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'If the European Community is to become an important bloc it must be endowed with proper powers and its role and functioning clearly defined'

HOW THE DELORS COMMISSION SEEKS TO REVITALISE EUROPE

The inter-governmental talks: what's at stake

In this issue . . .

To all our readers

For the past five years, EUROPE magazine has aimed at keeping a wide cross-section of the public informed of the progress of the European Community, and the ways in which the benefits of membership are being felt in our society. Owing to budgetary constraints, and with the greatest regret, we are now obliged to cease publication with effect from this issue.

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We cannot allow things to go on as they are... In so many respects, the Community has come to a standstill

Much of this issue of EUROPE 85 (page 10 onwards) is devoted to analysis and discussion of the problems facing the inter-governmental conference. The reason for doing so is simple and obvious: the European Community has reached a stage in its development where changes must be made if it is to meet the needs and aspirations of its citizens.

The Commission, as President Delors explains, has put forward its proposals for changes it believes essential to the future of the Community. Member states have put forward other ideas. The European Parliament has its own strong views. There are arguments about how changes should be effected – whether by a new Treaty, by amendment to the Treaty of Rome, or by better use of the Treaty as it now stands.

But this much is certain: we cannot allow things to go on as they are. True, there have been important recent advances, particularly in the internal market; but in so many respects, the Community has come to a standstill. It is failing the high hopes of its peoples. What is true now will be even more abundantly so when Spain and Portugal join next January, unless member governments, who are well aware of the causes of the virtual paralysis, demonstrate the political will to agree on the changes necessary and to determine that they will be implemented.

That is the nature of the challenge facing the officials and ministers who have been meeting regularly to draw up proposals to place before the Heads of State or Government at the European Council in Luxembourg on 2-3 December.

The hope must be that the national leaders at that Summit will be able to make decisions that will unlock the full potential of the Community.

That may be hoping for too much too soon. Ten leaders have ten parliaments looking critically, even suspiciously, over their shoulders. Yet there are also many millions of voters looking to them to show a new collective recognition that what is good for all is also good for each individual nation. There has been all too little sign of that of late.

George Scott

GEORGE SCOTT

The hope must be that the national leaders will be able to make decisions that will unlock the full potential of the Community'

A grant for Norfolk farmers bears fruit

ROY STEMMAN reports on three different aspects of agriculture in Norfolk which have been awarded funds from Europe

During this year's Wimbledon Tennis Championship, a freak storm hit London, flooding the Centre Court. Apart from soaking spectators, the torrential downpour did little damage. But 120 miles north-east of London it was a very different story. The rain gave way to a raging hailstorm, which wreaked havoc as it moved in a narrow path across Suffolk and Norfolk.

Among those who were badly hit were members of a co-operative, Norfolk Fruit Growers, who were harvesting soft fruit and whose trees were also beginning to produce top fruit – apples and pears. It wasn't hail, I was told, but lumps of ice, large enough not only to strip fruit from trees but to take chunks out of the bark. As a result, a couple of fruit growers had their orchards stripped virtually bare. They had no top fruit suitable for market this year. What was picked could be used only to produce fruit juice.

But others escaped the storm's wrath, with the result that the new storage facilities at the NFG's Hoveton, Norfolk, centre were well stocked when I visited it in October. The purpose-built cold store, built with the help of EEC money, enables the Norfolk growers to preserve top fruit at temperatures close to zero, in order to satisfy market demand throughout the winter months. Autumn-picked fruit can safely be stored under these air-tight conditions until the following April.

The Norfolk growers qualified for a £65,177 farm fund grant, from the £7.5 million currently allotted to the UK, towards the costs of improvements, because new growing methods have put pressure on existing storage space, and this trend is recognised by the EEC.

Growers are getting a higher yield from their orchards by more effective disease control and more intense growing techniques. Trees are now often planted five feet apart in two or three rows before a 10-foot gap allows for the movement of transport to collect the fruit. In this way, growers' yields have increased without a similar expansion of acreage.

As well as the rise in output, NFG has also benefited from new members, making additional storage space essential.

Founded in 1926, the group has become the largest soft fruit marketing co-operative in the UK, and is also a major producer and packer of apples and pears. It has 80 members, who between them produce, on average, around 1,000 tonnes of strawberries, over 2,000 tonnes of blackcurrants and 4,500 tonnes of top fruit a year, as well as large quantities of gooseberries, redcurrants, raspberries and blackberries.

Part of the grant has also been used to extend the co-operative's sub-zero storage facilities, to freeze and hold up to 200 tonnes of soft fruit. As well as growing and storing fruit, Norfolk Fruit Growers also packs its fruit, in bags or punnets, before selling it to the retail trade. It is a major supplier to the food industry, not only at home but also overseas. Its customers include preserve and jam manufacturers, canners, yogurt and specialist dessert makers and the soft drinks industry.

All the marketing of the fruit is done through a company called Home Grown Fruits, of which NFG is a founder member, and it is finding an increasing demand for its products from export markets. Soft and top fruit is sold in other parts of Europe, and English apples and pears are also bought by Ireland.

The determination of a Great Yarmouth fish processing firm to increase its exports has also won it a £38,000 grant. William J. Burton Ltd has been handling fish for over 130 years. Ten years ago it acquired a similar business, Harry Swanson Ltd, and between them they have been employing around 40 people to cure, smoke and pack herring for sale abroad.

But consumer tastes change. Now, there is a growing trend towards prepacked fish, ready processed and often with special flavourings, for sale in supermarkets. That, as they say in the trade, is a very different kettle of fish to the barrels, kegs, cases and cardboard boxes which have been used in the past.

'The idea behind our new development,' Leonard Lake, managing director, told me, 'is to enable us to process mackerel as well as herring, and to take fish that we would not normally handle because of its quality. Now, with new techniques, we can make better use of it.'

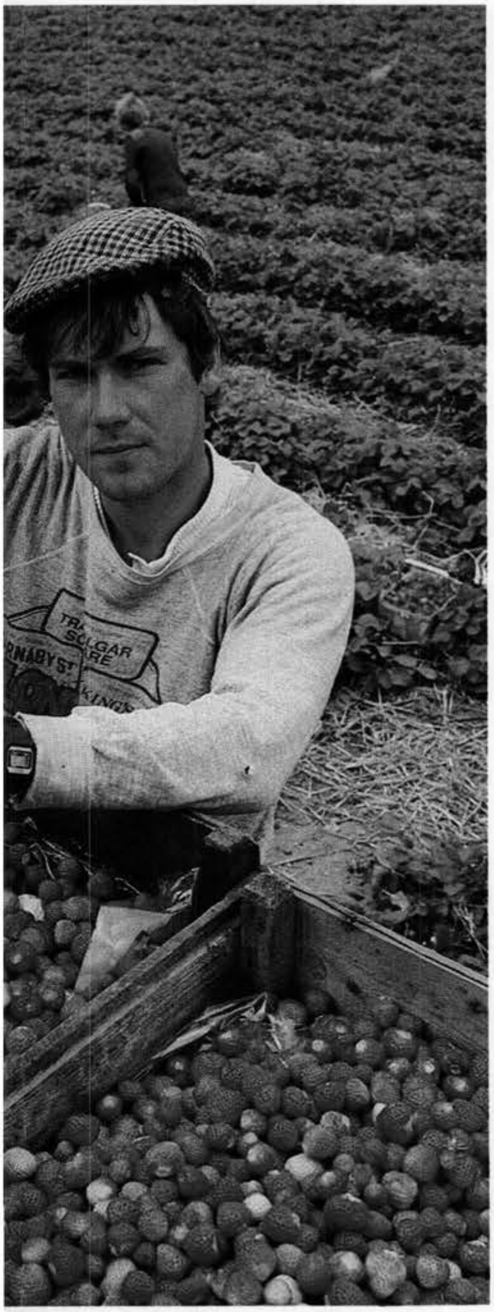
The grant has helped towards the purchase of filleting, cleaning, and vacuum packing machines. In time, the company also intends to install new kilns which will greatly speed up the smoking operation.

'The Norfolk growers qualified for a £65,177 grant towards the cost of improving their cold-store'

From the moment it arrives at the Burton processing plant in Great Yarmouth to the time it leaves, each fish is handled eight or nine times; and on average there are 300,000 fish passing through the factory each week.

With the disappearance of English fishing vessels in the area, the company buys its fish from the north of Scotland and from around the Irish coast. But, says Leonard's son, Ian, who is general manager of the business, the European fishing policy has resulted in some strange situations. 'A number of Dutch boats fish near here and take their catch home. We find the Dutch companies are good to deal with, and so we buy fish from them which they send over to us on the ferry. We process it and send it back on the ferry to Holland, where we have a good export market.'

Italy, however, is the country on which Burton's sights are currently set, and where they are enjoying an increasing demand for golden and silver herrings, smoked and filleted, and neatly packed in oil and with bay leaves or chillies to



The Norfolk Fruit Growers group has become the largest soft-fruit marketing co-operative in Britain.

add flavour. There was a time when a smoked herring was a smoked herring. Today, as many as 17 different vacuum packed varieties can leave the Great Yarmouth factory on trucks bound for Italy, and it is only the installation of new technology that will enable such a traditional industry to cope with this change in demand.

Fortunately, the EEC's agricultural and fishing fund is available to help such businesses reduce their capital outlay and enable them to spend more on other areas. That help, of course, is eventually of benefit to the consumer, too. In the case of William J. Burton, that means herring eaters all over the world, from the Mediterranean countries and African states to the West Indies and the United States. It has also added 20 more jobs at Burtons during the peak season.

The installation of new technology has earned another Norfolk company an £86,500 grant from FEOGA, and the benefits are already being enjoyed by farmers in the county elsewhere. Nickerson Seed Specialists, of Syderstone, has a reputation for top quality products, and its new plant and equipment has increased both output and efficiency. Established 60 years ago, Nickerson does not trade in grain or other commodities, just seed. The EEC grant has been used to install a new cleaning plant for the varieties of wheat, barley, grass, peas, beans and other crops which it handles. Its speciality is supplying high grade seed to the farmer, mostly

'The EEC's agriculture and fishing fund will help consumers of herring all over the world'

in the UK but also in Europe. 'It's higher than the EEC's minimum standard,' explained John Ebbage, Nickerson's farm and processing manager.

In recent years it has been recognised by farmers that autumn drilled cereals produce higher yields than those planted in the spring. So, instead of having the winter period to grade and clean seed, suppliers like Nickerson now have to concentrate their effort into a narrow, six-to-eight week band.

Seed ordered from the farmer is put into six 25-tonne holding bins on its arrival at Nickerson's cleaning plant. At that stage it consists of high-grade seed mixed with small stones and plant debris, which will add to the weight if it is not extracted.

The pre-cleaner is a sieve operation which allows the seed through whilst retaining the larger rubbish, such as ears, chaff and weed seeds. The seed then passes through two more cleaners which refine the process even more, extracting smaller grains and other unwanted items. Finally, gravity cylinders are used to separate the whole seed from half and three-quarter grains.

After such a wet summer as we have experienced this year, some seed has started to sprout by the time it reaches Nickerson. The gravity table detects these by passing seed uphill over an air current, which has the effect of segregating material of different densities. Only 85 per cent of the off-the-combine seed comes out of the cleaner. The firm uses six 20-tonne bins to hold the pure high grade seed ready for whatever chemical treatment is required, to prevent disease, when farmers place their orders.

Nickerson's year starts on 1 August with the supply of wheat through to September and October. Then grass seed is processed before Christmas, as is spring wheat and barley. The new cleaning plant is kept busy with peas and beans in January and February, and then grass seed cleaning is the main occupation throughout its slack period.

The equipment is flexible enough to cope with different sizes of seeds and is capable of large tonnages. 'The new cleaning plant has been a godsend this year,' Mr Ebbage told me. 'The legal minimum for seed germination in the EEC is 85 per cent. Because of the bad summer some farmers' grain was at only 75 per cent germination, but we are able to take that and get it up to the required level. So the farmer gets his premium and we get our profit margin.'

Nickerson handle around 5,000 tonnes of cereals a year and between 200 and 300 tonnes of grass. The investment occurs at a time of declining commodity prices and over-supply of grain, as well as the EEC's promotion of protein crops to help Europe towards self-sufficiency. Oilseed rape, for example, is handled by the seed specialists and Nickerson have seen their volumes go up 'in quantum leaps' in recent years, though it is not likely to expand much more.

Lupins are the latest protein crop to attract interest – they could even replace oilseed rape as the favourite EEC-subsidised feed crop in Britain, according to some agriculturalists. Popular with the French for some years, the lupin has been under development with a view to meeting protein needs, and the EEC has agreed a guaranteed price of £196 a tonne.

The protein content of lupins is about 40 per cent, compared with only 24 per cent in peas and beans. Oilseed rape has 40 per cent oil content, but has only limited market in the EEC and has to be exported. So, since the EEC produces only a quarter of the proteins it needs for animal feed, it has to import the rest. Soyameal

'Lupins could replace oilseed rape as the favourite feed crop in Britain'

accounts for half the market and costs about £2,600 million a year to import – mostly from the USA and Brazil.

Peter Dealtrey, the Nickerson director responsible for looking at alternative crops in Europe, told me the company first started looking at lupins in 1981, using French and Polish material. Since then there has been a steady increase, until this year 800 hectares are being harvested. The crop is fairly disease resistant, and protein levels have been between 30 and 36 per cent.

Peter Dealtrey believes that, within 10 years, 50,000 hectares of lupins could be growing in the UK. 'We have in trials earlier maturing material, which will help, but husbandry is going to be crucial. I don't see it going to the scale of oilseed rape, ever, and I don't see it going to the scale of peas, unless the breeders do something that we can't yet anticipate.'

This work reflects the way in which suppliers have to respond to the changing needs of farmers in a way that ensures a good return for everyone involved. In Nickerson's case it comes through quality seeds. And, in the process, the new investment has meant more jobs.

Putting the interests of consumers first

In the past ten years, various measures in the European Community's programme have aimed at protecting consumers from unfair exploitation. Progress has been slow – but there are signs of a new resolve, writes MICHAEL BERENDT

It was ten years ago, in 1975, that the European Community's programme for the protection of consumers was adopted by the Council of Ministers. This programme was an important element in the bid by an enlarged Community to develop policies more closely related to the everyday lives of the people of Europe, building a 'Europe with a human face'.

The high hopes associated with this consumer programme have been largely disappointed. The economic pressures of the intervening years, with a decline in economic growth rates, falling purchasing power, and a reluctance of governments to accept more Community legislation in the field of consumer protection, have all militated against progress.

At a Brussels press conference held in September to mark the tenth anniversary of the programme, Commissioner Stanley Clinton Davis said that the record was lamentable and signalled the Commission's determination to get things moving again. He said that, at a time of recession, consumers needed value for money more than ever, so we should be more vigilant than ever in protecting their interests.

There are some hopes of progress. Among the few decisions of significance taken in the last ten years was the Council of Ministers' adoption in July 1985 of Community legislation on liability for defective products. This measure, highly technical in its detail and a feast for lawyers, is nonetheless of great importance for Community consumers, because it lays down for the first time the rules under which a consumer who suffers damage as a result of a defective product can claim against the manufacturers (or importers) without having to prove negligence on their part.

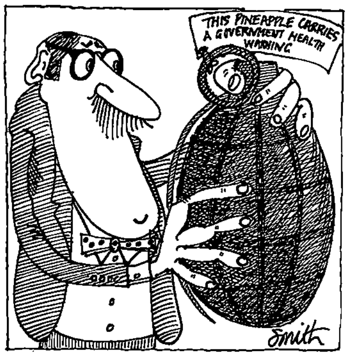
As the legislation is introduced into national law, so consumers will be able to seek recompense for injury sustained as a result of a faulty product, wherever in the Community the goods have been bought. The fact that four to five million people in the Community are injured each year by defective products illustrates the scale of the problem.

The new-found commitment of the Community to achieve a unified internal market by 1992 gives a special importance to consumer protection. As consumers find it easier as a result of the elimination of trade barriers to buy goods from other member countries or to use services provided across frontiers, so the Community must ensure that neither the health and safety of these consumers are put at risk, nor their financial interests. They must be sure of fair treatment.

The new impetus given by the Commission to the development of consumer protection thus seeks to achieve three main objectives. The first of these is that products traded in the common market should conform to acceptable safety and health standards. The second is that consumers should be able to benefit from the variety of choice and price competition which the common market should offer. The third is that consumer interests should be taken into account in other Community policies.

