Europe 81

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Tunnelling towards economic recovery in Wales

The big ferry fleets fight it out in the Channel

Britons at work in France – plus a taste of the vintage

Picasso and Turner – European painters for our time

EURO FORUM

More signs that Britain is making the grade in Europe

Our breakdown of the performance of British industry in Europe (page 13), based on the latest figures, confirms that the United Kingdom's trade with the rest of the Community continues to increase, despite a falling-off in such traditional industries as iron and steel and motor car manufacture. A report on the cross-Channel ferries, on the Business Page, tells a similar story.

Our second report (opposite) on how European funds are being made available to help in the recovery of Wales, covers both southern and northern parts of the Principality. In both regions the prospects look good for tourism – now accepted throughout Europe as a key area for economic growth.

We also report on two British families who are making new lives for themselves in France (page 9), and on the situation in Tanzania, where European aid, under the terms of the Lomé agreements, is being put to urgent use (page 7).

Anyone who is confused by stories of how EEC regulations are frustrating vegetable gardeners in their choice of what to grow should turn to Jack Waterman's report on page 17. Our article on Turner in Europe (page 21) shows that Britain's most famous painter drew much of his inspiration from scenes and travels across the English Channel.

George Scott

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Why the Welsh would welcome an invasion

Industrial Wales is largely confined to two areas: a belt of concentrated activity stretching along its south coast and a similar accumulation of manufacturing skills to the very north, close to the English border. Both areas have been badly affected by the recession in general, and by large-scale steel closures in particular, leaving them with massive redundancy problems. In the first five months of 1980, some 28,000 Welsh men and women lost their jobs and even if plans to attract new industries to these areas come up to expectations, they are unlikely to be as labour-intensive as coal and steel, on which much of the Principality's economy once depended.

With some of the most ravishing scenery in Europe, and room for tourists to enjoy it, Wales is set for an economic fight-back, reports ROY STEMMAN

There is much more to Wales than its coal tips and steel works. Between the two pockets of industrial might is a vast and magnificent land of mountains, valleys, waterfalls and breathtaking views, whose beauty can support two forms of life: sheep and tourists.

The sheep are content to stay all year, and they make an important contribution to the economy of rural Wales. But sheep farming does not provide employment on the scale that the country needs. Tourism, on the other hand, does create job opportunities as well as generating income, so the Welsh are now looking at ways of exploiting their country's natural attractions with determination – assisted by European money in the form of grants and loans.

An independent review of tourism in Wales was conducted for the Wales Tourist Board by a senior lecturer at the University of Surrey, Victor Middleton, who concluded that Wales could easily cope with twice as many visitors as it now receives. He also points out that the equivalent of 90,000 full-time jobs throughout Wales had been traced to tourism in 1976, adding: 'It is hard to avoid the conclusion that the tourist industry is vital to the future life of Wales.'

So how are the Welsh intending to entice more visitors to their hills, valleys and long sandy beaches? There are some factors over which they can exert no control, such as the weather. The geography of Wales creates high rainfall in some areas but the coastal regions can be as warm as the English south coast, and the sunshine record is impressive.

What can be done is to provide new facilities or improve existing ones – and that means everything from roads to railways, as well as more obvious tourist amenities. Wales is committed to an ambitious roads improvement programme, which has already made it much easier to reach the industrial heart of South Wales from other parts of the UK. Tourist areas are receiving similar attention – people on holiday do not want to spend precious hours on winding, narrow roads, stuck behind slow, heavy vehicles. Roads that will speed them to their destinations will also encourage them to return to Wales for another holiday amid its famous scenery.

One of the largest items in the EEC budget refund which the UK received at the end of last year, to reduce its net contribution, was £24.6 million for road works in Wales. Some of this went to the south for improvements around the Bridgend area, and at Pontypool and Abergavenny. But the A55 – the main route bringing English and Scottish visitors to the north coast – also received money from the refund, to help get rid of some of its bottlenecks.

It is on the A55 that visitors to Rhyl, Prestatyn, Colwyn Bay and Llandudno are likely to arrive, and it also carries traffic destined for Holyhead, on the island of Anglesey, and the ferry link to Ireland. Loans from the European Investment Bank have enabled the British Railways Board to acquire a multi-purpose ship to run between Holyhead and Dun Laoghaire, and to develop Holyhead harbour. EEC money from the Regional Development Fund has also been allocated for the replacement of the existing Menai Bridge pier. Telford's famous suspension bridge carries Anglesey's only road to the mainland.

During 1979, it was estimated that British residents made 11 million tourist trips to and within Wales, involving a stay of one or more nights. They spent in the region of £360 million. In addition, one million overseas tourists visited the country, contributing another £100 million to the Welsh economy.

Most visitors will have made for Gwynedd, whose many attractions include the highest mountain south of the Scottish border: the 3,560 ft Mount Snowdon. Gwynedd has 428 hotels, 797 guest houses and 728 private houses which offer bed and breakfast. In each category it has more than any other Welsh county. Put them together and Gwynedd could sleep 27,407 visitors on any day of the year. Farm guest houses in the county can take a further 2,354 people and self-catering furnished accommodation will absorb 17,346. So Wales's north-west county is equipped to take over 47,000 tourists.

In mid-Wales, Dyfed can take over 40,000 visitors, and Clwyd – which embraces the popular northern resorts – less than half that number, around 17,700. In reality, of course, Wales does not get this number, even at its peak. Some hotels and guest houses are fully booked, but even in the months of July and August, North Wales can expect only 60 per cent of its tourist beds to be occupied.

'Gwynedd County Council has received grants for rural roads from the EEC because they are vital to the tourist industry,' says Rhodri Morgan, the Community's man in Cardiff, 'and everyone accepts that Gwynedd is dependent upon tourism.'

It is for the same reason that the famous Ffestiniog Railway had received European money. Founded nearly 150 years ago as a narrow-gauge rail system to carry slate from Blaenau Ffestiniog to Porthmadog – horses pulled the empty carriages up to the slate quarry and gravity carried them down – it enjoyed prosperity in its early years. Steam locomotives were introduced in 1863 and a passenger service began two years later.

However, as larger ships were introduced to carry the slate, Porthmadog became less attractive as a port and the slate trade fell into decline. By the turn of the century, Ffestiniog Railway carried passengers only. But soon it found itself competing with motor coaches. Profits fell, the rolling stock deteriorated, and by 1946 the line was closed to all traffic.

When the Ffestiniog Railway Society was formed in 1951, with the intention of restoring it to its former glory, the situation had become more complicated because the Central Electricity Generating Board had been given permission to build its first hydro electric pumped storage power station at Blaenau Ffestiniog, and to take over the Moelwyn Tunnel through which the little train used to run. The building contractors were also given permission to demolish a bridge that carried the railway over a road at Dolrhedyn, so that ▶

PHOTOS: ERIC A. BEARD

they could deliver materials to the site of the new power station.

But the Ffestiniog railway enthusiasts have overcome these problems. A detour and a new stretch of tunnel enable the train to make the journey from Porthmadog to Tay y Grisiau. The demolished bridge has been replaced, and it is the Society's intention to run the train through to Blaenau Ffestiniog before too long. There is also a project to bring the British Rail line into the centre of the town, providing a unique connection between a narrow gauge and conventional railway.

European aid has already helped the Ffestiniog Railway Society make various improvements around Tay y Grisiau, and the little trains are now carrying 400,000 passengers a year through some of the most spectacular scenery in Wales.

It has also helped revitalise the area where, once, one-third of the shopping area was

The Ffestiniog railway (above, left), long popular with tourists, now extends from Porthmadog to Tay y Grisiau. At Blaenau Ffestiniog, a new factory is being built with the help of a European loan. Meanwhile, at Dinorwic, near Llanberis, loans of some £150 million from the European Investment Bank have helped in the construction of a massive hydro-electric storage power station (right). Our picture above shows reporter Roy Stemman with the Central Electricity Generating Board's Alan Lloyd-Williams at the site.

boarded up. Now, in anticipation of the arrival of day trippers on both the narrow gauge and British Rail trains, Blaenau Ffestiniog is taking on a livelier appearance to match its new-found optimism. Not that it will depend entirely on tourism – a £600,000 EIB loan has been made to Blaenau Plastics Ltd to help it construct a factory at Blaenau Ffestiniog to produce plastic compounds and products for motor vehicles, domestic appliances and the furniture industry.

Another popular railway takes visitors to the summit of Snowdon. The five-mile rack-and-pinion track begins its ascent in the village of Llanberis (also the best starting point for walkers planning to reach the summit on foot) which also has a narrow-gauge railway running along the eastern shore of a lake, Llyn Padarn. Both railways carry around 150,000 passengers a year.

But now, visitors to Llanberis have another spectacular sight to see: the CEGB's Dinorwic hydro-electric pumped storage power station. Dinorwic has probably received more financial aid from the EEC than any other Community project: loans totalling around £150 million have been made available through the EIB.

When Dinorwic is finished it will provide an essential back-up to the UK's national grid. If, at any time, the demand for electricity exceeds that available from conventional power stations, Dinorwic can provide the shortfall within ten seconds. When it swings into action, a lake on a high point over the village of Llanberis is emptied at the rate of 85,000 gallons a second. It disappears into a series of tunnels inside the Elidir mountain which feed the fast-flowing water to six underground generators. Driven by the water, they will produce a constant output of 1,680 MW for up to five hours. The water is then col- ▶

Wales is out to provide the very best for its visitors

◀ lected in an enlarged lake, Llyn Peris, which is 1,640 ft below the upper reservoir.

Having satisfied the surge in demand, the water is stored in the lower lake until an off-peak period when the national grid has more electricity than it needs. Some of this is then used to pump the water to the upper reservoir, ready for the next surge in demand.

Despite the enormous cost of creating Dinorwic, it will save the CEGB a great deal of money. Without it, conventional thermal power stations would have to be run for short periods at part-load, which is uneconomic.

The Dinorwic scheme will benefit the whole UK, but during its construction it has provided employment for many people in Gwynedd and other parts of North Wales. To create the vast machine hall inside the mountain, big enough to house a 16-storey building, three million tons of slate had to be removed, and at its peak, 2,500 men were involved in the construction.

A number of open days have been held, each of which has attracted over 30,000 visitors. But once the Dinorwic project has been completed it will be open to visitors each day. They will be taken into the network of tunnels to a viewing gallery overlooking the machine hall. Where else can you go to the top of one mountain, Snowdon, and inside another, Elidir, on the same day?

A 'plus' for Dinorwic: more jobs.

It is not only active schemes like Dinorwic that attract the tourists. In the South, at Blaenafon, Gwent, a worked-out coal mine is being turned into a museum of coalmining of international significance. It is one of several infrastructure projects in Wales which between them received £3.19 million from the Regional Development Fund earlier this year.

The Big Pit at Blaenafon was sunk in 1860 (though workings can be traced back to 1790) and provided work for 1,090 miners in the 1950s. Now the seam has run out and many thought that the Big Pit had made its last contribution to the Welsh economy. But the ambitious tourist scheme will give it a new lease of life, providing full-time employment for some and preserving a link with the traditional culture of Wales.

Tourism is the major growth industry in Wales, even though the volume of visitors has not increased in recent years – in common with most other parts of the UK. But there is optimism about the future: more than 5,000 new bedrooms have been created for holiday visitors since 1970.

The rising cost of fuel may encourage more people to consider Wales for their holidays, rather than driving further afield. They will find that Wales is out to provide the very best for its visitors.

PICASSO'S PICASSOS ON VIEW IN LONDON

The centenary year exhibition of 450 works by Picasso, all from his own collection, has been a popular attraction at the Hayward Gallery, on London's South Bank, since it opened on 17 July. It is a preview from the collection that the French state accepted in lieu of estate duties after the painter's death in 1973.

This is to be the last exhibition of Picasso's Picassos before it moves into its permanent home, the Musée Picasso, now nearing completion in Paris. It took five years to complete the arrangements, owing to the painter's having left no will and no inventory of the works that he stored away during his lifetime, nearly all of which remained unseen by the public.

The Hayward exhibition, organised by the Arts Council, includes an important collection of the drawings. The director of the Musée Picasso, Dominique Bozo, describes them as 'illustrating the significance of his work in this medium to his development as an artist, and above all from the point of view of his personal themes'.

The painting we illustrate here shows the painter's son Paulo in 1924, dressed as a harlequin. The exhibition ends on 11 October.

Helping to keep Tanzania's economy on the rails

Soaring costs of essential imports have put one of Africa's most vulnerable economies under strain. In this on-the-spot despatch, PEGGY CRANE reports on efforts being made by Tanzanians to deal with the situation – and on what the European Community is already doing to help

Coffee and railways may not seem to have much in common, but in Tanzania there is a practical link. Both are in need of development, and the European Community is closely involved in helping the government to bring this about. Tanzania is a proud country. Its watchwords are socialism and self-reliance. But President Nyerere frankly admits that today the Tanzanian economy is in a bad way.

