of interest by investors. As far as the European Community is concerned, Portugal will seek to increase its fishing waters, including the sea around the islands of Madeira and the Azores.

Portuguese industry is dominated by textiles, which represent over 40 per cent of the country's industrial product and a third of its exports. About 60 per cent of Portuguese textiles are sold to EEC markets; and the United Kingdom is one of the most important customers.

The textile question was one of the main issues during the accession negotiations. Countries like the United Kingdom and France have expressed their fears as regards Portuguese competition to their own industries. Portuguese factories are able to produce clothing for as little as one-third of the Western European average, at very competitive prices.

Late last year, however, negotiations in Brussels worked out an agreement including a pre- and post-accession period of quotas on Portuguese textile exports to EEC-member countries. Portuguese officials said afterwards that this agreement was as good as it was possible to get, taking into account the present Portuguese economic situation. Besides, the agreed quotas were large enough to cope with Portuguese textile production in the present and the near future. At the same time, they would prevent an unequal development of the textile industry in comparison with other industrial sectors.

Another important area for Portuguese exports is the wine industry. But the wine produced in Portugal usually becomes too expensive, making it difficult to sell against foreign competition. The main reason is increasing production costs in a period of general world recession. Nowadays, thanks to modernisation, Spain manages to produce cheaper wine than Portugal.

Recession has also affected exports of Portuguese port wine produced in the northern area of the country, near Oporto – the second largest city, with a significant resident British community. In 1981, exports of port fell 11 per cent. The United Kingdom had long been the best customer for this kind of wine, which is produced and shipped mainly by British-owned companies. However, France nowadays occupies first place in the Portuguese port wine export market.

The port wine trade is one of the main commercial links between Portugal and the United Kingdom. After the Christian reconquest of Seville in 1248 it became possible to develop sea trade routes between centres in Portugal, Spain and Italy and the northern trading towns of Europe. Lisbon was at the time an important cross-roads in this trade flow. In 1353, a treaty was signed guaranteeing the safety of merchants in Lisbon and Oporto – one of several Anglo-Portuguese treaties that have been strengthening the famous Alliance, initiated with a treaty signed in St Paul's Cathedral on 16 June 1373 between the crowns of Portugal and England.

'Only after extensive reforms will it be possible for Portuguese farmers to profit from the CAP'

This remarkable relationship is still in force. Recently, underlining the strength of these ties, Portugal supported the British stand during the Falklands war, in spite of mixed feeling by Portuguese public opinion.

The United Kingdom is one of the countries in the EEC that has supported most strongly Portugal's application to the European Community. So Portuguese entry to the EEC will not bring about too much change to Anglo-Portuguese commercial relations.

The last few years have seen some changes in the pattern of negotiations between Portugal and the Community. Since early last year, the pace of the talks has become more intense with the closing of some important 'dossiers', including the scale of textile exports to the Community. Portugal itself has made some important changes, mainly reforms of its constitution, the seeking of a new definition of limits between the public and private sectors, and welcoming foreign capital and companies.

To the Community, the enlargement to Portugal and Spain will mean some internal changes, anticipating the introduction of a new pattern of economic development and new sources of competition to existing markets. On the other hand, Portuguese and Spanish entry will open some doors to new consumer markets, not only in those two countries but also in some influential areas as Latin America, and Africa.

Officials in Brussels have already stated that the former Portuguese African colonies are among the strong cards that Portugal has to play in the accession. Portuguese authorities have been publicly trying to play down this issue, to avoid any misunderstanding in African capitals; but, privately, they admit that a friendly relationship with Portuguese-speaking African countries is likely to be an important factor.

Accession is forcing the EEC to review its agricultural policy, with a view to tackling the competition posed by Mediterranean farm products; though in Portugal itself, and among European officials, it is generally admitted that the main problem for southern agricultural competition will come from Spain rather than Portugal. Authorities in Lisbon are aware that further delays to the date of accession could prolong the debate, with important effects in domestic politics and in the integration process. That is an outcome that both Portuguese and European sides would like to avoid. That is one of the reasons why Portugal has been hoping that the Community will find adequate solutions to this EEC problem, paving the way for a long-awaited accession. E

Why the 'middle tier' must be set free

In a speech at the Lancaster House conference on 27 January, European Commission member Karl-Heinz Narjes declared that, in this time of upheaval, the only survivors will be firms which are fundamentally healthy and able to adjust to changing circumstances – which is why the Commission attaches such importance to 1983 as the Year of the Small and Medium-sized Enterprises. This is what he said . . .

Small and medium-sized businesses are the healthy, adaptable middle tier of the economy. The traditional industries of the 19th century – coal, iron and steel – have lost much of their former importance. The timing of this conference could not therefore have been better. After all, we will soon be entering the fourth year of the most severe and most protracted economic crisis in the post-war period.

Yet the misfortunes have not come like a natural disaster. Much of the crisis in our economies and our welfare states is of our own doing, reflecting a host of policy failings and errors. The economic process was gradually cut off from the laws of the market, and made subject to bureaucratic decisions. Private enterprise was discouraged and pushed back. The consequences were an erosion of profits and of firms' capital base, sagging growth, unemployment, and an increasing decline in efficiency.

However, the basic middle tier of our economy had remained basically healthy and efficient. This middle tier is, in most of the member states, provided by small and medium-sized businesses. They have shown a remarkable continued ability, even in the turbulence of the economic crisis, to adjust rapidly to changed market conditions and to be flexible in the provision of services and the manufacture of products. Their innovative ability is comparatively greater than that of many large firms. They create more new jobs and train more young people. And most of them even pay profit taxes.

More than 90 per cent of all firms in the Community are small and medium-sized businesses. More than 60 per cent of employees in trade and industry in the Community work in such small and medium-sized firms. Such figures and trends are, moreover, comparable with those of Europe's major competitors, the United States and Japan, and also with those of the newly industrialising countries in the Far East and Latin America.

If the dynamic potential of small and medium-sized firms is to be released, they must firstly be set free from the fetters, obstacles, bureaucratic constraints and unnecessary burdens to which they are subject; and, secondly, equality of opportunity must be restored vis-à-vis larger firms on the market.

How else can we justifiably ask young people to set up in business, and urge small and medium-sized firms to take on greater risks? The change in structural trend which Europe must bring about must be irreversible if it is to be successful. We must stop preventing the dynamic elements in the economy from helping themselves.

The great task of economic policy today is to remove market logjams and to help strengthen business productivity and competitiveness. What this boils down to is the effective strengthening of the investment capability of the economy in general and small and medium-sized businesses in particular.

Growing bureaucratic interference by means of complicated legal and administrative rules and their extremely rigid application must be rapidly halted. This complicates decision-making processes or actually acts as a deterrent to investment. At the same time, the investment environment must be made stable and more reliable, and correspond to long-term needs. Anyone wishing to plan a number of years ahead must have a certain confidence in the stability of the legal and political environment.

There must be less profit uncertainty, which is caused notably by short-term shifts such as changes in taxation or in wage and social security costs. Uncertainties surrounding the financing of investment

'Never since the time of Henry VIII has Britain had such close contractual ties with the Continent'

'We must stop preventing the dynamic elements in the economy from helping themselves'

A HELPING HAND FROM BRUSSELS

A top-level conference on small and medium-sized businesses was held in Brussels on 20 and 21 January, attended by King Baudouin of Belgium and 250 participants, under the auspices of the European Parliament, the European Commission and the Economic and Social Committee of the EEC.

Their two days of discussion led to a number of conclusions as to how the Community and its member states could encourage the starting-up of such businesses, their continued operation, and their integration into the Community.

These include an increase in loans and aid; improved training for managers; access to new technology; tax reductions on profits ploughed back into companies; simplification of administrative systems; and a more balanced apportionment of the burden of social security contributions.

projects must be removed. Apart from the problem of interest rates, which are still too high today, the general problem is the improvement of access to capital markets, not least in order to raise equity capital. And special efforts are necessary to encourage the provision of risk capital for small and medium-sized businesses, especially for those aiming to go into capital – and technology-intensive production.

I am convinced that the establishment of an internal market of continental dimensions, which is comparable in size to the American market and much larger than the Japanese market, constitutes a vital precondition for structural change and economic recovery. This broad basis is absolutely essential in the areas of technological development, financing and sales, if we are to hold our own against highly efficient competitors on the world-market.

The Copenhagen European Council 'instructed' the Council of Ministers to take decisions by 30 March 1983 on the priority measures for making the internal market work better. A second package of measures was to follow at the end of June/July. The first item in the package is the proposal on Community certification procedures for imports. The delay in adopting this proposal is holding up the adoption of about 20 draft directives on technical barriers to trade, and another dozen or so on the establishment of greater freedom of movement.

Secondly, there is the proposal on the improvement of the exchange of information on technical specifications, and standards, where for some time there have been growing complaints about the protectionist effect of national measures. And thirdly, there are the proposals on the simplification of frontier formalities within the Community. The situation is certainly serious if representatives of industry can say that it is easier to sell a machine in Singapore than in France.

'The great task is to remove market logjams'

We want the Council of Ministers to take rapid decisions. The Council must not be allowed to become a forum for hair-splitting discussion of marginal details. The twelve million unemployed looking on do not make an appreciative audience.

For small and medium-sized firms – which, it is generally agreed are increasingly preparing to sell and buy on an international scale – the simplifications we are looking for in our crash programme are of immediate interest, and actually more so than for large companies with all their facilities.

Sweeping away the barriers

JAMES HOGAN, a reporter at the Lancaster House conference, gives a personal summing-up of a lively – and outspoken – meeting

There can be no doubt that the European Year of Small and Medium Sized Enterprises has got off to a flying start in Britain. The January conference at Lancaster House, Britain's top official venue and the setting for so many historic meetings in the past, was alive with controversy and passionate pleas from the country's struggling entrepreneurs. They want a better deal from government, in particular, when it comes to sorting out the 'bureaucratic jungle' and the 'punitive' tax system, which impose a heavy burden on the business sector, a burden that small firms are least able to bear.

Questions from the floor came thick and fast. Are Britain's entrepreneurs in business for the benefit of employees or to make money? Why should small businesses be forced out of the high street by the multiples? Why not appoint a cabinet minister with special responsibility for small firms?

All the main speakers voiced equally radical arguments. Sir John Hoskyns, a former adviser to Mrs Thatcher at 10 Downing Street, called for a change in thinking among businessmen and politicians on a revolutionary scale. In most big businesses, he said, there was always a tendency to drift towards head office where life was safer. People were settling for a way of life in big business, where they were being paid regardless of results, instead of a life of personal achievement in running their own small business.

He told the conference: 'I think there is an unspoken assumption, arising from the sense of hierarchy in public office, that if you are a cabinet minister you are one of 23 people running the country – and therefore, by definition, it must be true that you could perfectly well do some rather more hum-drum job like running ICI or Shell.' A better qualification for running a big business, he pointed out, was the running of a small one.

In line with most speakers, Sir John saw the cure for the ailing small business community being achieved through overdue changes in the business environment at a national level. Less emphasis was given to the problems facing small businessess in a community-wide context. But what did emerge from the day-long session was a general call from the small business sector for more favourable treatment, on a par with small businesses in other Community countries. And virtually everyone was agreed that top priority should be given to sweeping away the multitude of non-tariff barriers which are still seriously impeding free trade in goods and services between member states.

EEC Commissioner, Karl-Heinz Narjes – whose address is printed opposite – came to ▶

'Off to a flying start' – the Lancaster House conference in session.

the aid of small firms in Britain and the rest of Europe on the all-important question of access to investment capital. Both the US and Japan were far ahead of Europe when it came to helping small businesses with finance, he said. 'The amount of venture capital on offer today in most countries in Europe does not help people to start their own business or to expand existing ones, to put it mildly.'

Plenty of practical advice on how the small business community could improve its status was provided by Milton Stewart, a former US Advocate for Small Firms. He told delegates that the future plainly lay in their own hands. They should appoint an Advocate on US lines, he urged, who would make sure that the interests of small businesses were being properly considered.

But his remarks on a more philosophical plane were aimed at the heart of every businessman present. There was, he said, an 'inner meaning' for the individual businessman running his own company and being his own boss. He urged delegates to seek a bigger share of public procurement contracts which in the main were going to big companies known to the public sector buyers and able to supply in bulk.

Small firms, it seems, have finally thrown down the gauntlet, and many more activities connected with the European Year are planned. The four-tier strategy will culminate in a presentation of a 'small firms charter' to the European Parliament.

The Lancaster House conference marks, to a large extent, the fulfilment of the first stage in identifying the many problems and disadvantages facing small businesses in Britain today. Stage two will look at the problems from the more academic point of view of those professions that are inextricably linked with business.

For example, one of the aims is to establish precisely what proportion of tax is being shouldered by the small business sector. Thirdly, there will be an investigation into the role of large companies in the British economy. In the words of Milton Stewart: 'The bigger the project, the bigger the mess you can make of it.'

The fourth line attack is to bring together the 'activities' – the banks, the CBI and the various pressure groups for their views on what should be done. These are the people who will be carrying the responsibility for action on behalf of small firms in future, says Bill Poeton, the conference convenor and a member of the European Economic and Social Committee.

Meanwhile, the European Economic and Social Committee is pressing ahead with its wide-ranging action programme of measures to be implemented by national authorities. The programme includes simpler financing procedures for small firms, management and worker training programmes, and easing up the legal and administrative environment for small businesses. The latter includes a proposal to redistribute the burden of social security contributions to avoid penalising labour intensive enterprises.

Big news for small businesses

Important and far-reaching changes in the Community's drive to help small businesses were announced in January. A low-interest loan agreement worth £10 million is to help small and medium-scale enterprises in non-assisted areas of the UK. Up to now, such facilities have been confined to businesses in designated assisted areas and in those affected by coal and steel industry closures.

Areas that will benefit are south-eastern and southern England, East Anglia, the Midlands, Yorkshire and Humberside, the north of England, mid-Wales and eastern Scotland.

The new arrangements are complementary, because they cover the areas which were not previously eligible. As a result, firms in the UK can now tap Community finance for investment from different sources, irrespective of the location.

The funds are being made available from the resources of the New Community Instrument (NCI or 'Ortoli Facility') in the form of a global loan – basically a credit line – to the Industrial and Commercial Finance Corporation. The NCI raises its finance from international capital markets.

ICFC will use the funds to make a series of sub-loans – each between £15,000 and £250,000, covering up to 50 per cent of a successful applicant's capital investment costs – at a fixed interest rate.

For the first sub-loans this is being set at 11.5 per cent (including a government charge for exchange risk cover). The loans will be for eight years, including a two-year grace period on capital repayments.

At the Lancaster House conference on 27 January, the Parliamentary Under-Secretary of State for Industry, John MacGregor MP, described the meeting as 'one of the most promising initiatives to have come out of the Community recently, and one which serves as a good example of the EEC complementing and reinforcing national efforts.' He added:

'We believe this money will bring forward projects that would not otherwise have taken place, because of this relative advantage in borrowing costs. The Government is playing an important role in two respects – first, by providing the necessary exchange risk cover to protect the borrower against adverse exchange rate movements.

