

# Euroforum



Lomé I to Lomé II: from a gamble to a policy. See page 3.

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# Euroforum

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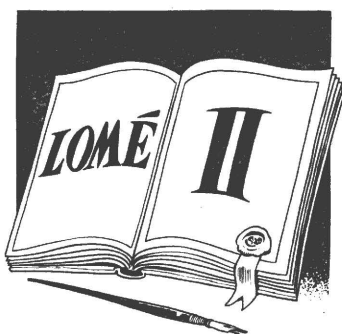
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## THIRD WORLD



### Lomé I to Lomé II: from a gamble to a policy

When, in February 1975, the Ministers of 46 African, Caribbean and Pacific countries together with those of the nine countries comprising the European Community signed the first Lomé Convention, the event was described as significant, even historic. For the first time, a group of Northern and Southern countries, following inter-group negotiations, had concluded a *contract*.

'A milestone in the establishment of a new international economic order', it was said; equal in importance in the history of relations between the 'haves' and 'have-nots' as that of the first collective agreements in the social history of our own countries.

The contract replaced one-sided hand-outs, the giving of charity or alms was superseded by recognized rights, the dignity and personality of partnership was fully affirmed, the weakest were assured of a basic security and stability; they could finally look forward to, and attempt to organize, a future—this was a development.

This alteration, at least in its intention, was a major one. Yet it remained limited. On a world level, it remained difficult to transform the dialogue between North and South into concrete

negotiations; as one conference succeeded another, the resolutions mounted up, but working agreements remained the exception and their scope was restricted. Discouragement and anger grew in proportion to the paltry pace of the progress made. Europe could not sit back and let things become bogged-down; Europeans could not attempt to bring about any change, nor could they build a prosperous and peaceful future for their children, if they were ringed about by a world of poverty and potential revolt. By its calling, as well as by stark necessity, the Community had to release the weighty North-South wagon from the mire, though it knew that it would not succeed unaided.

It is all the more urgent to consolidate and enlarge the breach opened at Lomé four and a half years ago. Hence, on 31 October, a second contract will be signed in the Togolese capital between the Community and its African, Caribbean and Pacific partners.

What is its significance? Some commentators will point out that there are fewer novelties. This is true: a second birth is less of an event than the first, yet what a portent for the future! Now there is a family. Lomé I was, broadly speaking, a gamble, taken almost by accident, the combining of the renewal of the Yaoundé Convention with the fulfilment of obligations undertaken towards the rest of black Africa, the Caribbean and countries of the Pacific at the time of British accession to the Community. The second contract is more than a gamble; the new commitment was pondered long and hard on both sides. It is a policy.

Nevertheless, the movement could have been checked, halted. A Europe stricken by crisis could have sought its salvation in isolation; an Africa said to be divided, disjointed, could have missed this opportunity to con-

firm its unity in a concrete manner.

Clear thinking and a dash of boldness won the day with both sides and led them in the end to a successful conclusion to their negotiations, admittedly made more difficult by the prevailing circumstances but whose results are all the more noteworthy for that.

While everywhere financial efforts to assist the Third World are levelling off or diminishing, Community aid is increasing in real terms. While protectionism rears its ugly head, Europe is not only maintaining but is increasing the openness of its market; the security aspects have been strengthened—the extension of guarantees for the stabilization of export earnings, new assurances for mining development, research to provide a sounder basis for industrial cooperation, not only by means of funds but by providing security for investment.

Admittedly, both our partners and ourselves are aware that we have not obtained all that we were seeking; the needs are great and the expectations which major international negotiations can hardly hope to satisfy put a strain on the relationship. In the light of such expectations, the Lomé policy is still very young and fragile. The experiment remains a pioneering venture, with the bulk of our forces following behind.

But the way has been signposted, confirmed; the first stage yielded many lessons and its early results are already convincing. Let us hope that we can contribute in this way towards setting in motion, between North and South, a broad-based policy of solidarity.

*C. Cheysson*

Claude Cheysson,  
Development Commissioner

## Community meets its obligations in signing of Lomé II

The year 1979 will have witnessed two major events involving the industrialized countries and the Third World. The first was the Manila session of UNCTAD V, which brought together the representatives of nearly 150 countries for extensive discussions on what the West should do to help the Third World to a better life. The second will be the ceremony in Lomé on October 31, at which the nine-nation European Community and 57 developing countries from Africa, the Caribbean and the Pacific (ACP) will sign a comprehensive convention on trade and aid.

The two events complement each other. The second Lomé Convention is the realization, at regional level, of the hopes voiced in Manila. But this is not surprising, for the 66 countries meeting in the Togolese capital took part in UNCTAD V also.

The Community has tried, in other words, to meet its obligations to those developing countries with whom its individual member States have historical ties, even while supporting the efforts of the international Community in favour of all developing countries.

The new Lomé Convention has its roots, in fact, in the Treaty of Rome, under which the six-nation EEC set up a programme of development assistance for the colonies and other dependent territories of its member States.

As these colonies became independent, the Community concluded the first

Yaoundé Convention of Association with 18 of them in 1963. The United Kingdom's entry into the Community led to fresh negotiations, and the signature of the first Lomé Convention in 1975 by as many as 46 ACP States. The successor to this Convention, which expires next February, will be signed by no fewer than 57 countries stretching from the Bahamas to Western Samoa, and taking in most of black Africa.

Neither the Community nor the ACP States see the second Lomé Convention as an end in itself. As stated in the Preamble, it is part of their continuing efforts 'to establish a model for relations between developed and developing States'. But it is no theoretical model; like its predecessors, the new Convention is firmly based in the needs and aspirations of the developing countries that negotiated it.

At the same time it tries to put into practice the development strategies worked out in UNCTAD V and elsewhere. These strategies require the rich countries to open their markets to the exports of developing countries, so that the latter may earn the foreign exchange needed to pay for development imports.

A key section of the new Convention deals precisely with trade cooperation. Like Lomé I, it provides duty-free access to the market of the nine Community countries for 99.5% of ACP exports. For the remaining 0.5%, consisting mainly of products covered by the Community's common agricultural policy, the ACP States enjoy more favourable treatment than other countries.

Experience has shown that duty-free access will not of itself lead to higher exports, which must be vigorously promoted. Although a wide variety of export promotion schemes can be implemented under Lomé I, the ACP countries have neglected them so far. Steps have been taken to remedy this state of affairs under Lomé II, so as to ensure the ACP countries a larger share of the Community market.

Even so, fluctuations in export earnings cannot be avoided, especially where agricultural products are concerned. Prolonged drought can severely damage crops and the resulting fall in production can lead to a sharp decline in much-needed foreign currencies. Not surprisingly, the export income stabilization scheme, STABEX, which was designed to help the ACP countries through particularly bad years, has aroused great interest in international circles since it was established under Lomé I.

The scope and effectiveness of this 'insurance policy against bad years' are being greatly increased. Its financial resources are being raised to £340 million, an increase of some 30% over Lomé I. Product coverage has been expanded to include 44 products (as against 34), while the conditions under which the system comes into play have been improved.