Product safety is a basic requirement. The consumer has a right to know that goods circulating freely within the Community are safe. His interests are often protected by national laws within member states, which can act as barriers to trade; and such barriers can only be removed through action at the Community level. This will involve the extension and updating of existing legislation in such fields as motor vehicles, food, pharmaceuticals, household chemical preparations, toys, cosmetics and textiles.

The Commission is also considering action at Community level to facilitate or improve procedures to restrict or prohibit the marketing of particular goods which are found to be unsafe. Children and young people up to the age of 18 suffer about 16 million home and leisure accidents each year in the Community, so this is a priority area and special attention is being paid to problems of child safety. A conference was



'The consumer has a right to know that goods circulating freely within the Community are safe'

being held in Brussels in November to look at the accidental poisoning of children and to see whether tougher packaging and marketing standards are needed.

The Commission is also asking European standardisation bodies to examine equipment for children such as prams, cots, playpens, materials for writing, drawing and colouring and handicrafts. The aim is to identify avoidable hazards – babies' prams which are liable to tip over, for example. Proposals will also be put forward to prohibit the manufacture of toys or similar products which have a shape or smell that could allow them to be confused with foodstuffs.

If the common market is to be fully effective, it must be possible for the consumer to buy goods in other countries for use at home, to have them repaired as if they had been bought locally and to have complaints dealt with effectively. In order to ensure that the consumer's rights are protected in such matters, the Commission will be proposing measures against unfair contract terms, obliging manufactureres or distributors to respect the rights of the Community consumer.

'The European Court of Justice has made several judgements of great importance to the consumer'

Being a citizen of a common market country should bring benefits to the consumer which are often denied him. It should be possible, for instance, to buy cars in the cheapest market, yet manufacturers often impose conditions of sale which make this impossible. The Commission is using its powers under competition policy to whittle away the protective devices which are used to maintain the price differentials between markets.

The European Court of Justice is faced with an increasing number of cases relating to the proper functioning of the internal market, including a number referred from national courts, and has made several judgements of great importance to the consumer. Among the most notable of these has been the Cassis de Dijon judgement, where the Court held that a product which could be legally traded in one member state could only be denied access to the market in another member state on genuine health or safety grounds; and the recent decision against Ford Motor Company of Germany, which upheld a Commission decision that challenged Ford's right to refuse to supply right-hand drive cars in certain European markets.

The legal basis for opening up the market is thus a sound one. However, if the Community's existence is to mean anything to the citizens of Europe in their daily lives, then the interests of the consumer must become a more important factor in the making of policy. The next ten years should be more productive in this respect than the last ten.

30 years of finance from the Community's bank

By the end of 1985, the tenth anniversary of the creation of the European Regional Development Fund (ERDF), the Community instrument devised expressly for the prosecution of EEC regional policy, lending in the Community by the European Investment Bank is expected to come to around 7 billion ECUs. The Bank, based in Luxembourg, has for 27 years been giving priority to regional development, with 64 per cent of its loans serving this end.

The cumulative figures for the Bank's activity since its foundation in 1958 bear witness to this fact. Of the 38.6 billion ECUs granted in the member countries, almost 25 billion have gone towards investment in schemes offering regional benefits. Of that total, 2 billion have come from the New Community Instrument, requests for financing from which are screened by the Bank, which also decides where loans should be granted, once a decision on eligibility has been obtained from the Commission.

The annual volume of financing for regional development projects has risen from 424.1 million ECUs in 1973 to 1.46 billion in 1978 and 3.28 billion in 1984, which makes the Bank the primary source of Community funds for the furtherance of regional development.

Regional disparities – the irregular pattern of development – exist to a greater or lesser extent in every country of the Community, and national authorities apply policies designed to stimulate economic development in the most disadvantaged regions.

Working with the national and regional authorities in the member states, the European Community is striving for greater economic convergence by various means: introducing a regional dimension into Community policies in other areas, coordinating the regional policies of the member states, and deploying financial resources.

It was this approach that led in 1975 to the institution of the ERDF, with the specific task of helping to rectify the most glaring regional imbalances, by playing its part in the development and restructuring of backward regions and in the conversion of run-down industrial areas.

The EIB raises the bulk of its resources on the national and international capital markets. The member states have provided it with a solid financial platform by subscribing its capital; but the key fact remains that the bulk of its resources must come out of

Of all the money so far granted by the European Investment Bank, most has gone towards schemes that help the regions. Deliberately, the Bank makes no profits . . .

borrowing, not from budgetary funds. This is the essential difference between the Bank, which, with no profit motive, grants loans on the best possible terms and conditions – loans which have, however, to be repaid – and the Community Funds, which are supplied from budgetary sources and furnish only grant aid.

Until the ERDF was instituted in 1975, the European Investment Bank was the only source of general Community financing for regional development, and indeed today remains the only source to hold such a general remit: the other Community instruments each make their contribution in their own way. A case in point is the European Coal and Steel Community, likewise the European Social Fund and the European Agricultural Guidance and Guarantee Fund.

The Bank respects the regional priorities set by the authorities in each member country, which are coordinated by the Commission of the European Communities. All regions qualifying for state aid are, in principle, eligible for EIB loans in support of regional development.

As the Community's problems and objectives change, so must the Bank be able to modify its approach and cater for needs arising, most of all perhaps when it comes to regional development. Continual liaison between the EIB and the Commission offers a way of ensuring the balanced, regular deployment of Community finance. An EIB observer sits in on the meetings of the Regional Policy Committee and the ERDF Committee, and the Commission's director-general for regional policy is a member of the Bank's board of directors.

The EIB attaches the greatest possible importance to the economic effects of projects. It looks at the way they relate to regional development programmes and assesses prospective investment in terms of various criteria: likely impact on employment, productivity increases, higher individual earnings, strengthening of regional infrastructure and improvement of conditions for the establishment of new industrial ventures or the expansion of existing ones. This kind of economic viability must be coupled with a sound financial structure: the EIB will decline financing for a project that offers little in the way of lasting economic and social benefits, or for an investment that lacks a sound financial basis, properly analysed.

The geographical pattern of financing shows a heavy concentration of operations in those countries where regional problems are most acute.

During the past five years, for instance, two-thirds of the Bank's lending for regional development purposes has been concentrated in those regions that have been accorded the greatest priority under the Community's regional policy. Seen another way, it has gone to those areas where average per capita income is at least 20 per cent below the Community average. In order of the volume of financing received, the five countries whose regional development problems have given rise to the most intensive financing activity have been Italy, the United Kingdom, France, Greece and Ireland, the

'Most of the bank's lending for regional development has gone to areas where average income is at least 20 per cent below the EEC average'

last being the greatest beneficiary in terms of the ratio of financing to size of population. Between 1973 and 1985, projects in the assisted areas in Italy, the United Kingdom and Ireland accounted for 79 per cent of all regional development loans.

During the same period, the sectoral breakdown of financing showed something of a balance between productive activity, in particular industry (about 40 per cent) and power installations (about 12 per cent), and the installation and upgrading of the basic infrastructure upon which economic development depends: transport and telecommunications (33 per cent) and water schemes (15 per cent).

Ten plus two equals Twelve

With the accession of the two Iberian members, the map of Western Europe looks geographically complete, even if economic cohesion will take longer

Future historians may well recognise 1 January 1986 as the day when Europe attained its natural geographical boundaries. Spain and Portugal are clearly part of European civilisation. The names of their great men – among them Cervantes, Goya, Magellan, Velasquez – belong to the same collective genius as is to be found in the present Community of ten. Their history is so closely bound up with that of Flanders, the Netherlands, Sicily, Brabant, Bavaria, as to be inseparable.

Through this enlargement, the European Community will strengthen its presence in the Mediterranean basin, an area in need of peace and stability, and on which Europe is dependent in several respects. Moreover, Spain and Portugal will add a new dimension to Europe, particularly as far as Latin America is concerned, through the close links of language and association with the two Iberian countries.

Further examples of the advantages resulting from enlargement are apparent: the extension of the Community's sea-zones, and the new markets which the two new member states will provide. Given these advantages, and, above all, the political significance of the event, the problems and fears evinced by some quarters seen almost derisory. This is not to say that the particular interests of these regions are not valid, or do not deserve to be taken into consideration – but the Community must be in a position to tackle these problems.

Indeed, it has already partly done so by launching the Integrated Mediterranean Programmes (IMPs) for the areas which will be directly affected by the extra competition as a result of enlargement. It has also provided for stringent transitional measures of fairly long duration, before Spanish and Portuguese workers, fishermen and products will be admitted on a totally equal basis. This transitional period aims to ensure that the new members will be integrated smoothly, painlessly and gradually into the body of the present Community, in the interests of all parties.

As a result of the measures for gradual integration agreed during the accession negotiations, the functioning of the common market will not be disrupted on 1 January next year. There will be no sudden invasion of workers and goods from the Iberian peninsula into the present Community, nor will Community goods suddenly flood the Spanish and Portuguese markets.

The provisional derogations to the principles and rules of the common market in no way affect the fundamental fact that, as from 1 January, Spain and Portugal will become full members of the three European Communities – the EEC, EURATOM, and the ECSC. This full membership will be reflected in their total and immediate participation in the institutions, with equal rights and obligations.

There will be 84 more Members in the European Parliament – 60 Spanish MEPs and 24 Portuguese MEPs, who at the outset will be appointed by their national parliaments and will later on – before 31 December 1987 – be chosen directly by voters in European elections. These MEPs will participate fully from the outset in Parliament's activities. The Parliament will therefore have 518 Members rather than the 434 MEPs it has at present.

The Council will have two new members – a Spanish Minister and a Portuguese Minister, who will take their places alongside the Ministers of the Ten. They will, naturally, be given their due voting rights: in debates requiring a qualified majority, Spain will have eight votes out of the total of 76 and Portugal five.

The 11 judges in the Court of Justice will be increased to 13, with the appointment of a Spanish judge and a Portuguese judge, and there will be six Advocates-General instead of five. Spain

'The transition period aims to ensure that the new members will be integrated smoothly'

For Portugal, as for Spain, there must be action to harmonise living standards.

and Portugal will also have one member each in the Court of Auditors. There will be 21 representatives from Spanish industries, trade unions, agricultural sectors, etc, and 12 from Portugal will join the Economic and Social Committee. Similar changes will occur in the other Community bodies. The European Bank's capital will be increased, enabling it to raise more resources on the money markets and increases its financing, mainly in the two new member states.

The new dimensions, the increased economic and political weight, the consolidation of freedom and democracy in Europe, and the presence of Spain and Portugal in the Community institutions, do not automatically mean, however, that the Community will be strengthened. There is the risk that it may lose some of its cohesion, and that enlargement may be accompanied by a certain 'dilution'. Some consolidation measures are essential if this risk is to be avoided.

The accession of Spain and Portugal will increase the Community's surface area from 1,658,000 square kilometres to 2,255,000, and its population will rise from around 275 million to over 320 million. At the same time, there will be an increase in the number of unemployed and the unemployment rate; the differences in economic activity and wealth between the various Community areas; the average rate of inflation – and above all the inflation differential between one member state and another; and in the proportion of the agricultural population.

In this situation, several conditions are needed to ensure that enlargement does not weaken the Community's cohesion, but increases its efficiency – action to harmonise the standard of the living and economic activity in the different Community regions must be given more impetus and have greater effect. This requires, first, that efforts be made by the two new member states themselves; but it also requires improvement in the Community's regional and social policies, including increased allocations to the Regional Fund (FEDER), the Social Fund and the Community's structural instruments.

The Spanish Prime Minister, Felipe Gonzalez, spelt the situation out in his speech of 28 October to the College of Europe in Bruges, an institution that has played an important part in the building of the Community. 'Enlargement', he said, 'requires more political impetus and democratic control.' The Community must dispose of 'political instruments able to cope with the requirements of decision-making, control and intervention... It has reached a moment of growth that cannot simply be dealt with by more bureaucracy.

In addition to the material extension of the Community, the two new member states can provide 'an openness of spirit... which may be a positive factor for the much-needed reform of the Community.' Enlargement, then, will not only have given the Community several extra million square kilometres and tens of millions of extra inhabitants, but also a new impetus and new prospects.

FERDINANDO RICCARDI

... and Spain stands by to take the strain

Spaniards are probably already convinced that entry into the EEC is not going to be a panacea. Most Spanish people are aware that the accession of the two Iberian countries is probably coming too late, and at the worst time in the history of the Community.

But, if this is the view generally held by Spaniards, it is no less true that most of them are convinced that Spanish entry is as natural as it is inevitable, and that fully-fledged membership of it will be a big step forward in the modernisation of Spain. Indeed, for some time Spain now has been discreetly charmed by a Europe to which it has always considered itself to be spiritually linked and integrated.

The European horizon has always been an important destination that Spaniards have wanted to reach. Over past decades, the idea of a European community was basically synonymous with freedom for most Spanairds. But now that democracy has been nearly fully restored, Spaniards are looking to Europe in the hope that it will lead to greater modernisation, allow them to join a leading group of nations, and strengthen the joint efforts the old continent so badly needs – efforts whose absence has led to Europe missing out in many important areas, such as computer technology.

Probably as a result of the stagnation inherent in any lack of freedom, and the harmful effects of out-and-out protectionism, a good part of Spain's economic fabric is still threadbare. Undoubtedly, greater liberalisation in the economy must be one of the achievements that will result from entry, paradoxically at a time when calls are being made to increase protective measures.

Spaniards are undoubtedly expecting great things from the fact that they will be European citizens. They are confident, and reasonably so, that Spain will bring a breath of fresh air to a Community caught up in its own problems and conflicts, and that it can strengthen the role of the Mediterranean countries, which are at a comparative disadvantage, since it is the northern members that make Europe what it is.

'Spaniards are looking to Europe in the hope that it will lead to greater modernisation'

There is also confidence that, in return for the very large contribution to the European coffers, Spain will obtain the aid necessary to promote development in many of its most depressed areas. There are hopes that parts of the worse-off social sectors will be able to improve their standards of living, that agricultural income will be increased, and that enforced emigration will disappear. Hopes are also high that there will be a larger market for Spain's agricultural and industrial exports. However, it will be a long time before all these hopes are fulfilled.

In the midst of these wishes more mundane aspects, such as the possibility of buying a greater range of products or the possibility, already widely believed, that entry into the EEC will mean cheaper cars for the Spanish public, are of less importance. VAT and the distributors' own commerical strategies could put paid to those hopes.

Prices are among the elements where the effect of entry is unknown, giving rise to fears that any increase in incomes and the standard of living will cause a noticeable rise in prices. Facts, and the experience of other countries, have shown that, for example, the introduction of Value Added Tax, which must be in force in Spain by January 1986, has noticeably increased inflation.

We must also consider the repercussions that the opening up of Spain's borders may have on the least-prepared sectors of the economy: it is EEC entry into Spain that is feared, not vice versa. Certain sectors which have not prepared themselves for what is going to hit them are vulnerable as a result of their structure, particular features, lack of resources, and – dare I say it – lack of efficiency and excessive protectionism.

From January next year, these are going to find themselves faced with a flood of competitors. Unfortunately, many of them will not be able to react quickly enough. There will be a shortage of resources, time will not be on their side, and in many instances such firms will just go out of busines. This is the main fear in a large part of Spain's economic and industrial sectors.

But despite this area of the unknown, Spaniards still have confidence in their European vocation, and in the conviction that, together with the other eleven member states, the unfinished design for a genuine united Europe may be strengthened.

LUIS F. FIDALGO

'The Commission's proposal is for keeping on the idea of European Union...'

Commission President Jacques Delors, in an address to the conference of EEC member states in Luxembourg, spells out the Commission's stand on the main issues that divide the leaders of the Ten, and which stand in the way of achieving a truly united Europe

Conferences like this one are not convened every five or ten years. There may not be another between now and AD 2000. This is a rare and exceptional opportunity to get European unification in perspective, and lay the political and institutional bases for a new dynamism.

While the recent course of Community affairs has given us plenty to be pleased with, there are still sizeable obstacles in the way. When I urge putting a stop to humming and hawing, some ministers reply that too much light and clarity are liable to make for difficulties in the individual countries. That may be. But I trust that, failing general debate, we shall be able to speak out frankly on, say, the single market, economic and social coherence, and hence a certain conception of solidarity among member countries.

