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# Europe 82

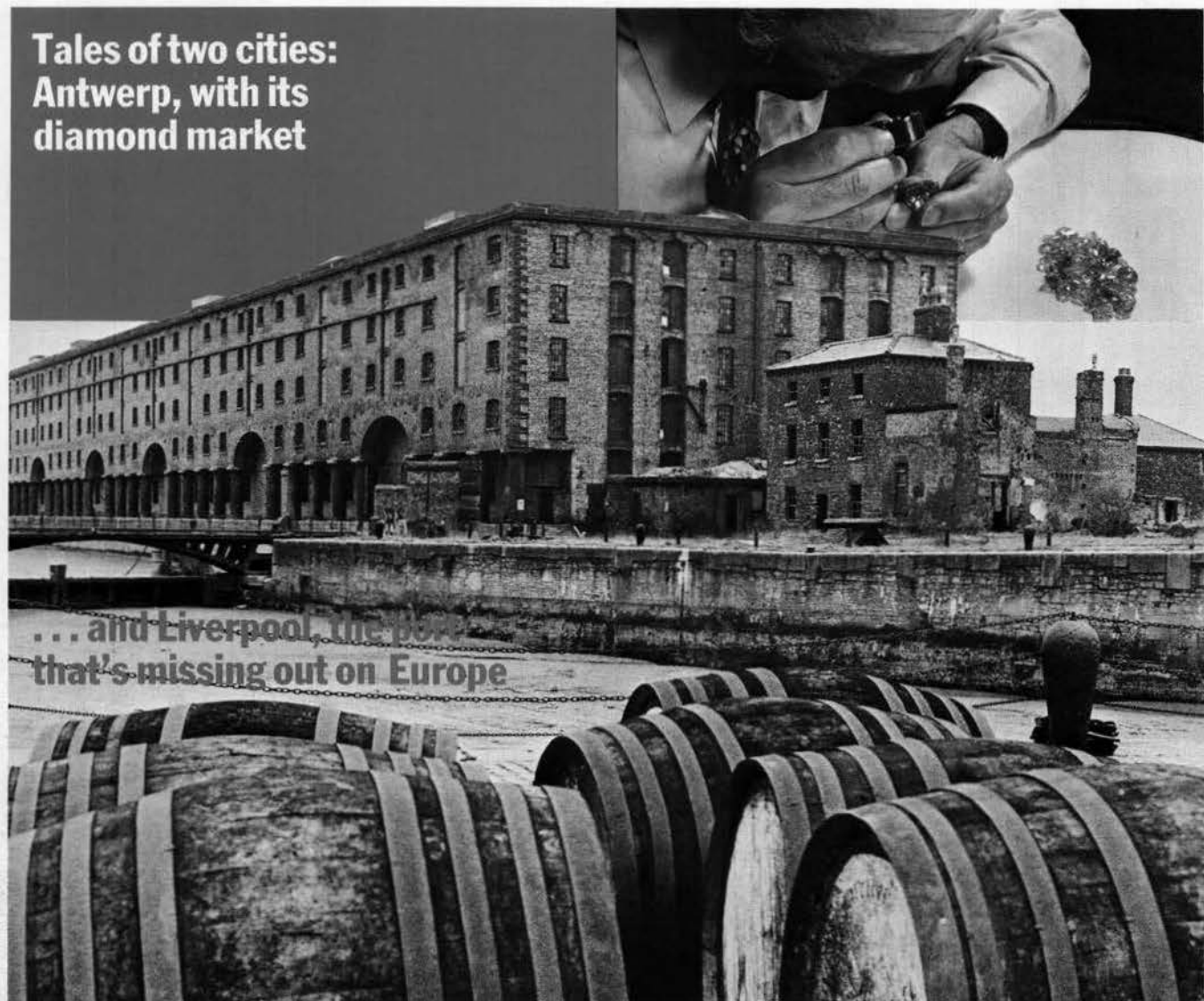
Nos. 5/6

May/June 1982

**'The Commission of the European Communities condemns the armed intervention of Argentina against a British territory linked to the Community, in violation of international law and the rights of the inhabitants of the Falkland Islands. The Commission expresses its solidarity with the United Kingdom ...'**

FROM THE STATEMENT ISSUED BY THE COMMISSION ON 6 APRIL

**Tales of two cities:  
Antwerp, with its  
diamond market**



**... and Liverpool, the port  
that's missing out on Europe**



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Editor-in-Chief: George Scott  
Editor: John Greenwood  
Associate Editor: Denis Thomas  
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*Belfast Office:* Windsor House,  
9/15 Bedford Street, Belfast BT2 7EG  
Tel. (0232) 40708

*Cardiff Office:* 4 Cathedral Road,  
Cardiff CF1 9SG  
Tel. (0222) 371631

*Edinburgh Office:* 7 Alva Street,  
Edinburgh EH2 4PH  
Tel. (031) 225 2058

Associated editions:

*Europe*, 2100 M Street, NW,  
Suite 707, Washington DC 20037, USA  
Tel. 202 8629500

*Europe*, 350 Sparks Street, Suite 1110, Ottawa,  
Ontario, Canada K1R 7S8.  
Tel. (613) 238-6464

*Community Report*, 39 Molesworth Street,  
Dublin 2, Ireland  
Tel. 712244

*30 Jours d'Europe*, 61 rue des Belles  
Feuilles, 75782 Paris Cedex 16,  
France. Tel. 501 58 85

*Comunità Europea*, Via Poli 29,  
00187 Rome, Italy. Tel. 678 97 22

*EF-avisen* Gammel Torv 4,  
Post Box 144, 1004 Copenhagen K,  
Denmark. Tel 14 41 40/14 55 32

*EG Magazin*, Zitelmannstrasse 22,  
5300 Bonn, W. Germany  
Tel. 23 80 41

*Comunidad europea*, Serrano, 41-5 a planta  
Madrid-1, Spain  
Tel. 474 11 99

*Europaiki Koinotis*, 2 Vassilissis Sofias,  
T.K. 1602, Athens 134, Greece  
Tel. 743 982/3/4

*Europa-bericht, EUR info*,  
Archimedesstraat 73,  
1040 Brussel, Belgium  
Tel. 235 4178

*Echos de l'Europe*, Bâtiment Jean Monnet,  
Luxembourg Kirchberg  
Tel. 4301 3440

*Avrupa Topluluğu*, 13 Boğaz Sokak  
Kavaklıdere, Ankara, Turkey  
Tel. 27 61 45



## No miracles on Merseyside

In its great days, Liverpool thrived as a mighty dockland and trading port. In recent years, shifts in trading patterns between Britain and the rest of the world have brought drastic changes. Today, as

large areas of the city moulder, life in the worst affected communities is grim. Government aid schemes, and funds from the European Community, are Merseyside's best hope.

**W**hile the east coast ports of Felixstowe, Harwich and Ipswich are reaping the benefits of their closeness to the rest of Europe (see EUROPE 82, March) Liverpool – with its traditional links with the United States and the Commonwealth – has seen a steady decline in trade. The result, coupled with other trends, is that the very heart of the city has withered away, affecting its economic strength and the morale of its people.

Liverpool owes its existence as a city to King John whose desire to conquer Ireland led him to grant it a charter in 1207. From then on it prospered. In Victorian times it reached its zenith. Huge warehouses, and no fewer than 34 docks, were constructed to match the world's latest and finest ships. The Queen and Prince Consort visited the port to admire the new developments, including Albert Dock.

Since then, the Port of Liverpool has continued to expand and modernise: creeping northward along the banks of the Mersey and

### ROY STEMMAN reports on an historic city that has missed out on Britain's increasing trade with the rest of Europe

acting as host to a string of royal visitors for each official opening. In 1927 the Gladstone Dock system was opened – the biggest and deepest docks in the world. That was the climax of the port's expansion. It suffered appalling damage during World War II, when 68 bombing raids destroyed one third and severely damaged the rest. But it also played a vital role during those war years, when 4½ million troops passed through the port and 75 million tons of food and materials were handled.

Post-war reconstruction put the docks back

in business. In 1962 the Queen opened a new river entrance lock and seven modern cargo berths, known as the Langton-Canada Docks. A 500-acre site to the north was reclaimed from the sea, and a £50 million multiple dock complex was opened in 1973.

But, at the same time as the Port of Liverpool was being renewed, the older parts of the docks were under-utilised. Then, in 1972, the old South docks were closed: their shallow waters and narrow quays were no longer suitable for modern vessels.

And there they remain – a derelict, decaying collection of massive buildings and silted-up docks, as well as being a crumbling monument to Liverpool's great heritage, the South Docks constitute a barrier between the citizens and their famous river, the Mersey. ▶

Above: two EEC-funded projects in Liverpool – the inner ring road and, beyond, the newly-converted Maritime Museum.

Faced with vast operating losses in recent years, the Mersey Docks & Harbour company has had enough problems without worrying about the areas it has closed down. Since these contain the huge Albert Dock warehouses – which are listed buildings – the development of the site by private parties is limited, and proposals to do so during the last decade have come to nothing.

Meanwhile, further south, other disused docks are being used to dump construction rubble and domestic refuse. And the adjoining inner city areas of Toxteth and Bootle, with their poor housing and high unemployment, seem to have been contaminated by the decay which scars the banks of the Mersey.

The problem is of such magnitude that the Secretary of State for the Environment, the Rt Hon Michael Heseltine, MP, has set up the Merseyside Development Corporation to assist with the regeneration of the area. The main priority is to bring land and buildings

back into effective use, and to attract industry and commerce to the area.

Much of the finance for this long-term undertaking will come from public funds, but money from Europe may well play a part – it has already been used to finance initial regeneration projects.

Merseyside County Council has taken over a dockside area, Mann Island, close to Liverpool's Pier Head, and has established a Maritime Museum using the old pilotage building, associated buildings, extensive cobbled quaysides and the two Canning graving docks, which were dry docks built over 200 years ago.

The whole site was semi-derelict when it was acquired. Part of the £512,000 cost of the first phase of its development was offset by a European Regional Development Fund grant, because the project would be a catalyst to the development of South Docks.

On completion of phase one, centred on the

pilotage building and dry docks, the museum was opened to the public. It attracted 60,000 visitors in its first season, which closed last November. The second phase of development, assisted again by an ERDF grant of £90,000, a third of the cost – included the creation of a large car park and alterations to buildings.

Sir Alec Rose's 'Lively Lady' was brought to the dock as an added attraction. The 109,000 visitors who passed through its doors in 1981 were also able to see various skills – such as boatbuilding and sail-making – being demonstrated as well as the static exhibitions.

Merseyside County Museums has a collection of 20,000 maritime objects, including paintings and ship's equipment, most of which are in store. These will be used in the Maritime Museum's exhibitions, which will change every couple of years. The third phase of development was completed recently – for which an ERDF grant application has been



made – and this year's visitors will be seeing an exhibition of the world's great liners, including a 22-foot model of the Titanic.

Impressive though it is, the Maritime Museum hopes for bigger and better things in the years ahead. It feasts its eyes on the Albert Dock warehouse complex, across the Canning half-tide basin, and looks forward to the day when one of the buildings will house a major part of the museum.

## Over £2 million has so far been granted to the Mersey docks from the European Regional Development Fund

The Maritime Museum also looks forward to restoring access to the dry docks. This proposal has the backing of the Merseyside Development Corporation, which states that the museum should secure accommodation in the Albert Warehouses for the maritime collection and also be able to berth its vessels, and vessels on courtesy visits to the port.

In March nine unemployed teenagers began work on a Youth Opportunities scheme to begin putting right some of the ravages which the warehouses have suffered during nearly 40 years of neglect. Since the South Docks were closed in 1972, the tide has not been trapped, nor have the lock gates been maintained. As a result, the docks are filled with silt to a depth of 35 feet in places.

The new Development Corporation is responsible for an area of 865 acres, of which about a quarter was formerly docks that are now silted-up and polluted. There are also

Liverpool's waterways no longer carry the traffic of old. But EEC aid has gone into a new grain silo (above) and is helping to turn the old pilotage building site (below) into a local amenity area.

about six million square feet of buildings, many of which could be used if repaired and refurbished. The area extends in a long ribbon adjoining the Gladstone Dock to the north, down through the Maritime Museum site, and through the whole of the South Docks to the Dingle area of Liverpool.

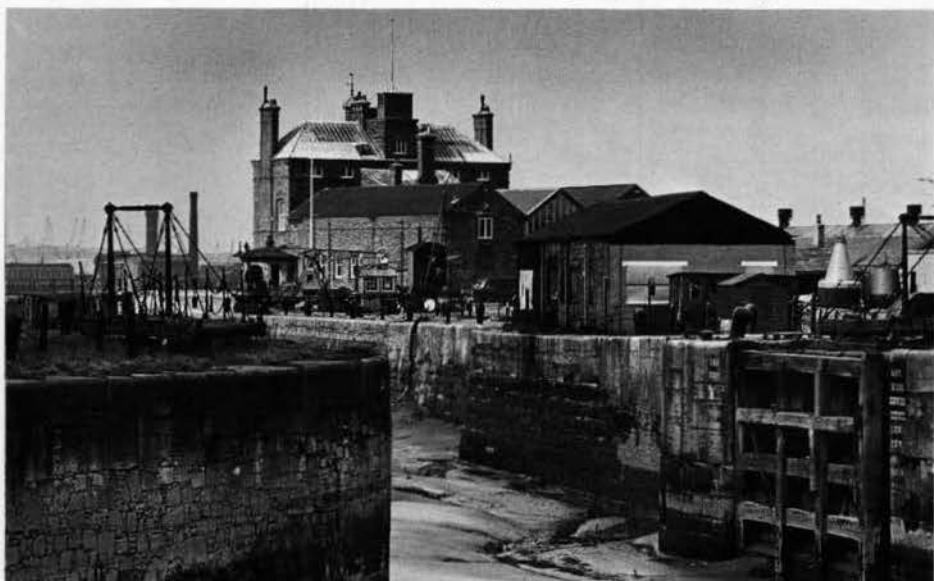
Throughout the development area – and a smaller but similar area on the Wirral side of the Mersey, at Wallasey – the Development Corporation will be co-ordinating a combination of private and public initiatives to revitalise it, industrially, economically and socially.

As far as the public at large is concerned (and not only Liverpool's citizens) the greatest impact of the development is likely to be the creation of an industrial and residential park, on Liverpool's riverside, at Dingle. At present it is inaccessible, in the words of the Development Corporation, 'except to waste disposal traffic and adventurous pedestrians'.

It consists of a disused, part-cleared tank farm, an almost completed local authority tip, a disused underground petroleum store, and neglected woodland and playing fields. By 1984 it will be transformed. For six months it will be the site of the first International Garden Festival to be held in Britain – a land reclamation idea borrowed from Europe.

Under the festival director, Sir John Grugeon, a design team has been working on ways to make the site a major attraction for an estimated three million visitors, as well as reclaiming the land for the people of Liverpool to use when the festival is over. The Exhibition Hall will become a multi-purpose recreational centre, and part of the garden area will become an industrial estate that could provide up to 1,500 jobs. For the people of Toxteth and Liverpool's other inner areas, the biggest advantage is that they will be left with a riverside garden area.

The influx of visitors to the area in 1984 may cause some headaches, but they are ones which Sir John Grugeon looks forward to with optimism. Traffic flow will certainly be helped by the Liverpool inner ring road improvement which has already received £3 mil-



lion from the ERDF.

While government, local authority and private enterprise search for ways to regenerate Merseyside, the Port of Liverpool, despite its problems, is far from idle. As Britain's most central deep-sea port, and with half of Britain's manufacturers within 100 miles of its docks, it still plays an important part in trade with the rest of the world. It needs to invest enormous sums of money to keep in step with shipping developments; and in this it has been helped by various ERDF grants.

Largest project to receive EEC aid has been the construction of a second grain silo at the Royal Seaforth docks, giving a total capacity to the terminal of 133,000 tonnes. Ships are able to discharge their cargoes into the silos at the rate of 2,000 tonnes an hour. £690,000 came from the ERDF towards the cost of this development, and a further £531,000 was given for work on the entrance to Gladstone Docks and for new lock gates, through which the deep-sea grain carriers pass.

Other projects which have received European funds are an extension to the royal seaforth timber terminal, modifications to the river entrance at Langton Dock, and the construction of a new Freightliner rail terminal for container traffic.

Over £2 million has so far been granted to the Mersey Docks & Harbour Company by the ERDF. Other applications currently under review include a modernisation scheme for the impounded docks, into which 200 million gallons of water need to be pumped daily. The ERDF gives 30 per cent of the capital required for approved schemes.



The silted-up South Docks are included in a regeneration scheme directed by the Merseyside Development Corporation.

David Smith, the deputy county treasurer, told me that Merseyside's unemployment rate – 19 per cent – is higher than in any other UK Special Development Area. It also has a very high rate of young unemployed (the under-twenties) which at 23.2 per cent is nearly double the national average.

Mr Smith adds that whereas Merseyside's share of the unemployment in Special Development Areas and Development Areas

combined is 15 per cent, its share of the ERDF infrastructure support given to those areas since 1975 is only seven per cent. And the £17½ million it has received from Europe in that period is only 4½ per cent of the total ERDF grants made to the UK. (These figures exclude ERDF grants of £54 million to industry.)