Without this cover the loans would simply not be attractive to the smaller firm.

Second, I am conscious that what the small firm needs most in schemes of this sort is simplicity and speed of response. We have ensured that my Department's procedures for approving applications for exchange risk cover are simple and straightforward.

'ICFC is the first UK institution to take up an agreement for these European loans. The European Investment Bank is currently talking to both the National Westminster and Midland Bank about the possibilities of their entering into similar agreements. I hope that it will not be long before we have some additional announcements to make.'

Air safety: a down-to-earth report

Flying is about the safest way that you can travel, as well as being relatively quick and comfortable, according to a report just released by the European Parliament's Transport Committee. Only about 800 people die in airplanes every year, compared to about 300,000 who die on the roads, says the report. But more than half the deaths are caused by fire asphyxiating people trapped in the aircraft on the ground, and could be avoided by introducing additional safety measures.

Among the recommendations it lists are tougher controls on the amount of hand baggage allowed in the passenger cabin; the compulsory fitting of burst-proof catches to overhead lockers to stop things falling on people's heads; improvements in seating design; the use of non-inflammable and non-toxic materials in the cabin decor; and the clear marking of emergency exits on the outside of the plane to help rescue workers on the ground, in the event of a crash.

Alexander Sherlock and Richard Cottrell, the two British European Democrat MEPs who first brought up the subject in Parliament, says that there are other obvious ways to make air travel safer. For example, they say, people ought to be obliged to buy their duty-free liquor and perfume when they arrive at their destination, instead of before they leave. The near-universal practice of filling up the passenger cabin with heavy and highly inflammable liquids packed in glass bottles is pretty stupid, they observe.

The report, which was compiled by French European Popular Democrat MEP Michel Junot, calls for concerted European Community action to introduce a set of common safety standards.

EURO FORUM

The dilemma of turning ten into twelve

Negotiations on the entry of Spain and Portugal to the EEC have reached a stage where the Ten must make a clear political choice which goes beyond general statements and declarations of intention. They may even appear hypocritical, if they are not accompanied by actions and decisions which will actually make membership possible under favourable conditions.

The European Commission has specified these conditions in a communication addressed to heads of government. The conditions are not easy for all of the member countries to accept, since they imply certain decisions to which one or other of the Ten are clearly opposed. It is only necessary to point to the increase in the Community's 'own resources' – the available budget for common expenses, to which Germany is opposed, and also the wider and more general use of majority decisions, which is presently opposed by the United Kingdom, Denmark and Greece.

However, according to the European Commission there is no alternative. To refuse the financial resources necessary for the enlargement of the Community, or to refuse to make the decision-taking mechanism more flexible and thus invite the institutional obstruction of a future Community of Twelve, would in practice mean refusing this very enlargement of the Community, in which case people should have the courage to say so.

It is no longer possible to declare in the capitals of Europe, 'Yes, we are in favour of Spain and Portugal joining the Community. Yes, we would like to consolidate democracy in these countries. Yes, we would like to participate in their economic and social development' – and at the same time pass the burden of the necessary efforts and sacrifices on to Brussels.

The Commission rejects the formula that countries applying for membership could accept only part of the patrimony

The Commission does not have a monopoly of the truth. Its propositions can be discussed, constituting as they do a point of departure for discussions and not a final position. However, there are certain facts which cannot really be disputed. Before going into the details of the statements and proposals contained in the Commission's paper, another basic fact must be recognised – namely that the effort cannot all come from one side. Spain and Portugal must also prove their willingness to become members by taking the necessary steps, which can be summarised in a statement that they must henceforth accept certain Community constraints, so as not to worsen the internal difficulties of the EEC. If the Ten apply certain constraints which are acknowledged to be essential in order to cure those of their industries that are ailing, then Spain and Portugal must do likewise from the moment it is certain that they will join.

As for the administrative problems posed by joining the Community, there is a vast amount of very complicated material which the membership negotiations must deal with. However, it is the task of these very negotiations to find solutions and compromises. What the Commission is presently asking for can be summed up definitively in a few basic points. First, the countries applying for membership should accept the Community patrimony in its entirety. This is not simply a platitude, as it might appear to be at first sight, but an essential premise. It has actually been suggested that, in order to avoid certain difficulties, the countries applying for membership should accept only part of the Community patrimony, leaving aside certain aspects which raise problems.

The Commission rejects this formula, ►

ON THE LINE

A new environmental action programme, adopted by the Community's Environment Ministers last December, provides a framework for actions up until the end of 1986.

The Ministers laid particular stress in their discussions on three policies: introducing environmental considerations into other areas of Community policy, such as development aid or agricultural development inside the European Community; introducing the draft directive on environmental impact assessment, which was examined for the first time; and reducing pollution at its source, an issue which embraces air pollution such as acid rain and water pollution.

There are also other problems which the Community is anxious to tackle, such as the treatment and disposal of wastes and the protection of specific environments like the Mediterranean.

As in the previous two action programmes, prevention rather than cure remains the touchstone of EEC environmental policies. The directive on the evaluation of the environmental impact of large-scale projects, such as airports or motorways, will represent a major step forward towards fulfilling this policy. It foresees a standard method of judging which site or route would be least injurious to the environment.

since not to settle those basic problems whose solution would only have to be postponed could create new problems, which would be even more difficult. They would risk diluting European integration and the inextricable complication of the decision-making mechanism, which would have to deal with policies which were no longer common. And they would conflict with the principles that the Community's own resources should be increased.

The Commission estimates that the cost of enlarging the Community will not be excessive: the Community of Twelve should cost 15 to 20 per cent more than the present Community of Ten. However, the resources limit has almost been reached, and even a little extra expenditure would encounter the constraint of this ceiling. If it is not possible to break through this ceiling, then it will not be possible to strengthen the present common policies and to develop new common policies.

The hypothesis which states that Spain and Portugal will bring materially greater financial resources to the EEC than they will receive from it, is not even worthy of consideration, since it would mean that the new members would finance the richer and more developed countries.

It must therefore be admitted that, taking due account of present economic difficulties, a reasonable proportion of extra resources must be found for the budget and made available for Spanish and Portuguese development. Even without the net transfers to the two countries applying for membership, the extension of common policies itself presupposes extra appropriations. A decision in favour of new members therefore necessarily implies a decision in favour of exceeding the present limit on VAT revenue to be paid to the Community budget.

Again, there should be more systematic recourse to majority decisions. The unanimity rule is already having a paralysing effect on the Community of Ten, and is liable to obstruct the workings of a Community of Twelve. The Commission proposes a simple formula, whereby majority decisions would be taken whenever they are in agreement both with a proposal from the Commission itself (which by definition represents the common interest) and with the opinion of the European Parliament (which as an elected body legitimately represents the will of the people).

Countries applying for membership should accept Community constraints from now on, in those industries where the Ten are already making, or soon will make, efforts to adapt supply and production capacities to demand. The sectors concerned are Mediterranean agricultural products (olive oil, wine, some fruits and vegetables), fishing, textiles and steel. Consumption of some products cannot be developed beyond a certain level, neither can markets outside the Community be extended at will. The Ten are in the process of agreeing to make great sacrifices to restructure their steel industries, modernise their textile industries and reorganise certain agricultural sectors. In all reason, they cannot now consent to have this often difficult and painful effort brought to nought by Spain and Portugal opening up their frontiers after having prepared to invade the Market after joining by building up their productive capacities.

The Commission therefore proposes that, in parallel with membership negotiations, discussions should be held with the countries applying to join, with the aim of obtaining pre-membership commitments from these countries as soon as possible.

However, it will not be possible to ask Spain and Portugal to make such commitments without letting them be reasonably certain of a timetable for joining. For this reason the Commission proposes that the commitment of the countries applying for membership should be accompanied by the EEC committing itself to a target date for effective entry into the Community.

FERDINANDO RICCARDI

Flexible working hours: a policy for saving jobs

The European Commission has called on the two sides of industry and the member governments to take urgent measures to reduce and reorganise working time. This move was taken in an attempt to curb unemployment, now totalling 11 million. The Commission pointed out that a growth rate of 3-3.5 per cent is needed merely to prevent any further increases in unemployment, and it is very unlikely that the ten member states will be able to achieve this in the coming year. More job opportunities must be created through flexible work arrangements.

The Commission now wants to restart negotiations with both sides of industry and intends to make specific proposals for developing a Community policy in this field. Previous discussions had failed, as employers insisted that such a policy should be negotiated by free collective bargaining, while the trade unions argued that, without a Community policy, the employers would never agree to reduce working time. The Commission now hopes that its memorandum, adopted in December, will serve as a new basis for discussions. The eventual aim, states the Commission, is to set up a broad target for substantial reductions in individual working time. The details, such as agreements on wages and productivity, will then be worked out by both sides of industry.

In order to ensure that reorganisation and reduction of working time will contribute to the creation of jobs and to the recovery of industrial competitiveness, the Commission will recommend various accompanying measures. Examples given include limited wage compensation and overtime, as well as short-term financial assistance to help industry and workers deal with initial problems.

To make work patterns more flexible, it is suggested that there could be an increase of shift work and a more widespread introduction of part-time work. The memorandum, however, made clear that no 'unjustified differences in treatment' should exist between full and part time workers'. Member states were urged to adopt the draft directive, now before the Council, on part-time work. This provides for equal rights for full and part-timers on working conditions, rules governing dismissals, access to vocational training, and promotion. Pay, redundancy and retirement benefits would also be equal, but proportional to the hours worked.

The battle against unemployment is the Community's acid test, says Gaston Thorn

If the European Community does not exploit its potential in the fight against unemployment and industrial decline, it will fail the acid test, said Commission President Gaston Thorn in Strasbourg on 9 February. The political context, and the seriousness of the economic situation, caused Mr Thorn to break with tradition in his address to the European Parliament. Instead of reviewing developments in 1982 he concentrated on unemployment – now the Community's top priority.

He suggested to Parliament – and the other institutions – that the Community should take full advantage of the European dimension and common disciplines to promote a revival of productive investment. This was the only way, he said, to halt unemployment and get industry moving again without fuelling inflation.

This strategy had become a necessity, because 270 million Europeans were looking to the Community for more constructive action. They found it hard to understand why the institutions had become so absorbed in budgetary quarrels. 'The battle against unemployment and industrial decline is a battle for the future of our nations and the future of the European idea,' said Mr Thorn.

The Community had been particularly hard hit by the world recession, he said. The Community's performance to date had been disappointing, especially when compared with that of the United States or Japan. Europe's economic growth was lower, and the Community seemed incapable of creating new jobs. 'Only in Europe is unemployment rising – for the eleventh year running.'

The pattern of the Community's external trade in manufactured goods, Mr Thorn said, shows just how far Europe is lagging behind the Americans and Japanese. There is no simple explanation for the Community's economic plight, he added, 'but there is every reason to believe that we are not taking full advantage of the scope offered by the European dimension and Community solidarity, despite the fact that this is one of the keys to success. The Community can still hope to succeed where individual member states are bound to fail. The Community provides the scale, the coherence and the security which are essential for the revival of investment.'

Mr Thorn went on to say that the battle against unemployment and industrial decline would be the acid test of the Ten's ability to exploit and develop the Community which was their creation. 'The survival of the Community as a venture with future potential will depend on its ability to manage the crisis,' he said. 'That is why the Commission is telling this House, and through it the people of Europe, that it is on this ground that the Community must demonstrate that it is capable of getting to grips with a vital priority.'

'The survival of the Community as a venture with future potential will depend on its ability to manage the crisis'

If the Community was to promote a revival of productive investment, halt unemployment and pull the economy out of recession, it would have to act simultaneously in five, interdependent priority areas. The economic and social environment would have to be made more conducive to investment. In this context there was a need for greater convergence between national economic strategies. 'I am pleased to see that the possibility of more active support for economic activity, albeit in different forms in different countries, is gradually becoming a central theme of the economic debate,' said Mr Thorn.

More vocational training and more aids to employment, particularly youth employment, were needed. Unemployment was not only a waste of economic resources – it was a social problem. How could we come to terms with a society which denied people, especially young people, the dignity of earning their living?

A better economic and social environment presupposed a shift in public spending towards productive investment and greater monetary stability. Monetary stability could be achieved by consolidating the European Monetary System, securing full participation by sterling in the system, and integrating Europe's capital markets.

A fully-unified internal market would be a decisive factor in rebuilding Europe's industrial strength. Because national barriers persisted, many firms preferred to cooperate with non-Community groups, despite the fact that they were relegated to a subordinate role, said Mr Thorn. If the vicious circle was to be broken businessmen needed to be convinced that completion of the internal market was imminent. This would herald a new phase of cooperation between European firms and the emergence of viable European groupings.

It was for this reason that the Commission had been paying so much attention to the internal market since the Copenhagen European Council. It intended to win the battle for the internal market by securing early Council adoption of proposals in abeyance, and others to be presented before the end of 1984, to secure the removal of technical barriers to trade, the liberalisation of public procurement, free movement of the principal services and decisive progress towards creating a European context for business activity.

Europe's industrial strength, Mr Thorn said, could be rebuilt if the internal market were backed by a Community-wide industrial strategy. This would involve breaking new ground and developing strong points; reorganising basic industries; and securing energy independence.

Breaking new ground and developing the Community's strong points implied an enormous research and development effort. The outline R&D programme for the period 1984 to 1987 pointed the way, and a budget of 4,000 million ECU was planned to avoid waste and duplication at national level.

The ESPRIT programme, which concentrated on information technology, fitted into this framework. A similar programme for biotechnology would be proposed in 1983. Rapid progress would have to be made on telecommunications too if we wanted to prevent 'national preserves' being absorbed by large foreign companies and establish a Community base before it was too late. 1983 would be a crucial year for the steel industry. The Commission would be adopting its restructuring plans on time. They would be backed by social programmes to help steelworkers and steel-making regions in decline.

Without an energy strategy, the Community's industrial programme would be incomplete. Energy was still a priority sector, said Mr Thorn. The Community could not allow today's low oil prices to lull it into inactivity.

'The Commission's proposals for energy programmes of Community interest in the United Kingdom and Germany show what could be done in the Community,' said Mr Thorn, 'and for the Community if we had adequate funds. Once the supplementary budget is accepted, who in the Council could dispute the need for an energy strategy? This new situation could be the starting point for a new policy.'

Mr Thorn called for an overhaul of the Community's financial instruments and close coordination between Community and national spending programmes, so that programmes and objectives which fitted into a Community approach could get priority support. The Commission, he said, would double real expenditure on innovation, research and development in the next five years. It would also double real expenditure from the Social and Regional Funds over the same period. EAGGF-financed programmes for Mediterranean regions would receive a similar boost, and the Commission would devise a Community development programme for transport infrastructure. Expenditure in the energy sector would concentrate on the rational use of energy, demonstration projects and investment in coal. He continued:

'The Commission considers that these resources are essential to the priority objectives it is proposing. It will therefore refuse to engage in this action if it is not supplied with sufficient funds. It will not even pretend to have a policy if it is not given the money to pay for it. In this situation, the Commission would prefer to withdraw its proposals and lay the blame fairly and squarely at the door of those responsible.'