With regard to those political and institutional bases for a new Community dynamism, nobody queries the step-by-step approach which has worked pretty well, and which has proved its worth since the Treaty of Rome has been in force. All the same, I feel that, for some time past, there has been in some member countries' proposals a querying of the Community method as the means of European unification. I feel we have to speak out frankly on the Community method; and in the matter of excessive bureaucracy, and slow decision-making, and the difficulty of making progress twelve abreast, we have to see whether we can tackle the root causes of these problems, without calling in question a method which, by and large, *has* enabled Europe to progress.

The Commission's proposal is for keeping on the idea of European Union. This resolve has been asserted by a number of heads of state and government. Now, it is hard to suppose European Union can come about without eventually operating on the basis of unified institutions. I freely

'Stewardship involves the social side, the arts, and the will to get along together'

admit this is not feasible now. But we must nurture the feasibility of it in the future, given the close interdependence between foreign policy and security on the one hand and what may be called stewardship – economic, financial and monetary affairs – on the other. Again, stewardship involves the social side, the arts, the will to get along together: it may well be that, in thirty or forty years, Europe will be a sort of political UFO, yet able once again to give each of our countries the effect of scale allowing it to prosper within and hold its ground without.

For this reason we circulated to the Committee of Heads of Political Departments, and to Mr Dondelinger's Committee, a short two-page paper proposing that the result of the Intergovernmental Conference's proceedings be embodied in a single legal instrument. The future Treaty would include, first, a preamble stating it to be the aim of the European Communities on the one hand, and European political Cooperation on the other, to contribute together to the unification of Europe. After that would come two separate titles on political cooperation and on the adjustment or expansion of the Treaty of Rome.

In the Commission's view, the adoption of a single Treaty buttressing the idea of European Union, not harming the future and without prejudice to future developments, would be symbolic of the resolve to achieve European Union. Once again, this enshrinement poses no danger, and does not prejudge the future, but it is exceedingly important, and calculated to avert a certain drift that would result from autonomous institutions working separately and apart – institutions whose jurisdiction moreover cannot be narrowly delimited.

As regards objectives, I gather that the idea is, in the first place, to codify political cooperation, with some member countries perhaps thinking in terms of something more than just that. I do not want to start an argument, but I would say that some member states are merely desirous of capitalising on the successes achieved, and do not think it is possible by pushing ahead on the institutional front to transcend the problems all states encounter in learning and trying out political cooperation; others wish to go further, to make a quantum leap based on political will and backed up by new institutions.

The second objective, tallying with the purpose of the Treaty of Rome, is to establish the preconditions for an efficient, businesslike economic bloc. For this, I feel, there are four prime requisites dovetailing into an in-

'The Commission will be proposing additions spelling out more clearly the implications of the Treaty of Rome'

dissociable whole: first, the establishment of a true single market; second, mastery of technological progress harnessed to our production capacity and social affairs; third, economic and social cohesion without which the negative aspects of the single market – the concentration of decision-making and of wealth – would in some countries or areas outweigh the positive spinoff; and lastly, what for lack of a better expression I would call a certain monetary capacity.

Monetary capacity would be reflected within the Community in alignment of economic policies. Outside, it would enable Europe to make its voice heard more strongly in the world on economic, financial and monetary matters, and put forward solutions having its backing and responsibility.

I feel that if we could concentrate on these four objectives, if we could finalise them, justify them to political opinion, determine the means for gradually progressing, we should have greatly enhanced Europe's prospects.

Above and beyond this vital substratum of a united Europe, the Commission will also be making proposals concerning, in particular, the environment and the arts.

The Conference should clearly distinguish between sole powers and concurrent powers. I do not think that, in the areas I have just listed, it is legally possible to invoke sole Community powers. On the other hand, concurrent powers seem to me to correspond to a more realistic outlook, and also to the preservation of the national parliaments' prerogatives. What is more, this approach makes for simpler enactments. And for a multinational organisation like the Community, simplicity is a must.

I also feel we should think in terms of potential powers. Thus, for instance, in the monetary field, a quantum leap is not going to be achieved by drafting a few articles (not that they would be easy to draft). But at least we would have, for 15 or 20 years, the legal framework within which to progress. In a word, law would not be an obstacle to a firm resolve to make progress in due course. The Commission will be proposing additions to the Treaty of Rome spelling out more clearly the implications of Articles 100 and 235. I feel that now, given the will that has been shown to achieve at any rate the single market, we need to get away from the catch-all nature of Articles 100 and 235.

Aiming, then, at coherent objectives and simple wording, the Commission will be proposing additions to the Treaty with regard to the single market and harmonisation of rules, the framework for technological cooperation (reconcilable with Eureka), the need for greater intra-Community cohesion, monetary affairs, the environment and the arts.

As concerns the single market, there is quite a problem, since the heads of state and government at Milan urged us to move much further in the direction of a People's Europe: the single market is not just Business Europe, it is the people's affair too. And that raises some extremely tricky problems, particularly with regard to safety and health. Harmonisation of the rules is necessary because there can be no market allowing of reasonable competition unless there is some measure of harmonisation of the rules, and hence to some extent of enterprises' costs.

'The single market is not just Business Europe: it is the people's affair, too'

'It is high time to assert the resolve to ensure the necessary cohesion of the Europe of the Twelve, and to act accordingly'

I spoke of cohesion, and I prefer that word to 'solidarity', which has been overdone and devalued, and brings us straight into sordid budget squabbles. History shows us that the establishment of a single market can only benefit everyone provided proper backup policies are followed. One basic question is whether those policies should be pursued nationally or in part on a Community basis. Are the present Regional Fund, Social Fund and Agricultural Guidance Fund policies the right ones, geared to the aim of establishing a single market and making the most of its scale? I do not think they are: It is high time to assert the resolve to ensure the necessary cohesion of the Europe of the Twelve, and act accordingly. If the subject is not tackled at the Conference, it will undoubtedly come up again and again in connection with every discussion on the Structural Funds or the Community Budget.

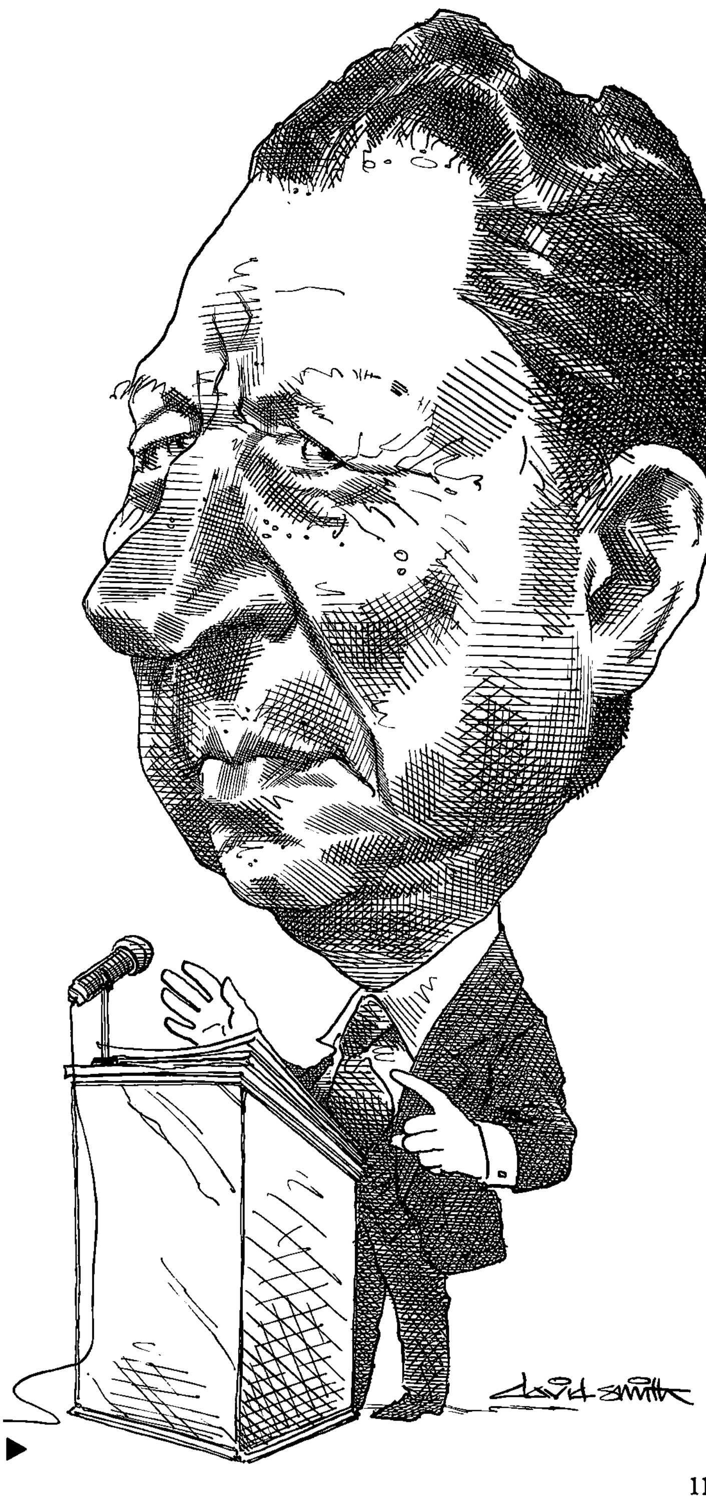
As to the environment, this is certainly the quality-of-life issue most cut out to be handled on the Community basis. The approach here is not as sensitive as in the case of the arts or education.

Finally, as to monetary affairs, I feel we could and should have arrangements for easing future currency movements, without infringing on the powers and responsibilities of the world's banks, and bearing in mind that the currency is central to sovereignty.

It is necessary, therefore, to select the areas in which the Commission will make contributions to the Conference's proceedings. I have dismissed additions on energy, industry, health and education: I feel that in these areas we can progress without needing to expand the Treaty. There is no sense in loading the Conference table with strings of proposals in all sorts of areas, and getting into the endless arguments we used to have in the early Seventies when there was, for instance, a memorandum on industrial policy.

'If we had to wait until all twelve member states were making helicopters before we could have a European helicopter policy, where should we be?'

But our discussion would be inadquate if we did not touch on a subject of the utmost importance to some states – differentiation. That subject is a vital one. Unless it is discussed we shall make no progress, either on ▶



'I do not care so much about the symbol of democratisation as I do about helping the European Parliament to play its full part in Community affairs'

monetary affairs or on economic convergence or on technology. I do feel that the Dooge Committee's report views differentiation purely from the negative angle – the possibility of a member country obtaining either a two- or three-year transitional period or a derogation to adapt to a Community policy, for instance by way of an escape clause. But in fact there is a kind of positive differentiation which absolutely must be introduced.

By that I mean that, if under a policy of the Twelve, four, or five, or six states together want to go faster and farther than the rest in pursuit of one of the objectives set by the Twelve, the Treaty should not stop them. Proper financial arrangements should also be made. If we had to wait until all twelve member states were making helicopers before we could have a European helicopter policy, where should we be?

The same for biotechnology. I stress this concept of positive differentiation, which has nothing to do with the 'two-speed' Europe, nothing to do with the 'variable-geometry' Europe. Once again, the question is whether four or five can go ahead in a particular area within a policy of the Twelve, possibly with third countries or third-country companies joining in with those wanting to go ahead. To my mind, unless the answer is Yes, the best enactments on technology or monetary affairs will remain a dead letter; and in the upshot on top of fears by the one lot there will be inability by the others to go along.

Lastly, there is a matter on which the Commission would like to make proposals – the modernisation of the Community's financial system. I consider the Community financing set-up altogether archaic, resulting more and more in focusing on net budget balances. What is needed is more flexible, non-budget financing methods. In my view this is a matter of life and death for the Community. I am thinking in particular of infrastructure financing, that is, the sustaining of the economy, and of the financing of research and technology.

I come finally to the Presidency's third point, procedures. Here I should like to deal with two questions. The first may be simply put: why is it necessary to amend the Treaty, and in particular to increase the powers of the European Parliament? Because, as I told the Milan European Council, all else has failed. The top-level declarations of intent to speed up decision-making, or get the Community to function more efficiently by means of gentlemen's agreements, have come to nothing.

In fact, serious consideration of the process of decision-making, or rather, all too often, non-decision-making, shows the present state of affairs to be due to the ball and chain of unanimity that bedevils the whole Community system. The insidious threat of unanimity, even where

'We have to get away from the present impasse represented by the grey area between the Council and the Commission'

majority voting is possible, blocks decision-making. On this issue we have got to make a quantum leap and break with the present practice of systematically seeking unanimity, to move to qualified-majority decision in specific cases, as the Commission is going to propose in its Treaty amendments on the single market, technology, economic and social cohesion and monetary affairs.

Again, we have got to get away from the present impasse represented by the enormous 'grey area' between the Council and the Commission, within which are held up not only Commission proposals to the Council but also measures needed to implement Council decisions. There is a sociology of the grey area that needs to be studied and altered, not – bearing in mind the member states' positions – by abolishing the Luxembourg pseudo-compromise, but simply by deciding that there is to be qualified-majority voting for achieving objectives jointly agreed in principle.

Together with more regular use of qualified-majority voting there will need to be improvement as laid down in Milan, of decision-making procedures in the Council machinery, and an increase in the Commission's managerial powers to restore its ability to act. Here again, simplicity has to be brought in to overcome the problems of decision-making and implementation. To take one example, I am not satisfied with what the Commission has been doing in the last few years about the environment. There are too many enactments, and they are becoming unenforceable.

On the other hand there is talk of deregulation, and on the other the Commission, like any self-respecting organisation, churns out enactments. What is needed is to get back to the straight 'outline Regulation', whereby each country can exercise concurrent powers to take the most

'However much the Parliament's debates may on occasion be ridiculed, its members are elected by universal suffrage'

appropriate implementing decisions and establish *ex post facto* monitoring procedures, as fair and straightforward and simple as possible.

Qualified-majority voting, Commission ability to act (subject to disciplining should it act wrongly) and simplicity – such, as I see it, are the answers to the question of procedures.

In conclusion, I would stress that it is necessary to increase the powers of the European Parliament. Is the European Parliament a parliament of the same standing, and the same nature, as the national parliaments? We shall not settle that question: anyhow, the answer differs from country to country. I would, though, make the point that the heads of state and government decided the Parliament should be elected by universal suffrage; and, however much some of its debates may on occasion be ridiculed, its members *are* elected by universal suffrage.

But are they so elected that they are in close rapport with their constituents? Not always, I am sorry to say. Nevertheless, if we do something for the Parliament we shall be justifying its existence and helping it to do a better job. I do not care so much about the symbol of democratisation represented by closer association of the Parliament with decision-making, as I do about helping it to play its full part in Community affairs. I used to be a member myself; I deprecated the Parliament spending more time on debating non-Community matters than on dealing with matters covered by the Treaties. We could help it by making it more responsible and involving it more in Community decision-making.

It is in this spirit that the Commission will be making its proposals, including one which it made at Milan for going over from unanimous to qualified-majority voting in certain specific cases where the Parliament has delivered an opinion in favour of a Commission proposal.

The Commission's first package of plans to revitalise the Community

A rejuvenated Constitution, to make the European Community a true Common Market by 1992, neglecting neither the underprivileged regions, the environment, the arts, nor the views of the people – such is the first package proposed by the European Commission to the Special Conference of the representatives of the Twelve.

If the European Community is to become an important economic bloc – more efficient, more dynamic and more democratic – and able to accept both present and future challenges, it must be endowed with proper powers, and its role and functioning clearly defined to achieve its aims. This is the thinking behind the proposals just put forward by the European Commission to amend the Treaty of Rome – the Community's 'Constitution'.

This reform, which has been talked about in European circles for nearly ten years, was officially launched at the Milan European summit in June during the discussions on European Union. The Heads of State and Government of the ten present member states of the Community were agreed, in their majority, to convene an intergovernmental conference to thrash out ways to change the existing Community into a European Union.

In July, the Ministers for Foreign Affairs of the Community countries fixed the date of this conference for September, and its conclusions are to be laid before the next summit scheduled to be held in Luxembourg in December. Besides the representatives of the ten present member states, Spain and Portugal, who are to join the Community on 1 January next, are also to attend.

