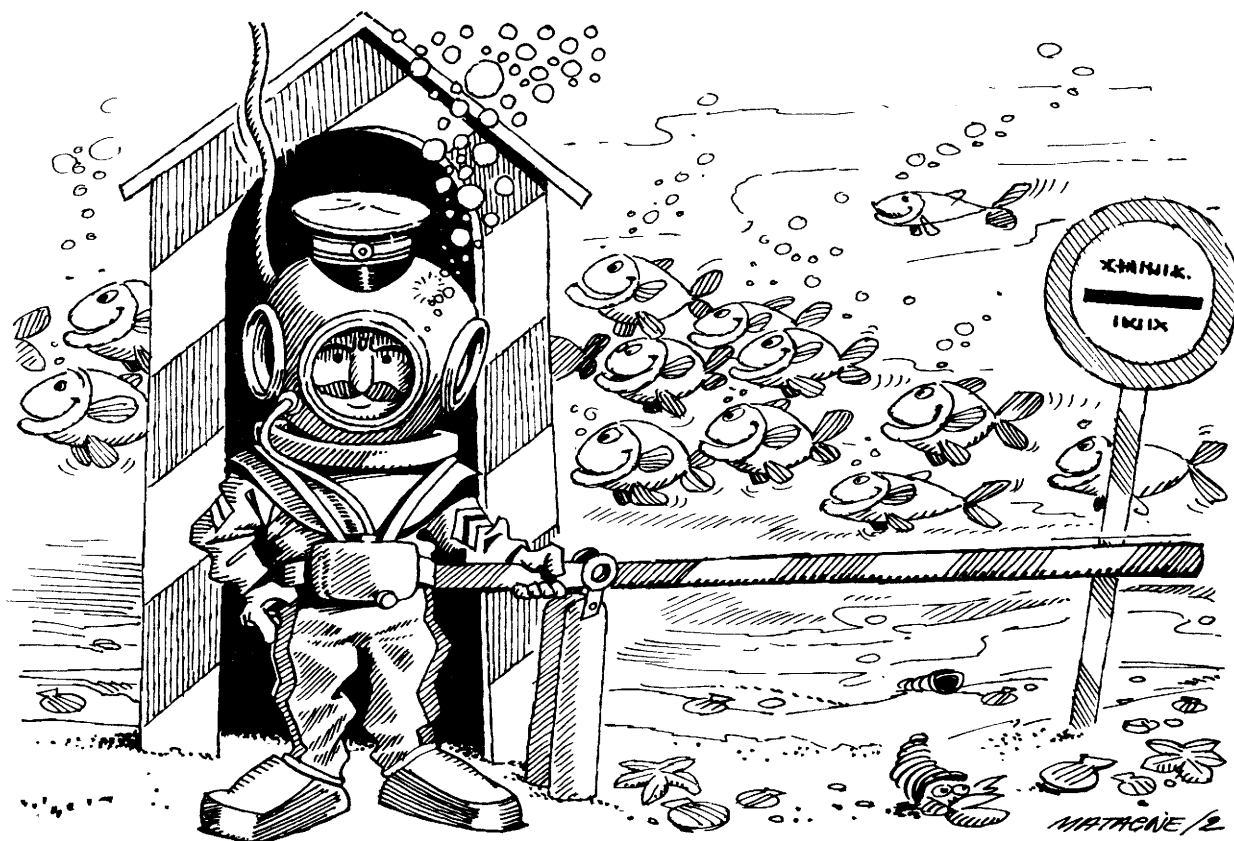


euroforum

europe day by day

Brussels, 24 January 1978

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One way or another, the Community intends to protect its fish stocks. (See page 3).

X/36/78

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++ SOCIAL FUND FACE-LIFT

Since its creation in 1960, the European Social Fund has given assistance to more than 3.5 million workers. A number of reforms are now being introduced however to improve its operation and concentrate its resources on helping the poorest regions, as well as unemployed women and young people.

In Annex 1, Euroforum outlines the operation of the Fund and its new priorities.

++ FISH : A QUESTION OF SURVIVAL

Back in 1966, stocks of fish in the sea appeared immense and the industry invested heavily to increase catches and improve productivity. Today we are faced with reality, and dwindling fish stocks have signalled a hard future for the fishermen. To ensure some sort of future for the industry, it has been proposed at the Community level to put quota restrictions on catches and extend fishing zones, so that the Community can protect its under-sea resources. The issues involved are complex and sensitive, and agreement has yet to be reached.

