

Europe

Number 9

September 1982



What were the drums and fifes of the Grenadier Guards doing in Issy-le-Moulineaux? See page 8



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

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Design: Lawrence Edwards
Printed by Lawrence-Allen Ltd,
Weston-super-Mare, Avon

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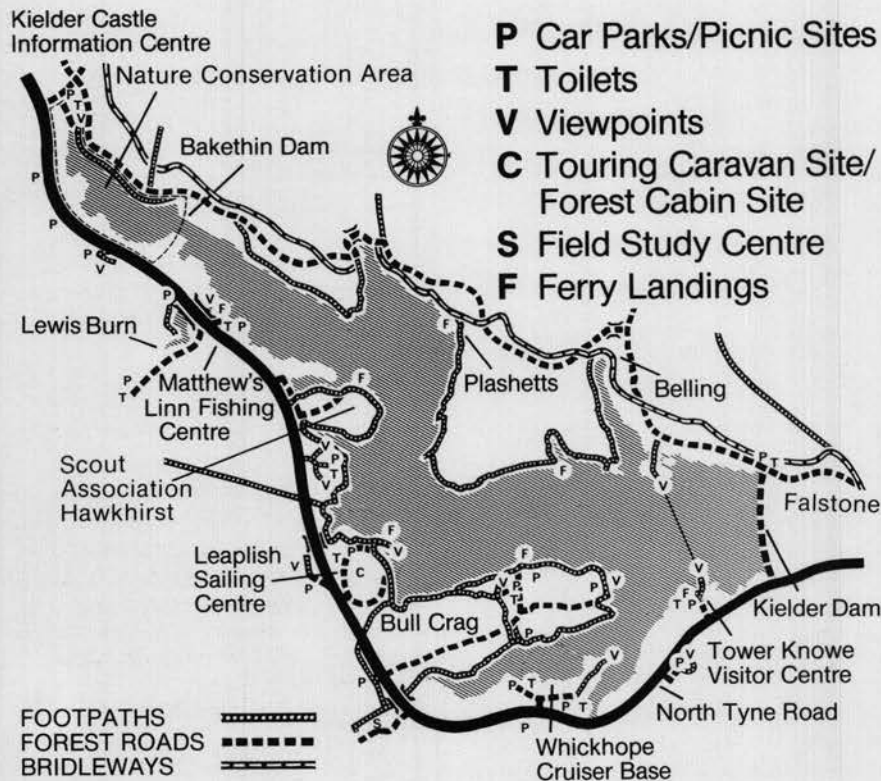
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The biggest man-made lake in Europe



Left: the Kielder Dam complex is both an engineering triumph and a public amenity. Illustrations to this article are by courtesy of Northumberland Water.



– the largest contribution the Fund has ever made to a single scheme or project in Europe. The British Government added a further grant of £26 million, mostly under the terms of Local Employment Acts providing for assistance to schemes involving job-creation in assisted areas.

This left a staggering £105 million to be funded by the water-users themselves – both domestic and industrial. It was raised in loans, mostly over 15 years but on a renewable basis so that they could be 'rolled on'. Some £63 million of the loans was provided by the European Investment Bank – because in every case the EIB rates were more favourable than any of the prevailing variable rates obtainable in Britain – with the balance being raised from the Government-backed National Loans Fund.

All in all, it means that £5 of the average local household's annual water bill of £57 is now directly related to the price of the Kielder Water project.

How have these vast sums been spent? The headworks of the main dam, three-quarters of a mile long and 170 ft high, cost £58 million, with a further £2 million spent on building a secondary dam in the form of a weir at the north-western end of the reservoir to prevent unsightly mudflats being revealed during drawdown of water or at times of summer drought and produce a small secondary lake which will become a nature conservation area with protected flora and fauna.

An additional £9 million was spent on diverting existing local byways and building a new 8½-mile road skirting the south shore to replace the original valley road which now lies on the lake bottom, along with a number of local farmsteads and dwellings.

As water is released from the reservoir, it flows down the River North Tyne to Warden, near Hexham, where it joins the South Tyne to form the Tyne proper. Lower downstream, at Riding Mill, a 305-foot adjustable weir and pumping station has been installed at a cost of £18 million. From here – Britain's largest

Kielder Burn, the main source of the River Tyne in Northumbria, has long been the stuff of legend. The locals originally called it 'the Violent Stream' and would point out to visitors the rock-strewn Coult of Keeldar's Pool in which the Coult – a local giant clad in heavy fighting armour – was held underwater by his adversaries' lances until his breath ran out. His massive grave lies within the churchyard of the ruined Kirk o' Bells, where the Wardens of the English and Scottish Marches used to meet for peaceful joint consultation on how they might subdue the Border Reivers.

The inhabitants of the nearby hamlet of Skelf-Hill once proudly exhibited the iron cauldron in which Sir William Soulis, lord of Liddesdale and English Warden of the Middle Marches, was boiled alive at the whimsical request of Robert the Bruce, King of Scotland. At Charlton Hall you may still examine the silver spur which used to be served up at table, beneath an empty tureen-cover, as a silent signal to the would-be diners that the larder was empty and that it was time for the Charlton clan to saddle-up for another cattle-raid. Just for good measure, the local fairy – The Brown Man of the Muirs – is said to be capable of removing your brains from your skull as you sleep!

Between the two World Wars the Forestry Commission encompassed this land of legend and added to its existing claims to fame by

RON BARRY reports on the gigantic reservoir and leisure complex that has swallowed up £167 million – a large part of it from the EEC's Regional Development Fund

planting and developing the 74,000-acre Kielder Forest – the biggest in Europe – thereby restoring something of the wooded aspect the district bore when the wild Tyndalers made their living by rustling cattle and creating mayhem. And in May of this year local legend was further enhanced when HM the Queen officially opened the new Kielder Dam, which has swollen the original Violent Stream into the biggest man-made lake in Europe and Britain's largest leisure complex.

Built at a cost of £167 million, the Kielder scheme provides not only a reservoir and dam but also a series of complex engineering devices to allow regulation of the Rivers Tyne, Wear and Tees. In effect, it can control and meet the demand for water in the entire North-East for the rest of the century.

The EEC's Regional Development Fund got the scheme off to a flying start by providing £36 million of that cost in the form of grant



Top: aerial view of Kielder Water with the main dam in the foreground. Below: discharge of water into the stilling basin, December 1981.



pumping station – the Northumbrian Water Authority can send as much as 20 m gallons of water per day overland through an intricate network of pipes and tunnels, reaching a high point, four miles away, of 700 feet. Other tunnels – including one which runs for 20 miles down to 1,000 feet below the Durham Moors – take water on to the rivers Wear and Tees.

This network in itself cost some £53 million and is largely the result of engineering co-operation between the German companies of Ed Zublin and C. Baresel, Swiss Aluminium Mining and the British company, A. Monk, using German-built tunnelling machines and an American-built model which between them cut the 28 kilometres-long tunnels at an average of 250 metres per month.

Kielder Water's claim to being Britain's largest leisure complex is more than justified. Facilities for such pursuits as angling, sailing, picnicking, camping and walking are being steadily improved over the next six years.

There are already a number of ferry jetties on the lake and eventually more jetties and slipways will be built. Grants totalling £800,000 towards such leisure facilities have been provided by the English Tourist Board, the Countryside Commission, the Sports Council and – once again – the EEC Regional Development Fund.


Kielder is also providing a new permanent camping and outdoor-adventure site for the Scouting movement – a fact which would please its founder, Lord Baden-Powell, who chose the North Tyne area as the site for the very first Boy Scout camp more than 70 years ago.

Whilst the Kielder project as such will not provide many permanent jobs the leisure and recreational aspect has high potential for job-creation as the leisure complex becomes more widely known at home and abroad. But from an industrial point of view, by regulating the three main rivers in the region and using them as aqueducts, water can now be made avail-

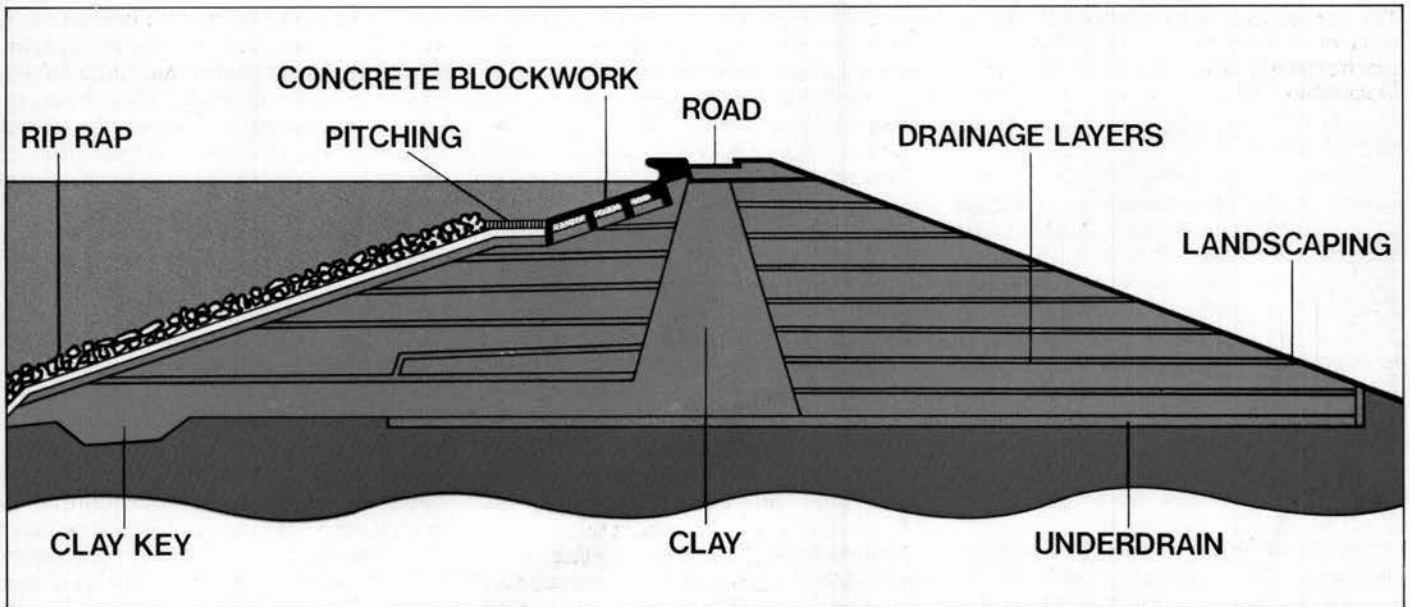
The European Investment Bank has again come forward – with a £50 million loan

able to whoever wants it. Northumbria, therefore, is the only area in Britain which can tell industry looking for a site that, wherever it chooses to start operations within the region, and no matter how much water it needs to function, it can be serviced at relatively low cost.

The EEC Regional Development Fund thought that combination of features made the Kielder Water project worth supporting on a grand scale. The European Investment Bank, having been impressed by the way their earlier loans have been spent, have again come forward to provide an additional £50 million loan for the cleaning up and improvement of the River Tyne overall.

The scheme does, of course, have its detractors and its sceptics – the charge being that it has provided the right scheme at the wrong time, what with world recession and depressed British industry in the North-East. But the Northumbrian Water Authority argues that the Kielder system as it stands will eventually be needed, and that the present deep cutbacks in industry simply mean that the time period over which Kielder will be sufficient on its own to boost the natural rivers' supply will be extended well into the next century. History will no doubt prove that they have got a bargain. 

A royal opening: Pierre Mathijsen, the EEC's director-general for regional policy, is presented to HM the Queen. Below: a cross section of the dam, showing the clay core and drainage levels.



The 15 million Europeans who can't read or write

When the best efforts of all the governments of Europe are turned towards getting unemployment and inflation under control, they are unlikely to be pleased by the reappearance of an old bogey they thought had been finally laid low: illiteracy.

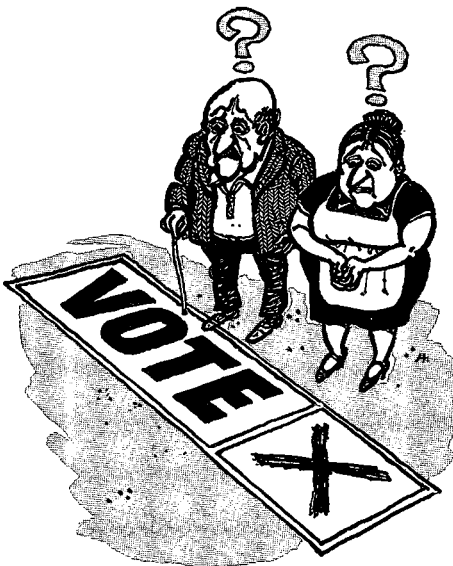
Nevertheless, many different studies concur in finding that compulsory schooling (from age six to sixteen in most Community countries) has failed to eliminate illiteracy in Europe. According to a report drawn up for the European Parliament by Mrs Phili Viehoff on behalf of the Committee on Youth, Culture, Education, Information and Sport, there are some 10 to 15 million illiterates in the Community (not including Greece); which means that illiterates probably outnumber the unemployed.

The alarm had already been sounded in May 1980 by the European Youth Forum, on which a number of international organisations and national committees on youth are represented. The press communiqué in which the Forum put forward the figure of 10 million illiterates in Europe aroused reactions ranging from astonishment or indignation to scepticism. Two years later, both national and Community authorities reluctantly began to face the truth – not only does illiteracy exist in the EEC but it applies to Community nationals just as much to immigrants.

According to UNESCO's statistics, the world illiteracy rate is steadily declining: from 44.3 per cent in 1950 it fell to 28.9 per cent in 1980 and, if the present trend continues, it will have fallen to 25.7 per cent by 1990. However, in absolute terms the number of illiterates is rising continuously. From 700 million in 1950 it will rise to 814 million by 1990 if the trend is not reversed. Women account for 60 per cent of the total, and their number is rising faster than for men.

Unfortunately, as was shown by the answers supplied to a questionnaire addressed to the member states by the Commission in 1979, it is more difficult to obtain accurate statistics for the countries of the European Community. France, the Federal Republic of Germany and Luxembourg actually denied the existence of illiteracy within their borders – except, possibly, among the immigrant populations. Since then, however, a report published by the Federal Ministry of Education has admitted the existence of illiteracy in Germany; while another study (to be published by the Commission later this year) shows that illiteracy also exists in certain urban areas of Belgium and Luxembourg. In these circumstances, it is highly improbable

Though some member states deny it, illiteracy in Community countries is at a disturbingly high level – and rising



that there is no illiteracy in France.

Other member states, such as Ireland or Denmark, admit to the existence of a certain number of illiterates but have no official statistics. In the UK, the British Youth Council conducted a thorough survey in 1973, as a result of which it was shown that the country had two million adult illiterates. This survey led to the establishment of a specialised agency (The Adult Literacy Resource Agency) whose activities benefited 128,000 people between 1975 and 1978. In Italy, 2,547,217 cases of illiteracy were recorded in 1971, according to official statistics, while 27.2 per cent of the population had failed to obtain the elementary school-leaving certificate and could therefore be considered as semi-literate. In Greece, it has been estimated that almost 14 per cent of the adult population is illiterate, while in Portugal – an applicant for accession to the EEC – the corresponding figure is 23 per cent.

Most of these figures can almost certainly be taken to be underestimates, given that illiterates very often try to conceal their disadvantage for understandable material and psychological reasons.

At the same time, there is no uniform definition of illiteracy. The view is increasingly held that illiteracy is a problem going well beyond

simply not knowing how to read and write. It may apply to adults who have never been to school; those who attended school only for a short time or failed to pass the primary school-leaving examinations; those who have forgotten what they were taught; or migrant workers who can neither read nor write in the language of their host country.

In her report Mrs Viehoff points out that responsible use of the power to vote is virtually impossible for anyone who cannot read a political programme or a newspaper. In this way, illiteracy strikes at the very roots of democracy. For the individual, it is a serious obstacle to both vocational training and employment – in a saturated labour market which demands ever more advanced forms of specialisation, illiterates are excluded from all but marginal and precarious forms of employment. A survey on this point would undoubtedly show that illiterates were strongly represented among the ranks of the unemployed. More generally, illiteracy is an obstacle to an understanding of the law, the financial system, and the citizen's civic and social rights.