'The proposals presented by the Commission to amend the Treaty of Rome seek to pinpoint all that could make the European Community more efficient and more democratic'

The Milan summit entrusted the Conference with a twofold task: on the one hand to prepare a new European treaty, introducing a foreign policy and a joint security policy; and on the other to draw up amendments to the Treaty of Rome that would enable the Community to be more businesslike, democratic and with much greater scope for action. The European Ministers entrusted these two tasks to a different working party: foreign and security policies to the Heads of Political Affairs of the twelve Foreign Affairs Ministries, the amendment of the Treaty of Rome to the Permanent Representatives of the Twelve to the Community in Brussels. The latter is referred to as 'Dondelinger's Group', after the Luxembourg representative who is leading it.

Nearly all the European Commission's proposals placed on the conference table focused on the amendment of the Treaty of Rome. This is not particularly surprising, given that the Commission is the Community's executive body created by the Treaty of Rome. The Commission is not indifferent to the other Conference theme either, even though it has not put forward any specific proposals. But it does think that the two points on the agenda, foreign and security policies and the activities of the Economic Community, should at some point be dovetailed into a one and only European Union.

That is why the Commission proposed to the representatives of the Twelve to formulate one sole Treaty for the whole bloc with the one single objective of European unification. This Treaty would comprise two main sections: one dealing with the amendment to the 'constitution' of the existing European Community in order to improve its work and enlarge its area of intervention, the other giving an outline and precise written regulations bearing on the present political cooperation between the member states of the Community.

From the abolition of frontiers to the reallocation between regions, passing by the technological progress and the enlarging of the powers of the European Parliament, the proposals presented by the Commission to amend the Treaty of Rome seek to pinpoint all that could make the European Community both more efficient and more democratic. Nor has the Commission overlooked its own jurisdiction, for it also included in its first package two questions that will be of increasing importance for the Twelve: the defence of the environment and the promotion of the arts in Europe. At the end of October, after consultation with the Ministers for Economy and Finance of the Twelve, the Commission also presented two other major enactments, one on the development of the European dimension in monetary affairs, the other on Community financing.

In order to change the present Community into a well-oiled economic machine, all kinds of obstacles have to be overcome. Some are constitutional: unanimity of the European Ministers as a requisite in order to build the common market; the absence, except in the nuclear field, of special provisions governing technological cooperation; the loopholes in the Treaty of Rome with regard to the reallocation between regions.

'The inertia of national administrations, and the corporatist interests, have often hampered the advance of Europe'

Everyone knows that the European Community of 1985 is not yet in the image of the common market designed by the Treaty of Rome in 1957. The deadline fixed for the abolition of customs duties between the member states was, indeed, faithfully respected. But for the rest, the inertia of the national administrations, and the corporatist interests, have often hampered the advance of Europe, and the unanimity rule of the Council of Ministers laid down in different articles of the Treaty have weighed heavily in the balance of immobility.

To ensure the final emergence of a European single market, the Commission suggests setting a deadline of 31 December 1992 in the amended Treaty for the abolition of frontiers between the member states – the Council of Ministers, acting unanimously, could grant a member state an extra delay for any areas not ready by the date fixed – and 31 December 1989 as the deadline for the adoption of all regulations enabling the consolidation of a true common market within the set time.

The date of 31 December 1992 was not chosen haphazardly. The Commission had proposed this date to the Twelve in a 'white paper' prepared by Lord Cockfield, Europe's home market commissioner, and it was approved by the Heads of State and Government at the Milan summit at the end of June.

The white paper counts no less than 298 measures to help reach the objective. Many of these measures require a unanimous vote by the Council of Ministers of the Community, an unusual stipulation for the Treaty of Rome because, as a rule, the Council takes its decisions by majority vote. To facilitate decision-taking, the European Commission suggests replacing the unanimity requirement by a qualified majority rule for the ten cases that are crucial to consolidate the common market.

First, the obstacles that prevent certain Europeans from settling down in another member state have to be lifted. The Commission suggests scrapping the unanimity rule for those measures relative to the securing of social security benefits for all Europeans who have worked in the Community, whatever their actual place of residence is in the Community.

In practice, this possibility has become pretty widespread, but there are still certain workers deprived of these benefits, those on early retirement, for instance.

Unanimity should also disappear for all who wish to enter the professions that are regulated at national level: if certain professions have become 'European', which is the case for the architects' and the chemists' professions, others, such as the consulting engineers' or allied medical professions, are strictly national preserves.

The majority vote would also suffice to harmonise regulations applicable to citizens from third countries who wish to exercise their profession in the Community, and to lift restrictions on those people living in a member state and working in the service sector, such as banks, insurance, transport.

If the Commission gets its way, then the harmonisation of VAT rates and excise duties – the special taxation on products like alcohol, tobacco, tea, coffee – would be decided by a majority vote. It is the existence of different domestic arrangements in this field that explains why such goods are subject to frontier controls and formalities in the Community.

Another major reason is the fight against terrorism and drugs. As regards the latter, the Commission simply considers that the member states should cooperate better among themselves, in particular when monitoring third country citizens.

If there is one sector in particular where unanimity has contributed to dossiers piling up, it is that of the harmonisation of technical regulations and standards applicable to manufactured goods. At the beginning of the year, to ease decision-making, the Commission quite successfully managed to relieve the Ministers of the more technical details. For even greater efficiency, it now suggests that the Council of Ministers take all decisions by majority vote.

Majority voting would also become the rule for the abolition of domestic discriminations and excessive taxation on shipping and air transport. As regards the latter, nationalism still reigns supreme: a London-Rome or a Paris-Copenhagen flight is a costly business compared with a New York-Los Angeles or Chicago-New Orleans flight.

Finally, the Commission suggests that Ministers decide by a majority on the alterations to the customs duties of the European customs tariff, the coordination of regulations concerning the movement of capital within member states of the Community and other countries, and other activities not provided for in the Treaty of Rome, but essential to guarantee the free movement of goods and services in the Community.

The second pillar of the great European economic bloc desired by the Commission, technology, is quite a different matter. The European Community received no special powers from the Treaty of Rome in this respect; only the Euratom Treaty gave the Community a special role in the field of civil nuclear energy.

Until now, the Community has implemented very empirical actions that are relatively fragile from the point of view of finance and duration.

The European Commission proposes therefore 'to strengthen the technological bases of European industry' and 'to develop its international competitivity' as the official objectives of the European community. Within the framework of an amended Treaty of Rome, the Community's explicit task would be to encourage technological research centres and the universities throughout the Community to work together.

The Heads of State and Government of the Twelve accepted the principle of this European Community of technology in Milan last June. It would have its own European programmes of technological research, demonstration and development; it would coordinate these actions with national policies; and it would ensure cooperation with other countries or with international organisations.

'The Council of Ministers would be empowered to set up European agencies or joint undertakings'

The Community would also enhance the value of European research findings – one way of ridding Europe of its huge handicaps in world competition. Finally, the Community of technology would see to strengthening the European potential of researchers and experts in the fields of key technologies.

All the Community technological research, demonstration and development activities would fit into an outline programme covering several years; the Council of Ministers would adopt this programme by unanimous vote, which has been in operation, with certain exceptions, since the end of the Seventies.

This programme, that would determine the Community's global financial participation, could include a European participation in the programmes of the member states or third countries. The European Ministers would decide by a majority on the sector programmes to be implemented within the framework of the outline programme. The present practice obliges the Community to wait for all the member states' agreement before launching a programme.

The Commission even considers complementary sector programmes for certain member states' participation only; they must of course approve them and help finance them.

The Council of Ministers of the Community would be empowered to set up, by a majority, European agencies or joint undertakings, according to the needs. Two such ventures have already turned out well: the European Space Agency, which rallies several member or non-member countries, besides the Community, was associated with the success of the Ariane rocket and various European satellites. The second venture, JET, which came out of the Euratom Treaty, has enabled the Community to take a world lead on the research on thermonuclear fusion.

To avoid a reinforcing by the economic bloc of the stronger and more prosperous sectors or regions of the Community, to the detriment of the weaker and poorer, the Commission proposes that one of the Community objectives, 'the strengthening of its economic and social cohesion', should be written into the amended Treaty. This means 'improving the quality of life, of work and employment of the people of the member states', together with a certain levelling up of the possibilities of development of the different regions.

This was the spirit behind the Treaty of Rome's creation of the European Social Fund (ESF) and the Community leaders' launching of the European Regional Development Fund (ERDF) in 1975. In recent years, too, the guidance section of the European Agricultural Guidance and Guarantee Fund (EAGGF) was used more and more with the same goal in mind. But for several years, coordination between these different Community funds has been posing a problem, and the Commission considers that they are not playing their proper role of reallocating Community resources.

The Commission included in its package of proposals two sectors that do not seem at first glance to affect the common market directly: the environment and the arts. However, their economic impact is far-reaching, and a European approach is becoming increasingly necessary. It is not surprising that the Treaty of Rome, signed in 1957, did not devote even one line to the environment. In the past ten years or so, the European Community has, nevertheless, adopted a certain number of regulations that aim to protect consumers, sites and the countryside against diverse sources of pollution.

The Commission wants an amended Treaty of Rome to include a proper Community policy on the environment. The Commission has thought it out carefully: the objectives, the provisions and the measures to take. The purpose of such a European policy would be to preserve and to improve the quality of our natural environment, to protect people's health, and to guarantee a rational utilisation of our natural resources.

This policy would be based on four principles. First, 'those who pollute, pay' figures high in most Community or national regulations. The second could be summarised by the proverb 'a stitch in time saves nine'. The third emphasises that the environment should have an essential place in the economic, industrial, agricultural and social policies of the Community and of each of the Twelve. But, says the last principle, no unacceptable economic or social measures ought to be taken in the name of the environment.

'The Commission proposes a European cultural identity within an amended Treaty of Rome, to help enhance its creativity'

In practice, the European regulations should therefore ensure the protection of our natural environment, including air, water, animals and plants, the soil and the countryside, not forgetting sound pollution also. The European environmental policy would prevent the wastage of our natural resources and would push strongly in favour of recycling waste materials. The Community would urge the Europeans to be more 'ecologically minded', and pursue research on ways of protecting the environment. In the case of damage caused by the use of harmful substances, the Community regulations would provide for compensation for the victims.

If a member state of the Community wishes to adopt stricter domestic regulations than those of the Community, it may do so as long as they do not create any distortion within the Common Market.

In 1957, those drafting the Treaty of Rome and preparing the ground for an Economic Community made no mention of the arts. This seemed logical enough at that time. However, the arts today are having increasing economic and even political implications at world level. Recently, Europeans have become aware that joint action is essential. The Commission proposes that they entrust the Community to affirm 'the European cultural identity' within an amended Treaty of Rome, to help Europe enhance its own creativity.

What would a community cultural action consist of? This would consist, on the one hand, of promoting an understanding of each European people's culture, and, on the other, of building up new means of communication, in particular audiovisual. The European Commission, which has already asked the Ministers to help finance European film coproductions, is considering creating a true European television channel.

In addition to the Twelve, the Commission is advocating cooperation between the Community and the other western European countries with whom we have much in common in the sphere of the arts.

If the Commission's intention is to make the Community more businesslike and democratic by expanding its scope of action and improving its policies, it knows full well that the smooth running of the intricate Community machinery greatly affects both the efficiency and the more or less democratic character of the Community. Concerning efficiency, the Commission wants to ease decision-taking and simplify the administration. Concerning democracy, it proposes that Members of the European Parliament take a much more active part than at present in the drafting of Community policies.

To facilitate decision-taking, to prevent blocking the action of the Community's No 1 decision-maker – the Council of Ministers – by one member state's opposition vote or indifference, is the thinking behind all the Commission's proposals, which aim to replace the unanimity vote by a majority vote. From the moment the major objectives have been voted unanimously by the Heads of State and Government, or by the Ministers themselves, the Commission considers that it is up to the Council of Ministers to implement these decisions by a majority vote. This is what it proposes for every area it has to deal with, from the consolidation of the single market right up to the environment. ▶

The role of the currencies

Economic recovery cannot be achieved without monetary cooperation. This is the premise on which Commission President Jacques Delors bases his proposal to the Twelve that the 'constitution' of the European Community should be written into the Treaty of Rome, including both the bases of the European Monetary System in its present form and the possibilities for the future development of this system. This monetary chapter is one of a series of proposals on reforming the Treaty of Rome which the European Commission submitted at the beginning of October to the special conference of the Twelve.

President Delors believes that the reform of the European 'constitution', preparations for which are currently under way in special intergovernmental conference, will only succeed if the Twelve agree to make progress in the four areas that are crucial to economic recovery: the large European market without frontiers by 1992; the technology Community; the policy of redistribution among regions and economic sectors; and lastly, monetary cooperation.

The Treaty of Rome makes little mention of currency matters; it mainly calls on the national authorities to bear Europe's interests in mind when altering the value of their currencies in relation to others. The European Monetary System (EMS), which was launched in 1979 by President Giscard d'Estaing and Chancellor Schmidt, developed outside the framework of the Treaty. The EMS gave rise to the ECU, the beginnings of a European currency containing a mixture of the 10 national currencies of the present Community. From European loans to travellers' cheques, the ECU has taken on increasing importance in the world on finance; and the European Commission is eager that it should play a world role along with the US dollar and the Japanese yen.

The EMS is also an exchange-rate mechanism ensuring that the eight European currencies which participate in the system do not vary excessively in relation to each other, thereby guaranteeing producers, traders and consumers a certain stability. President Delors proposes, first of all, that the EMS in its present form should be included in the Treaty of Rome. The Treaty would then contain express reference to the ECU, to the exchange-rate mechanism and to the administrative body of the EMS, the European Monetary Cooperation Fund (EMCF). This would not put any obligation to join on those currencies which are not part of the exchange-rate mechanism: the UK pound and the Greek drachma at present, and the peseta and escudo in the future.

But the President of the Commission is also calling for the European 'constitution' to provide for the possibility of going even further, by replacing the EMCF, 'when the time is right', by a European Monetary Fund. Whereas the EMCF is directed by the representatives of all the central and national banks, a European Monetary Fund would be a truly autonomous body. However, the unanimous agreement of the Ministers of the Twelve would be needed in order to set up such a fund.

With regard to the day-to-day administration of the Community, this task devolves on the Commission to the extent that the Council of Ministers gives them the necessary powers. According to the Treaty of Rome as it stands now, the Ministers fix conditions for each regulation they draw up, which the Commission has to follow. In practice, however, the Council of Ministers often calls on committees of national experts and entrusts them with implementing part of the decisions.

This procedure is very time-consuming for the Ministers – and for the Community – and often creates uncertainty as to the distribution of roles between the Council and the Commission.

To simplify matters, the Commission proposes from now on to implement the Council's decisions itself, except for cases which the Council decides unanimously to attend to itself.

Finally, as regards democracy, the Commission wants the Twelve to put an end to an anomoly. The European Parliament, which has been elected by universal suffrage since 1979 by the citizens of the members states, has very little power: it can only increase the expenditures of the European budget, within certain limits, or reject en bloc the draft budget submitted by the Council of Ministers.

Though the Parliament can give its opinion on all matters, nobody, at present, is obliged to heed it. The Commission proposes that in the future it takes an active part in Community legislation, i.e., in the drafting of Community policies and regulations.

The Commission foresees four types of procedure. The first would grant greater scope to the only existing procedure in the Treaty of Rome, that of consultation. The second procedure is broader, and enables the European Parliament to be more effective when informing the Council of its position than through consultation alone: when Ministers take decisions, they must bear in mind the exchanges with MEPs, and tell the Parliament the reasons for their decision. This procedure was set up in 1975 after a simple agreement was passed between Parliament, Council and Commission. In an amended Treaty of Rome, it will be written down in black and white.

The third procedure relative to the cooperation between Parliament and the Council would give the MEPs some real power. In the home market, technology, and social and regional policy, the Parliament would have two months to amend or reject the Council's decisions. The Council could then adopt Parliament's amendments by a majority, but the Ministers' unanimous vote would be required to alter Parliament's amendments or to scrap absolutely any project rejected by it.

The fourth procedure, that of assent, implies that three types of major decisions could not be taken by the Ministers without Parliament's agreement: in the case of the accession of a new member state to the Community; the creation of new resources for the Community itself; and the establishment of an identical election procedure for the European Parliament in all the member states.

Lastly, the Commission proposes to the Twelve should grant Parliament the right to bring an action against the Council or the Commission before the Court of Justice of the European Communities (CJEC), if it considers they have violated the Community 'Constitution'. In turn, the Council and the Commission could also impugn the Parliament before the Court. As things stand now, only the member states, the Council and the Commission can impugn either the Council or the Commission before the European Court.