Financial transfers under STABEX to the 35 least developed ACP countries are in the form of grants and therefore amount to a gift. The others receive interest-free loans, the repayment of which provides a revolving fund for STABEX to draw on. But under the new Convention repayments can be spread over a nine-year period; that is to say, they are no longer due in the first 'good' year after a drought or other disaster.

STABEX is important for the ACP countries precisely because many of them export only one or at most two commodities. But these commodities are not always agricultural; they are also mineral, and exporters of copper or bauxite are also at the mercy of a sudden drop in prices or production.

The new Convention therefore provides for an 'accident insurance' scheme for mineral exporting countries also. It will initially cover the eight principal exports of the ACP countries, including copper, phosphates, bauxite and alumina and iron ore, and will be backed by financing amounting to around £174 million.

While the scheme operates quite differently from STABEX, its aim is the

### The ACP States

Bahamas	Grenada	Sao Tome Principe
Barbados	Guinea	Senegal
Benin	Guinea-Bissau	Seychelles
Botswana	Guyana	Sierra Leone
Burundi	Ivory Coast	Solomon Islands
Cameroon	Jamaica	Somalia
Cape Verde	Kenya	Sudan
Central Africa	Lesotho	Suriname
Chad	Liberia	Swaziland
Comoros	Madagascar	Tanzania
Congo	Malawi	Togo
Djibouti	Mali	Tonga
Dominica	Mauritania	Trinidad and Tobago
Equatorial Guinea	Mauritius	Tuvalu
Ethiopia	Niger	Uganda
Fiji	Nigeria	Upper Volta
Gabon	Papua New Guinea	Western Samoa
Gambia	Rwanda	Zaire
Ghana	St. Lucia	Zambia



same. In the event of a 10% drop in production or export capacity (because of a mining disaster or a fall in prices) the ACP country concerned will receive soft loans to finance projects aimed at restoring production and exports to the Community.

But Lomé II tries also to expand production and develop new mines, activities which are in the interest of both the Community and the ACP States. To this end it provides for increased financial and technical assistance—in mineral exploration, for example; loans at subsidized rates of interest from the European Investment Bank and investment protection and promotion agreements, even in the context of individual projects in which Community firms are partners.

The ACP countries cannot, however, base their future on exports of raw materials; they must diversify their economies, by processing their raw materials before export, for example. The new Convention gives greater emphasis, therefore, to industrial cooperation. The budget of the Brussels-based Centre for Industrial Development, a joint Community/ACP body designed to promote investment on the ACP countries, has been increased to £ 15.5 million and its role more sharply defined.

Cooperation in the field of energy has also been substantially reinforced. The activities to be promoted under Lomé II include an inventory of energy resources, the development of new sources of energy and the manufacture of equipment in the ACP countries themselves.

Because plantation crops and industrial projects yield quick returns there is a danger that ACP economies may develop in a lop-sided manner. The new Convention, therefore, devotes a special chapter to rural development and agricultural cooperation. The financing of micro-projects, begun as an experiment, will be continued and expanded under Lomé II.

The ambitious goals which the Community and ACP countries have set themselves cannot, of course, be reached without increased financial resources. These are being provided by the Nine through the European Development Fund and the European Investment Bank and will amount to around £ 3 500 million in all for the period 1980-85 (as against around £ 2 100 million under Lomé I). The EDF's share will amount to £ 2 800 million, of which two thirds will be in the form of grants. At the same time, special efforts will be made on both

sides to step up the flow of private investments from Europe.

But even large-scale aid can be no better than charity unless responsibility for its use is shared. The essence of the Community's 'Lomé policy', however, is cooperation based on a permanent dialogue between equals.

The institutions of the Lomé Convention have been designed to encourage this dialogue at all levels, from the political, such as the ACP-Community Council of Ministers, to the technical (such as Joint Committees on industrial cooperation, trade cooperation, etc.), not forgetting the Consultative Assembly, made up of European and ACP Parliamentarians.

## Aid not a question of charity but good economic sense

Some three thousand million human beings have an annual income lower than the monthly earnings in industrialized countries. In a number of Third World countries, the annual income is less than our weekly earnings. Under-development is the divide which radically separates the two halves of the world. The characteristics are well-known: malnutrition, illiteracy, unemployment, sickness, epidemics.

This is well illustrated by the following sets of figures:

- one American alone consumes as much energy as 1 100 citizens of Rwanda ;
- Europe has one doctor for every 580 persons, Kenya has one for every 25 600;
- each year industrialized countries consume 497 kilos of cereal per person; Third World countries consume 194.

There are a number of causes of under-development. One of them is population growth. Another is shortage of natural resources. A third is that the world economic system was not designed to the advantage of developing countries.

In this situation, the Third World countries have concentrated on a four-point strategy:

- maximizing their profits from raw materials by indexing prices, stabilizing their export earnings and processing products on the spot;
- developing domestic industry and attracting technology and investment from the rich countries;

- expanding and diversifying their agricultural output to help meet their own needs;
- increasing aid from rich countries.

The Lomé Convention is just one way in which the European Community tries to play its part in helping the Third World. But is it doing enough? Are Europeans prepared to give more?

Apart from the obvious fundamental moral imperatives involved, there are a number of sound economic justifications for Community aid to Third World countries. If nothing is done to narrow the gap between rich and poor countries, the consequence could be violent conflict. Europe would be highly exposed in such a conflict. In addition, the Community has a direct interest in helping Third World countries, on which it depends more than other major industrial powers.

It is also worth noting that oil represents 60% of the value of Community purchases from the Third World. Community dependence on developing countries for raw materials that are the basis of its economic activity and the mainstay of the everyday life of its citizens stand at around 90%.

Again, the Third World was the Community's best customer in 1978; it accounted for 38% of its exports while the USA only took 13% and Eastern Europe 8%. The more the Third World countries develop, the more they will need our capital goods and our know-how.

Alongside its Member States, the Community has an important role to play in development and cooperation. Its effort is not a duplication of the work of member countries. By contrast, the Community tries to coordinate and complement the work of individual countries.

For this reason the Nine speak with one unified voice in the major international negotiations on development—the Community often speaks in their name—and are increasingly trying to coordinate their national aid policies for the Third World.

For historic reasons, the Community has given special assistance to a certain number of African, Caribbean and Pacific (ACP) countries but it has not concentrated all its aid in this area. The Nine have progressively developed a Community development aid policy of interest to all Third World countries. This has a number of elements.

The generalized system of preferences offers preferential access to the Com-

munity market for exports of manufactured and semi-manufactured goods and agricultural products from more than 100 developing countries.

The Community sends food—often in cases of emergency—to countries who request it to help them counter undernourishment. The 1979 programme envisages aid worth more than £300 million.

In addition, the Community supplies financial and technical aid to those Third World countries which are not associated with it by any special agreements. Although limited, this aid is worth around £70 million this year. It also makes funds available to non-government organizations involved in the battle against underdevelopment, and gives special aid to poor countries which have been worst hit by the oil crisis.