The Community would have to use its weight internationally, because some of the factors which were crucial to a revival of investment were matters for international concern. Alone, no member state could hope to influence these issues.

Again, the Community should not confine itself to trade issues. It should make itself felt on the international financial and monetary scene, where it could work to restore monetary stability and a secure climate, avert the serious mishaps (or worse) which could be provoked by foreign bank debt, and prevent

'Requests for new resources will be limited to projects of genuine benefit to Europe'

the recession biting deeper in developing countries.

In its relations with its industrialised partners, the Community should step up efforts to persuade Japan to play a role commensurate with its economic strength and establish a basis for a continuing dialogue on trade with the United States, it being understood that on farm produce there could be no compromise on the fundamental principles of the common agricultural policy.

Before the Community could play its full role, Mr Thorn said, it would have to rid itself of two constraints: it needed the funds to put its policies into action, and it needed to improve its decision-making machinery.

The current limit on own resources was tying the Community's hands, said Mr Thorn. 'I can think of no instance from the past of an institution being encouraged to develop and yet arbitrarily deprived of the means to act.'

Even if the Community could achieve savings thanks to tighter management of existing policies, new own resources would be essential to bring Community intervention to the critical level at which it will have a real impact and provide the stimulus and guidance we expect of it. 'We are all aware of the burden already being borne by Europe's taxpayers and national budgets,' Mr Thorn added. 'You may rest assured that the Commission's requests for new own resources will be strictly limited to policies and projects of genuine benefit to Europe.'

The Commission had put forward a number of ideas for new own resources in a paper designed to stimulate public debate. It would adopt its formal proposals, in the light of Parliament's reactions, before the end of June. Mr Thorn said that the Commission had drawn its conclusions from Parliament's rejection of the supplementary budget for 1982. But he went on to issue a warning: 'The Commission refuses to contemplate the creation of new resources and the development of new policies for the sole purpose of solving the budget problem. We must guard against transforming new policies into a mechanism for adjusting the budget.'

It was only by acting on two fronts – resources and expenditure – that the Community could hope to solve the problem of budget imbalance, Mr Thorn added. He urged the Community to speed up decision-making. 'Swift decision-making is crucial in a period of crisis. A decision that is constantly deferred ceases to be of any use.' It was time to shelve the 'Luxembourg Compromise', which had proved to be a growing obstacle to progress in the Community of Ten and would completely paralyse a Community of Twelve.

The Commission's policy would be to search for agreements on major issues that had the support of all member states. But the talking could not go on for ever. Once a decision became necessary the Commission would ask the Council to vote and shoulder its responsibilities. Adequate funds and an ability to take decisions were essential if the Community was to win the battle against unemployment and industrial decline.

Summing up, Mr Thorn said: 'What I have proposed does not lack ambition. Its implementation would constitute a qualitative advance within the Community and augur well for successful completion of the final stages of European integration.' He saw June as the deadline for decisions launching a Community programme to fight unemployment and industrial decline. 'The European Council in June can take note of our successes and perhaps deal with some obstacle,' Mr Thorn said. 'But, more importantly, it can give the political impetus that will ensure rapid development of new policies, set budgetary discussions in a new context, and help to overcome institutional diffidence.'

Commission's new discussion paper outlines the options

A Green Paper, issued at the time of Commission President Gaston Thorn's address to the European Parliament on 7 February, outlines the proposals the Commission will eventually make for the future financing of the Community.

The Commission recognises, the Green Paper says, the severe economic restraints facing all member states and does not proceed from the assumption that an increase in the size of the Community's budget is desirable simply for its own sake. All expenditure at Community level should be rigorously scrutinised, with a view to showing that it represents a cost-effective alternative to national programmes. It should be possible to show the people of Europe that any increase in the Community's resources should not automatically involve an additional burden on the European tax payer. In many cases the corollary of increased Community expenditure should be a reduction in expenditure at the national level.

There are no potential additional new forms of revenue which flow as automatically from its policies as do the traditional Own Resources. The Commission has therefore sought to identify those new resources which best reflect the overall interest of the Community, and which enhance the attraction for all member states of full participation in Community policies. The Commission believes that a better diversified system is required which could also contribute to the mitigation of the budgetary problems of the past few years.

In setting out its ideas for a diversification of the Community's financing system, the Commission starts from the assumption that the existing range of Own Resources will remain intact and that any new forms of revenue would be additional.

Value Added Tax. The increase or removal of the 1 per cent ceiling would provide a durable and reliable source of revenue which would be capable of assuring a considerable development of Community policies. It roughly reflects the relative wealth of the Community's member states and should remain the backbone of the Community's financial autonomy for the foreseeable future. The Commission envisages that, as the Community develops a fuller range of expenditure policies, additional VAT revenues beyond the 1 per cent ceiling will be necessary together with a more diversified system of Community financing.

Progressivity. The introduction of a concept of progressivity would contribute to convergence of member states' economies by ensuring that member states' contributions to the budget would be related to levels of prosperity. This is measured most conveniently by GDP per capita. Either an element of progressivity could be added into the VAT system or member states could be progressively taxed on the basis of GDP. The Green Paper points out both the advantages and disadvantages which either concept would pose.

Sources of revenue related to agricultural indicators. Agricultural policy accounts for about 65 per cent of the Budget. In future increasing provision will need to be made in the Budget for the new policies which the Community will have to introduce and to give effect to the forthcoming enlargement. During this phase of gradual diversification it would be appropriate for a new type of resource drawn from the whole economy but based on agricultural parameters to be added to the present Own Resources system so as to bring it more in line with the pattern of expenditure. The introduction of such a new type of resource would have the further advantage of avoiding situations in which discussions of financial problems impose artificial constraints into the normal operation of the Common Agricultural Policy (CAP).

New resource, levied on member states, to contribute to the Community's costs?

The purpose of this new resource to be levied on member states would be to contribute to the financing of the whole of the Community's expenditure. It would not be linked specifically to any one part of the budget. It should be conceived as a transitional rather than a permanent element in the Budget. Its form should be such as to ensure a gradual reduction in its relative size and eventually even its complete disappearance in parallel with the development of a better balance in the Budget between agricultural and non-agricultural expenditure.

The size of the revenues which the new resource should generate might be calculated in such a way as to correspond to the amount of agricultural expenditure in excess of a certain percentage of either the total budget or the total available Own Resources. The elements to be taken into consideration in its calculation could include, for example, the final or added value of agricultural production in each member state, the value of production under regimes benefiting from particular forms of Community support or a set of values modulated in accordance with the nature of such regimes.

Account would have to be taken of the situation of certain member states and their regions whose general level of prosperity is low but whose economies are particularly dependent upon agriculture.

Other possible sources of general revenue. The Commission has examined a number of other ideas, but none at present seems suitable as a Community resource either because the necessary tax rate is inadequately harmonised or because the economic consequences of the imposition of a Community tax in areas concerned would be unjustifiably damaging.

Revenues linked to specific policies. In addition to its general revenues it might be advantageous for the Community to dispose of certain minor sources of income linked to the development of specific policies. The example of the European Coal and Steel Community Budget has shown that, under certain conditions and up to a certain point, expenditure in connection with policies in particular sectors can satisfactorily be financed by levies from those same sectors. Energy, research and industry suggest themselves as sectors where arrangements on these lines might be feasible. The Commission in not however at this stage thinking in terms of specific practical cases.

Incidental revenues. Various other possible sources of revenue such as taxes on cereal substitutes or a tax on oil and fats are mentioned in the paper only to be dismissed as inappropriate.

The role of borrowing and lending. Loans cannot substitute for Community Own Resources but have an important role to play for increasing the Community's participation in the financing of projects which correspond to the objectives of Community policies. The development of this role can be facilitated by an increase in the resources of the Community.

Financial equalisation or transfer system. The Green Paper goes at some length into the possibility of introducing a financial equalisation system similar to that operating in the Federal Republic of Germany or Switzerland. The European Parliament adopted a resolution along these lines on 15 November 1979 (the Lange resolution). The Parliament followed this in 1981 by a resolution on the Community's Own Resources (the Spinelli resolution).

In considering the possible application of a financial equalisation system for the Community, the Commission has had to bear in mind the differences which exist between the Community as it is today and those federal states where such a system operates. Financial equalisation in those states involves arrangements on both the revenue and expenditure side designed to establish a unitary level of provision of certain public services.

As regards the Community's revenue, the introduction of a better diversified system would correspond with some of the objectives of financial equalisation particularly insofar as it led to a reduction in the liability for contributing revenue of the Community's less prosperous member states.

A form of equalisation mechanism involving transfers on the expenditure side additional to those under the Community's structural funds could be a useful new element in the Community's Budget, the resources transferred would need to be subject to the necessary consistency with Community policies and subject to proper Community control. The sums required need not be excessively large. A transfer of resources limited in overall size could still have a significant economic effect upon the least prosperous member states concerned.

The role of Parliament. Any new development of the Community's financing system should, in the Commission's view, reflect and enhance the role of the directly elected European Parliament as one branch of the Budgetary Authority. A Commission proposal designed to enable the institutions of the Community to create additional sources of revenues without having to obtain ratification by national parliaments has been on the table of the Council for almost ten years.

This proposal clearly raises issues of considerable domestic sensitivity in some member states. Nonetheless, the Commission maintains its view that if the Community is to develop as a viable political and economic entity, its institutions must have some greater degree of independence in their revenue raising power. Whatever new sources of revenue are created they should be of a kind to sustain the development of the Community without the automatic requirement for national ratification.

The manner in which the Commission will put forward its proposals on developing the Community's financing system has been chosen in part so as to enable the Commission to take due account of Parliament's views. The Commission would wish to associate Parliament as closely as possible with the further refinement of its ideas. The Commission envisages that these ideas will in any event be a subject for the conciliation procedure between the institutions.

Chancellor calls for a lasting solution to the Community's budget problem

Sir Geoffrey Howe, Britain's Chancellor of the Exchequer, speaking in Brussels on 7 February, called for urgently needed reforms to the ways in which the EEC is funded – and made some suggestions of his own.

He said: 'We favour a fresh look at the regional development and social funds. We want to see greater progress towards the Community's energy objectives and in particular an integrated strategy for coal. We favour selective support for high technology industries, such as the European strategic programme for information technology. If agricultural expenditure is properly controlled, the annual growth of the Community's revenues should provide the necessary financial resources for such purposes and indeed for enlargement.

'Realistically, however, we have to recognise that policy developments such as these will not solve the problem of budgetary imbalances on their own. There are two reasons for this. First, the scale of the UK's problem, in particular, is just too great. To take a simple example, the Regional Development Fund would need on present quota shares to be increased by 50 billion ECUs (twice the size of the present Community budget) to give the UK net receipts equivalent to our basic refund for 1982 of 850 million ECUs.

'We favour a fresh look at the regional development and social funds'

'Since we cannot rely on the development of Community policies alone to solve the problem, a lasting solution will need to include some changes on the financing side as well – changes which can be guaranteed to prevent any recurrence of the problem, while disturbing the Community's existing arrangements as little as possible. One possibility would be to tackle the problem directly by means of a financial equalisation arrangement. This could draw from the Lange Resolution of 1979 and the Spinelli Resolution of 1981 the valuable ideas of relative prosperity and adjustments to VAT liabilities.

'It could be extremely simple. The VAT liabilities of member states now bearing excessive budgetary burdens could be reduced so as to place an upper limit on these burdens. These limits could be calculated by reference to relative prosperity and GDP.

'Another possibility would be some corrective arrangement related to CAP finances. This would recognise that, as the Commission pointed out in their mandate report of June 1981, the problem of budgetary imbalances, and in particular the UK problem, arises mainly from the budgetary impact of the CAP. Such an approach once again, could be very simple. The VAT liabilities of the countries which contribute more than they receive from the budget could be related to the difference between their shares of CAP receipts and their contributions to CAP expenditure; this relief could be progressively phased out for member states whose GDP per head was more than some specified percentage of the Community average.'

EUROPEAN REVIEW

First NCI loan to Greece

Greece has been granted its first loan under the New Community Instrument for borrowing and lending (NCI or Ortoli facility).

The 3 billion drachma (44.9 million ECU) loan has been made available for 12 years to the Greek Telecommunications Organisation to improve telecommunication facilities in the less developed regions of the country.

The NCI loan follows a 6.2 billion drachma loan made by the EIB from its own resources last May. Both loans will be used in the GTO's investment programme, which aims to install 200,000 new telephone lines each year between 1980 and 1983, and to help modernise and extend local and trunk telephone services in the country.

This work will play an important part in promoting economic development. The Community is backing this investment with grants from the European Regional Development Fund.

The European Investment Bank simultaneously announced the granting of two loans totalling 2.05 billion drachmas (30.7 million ECUs) to help construct two hydro-electric power stations in northern and central Greece.

These loans to the Public Power Corporation will be used to help finance two 105-MW generating units at Pigai and two 75-MW hydro-electric generating units on the river Acheloos in west central Greece.

Aid for developing countries

The European Commission agreed at the end of last year to grant over 100 million ECUs in development assistance for 14 Third World countries.

The aid was granted under the EEC's 1982 programme of financial and technical assistance for non-associated developing countries. Known as the 'non-associates' because, unlike the African, Caribbean or Pacific (ACP) states, they have no formal links with the European Community, these countries are to be found mainly in Asia, Central and Latin America.

Well over half the total amount went to the Central American countries of Costa Rica, Honduras, the Dominican Republic and Nicaragua. This unusually large sum was a result of the decision made by the European Council to grant a special aid package for the countries in this economically depressed region. The aid, which totals 56.7 million ECUs, will be used for agrarian reform and integrated rural developments.

Five Asian developing countries were granted a total of 30.5 million ECUs. Well in the lead was Thailand, receiving 13.4 million for an irrigation project in the north of the country.

Indonesia was granted 11.2 million for two projects involving rural fisheries development and technical assistance for the country's bank and Bangladesh, Bhutan and South Yemen were also granted development aid. Their combined grants totalled 8.9 million ECUs.

The five members of the Andean Pact – Peru, Bolivia, Venezuela, Ecuador and Colombia – received 2 million ECUs for a regional applied agricultural research project.

The tiny, poverty-stricken country of Haiti was granted a healthy 6.6 million ECU share of the funds, to be used for a pilot agricultural development project.

Opening up the telex market

A recent Commission decision demonstrates that member states' telecommunications organisations are not immune from EC rules on competition.

The United Kingdom's state-owned telecommunications company, British Telecom (BT), has been the subject of the first-ever application of European Commission competition rules to such an organisation.