The Commission's proposals cover many areas of European policy. Their purpose is not just to change the articles of the 'Constitution' but to modify attitudes, in particular on the issue of the unanimity of the Council of Ministers.

How will the governments' representatives welcome these proposals? Nothing is certain yet, though it appears that only the proposals on the environment are practically certain of receiving the assent of the Twelve.

Making a real Common Market: Lord Cockfield points the way to the future

In an address to the London Europe Society, Lord Cockfield, a Vice-President of the European Commission, stressed the role that completing the internal market will play in transforming Europe by 1992. This is an edited version of his speech

The conventional language which is used, and indeed is reflected in the title of my address today, 'The Completion of the Internal Market', evokes an image of a series of technical measures – important, but nevertheless something in which the ordinary citizen has only a limited interest.

Correspondingly, the arguments which we have used extensively to demonstrate that our proposals are firmly based on the Treaty of Rome, and on the numerous declarations by heads of governments, are essential to convince governments – and politicians – that our proposals are firmly based on history and on publicly accepted policies, but may have a limited appeal to the great majority of our citizens. The message we must get over is that our proposals go to the very heart of the progress and prosperity of the Community. It is only if we can get our act together, and can weld together our dozen or so separate economies into a single unit, that we will have the strength to face the future, to solve the problems that have vexed us for so long, and to offer our citizens a much better tomorrow than today or yesterday.

We have set ourselves three objectives. First, the bringing together of our twelve economies into a single great market comprising 320 million people, a market half as big again as that of the United States. Second, ensuring that this great market is also an expanding market: it is not enough just to be big, you must be able to grow as well. And third, ensuring that the great market is also a flexible market. It is only in this way that we can ensure that resources of men, of materials or of capital, move to the places of maximum economic advantage, thus enabling us to achieve the expanding market.

In June the Commission published a White Paper on the completion of the internal market, which was directed primarily to the first of these objectives, namely the creation of the single integrated great market. But it has an important bearing on the achievement of the other two objectives as well. The White Paper is no simple catalogue of a handful of useful measures. On the contrary, it is a root and branch analysis of the whole problem. It looks at every single barrier which divides Europe, and which needs to be swept away if we are to achieve an integrated European economy.

It looks at the physical barriers, the technical barriers and the fiscal barriers, and sets out more than 300 specific proposals which need to be adopted if we are to weld together our separate economies into a single great market by 1992. This was an exercise not just in pragmatism, but in vision and determination. The proposals were approved by the heads of government in Milan in June, and long after the failures of the Milan Summit have been swept into the discard of history, the fact that – without great publicity, without any trumpeting of success – they approved these bold proposals of the Commission, which when implemented will transform the face of Europe, will be recognised as the success, not the failure, of the Milan Summit.

In our thinking, we draw no distinction between manufacturing industry and services. They are both economic activities, the one supporting the other. It is not simply that services make an important contribution to the economies of the member states and the United Kingdom in particular. But the simple fact is that you cannot have a prosperous industrial sector without the underpinning of the service industries – in the fields of finance, banking and insurance, accounting consultancy and engineering services, computer software and information technology.

The importance of services to our economies is aptly illustrated by their contribution in recent years. In 1982, the latest year for which information is available, market services and non-market services accounted for 57 per cent, of the value added to the Community economy, while industry's contribution had dropped to less than 26 per cent. Comparison of employment prospects between 1973 and 1982 reveals that there has been a steady decline in employment in industry, which became even more rapid after 1979. By contrast, over the same period, more than 5 million new jobs were created in the Community's market services sector. The performance in equivalent figures for the USA and Japan has been even more impressive: 13·4 million new jobs in the service industries in the USA in this period, and 6·7 million new jobs in Japan.

'The message we must get over is that our proposals go the very heart of the progress and prosperity of the European Community'

‘Those whose interests are most directly affected are not governments but trade and industry. Their views should be the decisive factor’

The Treaty of Rome specifically provides for freedom to provide services across national frontiers. But the progress made has been disappointingly slow – much slower than in the case of goods. This is not an acceptable situation. The Commission proposes, therefore, that swift action should be taken to open up the whole market for services. Specific proposals to this end are contained in the White Paper. This new and vigorous approach applies both to the new service areas, such as information marketing and audiovisual services, and also to the traditional but rapidly evolving services such as transport, banking and insurance which, given the opportunity they deserve, can play a key supporting role for industry and commerce.

Of immediate importance, therefore, is the need to open up the cross-border market in the traditional services, notably banking and insurance and transport. Proposals necessary to open up these sectors have already been made by the Commission, but still await decision by the Council of Ministers. We must, all of us, exert pressure on our respective governments to take action.

The European Court of Justice has before it a number of cases against member states relating to the freedom to provide insurance services. Judgement in these cases is expected early next year, and should provide a framework for future Community action in this field.

The liberalisation of financial services, linked to that of capital movements, will represent a major step towards Community financial integration and the widening of the internal market. Such services may be regarded as financial products. A comparison can therefore be made between the approach followed by the Commission after the Cassis de Dijon judgements in the case of industrial and agricultural products, and what now has to be done in the financial field for insurance policies, home ownership, savings contracts, consumer credit etc. We believe that the marketing of such financial products throughout the Community should be possible on the basis of coordination of the essential requirements at Community level as the basis for mutual recognition by all member states of the measures taken by individual member states to safeguard the interests of the public.

Such harmonisation, particularly as regards the supervision of ongoing activities, should be guided by the principle of home country control. This would mean attributing the primary task of supervising the financial institution to the competent authorities of its member state of origin. There would, of course, need to be a sufficient harmonisation of surveillance standards to give member states confidence that institutions selling services in their territory were properly supervised in their home country.

The implementation of these principles in the field of credit institutions is being pursued actively.

In the case of insurance undertakings, the non-life directive adopted in 1973, and the 1979 directive to facilitate the exercise of the right of establishment in the case of life insurance, already coordinate rules and practices for the supervision of insurers, and particularly of their financial stability. Close cooperation between supervisory authorities has been in existence for a long time. The directive of 11 May 1960 also liberated capital movements relating to premiums and payments in respect of all forms of insurances. The ground has therefore already been prepared for freedom of insurance services across frontiers, and this would not therefore present insurmountable problems.

In the securities sector, the directive should shortly be adopted providing the coordination of rules applicable to undertakings for collective investment in transferable securities. These are what the Community calls ‘UCITS’ but which are better known to you as unit trusts. The directive is aimed at providing equivalent safeguards for investors in respect of the units issued by UCITS, irrespective of the member state in which they may be situated.

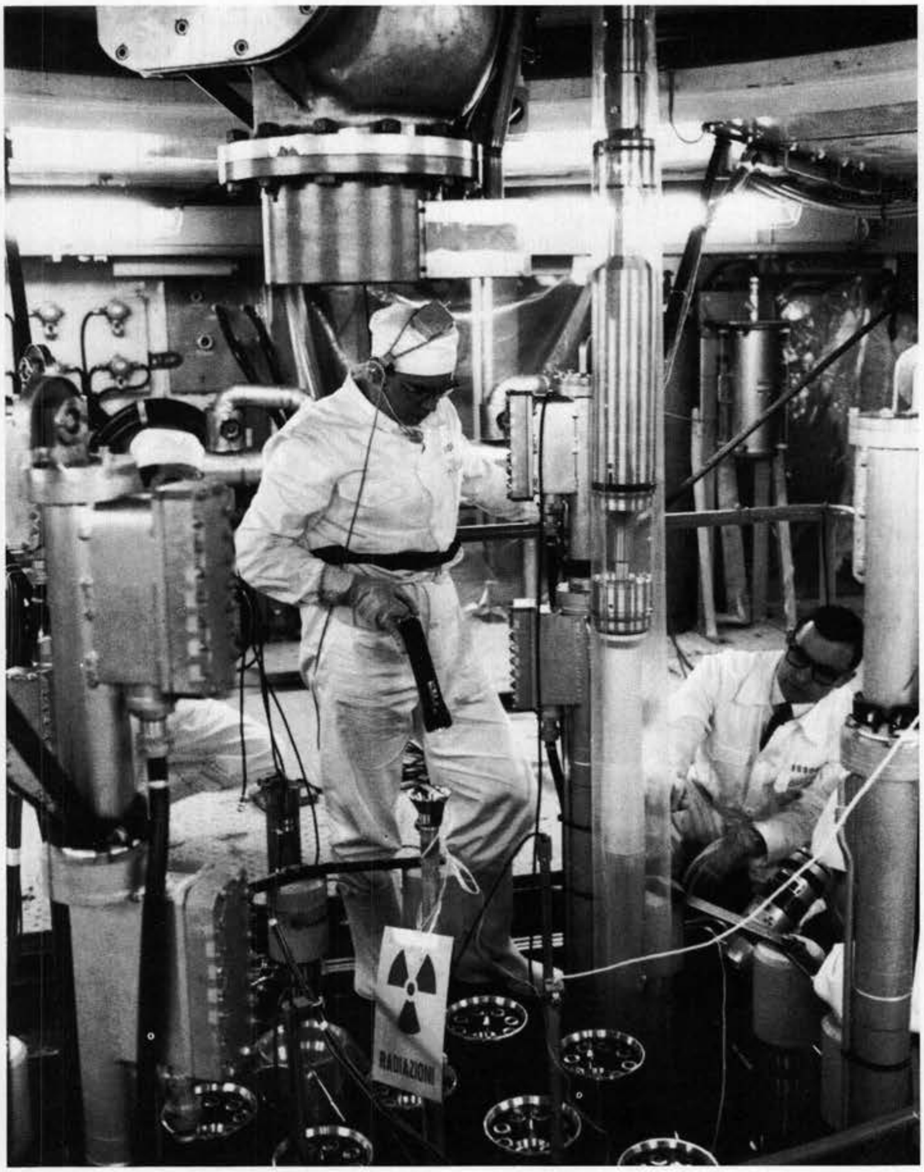
Further in the future lies the possibility of creating a European securities market system, based on Community stock exchanges. The objective would be to break down barriers between stock exchanges and to create a Community-wide trading system for securities of international interest. This would involve linking stock exchanges electronically, so that their members could execute orders on the stock exchange market offering the best conditions to their clients.

We cannot divorce the liberalisation of financial services from the question of freedom of the movement of capital: after all, the Treaty itself specifically provided for the freedom of movement of capital. The present restrictions in some member states on the freedom of movement of capital exist only by virtue of derogations. Some progress has been made in the liberalisation of capital movements in the last decade, the most notable example being the United Kingdom, which abolished all exchange controls. Nevertheless, further progress must be made if we are to have a fully integrated Community-wide market.

Movement of capital must be dictated by the economic interests of the Community as a whole, and not by what are seen, often mistakenly, to be national interests. The objective of securing freedom of movement of capital is clearly recognised in the White Paper, and we have put forward proposals to this end in it.

In this context we need to consider also the question of monetary stablity, which is an essential precondition for the proper operation and development of the internal market. Action to achieve greater freedom of capital movements would need to move in parallel with steps taken to reinforce and develop the European Monetary System. A weak monetary system weakens the economy of all European countries. This is not an area in which the interests of individual member states should be regarded as paramount. We have to look at the interest of the Community as a whole. We must remember also that the monetary system is not simply a prerogative of governments. The people whose interests are most directly affected are not governments at all, but trade and industry. They have to generate the wealth; governments merely dissipate it. *Their* views should be the decisive factor, not the views of government. The convenience of government is far less important than the prosperity of the country.

We have set our eyes on 1992 as the date by which we must weld the separate economies of our member states into a single great market. It is a great challenge. It poses great problems, great difficulties. But with vision and determination we can solve the problems and overcome the difficulties. It is our great hope for the future, possibly our only hope. Let us seize it not in hesitation or in desperation, but in confidence and hope. If we achieve our aim, it will be a very different, a very much better Europe we will have created. When, at the turn of the century, our successors look back over these years, they will not be concerned with the doubts and difficulties that beset us today, but will simply ask: Why did it take us so long to do it?



Nuclear energy: the Community's progress towards 2001

Christopher Audland, the Commission's director-general for energy, outlines advances in the application and development of the EEC's nuclear energy programme

One of the lessons we have learnt from the two international oil crises is that energy policy must be both comprehensive and long-term. It has been the general thrust of our efforts in the Community, over the past decade, to establish such a coherent policy, to serve as a guide for all member states.

Our main target has been to get Community oil dependence – and in particular oil import dependence – under control. A major instrument in bringing about a coherent approach from member states has been the setting of specific objectives for energy policy at Community level. Our present objectives were agreed in 1980, and concern progress to be achieved by 1990. They were basically three: to keep the rate of growth in energy consumption well below the rate of economic growth; to reduce our overall dependence on oil to 40 per cent of energy supply; and to ensure that at least 70-75 per cent of inputs into electricity generation should be solid fuels or nuclear.

The Commission is charged with monitoring member states' progress towards these objectives; and, in 1984, we conducted a major, in-depth review. We found that big changes had taken place in member states' energy economies, and that, on present trends, the Community's objectives will all be met. What this means in practice is that we have already reduced our overall dependence on oil from 62 per cent in 1973 to 48 per cent in 1983. Also, our dependence on imported oil has almost halved, largely due to North Sea oil production. And third, we have achieved a major change in fuel inputs into electricity generation, as a result of a significant increase in coal use and a massive increase in nuclear. These two fuels now account for 75 per cent of electricity generation, so our objective has been met five years ahead of time.

We have also come to use energy much more efficiently: we use 20 per cent less energy per unit of output than we did a decade ago. So the link between economic growth and energy consumption has clearly been broken.

The Commission has just proposed a set of new energy policy objectives. These were presented to Energy Ministers at their meeting on 20 June. As a basis for our proposals a lot of groundwork was done on likely trends in the energy situation. We recently completed a major study covering energy prospects in the Community up to the year 2000.

In addition, for nuclear energy, the Commission published a more detailed paper which we call an Illustrative Nuclear Programme for the Community. For 1995, the Commission has proposed the following: at least a further 25 per cent improvement in energy efficiency; keeping oil imports at less than one-third of energy consumption despite an expected fall in North Sea production; at least maintaining the present market shares of natural gas and solid fuels; and obtaining 40 per cent of electricity from nuclear, and limiting the share of oil and gas in electricity generation to not more than 10 per cent. In addition, we propose a tripling of new and renewable energy production by the end of the millenium.

In less than two decades, European industry has put in place all the facilities necessary to construct and service nuclear power plants. These include conversion, enrichment, fuel fabrication, reprocessing and treatment of radioactive waste. It is now technologically in the forefront.

A unique feature of European nuclear industry is its commercial scale reprocessing capacity for the recovery of uranium and plutonium from spent oxide fuel. Capacity exists in France, and more is in various stages of development in the UK, Germany and Belgium. This capacity serves clients both within the Community and outside.

A number of countries with a heavy commitment to nuclear energy lack sufficient domestic resources of uranium. To these countries, reprocessing of spent fuels is the key to achieving substantial savings in uranium and enrichment

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How the lobbyists set to work in Brussels

PAUL CHEESERIGHT reports on the activities of the professional activists who make sure that Community policy-making does as little harm as possible to their own – and their countries' – special interests

Robert Lutz was unhappy. The chief of Ford in Europe took his worries about the competitivity of the EEC motor industry to the Commission in Brussels. There he saw Jacques Delors, the Commission President, and laid out for him a plan which included a way of stopping the spread of Japanese manufacturers in the market.

Lutz was lobbying at a high level. But he knew that the Commission on its own cannot change industrial or trade policy. Ford eventually circulated Lutz's ideas to the international press, presumably to help create a climate of opinion for change. That would help work on the governments of the ten nations which make up the Community.

And here is the problem for the lobbyist in the Community. The power is diffuse, crystallising from time to time in a meeting of ministers or a committee where the Commission sits with representatives of the Ten.

The Commission puts forward the ideas, the policy proposals, the draft legislation, but the Community's Council of Ministers decides. Only then can the Commission execute. So the lobbyist is not dealing with one centre of power, but eleven altogether.

Even where the Commission has the power to act on its own, notably in the anti-trust area, the same diffusion exists. There is an elaborate system of consultation which reduces the chances of the Commission doing anything which would fly in the face of the national governments.