The Community has woven a very tight network of trade agreements with numerous Third World countries. These cover three large geographical zones:

- the southern Mediterranean: eight countries (Algeria, Morocco, Tunisia, Egypt, Israel, Jordan, Lebanon and Syria) signed commercial, industrial, technical and financial cooperation agreements with the Community in 1976 and 1977. The main provisions of these agreements are: unrestricted access to Community markets for industrial goods; customs preferences for certain agricultural goods, and financial aid up to a total of £415 million over five years.
- Latin America: apart from non-preferential trade agreements with Argentina, Brazil, Mexico and Uruguay, a number of agreements have been made with other countries dealing with trade in textiles and crafts;
- Asian countries: non-preferential trade agreements have been made with Bangladesh, India, Pakistan and Sri Lanka. Cooperation is also growing with countries belonging to ASEAN—the Association of South-East Asian Nations.

## Approval of £77m development aid programme soon

The Nine's Development Ministers are expected later this month to give their formal approval to the Community's 1979 aid programme for non-associated developing countries (that is, those not linked to the Community through the Lomé Convention or

similar agreements) totalling £77 million.

By far the largest share (73%) will be allocated to Asia of which the main beneficiaries will be India, Indonesia, Bangladesh and Pakistan. Community aid will be provided in the form of fertilizers for India, irrigation and crop development in Indonesia, grain storage in Bangladesh and livestock development in Pakistan.

Latin America will receive 20% of the aid. Haiti will be the main beneficiary, mainly for road construction. Honduras will receive aid for improving water supplies and Peru for developing its forestry resources.

The remaining 7% will go to Africa. Angola will receive aid for fisheries development and Mozambique for livestock disease control and a study for the expansion of the port of Beira.

Looking ahead to 1980 the European Commission wants the aid to be increased to £94 million. The Commission also wants to focus aid on a few major projects so as to achieve maximum impact.

The aid would be shared among the three continents in the same way as in 1979 with priority given to rural development projects, especially those aiming to raise food production. Regional projects as well as those financed jointly with the World Bank and other aid bodies will also be increased.

## Nine send emergency aid to Cambodia

A planeload of Community food and medical aid left Luxembourg on October 4 for Phnom-Penh destined to help relieve famine stricken refugees in Cambodia.

During the past two years practically no food has been grown in Cambodia due to the fighting. About 2.5 million people—nearly half the population—are now in danger of starvation. Weakened by malnutrition thousands of people are also dying of malaria, tuberculosis and other illnesses.

The Community aid, worth around £3.5 million is helping to finance a third of a three-month emergency aid programme. The programme is being coordinated by UNICEF and involves 15 non-governmental organizations.

Last July the Council of Ministers approved about £2.5 million worth of aid but this has not yet been delivered for fear that it might not reach the refugees.

## TECHNOLOGY

### Parliamentarians call for more protection for the individual

The mischief caused by the collection of personal information about people is certainly a cause for concern. Laws on privacy do exist in some countries but there are loopholes in national legislation and the flow of information across frontiers remains unchecked.

German Euro MPs Jochen van Aerssen and Siegbert Alber recently asked the European Commission what it can do to prevent the improper use of data stored in computers. They and several other parliamentarians are worried that the data-processing industry is growing, yet remains uncontrolled.

Mr van Aerssen called on the Commission to draft legislation that would regulate the flow of data across Community frontiers and coordinate national legislation. And he wanted to know if any legal and genuinely effective remedies were available.

Several MPs agree that there is a need for a European standard controlling data-processing but one that will not hinder its development as an important industry in most of the Member States.

British MP Alexander Sherlock questioned whether privacy is something that exists anyway—he pointed out that even people in villages don't lead private lives. But he felt that people should have the right of access to stored information regarding themselves.

Commissioner Lorenzo Natali told the Parliament that the Commission wants to see the outcome of a draft international convention on data-processing currently under consideration by the Council of Europe before deciding whether to act further.

## IN BRIEF

As oil becomes scarcer and dearer, Old King Coal is taking on a new glow and production is being stepped up. Output in the first quarter of this year in the Community totalled 112 million tonnes, an increase of just under 1% on the same period last year.

## THE INSTITUTIONS



### Commission expenses: President promises stricter controls

The European Commission acted 'promptly and effectively' in tightening up its internal auditing procedures in the light of points raised in a report prepared by the Community's Court of Auditors, President Jenkins told members of the European Parliament recently.

President Jenkins was addressing the Parliament's budgetary control committee, which was holding an almost unprecedented open meeting to discuss a report on the Commissioners' travelling and entertainment expenses during 1977 and 1978.

The Commission President roundly rejected articles in the press earlier this year—based on a leaked copy of the report—that the Commission had overspent its representational expenses by 23%. In fact, he added, once an error in the Court's calculations had been corrected it was shown that the Commission spent 3% less than its allowance.

He also defended the use of air taxis by the Commissioners, pointing out that they are not a luxury but are an uncomfortable, yet highly necessary, form of travel if the Commissioners are to be able to fulfil all their obligations throughout the Community. But, he assured members of the committee: 'We will exercise the greatest rigourousness in the use of air taxis'.

In its report, the Court of Auditors pointed out that air taxis accounted for almost 62% of the Commission's travelling expenses last year and it suggested that curbs should be placed on their use.

Finally, President Jenkins questioned the Auditors' suggestion that the Commissioners returned too frequently 'to the country each knows best'. This criticism of the role of Commissioners was not wholly well conceived, he stated, since they had to keep constantly in touch with developments in the Community and not remain cloistered in Brussels.

The Auditors' report was prepared for the European Parliament and presented to its President in August. It does not set out to comment on the

spending expenses of any individual Commissioner, and for this reason none are actually named.

The report's most important conclusion is that 'the absence of rules regarding expenditure... leaves members in considerable uncertainty and makes normal audit control difficult, if not impossible'. It also recommended that ceilings should be placed on hotel and meal expenses.

Indeed, soon after taking up his post in Brussels in 1977, President Jenkins introduced certain internal accounting improvements. He told the budget control committee that these would be extended and that in future Commissioners would only be allowed to claim 1 350 Belgian francs (about £ 20) per head for meals and that they would have an indicative ceiling of FB 180 000 (about £ 2 750) per year for hotel overnights.

The Auditors' report noted that, despite inflation, the Commissioners' entertainment expenses had increased by less than 16% since 1973. Over the same period the Community's cost of living index had risen by 64%, and the increases in the representation expenses for other Community institutions had been 86% for the Council of Ministers and 167% for the Parliament.

### IN BRIEF

Six Community firms are among the world's Top Twenty, according to a list drawn up by Fortune which rates them according to turnover. They are Royal Dutch/Shell, in third place behind General Motors and Exxon; British Petroleum (7), Unilever (12), Philips (16), Siemens and Volkswagen (18). All the others are American with the exception of the Japanese Toyota company in 20th position. General Motors had sales of \$63 000 million in 1978, compared with Royal Dutch/Shell's \$44 000 million.

The cost of storing surplus food in the Community is continuing to grow as the Commission presses for the implementation of measures to discourage production particularly of milk. In 1976, storage costs were more than 1 000 million European Units of Account (EUA) or more than £ 600 million. Last year the figure had risen to just under £ 1 000 million.



## ENERGY

## This is conservation month: how are we measuring up?

Western industrial countries, including the European Community's Nine Member States, have failed to cut oil imports significantly or produce energy-efficient societies according to the International Energy Agency (IEA) in Paris.