BT has been pressured by the Commission into lifting, as from October 1982, its ban on relaying via the UK telex messages intended for countries outside Europe from private message-forwarding agencies.

The Commission decided that the ban constituted an 'abuse of a dominant market position', which is contrary to Article 86 of the Treaty of Rome. However, the Commission did not impose a fine on BT for two reasons. First, BT acted in line with a recommendation from the International Telecommunication Union (ITU). Secondly, BT had not attempted to enforce the restrictions by disconnecting message forwarding agencies in the UK from the public network.

VAT varies for Europe's tourists

Value added tax on hotel and restaurant bills varied widely in the Community in 1982, ranging from the Netherland's low of 4 per cent to Denmark's high of 22 per cent, Budget Commissioner Christopher Tugendhat has told the European Parliament.

Responding to questions posed by British MEP Michael Welsh, Mr Tugendhat explained that Greece does not yet apply the common VAT system. Of the other nine member states, all but Belgium and Italy allow small firms with an annual turnover or net tax below a certain amount to be exempt from VAT.

While a Community-wide policy on the development of tourism is being considered, Mr Tugendhat said, the Commission is not planning to propose harmonisation of the VAT rates applied on tourist services.

Nuclear fuel supply rules reprocessed

After several attempts the Commission has decided to make another attempt at bringing the Community rules on supplies of nuclear materials into line with market realities and set up a real common market for nuclear fuels.

Energy Commissioner Viscount Davignon has proposed major changes to the chapter on nuclear supplies of the Euratom Treaty. Signed in 1957, when trade in nuclear materials was a trickle and the electricity generating capacity of the nuclear power industry was a fraction of its size today, the Treaty's provisions have become outdated.

Consequently, the Euratom Supply Agency's role in trade in nuclear materials has been overlooked by some member states, who have concluded their own bilateral supply agreements with third countries.

The proposed changes give the Commission significant powers to prevent member states from signing contracts that act against the principle of a common market and to forbid any restrictions on the transfer of nuclear materials within the Community.

What price a stamp?

Denmark is the only member state applying inland mail rates for all countries within the Community. The inland rate is also applied reciprocally by the original six. The Federal Republic of Germany applies the cheaper postage for Denmark, while the Netherlands and Luxembourg apply it to Denmark, Ireland and the United Kingdom.

Other member states have been urged to adopt the inland rate. A recommendation and a reminder have been issued to the Community members not as yet following the practice.

Commission officials remain convinced that, despite the heavy costs entailed by the postal authorities concerned, the inland rate could be applied reciprocally by all.

Fine for fixing

The Bureau National Inter-professionel du Cognac has been fined 160,000 ECU (1 million French francs) for fixing minimum prices for sales of cognac.

Infringement of the competition rules of the EEC Treaty (Article 85) were confirmed after several representations by the Commission.

Coffee growers roasted

The Community's competition rules are applicable to all transactions which affect trade within the EEC, even if one of the parties involved is based outside the EEC.

Following pressure from the Commission, the Colombian coffee producers' organisation has undertaken to remove a restrictive clause from its supply contracts with Community coffee roasters. The clause forbade resale of green coffee to roasters not approved by the organisation.

The Commission decided that the clause was liable to restrict competition within the Community. As such, it contravened Article 85 of the Treaty of Rome, which forbids restrictive practices.

Museum on Melos

The European Investment Bank has agreed a credit for 10.9 million drachmas (approximately 165,000 ECUs) for the establishment of an archeological museum on the Island of Melos (Cyclades) in Greece.

The funds have been made available through a global loan to the Hellenic Industrial Development Bank for financing small and medium-scale investment ventures in industry and tourism.

This financing forms part of Community action to safeguard Europe's cultural heritage. It is the first such project for which the EIB has provided financing – exceptionally, on the ground of its benefits for the Community as a whole.

A hard life for women

Euro MP Mrs Dury says that, in parts of Africa, 20 to 30 per cent of the families are run solely by women, because the men have emigrated. She is calling on the Commission to consider ways and means of improving these women's working and living conditions by introducing appropriate technologies.

Any modern methods introduced, however, should avoid external sources of energy or use them in an energy-saving way, as the financial resources of the basic communities are very limited, Mrs Dury says,

The new methods should also be easy to maintain and repair compatible with local customs, and improve working conditions within a cottage-industry rather than an industrial framework, as the latter would deprive the women of work, she explains.

Relief for turtledoves?

MEP André Damseaux advised the Commission that he understood that France was allowing the hunting of turtledoves in May 1982. This, claimed Mr. Damseaux, contravenes Community rules, which require member states to prohibit the hunting of migratory species during the mating season or during their return to the mating grounds.

In answer to Mr Damseaux's question, Karl-Heinz Narjes, for the Commission, replied that he had been advised by the French authorities that hunting was no longer allowed in the spring of the year. Should this not be the case, he said, the Commission would not hesitate to use all means conferred on it by Community legislation.

Monitoring unborn babies

Coordination of perinatal research has become a regular task of the Commission as part of the medical research programme of the European Community since 1978.

At the moment two projects are being monitored. One is the registration of congenital abnormalities: an increasing number of births – more than 200,000 in 1980 – are being monitored on the basis of standardised procedures by 20 national registers.

The other concerns criteria for perinatal monitoring: about 30 clinics in member states are currently working closely to prepare for a wider application.

Tobacco firm coughs up

The Commission has fined a subsidiary of British-American Tobacco (BAT) 50,000 ECUs for restrictive clauses in its trade mark delimitation agreement with a Dutch manufacturer of tobacco for hand-rolled cigarettes.

The Commission objected both to the restriction of competition and to BAT's attempting to avoid the obligation to use its trade mark.

Women in Portugal

Anticipating Portugal's membership in the Community, 'Women of Europe', published by the European Commission, has brought out a booklet taking a look at the situation of women in that country.

While 52.5 per cent of the Portuguese population is female, women make up 41.3 per cent of the workforce. One-third of working women are in agriculture, 25 per cent in industry, and the remainder in the service sector.

Portugal's old constitution gave both sexes equal rights before the law, unless women were mentioned specifically. So women had the right to vote – but they did not use it.

Portugal's new constitution, adopted in 1976, established equality between men and women in all fields. For further facts about women in Portugal, send for supplement 11 of the bi-monthly series, 'Women of Europe', Directorate-General for Information, Rue de la Loi 200, 1049 Brussels.

New talks with Japan

Trade relations between Japan and the European Community are likely to take centre-stage during at least the first half of 1983.

It is a measure of the importance with which Japan considers the relationship that the newly-appointed Foreign Minister, Shintaro Abe, made the Commission the first port of call on his first trip abroad in this new position. During discussions held in Brussels at the beginning of January, described as an information visit, Commission President Gaston Thorn and Vice-President Davignon reaffirmed the Community's commitment to secure changes in Japan's export and import trading policies.

The Council of Ministers made the decision in December, to pursue and intensify the complaint lodged against these policies under GATT trading rules, and the Commission has added three more products to the list of imports from Japan subject to monitoring.

Giving small firms the edge

A new regulation to grant exemption from EEC competition rules for specialisation agreements between small and medium-sized companies (SMEs) has recently been adopted by the Commission.

Article 85 of the Treaty of Rome forbids concerted practices to limit production or limit markets, unless they promote technical or economic progress, whilst allowing consumers a fair share of the benefits.

In specialisation agreements between SMEs, each company agrees to limit itself to producing certain goods and leave other goods to the other companies party to the agreement. In the Commission's view, such agreements can increase competition. This is because they allow SMEs to concentrate their efforts on what they do best, and so reap economies. This in turn can help them to compete successfully with large companies, and penetrate markets that might not otherwise be open to them.

The long crawl towards a common transport policy

ALEXANDER SCOTT looks at the state of play in air, road and rail programmes that would bring the Community closer together

Transport policy was one of the few sectors clearly defined in the Treaty of Rome. Yet progress in achieving a common transport policy has been painfully slow: so slow, in fact, that the European Parliament decided in September 1982 to threaten the EEC's transport ministers with an action before the Court of Justice for 'failure to act'.

At the last meeting of the Transport Ministers, in mid-December, the European Commissioner responsible for transport policy, Giorgios Contogeorgis, pointed out that there are 44 outstanding Commission proposals which still require decisions. Nevertheless, progress achieved since the Treaty was drawn up has been significant in terms of international cooperation in the rail, road and inland waterway sectors. The Treaty does not apply to sea or air transport specifically, though these are sectors which the Commission has nevertheless been encouraging.

Perhaps one of the toughest tests of the willingness of the member states to give up some of their sovereignty has been with the package of proposals by the Commission regarding the air transport sector. Ultimately, the Commission would like to see air fares in Europe liberalised, removed from the plethora of bilateral and complex agreements which are undoubtedly a factor in maintaining the high cost for inter-European air travel.

On the other side of the coin, from the many Commission proposals designed to secure greater technical harmonisation – and therefore healthier competition – the Commission has also attempted to secure Community finance for the very basis of transport operations in the EEC, the infrastructure. This includes the roads, railway lines, tunnels, inland waterways, ports and airports throughout the Community, all of which, through continued improvement, can lead to greater traffic between the member states.

Having secured basic agreement for financing a limited programme of three infrastructure projects (the rail marshalling yards at Domodossola in Italy, the road link to Volos in Greece, and financial appraisal studies for a fixed Channel link), the Commission has now turned its attention to an extensive 'experimental' programme of projects designed to last from 1983 to 1987. Moving on from the 10 million ECUs agreed for the limited programme, the Commission has proposed that some 650 million should be made available over the five-year period, the first 50 million of which could be spent during 1983, and a further 100 million in 1984. At present, no funds exist in the EEC's budget for infrastructure finance, and a regulation would have to be agreed by the Transport Ministers before this money could be made available.

However, the Commission's proposals are a response to a Council request made in June 1982 to draw up an 'experimental and balanced programme' of projects likely to meet the criteria of being in the 'Community interest'. With contributions from the Community's transport infrastructure committee, which includes representatives from all the member states, the Commission drew up a list of projects which could qualify for finance. This includes potential projects in all the member states and in most forms of transport, though there is a heavy concentration of projects in the rail and road sectors. The overall intention falls into line with previous work carried out by the Commission, particularly with regard to the report prepared in 1980 on transport bottlenecks in the Community, which gave an insight into infrastructure inadequacies.

The projects selected by the Council of Ministers, if the proposal is accepted, should be able to be completed, or almost completed, during the period from 1984 to 1988, according to the proposal. The projects submitted by each member state, and included in the Commission's proposal, are not the subject of formal requests for Community financial support. They are likely to be modified or complemented, depending on the development of the national situation as well as the outcome of the question of Community financial support. Finally, it has also been made clear that the contributions to the list of projects do not prejudge the position member states will eventually take on the overall proposal in the Council of Ministers.

In the first phase of the proposed experimental programme, for the period from 1983 to 1984, the Commission has suggested that 150 million ECUs be made available. Taking account of the information which the Commission already has, and that which the member states have provided, it has drawn up a list of eligible projects for financial assistance. These are considered to be of Community interest and high national priority. One case concerns the construction of a motorway in a non-EEC country – Austria – which is of significant benefit to the rest of the Community. The range of projects in the list is relatively wide, and the financial assistance, to be established case by case, would represent only a modest percentage of the total cost of each project. Of the nine projects in this preliminary list, nine out of the ten member states are concerned directly.

The list includes, for finance during 1983, improvement work on the road link between Rosslare, Dublin and Belfast, in particular by the construction of by-passes; improvements to sections of the road between Volos in Greece and the Yugoslav border; the extension of capacity on the rail link between Rotterdam, Cologne and Stuttgart, including the installation of combined transport and transhipment facilities on this route; and finance for improving transit through Austria.

For 1984, the Commission has put forward proposals to finance work on Channel ports in the United Kingdom, and at Felixstowe and Harwich, as well as the electrification of the rail link between Colchester and Harwich. Various projects to improve the capacity of some sections of the north-south rail axis between Copenhagen, Frankfurt and Milan are also suggested, as are projects – yet to be specified – for rail, road and ports, on the north-west/south-east axis. The key road link between Luxembourg and Trier in Germany could be improved, says the Commission, by the construction of sections of motorway, in particular missing border links. Finally, in this list, the Commission proposes finance for the modernisation of the Zuid Willems canal, the inland waterway link between Belgium and the Netherlands. It would also be possible to envisage in 1983 or 1984, says the Commission, a co-financing of the various preparatory technical works for the construction of a fixed Channel link.

The list of projects submitted by the member states for the years 1985 to 1987 is so long ▶

that the Commission does not believe it possible to draw up a selection, even illustratively. However, it does suggest that a list of these projects should be established later, using fixed criteria on the evaluation of Community interest. A proposal relating to this second phase of the experimental programme will be put to the Council of Ministers at the latest by 30 March, 1984.

The Commissions's proposal is clearly of great significance in the transport sector, if only in terms of the scale of the work to be undertaken. It is difficult to assess what attitude the Council of Ministers will take to it, though the level of interest already demonstrated by the member states in drawing up potential projects is perhaps some reason for optimism. Infrastructure finance from the EEC is also the subject of great interest in the European Parliament, which will no doubt be keen to see this proposal adopted rapidly.

In the meantime, the delicate job of trying to reconcile national interests in the adoption of EEC standards or regulations will continue, and it is difficult to foresee any large leaps forward in the transport sector. However, the adoption by the Council of the proposals on infrastructure would represent a firm reason for optimism.

Top-level training conference in Düsseldorf

EEC Commissioner Ivor Richard and Greek MP George Papandreou are two of the key speakers at a special conference next month, to review the role of training in Europe today.

The conference is being held in Düsseldorf from 28 to 29 April, and applications are invited from those who wish to attend. Other participants include André Ramoff, Délégué de la Formation Professionelle, France; Josef Stingl, Präsident der Bundesanstalt für Arbeit, West Germany; Geoffrey Holland, Director of the Manpower Services Commission, Great Britain; Harald Richter, Director of Corporate Human Resources Development, Bayer AG, Leverkusen, West Germany; Cesare Vaciago, Director of Training, Montedison, Italy; Niels Hilstrom, Confederation of Trade Unions, Denmark; and Barthold Henny, Managing Director, Siemens-Netherlands, Holland.

For details, ring David Seckings (Bedford 48338) or Ron Johnson (Guildford 38272).

New deals on textiles

Despite its troubles, the Ten's textile industry is beginning to get its act together, reports MALCOLM SUBHAN

When dole queues lengthen, good news seems as scarce as a good – i.e. secure – job. And yet, among all the news of lay-offs and shut-downs there was a piece of good news at the end of last year for an industry which still provides roughly one job in every ten in manufacturing in the Community.

It attracted few headlines, because of its technical nature. The news, announced in mid-December, was that the European Commission had successfully negotiated agreements with 26 of the Community's low-cost suppliers of textiles and clothing. Under these agreements, which came into effect from 1 January, the 26 will keep their exports within specified limits until the end of 1986.