'Illiteracy strikes at the very roots of democracy'

Although they have frequently reaffirmed the citizen's fundamental right to education and their support for the principle of equal opportunities for all, Ministers of Education have never yet made an official declaration on the problem of illiteracy. Up to now the only action undertaken at Community level was the granting of assistance to literacy education programmes for immigrants under the European Social Fund.

The new European Social Fund guidelines for 1982-83 provide for measures concerning literacy training for women in rural areas and the long-term unemployed. These projects are, however, considered inadequate both by the Youth Forum and the Committee on Education of the European Parliament. In November 1981 the Youth Forum called on the Community and its member countries to give a public undertaking to combat illiteracy, and to give this action the necessary priority in the allocation of resources. It also asked the Commission to compile information on the most suitable methods of literacy education and to distribute it to teaching staff throughout the Community.

In her report Mrs Viehoff endorses the Youth Forum's words. The related resolution (approved by the European Parliament on 13 May) also stresses the need to eliminate the disadvantageous conditions generally linked to illiteracy. The implementation of an overall policy should make it possible to ensure that, within ten years, all young people and adults in the European Community can read and write. ☐

Eurobarometer: a check on the national psyche

How do the men and women of the European Community feel about the lives they are leading at present, the way their democracies work, the outlook for the future? What is the state of their morale? How do they feel about the EEC? What great causes challenge their hearts and minds?

These are the kind of questions posed in interviews throughout the Community earlier this year for the annual *Eurobarometer* check-up – a regular exercise in determining the mood and mind of the European Community.

This year there has been an emphasis on young people, involving an extra questionnaire for those aged between 15 and 24. The preliminary findings, however, do not separate their responses from the rest. The other innovation has been to extend the interviews to Spain and Portugal, two countries awaiting entry to the Community, so as to prepare the future partners (as the report puts it) for life together.

Denmark, the Netherlands, Ireland and Luxembourg, it seems, are still countries where satisfaction with life is greater than in most others. Greece, where the question was asked for the second time, was the country where dissatisfaction was greatest. Italy, which had previously been at the bottom of the list, therefore moved up to ninth place. Nevertheless, between October 1981 and April 1982 there was a sharp fall in the number of Greeks declaring themselves 'not at all satisfied'.

The feeling of satisfaction with the way democracy works – which is more sensitive to changes in the political situation in each country – has increased since the last survey in Greece and, more strongly, in the United Kingdom, though it has fallen in France.

The diverging trends in Greece and France undoubtedly reflect changes in opinion which followed or preceded the recent general elections. While in France the 'honeymoon effect' which generally follows a change of government – and was very apparent between April and October 1981 – has since dispersed somewhat, it is still strong in Greece, where elections took place earlier this year.

This year's survey included, for the first time, questions on a number of opinions about the way the political system works. The answers show that the democracies of Western Europe share a number of attitudes. In each country, the vast majority of those replying agree that 'Everyone is free to express his opinions when he does not agree with something' and that 'One may do almost anything one likes so long as it is lawful'. But an average of 14 per cent of those interviewed disagreed on the first point and 26 per cent on the second – these are sizeable minorities.

Special attention should also be given to the fact that an average of 54 per cent of those replying, rising to six or seven out of ten in Belgium, Italy and France, did not agree with the view that 'Everyone is truly equal before the law'. Similarly, 52 per cent consider that 'Small groups with different ideas or customs

Unification still has the support of a majority of Europeans – except the Danes

from the majority are largely disapproved of. The only country in which this view was not accepted was Germany.

Another point which gives food for thought is that fewer than four people in ten (37 per cent on average) think they can help change anything which is wrong in their country. Greeks (perhaps as a result of the recent change of government) and Danes feel they have the most influence; Belgians feel the least able to change anything.

National pride is particularly strong in Greece, Ireland and the United Kingdom. The least nationally proud are the Germans and the Belgians, but the trend from 1970 to 1982 strongly suggests that these results have different causes.

As for what might bring about changes in the next ten or fifteen years in the way people live in each of our countries, there were few differences: Five topics led the list of answers given: – scientific and technological developments; – understanding and goodwill amongst the people of the country; prospects for the standard of living; the quality of life; understanding between the industrialised countries and the Third World.

What are people's main fears? Once again, the replies in the various countries were similar: rising crime and terrorism; increasing

unemployment; the despoiling of natural life.

The 'great causes' question was an attempt to explore people's values. What is it worthwhile doing something about, even if this means taking a risk or making a sacrifice? One great cause was unequivocally in first place in all countries: peace. The next four – human rights; the fight against poverty; freedom of the individual and the protection of nature – all received broadly equal levels of support. Only 7 per cent of those questioned did not cite any great cause, but the figure was around 15 per cent in Denmark, Germany and Ireland.

Europe as such, it appears, is not in the forefront of people's concerns. But attempts at unification still receive the support of a majority of those interviewed – except in Denmark, where support and opposition are equally divided at 42 per cent each. *Eurobarometer's* data, which go back to 1973, do, however, reveal a slight reduction in this support. This is not so much because of an increase in the numbers of those opposed, as because those strongly in favour are becoming less enthusiastic.

Public attitudes to Community membership do not appear to be greatly affected by current difficulties, though the public is clearly aware of them. In Luxembourg, the Netherlands and Italy, the overwhelming majority of those questioned regard Community membership as 'a good thing'. Public opinion in Belgium, France and Germany is a little less enthusiastic; while in Ireland, Greece and – but only just – Denmark there is still a majority in favour.

In the United Kingdom those against are still more numerous than those in favour (43 per cent against 27 per cent). Those who

MORE COVER FOR BRITONS TRAVELLING ABROAD

About 5 million more Britons – self-employed, non-employed and their families – are now eligible for free or reduced cost medical treatment when they travel to other European Community countries provided they obtain a form E111 in advance, says the Department of Health and Social

Security. Existing arrangements cover only employees, pensioners and their families.

An information campaign is being launched by the government to publicise the new benefits. Since the last such campaign in 1979, the number of E111s, the form British travellers to most other European Community countries need to get free or reduced cost treatment, has gone up from 250 000 to over a million a year. This figure could be on the way to being doubled, says the department, as the campaign gets under way and travellers become acquainted with problems of falling ill abroad without obtaining the requisite form.

The media 'do not say enough about European questions or do not deal seriously with them'

consider themselves 'sufficiently well-informed' are in a minority – four out of ten in the Netherlands, Germany, Ireland and Luxembourg, and only two out of ten in the United Kingdom and Greece. The main sources of information on the Community are, of course, television, newspapers and the radio. Television is always cited as the most important, although newspapers are valued by those who wish to know more.

Opinion leaders are more critical than most, finding that the media 'do not say enough about European questions' or 'do not deal seriously enough with European questions'. The same views – or excuses – are, however, expressed by a fairly large number of respondents in all categories in most countries.

Almost a quarter of Spaniards (24 per cent) but only 15 per cent of Portuguese say that they are 'very interested' in Community matters. Compared with the previous survey this represents a slight fall in Spain but a slight rise in Portugal. The feeling of being inadequately informed – which also leads to inability or refusal to answer the question – is very widespread in Spain and Portugal, indeed much more so than in the member states of the Community.

A majority of Spaniards (55 per cent as compared with 6 per cent against and 39 per cent don't know) support general moves for European unification; the 'don't know' accounted for two thirds of those interviewed in Portugal.

Attitudes to accession are favourable in both applicant countries, although some hesitation is creeping in as negotiations become more protracted. Once again there are differences between the two countries. In Spain more than half of those interviewed support membership, while in Portugal fewer than half expressed an opinion; if the 'don't know' are excluded, neither sex nor age had any significant bearing on answers.

An individual's level of education has a very strong influence on the proportion of 'don't know's'. But, whereas in Spain a higher level of education tends to correlate with a more favourable attitude, in Portugal it tends to produce a less favourable view. Again, the effect of political stance – here measured by the interviewee placing himself in the left/right spectrum – is that in Spain the left is more favourably inclined than the right, while the opposite is the case in Portugal.

Further work, preferably in cooperation with Spanish and Portuguese researchers, will have to be done on these findings. *Eurobarometer*, and data from other similar surveys, will be made available without restriction. □



A song for Europe, from the children of Issy.

Town twinning: how the families get together

It's not all junkets for the councillors, as JACKIE MANNING reports after joining the town-twinners of Hounslow on a summer visit to their opposite numbers in France

In June this year, the London Borough of Hounslow twinned with Issy-les-Moulineaux, a suburb of Paris. Hardly headline news, except in the two towns' local papers. But this was the fourth time Issy has linked up with another European town.

It began in 1952, by twinning with the Bavarian town of Weiden, as a deliberate act of reconciliation after World War II. There followed a twinning with Frameries, in Belgium; and this year, as Weiden and Issy celebrated the 30th anniversary of their link-up, Issy joined with the Italian town of Macerata, which was already twinned with Weiden. The twinning with Hounslow – after a two-year search to find an untwinned London borough – brings Issy's tally up to four.

Whether or not that is some kind of a

record, the two boroughs have set off in style. For the signing of the charters a team of Hounslow athletes ran a relay from their own Civic Centre to the Hotel de Ville in Issy – over 280 miles – carrying a message from the citizens of Hounslow.

Plans are in hand for athletics meetings and football matches between English and French teams, and the Hounslow Schools' First Wind Band will be giving concerts in Issy in October. The band will act as hosts to the Recorder Consort of Issy's Conservatoire of Music in November.

Twinning Associations are self-financing. Money is needed to support these ventures, because no one should feel that the lack of it bars him from visiting the twin town. Thus, in addition to the annual membership fee of around £1-£2, all manner of fund-raising activities are needed, especially in the early stages, not least to keep members informed of all that is going on!

This autumn, for instance, Hounslow is planning a Starlight Carnival, to which friends from Issy will be coming, along with others, it is hoped, from Frameries, Macerata and Weiden as well.

Issy's wide experience of twinning has resulted in a very full diary this year. Schoolchildren from Weiden and Macerata met in Issy, and a party of junior-school children came from Frameries. Sports fixtures were

arranged between Issy, Weiden and Macerata. And in June the great 'Days of Europe' Festival packed the town with visitors from all of Issy's twins, for an international revel that removed many a prejudice and misconception! Apart from the official events, countless private visits were arranged as a result of the gathering.

There is a place, too, for serious discussion of mutual problems – unemployment, aid for the elderly, football fans, street litter – the problems in Issy are much the same as those in Hounslow!

How do the towns find out about each other? The Joint Twinning Committee of the Local Authority Associations of Great Britain is an organisation which draws membership from local, county and district councils and metropolitan authorities, keeps a register of links and other information, and helps local authorities and communities to find new links.

It publishes a twinning handbook – *Places in Partnership* – and is happy to advise and to help would-be twinners.

One of the fundamentals of twinning is that it should be non-political. Also, it should involve people of all ages, social levels and

interests who wish to associate with other nationalities and to discuss matters of common interest. With this in mind, Hounslow residents formed an independent Town Twinning Association, rather than one organised by the borough council. It now has 100 members – a cross-section of workers and residents, ranging from schoolgirls to a nonagenarian. By being financially independent, the Association has avoided the oft-quoted criticism that twinning mainly means joyrides for officials, funded from the public purse.

There are official occasions, of course, but the real twinning is the growing friendship and affection of ordinary people as they get to know a 'foreigner' who, in no time, becomes 'one of the family'.

The notorious school trip to France is held, by many who have undergone it, to be of little value. With a twin town, though, it is possible for schools to arrange twinings of their own, enabling youngsters to attend lessons conducted in their friends' language. Usually the children stay in individual homes. And, by blurring the edges between the 'school journey' and the 'penfriend' visit, they get the best of both worlds.



The Grenadier Guards – garrisoned at Hounslow – add to the festivities at Issy. Also on parade (below) – soldiers of the Grande Armée.



'A great many Europeans still cannot afford holidays...'



Giorgios Contogeorgis

Tourism and the EEC: a plan of action

Up till now, the Community has never attempted to formulate a coherent overall tourism policy. It has contented itself with a piecemeal approach limited to specific aspects such as road transport, the promotion of farm holidays to develop the poorer regions of Europe or the question of motor insurance. The Community only really started to take an active interest in the subject when it gave the tourism portfolio to Giorgios Contogeorgis, the Greek Member of the Commission. The Commission has now sent a set of proposals to the Council which, it is hoped, will lead to a Community plan of action for tourism.

Mr Contogeorgis, who also has responsibility for transport and fisheries, talks about the planned action in this interview with Greek journalist, Andreas Deliyiannis.

Mr Contogeorgis, why do you think the Community has taken an interest in tourism?

Because it has been recognized that tourism is of immense importance as a major growth sector for the Community. The Commission has noted that spending on tourism and the currency movements it entails have increased by 1,000 per cent over the past twenty years. The growth has been even more impressive in some member states. Tourist revenue has soared higher and higher in Britain and Greece, for instance. The Commission sees tourism not only as a form of leisure for citizens of the Community but also as a major economic activity providing jobs for four million workers directly and, indirectly, many more. Tourism also helps to offset balance of payments deficits between the countries of the north and south of Europe. This has obvious beneficial effects for the whole of the Community – harmonious development being one of its basic objectives.

'The Commission has no intention of interfering in national tourist policies'

How can the Community help to develop tourism?

Let one thing be clear from the outset – the Commission has no intention of interfering in national tourist policies. It will simply be concerned to co-ordinate and improve matters when it can. The points which best lend themselves to a Community approach are the staggering of holidays, the development of tourism in less-favoured regions and the promotion of cultural tourism, farm holidays and social tourism.

What is social tourism?

This type of tourism is one of the most original ideas put forward by the Commission. Despite the growth in the volume of mass tourism in recent years, a great many Europeans still cannot afford holidays. Social measures such as aid for organized cut-price holidays and leisure activities, the running of youth hostels or holiday camps and reduced fares can give certain people, such as low-paid workers and their families, young workers or students, old-age pensioners and the handicapped the chance to become 'tourists'. In order to make better use of the tourist infrastructure, old-age pensioners and young persons without family ties can help by staggering holidays. Similar measures are possible with cultural tourism. Unfortunately, there is no Community policy for the protection of the architectural heritage, which is one of the main sources of tourism all over Europe.

You mentioned the development of farm tourism. What do you understand by this?

This type of tourism has found increasing favour in recent years. Farm tourism provides a useful additional source of income for farmers and could also help to stem the flight from the land. Most member states are already trying to develop farm tourism. However, country-dwellers are not properly trained to exploit the tourist potential. Community financial aid is available for training and for setting up tourist facilities in suitable agricultural areas.



'Tourism is of immense importance as a growth sector for the Community'

What can the Community do to promote tourism?

First of all, it should not be forgotten that things have improved considerably since the 1950s. Customs duties between the Member States have disappeared and customs inspections and police controls are now much simpler and faster. In addition to their personal belongings, tourists can import goods acquired in another member state up to a certain value. Customs officers still conduct random checks which could be less strict. The Commission has already submitted proposals to this effect. Despite the many appeals by the European Parliament and the Commission to the national governments, passengers are still submitted to checks for security reasons.

Another matter that concerns tourists is social security. Few people realize that when tourists from one member state spend their holidays in another they enjoy the same rights as migrant workers and are entitled to medical care. To exercise this right, they must present a certificate from their national health insurance organisation to the organisation in the Member State where they receive medical treatment. Unfortunately, too many tourists do not know about this; the Commission is therefore planning a publicity campaign to make this right better known. Furthermore in 1980 the Commission submitted proposals to limit the differences between

national car insurance schemes and last year we issued a recommendation on the rapid settlement of claims.

Has the European Commission been active in the protection of tourists' interests?

The Commission recently carried out a number of studies on the services offered to tourists by travel agents and tour operators. These studies brought to light a large number of problems, especially as regards package tours. An appreciable percentage of customers are dissatisfied about things such as price increases after reservation, changes in services offered and the failure to indicate clearly the responsibilities of the various suppliers. The Commission is already planning to submit to the Council a draft outline directive on consumer protection for all-in holidays. The European Parliament has often expressed its concern about hotel safety and has asked for a Community directive to eliminate some of the shortcomings. The Consumers Consultative Committee has issued an opinion calling for a code of practice. The Commission intends to have studies on hotel safety carried out by private experts.