The IEA points out that although western countries will achieve their 1979 target of cutting oil consumption by 5% this will mainly have been due to the impact of economic recession, fuel shortages and higher oil prices rather than strong energy-saving programmes.

The IEA warns that oil consumption must be cut by 10-15% by 1985 in order to avoid supply shortages.

In order to bring the message home to the public the IEA has this month organized an International Energy Conservation Campaign in schools, press, radio and TV. The aim is to convince people not only of the need to use energy more carefully but also to adapt to a new life-style based on the idea that energy is scarce and expensive.

The IEA was set up after the 1973 oil crisis in an effort to coordinate the energy policies of consumer countries. All Community Member States except France are members.

Although the Nine all have energy-saving programmes there is room for much improvement. Each Luxembourg, for example, consumes on average the equivalent of 8 tonnes of oil per year—one of the highest rates in the world. The Belgians are not far behind.

Reaction by the Nine to energy savings proposals has not always been very prompt. In 1976 the Council of Ministers recommended that the Member States should adopt measures to improve building insulation, especially windows, roofs, walls and doors.

Luxembourg and Belgium have not yet reacted while Italy only moved in 1978 and Denmark in 1979.

France and Germany were the quickest off the mark. They anticipated the Council of Ministers by adopting home insulation laws in 1974-75. Laws covering other buildings were passed by France in 1976 and Germany in 1977.

The British and Dutch acted in 1975 and the Irish one year later.

Improved home insulation is only one way of saving energy. Since oil

shortages are likely to persist for some time, Community experts are considering extra measures to reduce consumption.

The European Commission has suggested three types of measure:

- Short term: These include a 19 °C heating limit in public buildings, a 110 km/hour road speed limit and the closure of petrol stations one day per week.
- Medium term: Cheaper and more extensive public transport systems coupled with discouragement of private cars in city centres, e.g. fewer car parks. Regular and mandatory checking of cars and boilers to encourage more efficient use of fuel is also advised, as well as ceilings on public sector energy spending.
- Crisis measures: These include fuel rationing and periodic banning of private motoring.

Several of these ideas have already been adopted by the Member States in their energy-savings programmes. The Dutch, Danes and French probably have been the most dynamic.

**Netherlands:** With natural gas supplies fast running out the government has been trying to diversify energy sources. Memories of the Arab oil boycott after the last Arab/Israeli war have also helped make the Dutch conservation programme one of the strongest.

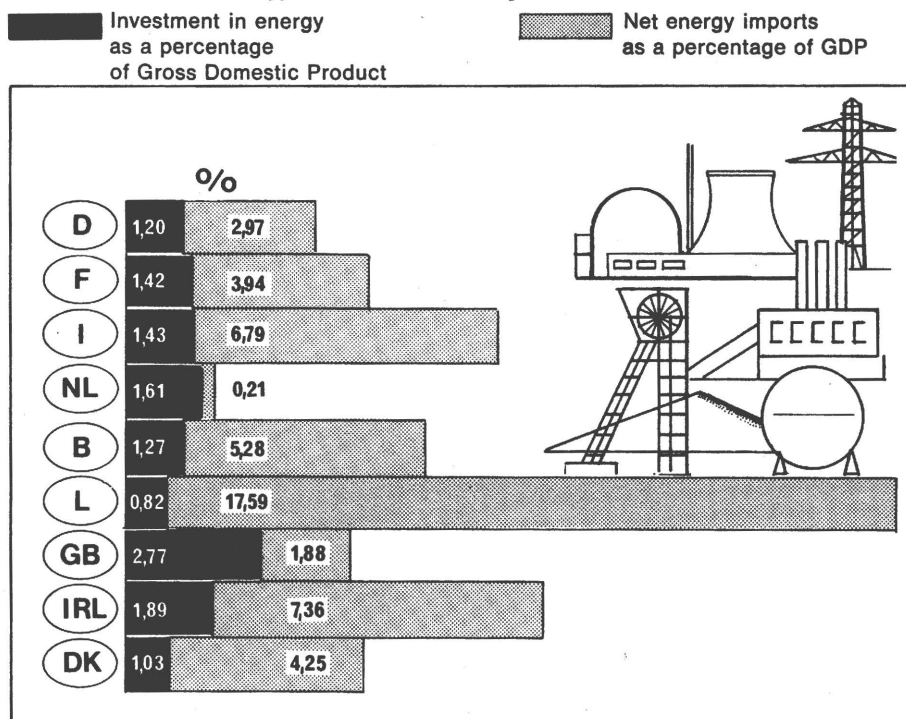
— National Insulation Programme: This is the keystone of the Dutch conservation effort. All Dutch homes will be reinsulated over a 12-year period.

- Transport: Public transport has been made highly efficient as well as cheaper. Cycling—the national hobby—has also been encouraged.
- Industry: Aids for introducing energy-saving techniques.

Earlier this year the Dutch introduced a Special Voluntary Energy Savings Action Programme. A major publicity campaign was launched on ways of saving energy at work and at home and on the road.

**Denmark:** With no coal and little oil or gas so far discovered in its area of the North Sea, Denmark is in a difficult position. Neither has it any nuclear power stations. It is the most dependent among the Nine on energy imports.

### The impact of energy on the economy



Denmark has therefore been obliged to introduce mandatory saving measures which should cut oil consumption by 4% this year. Other voluntary measures should mean that the 5% target will be met. Mandatory installation standards for heating systems have also been introduced.

The Danish motorway speed limit of 100 km/hour is, along with the Dutch, the lowest in the Community. The government is also considering banning motoring one day per week—car owners would put a sign on their wind-screen indicating the day chosen.

Outdoor illuminations and electric advertising signs will be switched off at night.

There are also heating and insulation measures and aids for industry.

*France:* Since 1974 the French have cut oil consumption by 8%—that is 25 million tonnes of oil. Next year the government is planning to cut oil imports by 8.4 million tonnes, mainly by using more coal and nuclear power.

'Gaspi', a cartoon hero, is the main element in a massive publicity drive directed at private car owners, transport firms, industry and all heat and light consumers.

Among the transport measures is a super-tax on vehicles with high fuel consumption. A prototype has also been developed consuming 25% less fuel.

Domestic fuel oil deliveries will be controlled and heating bills in blocks of flats will be separated in order to encourage savings.

*Germany:* Growing opposition to the construction of nuclear power stations has hindered German attempts to become more energy self-sufficient. Germany imports half of its energy needs.

In May this year new energy-saving measures were adopted. They included:

- Greater use of indigenous coal instead of imported coal.
- Development of nuclear power subject to strict safety criteria.
- New energy-saving technology: For instance, use of a fuel mixture containing 6% methanol.



- Greater use of electric heating pumps.
- District heating systems.

*United Kingdom:* Is in the lucky position of shortly becoming a net energy exporter due to its North Sea oil and gas. By the end of 1978 only 106 million tonnes of oil out of estimated reserves of up to 4 400 million tonnes had been recovered.

The UK has enough coal to last 300 years. Its 19 nuclear power stations supply 15% of electricity needs and this is planned to rise to 50% by the end of the century.