A major reason for Tanzania's plight is the high price of oil. Sixty per cent of the country's export earnings are spent on oil imports and, because of shortages, petrol rationing had to be introduced at the beginning of June. Add the severe drought and floods in the last few years, the war in Uganda, and the break-up of the East African railway and airline union in the mid-seventies, putting a heavy burden on overstretched transport, and it is clear that Tanzania suffers from what has been aptly called 'the negative multiplier.'

Difficulties in moving important cash crops such as coffee, sisal and cotton mean loss of export earnings, which in turn means there is no money to buy vital spare parts and machinery to keep the factories and railways moving, and so earnings deteriorate further. Inflation is running at over 15 per cent a year. With a basic minimum wage of £25 a month in the towns and about £18 in the rural areas, people are finding it increasingly hard to make ends meet.

Party and government policy in Tanzania rests firmly on the belief that, through hard work, self-reliance and development, Tanzania's problems should eventually be solved. Development here is not interpreted as growth in GDP, but in improvement in the quality of life of the Tanzanian people. In terms of basics – literacy, education, health and longer life – Tanzanian progress, by any standards has been remarkable. But in the immediate term such development tends to absorb rather than to generate wealth. That is why the government has also invested heavily in trying to improve the quality and marketing efficiency of its major cash crops, of which coffee is one.

Five years ago, the coffee industry was in a bad state. Lack of fertiliser, inadequate care and poor grading had led to deterioration of the plantations and a production level of only 46,000 tonnes. In May this year, the press carried banner headlines announcing that the Coffee Authority of Tanzania (CAT) expected to buy 68,000 tonnes of clean coffee this season, the highest purchase in the history of the country's coffee industry.

The European Community can take much of the credit for this transformation. Since 1977 it has worked closely with the CAT and paid half the cost of the government's £16 million Coffee Improvement Programme, designed to raise both the production level and quality of Tanzanian coffee. The results to date have been 'very encouraging' according to Mr Murray Maxwell, the Scots project manager who, from Moshi in Northern Tanzania, co-ordinates the wide variety of Community help with the Coffee Authority.

The Community has paid half the cost of the government's £16 million coffee improvement programme

The Community has contributed expertise and practical assistance in the form of fertilisers, sprays, vehicles, new pulperies and equipment, and provision of three training centres in coffee husbandry for supervisors. The help has been carefully geared to the needs both of the large nationalised or state farms and of the 280,000 small, independent coffee growers, on whom the industry still heavily depends.

From coffee planting to coffee cup is a long, often delicate process, which must be carefully timed if the quality of the coffee bean is not to deteriorate. To help the small farmer, money from the European Development Fund has been used to supply spray packs which can be carried on the back, and simple pulpers which, by turning a handle, separate the mucilage of the coffee cherry from the bean. Both processes are essential to quality control, and the use of these intermediate technologies has contributed to the season's bumper harvest.

The good work of the past four years will continue from September under the government's new Coffee Industry Development Programme, with the aim of raising production to 100,000 tonnes by 1990. The Community's cash contribution over this period is expected to be about £12.7 million out of a total investment of £25 million.

When the coffee has been harvested, processed and bagged ready for export, other problems arise – notably how to transport the crop to Tanga, the coffee port. The marketing director of the CAT, Mr Alute, had painful stories to tell of ships sailing without cargoes because of train breakdowns and late deliveries, the coffee perhaps arriving some hours later and, because of lack of storage facilities, deteriorating on the quays.

This is just one example of Tanzania's desperate need for an improved railway system. In a country more than five times the size of Great Britain, Tanzania has 16.6 per cent as much track as in the UK and only 4.2 per cent of the locomotives. Of 155 railway engines, 14 per cent date from the 1920s.

Furthermore, the collapse of East African Railways has meant that since 1975 no Tanzanian engine or rolling stock has been able to get repaired at the major workshops in Nairobi. Tanzania had to start from scratch building her own workshops at Morogoro and Dar-es-Salaam, with all the problems of lack of materials and trained mechanics.

On a 400-mile trip from Dar-es-Salaam to Moshi, the West German engine pulled a motley collection of British, Indian and Swedish coaches. No-one was surprised when there was a break-down, though it was competently repaired by torchlight in the bush. The train arrived at Moshi only half an hour late.

Delays are frequent, spare parts and new wagons expensive – and Tanzania has no foreign currency to spare. The government's new development plan, however, foresees substantial railway development over the next few years, particularly in linking the land- ▶

JOHN CLEARE

locked countries of Burundi, Rwanda, Uganda, for the better transport of goods and container traffic.

Mr Benno Haffner, who heads the European Community delegation in Tanzania, is keen to back this regional enterprise, and consultations between the various authorities have tentatively begun. The Community is already helping Tanzania to improve facilities at inland ports on Lake Tanganyika and Lake Victoria, and to develop better rail links with their hinterland. A Community-backed regional plan to extend these links through Tanzania's 'central corridor' to the eastern ports has, it is believed, enormous potential for East Africa.

Meanwhile, Tanzania continues to suffer from its negative multiplier, despite the fact that, per capita, the country attracts more international aid than any other African country. While admitting to inefficiencies, Tanzanians insist that two-thirds of their problems are external and outside their control. In particular, export prices, even for coffee, bear little relation to the price they are forced to pay for oil and for vital imports from the industrialised countries – and the gap is widening all the time. As Mr Alute says, it often seems like a contracting vicious circle, with no visible breakthrough before strangulation.

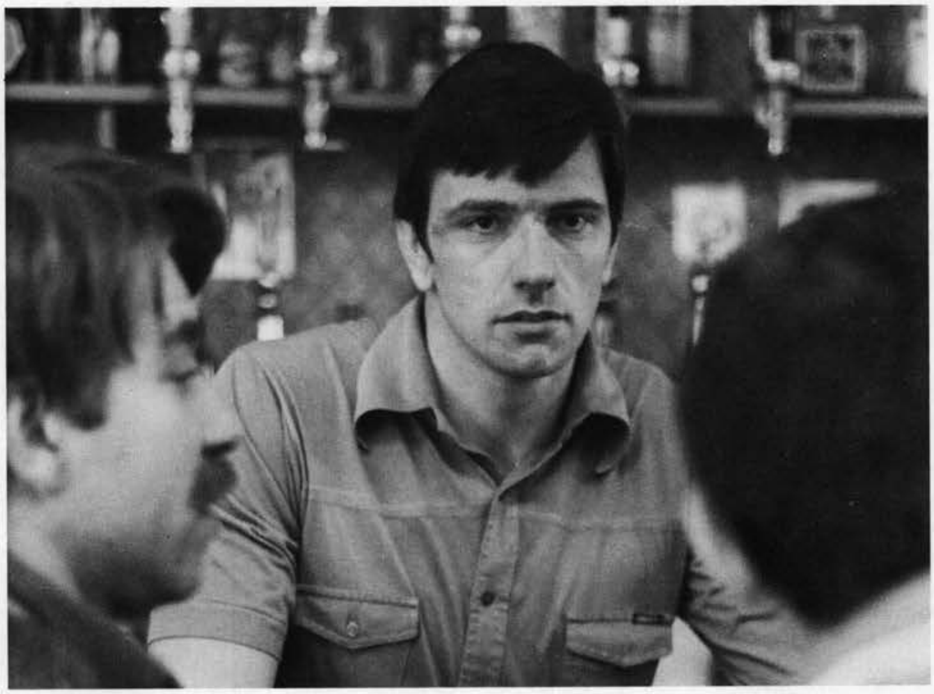
From Dar-es-Salaam it is clear why Tanzania and other non-oil countries have been pressing so hard for a 'new economic order' and the fulfilment of the Brandt Report. In northern capitals, such demands may appear just another burden on their flagging economies. In Tanzania, they are imperatives of economic survival.

The Community has shown, through Lomé, that it has a practical understanding of the needs of developing countries. It would be encouraging to see it take an equally generous lead in the much more politically controversial arena that any new economic order would entail. For among the industrialised countries, if Europe does not, who will?

Above: Tanzanian tribesmen such as these Masai in the Rift Valley share in the country's economic stress. Below: a coffee plántation on the slopes of Kilimanjaro.

French without tears

What is it like for Britons who make their careers in France? FRANK HILTON reports on two such families – the Hortons and the Owens – whom he visited for the BBC television programme 'Life with the Neighbours'



Top: England rugby star Nigel Horton behind the bar in St Claude. Above: Gwilym Owen on the job – for the French company, Spie Batignolles.

Fifteen hundred feet up in the Jura mountains of eastern France stands the town of St Claude. Narrow, terraced, dense with hair-pin bends and precipitous drops, it spirals up and down the steep flanks of the Bienne gorge like the typical ski-centre it is. So to discover that it has also been the home of a national rugby club since 1900 comes as something of a surprise to the British visitor.

An even bigger surprise is the 32-year-old Englishman who currently runs the club – a giant of a man whom the townspeople believe is going to put their team back on the map, and whose talent and personality have already imbued the players with a determination to get out of the 2nd division as quickly as possible.

'If Nigel Horton stood for mayor,' says the Mayor ruefully, 'I'm afraid he might very well get elected!' Not that Nigel has ambitions in that direction just yet. When not actually coaching or playing for the team, he is busy helping his wife, Kay, run the bar in the main square that gives them their livelihood.

Which was where I first met them one cold Saturday night last February. When I arrived, the crush inside the bar was reminiscent of an English pub at closing-time. But apart from that, and a small Union Jack pinned up on the wall next to the the cash-register, the atmosphere was totally French. Plate-glass windows, mirror-lined walls, a clutch of grizzled, Gitane-smoking regulars deep in a game of cards in the corner. The few women hung back uneasily, conscious of their intrusion on what is still essentially a male preserve.

I worked my way through the press of cheerful young men at the bar and introduced myself – briefly, for Nigel and Kay didn't have time for more than that just then. It was aperitif time, the French bartenders' rush-hour, and they were busy serving pastis, white wines and shandies that their customers seemed to favour. These were mainly players and supporters of St Claude's Rugby Club.

I was soon being assailed on all sides with offers of drinks and overlapping, complimentary stories about 'le grand Nigel' and his charming young wife. What a brilliant coach he was. What a sensational New Year's Eve party she'd invited them all to. What a miracle their presence was in St Claude. Ah yes, a miracle. A true miracle.

Later, Nigel admitted that settling in had been easier for them than for most foreigners. As the team's captain and coach, he had a ready-made society to walk into. And Kay – with the smile that suddenly lights up her face – said she felt her curiosity-value as a woman in a man's world was an important factor, too. Even if they were a bit timid of her at first. A liberated Englishwoman is something of a novelty in the Jura mountains.

Surprisingly, the Hortons had no long-matured plan to work and live in France. Their arrival in St Claude was due largely to the vagaries of fate and the international freemasonry of world-class sport, which Nigel joined precociously one afternoon in 1969 when he first scrummed down for England in the second row of the pack.

By the mid-Seventies he was an established, multi-capped rugby union international – but no nearer solving his future career problems. For some time he had been explor- ▶

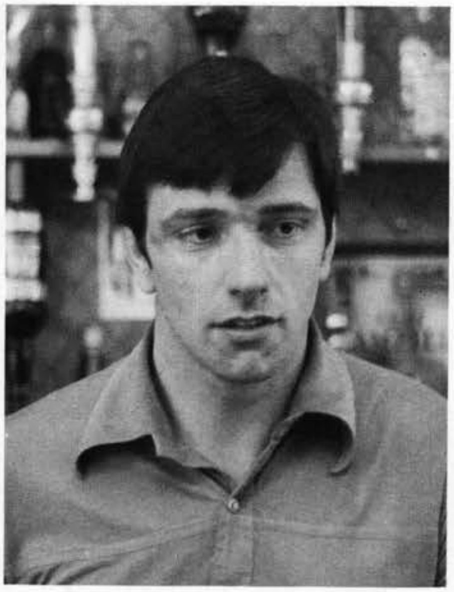
ing ways of giving up his job as PE instructor in the Birmingham police, and setting up in business on his own account. And it was at this point that the prestigious Toulouse Rugby Club – impressed by his skill and reputation – came up with what seemed an attractive offer: the tenancy of a bar in town, and the chance to play alongside some of France's greatest players.

So in 1977, phrase-books in hand, Nigel, Kay and son Simon set off for France with the prospect of a new, exciting life in the sun before them.

Unhappily, things didn't work out as they anticipated. Nigel's French was so rudimentary that, from the start, there were serious misunderstandings which brought him into conflict with both management and players. Eventually relations became so strained that Nigel decided to resign from the club and return with his family to England.