In Annex 2, Euroforum explains the predicament facing the Community and its fishermen.

++ PARLIAMENT : INFLATION, GROWTH AND EMPLOYMENT

In a statement to the European Parliament at its latest session, Roy Jenkins, President of the European Commission, placed economic and monetary union alongside direct elections and enlargement, as one of the key issues facing the Community today. Monetary union would, among other things, help control inflation and provide a stimulus to growth, and employment, he stated.

In Annex 3, Euroforum presents some of the highlights of the session.

++ CONSUMER CONFIDENCE RISES

European consumers are becoming less gloomy about the future. They expect unemployment to end its upward spiral, and prices should slow down during 1978. These are the main findings to emerge from a survey conducted amongst more than 40,000 Community households in October 1977.

This survey, the seventeenth of its kind, showed that consumer confidence had reached its highest level in the Community for three years. The largest upturn has been in the United Kingdom and Ireland. In Germany, optimism is slightly more guarded and in Denmark the number of pessimists has increased slightly. The most sombre outlook

was to be found in Holland and Belgium, particularly regarding unemployment (Luxembourg was not included in the survey).

Confidence in the general economic trend was positive everywhere and was particularly marked in those countries with the worst experiences of inflation - the United Kingdom and Ireland. In the UK, 55% of households (against 35% in May 1977) expect things to improve over the next twelve months.

Fears that unemployment will worsen preoccupy a good number of people in Holland, Belgium and Denmark. Less anxious are the British, Germans, Irish and French.

The battle against inflation in being won in most people's view, and reductions in the level of inflation are anticipated everywhere except Belgium. In the UK and Ireland, once again, most families are optimistic about their financial outlook. The Belgians, Dutch and Danish are less joyous about theirs.

It seems likely that this confidence will be translated into greater private consumption over the next twelve months. In comparison to May 1977, many more people find that it is not a bad time to make major purchases (furniture, T.V., washing machine, etc.). This is also true for Holland where confidence is not so high. In Belgium and Denmark however, households are still intent on tightening their belts.

++ SECOND HAND VAT

Dealers in second hand goods, antique traders and art collectors should be interested in a new system of VAT applicable to them which has been drawn up by European Commissioner, Richard Burke. The proposal, which is another step in the difficult task of harmonising turnover tax laws, lays down a standard 30% level of tax on the value added by a dealer when selling used goods.

Under the previous directive, the sixth, the Commission developed a special VAT system for all second hand goods, including works of art, which permitted dealers (i.e. those professionals who buy objects with a view to re-selling them) to deduct a sum of tax corresponding to the amount of input tax. The problems in implementing this complex system were, however, too great.

Out of a number of alternative systems, the Commission has selected the simplest. This system takes the basis for imposing VAT as difference between the purchasing and resale

price. If a dealer buys a painting for 140 pounds, he will not pay any tax. If he resells the painting to another dealer for 200 pounds, he will pay tax on the 60 pounds difference. The rate will be 30%. This new system will avoid cumulative taxes and also avoid diverting business to the detriment of the resale dealers.

The exception will be imports or exports, where taxes for purchasing these goods cannot be deducted. The new system will apply both to conventional used goods, and to antiques, collectors items and works of art.

Good news for artists is that they will be exonerated from VAT when they themselves deliver or import their own works of art. One of the motives for this provision is to facilitate the movement of cultural works and assist artists.

++ COMPETITION : COMMISSION KEEPS WATCH

A fine of 150,000 units of account (1 u.a. = + 1.12 US dollars) has been imposed by the European Commission on BMW Belgium s.a., the Belgian importer of cars manufactured by BMW Munich.

The Belgian subsidiary had sent a circular to its Belgian distributors inviting them to make an agreement not to export new BMW cars. Out of 90 distributors, 47 accepted the invitation. This general ban on exporting new BMW cars was, however, a clear breach of EEC competition rules. Following complaints by the European Commission, this export ban was lifted on February 20, 1976.

The Belgian distributors of BMW who took part in this agreement were served with fines ranging from 1,000 to 2,000 units of account.