The aim of the UK's 10-year energy conservation programme is to save 11 million tonnes of oil equivalent per year. Its main features are:

- Improvement of public sector building and private housing heating control and insulation. Subsidies for private housing insulation.
- Mandatory standards for installing heating systems.
- Industry advisory centres and grants for developing energy-saving equipment.
- Standard mileage fuel tests for vehicles.
- 'Save it' public information campaign.

*Ireland:* Importing 80% of its energy needs, Ireland is one of the least energy self-sufficient members of the Community. Moreover, its vigorous industrial development programme means that energy consumption will nearly double between 1977 and 1985.

Ireland's main energy resource is peat which, with escalating oil prices, has become an increasingly economic fuel for electricity power stations. With nearly 2 million acres of peat bog, Ireland is able to produce about 1 million tonnes of oil equivalent (toe) annually. It also produces the same amount of natural gas. However it has no nuclear power stations and there have been vociferous protests from many quarters about plans to build one.

The government is relying mainly on price mechanisms and voluntary measures. These cover better home insulation, heat pumps, district heating and use of waste heat.

*Italy:* Like Ireland, Italy is highly vulnerable importing over 80% of its energy needs. The national energy plan adopted in 1977 has been hampered by public opposition to the construction of nuclear power plants. A new energy-saving plan was proposed in April 1979, putting greater emphasis on coal. Two types of measure are envisaged:

*Immediate:* Apart from standard measures such as stricter speed limits, the introduction of summertime from March 15 to October 31 will yield major savings. Petrol and diesel prices have again been raised so that they are now about the highest in the Community. There are plans for shops to close one hour earlier and evening sporting fixtures reduced.

*Medium Term:* There are plans for switching the Mezzogiorno from electricity to methane gas, for the

construction of four coal-fired power stations, for a five-day week in schools and offices, and for the suspension of the cheap petrol coupon system for tourists.

**Belgium:** Importing 85% of its energy needs, including all its oil and gas, Belgium is highly vulnerable to supply shortages. Energy consumption per head is much higher than in the UK, Germany and France.

The government is about to present its energy programme to parliament while a first set of energy-saving measures should be implemented this month.

The measures cover homes, industry and transport and are similar to those in other Member States. In the transport sector the government wants to develop the use of electric cars.

**Luxembourg:** Its unenviable position as the greatest energy consumer per head in the Community is due to its fuel intensive steel industry, the backbone of the economy.

The government's main energy-saving effort is therefore concentrated on developing alternative energy sources for the steel industry, e.g. coal gasification, and more energy-efficient production techniques.

Intense lobbying by ecologists has blocked plans to build a nuclear power plant on the banks of the Moselle river.

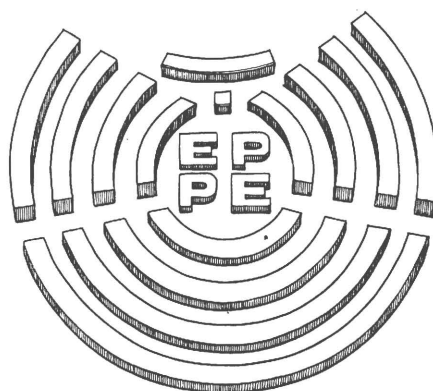
The government also has plans to improve heating insulation and controls, district heating, use of waste heat and grants to industry for switching from oil to other energy sources.

## IN BRIEF

The Community is to become a signatory of a protocol to the 1976 Barcelona Convention designed to fight oil pollution in the Mediterranean. It is also to open negotiations for its accession to the 1969 Bonn Agreement on combating oil pollution in the North Sea.

The European Commission seems to be doing its bit to support the European cheese industry in general. Asked in the European Parliament what regional cheeses were available in its staff restaurants, it gave the following list: Danish Blue, Cheddar, Camembert, Troller Stilton, Chèvre, Caprice des Dieux, Gouda, Gruyère, Explorateur and Gorgonzola!

## DEFENCE



### Euro MPs divided on the Community's role in defence

Euro MPs were fighting fit during a recent debate on the need for a common arms buying policy in the Community. But before settling down to do battle they had to decide whether matters relating to defence are within the competence of the European Parliament.

In the end the newly-elected MPs voted 208 to 87 in favour of debating arms cooperation, but not before French Communists and Gaullists and some Socialists argued that defence and security are the exclusive preserve of national parliaments.

A question tabled by British Conservative Adam Fergusson and West German Christian Democrat Kai Uwe von Hassel asked whether the European Commission intended to contact NATO and national organizations to set up an arms procurement programme under the umbrella of the Community's industrial policy.

The question was seen by some as an attempt to make the Community into a defence organization. It was argued that the Treaty of Rome specifies that the common market can only deal with economic affairs.

But Mr Fergusson, a member of the European Democratic Group, claimed that the question was intended only as a challenge to the Industry Commissioner Etienne Davignon. His colleague Robert Jackson pointed out that

the Treaty of Rome speaks of preserving peace and security.

One aim of the question was to discover what has been done about the Klepsch Report (by Euro MP Egon Alfred Klepsch) of June last year which called for Community action in arms procurement. Mr Fergusson said the report pointed out that the impact of the arms industry on other large industries such as aircraft, shipbuilding and electronics was so great that failure to achieve some kind of common arms procurement policy made nonsense of the attempt to get a common industrial policy.

Several MPs pointed to the jobs provided by defence in the Community—one million people are currently employed in defence-linked industries—and they felt that cooperation between countries could lead to further jobs.

Speakers pointed to Franco-British cooperation over the Puma and Lynx projects and German-Italian-British cooperation over the Tornado. The latter, according to one MP, provided 7 500 jobs in Britain, about 7 000 in Germany and 5 000 in Italy.

The MPs called for a more efficient use of the money spent on arms procurement and pointed out that competition between the Nine will only give away money and jobs to the United States which ought to stay within the Community.

The Industry Commissioner Viscount Davignon pointed out that the Commission had never committed itself to achieving an arms procurement programme at a single stroke. Much preliminary work had to be done. He said that military programmes are the responsibility of national governments, but the Commission is responsible for the effects of arms procurement on industry.