So when St Claude – hearing of his resignation from Toulouse – started making overtures to him, he simply wasn't interested. And if it had not been for the dedicated efforts of one of the many Englishmen who, over the last hundred years, have helped develop the briar pipe industry for which the town is famous, the Hortons would never have taken their second – far happier – bite at the French cherry.

Home life for the Owens – at Vélizy.



'Before, he thought the French cold and difficult. He has now found how warm and cooperative they can be'

The man who got Nigel to change his mind was 'Skip' Reed, a retired managing director of one of St Claude's largest pipe-manufacturing companies. Identifying fiercely with his adopted town's passion for rugby and its longing to see the team back to their previous eminence, he set about wooing Nigel by phone throughout the spring and early summer of 1980. Nigel finally succumbed, and went to St Claude.

Once there, he found the town and the bar to his liking. And the up-for-sale house that Skip had located appealed to Kay. But most of all Nigel liked the way the Club's directors offered him a free hand in the running of the club, together with a promise of all the support he needed to put his plans into effect.

The result is a satisfying success story. In one season, Nigel has changed the team's tactics, restored their morale, and got them back into the habit of winning instead of losing matches. But the experience has also changed Nigel. Where before he thought the French cold and difficult to work with, he has now found how warm and co-operative they can be. In less than a year, the town and the Hortons have taken each other to their hearts in a way that can only auger well for everybody's future.

Just as high-powered as Nigel, if less well-known, is Gwilym Owen, a dynamic, 27-year-old project engineer employed by the civil works branch of the French construction conglomerate, Spie Batignolles. A Welshman born in India, trained in England, and married to an Italian, Gwilym's French is so fluent that his English vocabulary shows occasional signs of rustiness – unlike Vélizy, the glittering glass-and concrete company township on the outskirts of Paris he works and lives in.

Or, rather, is based and camps in. For Vélizy is convenience-living without some of the conveniences that give life its individual quality. 'I see lots of disadvantages,' says his wife, Rosetta, the young woman he met in 1974 at Charles de Gaulle airport where he was a student engineer helping to build it and she was a ground hostess. 'You go to the same shops as everybody. You go for the same walks. Everybody leads the same life.'

Gwilym comforts her with the reminder that their stay in Vélizy is only a 'transitory stage,' as he puts it, 'in our passage through France, and through the job, and the times we're going through now.'

But meanwhile they make the best of it, grateful – at least in Gwilym's case – to have escaped the two or three hours daily spent commuting by car from Paris, where they used to live. And when you see their three-year-old daughter, Elena, hopping and skipping along the traffic-free walkways leading to the shopping centre, it is hard to believe she finds Vélizy such a bad place to be.

Although she has British nationality, she can't speak English yet. Does that mean they are bringing her up as a little French girl? 'No,' says Gwilym, with a slightly self-conscious laugh. 'We're trying to bring her up as a European product, if you like.' And while the product in question bounces up and down on its mother's lap, he goes on to explain how they plan to combine the best of both possible educational worlds by sending Elena to primary school in France and secondary school in Britain.

'France offers more money, status and scope than Britain ever could to a young engineer'

Until that day, however, Gwilym concentrates on the job in hand, overseeing the construction of nuclear plants in France and abroad. The last ten years have been boom-time for the French nuclear industry. Deprived of oil, presidents Pompidou and Giscard plumped for massive investment in nuclear power as the major energy alternative. In 1970 France bought American Westinghouse pressurised water reactors, modified them over the years, and then – with the expiry of their licence obligations – started exporting their improved version to all and sundry. Gwilym admires the French decisiveness in this field. He also admires the social-cum-political structure that made it possible – the way in which top managerial people in France, whether in industry or politics, maintain close and constant links with each other. He puts it down to the French educational system, with its concentration of the future élite in the various Grandes Ecoles.

So why did Spie Batignolles want British engineers to come and work for them? Gwilym has a simple answer for that one. All international business is carried on in English – especially in Africa where some of his company's biggest markets lie. So 'anglophones' are in hot demand. Even a Welsh one from Abergele, who joined Spie Batignolles in 1976 via a Surrey firm of consultant engineers with French connections.

In Gwilym's eyes, France has its drawbacks – a too rigid social structure, an over-formal attitude to life – but in compensation it offers more money, status and scope than Britain ever could to a young engineer fired by the same pioneer spirit that took his parents to India as missionaries in the 1950s. As a graduate engineer back in Wales, Gwilym helped build local sewage works. In France he is handling multi-million pound projects, jetting from one great nuclear monument to another as the stations steadily come on stream – or were, until the recent elections.

When M. Mitterand was voted to power, the future of the French nuclear industry was suddenly cast in doubt. Already work on some sites has been suspended, projects in the planning stage have been cancelled, and foreign clients frustrated in their expectations of continued deliveries of enriched uranium.

Fortunately for Gwilym, no signed contracts are being reneged on. So there's work enough in the pipeline to keep him and his firm busy for the time being. But he admits to a feeling of some uncertainty about the future.

Not so, Nigel. His two main ambitions seem unlikely to be affected by the change of government. So far, there is no plank in Mitterand's platform aimed at blocking St Claude's path back into the 1st division. And surely, even in his most doctrinaire moments, no French socialist could possibly be such a spoil-sport as to try and stop Big Nigel from opening his own night-club?

PARLEZ-MOI D'AMOUR...

Flashback to 20 years ago... How a leading cartoonist of the time – Vicky of the Evening Standard – saw the flirtation of Harold Macmillan with Charles de Gaulle in November 1961, when the British Prime Minister was using all his wiles to secure the French President's consent to Britain's joining the European Community.

This cartoon is among the exhibits in 'Beaverbrook's England', a compilation of original drawings for cartoons that appeared in Express Newspapers between 1940 and 1965. Cummings, Low and Strube are also well represented in the exhibition, which has been mounted by the Centre for the Study of Cartoons and Caricature, University of Kent, Canterbury, and chosen from among 60,000 original drawings in the archive.

STRASBOURG NOTEBOOK

RICHARD MOORE, assistant secretary-general to the Liberal Group in the European Parliament

The Times newspaper has been a supporter of British membership of the Community since that became a respectable cause among the Establishment in the early 1960s. Until then it had supported British obstructionism against European union, whether erected by Ernest Bevin or Anthony Eden. Since the first official attempt to join, the leader columns have been staunch in their support. But European editorial policy has hardly, even yet, penetrated to the news desk.

True, David Wood writes frequent articles from Strasbourg. But they reflect the insular pre-occupations of Smith Square rather than the wheeling and dealing within party groups drawing their members from all or most of the Ten. Just how inadequate *The Times* is in its coverage of Community affairs was proved again by its failure to report the fifth annual congress of the European Liberal Democrats (ELD) which took place in Copenhagen.

Nearly 200 representatives of parties which together polled nearly 12 million votes in the first European elections attended. Gaston Thorn, the first leader of the European Liberal Democrats, Simone Veil, the Liberal President of the European Parliament, and David Steel, the leader of the British Liberals, who were among those taking part, are all names which are familiar to *Times* readers.

The issues debated – such as the right reaction of the Community to a Soviet invasion of Poland, unemployment and the future of the mass media – are not without importance. The role of Liberals in the member states, as well as in the Community institutions themselves, is important, since member parties of ELD are in office in Germany, Italy, the Netherlands and Luxembourg, and are the principal opposition in Belgium and Denmark. But not a word about the Congress appeared in *The Times*.

Such negligence by even the well-disposed press goes a long way to explain why a large section of the British electorate persist in supposing that the Community is a racket in which Crafty Continentals cheat British consumers of their cash, their apples and their pints of milk and beer.

Of course it is not only the media's fault that the significance and work of the Community is so misunderstood. A combination of hostility to the Community among both many Conservatives and most British Socialists, joined to our farcical election system, which has kept the only consistently pro-European Party in Britain out of the European Parliament, has ensured that most politically active Britons see membership as a competition in grabs rather than as permanent co-operation to secure the peace and freedom of 260 million people.

While the great majority of Conservative MEPs are genuine Europeans there are many of their party colleagues, from Mrs Thatcher to Teddy Taylor, whose attitude to the Community is closer to Mr Healey's than to Mr Heath's. The electoral system forces the Conservative MEPs to sit in isolation, qualified only by the addition of two Danes and an Ulster Unionist. The fact that under 7 million votes put 60 British Tories into the European Parliament, whereas with a proportional system they would have had 40, means that other important right-wing parties in other Community countries will not join the same group, even though it changed its name to smell sweeter.

It is one thing to participate in a multi-party Group in which no one Party and no one nationality commands an absolute majority. It is quite another to join a Group where a single Party, renowned for its obedience to Downing Street rather than its internationalism, is bound to dominate by sheer bulk of numbers. Ironically, the Tory devotion to the two-party system at home splinters the Right in Strasbourg.

Some of the Conservative MEPs understand this well enough, and when the Parliament comes to debate the establishment of a common electoral system, as called for in the Treaty, this autumn, they will be expected to make themselves heard. To help them the National Committee for Electoral Reform, whose president is Lord Carr, the former Tory Home Secretary, held a conference of experts in London in June to discuss the problem.

One of the most hopeful developments in the European Parliament is its increasing willingness to say boo to taboos. It used to be argued that Parliament could only discuss those matters which are covered by the Treaties establishing the Community. But this argument has become two-edged. A Treaty which calls for the establishment of an 'ever closer union' between the peoples of Europe can cover a multitude of proposals.

'A combination of hostility to the Community among both Conservatives and Socialists, joined to our farcical election system, has ensured that most politically active Britons see membership of the Community as a competition in grabs...'

Increasingly, it is understood that the Community cannot be confined to economics. More and more it is realised that economic policy must take into account the expenditure on armaments which figure so largely in the budgets of member states. In December 1975 Lord Gladwyn, then a Liberal MEP, persuaded Parliament to pass a resolution which stressed that a common foreign policy required a common defence policy (it helps Socialist and Scandinavian sensibilities to call it a 'security' policy). Following a further resolution sponsored by the Dutch Liberal, Cornelius Berkhouwer, the Klepsch report on a common weapons procurement policy was passed and referred to the Commission.

Last year the Liberal Group established a permanent working party to keep defence matters under review. Its chairman is Niels Haagerup, of the Danish Venstre Party, who is a member of the council of the International Institute for Strategic Studies and an expert in Atlantic relations. The Christian Democrat and Conservative groups have established similar working parties and all three working parties now meet informally during Strasbourg sessions.

Mr Haagerup has always made it clear that he hopes that those Socialists, who remain faithful to the idea of collective security, will join in, but among them the taboos are harder to defy.

It has never been sufficiently noticed in the United Kingdom that the IRA and the Paisleyites are united in their hostility to British and Irish membership of the Community, and campaigned against it in the referendum. This suggests, *a priori*, that more constructively-minded people could find useful work in increasing the role of the Community in Northern Ireland.

EURO FORUM

OPINION

New frontiers?

One of the European Community's greatest successes is the free movement of goods on the internal market. It has led to an unprecedented stepping-up of trade and economic interdependence between member states. This achievement is now in danger – threatened by the protectionist bogeyman who is on the prowl within the Community as well as outside.

Since the mid-Seventies the number of technical barriers to trade has increased by leaps and bounds. There is no limit to the inventiveness of the pressure groups and of certain governments; the methods used consist of stricter control of imports, promotion campaigns for national goods, certificates of origin, regulations on labelling, price fixing, fewer customs posts – to name only a few.

This goes to show that it is far more difficult to cope with non-tariff barriers to trade than it was to dismantle internal customs duties and quantitative restrictions in the Sixties.

The Community has achieved much towards harmonising laws. More than 200 directives have been issued over a period of 15 years aimed at dismantling technical barriers to trade – a further 60 Commission proposals are pending before the Council of ministers.

However, it is questionable whether concentrating on treatment of the symptoms – such as the certificates of origin and the technical standards – is going to be enough to effect a cure.

The internal market needs to be restored to its former lively self. For that, it has to be reconquered.

A psychological change is needed to achieve this. If it proves impossible to restore faith in the idea of dismantling barriers, then we cannot count on anyone's readiness to invest – and investment is what we need to meet the challenge of Japan, the USA and the newly industrializing countries. We need an emergency programme for the internal market and a high degree of commitment on the part of the European governments.

Such a programme would have to be effective at three levels. The first concern is the citizen of Europe, who is disappointed because, after 23 years of efforts to achieve integration, there are still passport and customs checks at the borders.

Then comes the entrepreneur. Europe's internal market accounts for 36 per cent of world trade, and it must provide the necessary incentives for investment in restructuring and innovation.

Lastly, something must be done about the public authorities, which have gained control of large sectors of economic activity by means of public contracts, subsidies and all kinds of intervention.

The cyclical and structural problems currently confronting our economies will only get worse if we do nothing to stop the protectionist and isolationist trends within the Community. It is more important now than ever before to abide by the principles of competitiveness and free movement, which formed the basis for the Treaties establishing the Community.