In another sphere, the European Commission has recently requested the Dutch Association of traders in cycles and cycle accessories to modify market rules which they had imposed on their distributors, restricting free competition.

This association, the Centraal Bureau voor de Rijwielhand (CBR) had imposed rules relating to the private market for bicycles in the Netherlands. These rules also covered parts and accessories imported into Holland from other Community Member States. The large majority of Dutch companies dealing in bicycles and accessories were subject to these restrictions. This effectively covered 80% of bicycles sold on the Dutch market.

These rules, however, restricted competition. The cycle distributors were, for example, forbidden to have commercial dealings with third parties not approved by the CBR. The Bureau also forbade the distributors to offer price-reductions which could sharpen competition, and even banned offering indirect benefits such as better ancillary equipment, or making part exchange offers. These rules have now been modified by CBR. The new rules are being examined by the Commission.

++ EASY DRIVING

If you borrow someone else's car, anything can happen : pull the choke and you start the windscreen wipers, attempt to put the lights on and you deafen the neighbourhood with the horn..... these are just a few of the problems you may encounter when using a car with which you're not familiar.

In an effort to reduce this sort of confusion, the Council of Ministers have just adopted new Community directives on "motor vehicles". One of these makes it compulsory to identify hand controls, indicators and warning lights with prescribed symbols and colours.

In addition, all new cars will have to be fitted with certain equipment : de-icers, demisters, windscreen wipers and windscreen washers. These are by no means decorative gadgets.

The directive also contains new provisions which will enable certain vehicle parts (exhausts, steering etc.) to be tested before being fitted to the vehicle, and be accorded EEC type-approval.

There are only four more directives to be adopted to establish the complete EEC type-approval to enable cars to be put on the market in the confidence that all elements of the vehicle conform to Community standards. The last directives will cover headrests, weights and dimensions, tyres and window safety.

++ DYING YOUNG

If you are worried about dying young, you have probably considered taking out a life insurance policy. If so, you should try a British life assurance company since the premiums are half those of Belgium and a fifth of those in Germany.

These are the practical conclusions of a study which has been undertaken by the Belgian Consumer Association in collaboration with various members of BEUC (European Bureau of Consumer Organisations).

Certain types of life assurance policies only cover death within a predetermined period. Normally, for this, a person

would select the period in which the removal of support for the family would be most arduous, for example, during the first ten years of marriage, when the couple do not have a place of their own, when money is scarce, and when, in many cases, the wife has to give up work to look after the children. The insurance covers the risk of premature death.

BEUC have been looking at how premiums and conditions vary from country to country. Free movement of services applies in only a very limited way to the insurance market. BEUC wishes the European Commission to examine why these enormous price differences exist for identical services.

Without standardising insurance rates, the most advantageous solution for the Belgian, Luxembourgish and French would be to take insurance in the UK or the Netherlands. Companies in these two countries are not, however, too favourably disposed to dealing with foreign clients. And nationals of certain countries are not permitted to insure abroad.

++ SCIENTIFIC SEA COOPERATION GROWS

An experimental European network of oceanic stations, and the coordination of European research dealing with optical fibre communications are two new areas of cooperation between Community countries which have been brought about by the European Commission.

The countries participating in the experimental European network of oceanic stations are Denmark, Finland, France, Ireland, Norway, Portugal, Sweden and the United Kingdom.

This project will provide practical experience in the field of meteorological and oceanographic research and also improve meteorological forecasts relating to the marine environment.

In the first place, regional networks will be set up in selected zones (Azores, Shetlands, Mediterranean, North Sea, Baltic Sea, etc.) If the results are satisfactory, the pilot schemes will be progressively extended and integrated into the networks covering the whole of Europe.

The principal objective of the second project is to coordinate and promote European research into the development of optical fibre communications systems. Such systems would be an exceptional way of transmitting large quantities of information over long distances. Seven European countries are involved in the project : Germany, Spain, France, Ireland, Italy, Sweden and the United Kingdom.

++ BOTTOMS UP!

Wine drinkers rejoice! From September 1st 1978, the total content of sulphur dioxide in white wine may not exceed 225 mg/litre and in red wines, 175 mg/litre.

A number of exceptions have been made for certain quality wines from specific regions in France, Germany or from third countries. For these wines, the maximum content of sulphur dioxide may not exceed 300 mg/litre and 400 mg/litre respectively.