The reason for this disparity is that the rules adopted by the Fund committee are (in Mr Smith's words) 'unduly restrictive for projects in an area requiring *renewal* rather than *new* infrastructure.' In other words, expenditure on renewal and repair does not qualify for ERDF grants, and environmental programmes are also excluded – both of which Merseyside needs more than demolition and rebuilding.

Since EEC policies have been instrumental in the decline both of the port and of some of the city's other major industries, including shipbuilding, sugar refining and textiles, some Liverpudlians feel they are not getting a fair share of the aid available.

Merseyside County Council has made a number of recommendations to the regional policy and planning committee of the European Parliament, which visited Merseyside for two days last September. If accepted, they would mean that the area could look forward to increased help from Europe in the future.

However, it could be ten years or more before the full benefits of Merseyside's regeneration are felt by Liverpool's 1½ million people – in terms of jobs, homes, and a secure environment. Meanwhile, nobody is expecting any miracles. □

## LOOKING AHEAD TO THE VERSAILLES SUMMIT

The European Community, as a separate entity in its own right, will attend the forthcoming Western Economic Summit to be held at Versailles in France on 5 and 6 June, alongside the USA, Canada, Japan, West Germany, France, Italy and UK.

The Community is now the world's number one commercial power, with 35 per cent of world exports and 38 per cent of world imports. External trade of the Ten represents a quarter of their gross domestic product (GDP). Its volume has increased by 275 per cent since 1958.

For this reason alone the Community can only support freedom in world trade. The deficit in its trade balance is likely to be only 1.8 per cent in 1982, as opposed to 2.6 per cent in 1980. Nevertheless, it is worried by the ever-increasing imbalance in trade with Japan and by complaints from American steelmakers about Community steel exports.

The Community is the world's second economic power. But it is still in the grip of the recession caused by the second oil price crisis. It is true that the volume of oil imports was reduced sixteenfold in 1981, with the result that they account for only 39 per cent of the Ten's energy needs as against 45 per cent in 1980. But any hopes of the economy picking up were dashed by the strengthening of the dollar and by high world interest rates.

In 1981, the GDP of the Ten dropped by 0.5 per cent and in 1982 is only likely to rise by 1.6 per cent. As for unemployment, the situation is likely to remain grave, though in some member states it is expected to level off towards the end of this year. In 1981, 9.5 million workers were on the dole in the Community – 7.9 per cent of the working population.

The other burning problem is inflation. The Community average may well drop from 11.4 to 10.6 per cent between 1981 and 1982, but these averages mask wide divergencies between member states.

This helps to explain why the Community's 1981-1982 economic report made a strong plea for greater coherence between national policies.

The Community aims to make European policy more effective by seeking in a pragmatic way, and taking full account of each national situation, the right balance between fighting inflation and reducing unemployment.

The member states of the Community set up the European Monetary System (EMS) in 1979 so as to arm themselves against excessive exchange rate fluctuations and to remove an area of uncertainty in their mutual economic relations.

This is important because trade within the Ten accounts for half its external trade. The full participants in EMS – which at present does not include the UK or Greece – have thus been able to preserve their internal market and impose their monetary identity on the rest of the world.

At the same time, European currency fluctuations against the ECU – the European Currency Unit – have been five times less than those of the dollar against the ECU and 2½ times less than those of the yen against the ECU. Discussions are now under way to reinforce this zone of relative currency stability. The Ten would particularly like to set up some form of organised monetary co-operation between the Community and its most important partners, the United States and Japan.

# Mercurial Melina: her own story

Next to prime minister Papandreou, Melina Mercouri is the most popular figure in present-day Greece. Here, she talks about her latest – and biggest – role



**A**s a militant socialist as well as world-famous actress, Melina Mercouri is a member of the Papandreou government. Her special responsibility is for the arts and science – a role in which she hopes to promote cultural co-operation between the nations of Europe.

She told us: 'I have always had politics in my blood. When I was just a child my grandfather was mayor of Athens, and he gave me a sense of equality, freedom and justice. He made me realise that Greece was the world's greatest state, with a brilliant past, that we had brought civilisation to the whole world.'

'My father was a left-wing MP – he died in London in 1967. The Junta wouldn't let me bring his body back to Athens. But it was a while before I realised that I had to play an active political role myself.'

Melina, then at the height of her career, was being offered top stage and screen parts; but she turned her energies instead to the political struggle. When the colonels seized power in April 1967 she was playing on Broadway in a revival of 'Never on Sunday'. She was stripped of her Greek nationality and her property was confiscated. A prominent critic of the colonels' regime, she was among the first to rally to the forces of Greek democracy abroad, who had raised the banner of resistance. She travelled widely, lobbying political figures who might have some influence on events in her homeland. She joined the resistance movement being organised outside Greece by Andreas Papandreou, and she and Papandreou became close friends. The Socialist leader was convinced she had a future in politics.

Did she see herself as a politician? 'While the colonels were in power I wasn't really thinking in those terms. I was in the resistance because they were against everything I believed in. Don't forget that Greece has been through some upheavals, even in my own lifetime. In the course of their history the Greek people have suffered betrayal after betrayal. For years they were deprived of their freedom.'

'So during the military dictatorship I worked a lot with Papandreou. I always knew he would be Prime Minister one day. He is a national leader, without a doubt – ideologically honest, but a romantic, too, a man of the people. He has always had exciting ideas. That's what makes him different from other Greek politicians.'

'My meeting with him was one of the most important events in my life.'

'When he came back to Greece after the fall ▶

**'You can't simply abandon people overnight because you've become a Minister'**

of the colonels, he suggested to me that I should go into politics. At first I didn't think I could do it, particularly when he said it was Piraeus he had in mind – I knew absolutely nothing about the place, it was a million miles from anything I had to do with. But Papan-dreaou knew that I'd done 'Never on Sunday', which was set in Piraeus, so that was a link of a sort. I tried to explain that it just wasn't so – it was only a film, and twenty years ago at that! I didn't know a soul in Piraeus. But he insisted. 'We'll send Melina down to Piraeus to meet the people she's been singing about!' Well, at first I didn't know where to begin. But in the end he turned out to have been right.'

Living up to Papan-dreaou's expectations was hard work, however. Melina trudged on foot round the streets of Piraeus talking to people about their problems. At the first election in 1974 she lost by a bare 33 votes, though she headed her party's coalition list. She headed the list again at the elections in 1977 – and that time she won Piraeus.

She held the seat at the 1981 elections, which were won by her party, PASOK, giving Greece its first-ever socialist government. Journalists and television crews from all over the world surrounded Andreas Papan-dreaou. But Melina was news too. Would she get a seat in government? When Papan-dreaou asked her to become Minister for the arts, she was, she recalls, 'struck dumb'. The next day she bowled up to the Presidential Palace for the swearing-in ceremony in the little jeep she had used during the election campaign.

Did public life change things for her? 'It would be more accurate to talk about a change

of style, I think. You can't simply abandon people overnight because you've become a Minister, can you? Greeks are very direct and emotional – that will never change. How could I suddenly look down on all my friends just because I'd become a Minister? Why should it change anyone? I'm not going to change – I'll still be Melina to everyone. I'll still need that affection from people.

'Obviously, when you're in government not everyone's going to like you. I've always had enemies, I know, but that's never stopped me and it's not going to now. I'll go on fighting. Lots of things need to be changed in Greece – all kinds of things. And this is particularly true in the arts. We've got no cinema, no theatre, or music or museums. That can't go on, and as Minister for the Arts I intend to see changes made.'

What are her priorities going to be? She answers: 'First of all, there has to be decentralisation. It's ridiculous that all the intellectual activity in this country is in Athens. There are parts of Greece where they don't know what the word theatre means, they've never had a chance to see decent films or read decent books, because there are no libraries. It's awful that in a country with so many talented poets, so few people read. In some areas there isn't even a hall where they can put on exhibitions.'

'I've been doing a lot of travelling around these culturally-deprived areas, talking to people, even the poorest country people. We must see first what people really need – and that is something they have to tell us themselves.'

## 'Don't forget, all my life I've wanted the applause'

'As far as I'm concerned, anything administrative is a closed book. But I know I'm going to manage. What I believe in, passionately, is people. I've always been surrounded by friends, people who could make me feel loved. This hasn't changed. I want people to love me, I want them to show it. After all, I'm an actress. Don't forget, all my life I've wanted the applause.'

'It's the same now that I'm in the government – the applause is very important to me! I make a tremendous effort to win people over. I know it won't be easy. But it was the same in the theatre – I'm used to it. In any case, one thing I won't do is sacrifice my principles to please some people. I'm not prepared to compromise. I'll go through with my plans even if the people I work with think I'm pigheaded. We absolutely must do something positive and leave our mark in this country.'


At present Melina is concentrating on the forthcoming 'Europalia' festival, which will be taking place in Belgium in October and November. This year the featured country is Greece, and the whole spectrum of Greek culture will be covered. She explains:

'We are aiming to show Greece, ancient and modern, as it really is. On the archaeology side, there will be an exhibition of rare Cycladic statuettes and also examples of ancient Greek art brought together from museums all over Europe. We'll be putting on a season of Greek films representing the work of the new generation of directors, but some of the older ones too, who will be in Brussels for the festival.'

'In drama the emphasis will be on classical tragedy, and the two major Greek companies will be coming – the National Theatre and the State Theatre of Northern Greece. Major figures like Karolos Koun, the founder of the Art Theatre, will also be showing samples of their work. An exhibition of the work of major post-war Greek painters, including representative contemporary artists, is scheduled. There will be music by Greek composers and performers, some of whom are famous throughout Europe, like Yannis Xenakis. We're also planning displays of Greek folk dancing.'

'On the architectural side, we'll be showing models and photos of Greek villages – not as they used to be, but as they are now, spoiled, to show what we've done to them. There will be Greek songs, and the shadow theatre.'

'So we'll really be showing many facets of Greece – some bad sides as well as the good ones. I hope this will give people in Europe a clear picture of Greek culture, past and present.'

One way and another, Melina will continue her mercurial career – to the cheers and applause that are her due as a star. 



Melina the political candidate goes electioneering in style.



# Why did Greenland say No to Europe?

**POUL DALSAGER,** member of the European Commission responsible for agriculture, says the reason why Greenlanders have voted to quit the Community is primarily their growing desire for self-determination



Poul Dalsager.

The door is open if Greenland decides to leave the European Community. The Commission will not try to force Greenland to stay if the people of Greenland consider that it is best for Greenland to leave. This is a decision which Greenland itself must take.

This was the tenor of my speech during an official visit to Greenland in autumn 1981. Roy Jenkins said the same when he visited Greenland in 1978 as President of the Commission.

In a referendum held on 23 February – admittedly only an advisory referendum – Greenland voted for withdrawal from the European Community. Greenland thus intends to take advantage of the open door. However, only a relatively small majority – 52 per cent – advocated withdrawal, while 46 per cent were against. Support for the Community has therefore grown since Greenland became a member. In 1972 the figures were 68 per cent for staying out and 29 per cent for joining. The reason why Greenland actually joined at all in 1973 was the result of the referendum for the whole of Denmark, including Greenland, was in support of entry.

Why did Greenland say No to the Community?

The answer is not one of economics. Greenland realises that it will lose a considerable amount of aid from the Social and Regional Funds in particular. The Siumut, the governing party, actually admitted this in the referendum campaign.

In my opinion, the reason why Greenland voted for withdrawal is due more to the growing desire for self-determination and the cultural differences.

Home government was introduced in Greenland in 1979, and the Greenland Parliament can now take its own decisions on all

**'For the Eskimos living in Greenland the cultural question was important'**

internal affairs such as education, culture, social policy and industrial policy. Until 1979 decisions in these sectors had been taken by the Danish Government. The introduction of home government in 1979 was in response to a long-voiced political demand; and the fact that Greenland no longer feels that it is being ruled by Denmark has a considerable psychological effect.

The question of self-determination has played a decisive role for the people of Greenland in the referendum on Community membership, since it was widely felt that the self-determination achieved through introduction of Home Government was to some extent being restricted by EEC membership, particularly in the case of fisheries, by far the most important industry in Greenland.

The feeling that Greenland's right of self-determination is threatened is of course unfounded, as the Commission of the European Community has explained to the Home Government as well as to the people of Greenland.

For the Eskimos living in Greenland, the cultural question was also of importance in the referendum. Eskimo culture differs from European culture, and many Greenlanders feel that they have very little in common with Europeans. The Greenland Government is seeking to increase cultural cooperation with the relatively small Eskimo population in North Canada. This forms part of the Greenland Government's deliberately Eskimo-oriented cultural policy.

Membership of the European Community does not in any way restrict a policy of this type which, as both the Commission and myself firmly believe, could and should be developed fully within the Community. The authorities and people of Greenland have been told this time and time again.

However, a majority in Greenland now

consider that the interests both of their self-determination under home government and of their cultural policy will be better served outside the European Community. The Community will naturally take note of this, even if this opinion is not shared.

As regards future relations between Greenland and the Community, the Greenland Government has expressed its wish to maintain good links with the European Community. It has actually expressed its wish for the same status as the existing overseas countries and territories, including free access to the European market for fish products.

For the moment I shall make no comment about the type of agreement which Greenland may negotiate with the Community. We first have to wait until an official application is received from the Greenland and Danish authorities for Greenland to withdraw from the European Community. Only then can the Community start examining what agreements could be reached with Greenland as a non-member.

**RORY WATSON,** correspondent for *The Scotsman* in Brussels, points out that the Community has no standard procedure for countries who may wish to withdraw

Greenland's vote in favour of leaving the European Community should have come as no surprise. It represents the logical stage in the development of a country which has undergone radical social and political changes in recent years, and which is experiencing a new-found confidence and desire to control its own destiny.

The world's second largest island after Australia, it was first discovered by the Icelandic explorer, Erik the Red, in 985 AD. He named it Greenland, it is said, to attract settlers from Scandinavia.

After the collapse of the original colonists in the 16th century, it was recolonised by Denmark in 1721, becoming part of the Kingdom in 1953, with the right to send two members to the Danish Parliament. It was with this status that Kalatdlit-Nunat (Land of the People) to give it its Eskimo name joined the Community in 1973, although almost 70 per cent of voters in an earlier referendum were opposed to EEC membership.

In 1979, the picture changed when Greenland won the semi-sovereignty which the Faroes had enjoyed since 1948. Denmark



retains control of defence, foreign policy and international relations, but other matters, especially fisheries, trade and taxation are run by Greenland. In the domestic elections that followed, the anti-EEC Socialist Siumut Party won 13 of the 21 seats in the Parliament and called a referendum to determine the people's wishes on Community membership.

The result was far closer than originally envisaged. A 75 per cent turnout, higher than for the earlier elections, on February 23 yielded 12,615 votes for withdrawal and 11,180 for preserving the status quo.

The referendum was purely consultative; but the Siumut Government has said it will respect the result, and the Kingdom of Denmark has indicated it will not stand in the way.

The referendum did not involve any change in the relationship between Greenland and

### **'The one issue which, more than any other, fuelled the separation movement, was fish'**

Denmark. The Siumut Government has also made it clear the island has no intention of changing its status within NATO. As for the Community, it has no standard procedure to be followed when a country, or part of that country, signifies it wishes to withdraw. Thus, the negotiations will be unique.

The most crucial talks will be on the terms to be applied to future trade, fisheries agreements and whatever aid, if any, the EEC will continue to provide. The Greenlanders do not envisage these posing any great problem. Nor

do they see other EEC countries refusing to allow them to leave the Community – theoretically a possibility. They feel their new status can operate from January 1984.

None of this year's fisheries deals with countries like the Faroes and Norway, involving Greenland shrimp, will be affected by the referendum. But the change in Greenland's status could have an impact on future talks. Both the Scandinavian countries allow EEC trawlers into their waters in exchange for fishing rights off Greenland. If the shrimp is no longer on offer, they may be less willing to continue this arrangement.

The Greenlanders' decision comes as a psychological blow to the Community. It literally cuts the EEC in half – the island is larger than the combined land mass of the Ten.

No one would suggest there is a significant parallel between recent events in Greenland and the anti-market feelings in Britain and Greece. The problems and bitterness involved if either of these two countries left would be considerably greater; but anti-Market factions will be studying the withdrawal negotiations with interest and regarding them as a precedent.

Supporters of EEC membership argue that the 52 per cent majority does not constitute a sufficiently strong mandate for withdrawal. This view is dismissed by Greenland's sole MEP, Mr Finn Lynge, who points out that the margin was no narrower than the 1972 Norwegian membership referendum, which was acted on.

The vote reflects the growing nationalism and confidence of the country, and the fact that many Greenlanders, living on an island 85 per cent of which is covered with ice up to 2 miles thick, identify more with the Eskimos of

## **What can we do about 'acid rain'?**

**T**he problem of 'acid rain' has been discussed for so long that experts now feel it is time to start doing more about it, before it does irreparable damage to life and the environment.