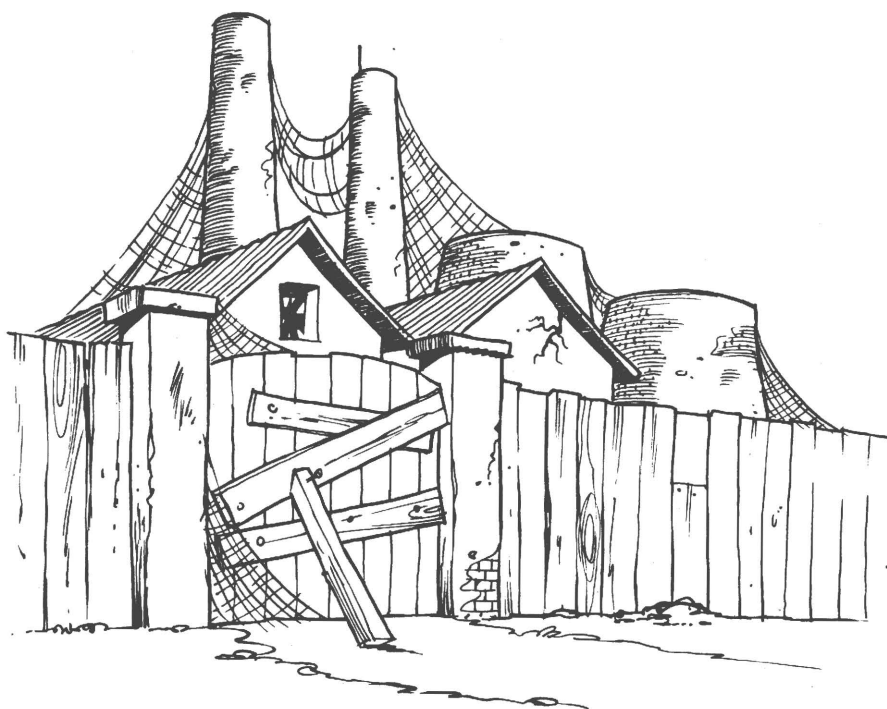
Commissioner Davignon is expected to prepare a report dealing with the possibilities for cooperation between armaments manufacturers.

## IN BRIEF

The European Commission is to contribute almost £ 70 000 to the United Nations High Commission for Refugees to help rehabilitate some 50 000 Angolan refugees who have returned home on their own initiative.



## EMPLOYMENT



## The dole queue a widespread fear among Europeans

It is no longer news that unemployment is a widespread problem in Europe, but what is surprising is just how many people it has affected.

According to a recent survey conducted by the European Commission in the Community's nine member countries, nearly half of those questioned had had personal experience with unemployment, either directly or indirectly.

Some 13% of the respondents had themselves been without a job sometime during the past three years and 36% knew someone they were close to who was in the same predicament at some stage during that period.

This survey of job experience and attitudes among 9 000 people also revealed that the proportion of those who had experienced unemployment at close range during that same period rose dramatically to about 66% in the age group from 20 to 29.

Among the critical 13% who had been unemployed themselves, four out of ten said they had been in this situation

for a year or more. Four out of ten also said they had found a job, a similar number answered they were still looking, and two out of ten had given up the search, most of them women. A little under two-thirds have registered as unemployed and about half of those have received some kind of public assistance.

*'It's a recession when your neighbour loses his job; it's a depression when you lose yours.'*

*Harry S. Truman*

These unfortunate experiences help explain why some 66% of those interviewed felt the chances of finding work in their region either were very bad or fairly bad. Nevertheless, 73% of those interviewed felt safe from having to look for a job and not being able to find one in the next two years. The most pessimistic are young people from 15 to 24 and persons who were previously unemployed, nearly half of both categories feeling threatened.

The fear of unemployment is notably strong in France, where 31% of the interviewed are concerned, and, at the other end of the scale low in Germany, where only 9% feel menaced.

The survey also studied peoples' attitudes about such subjects as

working overtime, 'moonlighting' and people abusing public assistance for the unemployed. For instance, about 25% said they knew people who were registered as unemployed and not seriously looking for work.

Between 20 and 30% of the respondents also believe there are many people who work overtime, have two jobs or do 'moonlighting'. In general the public seems to be in favour of overtime, hostile to holding more than one job and evenly divided on the subject of moonlighting or 'black work' as it is sometimes called.

## Child labour: a continuing evil

Despite more enlightened attitudes, greater educational opportunities and increased vigilance on the part of the authorities, child labour still exists in the European Community.

All nine Member States have laws to protect children from exploitation. For example, four of them—Germany, Ireland, Luxembourg and the Netherlands—have ratified the International Labour Organization's Minimum Age Convention. All have a minimum working age written into national legislation of between 14 and 16.

However, according to Social Affairs and Employment Commissioner Henk Vredeling, the law is often broken, particularly in more backward areas of the Community. The reasons are varied but have a lot to do with traditional poverty which have imposed outdated employment standards not acceptable elsewhere, and infrastructure shortcomings such as a shortage of school buses or investigation procedures.

Mr Vredeling pointed out in the European Parliament in reply to Socialist deputy Liam Kavanagh that discussions had taken place with the ILO in an effort to overcome these obstacles.

But when urged by Mr Kavanagh to draw up proposals which would humanize working conditions for young people pending more definitive arrangements, Mr Vredeling pointed out that exploitation of children was an infringement of the Nine's national laws and was therefore in the first instance a matter for the individual governments and their law enforcement officers.

## AGRICULTURE

### Sale of surplus butter to the Soviet Union angers British MPs

British MPs from both government and opposition parties launched a bitter attack on sales to the Soviet Union of butter at reduced prices from the Community's surplus stocks at the last session of the European Parliament in Strasbourg.

European Democrat Neil Balfour described it as 'the single most objectionable achievement of the Community to date'. He said that the practice had to be stopped because of the political damage to the Community, with people suspecting that the money saved by the Russians on butter could be going into their armaments budget.

Mr Balfour was supported by Socialist Barbara Castle who called for a halt to the open-ended commitment to pay for dairy surpluses out of Community funds and for a realistic reform of the common agricultural policy.

Not all parliamentarians agreed with the British, however. Teun Tolman of the European People's Party pointed out that the Community had general trade relations with the Soviet Union and argued that there was no reason to isolate butter as an item that could not be traded. Communist Carla Barbarella claimed that the true scandal was the accumulation of surpluses and the absence of the political will to eliminate them.

In reply to these criticisms, the Agriculture Commissioner, Finn Olav Gundelach, who has been pressing strongly since he took over the portfolio three years ago for a sharp reduction in dairy production, agreed that the real issue was the existence of surpluses but he argued that while this problem was being solved the stocks had to be disposed of or more money would be wasted.

## IN BRIEF

The European Commission has made grants worth around £30 million from the Community's Farm Fund to improve the processing and marketing of food. All Member States apart from Luxembourg are beneficiaries.

## THE LAW

### Parliament condemns terrorism but differs on extradition

The assassination of leading public figures like Lord Mountbatten and Aldo Moro in recent times, as well as the general and growing problem of international terrorism, provoked a heated debate in the European Parliament during its last session.

The subject was raised by Lady Elles of the European Democratic Group who is pressing for the introduction of a common system in the Community for extradition.

She argued that this was necessary because crimes like kidnapping, murder, the taking of hostages and train hijackings had taken place in almost all Member States and almost invariably there was a cross-border element: the crime was in one country and the criminal took refuge in another.

However, while there was wide agreement on condemning terrorism, the parliamentarians were far from being at one over the question of extradition for political offences.

An Irish member, for example, Patrick Lalor of the European Progressive Democrats, said that there was an alternative to extradition for political offences in the principle of 'extradite or try'. In other words, instead of being extradited from a country, the alleged offender could be tried in that country on the basis of evidence

supplied by the country that applied for the extradition.

A Northern Ireland member, John Hume, who is a member of the Socialist Group, suggested that the question under debate was implicitly directed at the Irish situation. He pointed out that there had been 20 000 troops in the streets of the province and there had been imprisonment without trial. It was wrong, he claimed, to think the problem of terrorism could be cured by security measures alone.