'Insufficient use is being made of available aid to tourism under the farm fund'

Tourism inevitably involves transport and your portfolio in the Commission covers both. How do you see the two sectors linking together?

There are obviously close links between them. Transport has to enter into any discussion on tourism. The Community can boast of many achievements in the transport sector too. Rules on the free movement of passengers by bus and coach now apply. The agreement which the Community has signed with Austria, Finland, Norway, Portugal, Spain, Sweden, Switzerland, Turkey and Yugoslavia on the simplification of controls will also have a direct effect on tourism. Conditions are good for rail travel, but there is still a great deal to be done for air transport. Looking at air transport from the user's viewpoint, the Commission recommends the establishment of an effective tariff zone within Europe, a change in the tariff structure of scheduled services and the introduction of lower fares. The Commission has also proposed that the Community finance transport infrastructure projects of Community interest - projects such as the Channel Tunnel would obviously be of major importance for tourism.

To what extent does the Community promote investment in tourism?

The Community is involved in two types of operation for developing tourism in the less-favoured regions and areas of the Community. The finance comes from the European Regional Development Fund. Between 1975 and 1980 the ERDF and the Member States jointly financed 272 tourist projects to the tune of £164 million. The aid went to the creation, expansion or modernization of accommodation such as hotels, motels and camping sites. The Commission has proposed that the ERDF concentrate on the regions seriously affected by structural underdevelopment in Greece, the Italian Mezzogiorno, Ireland, Northern Ireland, Scotland, Wales and the French overseas departments. Another type of operation is the development of farm holidays with money from the European Agricultural Guidance and Guarantee Fund. Along with these direct aids to farm tourism, there is an indirect effect in marginal areas where farming is declining. Persons who give up farming can take up tourist work, and the land released by them can be used for parks or sports and recreation grounds. The fact remains, however, that insufficient use is being made of available aid to tourism under the farm fund. It might be as well to draw the attention of the farmers concerned to the facilities offered.



Why is the EEC being blamed for the plight of American farmers?

For about the last year and a half, US spokesmen have been conducting a persistent campaign against the EEC's common agricultural policy. Administration officials have been laying the blame for the crisis in American farming on the EEC with its 'subsidised' exports that are alleged to be competing unfairly with traditional US exports.

US official missions have been travelling around the world trying to convince third countries, even in the developing world, that the CAP is not only creating difficulties for the US but is damaging their interests too.

It is regrettable that no joint effort has been made to understand the specific problems facing agriculture on the two sides of the Atlantic, or to reach a common analysis of the factors affecting world trade in agricultural products, on the basis of which constructive cooperation could be established. The fact is that all the industrialised nations 'subsidise' their agriculture to a greater or lesser extent, and in this respect there is very little difference between the US and the Community.

According to OECD estimates, total government expenditure on agriculture during the years 1976 to 1978 came to 39.2 percent of agricultural value added on average in the EEC and its member states, as compared to 37.6 per cent in the US (this figure is based on the federal budget and does not take account of expenditure by the individual states). In 1980, income support expenditure came to

POUL DALSAGER, Commissioner for Agriculture, takes up American charges of 'unfair' trading in the world's food market

0.41 per cent of agricultural GNP in the Community as opposed to 0.35 per cent in the US.

US federal expenditure on agriculture and food aid in 1980 was \$24.5 billion, as compared to \$12.9 billion in the European Community budget; though if one adds expenditure by member states for social and structural purposes, total public expenditure on agriculture in the Community came to \$37.6 billion. However, taking into account the much higher numbers of people working on the land in the community than in the US (7.8 million as opposed to 3.3 million), US farmers benefited from a much higher level of expenditure per head (\$7,330 as opposed to \$4,780).

No one would deny that there are differences between EEC and US policies for agriculture. These are grounded in the different economic and social circumstances, and should not be a cause for ill-informed abuse. In the EEC, a population of 270 million has to live off 100 million hectares (250 million acres)

of agricultural land, whereas in the US 220 million people live off 430 million hectares (1,070 million acres).

It is obvious, in these circumstances, that one of the major concerns of the common agricultural policy must be to ensure security of supply and stable internal prices for all important foodstuffs. Hence the Community's system of organised agricultural markets and guaranteed prices, accompanied by variable import levies and export refunds. In this way, it has been possible to achieve a reasonable stability of domestic price levels on the Community market in the interests of both producers and consumers, while at the same time allowing the Community to continue as a major importer and exporter of agricultural produce against a background of strongly fluctuating world market prices.

The Community remains by far the most important net importer of foodstuffs and agricultural commodities in the world. In 1980 the Community had a deficit on its agricultural trade of \$30 billion. The Community accounts for 24 per cent of world imports of agricultural products and only 11 per cent of world exports. In these circumstances, it is not unreasonable in purely economic terms that domestic price levels for agricultural produce are on the whole somewhat higher in the EEC than in the US, which is by far the most important net exporter of agricultural produce in the world.

Higher food prices in the Community also

Harvesting this year's bumper crop at a farm in Wiltshire. The EEC has become a net exporter of wheat and barley.

reflect the inherited structural problems of European agriculture, with its much greater number of small farmers. It should be remembered that the CAP, in little more than twenty years, has seen the most remarkable transformation of European agriculture. The number of people actively employed in the agricultural sector, excluding Greece, has dropped from 17 million in 1960 to under 8 million, whereas the numbers employed in US agriculture have remained almost stationary during that time. This demonstrates conclusively that the CAP has not served to protect inefficient farmers, but has been an active force for promoting structural change.

It is sometimes alleged or implied on the American side that the EEC's common agricultural policy, as it has evolved, is contrary to GATT trading rules. This is simply not true. When the CAP was set up at the beginning of the Sixties, the EEC negotiated the introduction of variable import levies in GATT, and gave appropriate compensation to the other contracting parties whose interests were affected, just as it did after Britain joined the Community in 1973.

Our partners in the GATT have long accepted the basic principles and mechanisms of the CAP, including the system of import levies and export refunds. American acceptance of the CAP was formally confirmed in 1979, at the end of the Tokyo Round, by the chief US negotiator. This explains European concern at recent statements by Mr Black and other Administration officials which seem to call into question that acceptance, particularly as regards EEC export refunds, in spite of the fact the export subsidies for primary products are explicitly allowed under GATT.

What has happened? It is true that, under the influence of economic growth, food consumption in the Community increased rapidly in the 1950s and 1960s and early 1970s. Since the mid-1970s, per capita consumption has stabilised while population growth has slowed down, with the result that overall food consumption has been growing slowly.

At the same time, the modernisation and restructuring of European agriculture, with the accompanying technological progress and improvements in productivity, have continued unabated. Production has continued to increase, particularly for those products for which the natural conditions are favourable such as wheat and barley, milk, meat, beet sugar and wine. As a result, the Community has over the last few years become a net exporter of these products.

It is understandable that this should bother US farmers, who were accustomed to a dominating position on world markets, though the EEC is not the only – or even the major – competitor that US farmers have to face on world markets.

The Community with its 'subsidised' agri-

cultural exports is nevertheless being blamed for the current difficulties of the US farmers. This is unacceptable for several reasons.

In the first place, the variable export refunds, which are designed to bring domestic EEC prices down to the world level, are an integral part of the Community's market stabilisation policy described above, and could not be abolished without undermining the CAP as a whole. To the extent that these variable refunds are considered as export subsidies, it should be remembered that the agreement, reached after long and difficult negotiations on the subsidies code in the Tokyo Round in 1979, confirmed the existing GATT rule that export subsidies for agricultural products are permitted, provided the subsidies are not used to obtain a more than equitable share of world markets.

Taking into account the substantial increase in US agricultural exports, the growth

'What we cannot understand is why the European Community should suddenly be branded as the cause of market difficulties in the United States and the world'

of EEC agricultural exports has not led to the Community increasing its share of world trade. For example, Community exports of wheat doubled between 1969-70 and 1980-81 to 14 million tonnes, but world trade expanded even more rapidly, with the result that the EEC share fell from 16.6 per cent to 14.9 per cent. Over the same period, US exports more than doubled from 16.5 million tonnes to 41.9 million, i.e. from 38.4 per cent to 44.8 per cent of the world market.

The growth of EEC exports can have had no effect on world wheat prices, which are determined essentially by the size of the US and Canadian harvests on the one hand and the import needs of countries such as the Soviet Union and China on the other. The biggest problem for US agriculture has in fact been the drop in prices for coarse grains, soya and cotton. In these sectors, the Community is not a competitor but a customer.

The EEC is the world's biggest importer of corn (9.9 million tonnes in 1980), soya beans (11.8 million) and soya cakes (7.2 million).

As a matter of fact, the Community remains the largest export market for US agriculture. In 1980, the EEC had a trade deficit in food and agricultural products with the US of \$7 billion – up from \$6 billion in 1979 – and the deficit continued to increase in 1981.

The claim that the EEC's sugar policy is to blame for the US Administration's decision to introduce a new support scheme for sugar with import fees and import quotas, is also


hard to understand. The problem on the US market lies in the increasing consumption of corn sweeteners, resulting in decreased consumption of sugar. The US scheme, which is strongly criticised by the sugar exporting countries, was introduced just after the Community had changed its sugar policy so as to eliminate any net subsidy for sugar exports from the 1981/82 marketing year. Since then, the EEC has voluntarily withdrawn 2 million tonnes from the export market in order to avoid a further decline in world sugar prices.

The controversy over corn gluten is another area where we find it hard to understand the US position. Corn gluten feed is a by-product of the production not only of starch but also of sweeteners and alcohol from maize, both of which have been stimulated by the US authorities. Almost the entire US production of corn gluten feed now finds a ready market in the EEC as a cereals substitute in animal feed.

This is a result of the discrepancy between the cost of corn gluten feed and other cereals substitutes which are imported duty free, and the relatively higher internal prices for cereals in the EEC. We are planning to gradually reduce the gap between EEC and US cereals prices, which should in time reduce the incentive to import increased quantities of corn gluten feed. Meanwhile, the continuing growth in imports of cereals substitutes into the Community results in lower EEC imports of maize, and higher EEC exports of cereals and poultry, with negative consequences for both the Community budget and US farm exports.

The Community has no intention of trying to cut back imports of corn gluten feed, but I am convinced that measures to stabilise imports at their present level, to be negotiated in accordance with GATT rules, would be in the interests of both the Community and US, and we hope the US will agree to sit down and discuss the matter with us.

Agriculture is facing similar difficulties in the Community and the US. These include depressed world markets for several major commodities, as well as inflation and high interest rates, which have been hurting farmers' incomes on both sides of the Atlantic. The Community has always been a substantial exporter of agricultural products, but it has no desire to increase its share of world markets by cutting prices, which is as much against our interests as it is against those of our competitors. Indeed, the Community has adjusted its domestic policies for grains, sugar and milk, since it has become a net exporter of these commodities.

What we cannot understand is that, after years of negotiations and cooperation in the GATT and elsewhere, the European Community, which remains the biggest net importer of agricultural produce, should suddenly be branded as the cause of market difficulties in the US and in the world. It is time to sit down together, to consider the problems on their real merits, and to resume our traditional cooperation, instead of indulging in pointless and counter-productive confrontation. 

STRASBOURG NOTEBOOK

MICHAEL WELSH, Member of the European Parliament for Lancashire Central

Back in Strasbourg after an intensive round of meetings in the USA with senior members of the Administration, of the Foreign Affairs and Trade Sub-committee of both Houses of Congress, the business and financial communities and representatives of Labour, one is left with the dismal feeling that relations between America and the European Community have deteriorated to the point of crisis.

A senior State Department official reflected that the present disputes in the trade and economic sectors were harbingers of far more fundamental political disagreements which, if allowed to grow unchecked, could split the Alliance itself by the end of this decade. He believed that it was essential for the structure of communication between the two sides of the Atlantic to be reformed, so that mutual understanding could be restored.

It was clear that the apparent harmony of the Versailles meeting had concealed the fact that technical matters of trade, particularly with the East Bloc, had become politicised to the extent that the Heads of Government were presenting each other with lists of 'non-negotiable and mutually incompatible demands'.

The crisis, like so much else, has its roots in the recession. In Washington we were handed a policy leaflet which could easily have been written in Congress House. Workers' livelihoods were being destroyed by unfair foreign competition; jobs were being exported and the manufacturing base eroded through the negligence and weakness of government negotiators. The only difference was that these were American workers and American jobs, whereas we use identical rhetoric when seeking to defend the interests of workers in Europe. There could be no more telling exposure of the fallacy of protectionism than to see one's own arguments turned back in this way.

The direction of the US economy seems bedevilled by confusion and drift. Supply-siders in the Treasury maintain that their objectives of reducing taxation, cutting government

'The US sees these things in very simple terms, and believes in straightforward solutions'

spending on domestic programmes while massively increasing it on defence, and bringing inflation down through control of the monetary base, remains valid and compatible, and it is simply a question of whether the political process will have sufficient resilience to accommodate the economic dynamics. There appears to be some disposition to intervene more readily in the exchange markets. But, while everyone agrees that high interest rates are stifling any chance of recovery and deepening unemployment, no one pretends to have any idea as how they might be brought down. Meanwhile, in the US we were told that the American economy was programmed to grow at 4 per cent next year – the result of consumer-led expansion stimulated by a tax cut in the summer. Such a forecast, with its Keynesian overtones, was greeted with marked scepticism, not to say derision, on Capitol Hill. As one Congressman put it: 'The Administration, and the President in particular, see these things in very simple terms and believe in straightforward solutions. They are incapable of addressing the complexities of the



American economy, and remain the prisoners of their own prejudices.'

This purlblindness must have been a powerful factor behind the Haig resignation.

Nothing better illustrates the disharmony of European-American relations than the recently-announced embargo on the use of US technology in the construction of the Siberian gas pipeline. As interpreted by Vice-President Bush, the President cares very deeply about Poland and feels

morally bound to show the Russians that sanctions will be imposed in the face of their intransigence, the European allies must be prepared to shoulder their share of the burden.

No doubt this is an important part of the rationale behind the pipeline decision. But there was a widespread belief among senior officials that it was also a straightforward reprisal for the failure of the Europeans to meet the American request for a tighter credit policy *vis-à-vis* the COMECON countries. There has been a serious failure on the part of some EEC governments to perceive how deeply the Americans feel the need for a common trade policy towards the East Bloc, and the fecklessness of their attitude to US proposals has been immensely irritating to an administration which sees containment of the Soviets as a principal objective of its policy.

The result is an instinctive response which not only puts jobs and investment in Europe at risk, but also raises serious questions over America's right to force companies overseas to conform to the dictates of American regulation – even where this runs counter to the domestic law of the country in which they operate.

The implications of such extra-territorial legislation are extremely grave for our future relationships; but there is no indication that the President and his advisers had in any way thought this through when the embargo was announced.

The relationship between the United States and Europe is not unlike a long-established marriage which has been allowed to turn sour.

If harmonious relations are to be restored, both sides must be prepared to make concessions. The Europeans must give ground on the vital issues of East/West credits and artificially high cereal prices. In return, the Americans should be prepared to make constructive proposals for a common trade policy with the East Bloc, and stop pretending that the problems of their steel industry, currently operating at 42 per cent of capacity, can be laid at the door of subsidised imports from Europe amounting to a trifling 6.2 per cent of current consumption.

Above all, governments on both sides must resist the temptation to justify themselves to public opinion by outbidding each other in strident accusations and running like spoilt children to the GATT to be justified.

All marriages have their vicissitudes, particularly when times are hard and there are no obvious signs of improvement. If irritation and squabbling are not to lead to rupture, both partners need to have the maturity to recognise that the things they share are far more important than the disagreements, and that they must maintain their unity in the face of common difficulties.

EURO FORUM

The Community and EFTA: the experience of the first ten years together

July saw the Community celebrate ten years of co-operation with the member countries of the European Free Trade Association (EFTA). The Community's Foreign Ministers paid tribute to the stability and security the agreements had brought in the monetary and commercial fields at a time when the world's economy is undergoing profound changes and faces the spectre of protectionism.