The problem, caused by emissions of nitric and sulphurous substances from industrial and energy plants burning fossil fuels, has been noticeable since the 1960s. It destroys fish, wildlife, harvests and various plants. 'Acid rain' is therefore not only a nuisance, damaging leisure and natural settings, but also one that reduces important economic resources.

It has particularly affected some of the most unspoiled regions of the Northern Hemisphere, which are at the receiving end of winds carrying poisonous particles discharged by tall factory smokestacks from industrial regions in neighbouring countries. As a result, the exhausts from the industrial parts of Ger-

many or Britain land in Scandinavia and those from the United States wind up in Canada.

A study issued by the Organisation for Economic Cooperation and Development about the problem in Sweden, estimated that the cost of reducing these harmful emissions by about one third, by replacing fossil fuels, would cost about 12 billion Swedish crowns, or 2.5 to 3 per cent of energy production costs. But this would result in substantial direct profits from improved harvests and fishing catches as well as savings on the damage caused to buildings, etc.

These problems were studied in detail recently at a seminar organised by the European Environmental Bureau, attended by some 60 representatives from environmental protection agencies in the EEC member states and Scandinavia. The aim of the seminar was to stress the fact that the problem was an international one that required the cooperation of

the countries that were the source of the problem as well as the victims.

Consequently, the European Community could have a large part to play in this effort and has already taken some action in the field.

The participants mentioned the Council of Ministers' decision in 1975 to exchange information among the member states on air pollution. Also in 1975, an EEC directive was adopted setting limits on sulphur in light fuels and in 1981 another one limited sulphur dioxide levels in the air. They noted that these were steps in the right direction but that other measures to include heavy fuels should be taken to relieve the problem.

The effort at international cooperation is expected to be followed up by another conference on air pollution in Stockholm in June.

□ EUROFOCUS

Alaska and Northern Canada than with the other parts of the Community.

This was clearly expressed by a recent Greenland Government statement. In terms of language, culture, economy and social structure Greenland and Denmark are so disparate that, despite its formal equality of status in the realm, Greenland can never be equated with Denmark. The particular regional problems of Greenland will therefore rule out equality of status vis-à-vis the member states of the European Community.

The one issue, though, which more than any other fuelled the separation movement was fish. The fishing industry provides work for 15 to 20 per cent of the 50,000 population and 55 per cent of the total export earnings, which in 1979 totalled some 920 million DKr. The Greenlanders, although they alone in the EEC have been allowed to increase catches – from 41,000 tonnes in 1972 to 90,000 tonnes in 1980 – resent boats from as far away as Portugal and the Federal Republic of Germany entering their waters. Nor do they approve of the future of this precious resource being decided in Brussels.


'It is not a good idea for a transatlantic nation to have its number one industry treated as a peripheral issue in an overseas club. Our resources are being used as a card in the game between European nations,' says Finn Lynge.

The pro-EEC campaign was led by the moderate centre party Atassut. Their main message was that withdrawal would prove financially costly.

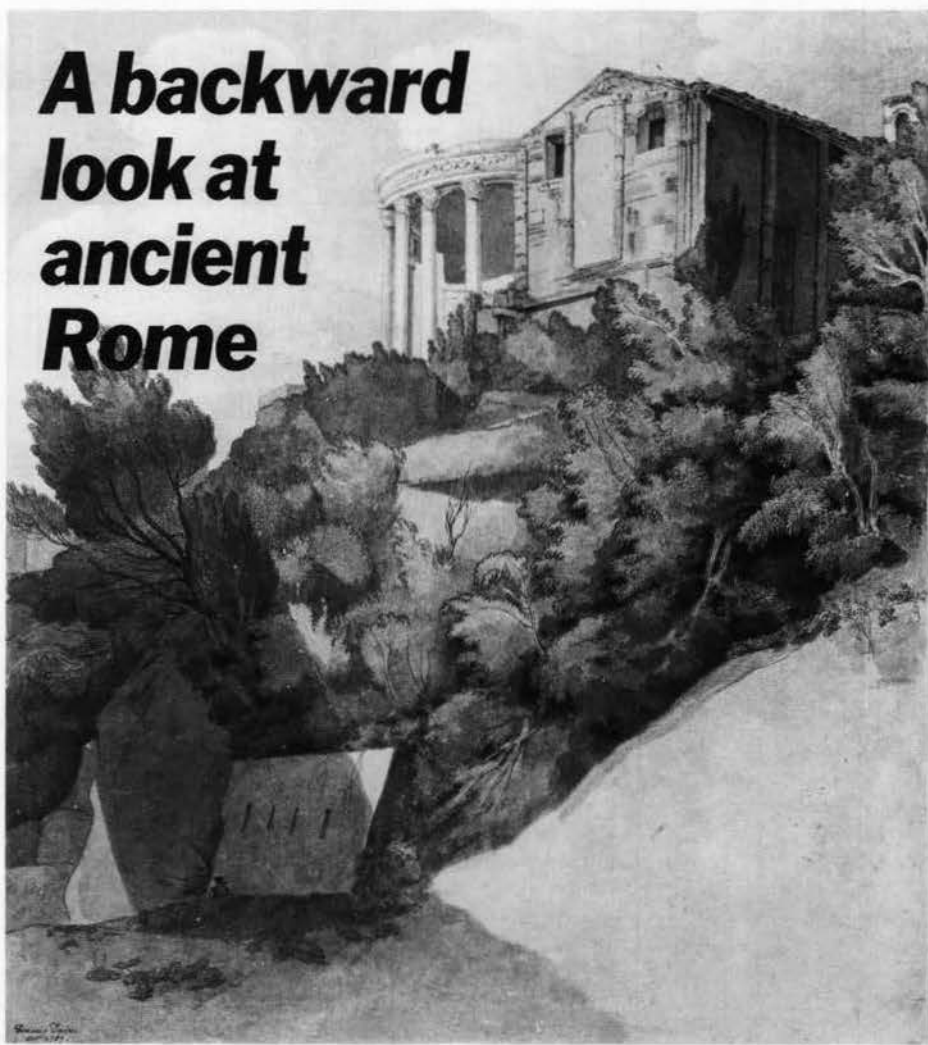
The Community has been providing £13 million annually in aid to Greenland, to which should be added £90 million from Copenhagen. Local income tax would have to rise from 3 per cent to 12 per cent to fill this gap, say Atassut supporters. The money has been used to encourage sheep farming (the national flock is expected to increase from approximately 30,000 ewes to 40,000); develop the fishing industry, construct roads, landing strips, freezing storage capacity and promote vocational training courses.

But even the Siumut Party have stated that while they wish to leave the EEC, they do not intend to turn their backs on the Community. They are looking for preferential status equal to that enjoyed by British, French and Dutch overseas countries and territories with a similar stage of economic development.

This would allow them to continue to export their goods, especially fish, to the Community without paying import tariffs. But their request will not be automatically granted. Commissioner Poul Dalsager, himself a Dane, pointed out when he visited Greenland last October that any aid given by Brussels would be considerably lower than is now enjoyed by the Greenlanders.

He warned that tariff free arrangements for fish enjoyed by other overseas countries had been granted precisely because they do not export much fish. The same logic would not necessarily apply to Greenland with its massive stocks. 

## A backward look at ancient Rome



Italy is used to the sight of tourists swarming over the ruins of imperial Rome. They have been doing so for more than 200 years – ever since the English invented the Grand Tour.

Ancient Rome, in those days, poked out from among suffocating foliage and the uncleared debris of grandiose decay. The citizens of Rome took its decrepit, though still awesome, presence for granted. English travellers, on the other hand, were bowled over by it. Fired with the newest art craze, the Antique, they rolled into Rome with the eager anticipation of present-day package tourists, guide books at the ready and eyes skinned for sketchable subjects to take home.

Drawing, as one of the polite accomplishments, was a useful talent to take with you. If you couldn't draw, but could afford to commission an artist to take pictures, you could probably find one who would travel with you, or on his own, on an expenses-paid basis.

Two artist-travellers in the 1770s, Francis Towne and John 'Warwick' Smith, brought back work of exceptional quality and interest. By a happy chance they met up in Rome, became friendly, and for a time worked alongside each other amid the picturesque jumble of old Rome. Towne's watercolours from this period have been in the British Museum since 1816. Smith's were acquired in 1936.

The Sibyl's Temple at Tivoli: a typical 1770s drawing by Francis Towne.

In addition to the interest of their subject-matter, which ranges from the Coliseum to the Temple of the Sibyl at Tivoli, the two artists show a mastery of the technique which was to become one of the glories of the English School. Towne, with his fastidious line and cool, clear washes, is already set in a traditional mode. Smith, less linear and more direct, anticipates the direction which English watercolour painting was to take in the ensuing half-century.

Of the two, Towne now commands the superior reputation; his flat washes and subtle sense of design look the more 'modern'. Smith, however, was hailed in his lifetime as being the first English artist to succeed in producing 'that force in watercolours which assumes the appearance of a picture'.

These distinctions need not get in the way of enjoying the pictures. Both artists relished what they sat down to draw, keyed up by the experience of looking on wonderful works for the first time. From them, and other early recorders of picturesque antiquity, we have learned how to look with love on ancient stones.

DENIS THOMAS

# 'The CAP is not such a bad system...'

**F**or nine years Sir Henry Plumb was the formidable president of the National Farmers' Union. He is now chairman of the European Democratic Group of the European Parliament.

Between 1975 and 1977 he was President of the Comité des Organisations Professionnelles Agricoles de la CCE. In 1979 he became President of the International Federation of Agricultural Producers. As boss of the NFU he had already disagreed with the Labour Government's agricultural strategy – in particular that of John Silkin, who was agricultural minister from 1974 to 1976.

'John Silkin refused to devalue the green pound,' Sir Henry said as we talked in his 17th-century farmhouse among family photographs and fading pictures of prize animals. 'That gave the Danes, Dutch, Germans, Irish, a 45 per cent subsidy for commodities entering this country.

'He was saying to the world – "This wicked Common Market . . . they won't let me devalue!" In fact, they were dying for it to be devalued. They knew the damage that was being done to the Community. But he didn't like the Common Market and wanted to bust it.

'If ever I had a reason for going into the European Parliament, it was that.'

Henry Plumb is acutely aware of the problems that arise 'when you have ten ministers sitting round a table and each one of them has to come out with a victory.' But he believes such competitiveness will end through monetary cooperation. He says:

'I've always thought we should be in the European Monetary System. Whether we would yet have been much better off industrially is debatable – probably *worse* off in the short term. But at least the principle of being in the system – the acceptance by others that we were in it – would have made a lot of difference politically and psychologically.'

## 'There has been a drift, or a push, from the land'

Does he believe the CAP must be radically altered? His answers venture into a barely-publicised area of future European concern – the restructuring of rural areas with national funding co-ordinated at a European level.

'No. Not radically altered. The CAP is not such a bad system if you analyse it. Let's start

## SIR HENRY PLUMB, talking to Frank Entwisle, puts in a word for the small and part-time farmers of Europe

with the cost, because most people say it is enormously expensive.

'There are now about six million productive farms in the Community. Divide the total spent on the CAP among them and you'll find (including the 14 per cent of the budget spent on food-aid and for export restitutions when there are surpluses) that the cost of support is £272 per year per farm. The cost of supporting one unemployed person is about £6,000!

'One of the reasons we've got over 10 per cent unemployed – 13 per cent in Belgium – is that there has been a drift, or a push, from the land. With new technology, farming has become less labour intensive. There has been de-humanisation in the countryside. Many have moved to heavy industry, got married, settled down, and have now been added to the dole queue. . . .'

But doesn't this seem to be arguing for de-industrialisation of agriculture?

'No. You can't jog backwards and suddenly say, "We'll start doing these jobs by hand."

What I'm arguing for is a rural policy – to run parallel with the CAP – that would keep people living in the countryside, but not necessarily in food production.

'With less time at work, and earlier retirement, the great growth industry may be leisure. And a lot of that will take place in the country.'

Would that mean turning the countryside into a fun park, with empty beer cans in every ditch?

'That's the last thing I want to do! I want people to respect the countryside, to realise good land is the workbench of the farmer, that the cheapest lawnmower is sheep on the hills . . . It's a process of education. Much is being done in schools already. But that's only one aspect.

'The second is the development of small industries – timberwork, furniture, toys, paper and so on. Take Bavaria or the Black Forest. You've got these little farms tucked away round the village, farmers working part-time in the paper mills or up in the forest, perhaps with a bit of timber of their own.

'Go into those farms. They're the cleanest and tidiest you've ever seen. The families are healthy, the gardens well-kept. Basically they feed themselves. The only tranquiliser they've heard of is kirsch, and they make it from the cherries on the trees.

'A few years ago we tended to ridicule those part-time farmers. But to work half-time in



Sir Henry Plumb: 'The drift has stopped.'

the factory and half on the farm keeps them sane. And you get better work at both ends. It has been German policy to encourage and grant-aid such areas and so keep the farms. . .

'On the other hand, I know a village in the Hautes Pyrénées where, in 1962, twenty little farms were smuggled away. At five in the morning you could hear the old boy's boots coming over the cobblestones as he went to church to ring the bell to wake everybody up. At night there was an open fire and the local traders got together.

'Today there's only one farm there. The cobbles are covered with tarmac. The houses have gone and there are only 30 inhabitants. The 14th-century church is dilapidated, the school is no more. And from those acres, where there were twenty farms, they're producing twice as much as before.

'Economically they've done a great job. But they've turned the *people* out. You've got to work with your heart as well as your head in such circumstances.'

But surely economic and business pressures make such a process inevitable?

'I don't think I'm being romantic. I think I'm being hard-headed. I come back to the cost of keeping people unemployed. You and I as taxpayers have to fund that. What are we doing? We're putting people out of work, demoralising them, and doing it at great cost.'

## 'We're putting people out of work – at great cost'

'I'm not against big business or the development of international companies. I'm a director of two of them. I'm merely saying – Don't let's put a lot of people into one big bowl. Let's spread some of them about the land.'

It would take a long time, wouldn't it – reversing a trend which began in the industrial revolution?

'Well, just take what's happened. In the early Sixties, 18 per cent of the population of the original Six were in farming. That is now down to seven-and-a-half. Over three years – average it out – one a minute left the land. They're not moving now. But it was mostly the young who left, leaving the old.'

Has the drift from the land been greater in Britain than elsewhere in recent years?

'No. We're down to about two-and-a-half per cent actually involved in farming, a tiny percentage of the working population. Yet it is still our largest industry, and the productivity record is far better than any other. But the drift has stopped. In fact there's a movement back again.

'If you advertise today for extra farm staff you'll be inundated by letters which start off "I was a farm worker and I'm dying to get back." In principle, it almost supports what I'm saying.'

# What chance of true European union?

## MARJORIE LISTER discusses the latest phase in the struggle between the ideal of a fully integrated Europe and the hard reality

**L**ast November the German and Italian foreign ministers laid before the European Parliament their governments' new proposals to hasten European union. According to the Italian foreign minister, Mr Colombo, 'Our aims are to revive European integration, strengthen the institutions, improve the decision-making process, to foster and extend the practical process of political cooperation between our ten countries, to extend cooperation in the fields of security, culture and law, to bring forward the fundamental objective of European union.'

However, despite the enthusiasm in some quarters for full European political integration, this idea is problematical. Although there is a long history of support for European union, there has also been a great deal of resistance. The problems which beset it are both internal and external: they arise from the internal structure of the Community and also from the effects that full European integration would have on Europe's position in the world.

To look first at the internal problems, European Union would involve giving more power to the institutions of the Community. The administrative bureaucracy of the Community is often criticised for being inefficient. It is presided over by political appointees – the Commissioners – rather than elected officials. And the European Parliament, which is directly elected, is seen as having very little power.

So the idea of giving more power over national governments to a set of institutions which appear to some extent as less democratic than national governments, seems to some people undesirable. Furthermore, although national parliaments and the European Parliament are both democratically elected, national parliaments by virtue of their longer history and greater familiarity, are often felt to be more legitimate. Thus citizens may feel unwilling to cede national legislative powers to the European body.

The other aspect of European union to be considered is its effect on external relations. In the words of the Tindemans report, *European Union*: 'European Union will not be complete until it has drawn up a common defence policy.' The difficulties are immense,

as the failure to achieve the European Defence Community in 1954 demonstrated. The Community has already made some steps in the direction of a common defence policy by agreeing to discuss the political aspects of security. But not all of the member states – notably Ireland and Greece – would favour further steps in the same direction at the present time.

In addition to the strain that reaching a Community position on security matters would place on the Community consensus, it might upset relations with the United States, eastern Europe and the Soviet Union, and the Third World.

The Soviets, for instance, might feel threatened and try to respond by strengthening the Warsaw Pact – a development which would ultimately benefit neither East nor West. The Americans might see the joint arms production and procurement of a fully united Europe as a commercial threat. These are only some of the possible ramifications of European union.

It may be asked what the alternative is to European union. Is it, as the Tindemans report maintained 'an unconvincing Europe without a future'? Inside and outside of the Community there is a feeling that Europe is stagnating and that anything – any action to extend political cooperation into the security field – is better than doing nothing and facing intractable budgetary and economic problems. Nevertheless, there is a more positive way to look at the Community system as it now exists.