KARL-HEINZ NARJES
Member of the Commission with special responsibility for the Internal Market.

TALKING POINT

Increases of 40 per cent in Social Fund spending and of 26 per cent in Regional Fund spending, with less money devoted to agriculture, are envisaged by the European Commisssion in the preliminary draft budget for running the Community next year.

The proposals will now be considered by the Council of Ministers and the European Parliament, which are jointly responsible for adopting the budget. This is normally done before Christmas but, as last year's dispute between the two institutions over the 1981 budget has shown, the deadline may not always be met.

A further dimension will be added to the budgetary debate this year, by discussions on the Commission's proposals under the mandate given to it in May 1980 to reorientate budgetary spending, in particular to alter the balance between spending in agriculture and spending in other sectors.

In addition, the 1982 preliminary draft budget of almost £13 billion is just £356 million under the revenue ceiling. This is 15 per cent up on this year's figure, made up of receipts from customs duties, agricultural levies, and up to one per cent of national VAT revenue collected in the member states.

Until now, the Council has refused to consider going beyond this one per cent ceiling and, with revenue from the other two resources diminishing, 0.95 per cent of the national VAT collected will have to be called on next year to meet expenditure.

This percentage is not levied on the *actual* VAT revenue collected but on a *notional* sum worked out on a common assessment basis. In other words, it is independent of the actual VAT rates, which vary from country to country. ▶

THE MONTH IN EUROPE

Employment

Grants flow, but still not enough

A first series of grants for this year from the Community's Social Fund, which makes money available for worker training, has been announced by the European Commission.

The grants amount to £203 million out of a total of £520 million available for the year in the different member states. About three-quarters of the first series of grants will go towards training programmes in poorer regions. One-sixth has been earmarked to help young people and another substantial amount for the handicapped.

The Commission has also published its report on the social situation in the Community in 1980 in which the need for a bigger Social Fund is highlighted by the alarming increase in the unemployment figures.

The number of those out of work at the end of the year was 29 per cent up on the previous year. Women and young people under 25 were particularly hard hit by the recession, representing respectively 43 per cent and 40 per cent of total unemployed.

The crisis was most severe in certain industrial sectors, particularly the iron and steel industry, where 100,000 jobs were lost, representing one-seventh of the total.

In response to this worsening situation, the Commission stepped up Social Fund spending to help young people. Of a total of just over £540 million, £135 million was devoted to vocational training for young people and a further £58 million went on recruitment or employment incentives.

To help workers in the iron and steel industry, the Commission asked the Council of Ministers for an extra £85 million but the Council did not reach a decision.

For the medium term, the Commission drew up for the Council a wide range of ideas relating to labour market policy, to the uses of temporary and part-time work, to flexible retirement and to the possibilities for employment offered by the spread of micro-electronic technology.

◀ continued from previous page

In the preliminary draft for 1982, agriculture still claims the major part of expenditure, increasing by 11.8 per cent over this year. But proposed spending on other sectors is rising more quickly – up by 26 per cent.

Budget Commissioner Christopher Tugendhat said that, in view of the current high level of unemployment caused by the world recession, the Commission have made a special effort to boost the Social Fund, which makes grants for worker retraining, as well as the Regional Frnd, which is designed to make job yielding investments in the Community's less prosperous areas.

Mr. Tugendhat also pointed out that good management and favourable market forces have enabled agriculture expenditure this year to be reduced from the levels envisaged when the budget was going through heated debate between the Council and the Parliament last year.

This means that the Commission has now drawn up a revised budget which will enable money not needed for agricultural support to be spent on the other areas. This could help towards a political solution of the continuing wrangle over the shape of this year's budget, which is challenged by France and Germany the case is threatening to end up in the Court of Justice.

Energy

Eurelios strikes up partnership with the sun

The world's largest solar energy plant built to date was opened at Adrano in Sicily on May 26 by European Energy Commissioner Etiennne Davignon. The I-megawatt plant, called Eurelios, is a major Community venture in efforts to develop alternative sources of energy.

Eurelios was built at a cost of £9 million. Half the cost was met out of Community funds and the rest of the finance was provided by Italy, France and Germany.

The plant is connected directly to the Italian national grid. Final tests on power generation and link-up to the grid were carried out successfully in January.

Eurelios features 182 giant mirrors, or heliostats, which refect the sun's rays to a boiler. This then produces steam which drives a turbine to produce electricity. Similar installations are being built in France, Spain, the United States and Japan.

A model of Eurelios will be on show at the Solar World Forum congress and exhibition, which is being staged in Brighton, England, on August 23-28. The purpose of the Forum is to explore the viability of solar heating and electricity generation in housing, industry and agriculture.

Scale models of experimental plants, designed to prove that electricity can be generated directly from sunlight in North European countries as well as sun-spots such as Sicily, will be on show. They are among 19 photovoltaic plants selected by the European Commission in collaboration with member state governments as pilot projects.

Trade

Ten draped in Stars and Stripes

In the words of European Commission President Gaston Thorn, May was 'American month' in the Community, with the visit of Secretary of State Alexander Haig followed in quick succession by those of three other senior members of the new Reagan Administration, as well as staging in Brussels of the twice-yearly trade talks between the two partners.

Mr Thorn's main theme in meetings with Secretary for Commerce Malcolm Baldridge, Special Trade Representa-

Cleaner seas
The Community is to conclude a protocol of the Barcelona Convention for the Protection of the Mediterranean against Pollution. It concerns co-operation between signatory states to combat pollution by oil and other harmful substances in cases of emergency. It will also negotiate its accession to the Bonn Agreement for co-operation in dealing with pollution of the North Sea by oil.

Anti-protectionist
The Ministerial Council of EFTA, with which the Community forms a free trade area of more than 300 million people, has reaffirmed the determination of the seven EFTA governments to strengthen free trade in Europe and to avoid protectionism. The Ministers, meeting in Geneva on May 14-15, also underlined the importance of closer economic and trade co-operation with the Community.

THE NEWS IN BRIEF

More seek work
Unemployment in the Community continued to rise in April, the last month for which figures have been compiled. It rose by 200,000 over the previous month to reach 8.5 million, continuing the steady rise since the beginning of 1980. National rates vary from 0.8 per cent in Luxembourg to 10.5 per cent in Belgium.

Some solace
Although prices rose sharply in the Community last year, the overall increase was below the OECD average and lower than in the United States. The Community increase was 12.2 per cent, compared with an OECD average of 12.9 per cent and a rise of 13.5 per cent in the United States. However, the Community's other main trading competitor, Japan, managed to keep to an 8 per cent rise.

Brighter prospects
The index of industrial production in the Community – seasonally adjusted – rose by 1.5 per cent in February, after falling 1.5 per cent in December and 0.7 per cent in January. The February increase is the biggest rise in a single month since June, 1979.

tive Bill Brock and Secretary for Agriculture John Bloch was that there should not only be an exchange of information between the two sides when major issues crop up but that there should be prior consultation before key initiatives are taken.

This was mainly a reference to the agreement reached by the Americans with the Tokyo government whereby the Japanese agreed to cut back exports of their cars to the United States. So far, the Community has failed to get a similar undertaking from the Japanese.

In talks with other Commissioners, as in the subsequent session of the twice-yearly meeting at the level of officials where details on trade between the two sides are hammered out, the main issues were Japanese car exports, the US 'trigger price' which is making Community steel exports to the US more and more difficult, and agricultural problems.

With regard to the latter, President Thorn told Mr Bloch that agricultural trade could not be one-way traffic, indicating that if the US wanted to export more of its produce to the Community it would have to be prepared to accept more Community produce on its own markets.

The spokesman of the American delegation Myer Rashish said that, for the moment, there were 'not major contentious or explosive issues' between the two sides.

The leader of the Commission delegation at official level, Sir Roy Denman, said that, while not every decision taken on the other side of the Atlantic could be greeted with 'cries of joy' in the Community there was nevertheless a good basis for co-operation between the Community and the Reagan Administration.

Japanese fail to respond to Ten's demands

The Japanese government is showing no signs of stemming the flood of Japanese goods onto the Community market, while at the same time refusing to take measures to open up the Japanese market to Community exports.

This became abundantly clear during the latest round of discussions between European Commission and Japanese government representatives in Brussels, after which the Commission's Director-General for External Relations, Sir Roy Denman, said he was 'very disappointed'.

Sir Roy said that progress had been 'pretty near zero' on the Community's demands made last November for rapid and effective moderation of Japanese exports to the Community, paralleled by the removal of tariff and non-tariff barriers to Community exports.

He listed a large number of sectors in which there had been no moderation in Japanese exports, and in some cases an increase. Particularly sensitive areas are automobiles, machine tools and televisions.

At the same time, the Community has failed to persuade the Japanese government to grant better access for Community exports, both industrial and agricultural. Problems also remain unresolved in the aircraft and shipbuilding sectors.

Despite Community complaints about not being given a fair deal, the Ten's deficit with Japan has increased by 46 per cent in the first four months of this year alone.

This trade imbalance must be seen against the background of the contrasting performances of the Japanese and Community economies. In the Community, minus growth is predicted for this year, while the Japanese forecast is 5 per cent. Last year, the Community had a trade deficit of $40 billion, while the Japanese figure was only $11 billion.

One concession which the Japanese seem to be prepared to make is to moderate their automobile exports to Germany and the Benelux countries, but not to the Community as a whole as the Council of Ministers has demanded.

External Relations

New phase in Euro-Arab Dialogue

The Euro-Arab Dialogue, which was launched in the early Seventies to promote closer co-operation between the Community and the Arab League states, is about to enter a new phase.

A meeting between the two sides will take place at ministerial level for the first time. Mid-November is the tentative date and the venue will probably be ▶

THE MONTH IN EUROPE

◀ Brussels or London. The Dialogue was suspended early in 1979 by the Arab League but got under way again last November at the request of the League following the Camp David agreements.

There are a number of areas where agreement could be reached by the Ministers when they meet in November. These include trade co-operation, transfer of technology, investment protection and promotion and cultural co-operation.

At the European Council meeting in Venice in June, 1980, the Community's heads of government emphasised in their communique the importance they attached to the Dialogue in all its aspects, and on the need to develop its political dimension.

It was after the Venice meeting that the Community leaders also issued an important declaration on the Middle East in which they expressed their support for the right of all states in the region to exist and expressed the belief that all parties concerned, including the Palestine Liberation Organisation, should be associated with any peace negotiations.

The Arab League, of which the PLO is a member, would like to see the Community go further than this. In a recent press conference in Brussels, Dr Ahmed Sedki Dajani, who is a prominent member of the PLO and who led the Arab side when the Dialogue was relaunched last November, said that lack of progress on this issue would undermine European influence in the Middle East.

To date, the Dialogue has been confined to matters of trade, technical and cultural co-operation. The Community currently takes about 35 per cent of the Arabs' total exports and supplies around 44 per cent of their imports.

External Relations

Ten step up food aid to Poland

The Community has decided on a third series of food aid measures for Poland. The latest batch of food to be made available to the Warsaw government at around 15 per cent below world prices amounts to 285,000 tonnes of cereals and will cost the Community budget £3¾ million in export subsidies.

The Community, in response to requests from the Poles at the end of last year, already agreed to supply just under 1 billion tonnes of cereals, dairy produce, meat and oil at a budgetary cost of £34 million. The total value of the food is in excess of £270 million.

The Polish government is being enabled to purchase the food by means of credits arranged for it by individual Community member states. The bulk of these contracts have now been signed and the food deliveries have been under way since the end of January. Deliveries are expected to be completed by the autumn.

Ten urged to co-operate more closely

Increased political co-operation between the 10 member states could be one way of injecting new life into the Community, Simone Veil, President of the European Parliament declared when she accepted the prestigious Charlemagne Prize for her contribution to the promotion of European unity.

Madame Veil said that the budgetary problems currently confronting the Community were almost an automatic consequence of the expansion of Community activity, but no one should allow themselves to believe that they could not be solved.

She called for the Ten to show greater political will to solve their problems together, warning of the incontestable resurgence of nationalism.

One way of overcoming this, she suggested, was for the member states to step up their political co-operation, whereby they have been more and more aligning their positions on foreign policy issues.

Madame Veil said there were three main reasons why Community governments had come to appreciate the need for this political co-operation. Firstly, without it, domestic policy co-ordination would be much more difficult. Secondly, the tendency of the United States to withdraw from international activity had placed new responsibilities on Europe's shoulders. Thirdly, a deterioration in relations between the two traditional power blocs had forced other countries to look to Europe to exercise its influence on the world stage.

Although she conceded that political co-operation between the Ten was still, relatively speaking, in its infancy, she declared: 'The organisation of Europe in a political sense is already under-way.'