This diffusion sets off lobbying in the Community from Washington. There, different agencies and pressure points exist, and the Congress has a mighty role. But in the end there is only one hydra-headed government. Community capitals are a microcosm of Washington.

The other side of the coin is that because the Community market remains fragmented, industry is fragmented as well; so that when there is a Community industry grouping, it, like the governments themselves, can only move at the pace of the slowest if it wants to maintain any homogeneity.

Take the Ford case. Lutz came out against Community motor manufacturers signing up joint ventures with Japanese companies. That might suit a multinational like Ford, but it is not a view which would be greeted with much enthusiasm at Austin Rover in Britain or Alfa Romeo in Italy. They already have ventures with the Japanese.

This points up the fact that, for a company, Community lobbying can be national lobbying, especially when it comes to the definition of a new EEC policy. It can be seen working all the time, as governments take up political positions which reflect the interests of their own industries. Proposals on the table for stiffening up the regulations, controlling the amount of pollutants which can be emitted from large industrial plants like power stations, are being strongly opposed by Britain because its main electricity utility, the Central Electricity Generating Board, fears the extent of the capital investment involved. The CEGB needs less to lobby in Brussels if it can achieve what it wants through London.

Again, the Federal German Government is reflecting the demands of its steel industry as it opposes an extension of the collective programme to help the restructuring of the Community steel industry with the use of subsidies. By pushing the Bonn Government into this position, the industry, at one remove, is also pushing the Commission into trying to devise a steel programme which moves nearer its wishes.

What is happening here is a two-layer system of lobbying. On one layer there is the influence which can be brought to bear on the Commission as it draws up its proposals to go into the Council of Ministers. On the second layer there is the pressure brought to bear on national governments to act in a certain way at the time of decision-making.

When consumer electronics manufacturers such as Philips and Thomson were worried about low tariff levels on products from Japan, they engaged in discussions with the Commission on ways to make the tariff more uniform over the whole range of the sector's products.

'The Commission is open to lobbying because it is anxious to have a genuine rapport with the people who are actually earning the money to make the Community tick'

But they also enlisted the French Government's support to argue the case for a higher tariff at the political level. The Commission knew, though, that to obtain that support for that measure, it would have to construct a broader package which included lowering duties on semiconductors – because that was what the British industry wanted.

It is a complex and changing pattern, in which one point is clear. The Commission is open to lobbying because it is anxious to have a genuine rapport with the people who are actually earning the money to make the Community economy tick. Significantly, the most imaginative research and development programme adopted by the Community was demanded of the Commission by industry. The Commission responded, and then negotiated proposals through the Council of Ministers. This is the Esprit programme, designed to strengthen the European technology base in the key information technology sector. It started when the major companies in the sector came together and said, in effect, that unless something is done, the Community would lose out to the US and Japan.

Here the Commission responded to a need expressed from outside. But it also invites lobbying under the guise of consultation. Hence it has been calling in representatives of the employers and the trade unions to try to devise a broad strategy for quickening the pace of the economy. That it does under its own initiative.

Around Brussels it is generally thought that one of the most vigorous and technically best-equipped trade lobbying groups is that of the chemical industry – CEFIC. The success of its operation can be seen through the host of anti-dumping complaints which it manages to persuade the Commission to investigate – often against the US industry.

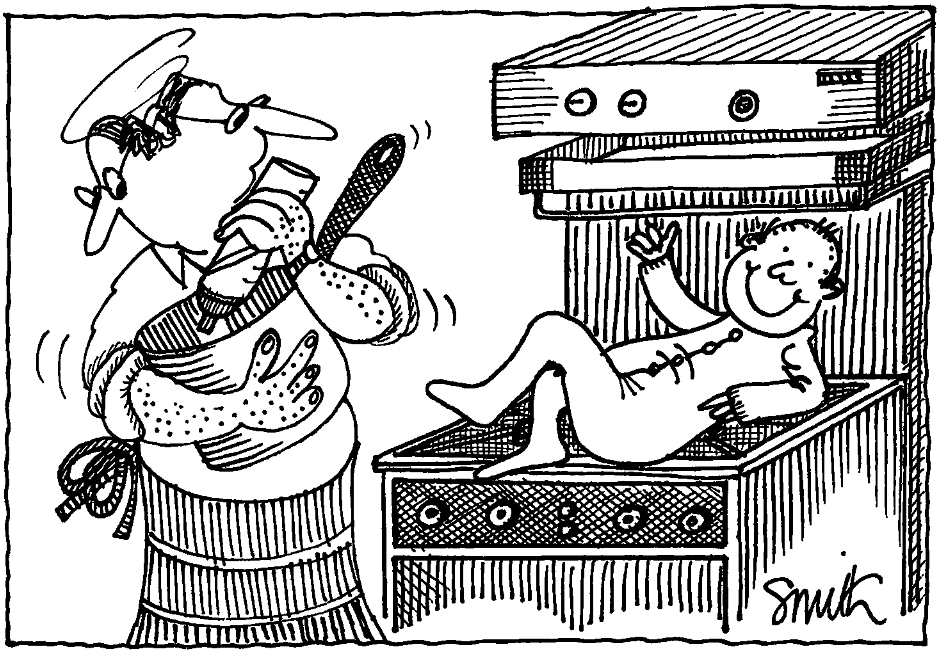
But Eurofer, the steel manufacturers' federation, is strong as well, though prone at times to break up. The measure of its success, both in obtaining what it wants and administering for the Commission part of the steel industry control system, has been made evident by the steel users. They complain that the steel industry support policy simply does not recognise the problems for their competitive position, when they have to buy steel more expensively than their rivals outside the Community.

Over the years, though, the farm lobby has been the most successful of all. It has been insatiable, drawing to its members some three-quarters of the Community budget. It has also been successful, partly because it has managed both to keep its links with the Community institutions in Brussels and to create a strong political niche inside the member states.

Only this year have the national governments and the Commission started to rein in the power of the lobby, by putting a ceiling on what they are prepared to spend on farming. This in turn has had a corrosive effect on the unity of the lobby itself, as the national groups have sought to extract the best fruit from a diminishing cake.

COPA, the farmers' umbrella organisation, is both a model and an object lesson for its less powerful and less influential counterparts.

So who's looking after the baby?



Claims that parents – not just the mother – should be granted time off from work when a baby arrives have been given support by the Commission. But, as PEGGY CRANE reports, there is still some way to go

In the libraries of both Houses of Parliament, future historians may well study the voluminous policy document, 'Forward-looking Strategies for the Advancement of Women to the Year 2000', that emerged from the conference in Nairobi in July at the end of the United Nations 'Decade for Women'.

The proposals included a demand for three months' parental leave to enable working fathers and mothers to care for small children at home. A month earlier, the Community's Social Ministers had been expected to approve a similar Commission proposal. However, the Council decided that 'there were still reservations of substance' on the question of parental leave, and the matter was referred back for further discussion.

Several Community countries have already adopted some form of parental leave. The UN General Assembly adopted the idea in 1979, followed by the International Labour Office, by the OECD's statement on women's employment, and in the Council of Europe following a conference in 1981. The UK Equal Opportunities Commission has also firmly supported the principle of parental leave. But, apart from the reservations of the Community's Employers' Group, the only member country with a reservation on the subject is Great Britain.

The Commission published its first directive on 11 November 1983, as part of the Action Programme 1982-85 on equal opportunities for women and men. The directive was amended and expanded by the European Parliament and the Economic and Social Committee. Since November 1984, however, the new version has made little progress.

The directive proposes that parents should have the right to at least three months full-time, or six-months part-time leave, following maternity leave, so as to take sole or principal care of a child under age of two – five in the case of a handicapped child. In addition, it would allow all workers time off to cope with family emergencies such as illness or bereavement. Eligible workers would cover fathers and mothers, adoptive or stepfathers and stepmothers, or any person acting in the place of parents in such circumstances as a serious illness or death.

Working parents would have optional rather than obligatory parental leave. Workers would be entitled to at least *three months* after each birth following the termination of maternity leave (adopted by all EC countries), or after adoption. Parental leave, however, would be extended for single parent families, or in the case of a disabled child living at home.

The object of the directive is to encourage men to share with women the importance of looking after very small children, rather than leaving the caring to mothers. A worker's right to parental leave would not be transferable, and parental leave must not exceed one year. The directive allows that workers could receive parental leave allowance from public funds, such as social security systems.

National governments would also offer working parents a leave for family reasons, such as illness of a spouse, death of a near relative, the wedding or illness of a child. The period of leave, however, could be extended for the head of a single-parent family, families with three or more children living at home, or for those caring for a disabled person living in the same household. Parental or family leave would apply within the Community framework, but within national social security systems. The legislation would take two years to become effective.

Parental leave, whether paid or unpaid, is granted in Denmark, France, Italy, West Germany and Belgium (in the public sector). In certain other member countries a period of leave following maternity leave is granted only to the mother, a provision considered by the Commission as contrary to the Community's equal opportunity legislation, because it excludes fathers. This situation covers West Germany, Luxembourg and the United Kingdom. The Commission has already instituted proceedings against the Federal Republic of Germany, and is considering a similar move against the UK.

The pattern, therefore, is somewhat chequered. The Employers' Group in the Economic and Social Committee, while perhaps less alarmed than Britain's CBI, broadly agreed that introducing parental leave was 'an unwarranted luxury' during a period of high unemployment, when there should be a concentration on creating proper jobs. Employers also considered that the draft directive would lead to additional indirect costs and difficulties of recruiting and training temporary replacements for those on leave. Specialist skills and expertise could not easily be replaced, even temporarily, and small and medium-sized businesses could be hardest hit, they say.

Such arguments, however, represented a minority view in the European Parliament and the ESC. Women are generally united on aspects of equal opportunities of parental leave, and they support the proposal more seriously than do most men. The principle has been effective for several years in Sweden, but take-up rates among working fathers are now only about 13 per cent.

The idea of the presence of fathers at a birth is increasingly acceptable. In Belgium, Denmark and France, fathers have a statutory right to take paternity leave when the child is born: this amounts to two days in Belgium, three days in France, and one week in Denmark.

In the UK, a father may be obliged to claim illness leave rather than parental leave at the time of birth. The policy of optional leave in these circumstances could well develop in the UK, as it has elsewhere: but achieving for each parent a minimum of three months' paid parental leave appears merely visionary at present.

In truth the present directive could provide more difficulties than its text would suggest. The decision of the Social Ministers to refer the matter back could mean that it will be some time before the legislation surfaces again.

COMMUNITY REPORTS

Ford told to tow the line

Motor manufacturers have no right to prevent motorists from buying their cars in whichever of the member states they like.

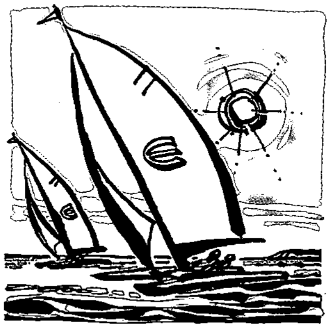
This is a principle which the European Commission has been trying to enforce for several years now. The European Court of Justice in Luxembourg has just confirmed it by deciding in the Commission's favour in a case brought against it by Ford of Germany.

The Court's decision will benefit mainly those British and Irish motorists wanting to buy right-hand drive cars in Germany. This is because Ford's German subsidiary, which makes both left- and right-hand drive cars, had forbidden its dealers to deliver the latter after 1 May 1982. The company wanted to protect its UK dealers, given that car prices before tax are considerably higher in the UK than in Germany and most other EEC countries.

Following the European Court's interim ruling in August 1982, the European Commission decided in November 1983 to declare the dealers contract between Ford and its German dealers, as it had been applied since 1 May 1982, to be contrary to the Common Market. It was this decision which Ford Germany attacked in the European Court of Justice and which the European judges have now upheld.

It is under the Treaty of Rome, the Community's 'constitution', that the European Commission can forbid the market sharing agreements which firms may conclude among themselves. The Treaty leaves the Commission the possibility of exempting certain agreements, provided they have a positive effect on the economy in general and on consumers in particular.

The Commission has even granted block exemption to the exclusivity agreements linking car manufacturers and their dealers, but only on condition that the agreements do not remove the right of the European motorist to buy his car in any of the member states.



The yacht race makes a splash

The round-Europe yacht race, organised by the Commission, lived up to all expectations and attracted large crowds of well-wishers on its long 30-day course.

Unlike transatlantic encounters, in which the contestants might not see each other between the start and the finish, this was a close-fought race. The sight of a rival on the horizon, either in front or behind, would tend to make a competitor 'go for broke'.

But – again unlike transatlantic races – the presence of the land mass of Europe meant unpredictable wind patterns. And for those unprepared for such hazards, that often spelt disaster.

Overall, however, the race was a triumph, and not just in terms of results. Literally hundreds of thousands of people, as well as 200 accredited journalists, came out to see the boats at the ports of call. Local newspapers were particularly keen about the race. A Torquay paper even ran a competition, with a visit to the Commission headquarters in Brussels as a first prize...

You can't take it with you?

Europeans who opt for early retirement should be able to collect their pensions in whichever member state of the European Community they elect to reside.

In practice, however, wage earners employed in France or Belgium can face serious problems should they change their country of residence, whether at the time of retirement or later.

Replying to a question from a Belgian Euro-MP, Raphaël Chanterie, the Commission recently stated that it is trying, as far as it can, to ensure that those who take early retirement are treated no differently from those who retire normally.

Under the existing European regulation a wage earner is entitled to his pension and other social security benefits even if he chooses, after retirement, to live in an EEC member state other than the one in which he spent his working life. The regulation, adopted in 1971, contains no reference to those who have retired early, simply because only some member states allow early retirement – and that only in the last few years.

The authorities tend to take advantage of this loophole to deny early retirement to a worker who intends settling down in a neighbouring country. This has happened on occasion in Belgium, and systematically in France, where Europeans who have opted for early retirement are denied health insurance.

The European Commission believes that the existing regulation applies as much to those who have accepted early retirement as to others. The European Court of Justice has taken the same view.

Even so, the Commission proposed to the Council of Ministers in 1980 an additional text, extending the regulation to those retiring early. But the Council has yet to act on it. Meanwhile, the Commission is asking the member states concerned to treat all retired people alike.

Hidden riches lurk in those old batteries

Will used batteries be recycled in the European Community as a matter of course? The European Commission has told an Italian Euro-MP, Vera Squarcialupi, that it may draft proposals to this end next year.

According to Mrs Squarcialupi, each Community citizen gets through 300 grams of dry batteries a year on average. But used batteries contain toxic metals such as mercury, cadmium and manganese. When incinerated they release toxic fumes into the atmosphere.

The recycling of metals contained in batteries, already current practice in the Netherlands, is now being undertaken in Italy also. Batteries which cannot be recycled will be buried in concrete containers.

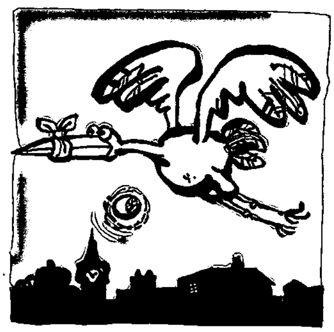
The Commission meanwhile has begun investigations in various member states.

Four-year baby seal ban to be extended

The Council of Ministers decided on 27 September to extend for at least four years the Community ban on imports of baby seal skins and other derived products.

The Community first introduced the ban, which applies to skins of harp and hooded seals from areas of Alaska, Canada and Greenland, in October 1983.

The EEC's environment Commissioner, Stanley Clinton Davis, welcomed the extension of the ban, but expressed disappointment that it was for a limited period only. He argued that 'an indefinite ban to this repugnant trade would have been justified on both conservation and human grounds.' This, he added, is clearly what the public wants.



Community's birthrate registers zero growth

The Community is losing the population race, according to the Economic and Social Committee. Twenty years ago its population was rising by 0.9 per cent a year. By 1982-83 the growth rate had fallen to 0.2 per cent.

After 1975 birth rates recovered somewhat. But the report claims there is nothing to indicate when – or even if – the Community will regain the rate needed simply to keep the population stable.

This is an average of 2.1 children for every woman of reproductive age, and only in Ireland is it higher at 2.9. Elsewhere in the Community, it ranges from 1.8 in France to 1.3 in Germany.

At 273 million the total population is not all that small, of course. It will rise to 320 million next year, with the entry of Spain and Portugal. The United States is well behind with 232 million and Japan has only 120 million. And their populations are growing no faster.