The Community intends to expand its links with the various EFTA countries, which enjoy virtual free trade in industrial products with the Community under a series of agreements signed ten years ago.

Concrete evidence of this determination came when Foreign Ministers agreed to new rules granting easier access to the Community market for electrical and mechanical products, scientific and technological research projects, economic and currency development, environmental protection and the situation of the timber and paper industry.

Recently, Finland requested access to the Community's data network system, Euronet, so that it could be plugged in to its own scheme. Euronet, set up in February 1980, is designed to provide easy and fast access to scientific and technical information. The Community is expected to grant Finland's request.

Sweden is another EFTA country which continues to extend its co-operation with the Community. It has recently agreed to take part in a three and a half year project to explore the various

aspects of the use of electric road vehicles.

Sweden, like Norway, has contacts with the Community that go far beyond the realm of pure trade. Both countries have fisheries agreements designed to ensure the conservation of joint stocks with the Community.

They negotiate annual steel arrangements with Brussels; co-operate in research projects covering data processing, telecommunications, meteorology, oceanography and transport; and regularly exchange information on energy policy and protection of the environment.

Commission President Gaston Thorn's visit to Austria at the end of June also marked ten years of deepening ties between Brussels and Vienna.

Trade between the partners has grown considerably. Austria is now the EEC's fourth largest customer, taking £63 billion pounds worth of goods in 1980, and the Community's eleventh largest supplier, sending products valued at £3.8 billion—over half its total exports—to the Community annually.

Since January 1980, the only tariffs to be applied on trade in industrial goods between the two economies is on paper products. These are due to be lifted from January 1984.

Austria's special geographical situation signals it out as a crucial centre for transport and transit links. Special agreements between Brussels and Vienna dating from 1957 are designed to eliminate customs formalities on goods shipped by rail or road haulage.

Austria is now negotiating with the Commission for support in the construction of the Innviertel-Pyhrnautobahn motorway between North West Europe and the Balkans. Exchanges of information on steel exports have taken place for over 12 years.

Co-operation between the Community and Austria, as with all the member countries of the European Free Trade Association, is reviewed twice a year by a joint committee. At the latest meeting of the Community/Switzerland committee in June, both sides stressed the success of their co-operation over the last ten years and the need to consolidate these achievements.

The latest example of this deepening of ties came towards the end of June with provisional agreement on insurance arrangements between the two parties—the first treaty to deal with freedom of establishment in this area.

FISHING QUOTAS: STILL ALL AT SEA

The Community's Fisheries Ministers, will pick up their talks on a common policy in Luxembourg on September 21.

This follows their failure to make a breakthrough at the two-day meeting in Brussels in mid-July. The sticking points on that occasion proved to be the terms of an agreement with Norway over the management of joint stocks and the share out of different species of fish between the national fleets.

The latest Commission proposal would give Britain 36.2 per cent of the seven main species and Denmark 23.3 per cent. The quantities for other countries are: Germany (13.9 per cent), France (13.2 per cent), Netherlands (7.2 per cent), Ireland (4.3 per cent) and Belgium (2 per cent).

As the end of the year draws near, so too does the pressure on Ministers to reach a settlement. December 31 is the date that the temporary safeguards which have operated for the last ten years come to an end, and a new system will then have to be introduced.

Danish Presidency outlines its priorities

The Danish Government has set itself five main targets during its six-month presidency of the European Community. These were spelt out to MEPs by the country's Foreign Minister, Kjeld Olesen, less than one week after taking over the Community chairmanship on July 1 from Belgium's Leo Tindemans.

The Danes' number one priority is to reduce unemployment in the Community from its present disturbing level of over 10 million. The discontent unemployment generates among young and old alike, said Mr Olesen, represents a dangerous threat to democracy.

Stressing the need for deeper co-operation between Governments in tackling this challenge, the Danish Foreign Minister urged improvement in industrial competitiveness, higher levels of investment and reduction in oil imports.

Specific attempts to cut back dole queues are expected to focus on a common approach to annual working time, improved training opportunities and frequent talks with both sides of industry.

The second and third priorities set by the Danes are determined by end of the year deadlines. Under the Treaties, a Common Fisheries Policy has to be introduced by January 1 1983.

Mr Olesen confirmed his Government was ready 'to make an effort' to agree a policy.

The second negotiations against the clock focus on ways of reducing the United Kingdom's net contributions to the Community budget. Foreign Ministers agreed earlier this year to approve an arrangement before 1983.

This would run for a number of years—anywhere between 3 and 5—and would replace the present temporary deal which expires in December.

Copenhagen will also have the task of organising the negotiations for any change of status between Greenland and the Community. At present a fully integrated part of the Community, Greenland voted in February to withdraw. It still remains a semi-autonomous part of the Kingdom of Denmark.

The Danish Government hopes these talks will be completed by the end of the

year and will ensure Greenland associate status with the Community.

Explaining the logic for such a change, Mr Olesen said: 'The Greenlanders have made it clear that the desire for a different status in relation to the Communities should in no way be regarded as a slight to the Community. They feel a strong need to cultivate their own identity and find that autonomous government can best be further developed outside actual membership.'

The final challenge facing Denmark is to bring to a successful conclusion entry negotiations with Spain and Portugal. Mr Olesen admitted a number of problems still remained, but stated these had to be resolved.

'The accession of these two countries to the Communities is a natural consequence of the fact that the Community is open to all democratic countries in Europe wishing to be members. Despite our own difficulties the Community must not appear to be a closed shop of self-sufficient members,' he said. Both countries hope to be in the Community from January 1984.

How energy makes the world go round

'Knoxville! You've got to be there.' So runs the publicity of the 1982 World's Fair. And as the organisers say, if you miss it this year, you've missed it for ever.

From May 1st to the end of October, an estimated eleven million people will have travelled to Knoxville, Tennessee to visit the twenty-three national pavilions which are spread over the 72-acre site, to marvel at the 266 foot-high Sun-sphere, and to consume hundreds of thousands of friendly Belgian waffles. The waffles are an important part of what the Fair's organisers call 'exotic cuisine' which are constantly on hand to keep the hungriest visitors fully charged with calories.

World's fairs or international exhibitions are, of course, not new. Back in 1867, Paris hosted an international exhibition at which aluminium was introduced. At Philadelphia, nine years later, Alexander Graham Bell promoted the telephone.

And Knoxville 1982? Knoxville celebrates—if celebration is the right word—

the energy crisis and how to tackle it. The theme of the international exhibition is how energy turns the world; and as Knoxville is to be found in the home state of the mighty Tennessee Valley Authority and the Oak Ridge National Laboratory, its citizens are rightly proud of the energy theme that has been selected for visitors from throughout the world.

The national pavilions give impressive prominence to energy matters, and the European Community's exhibit is no exception. The energy theme is represented in the Community's sunburst motif, which is the central feature of the facade of the pavilion.

The sunburst idea was executed by the British artist, Geoffrey Hutchings, who was inspired by a photograph of a solar eruption. Naturally, the Community exhibit also gives the visitor a privileged insight into the ideas behind the Community, its institutions, its goals and its place in the world.

Other Community countries have contributed their skills to help make the Community pavilion a major success. Colourful ceramic tiles have been supplied by the Federal Republic of Germany. Italy produced the Community's audio-visual show and the *haute-couture* uniforms worn by the hostesses and hosts. France helped design the reception lounge.

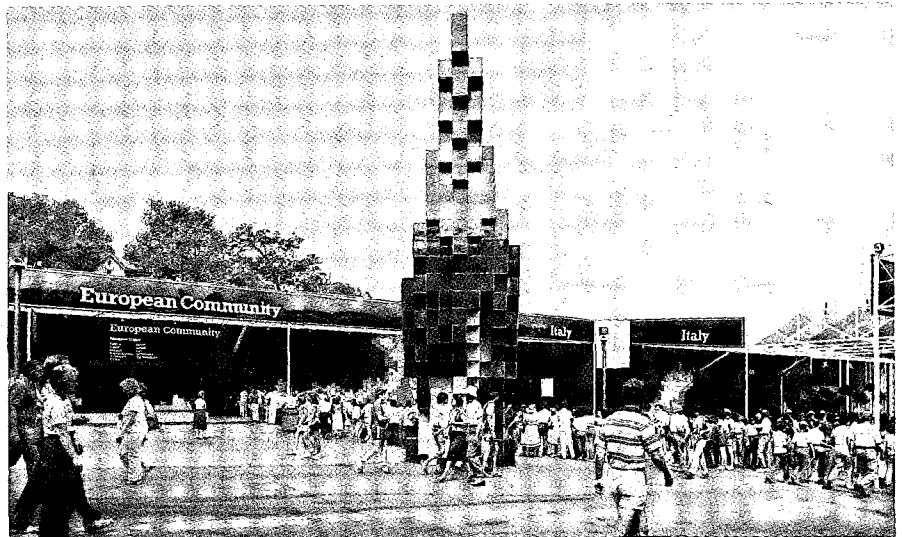
For the first time at an international exhibition, a grouping of pavilions has been created which links that of the Community with those of the member states present. France, the United Kingdom, the Federal Republic of Germany, and Italy, are all participating. When the Community pavilion and those of the four member states are taken together, a Community exhibit of 4,000 square metres is in place—the second largest at the Fair.

The 31st of May was selected as the European Community Day at Knoxville and Lorenzo Natali, Vice-President of the European Commission visited the Fair to give an address on the respective Community policies on the principles of trade, the enlargement of the European Community's membership and relations between the European Community and the United States. Mr Natali was accompanied by the Washington Ambassadors of the member states or their deputies. Among the Ambassadors present were J. Raoul Schoumaker, Ambassador of Belgium, Peter Hermes, Ambassador of the Federal Republic of Germany, Irish Ambassador Tadhg O'Sullivan, Luxembourg Ambassador Adrien Meisch and British Ambassador Sir Nicholas Henderson. In his speech, Mr Natali pointed to the discord be-

tween the United States and Western Europe. Relations were at a low ebb. The merits of Fairs like Knoxville were that they showed what could be done together to face common problems such as the energy crisis and the economic crisis, Mr Natali said.

International co-operation was also a theme taken up by Michel Carpentier of the Commission's Energy Directorate.

There was scope for greater co-operation among the industrialised countries in the development of new energy technologies such as fusion, coal gasification or liquefaction, Mr Carpentier said. He went on to call for extended co-operation amongst the developed world, the oil importing countries and the oil producers.



At the 1982 World's Fair: the European Community pavilion.

Yellow cards for national football associations?

The European Commission is poised to show the yellow card to national football associations that refuse to play the game by Community rules.

It is suspected that some of these bodies limit the number of non-nationals a club may field at any one time. This is illegal under the Treaty of Rome, which guarantees people the right to practice their livelihood in whichever Community country they wish.

A decision by the European Court of Justice in 1976 confirmed this also applied to professional footballers.

These defensive tactics came to light when the German Socialist MEP, Mr Hans-Joachim Seeler, whose constituency of Hamburg recently had the pleasure of Kevin Keegan's skills, complained to the Commission that his national league insists no more than 2 non-Germans may play in a German team at any one time.

The Commission is now demanding comprehensive information from all these football bodies on the rules they apply and is likely to inform them of their Community obligations.

There is no suggestion, however, that national teams would be caught by this legislation. Countries would still be represented by their own nationals.

Nor is the Commission preparing to step in and referee the national and international transfer markets within the Community.

Headaches abroad: the Middle East and US relations

The June European Council held in Brussels was dominated by external events, as Heads of State and Government reviewed the dangerous situation in the Middle East and their deteriorating relations with the United States.

A major point on the European leaders' agenda was the search for a ceasefire in the Middle East after Israel's sudden invasion of Lebanon.

The European leaders condemned the Israeli invasion, but backed off from introducing economic sanctions. Instead, they announced the suspension of further financial aid and the cancellation of the next round of ministerial meetings between the two parties.

The Community provided in June, £400,000 (700,000 ECU) in emergency aid to Lebanon, and a 5 year loan of £28 million (50 million ECU) from the European Investment Bank. This sum will be used to encourage industrialisation and modernisation of agriculture, technical co-operation and training schemes. Some 20,000 tonnes of cereals was also sent.

Calling for a ceasefire in the Lebanese conflict, the Community urged the withdrawal of Israeli forces from round Beirut and the departure of Palestinian forces from the western part of the capi-

tal as a first step. Later all Israeli forces would have to leave the country.

Keeping to the Middle East policy elaborated two years earlier at the Venice European Council, Community Heads repeated the need for negotiations 'based on the principles of security for all states and justice for all peoples.'

After the Middle East, Government leaders had to concentrate on the array of arguments they are having with the United States and which are putting the transatlantic partnership at its lowest ebb in the post-1945 era.

European anger has been roused by the Reagan Administration's decisions to impose special duties on steel imports, prevent Community firms subcontracting from American companies from honouring contracts on the Siberian gas pipeline, continue the policy of high interest rates and challenge the legality of subsidies on the Community's agricultural exports.

None of these issues were referred to in the final communique, but their presence was only vaguely concealed in the following passage:

'The European Council emphasised its view that the maintenance of the open world trade system will be seriously jeopardised by unilateral and retroactive decisions on international trade, attempts to exercise extraterritorial legal powers and measures which prevent the fulfilment of existing trade contracts.'

The European leaders called for a 'genuine and effective dialogue' between American and EEC policy makers adding it should be instituted 'as a matter of urgency'. At an emergency meeting on 24th July they agreed to negotiate with one voice with the Americans in August in a last minute attempt to negotiate a global steel arrangement.

EUROPEAN REVIEW

Trading with China.

European trade with China that began with Marco Polo and virtually ended with the Cultural Revolution has risen like a Phoenix from the ashes since the death of Chairman Mao.

With the establishment of formal relations between the European Community and China in 1975 and the signing of agreements on trade and textiles in 1978 and 1979, respectively, trading between the two blocks has soared to more than five billion dollars last year.

Between 1978 and 1981 trade between the Community and China doubled and by 1980 the EEC was importing 1.4 billion dollars worth of Chinese manufactures, more than either Japan or the United States, which imported less than a billion dollars worth.

Today, Europe is still China's biggest market for manufactures, but for the European Community trade with China still only represents less than 1 per cent of its total world trade.

For China, which despite its immense size only buys about 20 billion dollars worth of imports a year (compared to Europe's 350 billion), it has become an important part of its overall development strategy.

The importance attached to foreign trade in post-Mao China has forced a continuous process of change and experimentation in the structure of her state trading system. Powers have had to be devolved to the provinces and to regional authorities and new 'Special Economic Zones' have been set up to make Chinese products competitive in the international trading arena. Earlier this year the foreign trade organs of central government were completely overhauled.

Western business interests jostling for a slice of Chinese markets have been offered a certain amount of help from the European Commission, which has provided seminars and work-exchange programmes for closer Euro-Chinese links. In July, a seminar in Brussels entitled 'The Reform of China's Foreign Trade System'

attracted top Chinese and European officials and businessmen.

Speakers at the seminar included the directors of the Foreign Trade Departments of Peking and Shanghai, as well as trade officials from the provinces of Jiangsu and Guangdong, reflecting the extent of decentralisation the system has undergone in recent years. More than a hundred Community trade officials, China traders, bankers and journalists attended the conference, which was widely regarded as a success. Community officials say that closer links are essential if mutually beneficial trading relations are to be maintained.

Commissioner Etienne Davignon reportedly voiced European fears that China's trade with Japan and the United States was growing much faster than its trade with the Community, on a visit to Peking in June.

Chinese Premier Zhao Ziyang explained the tendency by pointing out the advantages of distance enjoyed by Europe's competitors and reiterated China's support for a strong and united Europe.

But this explanation of the unequal trading relationship seems unlikely to satisfy the Europeans in the long run and attempts by the Community's officials to encourage European businessmen to export to China look like expanding in the foreseeable future.

Natali presses for integrated programme

The Commission is putting the finishing touches to its blueprint for developing the Community's Mediterranean regions.

Special integrated programmes covering agriculture, fisheries, industry, energy and research are being prepared with the Governments concerned and drafts will be published before the end of the year.