As Edward Heath has written, 'the European Community, as it has developed in its own *ad hoc* or common law fashion, has advantages over more traditional structures such as federations.' The Community has allowed national governments to carry on much as before; it has developed new procedures such as political cooperation and the European council (the regular European summit meetings) in response to needs.

The idea of European union has been around for a long time. But it seems that the present political and economic climate in Europe is not particularly favourable for it. The October 1981 meeting of the Community's foreign ministers in London paid lip-service to 'the ultimate objective of European union.' The same report noted that 'in future the Political Committee [of the Council of Ministers] may wish to take a longer-term approach to certain problems, and to institute studies to that end.' However, the question is one which merits long-term consideration at the highest levels, as well as broad public debate.

# First footsteps into Europe

## MARY G. GOTSCHALL gives her personal account of life as a 'stagiaire' – one of a group of graduate trainees chosen for a five-months spell in Community offices

**F**or young graduates interested in international affairs, the European Commission's *stagiaire* programme may prove the ideal opportunity. Since 1961 the programme has been plucking applicants from all over the world – not just from the EEC countries – and placing them in various departments within Community offices for a five-months' traineeship or *stage*.

Candidates must speak at least one Community language other than their own to qualify. Successful candidates are admitted to one of the two five-month *stages* that are run every year, and are paid a monthly salary of 17,500 Belgian francs – about £198.

Having served as a *stagiaire* does not automatically guarantee a job in the Commission when the five months are up. The Commission requires two years' work experience, and applicants for posts have to pass a competitive entrance procedure if they want to join in an administrative or executive capacity.

Nonetheless, competition for the *stages* is

tough. Of 2,000 candidates in 1981, 210 were chosen. The great majority of those (almost 200) were posted to Brussels. The rest of us were sent to offices all over western Europe and even in the United States.

I happened to land in London, and joined the information office there. It deals with a vast number of inquiries about Community matters from the public, press and specialist organisations. Of all the populations of the ten member states, Great Britain's seems to remain the most sceptical where the EEC is concerned. In the British press this is reflected in a steady stream of articles about Community topics, some in favour but the majority only lukewarm to negative.

The London press office reviews these reports day by day and endeavours – through background reports, its own press releases, lectures and educational activities – to put the record straight and show the positive contribution that the EEC is making to world trade and international cooperation. The office's monthly magazine, which is distributed free, generates a lot of interest and is a major instrument of information policy.

It is rather an uphill battle. Studying the British press day by day, it was clear to me that many papers use the European Community as a scapegoat for all sorts of ills, ranging from a 13 pence increase in the price of butter to the banning of the traditional British sausage from Continental markets. The image of the bureaucratic fatcat shuffling papers and taking three-hour lunch breaks, is inevitably

invoked.

This type of article is assumed to sell newspapers. But, by exaggeration and failure to see the larger context in which such issues arise, some British editors do great damage to the credibility and reputation of the EEC. In the press office we spent much of our time simply refuting the misinformation peddled in these papers.

A difficulty arises when, to counter some untruth, the arcane phrasing of the relevant Community directive, or the workings of its institutions, needs to be translated into everyday English. Mastering the acronyms alone is a formidable task. At first I was quite befuddled when I read allusions to ERDF, EIB, ECSC, EFTA, FEOGA, EAGGF, not to mention ECU and MCA.

To understand how the Community works you must become familiar with its institutions. But to convey accurately what is being done in the EEC requires an ability to distil the deluge of paperwork emanating from Brussels, without losing any of the key points. In our office we recently acquired a database to help us find information quickly. The equipment, called Euronet Diane, operates in all the main EEC offices and can respond in any of the seven Community languages.

The only hitch is that questions posed to the computer must be phrased in exactly the right way to summon forth its memory on a given subject. So, if you ask about 'motorcycle spluttering', the machine will blurt back 'No information'. However, if you re-phrase your inquiry to 'noise pollution' the screen will instantly fill with lists of every EEC directive or report ever published on the subject. The database, though still in its infancy, has great potential for providing speedy responses to even the most esoteric of inquiries.

The *stagiaire* programme includes a two-week visit to Berlin and Strasbourg, all expenses paid. We also visited the European Parliament, where we were surprised to see that most of the 434 seats were vacant. For anything like a full house you have to wait for a debate on budgetary matters, in which the European Parliament has real powers. The rest of the MEPs' time is spent proselytising in the provinces, or in their own constituencies. They are also allowed to get on with their own business affairs.

The camaraderie of the trip to Berlin is truly unforgettable. It evokes a university class, with members gleaned from all over the world. In our group there were 50 people – from Italy, Germany, Holland, Ireland, France, Spain, Portugal, Ruanda, Japan, Yugoslavia, Ecuador, Argentina and (myself) the United States. We palavered in French to simplify matters. All in all, it was a reminder that no-one can afford to be a yokel in today's world.

## MULTIFIBRE DEALS AGREED TO 1986

The Community accepts that arrangements to control the growth of imports of textiles from low-cost supplying countries are necessary, and there are now over 500 quotas limiting imports into the UK.

New multifibre arrangements (mfa) quotas are negotiated from time to time. The Community has quota or restraint arrangements with 42 textile exporting countries.

The multifibre arrangements regulate international trade in textiles and clothing, and have recently been extended for a four-and-a-half year period until 31 July 1986. The Community now has mfa bilateral agreements in operation with 28 supplying countries. These are: Argentina, Bangladesh, Brazil, Bulgaria, China, Colombia, Czechoslovakia, Egypt, Guate-

mala, Haiti, Hong Kong, Hungary, India, Indonesia, Macao, Malaysia, Mexico, Pakistan, Peru, the Philippines, Poland, Romania, Singapore, South Korea, Sri Lanka, Thailand, Uruguay and Yugoslavia. The agreements include:

- Quotas on imports into member states from each supplying country as well as provision for the introduction of new quotas if imports of previously unrestricted products reach specified levels.
- A system whereby the importing country will issue import licences up to the quota level only against valid export certificates issued by the exporting country.
- Some flexibility in the use of quotas.
- Carefully defined categorisation of all products to prevent any evasion of quotas.
- Provision for some growth in quotas.

Imports from Taiwan and some east European countries which have not signed the mfa are covered by separate autonomous European Community measures. Voluntary restraint arrangements with some Mediterranean suppliers (Portugal, Spain, Cyprus, Malta, Morocco and Tunisia) are currently being negotiated.

# EUROFORUM

OPINION

## What the future holds

Europe is in many ways the victim of its own success story. Political impoverishment, European pessimism, the escapism of the 'small is beautiful' philosophy and narrow-minded nationalism, and miles and miles of European red tape are all symptoms of the decadence of the European welfare state.

The growth of the Community has been stunted for some time. The economic crisis is proving to be a handicap rather than a challenge to joint action.

We all agree that we have so far managed to weather the storm only because of the common market. We all agree that economic recovery will elude us if we try to go it alone. We all agree that the grave problems facing us (employment, energy, inflation) demand a joint response. We all agree that Europe should speak with one, resolute voice in politics, economics and trade.

And yet, we cannot come up with the decisions!

We are in a paradoxical situation: we are dragging our feet, we don't believe in the future of Europe, but at the same time we know that only a joint European approach can safeguard our prosperity and our freedom.

There has been no shortage of ideas. The European Commission has not remained idle. Its Mandate proposals point the way to a European breakthrough. There is the joint German-Italian initiative (the Genscher/Colombo Plan). The French have tabled a 'plan de relance'. Only recently the Commission submitted proposals for a further strengthening of the European Monetary System. And the European Parliament has demonstrated that it, too, has a fertile mind.

So we have an abundance of proposals to act on. But when it comes to taking the decisions, or to paying up for that matter, the picture looks very different. The European decision-making process is firmly bogged down. And that is the root of our present problems.

The European Communities are, for all their faults, an economic and legal reality. There is no way back. Yet we lack genuine political commitment to Europe, and we have lost our European identity. Europe consequently appeals less and less to the man in the street, even though now he can elect his own European Parliament.

As the economic situation gets worse this lack of political commitment is proving more and more pernicious. We are in a dangerous impasse. We must mobilize all political forces in Europe to break out of our indecision. If we fail, continuing political erosion will lead inevitably to economic disintegration, with all that entails for employment and prosperity.

FRANS ANDRIESEN  
Member of the Commission

MAY 1982

## TALKING POINT

We are all aware that prosperity gaps exist within the European Community. It is for this reason that the Community created the Regional and Social Funds, as well as other instruments to bring about a more equitable distribution of wealth between the member states and regions within them.

However, methods which have been made in the past to measure the relative prosperity of member states may have been misleading, according to the Community's statisticians.

Eurostat, the Community's statistical arm, has now begun to employ a new system of measurement. Instead of the old method, which was based on exchange rates, the new one compares purchasing power within each member state.

The reason for this was that using the exchange rate method tended to distort results. For example, the old method showed that the Federal Republic of Germany was more than three times richer than the poorest member state, Greece; whereas the new method, which indicates more accurately what people can actually buy with their money, shows that the Germans are only twice as well off.

The new method, which is also being adopted by the OECD, shows that six member states are above the Community average and four below it. But, although gaps between richest and poorest have narrowed, they are still significant.

Compared with a Community average set at 100, Luxembourg topped the league table on 120, followed by the Federal Republic of Germany (115), Denmark (111), France (110), Belgium (106), the Netherlands (105), the United Kingdom (93), Italy (88), Ireland (62) and Greece (57).

The figures are for 1980 and, if compared with 1975, the first post-enlargement year surveyed, they show that, of the six richer member states, half say their purchasing power actually increased while, of the poorer, it dropped in two out of the three.

Clearly, there is a continuing need for greater political will on the part of the more fortunate member states to come to the aid of their weaker Community partners.

# Conscientious objection in theory and practice

In Belgium, the 18-year-old receiving his call-up papers will find about a quarter of the information is devoted to explaining how he can object to doing the military service if he feels unable to bear arms. It is quite the opposite next door in France — there, distributing details of the law on conscientious objection is actually illegal, and offenders could face stiff fines or even imprisonment.

Most Community countries draft their young men to do a period of national service in the army (only Ireland, Luxembourg and the United Kingdom do not have conscription), and all member states recognize, at least in theory, the right to object to doing military service on conscientious grounds, usually for religious, philosophical or moral reasons. This is also true of the two applicant countries, Spain and Portugal.

But, according to a report recently produced by the Brussels-based religious organisation the Quaker Council for European Affairs, in practice the situation varies enormously from country to country.

The report compares laws and practices on military conscription, liability and length of service, provisions and procedures for conscientious objection and alternative service, the availability of information, penalties for not complying and statistics for 31 Western and Eastern European countries.

It finds that conscientious objectors (COs) form only a small percentage of those eligible for call-up, and few see a risk that the "contagion" could spread to make the raising of an army impossible. However, it notes that when in 1977 in the Federal Republic of Germany it became necessary simply to write a letter to obtain exemption, the numbers of conscientious objectors rapidly increased. The government was alarmed and cases were again referred to a tribunal. Though the numbers then decreased, in 1980 they were still higher than in 1976.

What particularly struck the authors of the report, however, was that on almost every aspect studied, laws and practices varied considerably. At the most basic level, some countries (Spain, Portugal) do not yet have laws to implement the right to conscientious objection — though the question is being discussed at parliamentary level — and

this can leave COs in a state of "deferred call-up" or facing imprisonment.

In countries with laws on the matter, grounds for objection also vary, and finding out about your rights can vary from very easy to very difficult.

Since 1977 in Greece it has been possible, according to the report, for CO status to be granted for religious reasons. But alternative service is limited to non-combatant service with the army and lasts four years, as opposed to the two-and-a-half years for conscripts. According to the report, no-one has yet applied for CO status, as to date all Greek COs have been Jehovah's Witnesses who refuse to perform any form of national service because of their religious convictions.

Because of the wording of the law, some have served repeated prison sentences; and according to Amnesty International, 51 were in Greek gaols at the end of 1981. Greek COs can also suffer 5 years loss of civil rights, and the authors of the report hope that the new government may review the situation.

In France, following the change of government, the law on COs is under review, and an amnesty has been announced for those COs (about 60 per cent) who had boycotted the present law. In Italy, where the situation is somewhat confused, several new bills relating to COs are being discussed by the parliament.

Military service in the Federal Republic of Germany lasts 15 months and can be done in separate periods. Under the 1949 constitution alternative service is provided for COs, but the legislation has been amended several times, and is constantly under debate. It applies in peace and war, and can be used both by conscripts and those already in military service. However, a conscript does not usually receive information on his right to refuse military service and the military authorities do not allow the distribution of propaganda on con-

scientious objection within the barracks. Civilian service lasts one month longer than military service, and can also be performed in separate periods.

COs have the same rights and allowances, but they are not allowed to engage in politics or leave the country for three months without permission. People who have worked for varying periods in civil defence, the police, border protection or development service are exempt from national service, and recognised COs who object to doing any kind of service can be released from their obligations if they have shown a willingness to engage voluntarily in health or similar work for two and a half years. However, refusal to respond to call-up obligations can lead to a prison sentence of up to five years.

In the Netherlands, principal bread-winners are among those exempted from military service. Even more unusually, selective conscientious objection may also be possible, for instance to the use of nuclear weapons. COs rights are also defined in call-up papers. Alternative service (18 months as opposed to 14 months) can be done in separate periods in social, cultural, health or welfare institutions, administrative posts, environmental protection or peace work.

In Denmark, men over 18 are in theory obliged to do nine months military service, but in practice not all men are called up. Religious, philosophical and, unusually, political reasons are acceptable for getting CO status, though men already doing military service cannot usually take advantage of the law, and conscripts do not automatically receive information on their right to object. Non-combatant or a free choice of civilian service lasts 8-24 months depending on the type of work.

The Belgian attitude to conscientious objection is in many ways the most liberal, to the extent that some of the voluntary organisations working in the field receive state subsidies. In addition to information being readily available, the situation is unusual in that CO applicants appear in person before a civilian council at a public hearing, and an average of 90 per cent of the claims are recognized.

The law does state that COs cannot enjoy more advantages than conscripts, and alternative service can be more than twice as long as military service, depending on the type, which can include work in civil defence, emergency relief services, health institutions and centres for the handicapped (15 months), social, cultural or religious organisations (20 months), or in the Third World (two years).



Though the report is primarily factual, the authors point out that their interest in the subject stems from Quakers' long-held tradition of pacifism, and they make a plea for improvements in the legislation in many countries to establish the right of conscientious objection as one offering 'true equality before the law'. Citizens should have free and easily-available information on their rights, they say. Tribunals should not be entirely milit-

ary, and individuals should be present when their case is heard and have the right of representation.

'If conscientious objection is a right, not a privilege,' they say, 'we see no reason why the individual should be ordered to undertake a longer period of service, of whatever variety, than if he were in the forces ... Although some may find non-combatant service acceptable, there must be the opportunity of service.'

'Given that the conscientious objector is sincere, he is likely to have a concern for society. This surely is something which society should take advantage of by offering him a wide range of opportunities for contributing to society, rather than wasting human and other resources by imprisoning him.'

The material in the report is being used as the basis for discussion in both the European Parliament and the Council of Europe.

## ON THE LINE

According to a report by the Brussels-based European Research Associates, the number of illegal barriers to trade among Community-member countries has risen fourfold in the past six years. At any time, there are more than 400 cases of such infringements to the Rome Treaty under investigation by the European Commission. They have created such a 'jungle' of hidden protectionism, says the report, that some industrialists would prefer a return to tariffs between Community members as a fairer and simpler system.

Despite the efforts of the Commission, there are serious doubts in many industrial quarters as to the capacity of the internal market to remain open, according to the report. And yet the continental dimension of the internal market is a vital factor for the success of the structural adjustment processes facing Community industry in the 1980s.

Unhindered access to a single market is a prime reason for foreign investments from outside whose contribution to member states' prosperity and welfare has been signal. The price of further fragmentation of the internal market may therefore be a heavy one.

According to the commission, a lack of political will on the part of governments is the principle cause of the slowdown in achieving a full customs union, while it notes in its programme for the implementation of the union this year that important progress has been made in the past few years, it claims that national experts have been prevented from solving technical difficulties in disposing of customs barriers by a lack of political backing from their governments.

## Overloaded pigeon-hole

When Sir Alexander Cadogan, one of the founders of the League of Nations, referred to 'a corps of professional debaters carrying out their instructions to the letter and developing obstruction into a fine art', he was not referring to the European Council of Ministers or their permanent representatives in Brussels. But, according to European Commission Vice-President Christopher Tugendhat, he could have been.

Speaking in Manchester to mark the 200th anniversary of the Manchester Literary and Philosophical Society, Mr Tugendhat, who is responsible for the Community Budget, was voicing what has become a major bone of contention in European institutional circles and amongst those frustrated idealists who are trying to match up to the European ideal.

The crux of the matter lies in a fat, pink document published at regular intervals by the European Commission, entitled List of Pending Proposals. In it lie a fantastic array of proposals for legislation on every conceivable topic, submitted by the Commission to the Council, where many have lain festering for periods of up to 14 years.