Thus reassured, the Council of Ministers confirmed the Community's continued participation in the Multifibres Arrangement (MFA), which had provided the legal frame for the bilateral negotiations.

The decision ended 18 months of long – and at times acrimonious – negotiations. It also ended months of growing uncertainty not only for the Community's own textiles and clothing industry but also for the industry in 26 other countries, some 20 of them in Asia and Latin America.

It is time, therefore, to look at the results more closely. The European industry will benefit from the restrictions imposed on its competitors, whether they are in Haiti or Hong Kong. So should the 2 million men and women whom the industry employs. And so, presumably, will its customers.

The EEC's chief textile negotiator, Horst Krenzler, clearly felt he had won for the industry a four-year respite from the pressure of cheap imports. He and his team had kept to the guidelines laid down by the Council of Ministers; and as evidence of this he could point to the Council's decision to stay in the MFA. The Council, in fact, had decided early in 1982 to withdraw from the MFA. As the decision was a purely internal affair, it had never been communicated to the MFA authorities in Geneva. But the Council obviously would do just this if it were dissatisfied at the outcome of the bilateral negotiations with the EEC's 27 low-cost suppliers.

At its meeting last December the Council expressed its appreciation of the way in which the Commission had conducted the negotiations. This pat on the back clearly implied that its guidelines had been followed. The textile industry disagreed, however. Comitextil, the co-ordinating committee for the industry in all ten EEC countries, claimed the Commission had 'not fully respected' its negotiating mandate. As a result, 'the pressure of imports' would continue 'to weigh heavily on the industry, against the background of an extremely depressed market'.

But Comitextil was being less than fair to the Commission. This is clear if one looks not only at the results of the negotiations but also at what the Commission was up against. In order to do this it is necessary, however, to take a look at the negotiations themselves.

Imports of textiles and clothing from low-cost countries (essentially the developing countries and Eastern Europe) are governed by the MFA, which provides for bilateral agreements 'on mutually acceptable terms'. The EEC countries used this to negotiate a series of agreements limiting its main imports from each of its low-cost suppliers by means of quotas.

The MFA was first concluded in 1973. It has been renewed twice since then, by means of an extension protocol – a device which leaves the original text unchanged while allowing for a reinterpretation of certain of its provisions. The 1981 extension protocol was adopted only after heated exchanges between the EEC and the developing countries. The Community maintained that the situation inside the EEC had changed dramatically since 1973.

Imports into the Community now accounted for 44 per cent of domestic consumption (as against 18 per cent in 1973), three-quarters of which consisted of goods shipped by the low-cost countries. Demand, meanwhile, had suffered from the continued economic recession. Consumption was growing by a mere 1 per cent a year, as compared to a growth rate of 3 to 4 per cent before 1973.

This growing import penetration of the Community market, at a time of almost stagnant demand, had had a disastrous effect on the Community's textile and clothing industry in terms of factory closures and lost jobs. Between 1973 and 1980, the number of companies fell by 15 per cent and employment by 26 per cent. Each year an average of some 100,000 jobs were lost.

The Community therefore demanded the right to introduce certain changes in the bilateral agreements to be negotiated in 1982. It wanted, for example, to cut back imports of the most sensitive products from its 4 dominant suppliers: Hong Kong, South Korea, Taiwan and Macao. It also wanted to introduce an 'anti-surge' clause, so as to prevent a sudden, sharp rise in imports from any one of the low cost countries.

The Commission sought also to strengthen certain existing provisions. One of these is the 'basket extractor mechanism', whose improbable name refers to a device for limiting imports of products not restricted by quotas so far. The EEC also wished to strengthen the provisions against fraud (i.e. attempts to circumvent quotas).

The Community's demands were all the more justified as it has been – and remains – the Third World's biggest customer. Between 1973 and 1979 its per capita imports from the developing countries rose from $12 to $40. During this same period American per capita imports rose from $9 to just over $24, and Japanese imports from $8 to $15.

The increase in the Community's clothing imports was even bigger: from just over $6 per head of population in 1973 they climbed to $24 in 1979. During this period American per capita imports rose to $20 (from $7) and Japanese imports to $9 (from $4).

'The Community has been – and remains – the Third World's biggest customer'

The Community could not be expected to carry more than its fair share of the burden of low-cost imports, especially if it would mean more factory closures and lost jobs. Nor could it renounce its obligations towards the developing countries, many of whom had been hard hit by the continued stagnation in the world economy. But this precisely is what critics of the new bilateral agreements have overlooked. The Community may regret the failure of others to assume their share of the burden; but it cannot penalise the developing countries. Quite apart from the morality of it, it would be short-sighted in an interdependent world.

Even so, the European Commission succeeded in obtaining a reduction in the global quotas for the most sensitive products. These global quotas were fixed by the Council on the basis of the 1982 quotas and cover imports from all low cost sources, including the Mediterranean countries and those which have signed the Lomé Convention.

All but one of the 1983 global quotas are below those for 1982, in some cases by as much as 5 per cent. What is more, the rates by which the quotas will be raised each year between 1983 and 1986 are lower than under the previous agreements. In the case of the very sensitive products the new growth rates are 0.9 per cent (as against 1.2 per cent). They are higher for the less sensitive products, ranging between 3 to 4.5 per cent (instead of 4.5 to 6 per cent). In other words, they are considerably below the rates set by the MFA.

The reduction in the global quotas was made possible by the cutbacks in the quotas for the three dominant suppliers. (Quotas for the fourth, Taiwan, are set by the EC itself as it has no diplomatic relations with Taipeh.)

The cutbacks are not as large as had been hoped; they range between 6.5 to 8.5 per cent, although the Council had initially sought cutbacks of 10 to 12 per cent. Even so, given the quantities involved they represent a considerable reduction in absolute terms. (In 1981 imports of sensitive products from Hong Kong alone amounted to 70,000 tonnes.)


BEN JOHNSON

Desolation of an English cotton mill. But only a small part of it can be blamed on low-cost competitors.

Having obtained a reduction in global ceilings, it would have been morally wrong for the Community to make it more difficult for the developing countries to fill their quotas. And yet this is one of Comitextil's complaints against the Commission: that some of the changes which it accepted will mean that 'quotas will probably be more fully used than in the past'. But the extent to which exporting countries are able to fill their quotas depends on a variety of factors, one of the most important of which is the level of demand within the EEC. Because demand has been stagnant, several countries have had relatively low utilisation rates.

Should demand pick up, quotas will be more fully utilised. But it must be remembered that the anti-surge mechanism could well prevent certain countries from taking full advantage of this rising demand. It is the domestic industry rather than other low cost suppliers who should benefit from increased consumption. (The first signs of a recovery were noted in 1982; they should be more in evidence in 1983.)

The operation of the basket extractor mechanism will also favour domestic industry. At present the number of products subject to quotas is relatively small for any given low cost country (with the obvious exception of the four 'dominants'). Should these countries diversify their output, the basket extractor mechanism would limit the quantities they export to the EEC. This is because, once these exports reach a certain percentage of the Community's total imports (well below 1 per cent for very sensitive items), they can be restricted by means of a quota.

Paradoxically, European clothing manufacturers may be among the first to suffer from these further restrictions on imports from low cost suppliers. The fact is that in some countries manufacturers mix their own production with cheap imports, a practice which allows them to reduce their own prices. Not surprisingly, therefore, the industry would like to have a monopoly on imports from all low cost countries.

The new bilateral agreements may well result in higher prices for consumers. Studies carried out by European consumer organisations have underlined the role of cheap imports in holding down textile and clothing prices generally. (They probably have had the same favourable effect on inflation rates.)

How will the new agreements affect employment? The answer is unclear. However, should the industry push ahead with its efforts to improve productivity, job shedding will continue. This is because a 1 per cent increase in productivity means a loss of some 10,000 jobs in the textile sector and 15,000 in the clothing. A 2 per cent increase, if maintained over a 5-year period, could mean the loss of 250,000 jobs.

The experts have argued that only a small part of the jobs lost can be attributed to the low cost countries. Unemployment figures for the UK are perhaps significant in this respect. They show that, between 1978 and the first quarter of 1982, unemployment in the British textile industry rose by 28 per cent and in the clothing and footwear industries by 20 per cent. However, during this same period, unemployment in the metal manufacturing and mechanical engineering industries rose by 22 to 23 per cent. In France, job losses during this period were higher in manufacturing industry as a whole than in the clothing industry.

The next four years will be critical for the European textile and clothing industry. The new bilateral agreements will give it the respite promised by the EC's chief textile negotiator, Horst Krenzler. But the fact remains that the 26 agreements cover less than half the Community's total imports of textiles and clothing (45 per cent). The balance is equally shared between the low cost Mediterranean suppliers and the industrialised countries, such as the United States. American exports in fact are twice as large as those of Hong Kong, the biggest of the Asian and Latin American suppliers.

On the basis of recent experience, the industrialised countries could be among the main beneficiaries of the more restrictive agreements introduced from 1983. This suggests that the only effective answer to the European industry's problems is a rapid and thorough overhaul of its structure and policies, especially its marketing policies.

The sound of music – Eurojazz style

ROY STEMMAN reports on the Community's youth jazz orchestra – a band that is going places

The combined talents of some of Europe's best young jazz musicians got together last December for three concerts in Belgium. Since one of these was held in Brussels, the European Community Youth Jazz Orchestra was able to say thanks to one of its sponsors – the EEC – on home ground.

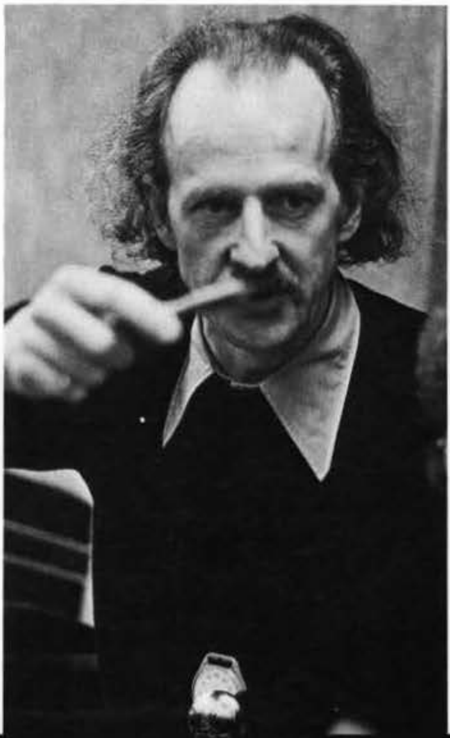
It is little more than a year since EuroJazz (as the orchestra is known) was formed. But its success is recognised already in many countries outside the Community.

The idea came from James Platt, director of the Central Bureau for Educational Visits & Exchanges, who founded the orchestra in 1981. As well as their first London concerts (see EUROPE 82, March issue), the jazz musicians have also performed in Italy, where they gave six concerts, two of them in Rome. Then, with Christmas just a couple of weeks away, they packed their instruments and converged on Belgium, where they performed at Antwerp University, the Astrombeek-Bever Cultural Centre in Brussels, and at a jazz club in Heist-op-den-Berg.

Community officials were in the Brussels audience, and Belgian Radio recorded the final concert, which was broadcast together with interviews with some of the young musicians.

When EuroJazz was formed it relied heavily on UK government funds – made available by the European Awareness programme – to make the project a reality. That is still the situation; but the EEC has given the orchestra a £5,000 grant.

Other countries are also contributing towards the running expenses of EuroJazz tours. In Belgium, for example, the Commissariaat Generaal voor Internationale Culturele Samenwerking put up most of the money, and the concerts were organised by the Ministerie van Nationale Opvoeding en Nederlandse Cultuur.



The young musicians perform without fee, often giving up the opportunity to play with other bands or groups in order to be part of what is undoubtedly the biggest jazz orchestra now playing. It is, after all, an experience that will be open to them for only a comparatively short while. There is no minimum age for EuroJazz members – the 'baby' on the visit to Belgium was Tommy Smith, a 15-year-old tenor saxophone player from Edinburgh – but once they reach 24 the young musicians will no longer be eligible.

This age limit has been raised, incidentally, from 21 to take account of the different ages of jazz maturity in Europe and to keep EuroJazz in line with the European Community Youth Symphony Orchestra.

The two youth orchestras have more in common than qualifications of age. Three of the EuroJazz performers on the Belgian tour – Marjorie Dunn and Jim Rattigan on French horn and Derek Gleeson, a brilliant Irish percussionist, were recently on tour with the youth symphony orchestra.

EuroJazz consists of five trumpets, five trombones, six reed instruments, guitar, bass, keyboard, percussionist, drums and – a speciality of its principal conductor – five French horns. The number of musicians required to play each composition varies. There were 37 on the Belgian tour, representing every EEC country except France, and they

Chris Powls, left, Eurojazz project administrator, says the standard is getting higher all the time.

all performed during some part (or all) of the concerts.

After its Italian tour, a Rome newspaper carried a headline proclaiming, 'But that boy plays like Miles Davis!' The critic also praised the orchestra's 'great expressive potential' as well as its soloists 'of notable skill and intelligence'.

Young musicians, including a member of the present orchestra, have composed for EuroJazz. The band has also performed many pieces written by Bobby Lamb, its principal conductor (for many years a star trombonist with the big bands) and Rick Taylor, assistant conductor.

'The musicians perform without fee – and there is no minimum age'

Its administrator, Chris Powls, is delighted with the young musicians' achievements. 'Truly, we have been more successful than we had expected,' he told me, 'and the standard is getting higher all the time. The concerts have been excellent, and people are phoning us with invitations to play for them.

'What is even more interesting is that the young musicians themselves have been getting together in quartets and quintets since playing in the orchestra, and doing little tours of their own.'

Not that the orchestra plans to confine itself to European audiences. Among the invitations it has received, and hopes to accept, is one to perform at an American convention in the summer of 1984. The chance to play in the home of jazz is too good to be missed, and the orchestra would certainly use the convention as a starting point for a USA tour. But the visit will only take place if the orchestra finds a sponsor. Fans in the UK, however, may have to wait until 1985 before they can attend another EuroJazz concert. That will be European Music Year, when concerts in Britain and a European tour are being planned.

Now that it is established, the youth orchestra hopes to make four tours a year, but that will depend very much on the financial support it receives from various quarters. Meanwhile, young instrumentalists are understandably keen to audition for EuroJazz. A place in the orchestra could mean the chance of being spotted – which could play an important part in helping them build their own careers.

The people behind EuroJazz have no doubt that many of their talented players and composers will make it in the wider musical world. Jens Winter, a superb trumpet and flugel horn player from Denmark, for one, joined EuroJazz in December 1981 and played in Rome. He is now a contracted member of the Danish Radio Orchestra. Chris Powls is understandably delighted with his success. 'He's our first old boy,' he says with pride.

