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AGRICULTURE: Subsidizing quality, not quantity

The European Commission believes European Community farmers can be stimulated to produce less, and at lower cost, by emphasizing quality and paying more attention to the environment. It also believes older farmers can be encouraged to leave farming altogether, even while assuring those who remain a decent income by means other than guaranteed prices. The Commission in fact has put its ideas to the Community's 12 member states, pointing out that the cost to implement them would be less than 1,000 million ECU\* over 1987 to 1991.

The Community clearly cannot continue to pile up surpluses for which there is virtually no demand. This was the argument the Commission invoked last year when it persuaded the Community's agricultural ministers to limit price rises and adopt special anti-surplus measures for certain products. It wants the Community to continue with its austerity policy as long as there are "lakes" and "mountains" to be disposed of.

For some categories of farmers such a policy means lower incomes; which is why the Community decided a year ago to help some of them modernize their farms and simply to top up the incomes of some others. What the Commission is now proposing would complete the Community's aid package. But it also envisages additional proposals, covering the Community's Mediterranean regions, in the framework of the Integrated Mediterranean Programme.

A system of early retirement would allow farmers over 55 years of age to either leave their land fallow or turn it over to someone younger. At the same time the help given young farmers to set up on their own would be increased. Farmers in mountainous or otherwise disadvantaged areas would also be helped more. The aid would be used to encourage farmers to concentrate on products for which there is a large market.

The Commission's proposals include annual payments to farmers who undertake to protect the environment. The Commission also wants to give increased aid to training programmes and to redirect agricultural research so that it meets the farmers' needs more closely.

Finally the Commission wants to do more to encourage quality and to make it easier to replace certain crops with trees.

\* 1 ECU = UK£ 0.62 or IR£ 0.71.

### MILK, CHEESE, YOGHURT ... Beware of imitations!

Each year thousands of Europeans drink milk which is not milk and eat cheeses and yoghurts made from something other than milk - soyabeans, for example. The European Commission believes the consumer has the right to know exactly what he is imbibing, and it has just sent the 12 European Community countries a draft regulation on the labelling of products made from milk substitutes.

Two years ago the Commission proposed that the words "milk", "cheese" and "yoghurt" be reserved for products made from milk. But its proposal was never approved by the Council of Ministers. Since then the Community has taken steps to reduce milk production, a move which seems to have led some manufacturers to increase sales of milk substitutes. According to a Commission report, consumption of such "imitation" dairy products now runs to several million tons a year in the 12-nation Community.

The Commission wants the Council to restrict the term "dairy products" to goods entirely free of milk substitutes. The terms "cheese" and "yoghurt" would not be authorized for products which in fact are a mixture. These rules would apply to labels as well as advertisements.

### LEMONADE: Natural sugars and artificial sweeteners

In most European Community countries the use of artificial sweeteners, such as saccharin, is allowed only in lemonades for diabetics and those on a diet. Replying to a question by a Belgian Euro-MP, Pol Marck, the European Commission has pointed out that only in Germany, in the case of products referred to as "Brausen" and Britain can ordinary lemonades contain artificial sweeteners. In both countries national regulations lay down conditions for the use of artificial sweeteners in lemonade and limit the quantities which can be added. In Ireland their use in lemonade is neither authorized nor banned.

TRADE: EC remains competitive on world markets

Pessimists who claim that manufacturing industry in the European Community is not especially competitive should take a look at the latest trade statistics published by the EC. Last year manufactured products of the 10-nation Community\* rose by 11% to 301 billion ECU\*\*, while total extra-EC exports rose by 8%. The growth rate was even higher as regards exports of manufactured products to other industrialized countries. Exports to them of machinery and transport equipment, for example, rose by 19%.

The industrialized countries in fact took around 60% of EC exports, the developing countries some 32%. However, while exports to the former rose by 13%, Community exports to the Third World declined by 1%. This was largely because of a fall in exports to the OPEC countries (down 11%). But exports to Latin America and the 6-nation Association of Southeast Asian Nations were stationary. All of which would suggest that declining oil prices were effecting Community exports already last year.

Community exports to its main trading partner, the United States, rose 16% to nearly 82 billion ECU. Imports from the U.S. rose also, but by only 3%, so that the EC's trade surplus climbed to nearly 18 billion ECU (as against an 8 billion ECU surplus in 1984). The deficit with Japan widened, however, to 17 billion ECU (as against 15 billion ECU in 1984). Exports to Japan rose by 13% last year to 10 billion ECU, and while the growth in imports slowed down to 11%, they nevertheless came to a record 27 billion ECU.

EC imports from all third countries rose by 5% to 400 billion ECU, leaving it with a deficit of some 19 billion ECU (as compared to a 31 billion ECU deficit in 1984). Imports from other industrialized countries rose by 7% to 224 billion ECU (or 56% of the total). Imports from all developing countries rose by 3%, while those from the OPEC countries increased only marginally by 1%.