Not surprisingly, there are fewer 'large' families (still defined as those with three or more children). But the cut-off point today is between the second and third child. Outside Ireland, the proportion of third (or higher) births has simply halved in 20 years.

The current decline in birth rates within the rich, industrialised countries has no historical precedent. With people living much longer the biological need to reproduce has weakened, while recent changes in marriage patterns have reinforced the decline.

Fewer couples are marrying; they are older when they do marry; and their marriages are more fragile. As for couples that live together without benefit of clergy, they tend to have fewer children.

Having a child can mean the loss of an indispensable second income. When there is a second, and especially third child, the mother may have to give up her job, if only temporarily, at a critical time in her career.

The report makes clear that the EEC needs an expanding population. It is not simply that children are consumers from birth: a workforce with a relatively high proportion of young people in it is more competitive, more mobile and more innovative.

The report wants member governments to make it easier for couples to decide to have a third child, without reducing the benefits given for the first or second child.

Voting rights for the Ten's immigrants

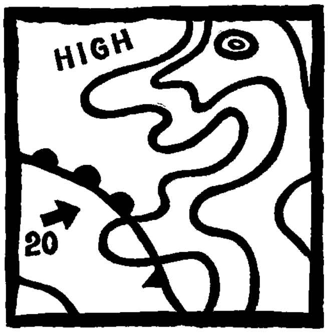
In five member states of the present, 10-nation European Community, nationals of other countries can vote in certain political elections. In practice, however, immigrant voting rights vary a good deal from one country to another, as the European Commission has pointed out in a reply to a question from a Greek Euro-MP.

The member states that are the least generous in this matter are the Federal Republic of Germany, France, Greece, Italy and Luxembourg. In all of them, nationals of other countries stand no chance of taking part in political elections.

In several member states, however, they can vote, in both local and European elections, though in none of the EEC countries can they participate in regional elections.

All foreign nationals resident in Denmark, Ireland and the Netherlands can vote in local elections; the nationality of another member state is unnecessary.

Nationals of Ireland and the Commonwealth countries can vote in local elections in the UK, provided they are permanent residents and their names appear on the electoral rolls. They can also vote in general elections in the UK, subject to these same conditions. British nationals resident in Ireland will have the vote from the next elections.



Can we clear up the weather?

The weather is getting worse each year. Winters never seem to end, while summers are getting shorter and wetter. Or are they?

It may just be that our memories are short and unreliable where the weather is concerned. But if bad weather is no longer blamed on atom bomb tests, there is growing evidence that human activities can affect the climate. The massive use of fossil fuels in homes and factories has resulted in higher levels of carbon dioxide in the atmosphere. And these may create the so-called 'greenhouse' effect – higher temperatures all round.

It is important to understand our influence on the climate, and to predict the resulting climatic changes. The European Commission, therefore, is asking the member states to put up some 25 million ECUs for a five-year, Community-wide programme of research into the climate. A key problem here is precisely that of increased atmospheric carbon dioxide.

Climatology is one of the three areas proposed by the Commission for a new environmental research programme. The fourth of its kind, it will run through 1990 and cost the European Community 105 million ECUs.

The other two areas for Community Research and Development relate to environmental protection and major technological hazards. The R&D programme into environmental protection will aim at reducing pollution while developing 'clean' technologies. The programme, therefore, will not only help protect the environment but also create jobs.

The new programme on major technological hazards is in response to the public concern over the heavy loss of life following accidents of chemical or petrochemical origin (of which Bhopal and Mexico are only two of the most recent). The research, to be conducted in cooperation with scientific and industrial experts, will aim at improving the prevention, protection and management of major accidents which may occur during the production, storage or transportation of dangerous substances.

The three programmes are to be implemented in a variety of ways. They include research contracts (with the EEC paying up to half the costs) and activities involving the exchange of scientists, training etc. Once adopted by the Council of Ministers, the programmes will complement the R&D being conducted in the EEC's own joint research centres. They will be open to participation by European non-member states. Environmental problems, as the case of acid rain has shown, do not stop at national frontiers.

How to mop up oil spills

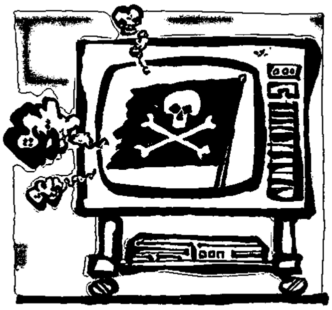
The European Community has just sent the competent authorities in the member states some 600 separate sheets containing all the basic information needed to mop up oil spills and other forms of pollution by hydrocarbons.

This follows a decision by the European Community's Council of Ministers in 1981 to set up a Community-wide information system to enable member states to combat oil pollution at sea more effectively. The information now put together by the European Commission covers practically all aspects of the problem.

These information sheets describe all available methods for dealing with oil spills, and list the special personnel and equipment available in each country, including ships and aircraft as well as dispersants and other chemicals.

They also give details of the general characteristics, behaviour and impact of hydrocarbons on the environment. The conditions in which national authorities can call on neighbouring states for help in dealing with emergencies are also set out.

The European Commission, which is trying to secure a ban on the discharge of hydrocarbons at sea, would like to extend this system to other dangerous substances.



Video sales against the law

EEC member states have the right to ban the sale of films on videocassettes during the period immediately following the release of a new film – provided foreign films and imported videocassettes are not discriminated against.

This follows from the recent decision of the Court of Justice of the European Communities upholding current French legislation in the matter. Since January 1984, a new film cannot be sold or rented in France in the form of videocassettes or videorecords for a period of one year following its first screening in a French cinema. The aim is to ensure that films made for showing in cinemas make a profit, as producers might otherwise be discouraged. Cinema audiences account for some 80 per cent of the earnings of a new film.

In at least two cases, the producers of videocassettes did not wait for 12 months as required by law. Videocassettes of the British film *Fury* were available seven months after its release in France. Pirated videocassettes of the French film *Le Marginal* were on sale only two months after its release.

In both cases the National Federation of French Cinemas had the videocassettes seized. Their producers went to court in Paris, arguing that the French law was contrary to the Treaty of Rome, the European Community's constitution. The French court, uncertain as to the interpretation of the Treaty, referred the case to the European Court of Justice in Luxembourg, and won.

IT'S BEEN A RECORD YEAR FOR VISITORS

Britain received more visitors from European Community countries in 1984 than ever before, according to figures published in British Business, the news magazine published by the Department of Trade and Industry. Between them, they spent close on £1 billion.

Of the 6 million visits by Community citizens, 1.6 million were from France – an increase over 1983 of 8 per cent. The number of visitors from West Germany was also up 8 per cent, at 1.5 million.

There were increases in the number of visitors from Italy and Ireland, but fewer from Greece and Denmark. Of non-Community countries in Europe, there were increases of over 25 per cent in the number of visits from Scandinavia and Austria.

Average daily expenditure for all visitors – 13.7 million of them, the highest annual figure ever – was £26.80 a day. They spent an average of £303.40 each during their 11.3 days', stay.

Business visitors spent, on average, more than others, and people coming to visit friends and relatives spent least.

Of the total spent in the UK by overseas visitors, 28 per cent was from North America, 23 per cent from the European Community, and 10 per cent from elsewhere in Western Europe.

For travellers from the United Kingdom, Spain was the most popular country: just over 5 million visits, 17 per cent up on the figure for 1983.

France slipped into second place with 4.5 million visits; and there were increases for Austria, Greece, West Germany, the Netherlands and Switzerland.

Seventy per cent of UK residents travelling abroad were on holiday; 14 per cent were on business visits; 12 per cent were on visits to friends and relatives; and 5 per cent went for miscellaneous purposes. This pattern was virtually the same as in 1983.

Fifty-nine per cent of all UK residents taking foreign holidays (excluding those who went to the Irish Republic) did so on a package tour. Of these tours, 61 per cent were to European countries outside the European Community (Spain alone accounting for 41 per cent of all package tours); 33 per cent were to European Community countries; and 6 per cent were to the rest of the world.

The main growth areas were Spain (up 23 per cent); Austria (up 27 per cent); Greece (up 24 per cent); Yugoslavia (up 69 per cent); North Africa (up 20 per cent); and West Germany (up 52 per cent).

'Sending the right people with the right talents is worth very much more than money' – Princess Anne

HRH PRINCESS ANNE expressed some forthright views in a speech to delegates the first meeting of the ACP/EEC Joint Assembly, at Inverness, Scotland, on 23 September. This is an extract from her text...

The tragedy of drought and famine in Africa has highlighted the problems of international aid. Drought and famine are not new to Africa. Their effects can be moderated with sensible and basic precautions and planning – but by everybody. The response to the present situation by the international community has been impressive. The use of that response has *not* been so impressive.

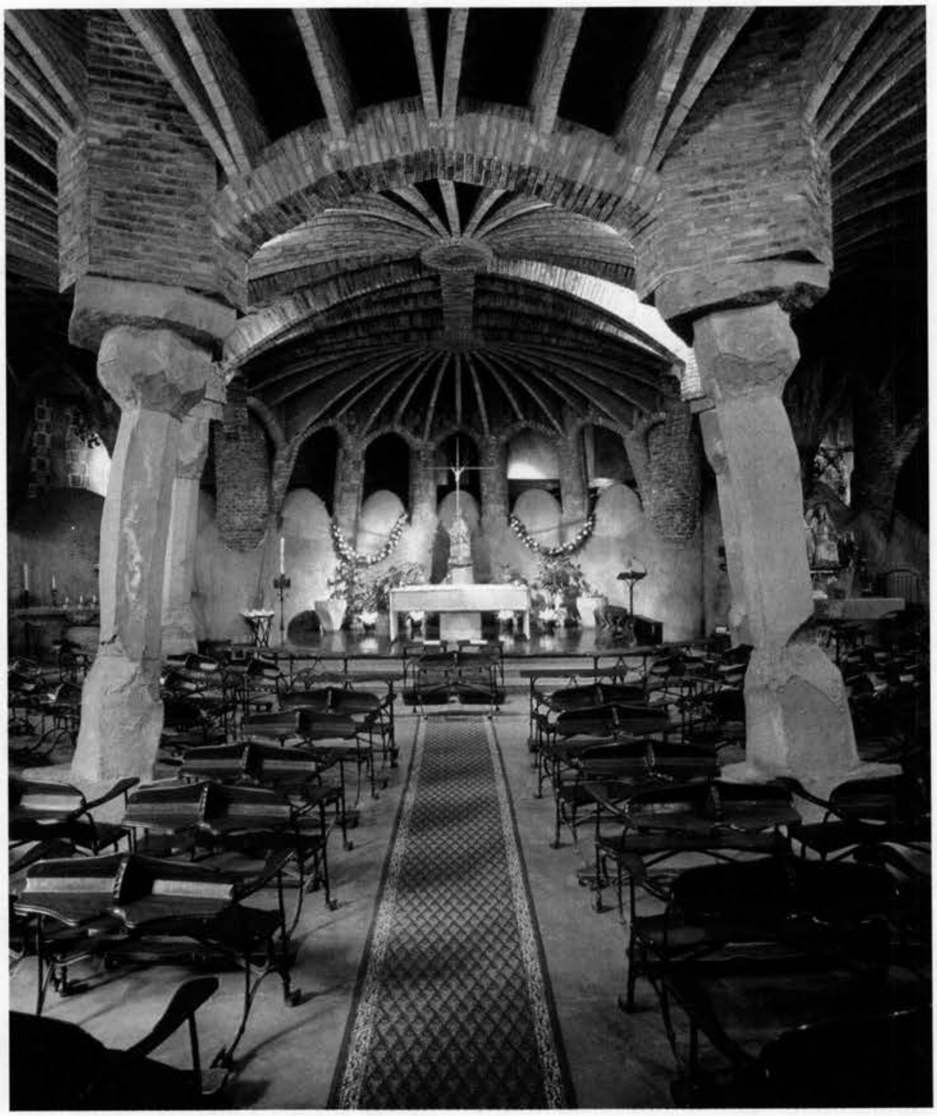
I feel that everybody must by now appreciate the need to look to the long-term needs of the developing countries. In this context, I am delighted to see the emphasis placed in the Third Lomé Convention on development of agriculture and related rural development. Agriculture is not just the production of food: it is *the* way of life of the majority of the inhabitants of most of the developing world. The maintenance and extension of rural economies are vital to the overall development of all countries. Just as important in Europe as in Africa – and the EEC may well learn something from the experiences gained through these programmes.

There are two things that particularly bother me. One is aid in the financial sense, for the sake of it. In one small country that I visited I found over 80 different agencies. What were they all doing?

The second is inappropriate aid. Like one very large set of disc harrows in the middle of the desert – no tractor or diesel for hundreds of miles. If that's aid, then I don't think they need it.

Aid in any form must be cost-effective for that particular country, and not because something is spare, over-produced or cheap, or for the cosmetic look of it. Sending the right people with the right talents is worth very much more than money.

Barcelona on the South Bank



A major Arts Council exhibition on art and architecture in the city of Barcelona opened at the Hayward Gallery on London's South Bank on 14 November. It has been prepared in collaboration with the Generalitat of Catalonia and the Ajuntament of Barcelona, and is sponsored by the Spanish car manufacturing company, SEAT.

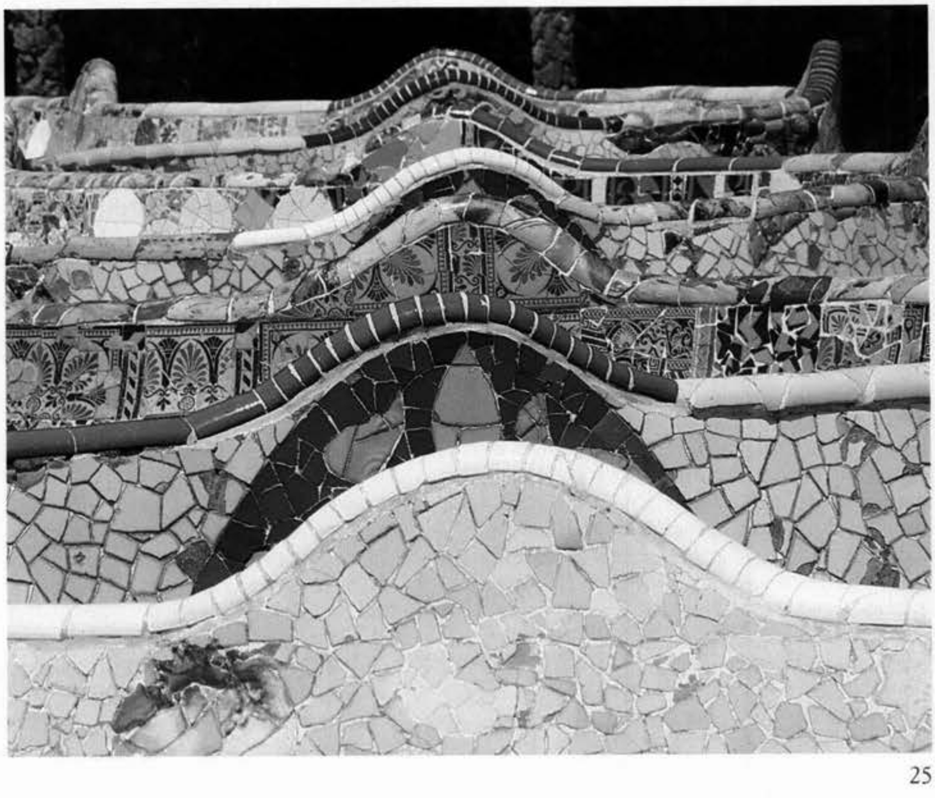
The exhibition looks at the city of Barcelona and the artistic expression of the Catalan people during the period between the Universal Exhibition of 1888 and the outbreak of the Spanish Civil War in 1936.

This was a period of industrial and commercial expansion, the struggle for Catalan independence, and great cultural achievements, especially in art, architecture and music, for which Barcelona, as the capital of Catalonia, the focus.

The major figures in the exhibition are Gaudi, Picasso, Miro and Dali. But there are many other painters (such as Casas, Rusinol and Ricart) and architects of great quality (such as Domenech) whose work is being introduced to the British public for the first time.