There are no obligations to display the sulphur dioxide levels on the wine labels. Up until now, the Council of Ministers has not thought it necessary to make it compulsory to mention the substances which are added to wine.

++ ENERGY AND JOBS

The Community's energy industries employed some 1,770,000 persons in 1975. The division by country is as follows:

GERMANY	:	500,000	(estimate)
FRANCE	:	290,000	
ITALY	:	187,000	
NETHERLANDS	:	60,000	
BELGIUM	:	66,000	
LUXEMBOURG	:	2,000	
U.K.	:	630,000	(estimate)
IRELAND	:	17,000	(estimate)
DENMARK	:	19,000	

++ DANGERS OF ASBESTOS

We are surrounded by asbestos : fire prevention equipment, isolating materials, ironing boards, plates to keep food warm, etc. etc. It is well known now however that asbestos can induce certain illnesses (asbestosis) and the European Commission has charged a group of scientific experts to examine the use of asbestos, ways of detecting its presence, and the risks it presents for workers and the general public.

This study has now been published by the Commission in English under the title "Public health risks of exposure to asbestos" (Pergamon Press).

++ EUROPE'S SEA RESOURCES

Europe and the sea's resources is the title of a work by Orio Giarini, Henri Louberge and Henri Schwamm, which has just been published. An introduction to marine economics, this work makes a substantial contribution to the economic growth debate. The study looks at the limits to the sea's resources, market for sea food, the over-exploitation of certain fish species and examines a number of subjects that are rarely touched upon.

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SOCIAL FUND FACE-LIFT

In Reggio Emilia in Italy, unemployment amongst young people and school leavers is depressingly high, as it is in many of the Community's industrial regions. Young people in Reggio are luckier than some, however, in that they have a particularly active local Chamber of Commerce.

As a result of an initiative taken by the Chamber, 225 unemployed young people are currently training as managers of supermarkets, shopping centres and tourist agencies. The students are aged between 18 and 25 and although they have school certificates, are lacking in any other qualification to equip them for a job.

The distribution sector in Italy seriously lacks qualified staff, which is why the Reggio Chamber of Commerce has set up a special centre to teach the trainees general economics, statistics, marketing and publicity. They will also spend 2 months of their 11-month course gaining practical experience by working in a local business. At the end of it all, the course organisers undertake to find the trainees their first jobs in the distribution sector.

The scheme in Reggio is the result of a successful pilot project sponsored by the European Social Fund. The Social Fund is now putting up half the costs of the training scheme proper over a 3-year period.

Integrating migrant worker children

As an industrialised country, Belgium depends to a considerable extent on immigrant workers, most of whom bring their families with them. As a result, the percentages of immigrant children in Brussels' schools in recent years has been as high as 25%. Unfortunately, many of these children have little or no knowledge of the language spoken around them, and consequently leave school at the age of 14 with no qualifications or training whatsoever.

To remedy this situation, the commune of St-Josse-ten-Noode in Brussels has set up special language and remedial classes for immigrant children. The children on the course are aged between 12 and 16 and will receive 24 hours of special classes per week, including 12 hours of French. It is expected that at the end of the course, they will be accepted into professional or technical secondary schools where they will acquire the necessary qualifications to be integrated usefully into the Belgian capitals' working population.

The European Social Fund has footed the bill for half the cost of the children's classes.

Retraining the unemployed

In Northern Ireland, life is troubled and unemployment figures high. One British company, however - a manufacturer of knit-wear and hosiery - has recently embarked on a scheme to train 335 unemployed people in Londonderry to work as cutters, stitchers, pressers and inspectors.

The company has been established in Northern Ireland for nearly thirty years, and now plans to open a new factory right in the heart of Ulster's most troubled area. The factory will manufacture denim jeans for the European market and will be manned largely by former members of Londonderry's unemployed. They will be trained for the job over a three-year period with financial help from the European Social Fund.

Help for 3.5 million workers

For seventeen years now, the European Social Fund has been providing money to help finance projects like these. In that time, it has had two face-lifts, and the latest set of reforms just agreed by the EEC Council of Ministers in Brussels should enable it to play an even more active role in helping to solve employment problems in the Community.

Since its creation in 1960, the European Social Fund has aided 3.5 million workers, few of whom will have been fully aware of the EEC-nature of the help received.