Some £5.6 million (10 million ECU) is being set aside next year to pay for the preparation

of these plans. Impetus for the ambitious programme has come from the Commissioner in charge of the enlargement negotiations, Lorenzo Natali.

Agriculture will occupy the key position in the programmes. Not surprisingly, when you consider that between 20 per cent and 60 per cent of the working population are involved in farming, against the Community norm of 8 per cent.

Ideas being investigated are incentives for irrigation schemes, encouragement to grow greater varieties of produce, help in improving productivity of existing crops or sectors like stockfarming and finance to develop dried fruit, medicinal plants, seedlings and seeds.

On the fisheries front, Mr Natali would like to see marine pollution reduced, promotion of inshore fishing, and development of port facilities.

Small and medium sized industries will be helped by enabling them to capitalise on new ideas and management techniques, while energy costs could be reduced by developing solar energy.

Being at the crossroads of trade routes between northern and central Europe and the other Mediterranean countries, these regions face a brighter future if transport links can be improved - a policy which, allied with efforts to increase available accommodation, would also stimulate their tourist potential. Mr Natali is also aware of the Community's responsibility towards other Mediterranean countries.

Links built up over the years have ensured that the Community represents this group of countries' largest export market.

At the request of Community Heads of State and Government at their June Summit in Brussels, Mr Natali is also preparing an inventory of the problems raised by Portuguese and Spanish accession to the Community. This, he recently assured the Spanish Parliament during a visit to Madrid on June 25/26 should not be interpreted as an attempt to delay the entry negotiations.

The overstretched social fund

During 1981 unemployment in the Community shot up from 6.8 to 10 million, the sharpest rise in the numbers of jobless since the 1930s, according to the Report on the activities of the European Social Fund for 1981.

Job losses in industry accelerated and the drift from agriculture continued but it was young people, particularly those under twenty-five, who suffered most. This category now accounts for almost 40 per cent of the unemployed in the Community.

It was against this background that the Social Fund was forced to operate. The struggle was difficult, not least because the resources of the Fund were overstretched. Requests for cash were up almost 20 per cent over 1980, while the funds available rose by less than 9 per cent.

The Fund Committee paid out almost 1,000 million ECU during the twelve month period. About 37 per cent of this was handed over to national authorities in the member states specifically for youth employment programmes.

These consisted of vocational training schemes for the unskilled and semi-skilled, retraining schemes for redundant workers and work-experience programmes. Numerous job-creation schemes were approved and some help was also given in the form of recruitment subsidies. In all, it is estimated that aid from this section of the fund will help train almost 300,000 people.

Of all the categories of unemployed, it is the women under 25 who have been hardest hit in the last few years. Indeed they account for more than 50 per cent of the total female jobless in Britain, France, Italy and the Netherlands. They were singled out for special treatment by the Fund.

During 1981, 87 per cent of Social Fund assistance was allocated in areas which were also eligible for aid from the Community's Regional Development Fund.

Step by step through a crisis that challenged the unity of the Ten

THE COMMUNITY AND THE FALKLANDS

2 APRIL Declaration of EEC foreign ministers condemning armed intervention in Falkland Islands by Argentina. They urgently appeal to the Government of Argentina to withdraw its forces and to comply with UN Security Council resolution 502 calling on it to withdraw its troops from the Islands and continue the search for a diplomatic solution.

6 APRIL Statement by Commission condemning the armed intervention of Argentina against a territory linked to the Community. The Commission expresses its solidarity with the UK and urges the Argentinian Government to implement Resolution 502 of the Security Council.

10 APRIL EEC foreign ministers announce a complete embargo on arms and military equipment destined for Argentina. They also announce that necessary measures will be undertaken to ban all EEC imports coming from Argentina, this in conformity with Article 224 or 113 of the Treaty of Rome. A decision as to when the embargo would take place would be taken after Easter.

16 APRIL EEC foreign ministers make a unanimous decision to suspend imports of all products originating in Argentina. The decision, which takes the form of a Regulation (Regulation 877/82), is effective from 16 April and valid until 17 May 1982. The Regulation does not apply in the following cases:

products accompanied by import documents issued before the date of its entry into force which mention Argentina as a country of origin;

products to be imported in execution of contracts concluded before that date;

products in course of shipment to the Community at that date.

A similar decision is taken making sure that the embargo comprises also products covered by ECSC Treaty and originating in Argentina.

20 APRIL Informal meeting of EEC foreign ministers in Brussels on Falklands crisis. The Ten agree on four conclusions:

reaffirmation of their solidarity with the UK in the Falklands crisis;

confirmation of the Community's desire for full implementation of UN Security Council resolution 502 calling for withdrawal of the Argentine forces;

a declaration calling for a peaceful solution to the crisis;

strong support for US Secretary of State Alexander Haig's continuing efforts to encourage a settlement.

22 APRIL European Parliament approves by 203 votes to 28 a resolution condemning the Argentine invasion of the islands and backing the UN demand for the withdrawal of all Argentine forces. It praises the quick action taken by the ten EEC member states to impose an embargo on imports from Argentina and recommends the EEC Commission and the Council of Ministers to review the possibility of taking further measures.

12 MAY European Commission makes a formal proposal to EEC foreign ministers to extend by another month until 17 June the Community's ban on imports from Argentina if UN Security Council Resolution 502 is not respected by the Argentine Government.

European Parliament approves by 131 votes to 79 (11 abstentions) a resolution asking EEC governments to agree to maintain sanctions against Argentina if no peaceful solution to the conflict is reached by 16 May, when current sanctions expire.

17 MAY EEC foreign ministers agree to renew trade sanctions against Argentina for a week, i.e. till 24 May. Italy and Ireland decide to opt out of the embargo but promise that they will do nothing to undermine the agreement. Denmark argues that sanctions should be left to national governments and promises to pass legislation through its parliament to extend the ban.

24 MAY EEC foreign ministers decide to continue trade sanctions against Argentina indefinitely although Ireland and Italy decide to remain out of the arrangement. Denmark will operate the ban independently because of domestic opposition to maintaining it through a Community regulation.

12 JULY Acknowledgement by Argentinian Government of a *de facto* cease-fire.

11 July: home from the Falklands. The Canberra sails into Southampton to a rapturous welcome.



Action against hunger in the Third World

Bleak words of warning, alerting us to expect an increase in hunger and malnutrition in Africa in the 1980s, have been issued in recent months by the World Food Council, the European Parliament and the European Commission.

The World Food Council, a United Nations body formed to monitor the distribution of food supplies, has been particularly explicit in its assessment of the deteriorating food situation in Africa. In a report presented at a meeting in Acapulco, Mexico, the Council stresses that food production in Africa has been 'far outstripped by population growth'. The report makes it clear that 'hunger and malnutrition during the 1980s can be expected to become far more widespread in Africa... unless concrete measures are intensified to reverse these trends'.

The problems caused by hunger in Africa have received top priority at the European Parliament, which has held two formal 'public hearings' and a number of debates on the subject. Statistics published by the Parliament are particularly grim. Almost 750 million people in the Third World are undernourished. Almost 25 million people – and children – die of malnutrition every year. A parliamentary study draws attention to the fact that the very countries suffering from food shortages today used to be able to meet their food requirements only thirty years ago. What went wrong?

Although experts differ in their response to this question, they agree that the main cause for Africa's food problems lies in the neglect of agriculture in recent years. The fact that most countries in Africa have specialised in the production of a limited number of cash crops – tea, coffee, rice, cocoa, and sugar – and ignored the development of subsistence farming, has also contributed to the worsening food situation in most African countries.

Some experts blame the African climate and the recurrence of drought for the dramatic food crisis facing the continent today. Still others point out that local wars, political turbulence and power rivalries have retarded economic progress, and prevented adequate investments in the farming sector. Whatever the reasons, the results are alarming. African countries import a total of 11 million tonnes of grain per year and receive something like 7 billion dollars in international aid to develop their agriculture. Despite these aid efforts, however, African food production continues to decline. The World Food Council report points out that food production fell by 15 per cent in the 1970s, compared with 7 per cent in the 1960s. 'Preliminary estimates point to a further deterioration in the 1980s,' warns the report.

The need for immediate action to prevent a further decline in food production is therefore imperative. Until recently, the emphasis,

SHADA ISLAM reviews the food crisis that threatens large areas of Africa, and the urgent search for a solution

both at international and European levels has been on food aid as the best way of fighting hunger in the Third World.

This emphasis on food aid has now been questioned by the European Commission. Spurred on by the new Commissioner for development policy, Edgard Pisani, the European Commission has drawn up a new and wider-ranging plan, designed to prevent Africa's slide into famine. This new approach is expected to become the cornerstone of the European Community's development policy in the years ahead.

As Edgard Pisani told members of the European Parliament recently, 'the Commission believes that it is not through temporary action that one can put an end to hunger but through development itself, which is a long and difficult process'. He went on to explain that development, as he saw it, was not just a question of 'roads, more dams, hospitals, schools, irrigation and factories'. It was a process which allowed people to organise themselves in order to control their economic and social destinies, once they had mastered their political destiny'.

As such, according to Commissioner Pisa-

Hunger – 'the end result of endemic poverty'.



ni, the campaign against hunger must encompass the development process in African nations. A report drawn up by the European Commission draws attention to the fact that hunger and malnutrition in the Third World are not always the result of natural disasters or wars. Commission experts see hunger as the end result of the 'state of endemic poverty in which most Third World people find themselves'. Food aid alone cannot solve their problems, because it does not get to the roots of the problems of underdevelopment.

'Food aid does not solve the essential problems of agriculture development', Pisani told a recent meeting of the European Parliament. 'It can undermine local systems of food consumption and production, create dangerous illusions and lead to unnecessary expenses', he added. 'What is needed,' he continued, 'is more rigorous articulation between the internal economic policies followed by the developing nations, food aid considered as a temporary corrective, and a global develop-

'An action plan that calls for three specific types of effort'

ment effort which gives priority to subsistence farming and rural development.'

The emphasis, according to Commissioner Pisani, must be on the adoption of 'food strategies' by Third World nations. He explained to members of the European Parliament that the Commission planned to conclude a series of 'pacts' with interested developing countries—at least three of which—Mali, Zambia and Kenya—had already indicated their interest in the EEC's plans.

These 'pacts' would be based on the adoption by a developing country of 'a rigorous economic policy'. This would involve a decision to encourage agriculture production by increasing prices offered to farmers, with the EEC helping governments in the structural adjustments which such a new farm policy would entail. The EEC would also provide assistance for the stocking, purchase and distribution of the increased farm production.

The implementation of such wide-ranging food strategies form the key element of the new plan of action against hunger announced recently by the European Commission—and approved by EEC development ministers.

The action plan calls for three specific types of effort. The first focuses on the immediate problems of survival facing the 10 million refugees and homeless persons in the Third World. The second and most elaborate part of the programme concentrates on efforts to increase food production in different African states, while the third element of the campaign focuses on action to improve the rural environment of Third World nations. The Commission earmarks 184 million ECU for

the three types of actions, making it clear that this money will be in addition to the resources earmarked for rural development in the Lomé Convention or the more modest programme for other non-ACP developing countries.

Commission experts stress that there are about 4.5 million refugees in the Third World—including Afghan refugees seeking shelter in

Pakistan, displaced persons in South-East Asia, Central America and Angola—who are in urgent need of assistance. The European Community plans to give about 35 million ECU as emergency aid for these refugees, in addition to the food aid supplies and financial assistance already sent to them through other EEC programmes. ☐

MPs call for more food aid

The European Parliament wants the Community to do more to help feed the world's hungry.

In a resolution put down by a Belgian MEP, Victor Michel and adopted by a large majority the Parliament has called for more funds to combat hunger, coupled with greater allocation of resources for development aid.

Specifically, the Parliament wants all member countries to give a sum equal to 0.7 per cent of their Gross Domestic Product towards development aid. It also wants the Community itself to earmark a greater slice of its own budget for the campaign against world hunger every year.

Katharina Focke (Federal Republic of Germany) and Marco Pannella (Italy) were among MEPs who called for a tenfold increase in the food aid budget. But most MEPs followed the lead given by Mr Michel in backing a strategy outlined to the House by Commissioner Edgard Pisani.

Mr Pisani spoke of world hunger as an ill likely to be with us for a long time to come. To cure it, he said, a whole range of measures will be needed.

The approach favoured by the Commission is to be tried out in Mali, Kenya and Zambia. A scheme for helping these countries was agreed upon by Council on 15 June. The strategy for development in each of these countries will be suited to their own special needs.

Mr Pisani announced the Commission would be introducing a special 183 million ECU (£95.71 million) supplementary budget for 1982 for this purpose.

A sum of 35 million ECU (£18.31 million) would go to the UN scheme for helping refugees and victims of natural disasters; 65 million ECU (£34 million) would go towards helping developing countries in Central America; 8 million ECU (£4.19 million) would be allocated in the form of special measures to contend with world hunger.

A total of 100 million ECU is earmarked by the Commission for the central chapter of its anti-hunger campaign: support for agricultural production in the Third World. Edgard Pisani clearly hopes that all aspects of agriculture production will be covered by this chapter—from the initial production stages to the marketing of farm products, and the protection of the rural environment. The EC also plans to provide farmers in the Third World

with fertilisers, seeds, pesticides, and equipment needed to step up farm production. Help in the construction of warehouses to stock the increased production is also to be provided.

This increase in food production should, hope Commission experts, lead to a decrease in the Third World's food aid requirements. In any case, the EC plans to encourage a better co-ordination of international aid efforts, hoping to focus donors' attention on the agriculture sector.

About 65 million ECU of the overall total will be spent in the least developed countries in the Central American region, with the rest of the money being used in Africa, and Asia. The emphasis will very definitely be on smaller rural development projects rather than on the construction of larger, but less immediately useful, dams, roads, and bridges. Commission experts stress that while smaller rural projects may not make the headlines they are more likely to help the poor in the Third World than the more 'spectacular' projects financed in the past by international aid agencies. More and more developing nations are gradually seeing the truth of this argument.

The last part of the new campaign covers the most pressing environmental problems facing the Third World's rural areas. The EC intends to give about 49 million ECU in aid for the launching of five specific action plans in the Third World—or at least in interested developing countries. These efforts would include steps to encourage the more rational use of firewood, prevent the cutting down of forests in the developing countries, improve village water supplies and prevent animal diseases.

'The objective is to create the right environment for development', said one EC official. Edgard Pisani concedes that his action plan will not produce immediate results, that the work will have to be sustained over a long period, and that the plan's failure or success will colour the EC's development policy in the coming years.

'Hunger is an intolerable evil which must be cured without delay', he said recently. 'It results in economic problems, and the only remedy lies in structural actions, taken over a long period of time.' The injection of large amount of funds into the Third World economies is rejected by the EC Commission. 'The evil must be treated at its roots.' ☐

TALKING BUSINESS

Take a letter, Miss Smith

Different countries have different attitudes to what constitutes a good secretary, according to the Alfred Marks office recruitment bureau in London. In a survey of offices in Europe and the United States they uncovered a number of conflicting national attitudes to secretarial work, to salaries, and to the delegation of executive tasks.

The survey does not find much encouragement for the notion that employers are becoming increasingly 'unisex' in their attitudes. The US and Denmark seem ready enough to employ male secretaries, but German, French and Swiss office managers will have none of it. More than half the Dutch managers interviewed in the survey said they would miss 'secretarial femininity', and that they would not feel comfortable sending a male colleague off to make the coffee.

A second language does not seem to matter in American and British offices, and in France over half the firms in the survey said they required only French. In Switzerland and

A second language does not seem to matter...

Holland they prefer tri-lingual office staff. In the Federal Republic of Germany, nine out of ten employers delegate their office diary planning to their secretaries. But more than half the German firms questioned said their secretaries were not usually promoted to the other side of the desk.