A Northern Ireland independent, Ian Paisley, claimed that terrorists had come across the border from the south, had committed crimes and, when they recrossed the border, had not been arrested by police in the south.

The Irish Minister of State for Foreign Affairs, David Andrews, speaking on behalf of the Council of Ministers, the presidency of which Ireland currently holds, pointed out that two ways of combating terrorism had been studied by the Nine: an agreement applying to the Community as a whole—the Council of Europe convention on the suppression of terrorism, and the possibility of cooperation on criminal matters in an 'espace judiciaire européenne', an idea mooted by French president Giscard d'Estaing which would create a single legal area of the Community for the purposes of combating criminal offences.

Mr Andrews added that it was hoped that an agreement on the Council of Europe convention would be signed before the end of this year.

### *The European Parliament — Schedule of Sitzings*

#### 1979

October	22 - 26
November	5 - 7 (Budget)
November	12 - 16
December	10 - 14

#### 1980

January	14 - 18	July	7 - 11
February	11 - 15	September	15 - 19
March	10 - 14	October	13 - 17
April	14 - 18	November	3 - 7 (Budget)
May	19 - 23	November	17 - 21
June	16 - 20	December	15 - 19

## INDUSTRY

## Businessmen look on the bright side

The industrial business climate in the European Community continues to improve. This is mainly due to a further reduction in stocks of finished products and to a slight improvement in short-term production expectations.

The results of the monthly survey of businessmen carried out by the European Commission show particularly marked gains during July in the production indicator used for Italy (+8.5%), France (+6.5%) and Germany (+2.5%). The improvement was slower in Belgium (+2%), but the climate deteriorated in Britain (-3.5%) and the Netherlands (-1.5%).

Expectations regarding selling prices suggest a further worsening of inflation in most Member States. In Italy, inflation is gathering momentum quite sharply with 84% of industrialists anticipating increases in selling prices in the short term, as opposed to 73% in June, and an average of 41% last year.

In Germany, the number of industrialists expecting an increase in selling prices in the coming months rose from 34% to 39% between June and July. Similar trends can be seen in France (58% of managers expect price rises) and Belgium (29%).

The United Kingdom was the only one of the Nine where the percentage of managers anticipating selling price increases fell from 79% in June to 49% in July—just under the average of 50% recorded last year.

## IN BRIEF

*The Community anti-poverty programmes which we reported on in Euroforum 14/79 are now the subject of a sound tape, lasting approximately 10 minutes, which is available to broadcasters or programme makers on application to the Directorate-General for Information (TV-Radio-Audio Visual Department), Commission of the European Communities, 200 rue de la Loi, 1049 Brussels.*



## THE NEWS AT A GLANCE

The European Commission is having talks with Austria and Yugoslavia to resolve the problems of Alpine transit traffic. Transport Commissioner Richard Burke has told the European Parliament. One of the major obstacles to an agreement, which is all the more urgent with the approach of Greek membership of the Community, is the question of financing Austria's infrastructure costs if improvements are to be made.

Eurocrats are often accused of producing mountains of paper but at least they are doing their bit to keep down the cost and at the same time to protect the environment. The Office for Official Publications last year used about 10 million tonnes of waste for the production of recycled paper.

An Environment Fund which would permit Community support of certain measures of environmental protection having a European importance has been urged by the European Democratic Group in the European Parliament.

The nine Member States have agreed on their individual quotas of oil imports designed to keep the total Community import figure to 472 million tonnes in 1985, a target agreed to at the recent Tokyo and Strasbourg world economic summits. The breakdown is: Germany 141 million tonnes, Italy 124, France 111, Netherlands 49, Belgium 31, Denmark 11, Ireland 8 and Luxembourg 2. The figure for the United Kingdom, which will be a net exporter, is minus 5 million tonnes.

Although the Community's steel industry is going through a critical period, it has been performing well in its relations with other steel-producing countries with which it has entered into bilateral arrangements. Last year its imports from these countries were 10% lower than the base year of 1976, while its exports to them increased by 56% over the same period.

The European Commission is to carry out a study into the treatment of battery-reared fowl. The Community has already approved a European Convention for the protection of animals kept for farming purposes, but there have been many complaints about the conditions in which battery-reared fowl are kept.

External Affairs Commissioner Wilhelm Haferkamp visited Brazil

earlier this month for talks on economic and commercial links. The Community is Brazil's most important trading partner. The Commission has decided to ask the Council of Ministers for the go-ahead to negotiate a framework economic and commercial agreement between the Community and Brazil.

A study has revealed that a 3% annual increase in the gross domestic product of the OECD countries, of which the Nine are members, will, if no move is made to improve their environmental protection policies, result in a 23% increase in pollution between now and 1985.

The Community's trade imbalance with Japan continues to be a cause for concern. In the first eight months of this year it was around £1 400 million. However, this was an improvement on the figures for the same period last year when the Japanese sold us about £5 500 million more than we sold them.

The European Commission has said in reply to a European Parliamentary question that it does not at present suspect oil companies of unfair trading practices and does not feel that an investigation into such alleged activities is at present justified.

Measures are currently being examined by the European Commission which would protect Community citizens against the incorrect or excessive use of medicinal products. This follows the completion of a study it commissioned from a group of independent experts which we reported in an earlier edition of Euroforum.

The European Commission has proposed to the Council of Ministers the granting of £13 million to encourage technological development work directly related to prospecting, exploiting, storing and transporting hydrocarbons. This is the continuation of a programme which began in 1974 and for which grants worth £100 million have already been made.

The exchange rates of the German mark and the Danish krone have been adjusted within the European Monetary System (EMS). The mark has been revalued by 3% and the krone devalued by 2% in relation to the other currencies (all except Sterling) in the Community's joint float system which was established earlier this year.



## LETTERS TO THE EDITOR

**Euroforum receives a regular flow of letters from its readers, some complimentary, some disagreeing with items we print. Today we begin a new, occasional series featuring selections from letters we receive. For space reasons we can only reprint extracts. So please remember: it is in your interests to keep your letters short.**

### To smoke or not to smoke

Sir,  
From regular reading of Euroforum, it is clear that the editor is a militant anti-smoker, who never fails to knock smoking at every opportunity. However, if the case against smoking is as strong as he claims it to be, he should not find it necessary to distort and exaggerate the evidence. In the issue of 27 July 1979 he claimed that the Royal College of Physicians Report found that twenty times more smokers died of lung cancer than did non-smokers, whereas the Report showed that at the same age a smoker of forty cigarettes a day had about twenty times the risk of developing lung cancer, compared with that of a non-smoker.

His analogy with the motorist driving into a tree at 100 km per hour also shows his bigoted attitude and suggests that the dangers of smoking are similar. The Royal College of Physicians Report, if he had bothered to read it properly, shows that the average smoker, who smokes every day of his life from the age of starting to smoke, has a one in ten chance of developing lung cancer after forty or fifty years of smoking, and states that 'most smokers suffer no serious impairment of health or shortening of life as a result of their habit'. Compare this with the effect of driving a car into a tree at 100 km per hour.

Mr G. Moore, 1 Cumnor Hill,  
Oxford, Great Britain.