Few Community citizens are aware, in fact, of the activities of the Fund. Financed from the Community budget, the Fund's task is to provide money for vocational training projects in the Community or to give financial assistance in specific cases where a large number of workers have to move to new jobs in different areas. In this way, the Fund can help to reduce unemployment, and by increasing the mobility of Europe's workers, both in terms of the kind of jobs they can do and the number of places they can do them in, it can help Member States' governments to make the best possible use of the whole working population.

Aid approval system

Applications for aid from the Social Fund come either from private companies or from public authorities, but are always channelled through the various national governments who then forward on the applications to the European Commission in Brussels. The Fund provides half the cost of projects organised by public bodies, and in the case of projects organised by private companies or bodies, it normally pays an amount equal to that contributed by the appropriate public authority who also usually guarantees the successful completion of the projects concerned.

Under no circumstances, however, is money paid out by the Fund intended to represent just a reimbursement of Member States' contributions to the Fund via the Community budget. What happens instead - and this should be even more true when the present reforms come into force in January 1978 - is that money from the richer areas of the Community is redirected towards the more backward regions where jobs are at a premium and unemployment is high.

Nor is Social Fund aid intended to be a substitute for expenditure which national governments would in any case have made. On the contrary, it is intended that the Fund's existence should encourage Member States to spend more money on trying to ensure that all their workers have the right jobs. The European Commission issues guidelines to the Member States to point out areas to which the Community has accorded priority and for which applications will be most favourably received. The nine Community Member States do not necessarily receive the same portion of the Fund's resources every year - money from the Fund goes where it is most needed when it is most needed.

The Fund is intended to provide a back-up on the human level to general Community policy measures. On the economic front, for example, creation of a common market has necessitated the opening up of hitherto protected national markets. Increased Community-wide competition has, unfortunately, caused unemployment problems in some sectors by forcing inefficient firms out of business. Workers leaving their jobs as a result of closures have needed retraining and in some cases resettlement in new employment. If hardship is to be prevented, incomes need to be maintained while training is being carried out. The European Social Fund was set up with these needs in mind.

Between 1973 and 1976, most of the Fund's resources went to Italy, Ireland and the United Kingdom. About 90% of this amount was aid granted for the purpose of vocational training. The other 10% of the Fund's resources were used to alleviate the costs of resettling workers and their families. Over the same period, the Fund's budget has more than doubled from 235 million u.a. (1 u.a. = approx. 1.2 U.S. dollars) in 1973 to 617 million u.a. in 1977.

The early days, then the crisis

The first (or "Old") Social Fund began operations in 1960. It gradually became apparent, however, that the Fund's methods were not ideal. In addition, it needed to be improved to turn it into an active instrument of employment policy. Aware of the shortcomings of the first Social Fund, the European Commission began preparations in the late 1960's for the introduction of a new Fund which came into operation on May 1 1972.

Hardly had the New Social Fund begun operating when a dramatic turn of events changed Europe's economic outlook and transformed the employment situation. Less than a year after the United Kingdom, Denmark and Ireland joined the Community, the oil crisis of the winter of 1973/74 precipitated the worst economic recession since the war and this led in turn to a rapid increase in unemployment. By the end of 1974, there were 4 million jobless in the Community. By the middle of 1977, with the recession continuing to bite, unemployment was close to the 6 million mark.

This massive upswing in "cyclical" unemployment (i.e. unemployment caused by the economic recession as opposed to the more long-term "structural" unemployment created by changing patterns of production) presented a major challenge to a Social Fund geared mainly to correcting localised structural unemployment against a background of full employment.

Nevertheless, given the rapidly deteriorating overall employment situation, an attempt was made to meet the challenge. Following proposals from the Commission, the Nine agreed to extend the scope of the Fund to help under-25's in search of jobs - perhaps the hardest-hit and most vulnerable sector of the working population. It was also agreed to steer aid in the direction of hard-hit regions and sectors.

Concentration on poorest regions

A second reform of the European Social Fund will come into force this month, January 1978. The revisions are not, however, an attempt to change the Fund's basic format but are intended to update the rules of operation in such a way as to strengthen the Fund's impact on the changed labour market situation.

It is well recognised in Brussels that with its limited budget, the Fund is unable to solve all the Community's employment problems. Bearing this in mind, it has been decided that in future, the Fund's resources will be concentrated to a greater degree in the areas where they are most urgently needed, that is to say the Community's most underdeveloped and poorest regions.