Strategy for a new world economic order

If the Community is to survive the world economic crisis it must work towards stabilising the international economic environment and towards ensuring that the behaviour of its trading partners is more predictable in the future.

This is the main goal that the European Commission suggests the Community should pursue in the next round of the North-South dialogue, whose aim is to establish a new relationship between the industrialised, developing and oil-producing countries.

At the same time, the Commission suggests, in a paper to the Council of Ministers outlining possible negotiating positions for the conference, that the Community must set itself specific objectives with regard to international trade in energy and food, the role of international finance and, at home, the restructuring of its own manufacturing base.

If all of this is to be achieved, the Community must point to the existence of a link between the economic and political security of the industrialised countries and the creation of a new world order which offers sufficiently attractive prospects to the developing countries.

On energy, the Commission stresses the need internally for conservation and alternative domestic supplies; and, on the external front, co-operation, particularly between the industrialised and oil-producing countries, in the development of energy resources in Third World countries.

To tackle the world's food problem, the Commission favours, in addition to stepping up production where possible, stabilising world markets by means of negotiating new agreements for different food products, stockpiling in developing countries, improved access for these countries' food exports to the industrialised countries' markets, and an improvement of food aid, particularly to ensure that it matches requirements.

On the financial front, the Commission would like to see greater stability to ensure the maintenance of bank flows and other forms of transfer. It would also like to encourage more investment of oil surplus revenue and greater financial co-operation between the OPEC and industrialised countries.

Finally, in the industrial field, the Commission favours opening up markets to the developing countries and more consultation with them. It also stresses the need for more investment in commodities, particularly mining investment, a more stable pricing system that would be remunerative for the Third World producers and equitable for consumers in the industrialised countries, and help for the developing countries to process their commodities on-the-spot.

The Dialogue, which began in 1975 with a lengthy conference in Paris, is expected to get underway again later this year.

Rider added to aid for Turkey

The Community has decided to make aid worth £324 million available to Turkey over the next five years, but has repeated its insistence on the restoration of democracy in a country which one day hopes to become a member of the Community.

The military regime in Turkey, which has an association agreement with the Community designed to lead to eventual membership, gave assurances shortly after the coup d'etat last September which overthrew the Demirel government that democracy would be rapidly restored.

At its mid-May meeting, the Community's Council of Ministers agreed to make available to the Ankara authorities from next November a mixed aid package composed of loans and grants.

The £324 million will be made up of £121 million in the form of loans from the European Investment Bank at the Bank's usual rate of interest and £202 million from the Community budget, of which £175 million will be in the form of low-interest, long-term loans and the remainder non-repayable grants.

Competition

Power to combat mergers sought by Commissioner

The time has come for the Community to take effective action to prevent mergers between large companies which are detrimental to consumers or to other manufacturers, Franz Andriessen, European Commissioner responsible for competition policy declared recently.

Outlining some of his ideas on the direction he felt the Community's fair trading policy should take, he called for powers which would enable the Commission to act rapidly and effectively when such mergers are contemplated.

Mr Andriessen pointed out that as far back as 1973 the Commission had asked the Council of Ministers for such powers but it was still waiting for a decision. He felt it was now high time for the Council to act.

The Commission also considers that air and sea transport should be brought within the sphere of competition policy. There is currently a lively discussion being conducted at Community level about air fares.

The Regions

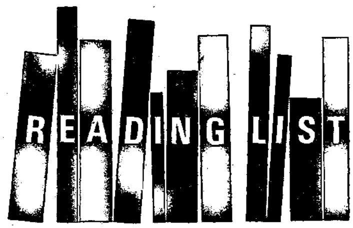
Aid package for Belfast now being studied

A £432 million package of measures designed to restore the economic and social structure of Belfast, which has been torn apart by civil disturbance over the past dozen years, is currently being studied by the European Commission.

The package of proposed measures, which earmarks around £216 million for home improvements, £108 million for urban transport, and around £54 million each for improving social and industrial infrastructures, is likely to benefit from a special new form of Community financing.

This is known as an 'integrated operation', which means bringing the different forms of Community financial instruments – Regional, Social and, where appropriate, Farm Funds, European Investment Bank, New Community Instrument and European Coal and Steel Community funds – into concerted play in a given area so that the benefits of each form of finance are maximised.

Such operations are carried out in a complementary way by the national and local authorities, and by the Community through its financial assistance arrangements.



Consumer Protection
The Council adopted the Second Programme for a Consumer Protection and Information Policy. This programme, intended to cover a period of five years, is to ensure the continuity of the first one adopted by the Council in 1975.
Ref OJ C 133 of 13.6.81

Development of Community Policies
The European Commission has launched its new proposals following the mandate given by the Council of Ministers on 30 May 1980. The proposals are designed to bring a better balance to the Community Budget and for a development of Community policy in the coming years.
Ref COM (81) 300

Report on Social Developments in 1980. In this report the Commission recalls the Community's main endeavours in the social sector in 1980, outlines the prospects for the near future and emphasizes the major problems the Community will have to face.
Available from HMSO, ISBN 92-825-2204-0, £4.40.

The 1982 Preliminary Draft Budget – The Right Direction

On 15 June the Commission sent its 1982 preliminary draft budget to the Council and to the European Parliament. The content and size of the budget proposals reflect two aims. In the first place, the Commission tried to keep the rate of increase in this preliminary draft at a generally acceptable figure. Commitment appropriations total 23 919 million ECU, an increase of 15.08%, and payment appropriations amount to 22 373 million ECU, an increase of 15.92%. These percentages are very close to the figure for the maximum rate of increase for non-compulsory expenditure, which this year is 14.5%. The Commission has also sought to make better use of the means at its disposal.

Budget revenue in 1982 – the impending exhaustion of 'Own Resources'

The Commission's estimate of the Communities' own resources as defined in the Decision of 21 April 1970 are for a year-on-year increase of 22% overall, but with differing rates for the separate items. Customs duties will go up by 10.6% because of an increased volume of imports and higher world prices.

The assumptions underlying the estimate for agricultural levies produce a figure much the same as in 1981. Sugar levies, on the other hand, will increase sharply because the agricultural decisions taken on 2 April involve a greater degree of co-responsibility in this sector. Together, these three own resources produce a total of 9 624 million ECU, of which 10% is returned to the member states as a flat-rate refund to cover collection expenses (Column 9, item G.1 of the expenditure table).

Value added tax (VAT) is the largest own resource in volume terms. The 1% ceiling of the base has gone up by 12.89% from 11 510 million ECU to 12 994 million ECU, mainly as a result of higher prices but also, to a very slight extent, as a result of a real increase in gross national product (GNP). Greece will pay a GNP-based financial contribution until 31 December 1983, after which date it starts to apply VAT.

The following table gives figures for the various items of revenue (preliminary draft amended budget for 1981 and preliminary draft budget for 1982). The total of 22 373 million ECU equals the total payment commitments to be met, an increase of 15.92% over the previous year.

The VAT rate rises from 0.88% to 0.95%, yielding a 22.05% increase in revenue. This leaves the Community with a margin of 615 million ECU (12 994 million-12 379 million) to cover any unavoidable, unusual or unforeseen circumstances which might arise during the next financial year.

Budget expenditure in 1982 – structural improvements

Expenditure under the general budget can be divided into five main aggregates which are briefly outlined below.

EAGGF Guarantee

The increase of 12.2% in EAGGF (European Agricultural Guidance and Guarantee Fund) Guarantee expenditure continues the trend of declining rates of increase which has prevailed since 1979. Over the last three years the average annual rate of increase has been a little over 10% which compares with 23% from 1975 to 1979.

On the old basis of calculation, the share represented by this area fell from 63.99% in 1981 to 62.28% in 1982 as regards payment appropriations and from 59.41% to 58.25% as regards commitment appropriations. The figures ▶

□ On 1 February 1981, the date used for conversions relating to the 1982 preliminary draft budget, 1 ECU was worth £0.52.

General budget revenue in million ECU (rounded figures)

TYPE OF REVENUE	1981 BUDGET	1982 BUDGET	% CHANGE
Customs duties	6.274	6.939	+10,60
Agricultural levies	1.902	1.899	– 0,16
Sugar & isoglucose levies	571	786	+37,65
VAT (0.8812% in 1981 and 0.9527% in 1982)	10.142	12.379	+22,05
Financial contributions from Greece	167	204	+22,02
Total own resources	19.056	22.207	+16,59
Miscellaneous revenue	161	166	+3,18
Available surplus	82 (token entry)		–
Grand total	**19.299**	**22.373**	**+15,92**

General budget expenditure by sector (rounded figures) in million ECU

	TOTAL APPROPRIATIONS FOR COMMITMENT					TOTAL APPROPRIATIONS FOR PAYMENT				
	1981 Budget	%	1982 Budget	%	Change %	1981 Budget	%	1982 Budget	%	Change %
	1	2	3	4	5=¾	6	7	8	9	10=8/9
I. **SECTION VI – COMMISSION** (Operating appropriations)										
A **AGRICULTURAL MARKET GUARANTEES**										
EAGGF Guarantee Section	12.135,00	58,38	13.617,00	56,93	+ 12,21	12.135,00	62,88	13.617,00	60,86	+ 12,21
B **FISHERIES**	87,48	0,42	86,08	0,36	– 1,61	48,48	0,25	96,83	0,43	+ 99,72
C **AGRICULTURAL STRUCTURES**										
EAGGF Guidance Section	697,37	3,36	770,35	3,22	+ 10,47	523,37	2,71	760,10	3,40	+ 45,23
Specific measures	14,64	0,07	16,47	0,07	+ 12,48	13,39	0,07	15,12	0,07	+ 12,93
Total C	**712,01**	**3,43**	**786,82**	**3,29**	**+ 10,51**	**536,76**	**2,78**	**775,22**	**3,47**	**+ 44,43**
D **REGIONAL POLICY**										
Regional Fund	1.540,64	7,41	1.940,75	8,11	+ 25,97	869,84	4,51	1.120,75	5,01	+ 28,85
EMS	203,03	0,98	200,00	0,84	– 1,49	203,03	1,05	200,00	0,89	– 1,49
Supp. measures (UK)	927,92	4,46	1.657,90	6,93	+ 78,67	927,92	4,81	1.657,90	7,41	+ 78,67
Total D	**2.671,59**	**12,85**	**3.798,65**	**15,88**	**+ 42,19**	**2.000,79**	**10,37**	**2.978,65**	**13,31**	**+ 48,87**
E **SOCIAL POLICY**										
Social Fund	963,00	4,63	1.350,00	5,64	+ 40,19	620,40	3,21	960,00	4,29	+ 54,74
Miscellaneous	53,58	0,26	46,96	0,20	– 12,35	54,73	0,28	46,49	0,21	– 15,06
Education & culture	11,31	0,05	10,29	0,04	– 9,01	11,31	0,06	10,29	0,05	– 9,01
Environment & consumers	4,32	0,02	10,93	0,05	+152,96	4,32	0,02	10,93	0,05	+152,96
Total E	**1.032,21**	**4,97**	**1.418,18**	**5,93**	**+ 37,39**	**690,76**	**3,58**	**1.027,70**	**4,59**	**+ 48,73**
F **RESEARCH, ENERGY, INDUSTRY, TRANSPORT**										
Energy policy	108,70	0,52	90,64	0,38	– 16,61	34,72	1,18	56,64	0,25	+ 63,16
Research & investment	283,64	1,36	437,25	1,83	+ 54,16	261,32	1,35	355,43	1,59	+ 36,01
Information & innovation	5,71	0,03	14,20	0,06	+148,90	5,99	0,03	11,47	0,05	+ 91,36
Industry & internal market	13,86	0,07	73,31	0,31	+428,96	10,99	0,06	30,80	0,14	+180,46
Transport	0,93	0,00	1,70	0,01	+ 83,78	0,93	0,00	1,70	0,01	+ 83,78
Total F	**412,83**	**1,99**	**617,11**	**2,58**	**+ 49,48**	**313,94**	**1,63**	**456,04**	**2,04**	**+ 45,26**
G **REPAYMENTS & RESERVES**										
Repayments to member states	876,50	4,22	962,41	4,02	+ 9,80	876,50	4,54	962,41	4,30	+ 9,80
Other repayments	170,70	0,82	175,12	0,73	+ 2,59	170,70	0,88	175,12	0,78	+ 2,39
Financial mechanism	469,00	2,26	p.m.	–	–100,—	469,00	2,43	p.m.	–	–100,—
Reserves	5,00	0,02	5,00	0,02	–	5,00	0,03	5,00	0,02	–
Total G	**1.521,20**	**7,32**	**1.142,53**	**4,78**	**– 24,89**	**1.521,20**	**7,88**	**1.142,53**	**5,11**	**– 24,89**
H **DEVELOPMENT COOPERATION AND NON-MEMBER COUNTRIES**										
EDF	–	–	p.m.	–	–	p.m.	–	p.m.	–	–
Food aid	714,59	3,44	798,70	3,34	+ 11,77	714,59	3,30	798,70	3,57	+ 11,77
Non-assoc. dev. countries	158,15	0,76	210,25	0,88	+ 32,94	88,40	0,46	120,25	0,54	+ 36,03
Specific & exc. measures	18,80	0,09	33,42	0,14	+ 77,78	15,55	0,08	29,26	0,13	+ 88,17
Coop. with Med. countries	246,81	1,19	221,40	0,93	– 10,30	159,13	0,82	141,80	0,63	– 10,89
Miscellaneous	39,15	0,19	49,75	0,21	+ 27,08	39,15	0,20	49,75	0,22	+ 27,08
Total H	**1.177,50**	**5,66**	**1.313,52**	**5,49**	**+ 11,55**	**1.016,82**	**5,27**	**1.139,76**	**5,09**	**+ 12,09**
TOTAL	**19.749,82**	**95,02**	**22.779,89**	**95,24**	**+ 15,34**	**18.263,75**	**94,63**	**21.233,74**	**94,91**	**+ 16,26**
II. **SECTION III – COMMISSION** (Staff & administrative appropriations)	682,72	3,28	757,96	3,17	+ 11,02	682,72	3,54	757,96	3,39	+ 11,02
Commission Total (I+II)	**20.432,53**	**98,30**	**23.537,85**	**98,41**	**+ 15,20**	**18,946,46**	**98,17**	**21.991,70**	**98,30**	**+ 16,07**
III. **OTHER INSTITUTIONS** (Staff & administrative appropriations)	353,13	1,70	381,28	1,59	+ 7,97	353,13	1,83	381,28	1,70	+ 7,97
GRAND TOTAL (I+II+III)	**20.785,66**	**100,—**	**23.919,14**	**100,—**	**+ 15,08**	**19.299,59**	**100,—**	**22.372,98**	**100,—**	**+ 15,92**