Typical among them is a proposal for a regulation relating to access to the inland waterway freight market, submitted in 1967, following its approval by the European Parliament and the Economic and Social Committee. Amended on the Council's recommendation and resubmitted in 1969, it is still currently 'pending'.

Numbering about 500, the list's topics for proposed Council regulations, directives and decisions range from the sublime to the ridiculous. A 1968 proposed regulation on the manufacturing and marketing of butter, nestles next to a perhaps aptly-phrased plea to control the noise emitted by 'dozers and loaders', submitted two years ago.

But to the European civil servants

and parliamentarians who put thousands of man-hours into preparing and scrutinising the material before its submission to the Council, the situation is no joke. In a sector such as fisheries, where as many as 40 proposals have been blocked in Council over the past four years, Community officials could be forgiven for wondering if they are wasting their time.

The problem centres on the fact that, when two or more ministers or permanent representatives are gathered together, they generally find it very difficult to agree about anything. Dedication to national interests, however short-term, often obscures issues that in the long-term would benefit the Community as a whole.

The gravity of the situation is shown in a paper on institutional reform recently published by the European Commission. Calling for a shift in powers from the Council to the European Parliament, it blames the rule of unanimous decision-making in Council for the legislative block, and argues in favour of a return to majority voting.

Unanimity became more the rule than the exception of Council voting after the crisis of 1965, when France felt forced to pursue its 'empty chair' policy over a period of seven months. Under the so-called Luxembourg compromise of the following year, a member state has the right to veto any proposal if it believes its vital national interests would be affected.

## Tender invited for electronic publishing

The European Commission is carrying out a new programme for the development of electronic publishing and document delivery systems. The main aim is to find out whether the full texts of documents can be delivered electronically to users in a cost-efficient and acceptable way. A call for tenders is to be issued.

## Businessmen take a good view of the outlook

The Community's businessmen continue to be optimistic. A slight but widespread improvement in the opinion of industrialists about their prospects is revealed in the last monthly economic survey carried out by the European Commission in January. With the exception of a slight fall in October, the confidence indicator has been on a rising trend since last April.

## Speeding up political unity in the Community

Senior diplomats from the Ten are currently working out the details of a plan proposed by the German and Italian Foreign Ministers, Hans Dietrich Genscher and Emilio Colombo, for the more rapid development of a political Community. Foreign Ministers are due to discuss the plan once again next month.

## Community aid is getting to where it's needed

Figures released recently by the European Commission reveal how Community aid is being concentrated in the most needy areas. In 1980, regions receiving aid from the Regional Fund also received just over 80 per cent of the total allocations from the Social Fund. Five priority regions – the Italian Mezzogiorno, Ireland, Northern Ireland, Greenland and the French Overseas departments – received one-third of all Social Fund money and more than half of all Regional Fund grants.

## More funds approved for laid-off steelworkers

Final go-ahead has been given for the transfer of £34.7 million from the Community's general budget into a special fund to finance the early retirement or laying off of steel workers. It is part of an elaborate Community plan to restructure the troubled industry to enable it to compete internationally.

## A 'first' for Prime Minister Pierre Mauroy

Mr Pierre Mauroy became the first Prime Minister of France in office to visit the European Commission when he had talks in Brussels with President Gaston Thorn and other members of the Commission.

In a subsequent press conference, Mr Mauroy denied that his visit was linked to certain developments at Community level – a veiled reference to the difficulties over imports of Italian wine into France – but at the same time he emphasised that it was more than a courtesy call.

'It marks the attachment of France to the European idea,' he said, adding: 'We are not suffering from too much Europe but from too little. We have not gone far enough. We cannot cope with the disparities and the difficulties which face Europe with a single common policy, the CAP.'

## Are we really draining the wine lake?

The Community's wine lake looks as if it may start evaporating. Estimates of wine production compiled by Eurostat put the 1981 harvest at 15 per cent lower than 1980.

The output of wine in France and Italy was down by 19 per cent and 17 per cent respectively, although the Federal Republic of Germany and Luxembourg have reported production levels 46 per cent and 56 per cent above the year before.

Output in Greece, the newest member state, hardly changed.

Total production in the Community was 139 million hectolitres, compared with a

high in the past decade of 182 million.

## Moves towards harmony for Euro drivers

Arrangements have already been made for a Community driving licence to be introduced next January. Now Community legislators are preparing for the next stage of making citizens of the Ten more mobile.

The next step will involve harmonising the groups of vehicles which holders of different licences – for example, lorry drivers – are entitled to drive, the period for which they are valid, and regulations on driving tests and issuing licences.

This work is expected to take about five years.

## Ten agree on cuts in textile imports

The Ten's Ministers have agreed a negotiating mandate for the European Commission to settle new terms for the import of cloth, yarn and clothing from 28 producer countries.

They agreed there should be a 10 per cent cut in imports from three of the four main producers – Taiwan, South Korea and Macao. Hong Kong, because it operates an open market, will be able to keep its present quota.

The ministers also set limits to the practice of outward processing operated in the Community, and agreed that the total volume of imports should rise no more than 1 per cent above 1982 levels.

## No long-term butter agreement, New Zealand told

Gaston Thorn, President of the European Commission, during a two-week visit to Australia, New Zealand and Singapore, discussed the world economic crisis with government leaders.

In Australia and New Zealand the President defended the Community's common agricultural policy, particularly its system of export restitutions which both countries regard as unfair to their own exporters.

New Zealand was told that it could not negotiate a long-term agreement for its butter exports to the Community. In

Australia, the President repeated criticism of the degree of protectionism which hits the Community's industrial exports, and called for a new trade relationship between the two parties which would embrace both agricultural and industrial trade.

## Inflation set to drop to 10.6 per cent in 1982

The Community's growth rate is expected to be 1.5 per cent this year, compared with 0.5 per cent last year, according to the European Commission in its annual report on the economic situation.

The inflation rate is expected to drop slightly to 10.6 per cent from 11.4 per cent last year. The slight improvement in growth is expected to check the rise in unemployment which is currently adding 180,000 each month to the dole queues.

In its guidelines for the year, the Commission proposes that member states with heavy budgetary and external deficits should continue their efforts to stabilise their economies and those with room for manoeuvre should be encouraged not to pursue economic policies that are too restrictive.

It believes that, if growth is to be maintained, greater international cooperation is called for in the trade and monetary fields. Otherwise, the Community will have to examine what measures it needs to take to protect its own interests.

## Support for environmental warning system

The European Parliament has supported a proposal by the European Commission that before industrial projects are launched some attempt should be made to gauge the effect they are likely to have on their immediate environment.

It has recommended that the general public should be involved at an early stage in this so-called 'environmental impact assessment' and that special attention should be given to the dangers of cross-frontier pollution.

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# THE COMMUNITY AND THE FALKLANDS: A STAND AGAINST AGGRESSION

By **EBERHARD RHEIN**, chef de cabinet to Wilhelm Haferkamp,  
Commission vice-president for external relations

**O**n 16 April, for the first time in its history, the European Community imposed a total embargo on imports from a country with which it enjoyed normal peaceful diplomatic relations. The ban was imposed on Argentinian goods following Argentina's invasion of the Falkland Islands.

For the first time, the Community had used its commercial muscle to achieve a foreign policy objective. The embargo – which did not include contracts already entered into and which was initially limited to a one-month period – categorically confirmed that the Community was ready to put its full economic and political weight in forcing Argentina to solve the crisis by peaceful means.

The Community, as a single entity, had come to the aid of a member state whose rights had been flagrantly flouted by a third country. Never before in the history of the EEC had Community solidarity expressed itself more clearly. Never before had a member state called for the clear-cut support of its partners, in terms of breaking off diplomatic relations; a total or partial embargo; an end to arms deliveries; and an end to state export credits and preferential customs tariffs.

By imposing a temporary embargo, the Commission showed that it can react quickly in a delicate situation. The chronology of events was as follows. On 2 April 1982 Argentina occupied the Falkland Islands. The following day, the Commission condemned the invasion in a formal declaration. On 6 April, the British Government asked for the support of its partners. On 9 April the Commission proposed a temporary import ban. On 10 April the Community announced the embargo. On 16 April a formal decision was taken and came into force the same day.

In a delicate foreign policy issue, the member states, in spite of deep-rooted individual traditions, chose a common stance based on the principles of the Treaty of Rome rather than individual action at national level.

Even though there has since been some breaking of ranks, this constitutes an important precedent. Whether or not the commercial policy measures envisaged in Article 113 of the Treaty creating the Community could be used with a view to securing foreign policy objectives is a question that has now been resolved in practical terms.

The Ten opted for common action because they felt that it would be more effective than anything put together at national level. Incredible as it may seem, under Community law it was possible to impose the import ban very quickly in all the Community countries simultaneously. The perfect synchronisation of the measures decided upon was a necessary condition for the embargo to be effective.

Given the diversity of legal and administrative procedures in different member states, it would have taken two to three weeks

**'The Community, as a single entity, came to the aid of a member state whose rights had been flagrantly flouted by a third country'**

before embargoes could have been implemented at national level. The desired effect would then have been largely lost.

The artificiality of separating *Community* issues from those of *Political Cooperation* has again been shown. During the fortnight of negotiations leading up to the embargo, officials of the Foreign Ministries of the Ten only met once. The most important consultations took place between the member states' Permanent Representatives in Brussels and the Commission.

It is therefore clear that, when it comes to putting political intentions into legislative form, the Community is quite capable of doing it. It is worth noting that, outside the Community, only Canada, Australia and New Zealand – in other words the 'white' members of the Commonwealth – and Norway responded to Britain's call for sanctions against Argentina.

Community reaction was closely observed, not only in Europe but also in the whole of Latin America, the United States and in Argentina itself. Almost no one expected such a firm response, least of all the Community.

## 'The Community reacted with more unanimity than to martial law in Poland'

Would the Community really risk economic interests which in 1980 amounted to £33.41 billion, for a little group of islands in the South Atlantic? It did; and in doing so several member states were thinking of more than just a simple solution to the Falkland Islands crisis.

In Washington it was noted that the Community had reacted faster, and with more unanimity, in response to the crisis than to the proclamation of martial law in Poland – not to mention the taking of the Iranian hostages in 1980.

But was the Community really using a double standard to measure the different crises? In the case of Poland, it was a question of showing the West's disapproval of Soviet intervention. Neither the United States nor the Community countries ever thought that they could influence events in Poland by imposing a total trade embargo. Such an attempt would have been doomed to immediate failure.

In the case of Argentina there was a distinct possibility that economic sanctions would help to influence their negotiating position, given that a quarter of Argentina's exports are destined for European markets.

In the Argentine case there was another consideration to take into account. Great Britain appealed to its fellow member states on behalf of a group of islands which have been part of the Community's overseas territories since the United Kingdom's Accession Treaty, signed in 1972. It was politically and economically easier to impose import restrictions than to limit exports.

Economic sanctions are for the most part blunt instruments which at the same time are sufficiently sharp to damage the person using them. There are always sufficient numbers of opportunists (among governments as much as among individuals) who do not mind breaking the law and who are prepared to take advantage of every international upheaval.

## Major progress on Portugal

The Community and Portugal cleared a major hurdle on the way to the accession of Portugal, scheduled for January 1984 negotiations, when they agreed on a series of measures at a meeting in February.

Progress on four key areas comes only a few months after the Portuguese prime minister, Mr Francisco Balsemao, visited Brussels to urge acceleration of the talks.

Among other things it was decided that the whole of Portugal would be designated as eligible for aid from the Community's Regional Fund – a status which only Ireland, of existing members, now enjoys.

The agreement also covers capital movements and Euratom, where Portugal, a net exporter of uranium, eventually agreed to recognise the supply agency's monopoly in this area.

The one outstanding issue left over from the talks was the status of the escudo in the European Currency Unit. Portugal would like a five-year delay before the escudo is included in the basket of currencies, as was granted to Greece. But the Community argued that it was better not to fix a deadline, until it became clear how the Portuguese economy would fare in the future.

## Devaluations, but EMS is intact

Community Finance Ministers, at an emergency meeting agreed to an 8.5 per cent devaluation of the Belgian and Luxembourg francs and a 3 per cent devaluation of the Danish kroner.

The currency adjustments were

the fifth to have taken place since the European Monetary System (EMS) was launched in March 1979. They were provoked by the announcement of tough measures to boost the Belgian economy, among which the devaluation was seen by the Government as an essential element.

The European Commission congratulated Ministers on their decision, noting: 'The fact of having reached an agreement demonstrates the attachment all member states have to the smooth workings of the EMS. The balanced result achieved will help the recovery programme announced by the Belgian Government.'

## Dalsager denies sanctions charge

The European Commission has rejected charges that it failed to back joint trade sanctions imposed on the USSR by the Community following the invasion of Afghanistan in 1980.

A report drawn up by a German Christian Democrat, Heinrich Aigner, for the European Parliament's budgetary control committee, claimed that the Commission actually stepped up sales to the Soviet Union instead of keeping them to 'traditional' levels – the average over the 1976-79 period – as agreed by the Community's Council of Ministers.

The report claimed that there was

a four-fold increase in Community food exports to the USSR during 1980. But Agriculture Commissioner Poul Dalsager said that exports for the first few months of the embargo had been based on contracts signed before it was imposed and that supplies already in the pipeline could not be stopped.



## Court acts to end wine war

The European Court of Justice has acted to defuse the wine war between France and Italy. In an interim judgement issued in early March, the Court said that the French authorities, except in special circumstances, could carry out spot checks on no more than 15 per cent of imported Italian wine.

In addition, the analyses should not take longer than 21 days. Whenever more than 50,000 hl of wine are refused entry into the country for one reason or another, the French will in future have to justify their action to the European Commission.

These conditions have been laid down to prevent France from using

customs formalities to prevent imports of cheaper Italian wine, which it fears could threaten the livelihood of French producers.

## Court upholds migrants' rights

Community citizens who emigrate to another member state should be eligible for the same social security benefits as families in their new country, according to a European Court of Justice ruling.

Commenting on the case of an Italian family living in the Federal Republic of Germany who had been refused a loan to which German families are entitled when they have children, the Court said that migrant workers must enjoy the same social and tax advantages as their hosts under Community law.

Ruling in favour of the family and against the Landeskreditbank Baden-Wurtemberg, the Court claimed that interest-free childbirth loans to low-income families were one of the social advantages laid down in a Community law on equal treatment dating back to 1968.

## World convention on sea bed mining

The European Commission has made a number of recommendations to the ten member states on the Community's stance at the resumed Law of the Sea Conference in New York.

International rules to govern exploitation of minerals on the sea bed – in which European firms have an important financial and technical stake – are at issue.

The Commission believes that the Community should try to prevent virtual world-wide planning powers being given to an international sea bed authority backed by a cumbersome and expensive bureaucracy.

It also wants to ensure that the

## Majority vote for farm package

Following the controversial meeting of the EEC agricultural ministers in Brussels on 18 May, at which agreement on farm prices for 1982/83 was reached by a majority vote, Commissioner Poul Dalsager described the package as 'a good one from the point of view of farmers' incomes'.

It involves an average increase of 10.4 per cent in Community prices, with higher increases in six member states as a result of 'Green' devaluations against a background of a general inflation rate of 10 to 11 per cent.

Mr Dalsager, while welcoming the agreement, emphasised that the Commission had taken no position as to the particular way the decision had been reached by the council of agricultural ministers. This was entirely a matter, he said, for them to decide.

He assumed that the United Kingdom would apply the farm price decisions, which had been legally adopted, especially as negotiations on Britain's budget contribution for 1982/83 were continuing.

Convention encourages European industry to maintain its sea exploitation activities by not imposing on companies restrictive declarations of principles or excessive technical and financial restraints.

In addition, the Commission wants to ensure that developing countries are guaranteed a fair share of the profits obtained by sea bed exploitation, whether these countries are mineral producers or consumers, coastal or landlocked.

## Improving the information services

The European Commission's directorate-general for information, market and innovation is planning to spend £3.08 million on the development of high-quality information services in the Community. The aim is to strengthen the Community's computerised information network in key areas.

Priority is being given to projects in the field of trade and industry, such as technology; products; standards; patents; law and financial data; energy savings and alternative resources; and social sciences.



## The truth about food prices

Complaints about the high price of food on European markets compared to the lower world price for food do not always take account of effects other than

## Cheaper smokes on the way?

The European Commission has proposed that harmonisation of excise taxes on tobacco should now move into its third stage. This is seen as necessary in order to open up the Community cigarette market as fairly as possible.

The effect of the latest measures, if adopted by governments, would be to make higher quality cigarettes such as Benson and Hedges and Rothmans cheaper in France, Italy and the Benelux, and cigarettes like Gauloises and Gitanes less expensive in the United Kingdom, Ireland, Denmark and the Federal Republic of Germany.

This will be achieved by further developing the ratio between the *ad valorem* (charged on the value) and the specific (charged at a flat rate) taxes on tobacco.

those caused by the Community's controversial Common Agricultural Policy, according to the European Commission.

It says that European consumers would be highly unlikely to be supplied for long at low world prices if Community supply depended to a greater extent on imports.

The Commission points out that world market prices are notoriously volatile, because the quantities involved in international trade are often marginal in relation to total production and may reflect short-term fluctuations in production or speculative action.