Trade between the member countries regularly exceeds their trade with third countries and last year was no exception. Imports by the 10 member states from one another amounted to 427 billion ECU (up 10% over 1984), as compared to extra-EC imports of 400 billion ECU. Imports and exports between the 10-nation Community and Spain and Portugal rose by 15% to 40 billion ECU.

The EC remained the world's biggest exporter with exports of 381 billion ECU, as compared to 279 billion ECU for the U.S. The latter was the world's largest importer however, with 468 billion ECU of imports, thanks in large measure to a strong dollar.

\* prior to enlargement

\*\* 1 ECU = UK£ 0.58 or IR£ 0.72.

AFRICA: Community aid programmes are helping relaunch African economies

The European Community has always felt a special responsibility for Africa, especially black Africa. At next month's special session of the U.N. General Assembly on Africa the Community will be able to point to several measures taken by it in recent months to help the continent deal with some of its most pressing economic problems.

At the end of last year the Community adopted a programme aimed at relaunching the economies of the eight countries hardest hit by drought. On December 14 Angola and Mozambique were accorded 8 million ECU\* of emergency aid. A month later aid programmes had been drawn up covering another six countries, including Ethiopia and the Sudan\*\*. By this April as many as 60 projects had been launched in these six countries and nearly 80% of the funds had been committed.

Taking into account the food and emergency aid extended to these eight countries, the Community will have committed some 162 million ECU in short- and medium-term aid to them in the short space of five months. Details of this aid were given to the EC's development ministers by the European Commissioner for Development Aid, Lorenzo Natali, when they met in Luxembourg on April 17. Mr Natali noted that putting the programmes into operation in so short a space of time had been something of a challenge to the Commission.

The Council of Ministers also backed the Commission's long-term action programme for stopping the deserts onward march in Africa. Given the scale of the operation, the ministers stressed the need to coordinate the efforts of beneficiary and donor countries and the regional organizations engaged in the fight against soil erosion, which is turning parts of Africa into a desert.

Another element in the Community's aid programme of special interest to Africa is food aid. Given the controversy which it has aroused, the ministers agreed, not surprisingly, on the need to use food aid as an instrument of development aid.

The Commission in fact is planning to ask the Council to make changes to the existing policy. Its aim, Mr Natali told the ministers, will be to ensure that food aid is (1) used as a support for programmes of food self-sufficiency and (2) better adapted to the needs of local populations.

The European Commissioner also told ministers of the outcome of the Commission's discussions with the Lome Convention countries over the aid provided under the Convention. Many of the 66 beneficiary countries are African and have elected to use Community aid to strengthen the rural sector and ensure food security.

\* 1 ECU = UK£ 0.62 or IR£ 0.71

\*\* The others are: Chad, Mali, Mauritania and Niger.

### JOBBS: How Community aid can help protect and create jobs

The European Community can provide resources both to protect jobs and to create new ones. This reassuring information was given recently by the European Commission to a British Euro-MP, James Ford, who wanted to know what aid, if any, is available from the EC to save jobs when a firm is threatened with closure.

The Commission noted that in areas eligible for help from the European Regional Development Fund, the ERDF can contribute in a number of ways. It can provide funds for investments in job-creating activities, help exploit a region's potential for internally generated growth and help generate alternative employment in areas affected by the restructuring of the steel, shipbuilding and textile industries.

The European Social Fund also has a role to play in providing alternative employment. It can finance, within certain limits, vocational training programmes and provide income support for workers, whose jobs are threatened, during their vocational training.

Grants and loans are also available under the European Coal and Steel Community Treaty to help workers in these two industries. This aid can take the form of tideover allowances in the event of unemployment, early retirement, and vocational training. The ECSC Treaty also provides for measures aimed at encouraging the mobility of labour.

Conversion loans are also available under the ECSC Treaty. They can be used to finance approved programmes for the creation of new and economically viable activities, or to convert existing undertakings which could reabsorb workers made redundant by closures in the coal and steel industries.

Productive investments will have a beneficial effect on jobs. Finance for such investments is provided by the European Investment Bank and the so-called New Community Instrument loans. According to the EIB, investment projects which it has helped finance directly created over 44,000 jobs in 1984 alone, including some 19,000 in Italy, 16,000 in France and 5,000 in Britain.

But account must also be taken of the number of jobs safeguarded, the temporary effects on jobs during sometimes fairly lengthy construction periods and the indirect impact of demand for goods and services for these new investment projects. The Bank puts these effects at an average of 180,000 jobs over the first two years.

ENLARGEMENT: A portrait of the 12-nation Community in figures

Faced with a cold, rainy spring many north Europeans are probably envious of those living in the European Community's southern regions, where the average annual temperatures, nights included, are over 14°C.

This is just one of the figures contained in a small booklet published recently by the European Commission\*. It also gives the average temperatures in the west and southwest of France, as well as in northern and central Italy, all of which range between 12 and 14°C. In the northeastern half of France, the Benelux countries, Ireland and most areas of Britain and Germany the range is between 8 and 11°C. But the worst off, with less than 8°C on average, are the Danes, Bavarians and the inhabitants of the extreme north of England and Germany.