Birthday honours for Urbino's greatest son

FREDERICK COSSTICK reports on the 500th anniversary of the birth of Raphael, and on the city that bred him

On 6 April, Italy will be marking the 500th anniversary of the birth of one of its greatest painters, Raphael. That event comes barely twelve months after his native city, Urbino, celebrated the quincentenary of the man who put it on the map – the gallant and well-loved Duke Federico.

Urbino as it stood then – and much as it still stands today – was the creation of Federico, whose red-capped, red-tunicked portrait by Piero della Francesca stands in a place of honour in the Uffizi gallery, together with that of his loyal and talented wife, Battista Sforza.

Raphael's development as an artist – 'always imitating, always original', in the words of Sir Joshua Reynolds – is usually traced from his teachers, first Il Perugino, otherwise Pietro Vanucci, and then via the Florentine masters, in particular the other two members of the great High Renaissance triumvirate, Leonardo and Michelangelo. Such was the predominance of the Florentine and to a lesser extent the Umbrian schools of art, that it was considered inconceivable that a rival to the great Florentine geniuses could originate from the other side of the Appenines.

Yet, if we examine closely the atmosphere of beauty and culture into which Raphael was born, it is possible to conclude that the divine spark was planted within him from his earliest days; and, far from being just imitative of his seniors, he added to their undoubted technical mastery a sense of beauty which had its origins 'on Urbino's windy hill', in W. B. Yeats' words.

One day in September, 1482, Giovanni Santi, resident painter and poet in the court of Urbino since 1460, sadly climbed the hill towards his comfortable home where his wife, Magia, was pregnant with their first, long-awaited child. He was coming from the funeral of his honoured master, Duke Federico, whose body had been brought back from Ferrara, where he had died while conducting his final condotta for the Italian League against Venice.

Federico was no ordinary mercenary of the stamp of Braccio da Montone, Colleoni, Sforza or Malatesta, given to brutality, licentiousness and dishonesty. At the school of Vittorino da Feltre in Mantua, La Casa Zoiosa, he had learned not only Latin and Greek, stern religious principles, fencing, swimming and dancing , but also philosophy and the appreciation of the arts, poetry and music – all this before the age of fifteen, when he took up his first command in the field.

Before the age of thirty, he was confirmed as the greatest military leader of Italy, with the finest force of hardy mountain troops from his own land of Montefeltro, to the north of Urbino, and his services to the great powers of Italy, especially the Papacy, Naples, Florence and Milan, were considered worth about

Piero della Francesco's famous portrait of Federico, Duke of Urbino.

£3,000,000 a year in present day terms. At the same time, he was a diplomat who often used his considerable power and influence to avoid conflict rather than provoke it, and rarely espoused a cause in which he did not believe.

The great wealth he acquired as a mercenary he employed first for the good of the people in his small mountain state, then on the construction of a palace which, in Castiglione's words was considered the finest in all Italy, and he furnished it so well that it seemed 'not a palace, but a city in the form of a palace'.

To build it he brought in first the Tuscan architect Maso di Bartolomeo, then Luciano Laurana, from Dalmatia, inspired by Diocletian's palace, and finally the great Sienese civil and military engineer, Francesco di Giorgio. Then he attracted a good selection of the finest artists and craftsmen of the age to decorate it – Piero della Francesca, Melozzo da Forlì, Botticelli, Paolo Uccello, Baccio Pontelli.

A young artist and architect from nearby ▶

Fermignano served his apprenticeship among these gifted seniors – Donato Bramante, the future architect of the new St Peter's in Rome, who would eventually hand over his responsibilities to Raphael, his countryman. There also came to Urbino one Justus of Ghent, a Flemish master, who brought skill in oils previously unknown to the Italians.

Humble among all these masters was Giovanni Santi, a country lad from nearby Colbórdolo. First he just mixed paints, then he learned to paint himself. He was given minor tasks, commissions for the smaller churches, and learned perspective and form from Piero and Melozzo and Justus, without ever acquiring their mastery. Hundreds of his paintings are extant in the Marches and beyond, but they rarely earn more than faint praise. Yet he was a true and honest craftsman, who devoted his life to art and poetry, and to the service of his beloved lord, Federico da Montefeltro, Duke of Urbino.

On 6 April, 1483, his wife gave birth to a son, who was named Raffaello. As soon as the beautiful and intelligent child was able to walk, his father took him wherever he went, often to the palace, now presided over by Federico's son, Duke Guidobaldo and the brilliant Elisabetta Gonzaga, who had brought with her all the considerable culture of the court of Mantua.

The infant Raphael would have feasted his eyes on the Flemish tapestries on the walls of the great Throne Room, the portraits and paintings by Piero, Melozzo, Justus, the incomparable *intarsia* and *trompe l'oeil* work of Baccio Pontelli, based on drawings by Botticelli, Piero, Melozzo, and Bramante, the beautifully carved door lintels and chimney pieces and dancing *putti* of Domenico Rosselli.

At the age of eight or nine, he was in the church of San Domenico in Cagli, at his father's side as he worked on a fresco of the Madonna and two angels, and served as a model for the angel on Mary's right hand.

The house in which Raphael was born and lived during this gloriously apt artistic childhood is known now as the Casa Raffaello. The wall of his bedroom is decorated with a charming fresco of the Madonna and child which most experts are satisfied was done by Raphael when a young apprentice to Il Perugino. There are two plaques on the front of the house, one extolling the life and fame of Raphael himself, the other devoted to his father, his very first teacher.

The Florentines could never quite forgive Raphael, a mere *Marchigiano*, for excelling them in divine beauty in art. Michelangelo was deeply envious of his gracefulness and great social success, and violently incensed when Bramante and Raphael took a clandestine peep at his Sistine Chapel paintings before he had officially unveiled them. 'Plagiarist!' he roared, when Raphael's subsequent paintings showed influences unmistakably stemming from his own work.

Yet, whatever Raphael borrowed, he enhanced with his own incomparable sense of beauty. This was his birthright, the greatest legacy of that city, Urbino, created by Federico da Montefeltro, and transmitted to him, as surely as his life itself, by that unsung, humble artist, his father, Giovanni.

Raphael died in Rome on Good Friday, 6 April, 1520, his thirty-seventh birthday. His final, unfinished and perhaps greatest work, the 'Transfiguration', was carried with his body, amid sorrowing crowds, to the Pantheon.

Last year the still delightful city of Urbino mounted pageantry and concerts, exhibitions and theatre in commemoration of the death of Federico. In this year of 1983, the city will not let Italy and the world forget that the divine Raphael was also a native son.

WHAT'S IN THE PAPERS

Mr Norman Tebbit, the Employment Secretary, came close yesterday to pledging a government veto on European Community legislation on industrial democracy, provided employers could show some proof that they were adopting 'better' systems for informing their workers of decisions.

He told an industrial relations conference in London that he was 'deeply sceptical' about the plans, known as the Vredeling Proposals and the Fifth Directive, amended and passed by the European Parliament, and which will be redrafted in the next few months by the Commission before going to the Council of Ministers.

– The Times

An ambitious plan to bring some continuity to the EEC's scientific research faces a battle for survival in the next few weeks.

The 14 members of the EEC Commission formally adopted the 'framework programme' – effectively a four-year plan to direct £2000 million of research – before Christmas. Now the programme has been handed over to the Commission's political masters in the Council of Ministers. Science ministers will discuss the proposals on 6 February.

Behind the new proposals is a desire to improve the way research, development and demonstration projects (RD&D) are carried out by the EEC and to increase the amount of community investment in RD&D over the period 1984 to 1987.

By the end of the four-year spell the Commission wants to spend 4 per cent of its own resources on RD&D, compared with 2.6 per cent now. The highest spending countries in the Community devote about 2.5 per cent of their gross national product on national research programmes.

– Economist

Anti-EEC activists are trying to unseat nine of Labour's 17 Euro MPs. They demand that in the reselection contests later this year for the 1984 European elections, candidates should be disqualified if they do not declare their support for British withdrawal, the policy adopted by the Labour Party conference. The demand is to be considered by Labour's national executive committee.

– Observer

The so-called fish war has been a diversion. It has taken attention away from Denmark's most serious economic problems. Inflation and unemployent are both running at 10 per cent. Its foreign debt *per capita* is one of the largest in the world, and its budget deficit is immense. Since October, Denmark has had its first Conservative government for 100 years.

–Sunday Telegraph

The Soviet Union has not taken up an offer of cheap butter from the EECs surpluses for the second month running, officials in Brussels said yesterday. No offers had been received when the deadline for the planned sale of 25,000 tonnes of subsidised butter expired yesterday morning.

– Reuter

The European Investment Bank, the EEC's bank for long-term finance, last week announced loans for Scottish projects worth £65m to British Telecom and the South of Scotland Electricity Board.

The bank is a non-profit organisation with much of its cheap lending aimed at poorer regions of the Community, such as Scotland. About a third of the bank's £145m loans in the past 10 years went to Scotland.

– Financial Times

MEPs yesterday lost a battle to get the issue of the Nigerian expulsions on the agenda of a conference between the Common Market and Third World countries linked to the EEC.

After a stormy debate here during a meeting of the joint committee of the consultative assembly of the EEC and African, Caribbean and Pacific states (ACP), a motion put by a British Conservative MEP, Mr Andrew Pearce, was lost by 47 to 44. The European Socialists abstained.

Mr Francis Butagyira, Speaker of Uganda's National Assembly, and co-chairman of the conference, said that the ACP group was determined to block European attempts to discuss the issue.

– Guardian

Have we really got a common market?

FERDINANDO RICCARDI looks around the markets of the Ten, and finds we are still some way from what was laid down in the Treaty of Rome

Heads of government have discovered the Common Market! This was how one newspaper, not without a touch of irony, introduced the decision of the European Council in December 1982, to put reinforcement of the home market top of the list of priorities for Community action in 1983. And yet the irony is unwarranted. The advancement of the Common Market really is one of the top priorities today – the EEC's most urgent and essential objective.

Are we to infer from this that the Common Market does not yet exist? That we are to discover it now, twenty-five years after the Treaty of Rome? If, by the term 'Common Market', we mean an area in which goods circulate without customs duties or quantitive restrictions, then yes, the Common Market exists. The European citizen finds every day that he can obtain his favourite products, wherever they come from.

However, the elimination of customs duties and quotas is not everything. In isolation, this could even be dangerous for the weakest economies. When Community institutions talk of advancing the home market, they are thinking of something else: a zone in which the conditions of a national market exist not only as regards circulation of goods, but also conditions for production, setting up businesses, equal competition, absence of tax discrimination, use of financial resources.

They are thinking of an area in which the absence of formal trade restrictions is not partially cancelled out by less obvious obstacles, by technical or administrative measures and barriers which may or may not be apparent.

Why is the advancement of the Common Market in this direction a priority? Because it is a pre-condition to all other objectives. Without this advancement, a European industrial policy cannot be developed. Renewed investment will remain a dream or an illusion. Without investment it is not possible to create new, stable jobs; and Europe will not be able to fight unemployment effectively or compete with the United States or Japan on an equal footing.

Faced with rising unemployment, most Community countries have striven hard over the past few years to protect jobs in the declining sectors (steel, textiles, shipbuilding, etc), sinking tremendous financial resources into these sectors instead of putting them into the industries of the future, such as advanced technology and service industries. Today, the EEC has to fight against a steel production capacity of 200 million tonnes per annum, while it only needs half that amount; and yet at the same time it imports the majority of new products – video cassette recorders, television tubes, computers, micro-processors, nearly all aircraft and even mopeds – uses American credit cards and banking services, and produces a whole range of high-technology goods under United States licence.

In order to make up for lost time and rebuild the foundations of European industry, renewed investment is essential. However, industry cannot make ambitious new investments without being certain of its market. A truly open market of 250 million consumers and users enables substantial investments and cooperation across frontiers to be envisaged, and medium and long-term plans to be made and carried out. Without a guarantee that this market exists – that it is and will remain open – no programme is possible: there can be no European industrial policy, no common research and no investments looking to the future.

The creation of home market conditions throughout the EEC is still a long way off. It cannot be achieved quickly; but a start must be made now. In 1981 and 1982 the Commission undertook several studies and made several proposals and statements to the Council. The Heads of Government indicated some priority objectives which had to be achieved by the end of March. In particular, it was decided to eliminate a certain number of technical barriers to trade (by establishing uniform EEC standards) and to simplify formalities at borders within the Community.

At first sight, these are not spectacular achievements. However, a German study evaluated the cost of border formalities and controls at around 5 to 7 per cent of the value of goods, a percentage which is a heavy burden on all industry and commerce in Europe. Moreover, the Commission noted 'the impression that all internal frontiers were remaining in place indefinitely and as such, affected confidence in business circles and gave rise to a lack of political commitment in the population at large'.

In any case, the objectives adopted by the Heads of Government are only a first step. The Commission has proposed that other packages be prepared between now and the end of the year, consisting of various measures relating to the home market, and also that, between now and the end of 1984, certain important legislation should be completed, notably regarding company law. This is a necessary condition for the progress of work relating to other common policies.

The Commission concluded its considerations for the Ministers as follows: 'By not opening up its home market, the Community is denying itself the best available means of putting the economy back on its feet and of laying the foundations for a lasting recovery. The smooth running of a home market on a continental scale is a prior condition for the success of all proposals concerning economic, industrial, research and innovation policies without exception.'

Progress towards the creation in the EEC of the conditions of a national home market presupposes the continuation and observance of what we already have in principle – free circulation of goods. However, the 'protectionist temptation' has even wormed its way into relations within the Community; this is the illusion of solving certain problems by restricting imports. Political leaders know well that it is an illusion. The temporary advantage to industry disappears very quickly when balanced against the disadvantages involved, the risk of counter-measures, and the danger of a rift in the Common Market.