In these regions, the projects set up by public authorities will be financed at a rate of up to 55% by the Fund. In the case of projects set up by private groups or companies, the Fund previously put up an amount equal to that contributed by the public authorities in the country concerned. In future, that Community contribution will be raised by 10%.

Moreover, those regions to which these measures will apply have now been specifically defined. They will apply to Greenland, the Mezzogiorno region of Italy, Northern Ireland, Ireland and the French overseas departments of Guyana, Martinique, and

Réunion. It is worth noting here that these areas are the same as those eligible for special treatment under the Community's Regional Fund, and this is no mere coincidence. The Social Fund is only one of such Fund's administered by the Community (others are the Regional Fund, the European Coal and Steel Community Fund and the European Agricultural Guidance and Guarantee Fund) and it is expected that in the future, there will be a greater coordination of policy between these various sources of EEC aid. A task force for the coordination of funds has recently been set up to this end.

The European Social Fund will continue giving aid for schemes involving migrant workers. Workers in the textile and clothing industry, too, will continue to receive aid towards retraining, as will handicapped workers.

Jobless women and young people

It had been felt that something more wide ranging should be done to help women who, along with young people, have suffered particularly badly in the present employment crisis.

As from January 1978, aid from the Social Fund will be available to help offset the cost of training and retraining women over 25. This training should be preceded by measures to prepare them for working life and followed by measures designed to facilitate their entry into employment.

The Council of Ministers once again paid special attention to the plight of the young. The Community now contains more than 2 million unemployed people under the age of 25, four times as many as in 1969. Current provisions for aid to the young unemployed, and particularly those seeking their first jobs, are therefore to continue, but the Council of Ministers has now asked the Commission to put forward, as soon as possible, proposals for a new type of aid - possibly the payment of employment premiums or the creation of new jobs by public authorities.

More speed and effectiveness

In the past, administrative delays - inherent in the regulations - have often meant that payments of aid have been slow and that the Fund has thus been deprived of its effectiveness. A number of administrative improvements will now be taking place, therefore, and should help the Fund's administrators in the European Commission to deal speedily and effectively with the enormous volume of applications received, whilst at the same time, allowing Member States to estimate in good time the amount of aid that can be counted on from the Fund.

Under the new scheme just agreed, project organisers will no longer be kept waiting indefinitely for money promised them by the Fund. Thirty percent of the aid agreed will now be paid in the form of an advance at the start of the project, a further 30% at the half-way point of the project and the rest when the final report of the project is completed. This one change alone is expected to make a tremendous difference to the Fund's effectiveness.

Finally, for the first time, the Ministers have acknowledged that the Commission is free to propose new aids and tasks for the Social Fund, a development which is seen as a positive step towards the possible future expansion of the role of the European Social Fund.

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FISH : A QUESTION OF SURVIVAL

The marathon meeting of the Nine's fisheries ministers on January 18th to establish a Community fishing policy, finished without agreement. Discussion on the details of an internal fishing system for the Community will begin again on January 30th.

The Community's fishing problem is basically the zoological fact that fish cannot increase their powers of reproduction to accommodate the ever increasing demands of the fishing industry.

Substantial investment in the boom years of the mid-sixties has raised productivity to such an extent that fish stocks in the Community risk becoming exhausted in the not too distant future. The consequence of this excessive exploitation of our fish resources will be paid for by both fishermen and consumers alike.

In 1965 for example, in the golden days of fishing, adult herring catches in the North Sea totalled 1.4 million tonnes. By 1975, the total catch had fallen to 500,000 tonnes. Cod, sole and other common species followed a similar pattern.

Since 1966, the European Commission has been trying to encourage the introduction of a common fisheries policy. The two basic elements of such a policy are equal access rights for all Community countries to the territorial waters of all Member States for fishing operations, and secondly, joint organisation of the market.