The Commission's booklet is not limited to the weather, of course. Maps and tables provide a wide range of information, from the number of telephones to unemployment levels - not forgetting the statistics of inflation, energy, living standards and foreign trade, which include comparisons with the rest of the world.

The booklet also contains some unexpected statistics. The population of the 12-nation Community is the oldest of the major regions of the globe. In 1985, only 21% of Europeans were under 15 years of age, as against 35% for the world as a whole, 45% for Africa and nearly 40% for Asia. In even the U.S. and Japan the proportion was somewhat higher than in the Community. The Twelve also hold the record for the over-64s - nearly 15% of the population (roughly the same as in the U.S.).

As for agriculture, the 10-nation Community was well-known for its surpluses. But farmers in the enlarged Community produced just enough meat and fresh fruit in 1983 to meet the needs of the population; they did not produce nearly enough vegetables for everyone.

If cereal production in the 12-nation Community amounted to 115% of consumption in 1983, the corresponding figure for the U.S. was 180%, a fact which throws new light on the competition between them for world markets.

Finally, the booklet draws attention to something European politicians tend to overlook: the Community budget represents a tiny part of the expenditure of the member states on their national bureaucracies - less than 3% in 1984.

\* "EUR 12: diagrams of the enlarged Community".

### HIGH SPEED TRAINS: A European solution

High speed trains represent an extraordinary technical achievement. They could carry tens of millions of Europeans - but only if the Twelve agree to set up a Community-wide high speed rail network, rather than each concentrating on its own national network. This, in substance, is what the European Transport Commissioner, Stanley Clinton Davis, declared recently at the Hanover Trade Fair.

The European Commission, which has been taking part for several years now in studies relating to an integrated European network, wants a high speed rail network which is in keeping with today's Europe. But four conditions must first be met, Mr Davis believes.

The first is that all new lines must be properly integrated into the European network from the beginning. The second is that the rolling stock for all future high speed trains must meet European standards, so that passengers do not have to change trains each time a national border is reached. This "absurd" situation is likely to arise at the entrance to the tunnel.

The third condition laid down by the European Commissioner is that the possibilities of European cooperation for the manufacture of the new trains and other equipment should be fully evaluated, as such cooperation would allow large-scale production at lower cost.

Finally, common marketing and tariff-setting policies will be needed if the high speed trains are to compete successfully against airlines and long distance bus services.

Mr Davis, who is also responsible for the Community's environment policy, stressed the need to apply and adhere to high environmental norms. On the question of standardization, he noted that although it has long been an aim, progress towards it "has been less than inspiring". The French and Germans each have their own high speed trains, for example, despite plans for linking Paris to German cities, especially Cologne and Frankfurt.

Mr Davis announced that he would be putting to his colleagues in the Commission proposals for a future high speed European rail network.



SOCIETY: Helping one-parent families through Community policies

The number of one-parent families has risen sharply in all European Community countries; in Britain it actually doubled between 1961 and 1981, according to a European Commission report on social developments. The report also noted that one-parent families are very often in situations of poverty. And an Italian Euro-MP, Mrs Cinciari Rodano, thinks it is especially true of families with a woman head of household.

But can the Community help one-parent families? Two Euro-MPs who believe it can are Colette Gadioux (France) and Marijke Van Hemeldonck (Belgium). A resolution the two women tabled last year called on both the European Commission and member states to take steps to help one-parent families, by recognizing them as a legal entity, equal in status to the family, for example.

Their draft resolution was referred to the Committee on Women's Rights, which asked Mrs Rodano to prepare a report on one-parent families. On the basis of the studies she consulted, Mrs Rodano concluded that the increase in the number of one-parent families is due less to cyclical factors than to changes in cultural models and social relations. Although one-parent families are likely to be part of the social environment for some time, social policies have not so far been adapted to that change.

Assessing the scale of the problem is not easy. The Commission report put the number of one-parent families in the EC at four million, representing 10% of all families. Some 7 to 8% of all children were living in one-parent families. (As these figures referred to the years 1970 to 1981 they did not cover Greece, Spain and Portugal).

In over 90% of one-parent families the head of household is a woman. As women have more difficulty than men in finding a job, she has concluded that many one-parent families are badly off financially. Finding accommodation is a major problem for single mothers with children, especially if they are divorced or separated, as the home often belongs to the husband.

Mrs Rodano believes the best way of resolving these, and other, problems is to (1) create the conditions that will enable all women (and all men) to find jobs and (2) ensure that all women have their own rather than derived rights to social security and assistance.

Action by the Community could therefore be part of the EC's equal opportunities policy, in Mrs Rodano's view. Her colleagues on the Legal Affairs Committee share her view, but point out that as many single parents are men, the Committee on Women's Rights will have to take men's rights into account.