Cheap food, says the Commission, can therefore only be defined as regularly available at present in limited quantities and in few circumstances.

## The low price of democracy

People who complain that the Community costs too much may be interested to know that the price of European-style democracy comes cheap when the costs of various parliaments per inhabitant are compared.

The European Parliament, with the added inconvenience of having to work in seven languages, costs only 36 pence a head – next to nothing when compared to the US Congress, which costs Americans the equivalent of £320 per head and only has to contend with English as its working language.

Figures showing costs for 1981 put the German Bundestag at 98 pence per head, and the Belgian parliament, which works in both French and Flemish, at £4.03 per

inhabitant.

The European Parliament also appears to be attracting more press interest as the years go by. During the 13 sessions held in 1981, the proceedings were followed by a total of 1696 journalists – an average of 130 a session, compared with 116 in the previous year.

There were also 5,000 more visitors last year than in 1980, bringing the total of visitors to the Parliament in 1981 to 50,000.

## Commission visitors on the track

A group of Commission officials from Brussels have been seeing for themselves how Britain is using last year's £1,000 million refund of Common Market payments.

Their tour began with the new British Rail carriage servicing depot at Clifton, York, which is due to be completed at the end of this year. The new depot will be fully equipped for cleaning and servicing modern inter-city and local rolling stock. Our picture shows the visiting party chatting to driver Eric Arundale before leaving York on board an Inter-City 125 service to Doncaster. Left to right: Steve Andrews (UK representative), Paul Jensen (Denmark), Fernand Keifer (Luxembourg) and Joe Mulcahy (Eire).





## Big Brother fears allayed

The European Commission has given assurances of protection of the individual when a European passport is introduced in 1984.

Plans to include a laminated page which would make personal details on the passport electronically readable have led to fears that personal data might be misused in some way if computers are involved.

The Commission has pointed out that such a page will only be included at the discretion of individual member states and claims that the use of an electronically-readable strip would only be a danger to the citizen if the data is not visible to the eye. 'This must on no account be the case,' says the Commission.

It adds that the aim of the passport is to ease controls on individuals at Community borders, and is not a further step towards an electronically-monitored society.

Replying to a European Parliament question, the Commission also pointed out that it is determined to continue to combat the dangers which the introduction of data processing may present, and has recommended that member states sign and ratify an international convention designed to protect the rights of individuals in connection with the automatic processing of personal data.

If this isn't done by the end of this year, the Commission intends to propose plans of its own to protect Community citizens.

## A matter of sex

The European Court of Justice has struck a new blow for male and female equality. It has ruled that concessions granted by a company, even if these are not required by law, must not discriminate between the sexes.

The ruling was given in a case involving British Rail, which was found to have breached the Community's rules by granting different travel concessions to its former male and female employees.

The case was brought by Mrs Eileen Garland, who had complained that female employees, once retired, no longer received free or reduced fares for their spouses or dependents, although this concession was continued for their male colleagues.

In another case, the Court rejected a male employee's claim that he was being discriminated against because he had to wait until he was 60 to retire, while women could do as at 55. Retirement ages were a matter for national governments, said the judges.

Meanwhile, the European Commission has decided to take three member states—Belgium, Italy and the United Kingdom—before the Court for alleged non-implementation of a Community law which guarantees men and women equal access to employment. This is the first time that the Commission has gone to the Court over this directive, which was adopted in 1976.



## The grass is greener...

Six out of ten European civil servants are unhappy with Brussels as a place to work and live in. This is revealed in an opinion poll which a study group at Louvain University conducted among 5,000 Brussels-based staff.

Among those who reject the Belgian capital, nearly half would prefer France and a further 27 per cent are in favour of Italy.

Belgian authorities have good reason to be worried about the results of the poll. Harboursing the centre of European Community activities is a matter of prestige in itself. But there are also considerations of an economic nature. In the years 1981-85, European civil servants are expected to spend around £840 million in Belgium, 54 per cent of it in Brussels.

£252 million also, is to go on operational costs, rents, etc for the various Community buildings—all in all, figures that no European city would look down on.

Brussels has no firm guarantee that it will remain the unofficial capital of Europe, since the seat of the Community has still to be established. Among rivals are Nice, Rome and Florence.

## Ten tighten up import rules

The Council of Ministers has adopted new import arrangements covering trade with third countries, which mark an important step forward in the European Community's trading policy.

The new arrangements, which came into force on February 9, apply to all third countries except the state trading nations, China and Cuba. They include establishment of a Community-level procedure for examining dumping and other unfair trading practices. The procedure gives the European Commission power to investigate trade charges on behalf of the Ten and to make

recommendations on the Community response.

Also included is the implementation of new criteria for assessing damage done by unfair trading. These criteria cover the volume and price of imports, and their impact on Community producers, measured by their effect on sales, market share, prices, profits, stocks and employment.

There is to be introduction of harmonised safeguard measures activated at Community level. Member states could still impose national measures in urgent cases—although these could only last for one month and would automatically trigger a Commission inquiry. From 1988, member states will no longer be allowed to take any national safeguard action without prior approval of the Commission.

A Community list of goods is to be drawn up for which imports are restricted.

## More funds for the regions

The Commission has adopted another eight decisions on supplementary measures for the United Kingdom, in accordance with the agreement reached by the Council on 30 May 1980 which limited the level of Britain's net contribution to the Community's budget, partly through provision of EEC finance for public spending programmes in the UK.

These latest decisions release funds totalling some £904 million for investment and infrastructure programmes undertaken in the UK in the 1981/82 financial year.

Special infrastructure programmes for seven UK regions—Wales, Scotland, Northern Ireland, Yorkshire and Humberside, and the North, North West and South West of England—account for £794 million of that sum, and £108 million will be used for a general roadbuilding programme. All these programmes are multiannual and received Community support last year as well.

The new decisions bring the total value of the supplementary measures adopted since December 1980 to about £1,700 million.

The crisis in the Common Market has been over-shadowed by the crisis in the South Atlantic, but that doesn't make it any the less serious.

For weeks, other EEC countries have pressed for record food price rises. Britain refused. We first wanted a guarantee of a substantial rebate on the payments we make to the Market.

*The Community buckled under the strain, the first enthusiasm for backing Britain over the Falklands slipped to a grudging, one-week extension of sanctions against Argentina.*

Now its farm ministers have decided to force the price increases through, despite our objections, and they have done it by changing a convention under which we joined.

That gave any member nation a veto on decisions it thought affected its national interests. It had been adopted at the insistence of General de Gaulle, who always put France first.

*Had it not existed, Britain might never have joined. It cannot be scrapped just like that.*

The fault for this crisis is not on one side. Britain has been a reluctant and unco-operative recruit to Europe. We have been a partner but not a friend.

But we need Europe more than it needs us. It is where we do most of our trade and millions of jobs depend upon it.

A threat to our membership would be an economic disaster. But if the Community starts to break up it will be a disaster for all Europe.

— Daily Mirror

**Many Frenchmen see Britain as having got herself badly caught out over the Falklands and now staking too much on trying to regain sovereignty which she has all along been anxious to relinquish.**

**Against this background it was little short of a miracle that Britain has received the support she did. She could have responded with rather more warmth, more consultation and a gesture such as giving way on farm prices while continuing to negotiate on the budget.**

**The link between these issues and the Falklands is neither rational nor admitted. But atmospherics play a part in these matters and Britain has done little to improve them. An opportunity has thus been missed to strengthen the Community and Britain's influence in it.**

— The Times

Perhaps it will now be the case that Britain will appreciate more fully the strengths of the Community and the advantages of membership.

— Daily Telegraph

The EEC is indeed in a desperate plight and while the advertisement of the fact will bring nothing but pleasure to the left and to all the old anti-Market coalition, it may also help concentrate the minds of those who went into the venture with high hopes and a conviction that the security of the West as a whole lay in the political and economic unity of western Europe.

There is no great mystery about what has gone wrong. Poor M. Thorn is quite right. The problem is lack of political will. The main European governments at present take a

narrower view of their national interests than the boundaries of the Community; and the reason is the recession.

— David Watt  
in The Times

**Chanting mobs of French and Belgian farmers paraded through Brussels yesterday singing; 'Thatcher to the stake'.**

**They burned an effigy of the British Prime Minister dressed in farmer's clothing and one of French farm Minister Edith Cresson.**

— Daily Mail

*When, after a week of dithering, Mr Richard Burke left Dublin on Tuesday to rejoin the EEC commission, Mr Charles Haughey achieved his aim of transforming his new minority government into one that need not, after all, depend on the goodwill of a few left-wing members of the Dail.*

— Economist

Edith Cresson, the French farming minister, who roundly accused the British government last week of terrorist tactics in the EEC, is a trim 46-year-old with tousled red hair, high cheekbones and a devastating smile. She is much the prettiest of the politicians who jet in and out of Common Market negotiations.

The trouble is that Edith Cresson is full of heart, but very inexperienced. She is headstrong in negotiation. Britain's agriculture secretary, Peter Walker, has the cool to cope with this, but the Germans are irritated beyond belief.

There could be no better choice for a Joan of Arc figure to spearhead the national fight against Margaret Thatcher's deeply-resented veto of farm price increases until Britain's claim for Common Market budget rebates has been settled in full.

— Sunday Times

**The Government yesterday denied that an outline agreement on farm prices discussed in Brussels would mean an increase of 4p in the pound on British food prices.**

**A Ministry of Agriculture spokesman said: 'The reported figure is incorrect; our calculations are that the increase in farm prices now proposed would add only 1.2 per cent to Britain's retail food index.'**

— Observer

# WHAT'S IN THE PAPERS

It is a pity that none of Labour critics of Mrs Thatcher's naval expedition has spoken in favour of the Common Market's prompt action in mounting a trade embargo. The Common Market may be a lunatic institution for Europe's domestic policies, but that is no reason why we should spurn its political uses at a time like this.

— New Statesman

**What we have witnessed here in the last few days is a genuine case of solidarity with a Member State facing a real problem.**

— Guardian

One of the valuable by-products of the Falklands crisis has been the demonstration of European unity in support of Britain. In fact it shows Europe's growing ability to act as one.

— The Times

The EEC budget is still scandalously biased towards cossetting Continental farmers.

But Community membership does have compensations. Yesterday, for example, Ford UK cut the price of most of its cars. This is partly because a growing number of British customers are finding it worthwhile to buy cars more cheaply on the Continent.

Here you can see how EEC competition does benefit the consumer. And about time, too.

Less eye-catching, though more significant, is the massive boost in our trade with Europe, which has taken place this past decade. Also, billions of dollars' worth and yens' worth of industrial investment has come to this country just because we are in the Common Market. That means jobs.

— Daily Mail

Mr Derek Enright, MEP for Leeds, has asked the Commission to rule whether the British monarchical tradition where the throne passes to the eldest male child, even where the first-born of the ruling monarch is a girl, does not conflict with the second directive of women's rights under Article 119 of the Treaty of Rome.

This is the EEC rule which guarantees that there can be no sexual discrimination in access to employment. The matter, Mr Enright feels, has some relevance given the awaited birth of a child by the Princess of Wales.

A Commission spokesman said: 'EEC legal experts have decided that the succession to the monarchy lies outside the scope of the directive'.

— Guardian

# How the EIB has become Europe's 'listening bank'

**T**he EEC is a great deal more than Brussels directives and butter mountains. The Community can offer valuable services to British business.

So says The Director (The Journal of the Institute of Directors in London), with reference to the European Investment Bank (EIB) and its 'global loans', through which funds are channeled to the 'little men' of the European business world. Not only does the scheme give the EIB far greater exposure, but it is also rapidly becoming more important.

Basically, the EIB is moving – and was intended to move – in the realm of high finance. Created in 1958 by the Rome Treaty as the Community's own bank, it exists to lend financial support, mainly to major projects. All along its primary motivation has been to concentrate on the less developed regions.

Last year, and in line with what has become a tradition, the EIB directed nearly three-quarters of its loan total to the four member countries with the most difficult structural problems – Italy, Ireland, Greece and the United Kingdom. But, while the EIB's central objective may have remained the same throughout a quarter-century, its performance has been subject to some major changes. It has grown at an unexpected rate; it has been entrusted with numerous supplementary tasks; it has branched out in new directions; and it has developed new priorities in response to shifting economic conditions.

However, although this is a public international institution with member governments as 'shareholders', the EIB is still a bank first and foremost. This means that the loans it gives – be they for state agencies, utility companies or industrial borrowers – will in large measure be decided upon in the light of conventional banking rules. Putting it more crudely: the EIB does not make grants – it makes loans, which it expects to be repaid so that these funds may then be used again.

What is the attraction of the EIB to national borrowers? Why do they not opt for getting

**It may move in the realm of high finance, but the Community's own bank takes a sympathetic interest in its more needy customers, reports PETER DREYER**

funds for investment projects at home, considering also that the people in Luxembourg will never finance more (and normally rather less) than 50 per cent of the fixed assets cost of any project, the balance having to be met from other public or private sources, or out of the applicant's own pocket?

One reason is that capital, in the would-be borrower's country, may be scarce. Another is that the EIB will usually be able to offer slightly more favourable terms.

The Community bank has gradually turned into a leading taker of funds in international capital markets, and will usually obtain these at a lower 'tab' than would national and individual borrowers. In high-interest rate periods like the present, this is doubly important. The EIB is obliged under its statute to lend on a non-profit-making basis.

The bulk of the operations in which the EIB is commonly involved – a hydroelectric installation in Italy, the construction of a mini computer factory in the United Kingdom, the modernisation of Ireland's telecommunications system, to pick only a few from a vast range of potential projects – will invariably call for substantial sums. As a rule, the EIB's credit contribution in any one instance will not be less than £1.2 million.

However, the EIB's activities have been altogether impervious to what happened in the economic world around it, as events in 1981 make clear. True, the flow of credits given within the Community was up almost 14 per cent on 1980. But taking inflation into

account, this meant that, by and large, there was no increase.

The picture varied sharply from country to country. Loans to Denmark, for instance, were 43 per cent higher than in 1980. Those to the Federal Republic in 1981 were more than 20 times the rather negligible amount of the preceding year. In both countries this was due to important energy related investments.

Elsewhere the impact of recession was not only noticeable but severe. EIB loans for the productive sectors – mostly industry, but also some agricultural and service investment – were almost 20 per cent lower in 1981 than the year before, not even allowing for the inflation factor, as demand for finance turned sluggish. Under the double impact of the recession on

**'The EIB is obliged under its statute to lend on a non-profit-making basis'**

new investment and the curtailed needs of the public sector, EIB lending in the United Kingdom last year did not even come up to 40 per cent of the 1980 figure.

Actually, the darkening of the economic scene these past few years and more particularly the sharp and as yet unabated rise of unemployment have underlined the importance of the labour market effect of EIB lending. The bulk of it currently goes to regions where the jobless totals are far above the Community average.

Investments made possible in 1981 by EIB participation are held to have created (or safeguarded) 31,000 full-time jobs, mainly in industry. Construction and other work occasioned by last year's investments are the equivalent of providing more than 450,000 men and women with work for one year.

Still another priority has emerged in recent years, which had hardly been on the minds of the Rome Treaty's fathers 25 years ago. Increasingly, the bank's lending policies are directed towards mitigating the Community's energy 'bondage', in accordance with the Community's stated objective that oil imports in the next decade should be kept to the 1978 level of 470 million tonnes.

The EIB estimates that, when they become operational, the energy-related investments in which it participated last year will reduce Community dependence on oil imports by nearly 11 million tonnes a year. For the five-year period 1977-81 such savings should be of the order of about 60 million tonnes per year.

## Sweet Thames runs softly

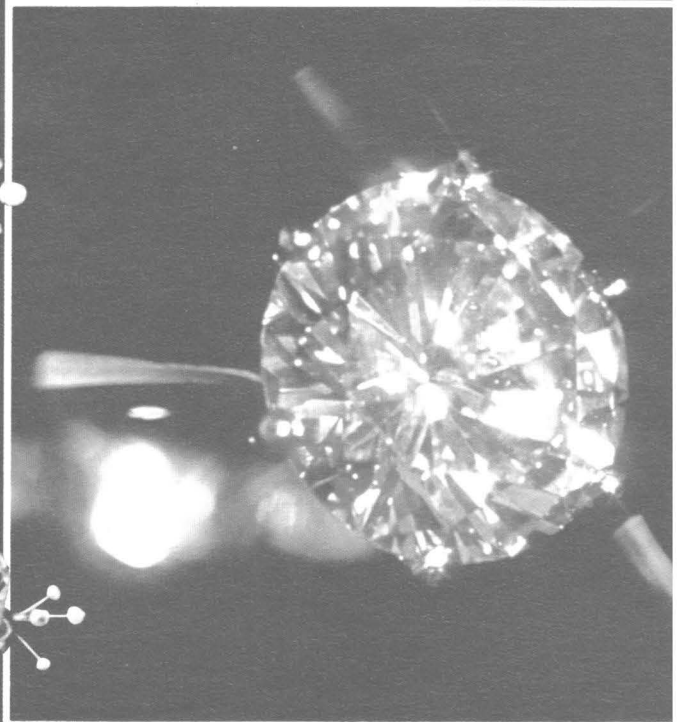
Two cross-channel seminars on water pollution are being arranged between the Thames Water Authority and the Agence Financière de Bassin Seine-Normandie. M Crepeau, French Minister for the Environment, visited London last October to discuss river management, water supply and sewage disposal services in England, and to consider how far this might be applicable in the somewhat different conditions in France.