Traditional virtues such as reliability, discretion, and intelligence – in that order – appear to cross all borders. The French, Belgians and Swiss place the highest value on discretion. Reliability tops the list of personal attributes in Denmark, Germany, Holland, in the UK, and in the United States. The Danes stress an ability to get on with people, but the Germans rate a good memory higher. The Dutch like secretaries to have a sense of humour. Danes, Dutch, Swiss, Germans and British all like their secretaries to be able to work well under pressure. Only American bosses see much value in 'diplomatic' secretaries. Surprisingly, considering their professed reluctance to delegate, the French like their secretaries to have initiative. The French and Belgian companies sampled also said they liked secretaries to be able to tell a 'white lie' now and then.

Car output 1971-81 (in millions)

	USA	Japan	Federal Germany	France	Italy	UK
1971	8.6	3.7	3.7	2.7	1.7	1.7
1972	8.8	4.0	3.5	2.7	1.7	1.9
1973	9.7	4.5	3.6	2.9	1.8	1.7
1974	7.3	3.9	2.8	2.7	1.6	1.5
1975	6.7	4.6	2.9	2.5	1.3	1.3
1976	8.5	5.0	3.5	3.0	1.5	1.3
1977	9.2	5.4	3.8	3.1	1.4	1.3
1978	9.2	5.7	3.9	3.1	1.5	1.2
1979	8.4	6.2	3.9	3.2	1.5	1.0
1980	6.4	7.0	3.5	2.9	1.4	0.9
1981	6.3	7.0	3.6	2.6	1.3	1.0

Source: Barclays Bank Review

Car output in low gear

The automobile industry still seems to be as sensitive an indicator of economic performance as when the late Charles Wilson, boss of General Motors Corporation, declared that what was good for General Motors was good for America.

The table of car output since 1971, shown here, indicates that the United States motor industry has been badly hit by the booming imports from Japan. So too has Europe: car

production in Germany and France is just about holding on at the levels of 1971, while output in Italy and the UK over the decade is actually down.

The past decade's trend in motor production, with the more capably intensive – and so more efficient – Japanese plant taking up the slack created by a run-down in the output of older motor producing countries, shows no sign of changing. Charles Wilson's comment may not sound so pithy in Japanese. But it looks as though it is overdue for a translation.

FEWER STRIKES – BUT SOME SERIOUS

According to a report published by the European Trade Union Institute, the number of times industrial action occurred in the European Community decreased in 1981, compared with 1980.

In Italy, the number of working hours lost because of strikes totalled 47 million during the first half of 1981, compared to 68 million during the same period in 1980. In Federal Germany, the number of working hours lost because of industrial action totalled 53,398 days in 1981 – down from 128,286 days in 1980.

In France, the number of working days lost because of strikes plummeted by 52.4 per cent for specific conflicts and by 64.9 per cent for generalised conflicts.

Serious strikes did, however, break out in some EEC countries during the last 18 months. Nationwide strikes were declared in Greece in the food, electricity, banking, civil aviation and hospital sectors. Strikes against the government's social and economic programmes broke out at the beginning of 1982 in Belgium, affecting in particular the steel industry, where workers are fighting to maintain employment and ensure the future of their jobs.

Generally speaking, there is a current trend towards strikes aimed at ensuring the survival of jobs rather than higher wages. This is clearly linked to the fact that the EEC currently has more than 10.5 million unemployed.

A progressive budget for 1983?

Unlike its two predecessors, the 1983 budget – in its preliminary draft form at any rate – is a progressive rather than a transitional budget. The controversy ensuing from the mandate given to the Commission on 30 May 1980 – a brief to propose major budget and policy reform – has prompted it to present a preliminary draft budget for 1983 which, in many respects, anticipates the outcome of this “examination of conscience”. On 25 May this year the problem of the United Kingdom’s contribution to the Community budget was resolved for one year by a settlement involving a rebate of 850 million ECU¹⁾. Since the arrangements for financing the settlement have still to be worked out, they could not be reflected in the preliminary draft budget presented by the Commission on 15 June. To this extent the draft is therefore incomplete.

On the revenue side, estimates of agricultural levies are based on import forecasts which, in turn, are based on forecasts of production, domestic consumption and variations in stocks. Allowance is made for the farm price increases for the 1982/83 marketing year approved by the Council on 18 May 1982. This gives a total of 1,558.5 million ECU, in other words 18 per cent less than the figure for the 1982 budget. Production and storage levies for sugar are put at 542.6 million ECU and 467.1 million ECU respectively. The production levy for isoglucose should bring in 3.52 million ECU, giving an overall increase of 29 per cent on the figure in the 1982 budget.

Customs duties for 1983 have been calculated on the basis of forecast imports from third countries by each Member State. In value terms imports by Greece, Ireland, France and Italy should increase more than the Community average. The rate of increase in the Netherlands and Germany should be relatively moderate, although higher than that forecast for 1982. Customs duties for 1983 are put at 7,574 million ECU, an increase of 9.2 per cent on the figure in the 1982 budget.

Estimates of VAT revenue were produced for each of the nine member states required to pay VAT own resources in 1983 by reference to the actual base for 1980 notified on 1 July 1981. VAT bases for 1981 and 1982 were updated for 1983 by reference to the probable growth of private consumption in value terms in each country. This will remain very high in Greece, Italy, Ireland and France though it may slow down slightly. It will be moderate in the Netherlands, Germany and Belgium. For the Community as a whole the growth of private consumption in value terms should be a little higher than in 1982. Consequently, 1 per cent of the estimated VAT base for 1983 is put at 14,328.5 million ECU for the Nine.

The wrangle over the size and shape of next year’s Community budget is now well under way. In the August issue of Europe 82 we outlined the Commission’s initial proposals. Here Daniel Strasser, the Commission’s Director General for Budgets, gives an authoritative account of the Commission’s intentions

Greece will be paying a GNP-based contribution rather than VAT own resources in 1983. If its estimated base were included, the base for the Ten would be 14,638.5 million ECU, an increase of 10.86 per cent in 1982.

All in all, total potential Community resources should be in the region of 24,900 million ECU.

The Commission’s proposals strike a fair balance between a reasonable overall increase in appropriations and very significant increases in priority areas.

Four figures provide a particularly good illustration of this. If we exclude the UK budget settlement for both 1983 and 1982, the overall increase in appropriations – 10.77 per cent for commitments and 7.73 per cent for payments – is the lowest for many years. If we look at expenditure other than EAGGF Guarantee expenditure, the increase is 12.41 per cent commitments and 11.74 per cent for payments.

The preliminary draft budget provides for a modest increase in EAGGF Guarantee appropriations (14,050 million ECU, or +2.98 per cent) and renewed impetus for Community policies over a broad front. A central theme is the fight against unemployment, now seen as the Community’s top priority. The Commission is seeking to deploy the whole range of policy instruments available to it to tackle the underlying causes of unemployment: energy dependence, inadequate investment, insufficient competitiveness in key areas such as steel and new high technologies.

The Commission is therefore seeking a substantial increase in appropriations for the Social Fund: 1,800 million ECU (+45 per cent) for commitments and 1,264 million ECU (+39 per cent) for payments. The main increases are for young people (+59 per cent)

and industries needing to adapt to technical progress (+87 per cent). A large increase is being sought for the Regional Fund too: 2,462 million ECU (+38 per cent) for commitments and 1,460 million ECU (+33 per cent) for payments. The non-quota section of the Regional Fund – which helps small and medium-sized firms to take advantage of technological innovation and improve their competitive position within the Community – represents 20 per cent, instead of 5 per cent, of total commitment appropriations for the Fund.

The Commission has stepped up the appropriations for energy, research and development, innovation, industry and transport, these headings being taken together, to 826 million ECU (+48 per cent) for commitments and 678 million ECU (+56 per cent) for payments. Of these totals, 170 million ECU (+154 per cent) for commitments and 106 million ECU (+116 per cent) for payments are earmarked for energy policy. Other objectives in this context are the launching or extension of a number of promising telecommunications programmes: EURONET, IN-SIS, CADDIA and ESPRIT.

Another feature of the Commission’s draft is the desire to boost Community development aid to third countries. The Commission is advocating of nothing less than a genuine food aid strategy. From now on food aid proper (+19 per cent), while remaining as necessary as ever to meet the immediate requirements of the starving, must be regarded as just one, flexible, element of a self-sufficiency strategy. The Commission would also like to see more emphasis being placed on co-operation with non-associated developing countries (+55 per cent) and on rural development and food production schemes in the poorest countries of Asia and Latin America. It is keen to promote micro-projects by giving more support to non-governmental organizations. It believes that these scaled-down operations provide an effective answer to concrete development problems and are better geared to the facts of economic and social life in developing countries. Finally, the Commission proposes an increase in aid to Mediterranean countries.

All in all, commitments for all the institutions in the preliminary draft budget for 1983 total 23,931,873,806 ECU. Payments total 21,901,594,806 ECU.

The preliminary draft budget presented by the Commission on 15 June implies a VAT rate of 0.79 per cent (as against 0.92 per cent in 1982), leaving a 3,000 million ECU margin under the own resources ceiling. This will have to accommodate the UK budget settlement and the financial consequences of farm price increases to be agreed next year for 1983/84.

The increase in payment appropriations to ►

How to avoid the annual confrontations?

be covered by own resources is lower than the maximum rate of increase for non-compulsory expenditure (11.8 per cent). The rate of increase proposed by the Commission is 33.65 per cent for commitments and 24.9 per cent for payments. These percentages are, however, different if Supplementary and Amending Budget No 1/82 presented by the Commission on the same day is taken into account, 487 million ECU of the 500 million ECU saved on the EAGGF Guarantee being reclassified as non-compulsory expenditure. On this basis the new percentages would be 22.93 per cent and 12.51 per cent respectively. The proportion of non-compulsory expenditure rises from 24 to 26.1 per cent in line with the political approach clearly adopted by the Commission. Christopher Tugendhat, vice-president of the Commission responsible for budgets, told Parliament on 12 May that the Commission had given full consideration to the guidelines in its Resolution of 20 April 1982 based on the Jackson report on the 1983 budget and found that 'there is a very considerable overlap - indeed almost an identity of view - between ourselves and Parliament on the direction in which we ought to go'. The Commission has proposed the insertion of twenty-nine new budget headings, twenty-one of which will be given appropriations; all but two of these are classified as non-compulsory expenditure.

Since the beginning of 1982, the institutions have been trying to find a way of avoiding the habitual annual budget confrontations and crises. Four months of discussions between the three Presidents, Mr Dankert, Mr Tindemans and Mr Thorn, and in a small technical group, led to the signing on 30 June of a 'joint Declaration by the European Parliament, the Council and the Commission on various measures to improve the budgetary procedure'.

The Declaration begins by defining common criteria and rules for classifying existing budget headings as compulsory expenditure (where the Council has the last word) or non-compulsory expenditure (where Parliament has the last word). It sets out a code of conduct and a new procedure for the future. Other provisions are designed to improve collaboration between the two arms of the budgetary authority during the budgetary procedure and define a number of mechanisms (maximum rate of increase for non-compulsory expenditure, margin for manoeuvre, etc.). Other matters dealt with are the need for a legal basis and the avoidance of 'ceilings' for non-compulsory expenditure.

On each of these points - indeed on the Joint Declaration as a whole - mutual concessions have finally produced a balanced compromise.

□ On 1 July 1982 one ECU was worth £0.552692

Budget Council 'disappointing', says Commissioner Tugendhat

Daniel Strasser's article on the Commission's 1983 preliminary draft budget gives a succinct summary of the proposed budgetary expenditures which are necessary to help the Community advance. Unfortunately, the Budget Council of 28/29 July, which discussed these proposals, was disappointing for Christopher Tugendhat, the Budget Commissioner, who had wanted to see a favourable Council response.

Mr Tugendhat said that the Council's reaction to the Commission's proposals was on traditional lines and seemed to reflect a dogmatic belief that, irrespective of the Community's real needs and priorities, the non-obligatory part of the Community Budget must be contained within a rigid and predetermined straitjacket.

What had emerged from 16 hours of negotiation at the Budget Council was a rather austere Draft Budget permitting an increase of 7.6 per cent in commitments and of 8.2 per cent in payments in non-

obligatory expenditure. The Social Fund is to be enlarged by £600 million, an increase of 19.6 per cent for payments over 1982 and by 16 per cent (£793 million) on commitments. The Regional Fund figures are £646 million (9 per cent) for payments and £1050 million (8.5 per cent) for commitments.

Otto Moeller, representing the Danish Presidency, when asked about the European Parliament's likely attitude to this austerity, pointed out that this was only a first step in the budget process. A first reading is due to be held in October. However, European Parliament President Piet Dankert lost no time in criticising the Council's action of rejection the amendment to the budget for 1982, which Mr Tugendhat had also requested at the Budget Council. In the Commission's view these draft amendments were the appropriate vehicle for re-allocating some of the substantial savings which have been built up in agricultural expenditure in 1982.

MAKING THE WORKING WEEK GO ROUND

The working week among Europeans is getting steadily shorter, largely as a result of the need to share jobs around in a time of rising unemployment.

The European Trade Union Confederation (ETUC) has asked for a 10 per cent reduction in working hours in Europe in the short term. This can be achieved, it says, by acting on several different fronts, including reducing weekly working hours and overtime, increasing the school-leaving age and lowering the retirement age.

The European Trade Union Institute, a research and information body set up following an ETUC initiative in 1978, has published its third annual report on collective bargaining in Europe. The conventions negotiated in 1981, says the report, reveal that substantial progress has been made in a number of countries, especially in such areas as longer holidays, a reduction of the working week and a lowering of the age of retirement.

Today, annual paid holidays generally cover five to six weeks (depending on the sector) in France and the Federal Republic of Germany, and four to five weeks in

Belgium and the Netherlands. The Greeks and the Irish are rather less well off, and receive between 14 to 30 days of holidays and 25 days respectively.

The working week is equal to, or below 40 hours in all EEC member countries except Greece, where it varies between 36 to 42 hours, depending on the sector.

The report published by the Institute stresses that employers' attitudes to a reduction in working hours remains negative or even hostile. In the European Community the United Kingdom is opposed to a reduction, but the French, Italian, Irish and Danish governments look on the idea with favour. Since the resolution on a reorganisation of working time issued by European ministers in 1979, the European Commission has presented several proposals on the protection of part-time workers and the introduction of early retirement schemes.

□ EUROFOCUS

Samuel Palmer's other Eden

Samuel Palmer, that essentially English artist, reveals in his letters and in his later work an enduring attachment to Italy, where the pastoral tradition in European art and literature may be said to have begun. He was affected by the magical light that he saw in the Virgilian landscapes there; and scholars have remarked on the neo-Platonic influence of Michelangelo and Claude.

In a letter written to his friend Richmond from Florence in 1839, Palmer says that he has been 'wholly absorbed in meditation or study of the ancient art of landscape as practised by Titian, Giorgione etc, and am scarcely able to think of anything else - it has worked a complete renovation of my tastes and habits of thought.' He and his wife, he reported, were busily engaged in making sketches, 'with hints of the effects under which we saw them', for working-up in English subjects when they got home. These, sure enough, introduce Venetian colour and Italian light - not always convincingly, but with evident pleasure.

The famous collection of Samuel Palmer paintings, etchings, and drawings at the Ashmolean Museum, Oxford, is richest in



The Colosseum and Alban Mount (detail), one of the Ashmolean's 'Italian' Palmers.

work of the Shoreham period, the work of a young man on a visionary 'high' in a private Eden, several years before he exposed himself to the example of the great Italians. At the same time, the collection does include a couple of exceptionally fine 'Italian' Palmers - views of the Villa d'Este and the Colosseum.

They are at present in London, part of a

loan exhibition from the Ashmolean's collection of Palmers on show at the Hazlitt, Gooden and Fox gallery, in St James's, until 17 September. From 1 October to 12 December they can be seen at the National Gallery of Scotland, Edinburgh - a rare opportunity to visit Palmer's own 'dells, and nooks, and corners of Paradise'.

DENIS THOMAS

Two hundred art events for Europalia '82

This year it's the turn of Greece, the newest member of the European Community, to share the glories of its culture with fellow Europeans in Europalia, the prestigious multi-disciplinary arts festival held every two years in Belgium in honour of a different Community country.

Since the Festival began in 1969, Italy, the Netherlands, Britain, France, the German Federal Republic and Belgium have taken part, with financial assistance from their respective governments, private industry and the Community.