Stumbling block

Since 1971, Community fish stocks have been showing clear signs of running out and, to exacerbate the situation, certain third countries have extended their fishing zones to 200 miles. The European Community has consequently had to take a hard look at the management of our natural resources to safeguard the future. In October 1976, the Council of Ministers agreed to extend national fishing limits to 200 miles. The practical application of this principle has not been easy however. The main stumbling block is the precise distance. With a 200 mile limit - as proposed by the United Nations conference on the Law of the Sea - Community fishermen

would lose the right to operate in the waters of many third countries, even though they would be able to protect their own stocks by keeping out "foreign" fishermen. The basic problem for the Nine's fishing fleets is that the fish to be found in the waters of third countries are of greater commercial value than those in their own waters. In addition, two countries, the United Kingdom and Ireland, are particularly worried that the new regime would harm the interests of their own troubled fishing industries. They consequently wish to establish exclusive or preferential fishing zones for their own fishermen rather than open up their waters to other Community fishermen.

Lacking national agreement on the issue, the Commission introduced a number of conservation measures in 1977 : banning factory ships and imposing quota restrictions on catches of herring and Norway pout.

Eating unfamiliar fish

For 1978, the European Commission is making further detailed proposals to fix the size of the annual catch. In drawing up quotas, the Commission wishes special attention to be given to fishermen in the UK and Ireland (they would be given the right to a two-thirds increase on the size of their 1975 catch). A new regulation would be introduced concerning the inspection of catches, and the fishing of herring and Norway pout would be banned during 1978. Finally, the Commission proposes that the Community gives more assistance to Member States in their efforts to reform the fish sector. This would, for example, involve encouraging the fishing industry to turn their attention to underexploited species whilst at the same time, conducting publicity campaigns to induce consumers to eat the less familiar species of fish, which though possibly not so tasty, are less likely to disappear completely in the not too distant future.

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PARLIAMENT : INFLATION, GROWTH AND EMPLOYMENT

The words inflation and unemployment were frequently heard at the recent session of the European Parliament. Mr. K.B. Andersen, Danish Foreign Minister and new President of the Council of Ministers declared that combatting unemployment purposefully and directly would be one of the main priorities of the Danish presidency over the next six months.

In a statement to the Parliament, Roy Jenkins, President of the European Commission, placed economic and monetary union alongside direct elections and enlargement as one of the key issues facing the Community today. And though it could not alone solve the problems of growth, inflation and employment, economic and monetary union represented the best way in which the trap might be sprung.

We are faced with a vicious circle : those countries with weak currencies are hesitant about boosting domestic demand to reduce unemployment for fear of accelerating inflation and weakening their currency further; those countries with strong currencies are hesitant about boosting investment since they know that their expansion largely depends on demand in other Community countries, who are still weak as a result of the crisis.

If the weak countries in the Community could take the risk of a limited deterioration in their trade balances, and if the strong countries could convince themselves that demand in other Community countries will increase, then everyone would feel more free to implement the measures which they recognise are the only ones which can get us out of the vicious circle.

Solidarity between Community countries is increasingly important Mr. Jenkins stressed. By 1985 the number of young people entering the job market will be at least 9 million more than the number of people retiring from work.

Quite evidently, Mr. Jenkins concluded, economic and monetary union will involve expanding the Community budget - not of course to expand the bureaucracy - but to be able to redistribute funds to the needy. The sums involved are not extraordinary. The Community budget currently only amounts to 1% of the total gross national products of the nine countries. Studies have indicated that only some 5-7% of the budget would have to be redistributed to the regions to create a better balance and therefore create a significant improvement in the situation. Is this too high a price to pay?

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Among the many other topics discussed was the question of aerospace policy. Georges Carpentier (France, Socialist) outlined the main reasons for introducing a fully-fledged Community aerospace policy: the need to ensure the competitiveness of this sector in the international market, and ensure our independence in a field which is a source of technical progress and a provider of jobs. His report was adopted by the Parliament who also approved the outlines of an action plan for aerospace research which had been drawn up by the European Commission.

The Parliament also discussed the evils of smoking, at the request of Mrs. Vera Squarzialupi (Italy, Communist). Calling on the European Commission to ban cigarette advertising, she stressed that prevention is better than cure. Speaking on behalf of the Commission, Henk Vredeling stated that the Commission was already looking into the whole problem. In his view, the key to the problem was in stopping young people from starting. European Commissioner Richard Burke, speaking on the consumer aspects of the problem, announced that a Community directive on the advertising aspects of tobacco was currently being drawn up by the Commission. The battle against the evils of smoking is not however a simple one, and in spite of all the warnings already issued, smoking amongst young people is on the increase.

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