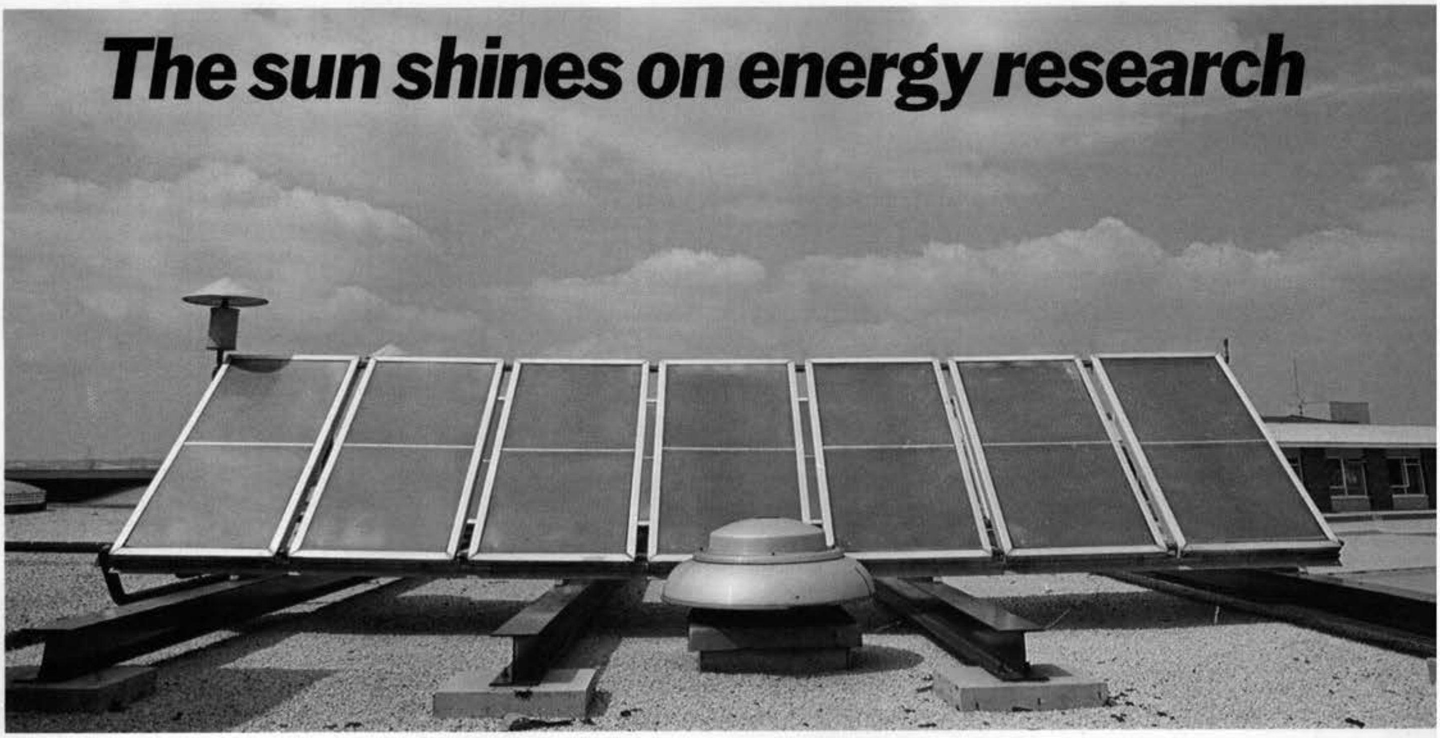
Nevertheless, national governments often show great imagination, assisted by suggestions from some sector or other of industry which feels threatened and is looking for protection. This does not mean reintroducing customs duties or quotas, but using other devices, in themselves legal but often abused: health regulations, consumer protection, quality standards, local traditions.

Television sets with stereophonic sound are not allowed into Italy, since the compulsory technical standards have not yet been defined. Belgian 'Speculoos' biscuits are not allowed in the Netherlands, as they contain less cinnamon than required by Dutch standards. Beer from the other Community countries is not sold in Germany, as it does not conform to the brewing standards laid down in a German law of 1516. In order to enter France, foreign sheets must correspond to certain dimensions, defined to the millimetre. Greece prohibits diesel-engined private-car traffic. In the Netherlands, only national firms may obtain permission to produce the aluminium foil used to wrap butter. An Italian law requires that 30 per cent of all public sector orders be reserved for firms in the Mezzogiorno. The United Kingdom will only license one model of motor vehicle to operate as a taxi. France has introduced the obligation for all instructions accompanying imported products, as well as the documents required for customs clearance, to be drawn up in French.

These are just a few examples from a wide range of instances. It should not be thought that any one member state is alone in this, or even has a clear lead over the others.

It is only by strict observance of 'Community legality', in this fundamental area, that the Commission can safeguard the essential basis for the developments it wants to see.

The sun shines on energy research


WESTAIR ENERGY

This solar hot water system, installed in a laboratory near Warrington, is performing well.

ADELINE BAUMANN reports on Community-funded schemes for meeting Europe's energy needs by the end of the century

It is estimated that, by the year 2000, some 10 per cent of the world's energy needs will be met by solar energy, geothermal energy or liquified coal – without counting the projected 15 per cent (based on current consumption) of energy savings.

These estimates are based on the tangible results of research programmes and demonstration projects carried out in Europe with financial help from the EEC. The Community agreed on common aims for an energy strategy in 1974, after the first oil crisis, and no one now doubts that the solution to the energy problem lies in setting up a proper Community strategy.

Since 1978, Europe has been carrying out a policy of investment promotion aimed at reducing dependence on costly imported oil. This policy consists of financial contributions to demonstration projects for renewable and alternative energy sources. These projects form an intermediate step between the research phase and large-scale, commercial use.

The process is simple. First, the Commission publishes invitations to tender in one particular sector. Eleven of these invitations to tender for energy-saving or alternative energy projects have been published by the Commission in the first three years of the various programmes. It seems that the oil crisis has stimulated European imaginations, since nearly 1500 tenders have been submitted. These schemes are then selected for technical soundness, their innovations and their commercial viability.

As a result of this process, the Community has chosen more than 300 schemes. Some tenders have been withdrawn, perhaps because of the conditions for repayment laid down by the EEC system for projects which achieve commercial success.

The demonstration projects have been very successful in attracting new ideas, and the schemes chosen by the Commission represent an investment of nearly 900 million ECUs. Since these investments are spread out over three years on average, the volume of new investment stimulated by the Community demonstration programme is some 300 ECUs per year.

The programme has also greatly helped to stimulate demonstration programmes at the national level. Most importantly, it has made it possible to avoid duplication of effort at a time when all European countries are faced with the same problems. The programme also helps the best technology to reach the European market, and in this period of restricted budgets it has often been vital for the completion of some projects. The first published results offer very encouraging prospects both for alternative energy sources and for energy saving.

The amount of solar energy reaching the earth's surface in 20 days is greater than the total world reserves of fossil fuels, declared a British solar energy expert recently. Although it is not very regular, solar energy is in fact an inexhaustible source of energy which has only to be properly harnessed. This stage has not yet been reached; but it is estimated that, by the turn of the century, some 5 per cent of our energy requirements should be met by solar energy. The 84 schemes chosen by the Commission are proof of the hopes which the Community pins on solar energy applications.

Solar energy is already used all over Europe for heating sports centre and swimming pools, as in Dublin (Ireland), Amersfoort (Netherlands), Eton College (United Kingdom), Uchaud (France), Naples (Italy) and in many other places. The different processes for solar heating in these applications, such as solar collectors, are now mature and so will not be used for further EEC demonstration projects.

Solar energy is also used for heating and air-conditioning industrial premises and offices in Lyon (France), by means of roof-mounted air collectors and heat storage, supplemented by a heat pump. An original experiment is being carried out in Denmark under the name of 'Sol og Wind'. This is a village of 27 houses and a communal building. The system uses 640 square metres of solar collectors and two heat stores situated in the centre of the village.

In the south of Europe, solar thermal energy has found many applications in agriculture. Two projects carried out in Italy are worthy of mention. The first of these is at Camporosso, where a glass-house is heated by solar energy, with collectors mounted on beds of pebbles for heat storage. The second is in Sardinia, where the thermal energy and electricity necessary for drying agricultural by-products are supplied by sets of air-type collectors.

Photo-electric cell technology is especially promising. Here, solar energy is converted directly into electricity. However, the cost of these photo-electric cells is still very high. Of the four projects of this type chosen by the Commission, the successful micro-irrigation project in Bourriot-Bergonce (France) is worthy of mention. Here, photo-electric energy is used to drive a pump which irrigates land where maize and asparagus crops are grown. The completed project has enabled the crop yield to be improved, and has attracted the attention of agricultural research centres and several developing countries.

Another form of solar energy is biomass. This includes various processes for converting renewable organic matter into energy, such as thermal gasification, fermentation, anaerobic digestion etc. Of the 15 projects chosen by the Commission, two of which have still to be completed are particularly promising. One of these is in Offaly, Ireland, where a specially designed power station is to make use of the vast peat reserves to be found in that country. The other project, in Plessis-Belleville (France), uses flax as the biomass material in a gasification process, and has the advantage that it can be used for other agricultural residues. According to a study carried out by the Commission, agricultural and forestry waste together with energy crops can make a significant contribution to the Community's energy requirements by the end of the century.

Geothermal energy is still greatly dependent on public funds for its development, mainly because of the large financial risks entailed in the drilling stage – not to mention the technical problems and the risks of mining. The prospects for geothermal energy are favourable in Italy, France and Greece. Some 44 projects of this type have received Community financial support. Geothermal energy is mainly used for space heating, as in Ferrara (Italy), and in Bordeaux and Beauvais (France). It is sometimes used to generate electricity from steam and mineral water, as in Milos (Greece).

Finally, the Commission attaches great importance to projects which substitute solid fuel for oil, with the aim of reducing European dependence on outside energy sources. The Community still has large reserves of coal, but they are difficult to mine since the seams are at great depths, some of them under the North Sea. Reconversion to coal would now require sophisticated and expensive liquification and gasification technology. For this reason, joint demonstration projects and EEC financial support are particularly welcome.

Present efforts are concentrated on coal gasification processes, seven of the ten projects now under way being of this type. A new process used at Sulzbach-Rosemberg (Federal Republic of Germany) has the advantage of producing high-quality gas and of having very little effect on the environment. Other projects involve coal gasification under pressure deep underground, as in Faulquemont (France) and in Thullin (Belgium), and as in the German-Belgian *in situ* coal gasification project.

The programme of alternative energy demonstration projects represents the first part of Community activities. The second involves making better use of the energy available.

By the year 2000, energy saving measures could contribute to a 15 per cent saving on current consumption. To reach this goal, the consumption of the most energy-consuming sectors, such as building, industry and transport, must be reduced and waste heat recovery encouraged.

We pay dearly for our comfort: in 1980 domestic and service sector heating used 252 million tonnes of oil equivalent, or around 35 per cent of the Community's overall consumption of primary energy sources. This energy is used, among other things, for space heating, ventilation, lighting and domestic hot-water. In the building sector, it is possible to make savings by means of better insulation,

'The amount of solar energy reaching the earth's surface in 20 days is greater than the total world reserves of fossil fuels'

WESTAIR ENERGY

Haverfordwest's solar-heated swimming pool, installed three years ago, has cut fuel costs by 60 per cent.

better temperature control or better construction. Of the projects subsidised by the Community, 14 out of 16 are concerned with new accommodation. The amount of energy that can be saved by new space heating and hot water installations lies between 30 per cent and 60 per cent of the consumption of conventional accommodation. One project involving more rational use of energy is aimed at improving the artificial lighting in an office block in Groningen (Netherlands). By suitable use of fluorescent lamps, it has been possible to save 73 per cent of the energy normally consumed.

In Rome, a new type of emulsifier has been used to improve boiler combustion and reduce smoke. Fifty boilers are now equipped with this emulsifier, and the commercial prospects are good.

Industry is the biggest energy consumer by far. The Commission has given financial support to some 27 projects, most of which involve energy recovery. A large part of the Community funding is devoted to the steel industry. The steel refinery in Feysin (France) has just completed a project which by using a process for separating out water from hydrocarbons in suspension has reduced energy consumption and made it possible to save 2500 tonne/year in the refineries. Here again, the commercial prospects are good.

The coal industry also lends itself to energy recovery. A project in Warrington, Lancashire uses gas extracted from the mines by a continuous process. Previously, the gas was dispersed in the atmosphere.

Substantial economies can be achieved in the dairy industry by recovering waste heat, as in Ballineen (Co. Cork, Ireland), where a project has enabled a quarter of the energy normally consumed to be saved.

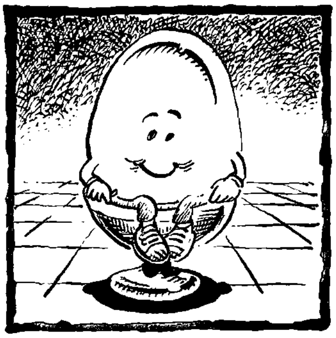
Finally, there is the transport sector, which in 1980 accounted for nearly 25 per cent of total EEC energy consumption and more than 44 per cent of oil supplied. All the demonstration projects chosen concern road transport, which is explained by the fact that it accounts for nearly 85 per cent of the energy consumption in this sector. It is possible to make substantial energy savings by technical improvements such as better aerodynamics, improvements to tyres, lighter vehicles, new transmission systems, exhaust gas energy recovery, not to mention alternative fuels. However, the proportion of projects relating to the transport sector submitted to the Commission is as yet relatively low.

Europeans produce nearly 2,000 million tonnes of urban, agricultural and industrial waste each year. At present almost all this material is disposed of without further treatment, despite the fact that an estimated 70 per cent to 90 per cent of it can be reprocessed. It can be used, for example, to produce heat energy, animal fodder or fertilizer.

In short, energy savings and a better environment could result from a constructive use of this waste. Various techniques can be applied such as combustion, gasification, and methane or alcohol fermentation. A large number of such projects have been started as a result of the Community programme. The only one of these projects so far completed is a reference centre in the province of Pavia (Italy). This is a demonstration centre for biogas production by anaerobic digestion of animal, vegetable and urban waste. After the success of this experiment, another project in Broni (Italy) still at the study stage aims to find a method of treating local household waste.

Waste materials represent a very important source of potential energy savings, which it is estimated could produce up to 120 million tonnes in the Community as a whole.

COMMUNITY REPORTS



Egg-heads of tomorrow?

American film director Steven Spielberg would probably like us to think that ET, the short, fat, super-intelligent Martian with the bulging cranium, is a taste of the future. And he may not be entirely wrong, if education figures just released by the EEC are anything to go by.

Apparently, day by day, Europe is becoming better educated. More people are staying at school longer and going on to higher education. Even if you personally do not feel that your head is bursting with knowledge, or that your brain is straining towards some kind of higher evolution, the figures show that, in a few years, you probably will.

Take eighteen-year-olds. Ten years ago, about 28 per cent of boys and 23 per cent of girls of that age were to be found lounging around Europe's classrooms and lecture theatres, passing notes to each other, bettering their minds in full-time education. Last year the figure shot up to 36 per cent – 8 per cent more boys and 13 per cent more girls. And there are now actually more girls than boys staying on at school in the 16 to 18 age group.

Oddly enough, in higher education boys are still in the majority, though only just. Between 1971 and 1981, the number of 19-year old girls in full-time education in Europe increased from 16.5 per cent to 21.8 per cent, while the number of boys only increased from 22.3 per cent to 22.8 per cent.

Why exactly are students multiplying as a proportion of Europe's population? Could it be a genuine thirst for knowledge engendered by our society? An equally likely explanation could be women's emancipation, and the simple fact that, these days, it is a lot tougher for youngsters to get jobs.

Do we need a 'family policy'?

A declining population in Europe, and falling birthrates, mean that the European Community should do something to encourage family life, according to the European Parliament's Committee for Social Affairs and Employment.

In a recent report, the Committee applauded existing initiatives put forward by the European Commission, which, despite the limited funds at their disposal, had introduced a number of programmes to benefit families. Among them were listed the campaign against poverty, the programme to help migrant workers and their families and a programme to help the handicapped.