for 1982 will in fact be 60.86% and 56.93% respectively, since the Commission is recommending that food aid refunds (214 million ECU for payments and 316 million ECU for commitments) be transferred from the EAGGF Guarantee Section to food aid, so that the budgetary cost of this aid can be seen more clearly. At present only the cost at world prices is charged to food aid (see columns 9 and 4 of item A of the table, calculated by this new method).

Here again we can see the Commission's desire to tighten market management in order to reduce the proportion of the budget spent on farm price guarantees. The forecasts are based on the price decisions of 2 April 1981 and assume a gradual elimination of monetary compensatory amounts and reasonably favourable world conditions. They do not however take account of the price decisions for 1982-83, which will be agreed next year.

Structural expenditure

At the same time the Commission has shifted the emphasis to sections concerned with structural expenditure. It is recommending a very substantial increase in the Social Fund (40.2% for commitment appropriations and 54.7% for payment appropriations) and a large one in the Regional Fund (26% for commitment appropriations and 28.9% for payment appropriations). Considerable percentage increases amounting to 10.5% for commitment appropriations and 45.2% for payment appropriations in the EAGGF Guidance Section are also recommended. The large increase in payment appropriations is required because the Commission is emphasizing the need to respect the principle of annuality when fixing ratios between appropriations for payment to cover the new commitments which will be entered into and those from previous years.

The Commission's view is that the current budget crisis is due in large part to failure to observe objective ratios. This means that the difference between total appropriations for commitment and total appropriations for payment will narrow. The ratio in the 1982 preliminary draft budget is 1:07 (23 919 million ECU : 22 373 million ECU) while in 1981 it was 1:08 and in 1980 1:10. In the final budgets adopted by the budgetary authority these figures became 1:093 for 1981 and 1:104 for 1980.

It should also be remembered that the supplementary measures to assist the United Kingdom under the agreement of 30 May 1980 will total 1 657.9 million ECU gross (to which Britain also in fact contributes) of which 150 million (as against the 100 million ECU estimated in the 1981 ordinary budget) was paid as an advance in 1981. The financial mechanism will not operate, but the net payment to the United Kingdom will be, as estimated, 1 410 million ECU.

Research – energy – industry

Although the volume of appropriations under this heading is not large, it has been increased sharply, by 44.5% in commitment appropriations and by 45.3% in payment appropriations. The Commission is asking the budgetary authority for particularly large increases for research, notably, in the following areas: fusion, nuclear energy, JET, biomolecular engineering and raw materials. More money is also required for new information techniques, micro-electronics and industrial innovation.

Development co-operation

The Commission is recommending a large increase in the volume of food aid: in the case of cereals from 927 000 tonnes to 1 160 000 tonnes and in the case of sugar from 6 000 to 10 000 tonnes. It is also asking for 20 000 tonnes of vegetable oil to be given as a new type of aid. It is proposed that financial aid to non-associated developing countries be raised to 200 million ECU in commitment appropriations. The only appropriations in this area in which a reduction has been made are those concerning aid to the Mediterranean countries. There is no political significance in this since negotiations for the renewal of agreements, most of which expire on 31 October 1981, will begin soon. Since the budget cannot prejudge the outcome of these negotiations, only limited funds (50 million ECU in commitment appropriations, 10 million ECU in payment appropriations) have been allocated and these have been placed in reserve.

Administrative expenditure

This fifth heading, although small in total, is the subject of merciless scrutiny by the budgetary authority. The figure for the Commission has increased by 11.02%. The figure of 7.97% for the other institutions is only approximate since their estimates are not yet final.

Procedural problems

The following procedural problems will have to be overcome if the budget is to be adopted on time, that is by next December.

The first problem, one of strategy, is the adoption as rapidly as possible of an amending budget for 1981. When the Commission presented its preliminary draft ordinary budget for 1982 on 15 June 1981 it also submitted a preliminary draft amending budget for 1981.

The link between the two budgets is obvious since the Commission intends to increase payment appropriations for the Regional Fund (by 250 million ECU), for the non-associated developing countries (by 60 million ECU) and for EAGGF Guidance (by 55 million ECU) so that it can settle the commitments which it knows will need to be paid before 31 December 1981. It is also proposing an increase in the advances to the United Kingdom from 100 million ECU to 150 million ECU (advances in the previous year totalled 193.5 million ECU). In this way, the Commission will relieve the 1982 budget of 415 million ECU; this will be covered by savings of some 520 million ECU in the EAGGF-Guarantee Section.

It is also hoped that this amending budget will provide a solution to the present budget crisis. That, however, is another problem which cannot be dealt with in the space available here. From the procedural point of view, it should also be noted that the 1982 preliminary draft budget involves an increase in non-compulsory expenditure of 22.57% in commitment appropriations and 27.04% in payment appropriations. These increases will require a joint decision by the two arms of the budgetary authority, the Council and Parliament, because, as stated above, the maximum rate calculated is 14.5%. This means that the annual argument between the Council and Parliament will be repeated this year. (See page 28.)

The Commission hopes that until the Community has finally set its future course, the budget for next year will not be linked to measures which will have to be taken as a result of its 'May mandate' report on the restructuring of the budget and the resolution of situations considered to be 'unacceptable'. Nevertheless, the Commission's budget proposals have achieved a more satisfactory balance between the main areas of expenditure and are moving towards a better division of expenditure, a goal generally desired both by the Community and the member states.

Readers may like to know that the author of this article has written a basic work on the financing of the Communities entitled 'The Finances of Europe', published by the Office for Official Publications of the European Communities.

The English version is available from H.M. Stationery Office, P.O. Box 569, London SE1 9NH, price £7.

BRITISH BUSINESS IN EUROPE

–it's looking good!

In the May issue of EUROPE 81 we were able to announce that United Kingdom exports to Europe in 1980 reached a new high. Now comes a breakdown of Britain's performance figures. With exceptions in some areas of industry – such as motor vehicles – it confirms the steady improvement in the UK's export performance to the rest of Europe.

Exports last year were worth £20,400 million, and imports £19,700 million – a surplus for the UK of £700 million in its visible trade balance with the other member states of the European Community. This gave the UK an export/import ratio of 104 per cent – the highest figure since the UK became a member of the Community.

Two-way trade on visibles last year was valued at £40.1 billion. In 1972, the year before UK entry, the figure was £6.2 billion. One year after entry, trade stood at £8.8 billion, and there has been a steady climb since that time.

In 1980 total trade between the UK and the rest of the Community increased by 8.96 per cent from the 1979 figure, which in turn increased by 27.3 per cent over the 1978 figure. The 8.96 per cent increase in trade came in a year when the world-wide recession bit hard into all economies.

The UK's trading performance with the EEC last year converted its trade balance with the Community from a deficit of £2.6 billion in 1979 to a £700 million surplus in 1980. This improvement in the trade balance with the European Community played a major part in the UK's overall trade balance with the world as a whole – the UK now has a surplus of £1,200 million with the rest of the world. In 1980 exports from the UK to the rest of the world rose by 15 per cent, and imports by 11.9 per cent, as against the EEC figures for the year of a 20 per cent increase in exports and a 0.99 per cent fall in imports.

In 1980 exports expressed as a percentage of imports stood at 104 per cent – a very satisfactory contribution to the trend for exports to increase more per annum than imports since the mid-Seventies. This figure of 104 per cent compares with the 1979 figure of 86 per cent, and is the highest since the Sixties, though some allowance should be made for a falling-off in imports as a result of the recession.

Before British entry, the UK's trade performance with its potential partners was slipping, with a deterioration from 102 per cent in 1970 to 81 per cent in 1972. After entry in 1973 the ratio again fell, dropping to an all-time low of 70 per cent in 1975. After this, two years after the UK became an EEC member state and as tariff barriers were brought down over the transition period, the ratio started to improve, reaching the 80s in 1977, and 86 per cent last year.

The manufactured goods sector was in a crude deficit of £1,765 million in 1980, an improvement over 1979, when the deficit stood at £3,100 million. Again, as in 1979, the UK's lacklustre performance in trade in road

The UK converted its trade balance with the Community from a deficit of £2.6 billion in 1979 to a £7 billion surplus in 1980

vehicles accounted for a large part of this, in 1980 for 59.5 per cent of the deficit. If road vehicles were excluded, the deficit on manufactured goods for 1980 would be reduced to £659 million. The export/import ratio for manufactured goods in 1980 stood at 88 per cent, as opposed to 80 per cent for 1979. The overall reduction in the deficit would have been even larger, but for the unusually large imports of silver, and the impact of the steel dispute.

In the iron and steel industry the export/import ratio for 1980 fell to 40 per cent. This industry improved its performance steadily through the late seventies to achieve an export/import ratio of 61 per cent in 1979. 1980 saw a sharp decline, with exports falling from £452 million in 1979 to £371 million in the same period last year, due mainly to the impact of the steel dispute. If the iron and steel deficit were excluded from the manufactured goods by material section the deficit would be reduced to £315 million.

In 1980 the export/import ratio for the chemical and related products section stood at 108 per cent – the highest ratio ever. The ratio for 1979 was 96 per cent. Exports for 1980 were worth £2,324 million, and imports £2,149 million.

Within this section organic chemicals, inorganic chemicals, dyeing and tanning materials, medical and pharmaceutical products, essential oils and perfumes, and explosives all had export/import ratios in 1980 of well over 100 per cent. In particular, the medical and pharmaceutical products had a ratio of 188 per cent. Exports were worth £244 million and imports £130 million. One area of improvement in this section has been in exports of inorganic chemicals, which have increased to £303 million in 1980.

Machinery and transport equipment showed a healthy improvement in 1980, with the export/import ratio rising from 73 per cent in 1979 to 87 per cent last year. The deficit in trade fell from £1,977 million in 1979 to £874 million during the same time last year. In 1975 the ratio stood at 91 per cent. The success stories within this section include power generating machinery, office machinery, telecommunications and reproductive equipment, other transport equipment, and electrical machinery.

Road vehicles remains the problem industry within this section. Indeed, if road vehicles were omitted, the machinery and transport equipment section would have a £232 million surplus on trade. Looking in more detail at the road vehicles industry, there was an improvement in the export/import ratio in 1980. The ratio stood at 53 per cent, while for 1979 it was 44 per cent. 1979 was a particularly bad year for road vehicles, with the industry showing a deficit of £1,584 million, but this picked up slightly – to £1,106 million – in 1980. Back in 1975 the export/import ratio for road vehicles stood at 89 per cent.

Power generating machinery is another industry to have increased its export/import ratio – up from 116 per cent in 1975 to 131 per cent in 1980. This is an increase of 30 per cent on 1979. The lowest point reached by the export/import ratio was in 1978, when it stood at 101 per cent.

Metal working equipment made a recovery from a particularly bad year in 1979, when the export/import ratio fell to 46 per cent. In 1980 the ratio increased to 64 per cent – the highest it has been since 1977 when it stood at 69%. In 1975 the ratio stood at 53 per cent. The deficit last year was £75 million.