During his visit, M Crepeau took a trip

on the Authority's scientific research craft, 'Thameswater', taking water samples along the Thames and learning about anti-pollution controls. M Crepeau also observed a successful trawl for fish – just off the biggest discharge of treated sewage effluent to the river.

This month a party from Thames Water will be visiting Paris for three days to view sewage and water treatment works there, and to study how their French counterparts are cleaning up the River Seine.





## *Third finger, left hand*

**JAMES HOGAN** reports  
on the mystique and  
the marketing that  
keep Antwerp's diamond  
trade in business

It's something of a paradox that one of Europe's most vulnerable economies should include the biggest diamond market in the world – Antwerp. For, as everybody knows, diamonds are for ever.

Nearly all the rough stones destined for the Antwerp market, where they are turned into rings and other jewellery, are supplied from London on behalf of De Beers. Direct sales from London to Antwerp are boosting Britain's annual exports to Belgium by at least £77 million a year.



Competition between traders at Antwerp's diamond market is fierce.

In Antwerp, diamonds are a way of life. The city's craftsmen rank highest in the world. Unchallenged by the work of cutters in other important diamond markets – New York, Israel, Bombay and USSR – Antwerp's *brilliandiers* thrive on a tradition in the sawing, cleaving, cutting, polishing and marketing of gem diamonds going back four centuries.

Their task seems deceptively straightforward: rough stones are collected from the merchants and taken home to be transformed into anonymous works of art. In this self-effacing manner Antwerp's diamond cutting and polishing labour force has earned an envi-

able reputation. To millions of people throughout the world, diamonds give precision to ideas of beauty, perfection and enduring vows. But it is the cheaper end of the market, stealthily keeping the trade alive in the minds of the masses, that is so important to the biggest gem diamond market in the world.

Most people buy or receive a diamond only once in their lives. It does not have to cost a huge sum of money; but custom has it that an engagement ring must cost as much as an ardent suitor can afford. In this way, young men on low pay can purchase a handsome ring for a week's wages. Because of the importance of this gesture in romantic life, the owner of a diamond ring costing around £150 can enjoy some of the pride of possession that a millionaire might feel on acquiring a Star of India. But a ring at this low price may incorporate a stone worth, on its own, no more than a bottle of champagne.

The fact that most people are unable to recognise a top quality diamond when they see one is neither here nor there. All diamond rings are bought to give away, and in such sentiments lies the secret of the diamond's success. But although it may be true that the city's luxury trade relies on the sale of average stones to the comparatively poor, the fact is that most buyers consider the diamond to be good value for money.

Antwerp's diamond trade has not been altogether unaffected by the economic recession: investment in top grade stones has certainly slackened off in recent years. Also, despite the huge figures involved, competition among Antwerp's diamond merchants is fierce.

Risks are high, returns are relatively modest: all depends on the individual dealer's eye for quality at the ten 'sights' held in London by De Beers each year. There are some 5,000 classifications of rough stones to choose from, and each buyer must consider the speciality cuts which are characteristic of the available labour force. Antwerp's *tour de force* is the 'maccle' – a twinned triangular crystal which has undergone a profound geological hiccup during its formation anything from 50 to 200 million years ago.

## 'All diamond rings are bought to give away'

What with the current depression and fall-off in investment, there is a feeling that the trade is marking time. Even so, the demand for diamonds continues, substantially helped by the fact that De Beers undertakes a comprehensive advertising and marketing programme on behalf of the trade. In its own interests in controlling 80 per cent of the world's supply, the company spreads the diamond gospel to some 26 countries. Upholding the diamond tradition and spreading awareness to new markets is regarded as a crucial service. This can only be of benefit to Antwerp's two diamond cutting districts – the city centre, accommodating the larger stones, and the outlying Kempen district. And although diamond cutting and polishing remains a cottage industry, exports alone in 1980 were worth £1,661 million.

On the face of it, the future of the industry may appear to rest on a precarious foundation – fashion. But the attractions cut much deeper into the nature of both commerce and the human heart. Those who do not put their faith in the stock markets can keep their wealth in a safe. Fugitives – not unknown to Antwerp – may carry their entire assets in their coat pocket.

But above all, the diamond seems to be revered on a mystical scale. Aldous Huxley called it a 'genuine talisman, a self-luminous stone which comes from the soul's visionary heaven'. Antwerp's diamond merchants would hardly disagree. ■

**'The future rests on fashion – and the human heart'**

# Which way to the altar?

**KERIN HOPE reports on a clash between Church and State in socialist Greece, over husbands' age-old marital rights**

**G**reece's socialist government is pushing ahead with plans to introduce civil marriage and modernise the country's antiquated family law, despite vociferous opposition from traditionalists in the Orthodox Church of Greece. New laws scheduled for passage through Parliament by spring will end the Church's monopoly of marriage ceremonies and abolish adultery as an offence punishable by imprisonment.

Premier Andreas Papandreou's Panhellenic Socialist Movement (PASOK) is hastening to fulfil election promises to overhaul Greek social legislation. But the Orthodox clerics, anxious to protect old-fashioned family values which, in their view, keep the fabric of society from disintegrating, have raised cries of protest. In principle, most Greek bishops are not opposed to the introduction of civil marriage, but they want to ensure that the religious ceremony has equal validity in the eyes of the new law. The Government, however, would prefer to make civil marriage compulsory, thus reducing a church wedding to what one cleric calls 'the status of just a frill.'

After a stormy session of the hierarchy, hardline bishops declared they would deny 'the other blessings of the Church' to those who marry outside it. The threat was interpreted as a refusal to officiate at baptisms and funerals if the new bill goes through. Minister of Justice Efstathios Alexandris said that while the Government respected the views of the Greek Orthodox hierarchy, it did not consider them binding. The new law, he added, would go through, regardless of objections from the Church.

In an effort to avoid an open breach between church and state, four Government-appointed legal experts have been discussing proposed changes in family law with a committee of bishops set up by Archbishop Seraphim of Greece. Despite low Church attendance except at festivals, the Orthodox Church still plays an important pastoral role as an arbiter of social life in Greece.

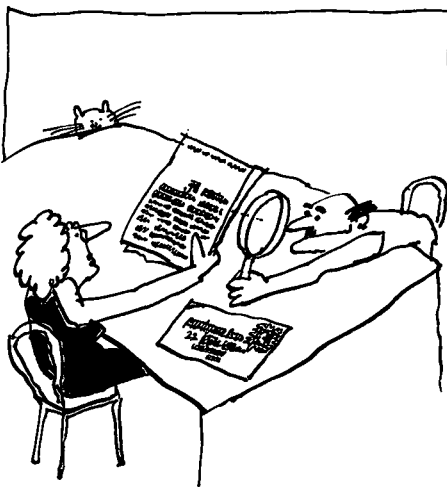
The Church has long upheld the legal restrictions surrounding married women which are now considered obsolete in urban Greece. According to present law, the husband wields

autocratic authority within his home. Married women cannot carry out any financial transaction without their husband's permission. Without his express authority, they cannot enrol their children at school and are not supposed to spend a night away from home. A husband also has right of access to his wife's mail and telephone calls.

Although the Church dictum that married women must obey their husbands is still interpreted literally among Greeks of all social classes, few people expect the bishops to come up with more than token opposition to full legal equality for women, which was guaranteed under the 1975 constitution.

The clerics appear to reserve their fire for reform of the adultery law, described by Socialist Government officials as 'humiliating and undignified.' But the Bishops' hierarchy thundered after a recent meeting: 'If adultery is no longer a criminal offence, the law lies open to great ethical dangers and insidious undermining of the family.'

## 'A husband has right of access to his wife's mail and phone calls'



Under the proposed new law, adultery would remain grounds for divorce, but it would no longer be punishable with prison terms of up to 12 months. The present ruling that convicted adulterers cannot remarry would also disappear. In 1980, the last year for which figures are available, 60 men and 45 women were sentenced to imprisonment for adultery, a 30 per cent decrease on figures for the previous year, which seems to reflect a growing trend towards leniency in the courts.

Successful prosecution for adultery generally meant catching the couple *in flagrante delicto*, a requirement which has helped private detective agencies to flourish in Greece. Arrest involves a forced entry by police and photographers and the hasty transfer of a couple to their local police station, to be charged. But only a quarter of such cases end up in court, according to Justice Ministry statistics. ■

# letters

## Thanks a billion

I heartily endorse Derek Bradley's suggestion that, as Europeans, we should reject the US version of 'kilometer' (Letters, March 1982). I also advocate that we reject the even more abominable pronunciation, *ki-lom-eter*, which sounds as ominous as *gasometer*. No one talks of a *ki-log-ramme*.

Whilst ridding ourselves of bastardised versions, let us firmly reject 'billion' meaning a thousand million. Sadly, this US usage occurs frequently in your journal. Logically, a billion can only mean a million million.

Let us instead, as good Europeans, adopt the European word 'milliard', which has existed in English since 1793 and is used in the languages of our European partners to mean a thousand million.

We must stop slavishly aping the Americans and a start must be made somewhere with 'milliard'. Why not in EUROPE 82?

E. W. Brown,  
c/ CILT, Carlton House Terrace,  
London SW1 5AP.

We shall start using 'milliard' when Brussels, the Treasury, the City and the world's banking communities do.

## No charge

We have recently been delighted to receive sample copies of the French and German counterparts to your magazine. We notice that, in contrast to your much appreciated free issues, theirs are priced 5F and DM1.50. We hope it will never prove necessary to imitate that practice.

One aspect of the German version which we would like to see copied in our own, however, is that of presenting material in two languages adjacently.

Brian Quinn,  
Cleveland Education Committee,  
Cleveland TS23 2DB.

## Bad odour

With reference to the item on page viii of EUROFORUM (March edition) may I point out that a stink bomb thrown into, say, a bakers and confectioners on a busy Saturday morning can never be regarded as a 'joke', no matter how non-toxic its contents may be. For the customers it will be a nauseating experience, and for the shopkeeper it may well result in financial loss.

In my view, the discharge of these devices on any premises to which the public have access should be prohibited.

John Singleton,  
Hockley, Essex.



## Europe puts beef into exports

### BARRY WILSON tells how old and new breeds of cattle have broken out of Europe into world markets

**E**urope's cattle breeders have always been well attuned to the needs of the world market. But in recent years they have discovered untapped resources.

For the first 40 years of this century, two countries dominated the trade in breeding cattle: Britain and the Netherlands. Britain sent its unsurpassed meat breeds – especially the Hereford, Aberdeen Angus and Shorthorn – all over the world. These breeds remain the dominant influence in most countries that grow beef. For milk, Britain exported Jerseys and Guernseys, which had originated in the Channel Islands, and Ayrshires from Scotland.

The Dutch capitalised in their world-beating milk producer, the Friesian – or Holstein, as it is called in North America. It came almost to monopolise the milk industries in America and Canada. The Angus took over the pampas of Argentina and Uruguay. The Jersey swamped the New Zealand dairy industry. The Hereford took over in Australia.

But the cattle breeding world began to change drastically in the 1950s and the 1960s.

Throughout the early part of this century the demand was for smallness and quality. The Dutch Friesian got smaller and smaller. The petite Jersey with the high-fat milk was all the rage. Beef cattle breeders competed to

produce the smallest possible Herefords and Angus, producing the finest quality meat.

But within a few years of the end of the war, economic changes were transforming agriculture. The demand changed from quality to quantity. In the beef industry, a crisis emerged in the Hereford and Angus breeds. Animals had been bred so small that recessive dwarfism genes had been encouraged. Drastic action was necessary, especially in a world hungry for beef.

One of the most remarkable discoveries made about this time was the existence, in pockets all over the European continent, of large-bodied cattle breeds which produced vast quantities of beef, and milk. Most of these had initially been bred as beasts of burden.

A major problem in trading cattle breeds from the continent of Europe had always been disease. What changed attitudes was the setting-up of quarantine stations – and the discovery in the early 1960s of a remarkable breed in northern and central France which put beef on at a phenomenal rate and grew to enormous size. This was the Charolais, and it caused a storm in Britain.

Significantly it was the milk board which promoted the Charolais in Britain. The board ran – and still runs – the biggest artificial insemination service in the world. It wanted a beef sire breed which would allow Britain's dairy farmers to produce more beef from their crossbred calves.

Britain's traditional beef breeders were horrified at the prospect of the arrival of this French challenger. However, the first shipment of 26 Charolais bulls duly arrived from France in 1962. They went straight into

quarantine. From there they swept through the British cattle industry and into international trade. Since then, Britain has imported 3,200 pedigree Charolais from France, from which have been bred nearly 30,000 pedigree animals.

The Charolais is now well established as the second most popular beef breed, after the Hereford, via AI semen sales. But this was only the start. International cattle dealers in 1970 opened the market for two almost equally big breeds – the brown Limousin from France and the white-faced Simmental from Switzerland and West Germany.

Then into the world market came the gigantic Maine Anjou from France, the bulky Gelbvieh from Germany, the large crossbred Blonde D'Aquitaine from south western France, the milky Meuse Rhine Issel from the Netherlands. From Italy came the biggest of them all: the Chianina, standing taller than a man, and the equally enormous Marchigiana and Romagnola. throughout the world the blue-white tinge in the colouring of crossbred calves reveals the growing Charolais influence.

In the dairy industry, fashions and trends have changed; but Europe's dairy breeds have always been there to provide what the market wanted. In the early part of this century, Britain developed its own version of the black and white Friesian – a dual purpose animal which produced a lot of milk and a good beef calf. By the 1950s it had practically run Britain's other dairy breeds out of business. Meanwhile, in America and Canada, breeders had bred their Holsteins for one thing – maximum milk yields.

In the past 20 years in most countries milk has become more valuable than beef, so breeders have gone for the American Holstein model. It has been imported in huge quantities into Britain, into New Zealand, into West Germany, and even into the Netherlands – the full circle complete.

Another, similar, phenomenon was the arrival of the Australian Murray Gray in Scotland. The Murray Grey, bred over 50 years, combines Aberdeen Angus and Shorthorn blood. Now it returns to the home of the Angus, to put size and growth rate back into native commercial herds.

In Denmark, Hereford steak bars serve only the prized Hereford steaks. British Hereford exporters have enjoyed a small boom in trade to Denmark for 15 years. British Herefords – a hardy breed that thrives on rough terrain and sparse grazing, compared with the lush demands of the giant Charolais and others – are in demand in Sweden, Finland, Hungary and Spain.

American cattle breeders have shrugged off the dwarfism crisis and now export the biggest Hereford and Angus in the world to South America. Some of the smaller breeds are fighting back. And so the circus goes on.

Governments everywhere have set up cattle breeding export agencies to advise and finance the trade. There is big money to be made – and national prestige to be won. E

# An American answer to industrial decline

**J**ames M. Howell, senior vice president of the First National Bank of Boston, is no gloom and doom economist. He has been touring Europe with the cheerful message that you can spark job-creating life back into ageing industrial economies.

'The maturing of one capitalistic era does not automatically lead to economic stagnation,' he says. 'And the end of one era can in fact provide the foundation for the next'. Cheering words. But what does a New England banker know about the brutal problems of declining traditional industries?

'I know, because we've been there,' says Howell. 'Economic stagnation, double-digit unemployment, and swollen welfare rolls.' That's not an outsider's view of a European Community with 10.3 million out of work, but a description of the *New England* economy after the 1973-74 slump.

In the Seventies, the six states that make up New England ran into precisely the problems now facing the older industrial economies of Europe. They could not spend their way out of recession because, as Dr Howell says, industry was already overtaxed, and the state governments found that their tax base was disappearing fast. One in five industrial jobs were lost in that recession. There were none of the giant defence contracts that helped lift the Sunbelt states out of the slump.

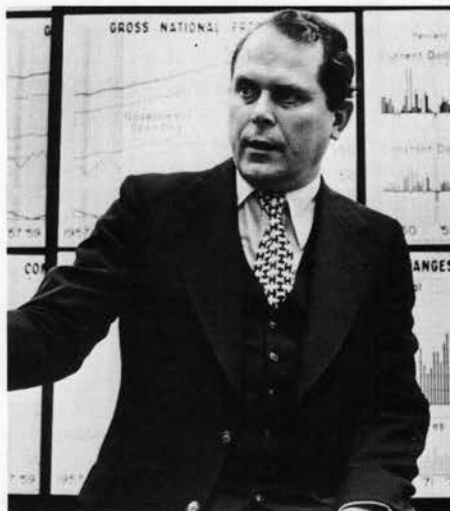
And the New England economy – which, like Britain, needs to export to pay for its food and energy imports – seemed, says Howell, to be heading for 'de-industrialisation'.

'We had to face up to the problem of what to do when our traditional industries started to fail. Without major defence and space programme spending it was apparent that the region had become excessively dependent upon federal largesse.'