In Europalia 82, Greece will be offering a panoramic view of five thousand years of civilisation in a series of some 200 exhibitions, theatrical productions, concerts, films and literary and other events taking place in Brussels and other Belgian cities from October to December. Museums and private collections from all over the world are lending exhibits, and some of Greece's most celebrated theatre companies, directors and performing artists, composers, writers and philosophers will be taking part.

Avant-garde and fringe movements will also be represented: keen to get beyond the tourist clichés, the Greek and Belgian organisers want to emphasise the continuity of spirit linking the rich heritage of classical Greece and Byzantium and the dynamism and diversity of Greek culture today.

Inevitably, the big exhibitions tend to dominate the Festival. 'Men and Gods From Ancient Greece' recalls Greece as the cradle of the first great civilisation which spread throughout Europe, and which had such a profound effect on Western thought and culture. The exhibition illustrates the story of Greek art, from 1,000 BC to the beginning of our own era.

The evolution from abstract to figurative art; the human world of science and art, philosophy and literature, political and social life; and the relationship between men and their gods with divine powers but human attributes - these are the main themes of the exhibition, which opens at the Palais des Beaux-Arts, Brussels, on 1 October.

We hope to include coverage of the Festival in the November issue.



Marble relief of Athena, Acropolis.

The cost of cutting down on alcohol

Less than ten years ago Europeans were consuming an annual average of 51 litres a head of wine. Now they drink less than 46 litres – and that marks a trend which is hard for wine producers to swallow.

It is also costly for the European Agricultural Guidance and Guarantee Fund, which has to make up the difference between supply and demand by financing the surplus. At the moment the decline in wine production cannot keep pace with the constant reduction in consumption.

Nevertheless, the land area devoted to the European Community's wine production has been significantly reduced. Since the 1976-77 season, when a number of measures such as a stop to new planting and financial aid for withdrawing some areas from production were introduced, the amount of land devoted to the cultivation of grapes dropped from 2,555,000 hectares in 1976-77 to less than 2,438,000 hectares in 1979-80.

The reduction in wine-growing has been the most noticeable in France, followed by Italy and the Federal Republic of Germany. However, this reduction has mainly affected areas concentrating on the production of ordinary table wines, while the land devoted to the so-called 'VQPRD' (quality wines produced in specific regions) has increased slightly. On the other hand, production per hectare has increased steadily, as a result of agricultural advances in fields such as research into new species and the fight against parasites.

The resultant production gap is the reason for the massive recourse to intervention measures such as long-term storage contracts, exceptional distillation and so on. Two years of exceptional harvests and a resulting drop in prices has not helped intervention costs borne by the European Agricultural Guidance and Guarantee Fund, which reached more than £150.2 million in

1980 and more than £238 million in 1981.

It is also likely that the public campaigns to combat alcoholism have played a role in the reduction of wine consumption. But wine producers are hoping to reverse this trend by advertising the idea that wine, when consumed in moderation, is the 'best and healthiest of drinks'.



Letting in the foreigners?

Shall we be seeing Italian policemen in London, Greek civil servants in Paris, and Germans driving Dutch trains?

In a test case brought by the European Commission against the city of Brussels and the Belgian railways, the European Court has largely condemned their practice of only offering jobs to Belgian nationals.

Out of thirty-one job categories listed, the judges ruled that only half a dozen could justifiably be reserved for Belgians, on the strength of the fact that they were senior posts requiring access to restricted government papers on urban planning and public administration.

France, the United Kingdom and Germany all participated in the debate, opposing what they saw as a possible eventual influx of 'foreigners' into their own public administrations.

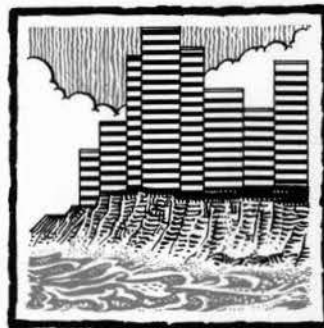
MEP hits at sperm imports

An American firm which sells frozen human sperm by mail order to doctors practicing artificial insemination is planning to expand into the

European market. At least, that is what had been reported in the British press, prompting Thomas Megahy, a British Socialist member of the European Parliament, to ask the European Commission what measures it is going to take to prevent frozen sperm imports.

Replying on behalf of the EEC Commission, the Social and Employment Affairs Commissioner, Ivor Richard, reminded Megahy that artificial insemination is today a well-established practice. The responsibility for choosing sperm lies ultimately with the doctor, subject to whatever national regulations exist on the issue.

Since sperm is not considered a product quite like most others, the European Commission feels that member states could deviate from the general Community principle of the free movement of goods. 'In this case, the reasons might involve the protection of health and public order, mentioned in Article 36 of the EEC Treaty,' said officials, obliquely.



Sea coasts in peril

Life in Europe's seaside regions is threatened with problems which the tourists never see.

Haphazard construction of industrial and housing estates has ruined the beauty of numerous sites, and the concentration of tourists during the 'high season' has led to significant economic and infrastructure problems. Too much fishing, for example, can cause marine ecological problems and force local fishermen to cut back on their catches. Oil spills and other forms of pollution have also led to environmental problems.

The conference on maritime periphery regions adopted a European charter on coasts in September 1980. Drawn up in collaboration with the environmental services of the European Commission, it outlines a special project to integrate

development objectives with the protection of coastal zones. Accompanying the charter is an action programme proposing specific measures at local, regional, national and European levels.

European Environment Ministers are to meet in Madrid next year to examine different types of coastal problems. The regional committee of the European Parliament has recently indicated its support for the charter's main objectives. It suggests that a 'year of European coasts' should be proclaimed to help make the public aware of the problems facing the threatened regions.



Investing in our heritage

A recent report from the European Parliament points out that preservation of Europe's architectural and archaeological heritage is not only an artistic and intellectual necessity but also a sound investment. The report – by Wilhelm Hahn for the Committee on Youth, Culture, Education, Information and Sports – calls for a more active European Community policy of promoting such preservation and renovation.

The Parliament has given moral support to actions in Italy, Greece, the Netherlands, as have the Council of Europe and the European Investment Bank. But the Hahn report also suggested a number of concrete actions to be taken by the European Community, including the creation of a European Fund for the Conservation of the Architectural Heritage, together with the use of other Community mechanisms such as the Social and Regional Funds.

It suggests that, each year, the Community select one site from a Community country to be the subject of a concentrated financial aid package aimed at its preservation. Other means of encouraging similar

work, including altering tax laws to reduce financial burdens and training craftsmen and experts in the field, are also proposed. Major restoration and conservation efforts could stimulate employment and maintain valuable tourist attractions that would help national and regional economies, the Hahn report says.



Finland joins Euronet

The link-up between the European Community's data-processing network, EURONET, and the comparable Finnish network has just been approved by the European Commission.

Euronet was built as the result of an EEC initiative and came into operation on February 13, 1980. It gives users rapid, easy, efficient and economical access to scientific and technical information from a variety of sources.

The Finnish link is only the latest example of Euronet's expansion outside the Community borders. Similar agreements were signed with Switzerland and Sweden in 1979 and 1981. Finland will contribute retroactively to the Community's investment in the system and will stick to the principles laid down in the Treaty of Rome.

A facelift for the cosmetics business

New restrictions on the use of preservatives in cosmetics are to be introduced throughout the European Community by the end of 1983. An EC amending directive to limit the use of preservatives to those contained in a 'positive list' has been adopted by the council of ministers.

The 'positive list' specifies 58 preservatives which may be used in the manufacture of such products as shampoos, soaps and deodorants to inhibit the development of micro-organisms.

But the directive says that essential oils and alcohols may continue to be used although they do not feature in the positive list itself because they are not classed as preservatives for the purposes of the directive.

Slow steps to justice

Italy and France are the most undisciplined countries of the European Community. That was the message given by the EEC Commission in reply to a question by John Purvis, a British Conservative member of the European Parliament. The question dealt with delays in implementing the rulings of the European Court of Justice.

Under European law, according to Article 169 of the EEC Treaty, Community member states are required to comply with the judgments handed down by the Court of Justice as soon as possible. Italy has proved the most laggardly member of the EEC in this respect, delaying application of Community Directives eleven times, on issues as varied as measuring instruments, detergents and fertilizers. Depending on the subject, delays have ranged from three months to two years.

France ranks second among the foot-draggers, followed by Belgium and Ireland. Other members of the European Community do not figure on this list, which tends to show that they generally comply with the Court rulings.

The EEC Commission, which closely follows member states' application of Community law, is not too happy about delays in the implementation of rulings, but it recognizes that not every issue can be judged by the same criteria. It acknowledges

that the time necessary for implementation varies depending on whether the measure is administrative or legislative, and whether it needs to be applied by central or regional authorities.



Snap up a prize

The European Association of Professional Photographers is organising a contest based on the theme 'photograph the city twinned with your own to know it better'. The aim is to portray Europeans at their work, during their leisure time, and in other activities.

The contest is open to both professional and amateur photographers and there are a number of prizes, including a car. For additional information, write to: EUROPHOT, Postal Box 366, B-2000 Antwerp, Belgium, Or telephone 031/30 03 68.

Questions in the House

Andrew Pearce, MEP for Cheshire West:

'What percentage of the UK Youth Opportunities Programme expenditure in respect of 1981 and 1982 comes from the European Social Fund?'

Answer by Ivor Richard on behalf of the Commission:

'The Commission does not have information on the total expenditure on the Youth Opportunity Programmes in the United Kingdom. Applications to the Social Fund are made only in respect of those parts of the programmes which are eligible for Fund aid. Social Fund assistance to the programmes in Great Britain and Northern Ireland in 1981 was £75.6 million. This figure represented some 27 per cent of the programmes' eligible expenditure. No estimate is possible for 1982 at this stage.'

Mrs Winifred Ewing, MEP for the Highlands and Islands:

'What steps is the Commission taking to make checks on herring catches and the reporting of such catches by the various member states, in particular Dutch boats landing herring in Belgium to avoid the North Sea ban; the Danish catch of 11,500 tonnes instead of the quota of 1,000 tonnes; and the failure of France and Belgium to report catches since October?'

Answer by Mr Contogeorgis on behalf of the Commission:

'On 6 October 1981, in order to make closer checks on herring catches in the North Sea, the Commission introduced a twice-weekly telex information system in addition to the monthly information system provided for in Council Regulation No 753/80 of 26 March 1980.'

Despite some teething problems most member states have, where possible, complied with the deadlines. The last countries to telex full returns for 1981 were Belgium and France.'

According to Belgium's communication in respect of December 1981, a total of 436 tonnes of herring was landed at Belgian ports by Netherlands-registered vessels. The Commission has since received no news of similar landings, and is therefore not in a position to confirm whether vessels from the Netherlands have infringed the ban on herring fishing which came into force in the Netherlands on 4 February 1982.'

In regard to 1981, the Council failed to reach agreement on the level of fisheries quotas for each member state. Only TACs which were the subject of joint agreements with non-member countries - e.g. North Sea herring - were formally approved by the Council. Accordingly, when it became aware that herring catches were approaching the TAC, the Commission asked the member states to stop herring fishing at once in those areas.'

However, the Commission is aware of the implications of the declaration it made during the Council meeting of 27 July 1981, and has on several occasions since then reminded the member states of the need to respect the declaration.'

How long to the turning of the tide?

During June, European Fisheries Ministers met to discuss new proposals for a common fisheries policy that would carry the Community's fishing industry into the 21st century. For the past six years, the EEC has been without a fisheries policy. No matter what agreement is reached now by the member countries, it will not be able to undo the damage which these years

of uncertainty have caused. The situation has been exacerbated by other factors which, taken together, have destroyed a large part of Britain's fishing fleet. Some idea of the extent of the damage became apparent on a visit to Grimsby, the United Kingdom's largest fishing port and market, on the eve of the Fisheries Ministers' meetings.

Think of Grimsby and you think of fish. The industry is of vital importance to the town. It provides direct employment for 12 per cent of the male working population, and indirect work for large sections of the community. Grimsby is also of national importance. From its fish market come supplies of freshly-caught fish which are transported overnight throughout the country.

But the fortunes of this north-east town and its 166,000 inhabitants have changed dramatically in the last decade. Trouble began with the so-called cod war, when Iceland pushed out its territorial limits to stop British fishermen and others taking so much of the offshore harvest near the coast. Shots were fired, angry words were spoken. And since then, territo-

As the Community waits for agreement on a fisheries policy, ROY STEMMAN visits Grimsby, where an entire local industry is in peril

rial limits have extended by far greater amounts, to 200 miles.

In 1966, Grimsby's fleet included 139 trawlers which fished in distant or middle waters. With the effective closure of the distant Icelandic fishing grounds, all the trawlers employed in that area have now disappeared and many of their owners are bankrupt. Russian fishing grounds have also been closed, and Norwegian grounds restricted.

The middle water fleet has not fared much better. There are now only twelve Grimsby-based trawlers fishing in middle waters – searching for deep water stocks north and west of Scotland. They are all owned by British United Trawlers, and they used to fish seasonally on the Faroe Bank, on the edge of the shelf to the west of the Faroe Islands.

Since 1979, due to the lack of a European common fisheries policy and a third-country agreement with the Faroes, UK vessels have been virtually excluded from fishing within the Faroes limits. The Grimsby fishing fleet now consists mainly of North Sea vessels fishing in EEC waters – some 200 in all – and



Much of the fish in Grimsby's market now arrives from other sources. Says Dick Taylor, right, on behalf of the local fish merchants: 'Our big complaint is that we don't get enough political support.'

they have to fish within the limitations imposed by quota recommendations.

The most dramatic effect of this fundamental change has been in the size of the British catch. In rounded terms, six years ago, 100 deep sea trawlers were landing, ten times a year, 2,000 kits of fish (each kit containing 62.5 kg of fish). Now, a similar number of seine net vessels land 250 kits 12 times a year. That is an annual reduction of 106,000 tonnes of fish.

Part of that shortfall has been made up by foreign landings, particularly by Icelandic vessels. The landed value of their catch was £47 million in 1980, but it dropped to £35 million in 1981.

Why is that a problem? Because the overheads of the docks have to be paid for by charges levied on vessels using their facilities. Between 1974 and 1977 improvements were carried out to the fish docks, and an agreement was reached between the Grimsby Docks Board and the vessel owners in 1977 to repay the costs over 10 years with an annual sum of £¼ million.

Since then, of course, Grimsby has seen a

steady decline in the size of its landed catches. But that loan repayment has to be made putting a greater burden on the docks' users. The high cost of landing fish at Grimsby is undoubtedly a significant factor in the drop in foreign vessels using the docks.

In the twelve months to October 1981 there was a 20 per cent reduction in the number of foreign landings. And, since these vessels usually bring in larger catches than the British fleet, the result was a 30 per cent drop in the quantity of fish passing through Grimsby fish market. Those who, in 1981, continued to land at Grimsby and pay the increased charges found that their earnings did not cover their costs.

Paul Sörensen, a naturalised British Dane, is one of a number of owner/skippers based at Grimsby. He has had his own vessel for 15 years; but, he says, 'The only thing I have got out of it in the last three years is ulcers.' He had just landed a catch of turbot, for which a good price would be expected. But he complained to me of a 'turbot ring' at the auction which kept the price low by agreement, with the result that he made no profit on his catch.

The fish merchants, however, are well aware of the financial problems facing the catching side of the industry. Through the Grimsby Fish Merchants' Association they make a contribution of close on £¾ million towards the running of the docks, levied at the rate of £1 on every kit of fish bought by the FMA's 240 members.

At the time of my visit to Grimsby, the FMA was threatening to withdraw this support because of a dispute over foreign vessels being turned away. The landing system at the port gives priority to Grimsby-based vessels under an arrangement which enables 'lumpers' (stevedores) to unload up to 10 vessels at any one time. Because of the system, an Icelandic trawler with a valuable catch was turned away from Grimsby docks due to there being no 'lumper' labour available, even though it had given advance notice of its intention to land. Instead, it landed its catch across the Humber at Hull; and the same thing happened to another Icelandic trawler the following day.