Electrical machinery increased the export/import ratio for its industry in 1980 period to 87 per cent from 73 per cent in 1979. The figure for 1980 is the highest the ratio has ever been. The deficit for 1980 stood at £103 million.

In the professional and scientific instru- ▶

ments industries, 1980 saw a £40 million surplus, and an export/import ratio of 113 per cent – the highest ever achieved in this industry.

Mineral fuels and lubricants, and one of its divisions, oil, continue to be the most successful of the five main sections which comprise the non-manufacturing sector. Oil exports have played the most important part in the UK's export recovery. Taking mineral fuels and lubricants first, exports in 1980 were worth £4,290 million and imports £1,496 million, giving an export/import ratio of 287 per cent. The ratio for 1979 was 169 per cent. The ratio has improved from 60 per cent in 1975.

Lastly petroleum products continue to be vitally important. The export/import ratio in 1980 was 284 per cent, as against the 1979 ratio of 169 per cent.

Britain's exports to Europe, measured as a percentage of imports

Minerals, fuels and lubricants including oil	287 per cent
Petroleum products	284
Power generating machinery	131
Professional and scientific instruments	113
Chemical and related products	108
Manufactured goods	88
Electrical machinery	87
Metal working equipment	64
Road vehicles	53
Iron and steel	40

BOOKSHELF

The Communist Parties of Italy, France and Spain: a casebook. Edited by Peter Lange and Maurizio Vannicelli. George Allen & Unwin, £18.00. Paperback £7.95.

This compilation documents and illustrates the ways in which communist regimes have responded to the shifts in political balance in Western Europe, the phenomenon of eurocommunism since 1945 and the positions of communist parties in pluralist societies.

Insight: the Third World. By John McCartney. Blackie, £1.25.

A soft-cover booklet written for 'O' level studies by a secondary school teacher with a clear, straightforward way of addressing young readers.

Employee Benefits in Europe, 4th edition. Callund & Co Ltd, £120.00

The 'bible' for employers who need an up-to-date reference giving details of social, occupational and international benefits available to men and women who work in other member states of the European Community.

Human Rights and Europe, 2nd edition. By Ralph Beddard. Sweet & Maxwell, £8.25 (paperback).

An up-dated reprint of a concise account of the European Convention of Human Rights as a framework of Community law. New chapters cover the jurisprudence of the Commission and the Court.

The Study of Social Problems, 3rd edition. Edited by Earl Rubington and Martin S. Weinberg. Oxford, £5.95 (paperback).

The Solution of Social Problems, 2nd edition. Edited by Martin S. Weinberg. Earl Rubington and Sue Kiefer Mammerstein. Oxford, £3.95 (paperback).

These are companion volumes, covering related aspects of sociological studies, which originated in the United States and draw on American case histories for their illustrations of human behaviour. They are essentially, though not exclusively, written as teaching aids. The bibliographies and reading lists consist mainly of American publications.

WHAT THE COMMUNITY HAS DONE FOR EUROPE

"The Community can take credit for a number of profound and historic achievements. I mention three in particular.

First, it has helped to create a zone of peace and stability in Western Europe. No more than a glance is needed at the pages of history to confirm the magnitude of the achievement. We are having to contend today with new and ugly forms of violence – with the terrorists who attack civilised society in all our countries. But the possibility of war between the nations of Western Europe has never been more remote. The Community has brought a new sense of cohesion among member countries. It has planted firmly in European soil the precious habits of cooperation and negotiation. It has strengthened liberal democracy in Europe and Europe's voice in the world.

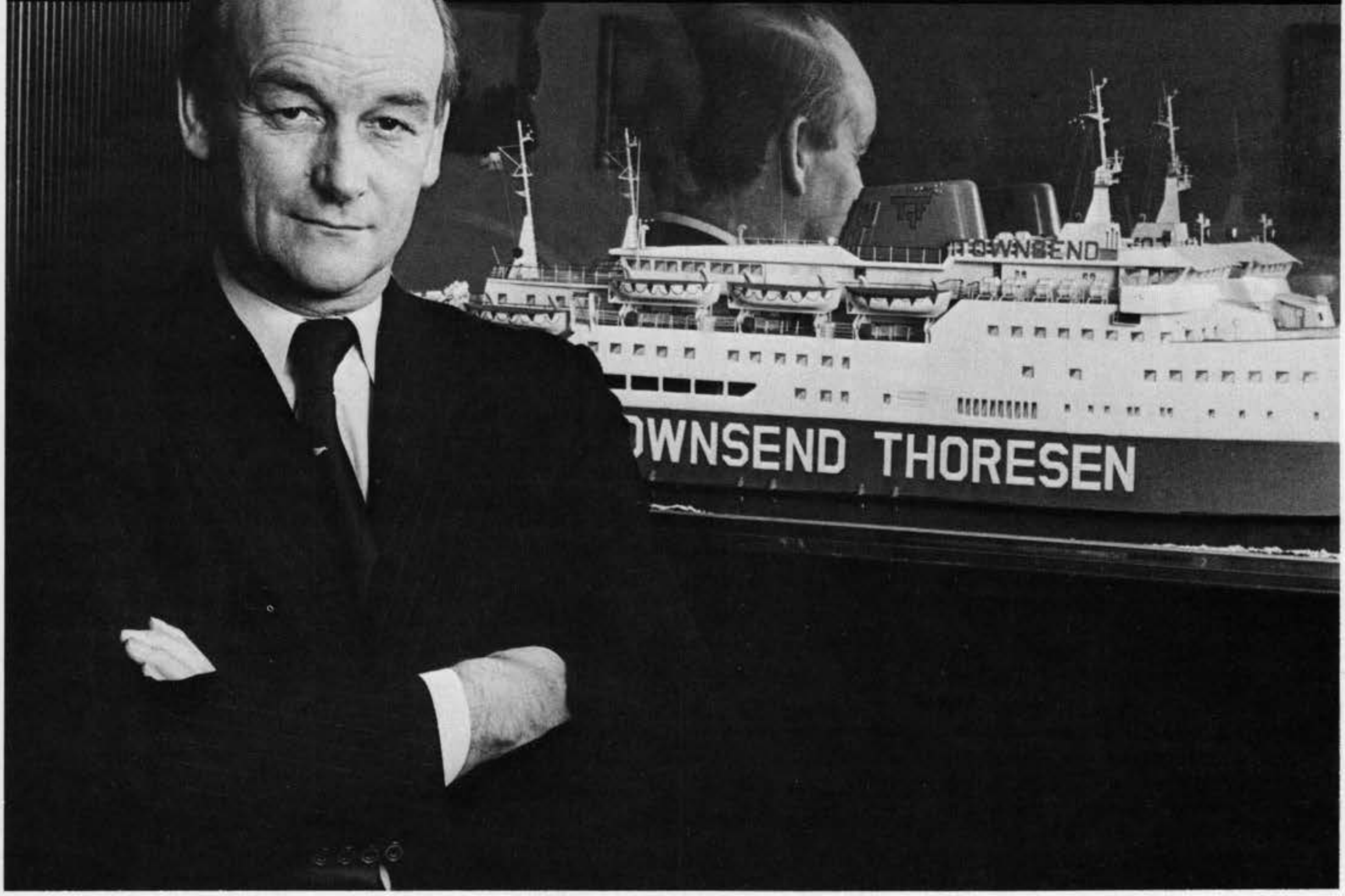
Second, the Community has surely made Western Europe significantly more prosperous than it could otherwise have been. The vast expansion of trade brought about by the elimination of tariffs between Community countries, and the dismantling of many non-tariff barriers, must have contributed powerfully to the enhancement of living standards in all Community countries. It is hard to measure such effects in statistical terms. But that in no way detracts from their importance, an importance which I believe is being increasingly recognised in Britain – and not before time.

Third, the common policy for agriculture, for all its faults, has raised food output in Western Europe to a remarkable extent, at a time of continuing reductions in the agricultural population. The policy has also helped to protect the economic and social structure of the countryside, in face of the pressures which increasingly threaten it."

– Sir Geoffrey Howe

□ From a speech by the Chancellor of the Exchequer at a joint meeting of the Foreign Affairs Institute and the European Movement held in the Hague, 3 June 1981.

The Business Page



BERRY RITCHIE looks at an enterprising British company that is setting the pace in ferry services to the Continent, and at a British competitor in the data systems market which is backed by a European Community grant

If you were asked to go out and find 100,000 people in the UK who were definitely in favour of close ties with Europe and to do it in a hurry, you probably couldn't do better than write to all the shareholders in Keith Wickenden's company European Ferries

Most of these shareholders, if the truth be told, have bought 300 shares in the ferry company: the minimum anyone needs to qualify for half-price travel to the Continent or Ireland on the company's ferries during all but the busiest times of the year. It is a perk which can cut up to £100 off the more expensive crossings from Felixstowe to Zeebrugge or Southampton to Cherbourg or Le Havre for a family man, especially if he is trailing a caravan.

European Ferries' operating company, Townsend Toresen, can claim to be the most profitable and successful cross-Channel group. The last couple of years have been ones of intense, not to say vicious competition with Sealink, P&O Ferries, and the other lines plying the Channel. As a result, it is possible to go to France today for less than you would have paid two years ago, if you pick your times and routes and take advantage of the many and varied concessions being proferred by some companies.

In real terms, fares are cheaper than ever before. It is a sign that, at last, demand has been outstripped by supply. On the Dover-Calais routes in particular, European Ferries and Sealink are locked in a confrontation that has them both sailing their big new ferries less than half-full at all but the peak holiday times.

But this has only come after 15 years of spectacular growth. Ever since the mid-Sixties the British have been driving over to France and on to Spain, Italy, the Alps, the Low Countries, in ever-increasing numbers, in spite of the parallel growth of airborne package holidays. European Ferries is coy about its share of the market, but last year it carried an estimated 1.5 million cars to the Continent and back – 750,000 each way – compared with 141,000 ten years ago.

Then, Sealink's share of the market was put at around 230,000 cars. Now the state-owned company and European Ferries both control approximately 30 per cent each of the car-carrying market, with P&O holding perhaps 8 per cent and Seaspeed-Hoverlloyd accounting for another 30 per cent between them. That's about 3 million cars a year each way, or six times what it was a decade ago. The number of people carried is even more dramatic – around 25 million.

The same kind of growth has been taking place in freight vehicles. Last year European Ferries carried a million vehicles to and from the Continent, many of them unaccompanied trailers.

The growth of freight business to and from the Continent over the past ten years is put at around 15 per cent per annum, which is just as spectacular as the expansion of passenger traffic. In view of the steady increase in importance of the Common Market countries as buyers of British exports, and the rise in UK imports of European products, the figures ▶

No pooling on the Channel run.

will not, I suspect, come as a surprise.

The price war between the ferry companies in the past two years has boosted business – or at least turnover. At the end of 1979 Sealink and its French partner, SNCF, decided to drop the joint pooling arrangement that allowed all the ferry companies to charge common fares on short cross-Channel routes. The state companies wanted to indulge in some aggressive marketing to increase their market share.

After an intense price war, exacerbated by the French fishermen's blockade of the Channel ports and a sharp downturn in freight due to the UK recession, the price of the conflict showed up in the profits. Sealink's operating profit fell from £13.6 million to £6.5 million and European Ferries dipped from £16.6 million to £9.7 million on its shipping activities. Quite how well the rivals are doing this year remains to be seen.

There, however, the comparisons end. Under the chairmanship of Keith Wickenden, European Ferries has grown in other directions in the last eight and a half years in the most extraordinary way.

Wickenden, now 48, took over as chairman of the company at the end of 1972 on the sudden death of his brother Roland. Within weeks he presided at the company's annual meeting, confounding everyone with his grasp of its affairs.

He looks intensely clever, with sharply appraising eyes and an ironic smile. He is a committed capitalist, president of the Small Business Bureau and Conservative MP for Dorking. He is also a devoted supporter of Brighton & Hove Albion Football Club – one of his lifetime ambitions was fulfilled when the club finally attained the First Division.

He is a daring and farsighted leader of European Ferries, which under his management has become a major international group. Its first diversification came through the acquisition of the small Scottish port of Cairnryan as part of Transport Ferry Services, sold by the last Tory government as one of its first hiving-off operations of state industries. Then Wickenden bought the Irish port of Larne, this time to pre-empt Sealink. The ports proved surprisingly profitable; so when Felixstowe came on the market, European Ferries was keen to buy.

The British Transport Docks Board fought a dour rearguard action to exclude European Ferries. But Wickenden won. And since then Felixstowe has expanded out of all recognition, becoming one of the main container ports in the UK. Last month (July) Transport Minister Norman Fowler opened Felixstowe's latest extension, a £32 million terminal which has doubled the port's lift-off container capacity to 750,000. Like the ferry business, the ports have been victims of the recession, but are still profitable.