The first part of the exhibition presents the artists and architects of Catalan Modernism. The second part shows the city during World War I and the early Twenties as a centre for the European avantgarde, with Gleizes, Picabia and many others in residence, along with the major Catalan painters, Miro and Dali. The third part of the show focuses on the Barcelona Exhibition of 1929, with its famous Mies van der Rohe pavilion, and is followed by developments that accompany a period of political optimism, linking Barcelona artists and architects to international art movements. The exhibition ends with the artistic response of Picasso, Miro and Dali to the outbreak of civil war in 1936.

A programme of other Catalan events will be taking place in London at the same time, including concerts at the Queen Elizabeth Hall, the Wigmore Hall and St James's, Piccadilly. An exhibition of the work of one of the most important South American 20th century artists, Joaquin Torres-Garcia, is also being shown at the Hayward with the Barcelona exhibition. Torres-Garcia began working as an artist in Barcelona before settling in Paris and eventually returning to his native Uruguay. €



Few artists can have left a more vivid mark on their native cities than has Antoni Gardi on Barcelona, from the Church of the Colonia Güell (top) to the decorated seats in the Park.

Continued from page 15

services, either through recycling in current reactors, or through the use of plutonium in fast breeder reactors.

Under the Euratom Treaty, the Community operates its own system of safeguards on nuclear materials in the Community. These are in turn verified by the IAEA under the terms of agreements between the Vienna Agency, the Community and our member states. This means that the Community is the only place in the world where Safeguards are applied by one international inspectorate and rechecked by another.

All member states except France are parties to the Treaty on non-proliferation of nuclear weapons; and France has stated that it will behave exactly like states adhering to the Treaty. The Community and all ten member states have signed the International Agreement on the Physical Protection of Nuclear Material, and the Ten now subscribe to the London Guidelines dealing with the export of nuclear material, equipment and technology.

'On present trends, the Community's energy objectives will all be met'

Just because our non-proliferation credentials are so solid, we feel that we are entitled to ask supplying countries that they, for their part, should simplify, as much as possible, the conditions in which their trade with us in the nuclear sector is conducted. It is for this purpose that we have supply agreements with three of our principal suppliers, namely the US, Australia and Canada.

To sum up, the public image of nuclear is fair in Europe; but we need both to keep explaining its achievements and to ensure continued attention to reactor safety and waste management. Our need for nuclear energy has prompted the emergence of a comprehensive nuclear industry in the Community, which is second to none.

Non-proliferation issues, we acknowledge, have an important impact on international nuclear relations. But the nuclear non-proliferation credentials of the Community are excellent: other countries can have full confidence in them.

Lastly, we need to be sure of our nuclear suppliers, so our new agreement with Canada is very important. Its conclusion enables us to look forward to many more years of growing co-operation.

The hormones scare: should we beef up the safeguards?

For the breeders, hormone injection into animals leads to bigger output. For the public, it raises issues that refuse to go away

The recent recent 'hormones affair' in Belgium has come at a time when demand in the beef market is stagnant, and with prices at rock bottom. Farmers' organisations insist that the alleged harmfulness of hormones has not been satisfactorily proven. But breeders and consumer associations agree that, nonetheless, a European regulation to protect the public is urgently needed.

National laws which ban the use of hormones to fatten cattle in five of the member states are clearly not being respected, and with good reason: the controls are largely inadequate. Belgium, for example, confines itself to seizure of the treated animals, and imposing fines. Breeding with hormones is in general use throughout the Community, even if, according to a Commission source, it is much more general in Northern Europe than in France or Italy. This is hardly surprising, since it is known that hormones, administered in feed or by implantation, give an average weight gain of 15 per cent, due to water retention and the quick muscle development they cause in the animal's body.

If these hormones are implanted less than one month before slaughter, they leave residues in the meat. It is these which present a cancer risk for the consumer. Even if that risk has not yet been proven for all the different substances, it has been clearly established that artificial hormones, which have a different chemical structure from hormones produced by the human body, are more harmful than natural ones. But, as the former are more effective in fattening animals, they are more frequently used.

It became obvious in 1980, with the first boycott of veal containing hormones, that a strict European regulation was needed. On 30 September, the Council of Ministers agreed to ban the use of any kind of hormone in breeding, except for therapeutic reasons, and to set up strong, uniform controls. However, only a year later, on 31 July 1981, the Council rejected the three Commission proposals on this, and passed only one directive banning the use of two artificial anabolysing agents, estilbeno (DES) and thyrostatics, whose carcinogenic dangers were clear. As for other hormones, the member states asked the Brussels scientific committees to decide.

The complexity of this research is shown by the fact that the committees could not agree on the risks attached to the use of two artificial substances, trenbolone and zeranol. However, for the natural hormones like estradiol, testosterone and progesterone, the group was able to establish that their use did not have harmful effects on consumers' health if used in the right conditions – that is, in specified amounts and a sufficiently long time before slaughtering. The Commission presented a new proposal, based on these conclusions on 12 June 1984, which would allow the use of natural hormones in the EEC, the Commission's veterinary committee being responsible for drawing up a list of permitted substances and the conditions for their use, by 1 April 1986. Each member state is free to ban the use of hormones on its territory; but this cannot affect meat imports. As for trenbolone and zeranol, only the Council can decide whether they should be allowed.

The council's forthcoming debate on this new proposal promises to be very difficult. West Germany is under pressure from the Greens; Denmark, Greece and, recently, Italy (whose parliament has just passed a resolution favouring a total ban on hormones) all want to return to the 1980 proposals. On the other hand, the UK, Ireland and Belgium back the new proposals and want to see further research on trenbolone and zeranol before deciding if they should be banned. France, for its part, would like to be able to ban imports according to its own national regulations.

In an attempt to reach a compromise the Commission has added to its latest proposal the requirement that a label must be attached to all meat, warning the consumer of hormonal treatment.

At the European Consumers' Bureau (BEUC) there is an unpleasant feeling of having been misled. BEUC condemns pressure by pharmaceutical interests and third countries, such as the United States and Australia, both of which allows the use of most hormones. BEUC says the use of all hormones should be banned, not only because it has not been proved that the natural ones are harmless, and because their use does nothing to improve the quality of the meat, but also for economic reasons. Why encourage production for an overloaded market? Beef stocks will probably reach 750,000 tons this year. BEUC also asks why industrial breeding, which also uses tranquillisers and antibiotics, is being encouraged in preference to quality production.

According to BEUC, the choice is political. The Commission and the breeders, on the other hand, argue that a total ban on hormones is unrealistic.

VALÉRIE HIRSCH

BOOK SHELF

The EEC: a Guide to the Maze. By Stanley A. Budd. INBRO Press Ltd, 11 Dean Park Mews, Edinburgh EV4 1EE. £4.95 (paperback).

A comprehensive desk guide for businessmen, local authorities, teachers, bankers, lawyers, civil servants, librarians, by the EEC's representative for Scotland, including an exhaustive list of sources of information about the Commission with addresses and telephone numbers. Available by post only.

Party Strategies in Britain: a study of the 1984 European Elections. By David Butler and Paul Jowett. Macmillan, £8.95 (paperback)

A thoroughly researched account of what the authors say was, for the British people, 'a non-event': only 32 per cent voted. Their detailed accounts of the campaigns include sharp comments on politics and politicians.

Economic Policy and Policy-making under the Mitterrand Presidency, 1981-84. Edited by Howard Machin and Vincent Wright. Frances Pinter, £19.00.

An examination of the main policy-making areas of the present French government's *socialisme à la francaise* and the 'brutal reversal' that quickly followed.

Television in Europe: quality and values in a time of change. By Anthony Pragnell. European Institute for the Media, University of Manchester, £15.00 (paperback).

An account, written from a European viewpoint, of the changes and options facing the broadcasting authorities with the advent of new forms of television, by a former senior executive of the Independent Broadcasting Authority, now on the board of Channel 4.

Attracting Money from Europe. Association of District Councils, 9 Buckingham Gate, London SW1E 6LE. £4.50.

A report by a working party of local authority executives which points to ways and means for district councils to assess their eligibility for European Community grants, and to put up the best possible case to Brussels.

European Tax Law for Companies. By Charles Ferrier. Financial Times Business Information, 1985.

In 1980, a Commission report concluded that 'the magnitude of the task and the present uncertainty as to how fast the Community can progress towards economic and monetary union rule out the possibility of fixing any definite deadlines. Since then, however, the incoming Commissioner responsible, Lord Cockfield, has launched his plan for removing all barriers to trade by 1992, including barriers resulting from different tax systems.

Meanwhile, Europeans must be at least as assiduous in overcoming the trade barriers dividing them as, say, the Americans or the Japanese. Mr Ferrier's study seems to me to be an excellent guide, covering as it does, in considerable detail, existing tax law in the present member states plus Spain and Portugal, together with the various directives on harmonisation.

Spain and Portugal in the EEC: the Mechanics of Accession.
Special report No.26. Agra Europe, 25 Frant Road, Tunbridge Wells, Kent, 30 pages plus appendices £40.00.

A factual exposition by product group, of how enlargement of the Community from ten to twelve is likely to affect the agriculture market during the transition of Spain and Portugal to full participation in the Common Agricultural Policy.

The Rights of Working Women in the European Community, by Eve C. Landau, The European Perspectives Series, Brussels, 1985. Price £3.00
National institutional and non-institutional machinery established in the Council of Europe member states to promote equality between women and men, by Elaine Vogel-Polsky, The Council of Europe, Strasbourg, 1985. Price £6.00.

These two studies meet a need for a comparative overview of progress towards equality between women and men in the Western European countries. Eve Landau, a professor of comparative law and Community law who has taught at the universities of Luxembourg, Geneva and Jerusalem, examines the interaction of Community and national laws, with particular attention to the issue of equal pay for equal work. Elaine Vogel-Polsky, a professor of law at the Free University of Berlin, concentrates on providing the 21 states of the Council of Europe with the information needed to deal with their own particular situations. Between them, the two publications suggest that the issue of equality can be kept alive, by ensuring that national institutions responsible for promoting equal opportunities have the powers to work effectively.

Letters

Dialogue with local authorites

I was most surprised to see in Community Reports in the September/October issue that the Regions of Europe have finally 'found a voice' through the creation of the Council of European Regions, carrying as it did the implication that regional authorities have up to now been unable to communicate directly with the Community over such matters as grants and loans.

Only three pages further on in the same issue, you reviewed a recent report published by the Economic and Social Research Council, outlining the extensive involvement of local and regional authorities in European Community policy issues. In previous issues you have featured many examples of innovative use by British local authorities of European Community funds.

Most major British local authorities now have officers who are well versed in European Community matters, and many have extensive direct contacts with the Commission. In addition, the national Associations of Local authorities have given active support to the Consultative Committee of Local and Regional Authorities of the Member Countries of the European Commission and local/regional government interests.

In recent months, the structure of the Consultative Committee has been adapted, in accordance with the wishes of the European Commission and of the European Parliament, to give greater representation to the new regional authorities which have been set up in a number of EC countries.

The level of consultation with the European Commission over new proposals for legislation etc is still inadequate, but the European Commission has undertaken to improve this once the local and regional authorities have established a single forum to represent their interests. This forum now exists. No useful purpose would be served by splitting off local authorities on the one hand from regional authorities on the other, since each level performs different functions in different countries.

What they have in common is much more important – that they are all component parts of the Government of their countries without being directly represented in the Community's decision-making machinery.

A full dialogue between the Commission and the Consultative Committee will go a long way towards remedying this defect without the need for the formation of yet another European grouping.

P N Bongers
International Union of
Local Authorities
London SW1H 9HP

WHAT WAS IN THE PAPERS

Most British girls still want to walk up the aisle in white and do not like the idea of living in sin – or the prospect of casual lovers.

One in 10 teenage girls would still like to say 'I do' at just 18 or 19, according to new Common Market research. A report out today says the most popular age for women to marry is 20 – whatever career they plan.

Teenage boys feel much the same way. They believe in marriage, intend to propose before 25 and have children.

Research sponsored by the EEC over three years among teenagers in London, Newcastle upon Tyne and Northumberland – and carried out by the national lobby body Youthaid – reveals marriage in the Eighties is the 'in thing'.

'If the young people follow their expected paths, most will marry and have children,' says the report.

– New Standard
March, 1981

Britain was given a 'You're still great' boost last night. The message came across loud and clear that Europe still needs the Best of British.

The glowing picture is painted by journalist Emanuele Gazzo, a leading commentator on European affairs.

Mr Gazzo, writing in the current issue of the European Commission journal [Europe 81] says: 'Britain is a country of reform and of courageous experiments in social policy.'

He says the EEC expects much of the British – and they have a lot to contribute.

Last night, in Brussels, Mr Gazzo, who has been writing articles about Europe for 40 years, said: 'Without Britain there can be no EEC that means anything.'

–The Sun
April 1981

Community civil servants are getting down to the autumn's work with a new rash of 'Eurospeak' – the language of initials ranging from CAP (Common Agricultural Policy to MFA (Multi-Fibres Agreement) and GPS (Generalised Preferences Scheme).

For cognoscenti there is EIB (European Investment Bank), POCO (Political Co-operation) and MCA (Monetary Compensatory Amount).

This autumn's Brussels catchword is 'structured'.

– Observer
December 1981

Britain has asked the EEC for emergency aid to help rebuild the Falkland Islands economy. The Commission has £500,000 a year to spend on members states' overseas possessions.

– Reuter
August 1982

Tiddles' favourite tin of vitamin-enriched, beef-flavoured Kittymeat will in future have to state clearly on the label that it is made of Horse, Gristle, Hair, Cereal Padding and Water.

The Feeding Stuffs Regulations (1982), which may as a result bring about momentous changes in the diet of Britain's cats and dogs, are the result on a series of EEC directives, going back to 1970.

– Guardian
October 1982

Britain and France last night avoided a major quarrel by the simple device of becoming the best of friends – or almost.

In an amazing diplomatic double, France gave way on the Falklands, and Britain ended the long-running dispute over French turkey imports.

– Daily Express
December 1982

Madame Danielle De March, a French communist member of the European Parliament, has urged the Common Market to make it compulsory for all dogs in EEC countries to be tattooed with an identity number.

In Britain, the RSPCA, which picks up around 10,000 pets a year, welcomed the scheme, which would help them trace the owners.

– Daily Mail
May 1983

– The Times
Jan/Feb 1984

Following ratification of a Bill establishing Greece's first four official nudist camps, the National Tourist Organisation of Greece is pinning its hopes on the arrival of 500,000 nudists as one means of recovering from this year's tourism slump.

Mr Dimitris Reppas, the Parliamentary Deputy who introduced the Bill, warned Parliament that Greece was losing substantial foreign currency earnings because its immediate holiday competitors, such as Spain, France and Yugoslavia, had 40, 45 and 62 official nudist camps respectively.

When Greece opened its first official nudist camp three years ago, the resort was forcefully disrupted by objecting bishops and church followers. But the Church's objections were ignored this time.

– Daily Telegraph
October 1983

The abiding idiocy of the Common Market bureaucrats is their obsession with creating an Identikit European.

If they had their way we would be alike and do alike, look alike and talk alike.

They would build a Community whose ideal citizen wore a beret and lederhosen, smelt of garlic, spoke Esperanto and played cricket.

– Daily Mirror
June 1981

The French press is hitting back at the English after the 'Hop off you Frogs' campaign by the Sun newspaper. The influential newspaper Le Monde has fired off a broadside of anit-English jokes. And in answer to a Sun 'invasion' the magazine Paris Match has despatched a task-force to the London newspaper office.

Le Monde invited readers to submit their favourite anit-English jokes: first prize is a trip to London: second prize is three trips to London.

– Sunday Times
March 1984

If they must tap wartime nostalgia, here is the crusading theme our Euro-Tories should be hammering home:

'We shall fight them on the butter mountains; we shall fight them on the wine lakes; we shall fight them in the very bunker of their bureaucracy. In the battle for a fair deal for Britain's tax-payers, we shall never surrender.'

– Daily Mail
June 1984

A group of Norfolk farmers has been visiting Strasbourg to protest against EEC plans to cut grain prices.

Their pleas of poverty were treated with suspicion when two of the group turned up in Rolls-Royces, and the rest arrived in expensive BMW s.

– Daily Express
June 1985

Because no EEC government is yet ready to let itself be outvoted on even relatively trivial matters, the Rome Treaty is ignored and a unanimity rule prevails.

Convinced that you cannot legislate good behaviour, another group of Europeans is proposing a series of practical small steps. This group is led by the British, who reach for the cold tap when they hear talk of building a united Europe.

– Economist
July 1985