Editor's note: It was one of our readers who quoted the Report in a letter to us. Incidentally, I enjoy the occasional cigar! P.D.

Sir,  
I am glad to see Mr Tanguy's reply to C.E.S.A. in your issue 13/79. I feel that he has missed the main point. As the law stands, we are all entitled to kill ourselves by whatever means we prefer.

There is, however, plenty of evidence to show that smoking *causes* chronic bronchitis and emphysema, which are extremely debilitating, and costly to treat in terms of beds and nursing time. Moreover, they are irreversible, so the treatment is merely palliative. The resultant loss of man-hours (or person-hours) is far greater than the loss from lung-cancer-induced deaths and, when the nursing costs are added, the results are such as to be catastrophic for any nation, community or planet.

Mr Ray Harris, 27 Kelso Close,  
Worth, Crawley, Sussex RH10 4XH,  
United Kingdom.

### Esperanto

Sir,  
I would like to say that not only has Esperanto provided me with a useful additional means of communication in my international contacts but I have also discovered that it is among Esperantists that I have found the true European spirit, a spirit which I have searched for in vain in various European associations of which I have been an ardent member, among them the European Teachers' Association and the European Federalist Movement.

Professor Germain Pirlot,  
Ostend, Belgium.

Sir,  
The argumentation generally used against Esperanto is old-fashioned and crude. Having failed to justify their case in the basis of research, experience or scientific comparisons, opponents have nothing more subtle to fall back on than to accuse Esperantists of being dreamers and to ignore any objective information which comes their way. One day the truth will out.

Henri Masson,  
82, rue du 22 Septembre,  
F - 92400 Courbevoie (France).

## European Elections

Sir,  
In Euroforum No 11/79, you publish comments on the direct elections to the European Parliament to which I object. You state that 'the parties of the right' are in the majority. I would like to know on what basis you justify saying that the Christian Democrats in Italy, Belgium, the Netherlands, Ireland, Luxembourg, France and Germany are parties of the right when they classify themselves as belonging to the centre.

Josef Muller,  
Deputy General-Secretary,  
Federation of Christian Democrat  
Parties of the European Community,  
2, Place de l'Albertine,  
B - 1000 Brussels.

### Type-casting

Sir,  
While I read Euroforum with great pleasure, you published an article in your issue of July 27 which did not please me at all. The passage I refer to was in an article entitled 'Using energy wisely—a question of common sense' and states that energy saving in the home depends on the individual and gives the example of 'the housewife remembering to switch the cooker off, or her husband the television'. I would greatly appreciate it if your publication, which claims to be up-to-the-minute and even looking to the future, did not persist in this sort of type-casting.

Mme Jolien Bogaard,  
Galgengoorweg 9,  
7251 Vorden, Netherlands.

### Sales talk

Sir,  
'Just sign at the bottom, never mind the fine print. Most of us who have entered into hire-purchase agreements will recognize this line of sales patter.' (Euroforum 4/79). I have never heard such a thing said, and I doubt if you have ever heard of such a thing being said and challenge you to produce ten verified examples.

And have you any evidence that the majority of the 'unfortunate Belgians' object to having 'to put up with' TV advertising? If you do, it would be interesting to hear of it. If not, then it is extraordinary to find you abusing a legitimate and accepted commercial activity.

Mr Hugh Munro, 1 St. Kevin's Park,  
Dartry, Dublin 6, Ireland.



## The computer: how Europe can match its competitors

Europe of the 1960s was faced with what the French journalist and politician Jean-Jacques Servan-Schreiber called 'The American Challenge'. Over the next ten years this will be replaced by 'The Technological Challenge'.

Already computers and micro-chips are beginning to permeate almost every aspect of our lives, from weapons systems to wristwatches. But if European industry is not to lose out to its American and Japanese competitors in this lucrative market—currently worth at least £30 000 million and growing rapidly—then it must develop some kind of coherent strategy.

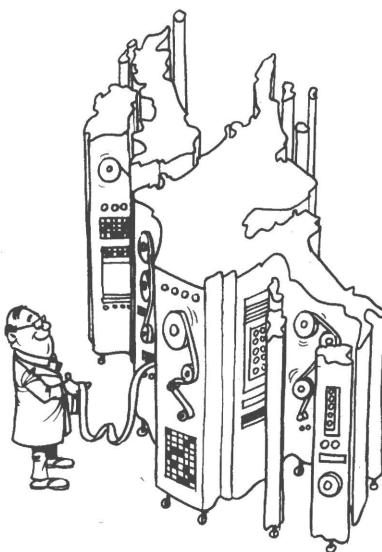
The outlines of such a scheme, designed to win Europe one third of the world market by 1990, were recently spelt out by the Industrial Affairs Commissioner, Viscount Etienne Davignon.

The first requirement is more psychological than anything else, he told a Paris audience. We must stop judging technology in terms of whether it will lead to a net loss of jobs or not. Like it or not, technological advances are inevitable, and if Europe holds back, the Americans and Japanese certainly won't.

At the same time, change is a necessary element of any healthy society. Reductions in energy consumption, improvements in the protection of the environment and better working conditions all depend on research and creativity.

Teleinformatics—the term the experts use to describe this sector—really consists of four separate, yet economically-inter-related, parts. Telecommunications (such as satellites), computers, advanced components (for instance, micro processors), and data banks.

Each of these sectors is growing at an incredible pace. The telecommunications sector, worth £15 000 million two years ago, is likely to grow between 5 and 8% per year up to 1984. But the largest increases will be in advanced components. The world market currently valued at a mere £12 000 million, is expected to be a £35 000 million bonanza by the end of the next decade, as micro-chips become an essential component of items as varied as cars and pocket calculators.



A large part of this market is in Europe, but yet even here we are being outsold by our competitors. Europe represents about 29% of the world market for computers, yet European industry has won only 16% of world sales.

Meanwhile, the Americans meet almost 100% of their domestic needs in advanced components and the Japanese are also launching a campaign similar to their efforts in the 1960s which brought them to the fore in world steel production.

But Europe has several trump cards in its hand to match the strong play of its competitors. The first is our large internal market, which will provide the basis for a European system, once divisive elements such as national preferences and technical restrictions can be eliminated.

Secondly, the level of orders placed by national governments and authorities is extremely high. Last year they totalled £500 million as compared with the American level of £555 million. Finally, national development programmes have been of considerable help to the industry.

For each of the four main areas, Viscount Davignon has put forward suggestions to encourage European industry.

There should be greater standardization in telecommunication equipment, with the possible creation of an integrated digital system between the European institutions as a pilot project. Equally, there should be increased cooperation in computer development with more public and private preference for European systems.

A resolution adopted by the Nine in September recommends Community-wide programmes to develop advanced components. Finally, data banks should be encouraged, and in particular they should be made accessible to small and medium-sized industries to help them in their export drives and administrative problems.

Such a programme will undoubtedly lead to profound changes in our society. In order to prepare for them, the Commissioner believes that discussions should take place between unions, employers and government authorities on the basis of the experience gained in the pilot projects.

The Commission is expected to reveal a major new initiative in this field in the coming weeks.

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