In New England, as in Europe, there had been a gradual shift of employment from manufacturing to service industries. But, Dr Howell says: 'On their own, service industries could not solve the problem of protracted structural unemployment. The only way was to create new, high technology industries. 'It's an experience,' he adds, 'that Europe can ignore at its peril.'

But how did New England turn talk about the need for high technology development into new companies, and new jobs? It was achieved, Dr Howell explains, through a combination of factors – aggressive entrepreneurial talent; readiness to take financial risks; a substantial supply of venture capital available close at hand; and, most significantly, an educational foundation to provide new ideas.

**It was the spirit of get-up-and-go that enabled New England to shake off the recession of the Seventies – an example for Europe, reports JOHN BRENNAN**



James M. Howell – Bostonian with a message.

Europeans like to think of their ancient seats of learning as world-beaters. But Dr Howell points to a report by the New England Board of Higher Education which analyses the links between university and college places, and business development. It concluded: "New England is the most knowledge-intensive region in the world. This attribute may well be a key – it not the key – to the prosperity of New England."

You would expect any education authority to be enthusiastic about its local graduate schools. But the board's enthusiasm is soundly based. In many ways, its report notes, a 'critical mass' of institutes of higher education sets the region apart from others. 'Historically, the heterogeneous mix of universities and colleges (65 in the greater Boston area alone) have enabled the region to adapt to shifting dynamics in the national – and even the international – economy. In recent years, these

**'On their own, service industries could not solve unemployment'**

institutions collectively have given the region a competitive edge in technology-based industries, and also helped to stimulate as well as attract entrepreneurial talent and to encourage new business start-ups.'

As an enthusiastic capitalist, Dr Howell does not give the universities the whole credit for New England's revival. He believes that restrictive practices and high-technology business don't mix. 'Almost all the employees of new high-technology companies are non-union. And that's a fascinating development, because many of these people came from the declining textile manufacturing sector which was traditionally highly unionised.'

Then there were the 'born again capitalists' who started to take over from free spending social welfare politicians on local and state authorities. Since the great recession of 1973-74, Dr Howell says, elected state officials in New England have increasingly shown that they can simultaneously achieve two important economic development goals. First, government can manage its size, in terms of expense and employment levels, to keep in equilibrium with the private sector. Second, government can manage its functions in such a way as to improve the region's overall business investment environment.

In practice, that meant state and city-backed capital financing programmes, enterprise zones, and 'pump-priming' spending projects that put state cash into areas in partnership with what Dr Howell calls 'local bootstrapping'.

Pulling local areas up by their own bootstraps resulted in non-profit-making groups which, only ten years ago, were involved mainly in social advocacy issues. Today they own and operate lumber mills, electronics businesses, data processing companies, building maintenance and repair services and fuel distributorships.

Local banks and city authorities working together were able to offer venture and start-up capital in relatively small amounts to lots of new companies, by grouping together loans into risk bonds big enough to interest the financial institutions.

As in Europe, there was – and still is – plenty of venture capital available to a New England businessman with an idea and a need for cash. But, for all his enthusiastic talk about trans-Atlantic parallels showing a way out of industrial stagnation, Dr Howell admits that the one real gap in Europe, and in Britain in particular, is the shortage of entrepreneurs.

'It is the one thing that every venture capital bank agrees on here,' he says. 'There just are too few managers around willing to take a risk and strike out on their own.'

# Has the Labour Party got it wrong about Europe?



Ann Clwyd: 'As members of the Socialist Group we have seen the members from all ten countries struggling to reach agreement.'

**ANN CLWYD, a Socialist member of the European Parliament since 1979, finds herself questioning the Left's attitudes to Britain's membership**

**B**ye-bye Common Market: so long EEC', sung to the tune of Tipperary, was a favourite refrain during the 1975 referendum campaign in South Wales. Along with Michael Foot, the Wales TUC, the NUM and (seemingly) every Tom, Dick and Dai, I joined enthusiastically condemning this triffid creature, which sought to restrain and chain all Labour's socialist instincts.

Then Wales gave an overwhelming 'Yes' vote. And that, most of us thought, was that.

Five years later I was a candidate in the first European election to the European Parliament, attacking the wine lakes, the butter mountains, our position as paymaster of Europe, and all the other aberrations of Brussels.

In the interim, a facility trip to the European Commission, where the favourite sport appeared to be popping champagne corks into squares on a ceiling, had left a distaste for the perceived lifestyle in 'the rich man's club.' But over the past 2½ years I have come to see the Treaty of Rome not as a strait-jacket, but more as a stretchable, elastic girdle.

And what about the old argument over National Sovereignty? Bernard Crick wrote recently that sovereignty of Parliament was an 18th century Whig doctrine 'intended to scare the respectable in the smaller nations, that if they did not leave the key decisions to London, law and order would break down'.

Strange, he said, that Socialists should adhere to the specifically capitalist form of a centralised sovereign state and extraordinary that its proponents believe it possible that national sovereignty can opt out of a highly interdependent economy, however well or ill controlled. Some 65 per cent of the world's GNP is controlled by 1,000 multinationals. They have such powers to switch jobs and capital that they can upset governments and economies. Increasingly companies plan their corporate strategies on a Europe-wide basis – what influence national sovereignty than?

As members of the Socialist Group (the largest in the European Parliament), we have seen the members from all ten EEC countries doggedly and painfully struggling to reach agreement on prickly subjects such as reform of the CAP. The fact that Edith Cresson, now the French Minister of Agriculture and stout defender of the CAP, put her signature to a document on reform, shows that working with other socialists on a day-to-day basis must eventually pay dividends.

Each time the budget has been discussed by

the Parliament, even its arch defenders, the French socialists, have voted to attack the excesses of farm policy.

When did my own views begin to shift? When did the orthodox Party view on the EEC begin to seem less of a good idea?

When I was pitched into an international group even the unpronounceable names of other MEPs appeared at first to be an insurmountable hurdle. That it took me several months to pronounce Ludwig Fellermaier, and Heidimarie Wiczorek-Zent, was not only a linguistic leap but a cultural one too. The experience of working day-by-day with allies from nine other countries in pursuit of socialist policies – to control the multinationals, halt the arms race, alleviate poverty – was for me a salutary and stimulating experience.

When a firm in my constituency was recent-

**'There are no single-issue general elections'**

ly in danger of falling foul of a multinational's intention to transfer production to Amsterdam, I contacted one of my Dutch socialist colleagues and we organised a meeting between workers' representatives in the two countries and the threatened workers were promised support by the Dutch workers who would have gained thousands of jobs had they taken the selfish approach. International solidarity in practice.

It was a slower dawning, I admit, that the bickering over fish, apples, lamb, was chiefly more of a smokescreen – blown by those who see the glorification of this island and its institutions as a crusade far more important than socialism. Flag waving is populist: internationalism is not.

Is the European Parliament effective? When one considers how long it has taken Labour to win radical reforms at Westminster, it doesn't seem unrealistic to suggest that the European Parliament could have delivered a lot in 2½ years.

The Parliament does lack power to back its sometimes radical proposals with anything except draconian measures: such as sacking the Commission en bloc; or throwing out the whole budget. But Labour policy is set firmly against increasing the power of the 'Assembly.' You can't hobble a horse and then criticise its lack of speed.

Our National Executive statement on withdrawal argues that membership of the EEC has had an adverse effect on the level of employment and the British economy; that reform of the Community from within has proved impossible; that the Treaty of Accession is incompatible with our alternative socialist economic strategy; that a referendum is not necessary as people would endorse or otherwise Labour's policy in a general election.

One Labour illusion seems to be that our

socialist comrades in the EEC will sit down over a cup of tea and chat about how they can help the UK comrades withdraw from the EEC in the most painless way – despite the fact that President Mitterrand has stated emphatically that he does not want the UK to leave. Others of his ministers have scorned the idea of the UK going it alone and believe it to be little more than rampant xenophobia.

A year ago, a remarkable debate took place when Tony Benn and Joan Lester met the European Socialist Group. Tony Benn repeated the argument that the Treaty of Rome makes it impossible for the UK – ‘or any other country’ – to take socialist action. Socialism, he said, must be rooted in a national, and not a supra-national state.

He was challenged by several German socialists. Katharina Focke asked why the Labour Party, ‘which mentioned full employment and peace as important objectives, felt unable to work for these with other socialists within the EEC. To argue, as Tony Benn did, that the EEC meant no socialist intervention was incorrect; EEC action to protect the steel industry was a case in point.

Antonio Cariglia, Italian Socialist (PSDI) former national secretary of the Italian Union of Labour, angrily denounced the imputation. ‘The rest of us,’ he said, ‘have been put into the corner of capitalist interest. I refute that I am a tool for capitalist forces. The rethinking of Labour comrades must be linked with a specific goal that you are aiming for in the UK, e.g. that you wish to bring down the Thatcher government and overthrow the pro-European policy of that government. That may be fine for British national interest but it can only be seen as a blatant contradiction of the history of your party.’

‘What is left, or marxist, in fighting capitalism nationally?’ asked left-wing SPD membership Gerhard Schmid. Why not use the EEC to get extra instruments? Why use the EEC as a whipping boy for the right wing or your Party?

The angry and sceptical response of our fellow socialists to Michael Foot and Eric Heffer was practically a carbon copy of last year. Ernest Glinne, the Belgian leader of the European Parliament Socialist Group, urged the Labour Party to think again, and warned that British withdrawal ‘would be a severe blow to all our hopes for the future of the European Community.’

Others cautioned; ‘You need us as much as we need you.’ There was widespread disbelief that the Labour Party sincerely believed that major economic and political problems could be better solved in one country, rather than through an EEC alliance.

Mr Foot in response held out no likelihood of a change of policy on withdrawal, nor on the rejection of a referendum on the issue. He did, however, concede that the Labour Party would follow closely the attempts by the new socialist governments of Greece and France to implement policies which are likely to conflict with the Treaty of Rome.

Of course, a great deal has to be done to

## ‘You can’t hobble a horse and then criticise its lack of speed’

reform the EEC. The budget has to be permanently restructured so that the poorest countries cannot become net contributors to the budget. The battle against unemployment must mean strengthening existing regional and social policies and devoting considerably more money to them.

What some of us on the left are asking is: has the left got it wrong? What *precisely* is it in the Community which will be the obstacle to the implementation of a radical socialist programme at home? We look at Mitterrand’s programme of massive nationalisation, and the dawn of a bright new socialist era for France. There are socialists in the governments of France, Denmark, West Germany, Italy, Ireland and the Netherlands. None of them find EEC membership incompatible with their aims. The socialists in Spain and Portugal are indeed all ardent supporters of membership.

A few days ago I spoke to a group of visiting Portuguese trade union leaders in Brussels. The barrage of questions which followed re-

flected their total bewilderment over the Labour Party’s attitude to the Community. Their concern was similar to that one might have for an elderly, slightly idiosyncratic relative.

Party conference decided last year by a block vote to oppose a referendum – the argument being that electors will be able to vote Labour on the clear understanding that they are voting for withdrawal in a general election.

The weakness in that argument is that there are no single issue general elections. It would also be totally unfair to expect a supporter of unilateral disarmament, the National Health Service and a wealth tax to vote Tory because he or she wants to remain in the EEC (a case powerfully made by Tony Benn, who supported a referendum in 1970).

It is not enough for spokespersons in the Labour Party to rabbit on about their internationalism. We who come into close daily contact with EEC socialists know that they treat such protestations with scepticism given the increasingly nationalist campaign being waged by our spokespersons in Labour’s name.

The current policy on withdrawal is not inscribed in sacred tablets. There is still time for the Labour Party to think again.

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## TACKLING THE DRUGS PROBLEM

**D**rug consumption in the ten European Community states has increased dramatically over the last few years. More and more young people are turning to an assorted mix of drugs, tranquilisers and hallucinogenics to escape a world of unpleasant realities.

‘The drug phenomenon as we know it today constitutes a serious threat to European society,’ warns a report on the need to combat drug consumption, drawn up recently by the European Parliament’s committee on public health and the environment. Consumption of drugs is growing in particularly vulnerable social groups, including young people, the unemployed and immigrants, says the Parliamentary report.

Certain changes in drug consumption patterns have taken place over the last few years. The report points out, for instance, that ‘natural drugs’ originating in Third World countries have now been replaced by synthetic narcotics that are more readily available on European markets. At the same time, abuse of heroin is increasing and an increasingly large segment of the population in EEC states is

consuming sleeping pills and tranquilisers.

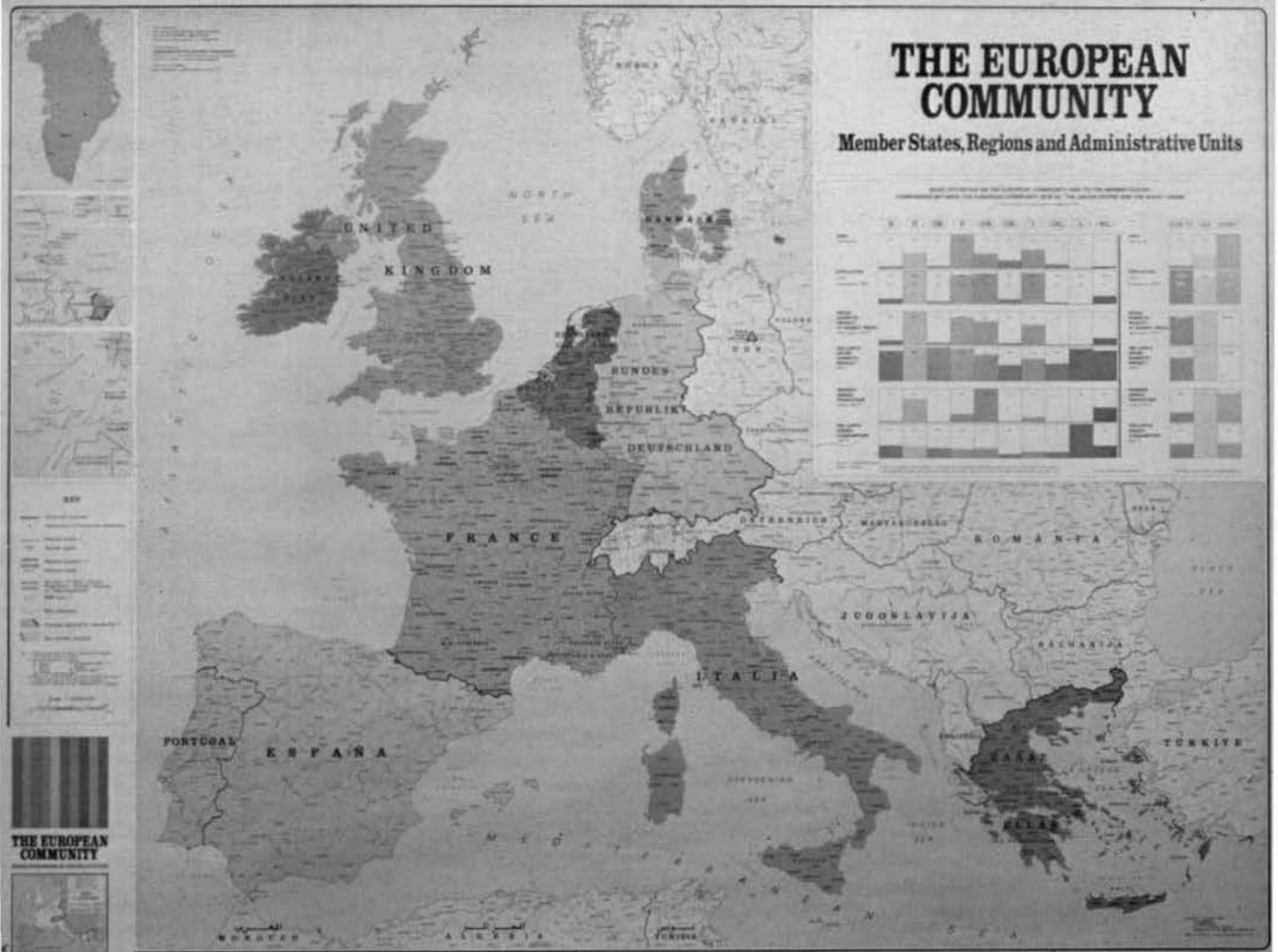
Consumption of alcohol – also a drug, although we tend to forget this sometimes – has also grown, particularly among women and young people. Some of the figures released by the Parliamentary report illustrate the seriousness of the situation. In Belgium, almost 10 per cent of all school children have tried drugs at least once.

In Denmark, consumption of heroin and cocaine is increasing, although the use of amphetamines seems to be falling off. A survey of drug abuse in West Germany shows that 20 per cent of the population between 14 to 25 years uses drugs. Drug-induced deaths are increasing in France, and in Italy, the consumption of drugs increased by 80 per cent among young people between 18 to 25 years in 1979 alone.

The situation, says the report, requires action at Community level, with emphasis on information and education campaigns designed to dissuade young people from succumbing to the temptation of using drugs.

The European Commission should also take action on two fronts, recommends the report. This would include the compilation of more detailed data on drug abuse in the EEC states, and the setting up of an EEC organisation which would coordinate drug-related research work being done in the different Member States. The organisation would also be responsible for the information and education campaigns. □

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