The cost of dockside labour is also reflected in the charges which the fleet has to pay; but the size of that labour force is based on the Dock Workers (Regulation of Employment) Scheme of 1947. It is legally imposed on the Grimsby docks, even though it is only fully employed in the peak summer months. During slack periods only a small number of men are called out for work – the rest are not required to report for work, but are paid a basic wage for that night.

This system, says Dick Taylor, vice-chairman of the FMA for the past eleven years, is too inflexible. Before taking me on a tour of the docks he discussed Grimsby's problems and potentials. 'Our big complaint is that we do not get enough political support,' he says.

The obvious need is for a European common fisheries policy, to be followed, says Dick Taylor, by a national fisheries policy for the United Kingdom.

Grimsby's MP in 1977 was Anthony Crossland, who was then Foreign Secretary. He was working on a negotiation of the CFP when he died. The town's MP today is Austin Mitchell, who declares: 'It is plain to everyone that a restructuring of the industry, accompanied by substantial relief from the burden of meeting the dock modernisation costs, will be essential to the industry's future – and that restructuring will only be possible with a massive infusion of funds from government and the EEC.'

Aid from Europe is already available to Grimsby, which has Development Area status, and grants from the European Agriculture Guidance and Guarantee Fund have been given to help improve or construct numerous vessels. More than £¼ million went to Grimsby in construction and modernisation grants for the fishing industry announced by the EEC in June this year.

One of the companies which has applied for European financial help is Danbrit (Fish Sales) Ltd, which has a fleet of 37 ships, mostly seine netters. David Cox is a director





Grimsby's fish docks—'coming alive when most of us are going to bed.'

and joint owner of Danbrit, and has also been chairman of the Grimsby Fishing Vessel Owners' Association for the past three years. The company is currently building a new vessel, for which it has applied for an EEC grant. If it is successful it will receive £75,000 towards the £300,000 cost. 'Without that grant,' David Cox told me, 'we will not be able to make the boat pay for itself.'

Although the Grimsby vessel owners are facing a very lean time at present, David Cox made the point that it is impossible to survive unless the fishing boats are brought up to date—so the EEC assistance is invaluable.

Grimsby's fish docks come alive when most of us are going to bed—around midnight. But—as I discovered when I paid a late-night visit to the 63-acre site with its 1½-miles of quayside berthage—some vessels which arrive with large catches begin unloading at 9 pm. By 7.30 next morning, when I returned, all the vessels had been discharged and the fish was displayed in hundreds of boxes stacked in two or

three-high tiers ready for the auction.

At a remarkably quick rate, the white-coated auctioneer, buyers and owners move from one catch to the next, bidding and selling. Thousands of pounds worth of business is done in this way, with no money changing hands—just a few rapid words, unintelligible to spectators, and a nod of agreement, are all that is required to seal the contract.

Because of the factors already mentioned, the fish which I saw sold was sufficient to meet only a quarter of the demand from Grimsby's merchants and processors. Indeed, the Grimsby fleet itself is capable of providing only 11 per cent of the total fish requirement in the port.

The demand for more fish exists largely because of the presence of major processors, such as the Ross Group, Birds Eye and Findus. With the inability of the Grimsby fleet to satisfy the need, they have no alternative but to buy direct from the Continent, Ireland and—in ever-increasing quantity—from Scotland.

'Aid from Europe is already available—Grimsby has Development Area status'

Much of this fish arrives in Grimsby over land, and provides no direct source of revenue for the port or the catchers.

Even more significant are the frozen fish supplies, now amounting to more than 200,000 tonnes a year, which are the largest single supply for the Grimsby processing industry. This fish is landed at Grimsby's commercial docks and, again, it is of no direct financial benefit to the fishing port users.

In 1980, Ross Foods Ltd spent £¼ million on reorganising its fish processing facilities at Grimsby, to keep in step with the changing pattern of fish supplies. Despite the importance of frozen fish—a third of all frozen food products sold in shops and supermarkets are fish—Ross continue to market wet fish as well and are the country's largest fish merchants as well as being the second largest frozen food manufacturer in the UK.

The fashion for 'fast' foods, such as hamburgers, has had some effect on national eating patterns; and that, coupled with the earlier effects of the cod war, has resulted in a decline in the number of fishmongers—from 6,324 to less than half that number in 1980. Today, many people have no alternative but to eat frozen fish.

The fishmongers who have survived, however, can rely on Grimsby's unique transport system to get fresh fish to them rapidly. Within 24 hours of being bought at the auction it can be on sale anywhere in England or Wales.

Grimsby may not have as much fish to sell, but it does have something else which is in great demand: expertise. Students from many overseas countries attend the Department of Maritime Studies and Fisheries at the Grimsby College of Technology. Among the courses held there recently was one for Belgian skippers. The Ministry of Agriculture, Fisheries and Food also runs several courses at the Grimsby College each year for Royal Navy Commanding Officers and others engaged in duties on the Fisheries Protection Squadron.

The fear that dogs the fishermen of England, and in particular those on Humberside, is that, from next January, continental vessels might be able to fish virtually up to British shores when the Treaty of Accession transitional arrangements expire.

'Britain plays by the rules but no one else does'. That seems to be the majority view. The Grimsby fleet operators are particularly concerned over what they regard as over-investment by European vessels, particularly in Holland, and the effect of this on stocks, regardless of agreed quotas. The Community

is now expected to appoint EEC inspectors to police the policing.

Trained men police the waters around our coast to ensure that the fishing vessels are operating within the law. As well as learning about fishing techniques and fish identification, the members of the Fisheries Protection Squadron study case histories. To help them in their studies the Grimsby college has 16 pairs of cod ends (nets) laid out for inspection. The majority have some form of illegal attachment or have a mesh size below the minimum allowed.

Once through this course, the men will be able to do an excellent job of enforcing the law on fishing. But will other European countries do as well? Stories abound in Grimsby of European indifference to existing legislation: of blind eyes being turned to illegal catches and small-mesh nets used to catch fish that have not fully matured.

In a special study of the fish industry in Grimsby by the Sea Fish Industry Authority's

'The Community is expected to appoint its own inspectors'

Industrial Development Unit (published October 1981), it is stated to be 'common knowledge' that the sole catch of the Dutch fleet at present far exceeds all recommendations based on the best scientific information available. It adds: 'Local concern is prompted by the question as to where this fishing effort will be directed if the sole stock collapses.'

There are 5,560,000 square miles of water in the EEC 'pond', and 60 per cent of that is around Britain. Until agreement is reached on how Britain and her European partners share those waters, investment in the fishing industry in the UK, particularly on the catching side, is going to be minimal. And the sad decline of Grimsby is likely to continue. **E**



Students on a maritime course at Grimsby's College of Technology.

Research budgets: where the money goes

Government spending on research and development in the European Community countries (excluding Greece) is believed to have increased in real terms last year by as much as 5.8 per cent to about £12,951 million. But, despite rising trends in recent years, Europe's research and development effort still remains below that of her major industrial competitors – the United States and Japan – according to a report released by the Community's statistical office.

Research and development, which is often regarded as a measure of future economic competitiveness, accounted for 1.8 per cent of gross domestic product in the Community in 1977, compared to 2.4 per cent in the United States and 2 per cent in Japan. In absolute terms, excluding defence spending, Japanese expenditure was about half that of all Community countries put together, while US expenditure was about 1.2 times as much.

In the European Community, the Federal Republic of Germany, France and the United Kingdom currently account for more than 80 per cent of spending. According to Community figures, however, real growth in percentage terms over the past six years has occurred in Italy, Ireland and the Netherlands, whilst spending in Britain, Belgium and Denmark has fallen slightly.

France and Germany have shown increases close to the Community average of 0.6 per cent a year for the period 1975-80 and 5.8 per cent for 1981. The Community's spending from its own joint research budget has increased at a rate of about 6 per cent a year since 1975, but still only represents 1.9 per cent of the total spent by member state governments on civil research.

Total government spending on research in Europe since 1975 reflects a decline in the share of budget appropriations for civil research, and a relative increase in the funds set aside for defence projects. In 1975 defence accounted for 22.2 per cent of the total and in 1981 it accounted for about 26.2 per cent.

Spending on defence is concentrated in the United Kingdom, France and the Federal Republic of Germany. In Britain it represents more than half the total research effort, which is proportionally more

than in the United States. French military expenditure has also increased sharply since 1977, rising from 29.8 per cent of France's total spending in 1975 to 35.6 per cent in 1981. In Germany, which spends more on research than any other country in Europe, it only represents 8.8 per cent of total spending.

The decline in civil research expenditure as a proportion of the total is most clearly reflected in the fall in spending aimed at the general promotion of knowledge, for example in universities, and funding for social and sociological research. But expenditure on energy, health, industry, agriculture, and the exploration and exploitation of the earth and space, have all increased as a proportion of the total over the period.

The general promotion of knowledge still accounts for about 44.3 per cent of civil spending, followed by energy accounting for 15 per cent and technology accounting for about 13.3 per cent.

Community member states have concentrated their efforts in a variety of different areas, including defence, energy conservation, industry and space technology. Germany leads the field in research spending in Europe, with a 1980 budget of over £4000 million. General research funding currently accounts for about 43.6 per cent of that figure, followed by technological research, which represents about 32.3 per cent. Recent increases in technological spending can be partly attributed to the growth of German polar research and exploration, including the founding of the Alfred Wegener Institute in Bremerhaven.

Industrial research, aimed at improving efficiency and promoting small and medium-sized enterprises, has also been a major target for funding.

France, on the other hand, which has the second-largest research budget at about £2833 million in 1980, shows a very different pattern of spending. Just over 36 per cent goes to defence; 22.2 per cent goes to the general promotion of knowledge; 9.3 per cent goes to industry, and 6.2 per cent – a relatively huge sum – goes towards the French space programme and in particular the Ariane European launcher project.

The United Kingdom, whose budget for 1980 stood at about £2,504 million, shows a different pattern again, with defence spending accounting for 54.2 per cent, the general promotion of knowledge falling to about 20.5 per cent, and industry only claiming about 6.2 per cent.

In 1980 Italy and the Netherlands were both spending about £656 million a year on research; Belgium was spending about £264 million; and Denmark about £118 million. Ireland spent about £34 million, and Greece is believed to have spent roughly the same amount. In addition to national spending on research in Europe, multilateral funding in 1980 – through the European Community and other institutions – amounted to more than £955 million. **E**

The message behind last night's communique from the Europeans is plain and probably the better for its plainness: the components of the Western Alliance are drifting apart. Mutual distrust, straight nationalism and economic nationalism bred of economic fear are coming between them and are threatening the principle of free and fair trade on which their unrivalled prosperity was once based.

This is a consequence which the unpleasant process of eradicating Western inflation, of reconciling Western expectations with Western economic performance, cannot be allowed to have; and this is why the 'genuine and effective dialogue' urged in yesterday's communique is the most pressing duty facing the US Secretary of State, Mr George Shultz.

- Financial Times

Angry Common Market chiefs have told President Reagan that the Western alliance will go bust unless he falls into economic line.

In the toughest joint statement ever issued by the European summit, the leaders censured the President for refusing to lower U.S. interest rates - 'a prerequisite for the world's economic recovery'.

The final curt message was that if the West is to stay together there must be 'a genuine and effective dialogue' with America.

The statement could have been even tougher if Premier Margaret Thatcher had not had to leave Brussels because of the rail crisis.

- Sun

France and Spain are negotiating to find solutions to the many problems raised by Spanish entry to the EEC, Andre Chandernagor, the French Minister for European Affairs, has admitted frankly.

M. Chandernagor refused to accept that France alone was bent on blocking Spain's entry or at least postponing the 1984 target date for enlarging the Community. 'I am convinced that a lot of our partners think the same way as we do, but they lack our force to say so,' he said.

- The Times

Denmark's filibuster in the fisheries talks is aimed at winning maximum concessions from the other nine as the deadline for agreement on January 1, 1983, draws closer. Because of its large fertiliser and fishmeal industry, its fishing fleet can ignore conservation policies aimed at protecting high-value edible fish stocks. Denmark has consistently overfished voluntary EEC quotas of white fish stocks.

- Guardian

A Finnish firm is apparently offering to set up a factory at Shotton, in North Wales, in return for a grant (or subsidy) of £43 million from the British Government.

The project would create 275 jobs - which means the Finns are asking for £159,000 a job. Ridiculous? Not at all. The Government is talking to the Finns about it.

- Daily Mirror

Pressure from the working class movement especially in France, and capitalist fears of damage to their commercial future has resulted in strong opposition in Western Europe to Reagan backed by most governments.

- Morning Star

In defence of Euro-MPs, it should be pointed out that expenses paid by a member can take a long time to be reimbursed - arrears of three years are not unusual.

One can see why Euro-MPs make sure they are never out of pocket. But it is clear that the parliament's accounting incompetence has exposed them to temptations to which less honourable members might well have succumbed more eagerly.

- Economist

WHAT'S IN THE PAPERS

Following criticisms by the Court of Auditors of the way in which the Parliament's administration has handled the accounts, the system is to be completely overhauled and computerised.

In a letter to MEPs, European Parliament President Piet Dankert writes: 'A firm of accountants has also been asked to scrutinise the regularity and sound accounting practice of a number of financial transactions.'

'When the results of this investigation are known a decision will be taken on disciplinary measures against a number of staff, in which the possibility of legal proceedings cannot be ruled out.'

- EP News

Britain was found guilty by the European Court of Justice yesterday, of breaking Common Market rules on sex equality over pay.

The decision - a legal landmark - said Britain had failed to establish a fair system insuring equality. British law must now be brought into line with EEC regulations.

The court did not accept Britain's argument that practical difficulties prevented creation of a national system.

- Daily Mail

The British government, with the aid of the EEC, is trying to make life easier for the islanders. The Outer Hebrides will be the site of the Community's first-ever Integrated Development Programme, a £56 million agricultural improvement and road building scheme designed to raise incomes and living standards. Twenty million pounds - 60 per cent of which will come from the British government, the rest from the EEC - will be spent in the next five years on improving agriculture and fisheries.

The other £36 million, to which the EEC has made no commitment, will be used largely to build roads, piers, and ferries, though approximately £4 million is earmarked for tourism and craft industries.

- New Scientist

The proliferating viticulturists of England and Wales gather today and tomorrow to indulge in a little gentle grape treading and to flabbergast the French.

To the continuing incredulity of Gallic wine growers who say: 'Those English summers - it's impossible,' the 300 members of the English Vineyards Association are heading for a very good year, probably their best since the record summer of 1976.

A hot June and July smiled on the grapes of Breaky Bottom, Little Pool Hill, Lamberhurst Priory, Crazies, Gamlingay and other appellations now on the market alongside Muscadet and Nuits St Georges.

Exhibitors at this weekend's eighth English Vineyard Wine Festival at Alfriston, East Sussex, are expecting yields of up to two tons an acre.

- Guardian

It is now more than a month since the Court of Justice of the European Communities put the United Kingdom's Equal Pay Act under the microscope and found it wanting. The 11-strong court issued a judgment on July 6 which requires amendment to the legislation, and ordered Britain to pay the costs of a hearing running into thousands of pounds.

The problem is that while the Equal Pay Act of 1975 lays down that comparisons should be made by job evaluation schemes, it does not compel employers to introduce them.

- Daily Express

British fishermen's fears that their rivals from other Common Market countries might soon be able to fish right up to Britain's beaches came closer to realisation in Brussels yesterday.

Crucial negotiations to agree on a long-lasting Common Fisheries Policy foundered.

The stumbling-block was Denmark's stubborn refusal to settle on any but the most favourable terms for itself.

Denmark, which took over the chairmanship of EEC negotiations only three weeks ago, was in embarrassed isolation in blocking progress, in a nine-to-one line-up against its EEC partners.

- Daily Telegraph

The Ford Motor Company is being threatened with action by the European Commission which would require them to supply dealers on the Continent with right-hand drive cars.

Ford and other manufacturers, including British Leyland and Talbot, have tried to limit the number of right-hand drive cars made available, at prices lower than those prevailing in Britain, to British customers who have been travelling abroad in growing numbers to make purchases.

The Brussels directorate dealing with competition, known as DG4, believes that restrictive actions by manufacturers are contrary to the Treaty of Rome.

- The Times