But the limited and marginal nature of existing policies means that they remain inadequate in the face of the need for a real 'family policy', according to the Committee.

The two main objectives of a European Community family policy would be firstly to identify the basic needs and secondly to encourage member states to adopt suitable policies at national level. In addition, says the Committee, the European Commission should launch a five-year action plan for 1983-1988, which would have certain priority aims, including the earmarking of funds from the Community budget for a family policy, the organisation of seminars to bring together representatives of employers, unions, family associations, and Members of Parliament, and a research programme to investigate aspects of family life, including sex education and the generation gap.

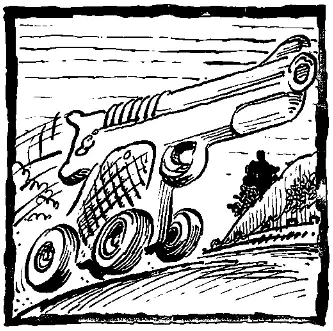
The action programme would get help from the European Social Fund and would concentrate on least-favoured groups such as migrant, one-parent and low income families. A 'Year of the Family' in the near future could win public support for the scheme, says the report, which was compiled by the Italian Christian Democrat MEP, Maria Cassanmagnago Cerretti.

Message to Japan: let us in!

On 20 and 21 January, the second business symposium organised by the European Commission and the Japanese Government was held in Brussels. Some 300 European and Japanese industrialists explored the possibilities of industrial cooperation and collaboration in science and technology.

Even if the encounter did not result in a magic formula which would make Japanese trade barriers disappear, the dialogue allowed Community businessmen to gain a better understanding of just how the Japanese market operates.

At the moment, Japanese demands for open markets seem to be rather one-sided. With a population of 117 million, Japan only imports as much as Switzerland, with its population of 6.4 million. European exporters come up against massive tariff barriers and a series of regulations, which block their access to the Japanese market.



Crime on the road

The shooting of a Danish long-distance lorry driver in Italy has brought calls from the European Parliament for legislation to bring an end to organised crime rings which prey on truckers and their loads in Europe.

Danish European Democrat MEP Kent Kirk said at the end of last year that attacks had reached such proportions that they posed a real threat to the free movement of goods in some parts of the EEC.

The European Commission says it knows what is going on, but is not allowed to act, because problems of law and order are the exclusive legal preserve of the Community's individual member states.

Is the patriotic hard sell legal?

Slogans like 'Think English', 'Buy Irish', and 'Reconquest of the home market' floated recently in Europe illustrate the rise of neo-protectionist sentiment in the European Community.

Since it is legally impossible for the ten member countries to reach into their arsenals of classical protectionist measures such as tariff barriers and other obstacles to trade against each other, they are apt to employ an array of ingenious devices to bypass Community rules in protecting some troubled industrial sector or another. Government campaigns to buy domestically-made products are just one of the means used.

But the European Commission, whose job it is to enforce the Community Treaties, is on its guard against infringements. Some 110 cases of possible violations are currently being considered. They involve complaints against alleged obstacles to the free movement of goods inside the Community, and could ultimately wind up being decided by the European Court of Justice in Luxembourg.

In a related move, the Court has condemned the Irish Government for a publicity campaign launched in 1978 entitled 'Buy Irish', and designed to promote the sale and purchase of Irish products inside the country. The campaign was organised by a body known as the Irish Goods Council. The Court judged that there had been a violation of Article 30 of the Rome Treaty, concerning the free circulation of merchandise, because the 'Buy Irish' campaign – contrary to official claims in Dublin – was directed and financed by an organ connected with the Government.

The Irish Government's participation was the main argument raised by the European Commission, and later by the Court. Recently, a campaign recommending that consumers 'Think English' when shopping was also organised in Great Britain. They were asked to devote at least £3 more each week to buy British, rather than foreign, products. In reply to a question in the European Parliament, the Commission said that the campaign had been launched by private business interests, and therefore could not be considered as a violation of Community rules.

Cutting the cackle

The Tower of Babel would look tame compared to the multilingual challenge that confronts most international relations and business. The key to the whole business in translation – from the interpreters standing between world leaders to the translators, squeezing nuances in half a dozen different languages, out of a single document.

This is especially true in the European Community institutions where documents are translated into the seven official languages. Meetings often depend on the fluency and mental agility of the interpreters.

There are also good business reasons for stepping up multi-lingualism in the Community. More and more businessmen realise that access to the markets of the Middle East and South East Asia can only be achieved through a knowledge of Japanese, Arabic, Chinese and other local languages.

The European Commission has been working to improve the transfer of information between languages since December 1976, adopting three specific work programmes along the way. The latest of these programmes was adopted recently. This new programme takes into account a number of new developments in the rapidly growing language sector. Firstly, there has been a rapid development in new technologies, especially computerised information retrieval systems for telecommunications and business management. Secondly, now that Greek is an official Community language, the workload of the translation departments has increased considerably.

The new European action plan will focus on increasing output capacity and improving the quality of mechanical translation software to meet the needs of the Community and its institutions. Community financing will also be used for the survey and collection of existing terminological resources and the creation of multilingual terminological tools, including thesauri for information management, data banks and other computerised dictionaries. The emphasis will also be on the promotion of practical applications of existing multilingual tools, especially for European industry.

The action plan is expected to cost about £2.17 million and will require the participation of everybody involved in multilingualism, including teachers, publishers, documentalists, computer specialists, translators, interpreters, terminologists and people responsible for industrial marketing.

Fair do's for olives

The plan to enlarge the European Community to include Spain and Portugal, two major olive-oil-producing countries, puts a new problem on the Community's plate. Despite the advantages of a larger market, consumption of olive oil in both countries will probably fall in favour of vegetable oils when the new members join.

On top of being an addition to a Martini, olives are grown by thousands of farmers throughout southern Europe to make olive oil, which up to now has been a staple part of every southern European diet. But olives are expensive to pick, and olive oil is facing growing competition from other cheaper, vegetable oils. Farmers' livelihoods are threatened by falling demand. The problem is compounded by the fact that the poor land used for olives cannot often be converted to other crops.

The question facing the agricultural economists in Brussels is how to reorganise the European market for olive oil so as to give olive growers in all the Mediterranean Community member states an adequate income, while keeping the price of olive oil low enough to compete with vegetable oil.

QUESTIONS IN THE HOUSE

Mrs I. van den Heuvel and E. Woltjer, Netherlands:
'Is the Commission aware that there is a rapidly increasing amount of action in Southern France against the importation of Spanish products into France and other Community countries? Does the Commission not believe that it has the duty to urge the French Government to make every effort to prevent any recurrence of such action in the future?'

Answer by Lorenzo Natali on behalf of the Commission:
'The Commission has no specific information regarding the action described by the Honourable Members. While it has deplored the sporadic acts of violence which have from time to time disrupted the free movement of persons and goods, and has on each occasion responded in a suitable manner within the limits of its powers, in the absence of further particulars it can only conclude that the action described constitutes an exercise of the right of freedom of expression. It prefers not to comment on ideas possibly at odds with the Community's policy on enlargement in a manner which would give undue weight to local events having no influence on the course of the accession negotiations.

The Commission will naturally continue, in conjunction with the appropriate authorities, to take steps to explain to the public in certain areas the issues involved in accession.'

Dieter Rogalla, Federal Republic of Germany:
'Is the Commission aware that tourists entering the UK at Dover are frequently asked by customs officials how long they intend to stay in the United Kingdom and what they propose to do there'

Answer by Karl-Heinz Narjes on behalf of the Commission:
'Member states are obliged to allow citizens of other member states to enter the country upon presentation of a valid identity card or passport. Their officials are not therefore entitled to ask questions concerning the duration and purpose of the visit.'

Andrew Pearce, United Kingdom:
'Will the Commission list the minimum figures applied to sales of cereals from intervention stores in each of the member states of the Community?'

Answer given by Poul Dalsager on behalf of the Commission:
'Regulation (EEC) No 376/70 laid down that where intervention stocks were sold on the internal market, any tender for less than 50 tonnes could be refused. The new rules (Regulations (EEC) No 1836/82 of 7 July 1982 (1)), on the other hand, do not specify a minimum tonnage for sales of intervention stocks on the internal market.

Responsibility for fixing the minimum tonnage of lots lies entirely with the member states, which are not required to notify the Commission of invitations to tender relating to quantities of less than 1,000 tonnes.'

Brian Hord, United Kingdom:
'Will the Commission indicate the quantities of food and medical aid which have been provided to the Polish people in the year 1981 and indicate the planned incidence of food aid and medical support for 1982 and 1983?'

Answer by Edgard Pisani on behalf of the Commission:
'From December 1980 to July 1982, 1,358,920 tonnes of food products were delivered to Poland for sale at reduced prices. They comprised 50,920 tonnes of dairy proucts, 103,400 tonnes of meat, 1,120,000 tonnes of cereals, 55,000 tonnes of sugar 9,600 tonnes of oil were and 20,000 tonnes of lemons. In December 1981, the Polish people were granted 2 million ECU in aid.

Following the Council Decision of 25 January 1982 to convert all or part of the remaining commercial aid into emergency aid after martial law was declared in December 1981, an additional amount of 15.5 million ECU in humanitarian aid was committed in two stages (8 million ECU on 3 February 1982 and 7.5 million ECU on 2 June 1982). From January to September 1982, 584 lorries reached Poland, carrying 10,232 tonnes of food, medicines and toiletries for the poorest section of the Polish population totalling 13,450,000 ECU in value. The remaining 4,050,000 ECU will be used to send aid until December 1982.

The Commission decided on 20 October 1982 to provide further aid of 9.5 million ECU to be set against Article 950 of the budget, subject to the budget authority's agreeing to a corresponding transfer to that Article. This additional aid instalment will provide help until March 1983.'

letters

Speaking up for women

In your December issue, Peggy Crane gives prominence ('Who will heed these women's voices?') to the Exchange Report. She need have travelled no further across London than to this address and to the 'Decade Network', which is based at the same office, for her information.

CHANGE publishes material on women throughout the world – written by authors from the country concerned, because we are well aware of the problems of 'interference' and of a different ordering of priorities. We have also taken a quarter of the time and money that the Exchange Report took to publish a handbook on women and development for NGOs based in this country, for it is here that many of the wrongful attitudes and practices are evolved.

We have also established a register of women for development projects and international assignments, a register that is composed of persons from many different regions. Some information on that is enclosed.

Your reference to the Women's National Commission activities in relation to the Decade for Women is perfectly accurate. But it is the Decade Network which has kept the issues and the light alive since 1980, and some tribute should be paid to that. The encouragement and greatest participation has come from the Commonwealth institutions, but that does not mean the EEC office was not informed! Both organisations have applied for assistance to the EEC.

Georgina Ashworth
Director, CHANGE
29, Great James Street, London WC1

Cookery corner

John Ardagh, in his article in the last issue, talking about the sale of crumpets to the French by Marks & Spencer, says that some French customers try to eat them raw. I would like to point out that crumpets are already cooked when they go on sale. They are usually re-heated etc by the buyer – but they don't have to be.

Mr Ardagh may know his French, but not his crumpets!

Sue Bridge
Electrical Review
Sutton, Surrey

Dirty trick

The article appearing in your 'Ten Years in Europe' supplement and entitled 'Success – and setbacks – in cleaning up the environment' is largely an accurate and thoughtful overview. Indeed, I have thought it worthwhile to direct the attention of my colleagues working in the environmental scene to it, because I believe it helpfully puts the UK position into context.

What a pity, therefore, that you have spoilt an otherwise balanced piece by choosing a misleading photograph, likely to produce an inappropriate emotional reponse in readers who do not have an informed industrial background. By far the most prominent emission depicted is, on close examination, an innocuous and rapidly dispersing cloud of steam – not, as the caption might imply, anything to do with smoke or sulphur dioxide.

M.J. Flux
Group Environment Adviser,
Imperial Chemical Industries
London SW1

□ Who says the camera cannot lie?

'Informed opinion'

As a regular recipient of your publications I would like to say what an excellent document your 'Ten years in Europe' is.

May I suggest that this supplement be published as a separate booklet and given a much wider distribution? I have found it invaluable in discussion on the Common Market. The amount of ignorance on this subject is appalling, and this type of document will at least get people thinking deeper on the subject, and base their ultimate views on more informed opinion.

F. Gordon Holmes
Stevenage, Herts.

□ Our 'Ten Years in Europe' supplement is free of charge, available as a separate publication, from EC Distribution Dept, PO Box 22, Weston-super-Mare, Avon BS24 9EW.

Figure it out

In your issue of October 1982 you highlighted the estimated costs that would be incurred if the UK left the present EEC-controlled agricultural prices system for that of a deficiency payments system. Unfortunately the savings were never mentioned.

Under a deficiency payments scheme the UK farmers would receive world prices from the market for their produce. In addition they would receive deficiency payments from the Exchequer, making their incomes from this produce up to about that of other Common Market farmers. The cost to the Exchequer is said to have been estimated by Mr Christopher Tugendhat at £2,000 millions; by the Labour Party at £1743 millions; and by Mr Norman Buchan at £1000 millions. In other words, these are the amounts they estimate the UK consumer is now paying above world market prices for home grown food.

It follows that if the taxpayer is to pay out, say, £2,000 millions the consumer will pay that much less; the cost being switched from consumers to taxpayers.

Mr Peter Walker, the Minister of Agriculture, Fisheries and Food accepted this when, in an article in a Barclays Bank Review in which he discussed the possible costs of a deficiency payments scheme he added: 'It can reasonably be assumed that the 'consumers' benefits would be of a similar magnitude.'

But these figures do not tell the whole story, as they relate only to home grown produce which forms about 75 per cent of UK consumption of these products. The other 25 per cent also would be bought by consumers at world market prices, but the taxpayer would not pay anything to the suppliers. Using Mr Tugendhat's figures, this would mean that the UK would benefit by about £666 millions.

W.H. Pedley
Stapleford, Cambridge

UK received 29 per cent of total Social Fund grants in 1982

The European Commission has approved grants totalling £29,055,526 to help finance training in Britain under the fourth and final batch of European Social Fund grants for 1982.

This means that the United Kingdom has been allocated 29 per cent of the total funds available for the year. The Social Fund provides finance for training, retraining and job creation in member countries. Of the total spending of 1534 million ECU, United Kingdom schemes receive 445 million ECU, equivalent to about £257 million at the exchange rate prevailing over the year.

'I believe that Social Fund cash has helped to stimulate training in all the member countries, and particularly in Britain,' says Mr Ivor Richard, member of the European Commission responsible for social policy. 'The Fund has given support to many imaginative schemes in the United Kingdom, so helping those who are worst hit by the recession to widen their skills and find new jobs. We are putting a good deal of emphasis on schemes to help young people, since youth unemployment is one of the biggest problems that faces our society today.'