Since then, European Ferries has bought a merchant bank, a 20 per cent stake in TV South, one of the new television franchise companies, and a golf and leisure complex at La Manga in Spain, where shareholders can buy villas on preferential terms.

However, Wickenden assures shareholders that European Ferries is not going to lose interest in remaining the biggest private link with Europe. If proof were needed, it has been provided in the company's bid last winter for Sealink, which the present Tory government wishes to sell to private investors. Perhaps not surprisingly, Sealink objects strenuously to the idea of being swallowed up by its arch rival, and the question is currently before the Monopolies Commission.

The British food industry has become one of Britain's most competitive industries, says trade secretary John Biffen. In an address to the Cheshire Cheese Federation in June he referred to Britain's 'historic trading patterns,' which have inhibited development of food exporting and day-to-day familiarity with such overseas markets as France and Italy. Now, Mr Biffen said, UK farmers' trading patterns have changed out of recognition.

'I see no reason why nations with which we are running an adverse balance of visible trade – France, Federal Germany, the United States – should not buy increasing quantities of food from us in the future,' Mr Biffen said, 'even where they have highly developed food manufacturing industries of their own.'

When I asked Graham Blease, chairman of Finsbury Data Services, how he managed to get his company an EEC grant of £75,000 towards developing a European data retrieval system, he replied, 'DG 13.' This turns out to be Dr Raymond Appleyard, director general of information, technology and innovation, whose department has been developing Euronet and is very keen to encourage a European information network to rival the currently dominant US computer data systems.

The big American networks have been becoming so universal that they have been attracting European subscribers, who communicate via satellite to places like Cleveland, Ohio, for information that first appeared in British, French or German newspapers. Euronet itself is what it sounds, a Continental-wide communications system linking computer users and services.

What has given the US systems the edge, though, has been the depth of information they can offer. The reason for the grant to Finsbury Data is that it is a new British database, or computer library, which is easily used by anyone and which has a wide enough coverage to be valuable on its own.

The idea grew from the success of the statistical Datastream system, developed by Blease and now enormously successful. That, however, was all figures. The trick of Finsbury Data is to 'access' – by which these illiterate fellows mean 'get at' – everything that is printed in the newspapers about business in words. It has been going for two years and is a really impressive concentration of information.

Finsbury Data précis the major UK newspapers, the financial weeklies, four French and four German dailies, plus 2,000 company reports and a clutch of stockbrokers' circulars and similar information. Nothing, you might think, any library doesn't do. Very true; but what library gives you a keyboard and a screen on which you – yes, you – can extract what is relevant among all that mass of information with the very minimum of training?

If it sounds as though I am impressed, I admit it. The only caveat is that using Finsbury Data costs £40 an hour for the cheapest but least efficient system, or £4,800 a year for an annual service complete with VDU.

The main areas it covers are broken down into companies, industries, economics, public affairs and the EEC. It is amazing how much is being written about the EEC in Europe's media.

The grant scheme from the EEC was announced in the autumn of 1979, and there were 230 applications. Only a few were accepted. Finsbury Data's acceptance was due to its plans to include translation of newspapers in its service. The grant is small against the £1 million that it has probably cost Finsbury Data's backers as the entry fee into the computer market. But the company's initial performance has already revealed a strong potential market.

Seeds of the gardener's discontent

JACK WATERMAN, in search of the Oregon Sugar Pod, takes a hoe to the tangled bed of Community regulations

According to the notes in my Gardener's Diary, high summer brings 'superabundance of French and runner beans, courgettes, globe artichokes and potatoes, with tomatoes and cucumbers just beginning; and, hard to believe, those seeds have actually produced beautiful plants and fulfilled the promise on the back of the seed packet'. For many gardeners, that last sentence will seem a little ironic. Whatever promise is fulfilled, it will be from a far smaller variety of seed packets.

Because of EEC regulations which came into force in mid-1980, about 1700 different names of vegetable seeds are no longer permitted to be marketed in this country. The measure caused a great deal of resentment among allotment holders and in gardens up and down the country. Once again, it seemed, the EEC was the villain, striking at the roots of British freedom, in this case the right of gardeners to grow what they liked (and, by implication, allowing Dutch, French, Germans etc to do as they pleased).

In a bout of bad publicity, the echoes of which can still be heard among the cabbage patches of Britain, the biggest dent in the EEC gardening image was inflicted by a story in a mass-circulation Sunday newspaper under the heading, 'Oregon Flavour Must Go out of Sunday Lunch'. It told the story of a gardener in Kent who could not find a variety of *mange-tout* pea called Oregon Sugar Pod when he received his 1980 catalogue from the Ipswich firm of seedsmen, Thompson and Morgan.

The story maintained that this customer had been growing Oregon Sugar Pod 'for as long as he could remember'. However, this does not quite tally with the fact that, in the Thompson and Morgan catalogue as recently as 1977, Oregon Sugar Pod was announced as 'NEW!... This new variety is a great improvement'. Nevertheless, the story was correct in saying that the variety was no longer available, adding that 'Common Market bureaucracy has seen to that'.

It was also correct in saying that the seed firm had been fined £100 for offering it for sale with some other varieties of seed not officially recognised. The gardener was quoted as saying: 'Why should some clown in Brussels tell me what I can or cannot grow in my own garden? I don't want to sell peas. I just want to grow them for family meals."

He also wrote to his Member of Parliament (British, not European), Jonathan Aitken, who in turn wrote to Peter Walker, the Minister for Agriculture, asking why 'perfectly good vegetable seeds that people in Britain have always used should be withdrawn?' Mr Aitken was quoted as saying: 'This example of Common Market regulations proves once and for all the ridiculous bureaucratic tangles we have got ourselves into by joining the Common Market'.

So the damage was done, as far as the EEC is concerned, with particular emphasis on the phrase (which did not apply anyway in the case of Oregon Sugar Pod) 'Seeds that people in Britain have always used'. The implication was that at a stroke of the pen, innumerable favourites of the British gardener had been swept for ever on to a kind of bureaucratic compost heap.

What really happened?

Strange to say, the process of regulating what seed could or could not be marketed in Britain began not in Brussels but in Britain itself, long before we joined the Community in 1973. Statutory controls over the sales of seed of plant varieties were first introduced in the United Kingdom in 1966, when sections of the Index of Names of Plant Varieties were applied to wheat, oats, barley and potatoes. In the following years up to 1971, index sections were introduced for peas, French beans, runner beans, broad beans and lettuces. The Index itself arose from the findings of a Parliamentary committee as long ago as 1957.

When Britain joined the Common Market the National List system was introduced which in effect was an extension of the original Index. It applied to about 80 of the major agricultural and vegetable crops; and, as in the case of the Index, made official testing of varieties a pre-requisite for their inclusion on either the Agricultural or Vegetable National Lists. It differed from the Index, nevertheless, in being less restrictive about the seed which could be marketed.

In the eight other EEC countries, national lists were also compiled. From all of them, including the UK, the Commission in Brussels issued two Common Catalogues, one relating to varieties of agricultural plant species and the other to varieties of vegetable species. As far as vegetables are concerned there are 1263 vegetable varieties included on the UK National List. But in the EEC Common Catalogue of Vegetable Varieties there are approximately 8,500 – so throughout the EEC there is a wide choice.

But what about the 1700 names of vegetable varieties that were deleted from the UK National List last year, and which helped to cause the rumpus along with varieties such as Oregon Sugar Pod which were not on this list anyway?

Back in 1973 it was realised that sudden introduction of statutory controls would cause disruption both to the seed trade and to growers, particularly in the case of vegetables. So it was agreed that the following four categories could remain in the National Lists for a period of seven years (i.e. until June, 1980).

First, non-traditional synonyms – that is, an alternative name for the same vegetable variety adopted by individual seedsmen to give the impression that it is a different variety. Second, 'pipe-line' varieties in breeding programmes at home and abroad which might or might not come to fruition. Third, names ▶

A wide choice – but what about the seeds we can no longer buy?

included at the request of seed firms to allow for the disposal of seed stocks – this to take care of varieties to be deleted by them anyway because they were no longer in enough demand to make them commercially viable. And fourth, mis-spellings and corruptions of listed names.

All the names deleted last year fell into these categories. And, so far as the agricultural departments were aware, no true varieties of interest to UK seedsmen, growers and gardeners fell under the axe.

To illustrate the process, and how in the past gardeners may have been misled into thinking that different 'brands' of seed were in fact different *varieties*, here are the deletions for just *one variety*, the Autumn Giant Cauliflower: Early Autumn Giant, Early Italian Giant, Eclipse, Extra Early Autumn Giant, Harrison's Decimo, Late Italian Giant, Michaelmas, Non Plus Ultra, November Pride, Novo, Novo Castria, October, October Pride, Primus CWI, Pure Pearl, White Acre, Winter.

The legislation is not aimed at restricting choice but at ensuring the free marketing of seed of any listed variety throughout the Community, and protecting the consumer, whether private gardener or commercial grower, by ensuring that he gets what he expects from the variety's name and description.

'Old varieties disappear from seedsmen's lists when their popularity declines'

One question remains. Is the National List system responsible for the disappearance of many old, traditional varieties of vegetables? Apparently not. In fact (sad to say, and a concomitant of so-called progress), old varieties generally disappear from the List when their popularity with gardeners declines to a point where it is not worth a seedsman's while marketing it, and so requests its removal from the List.

This raises a larger issue: gardeners may be troubled and frustrated by the disappearance under this process of a seed they have known for years. But plant breeders have a deeper cause for concern – the loss of valuable genetic material. It would be impossible to force a seedsman to maintain a variety which he wished to have removed from the national list. However, in order to preserve the national genetic inheritance, seed samples of deleted varieties are sent to the vegetable gene bank at the National Vegetable Research Station at Wellesbourne.

The problem is also being dealt with at Community level. There are gene banks at Braunschweig in Germany and Bari in Italy, and the Commission is involved in research to assess and exploit natural variability for the production of new types of plants. Also, work is centred on preparing an inventory of the sources of genes resistant to disease in Community countries.

A final note on the original seed of discontent – the Oregon Sugar Pod. This, along with other Thompson and Morgan seeds that had to be withdrawn from sale, is now undergoing tests at the National Institute of Agricultural Botany, Cambridge in order to qualify for the National List. A spokesman for the firm was optimistic that Oregon Sugar Pod would pass. And as soon as that happens, the 'Oregon flavour' will be back on the Sunday dinner table.

What do you know about article 119?

The average person in the street is unlikely to know much about article 119 of the Treaty of Rome. But it is possibly the single most dynamic social provision in the European Communities. Article 119 simply says that each member state shall 'maintain the application of the principle that men and women should receive equal pay for equal work.'

In 1976 a Belgian air hostess, Miss Gabrielle Defrenne, was awarded equal pay with her male colleagues by the European Court of Justice. It said that article 119 was that special type of European law which applies directly to the law of each member state, and may be enforced by individuals in the national courts in the same way as their own national law.

Since then, the scope of article 119 has been widened in a series of decisions by the Court, all on English cases. The UK Equal Opportunities Commission pointed out to the British Government in January 1981 that our Equal Pay Act of 1970 has several important gaps in its protection of equal pay. But it is the European Commission and the Court of Justice, interestingly enough, which are doing most in practice to plug these gaps.

On the legal front, the Court of Justice has been saying, in effect, that article 119 applies to protect individuals even where the Equal Pay Act does not. Thus Mrs Wendy Smith was able to claim equal pay with a man who no longer worked for her employer – a situation covered by article 119 but not by the Equal Pay Act.

Similarly, Susan Worringham and Margaret Humphreys were able to use European law to invalidate a discriminatory pension scheme, and Jeanette Jenkins has established that part-time workers can claim equal pay with full-time workers where most of the part-time workers are women.

Two employees of British Rail, Mrs Eileen Garland and Mr Arthur Burton, are presently waiting for decisions by the Court on discriminatory retirement 'perks' and access to early retirement. None of these people had any remedy under English law.

On the political front, the Commission is seeking to ensure that the member states of the Community comply with their obligations to pass legislation according to the broad guidelines set out in two Council Directives of 1975 and 1976, on equal pay and equal treatment respectively, which are designed to extend radically equal protection of men and women in the European Community.

For example, the UK has been warned that the exclusions under the Sex Discrimination Act of 1975 are too wide, in breach of the Equal Treatment Directive. A particularly contentious exclusion is the training and employment of midwives, the consequences of which are well illustrated in the case of Mr Norman Imms, a male nurse who lives in County Durham with his wife and three children. Males are only accepted for training as midwives in Scotland and London, and so Mr Imms is unable to train at the nearby Sunderland Maternity Hospital but must leave home or abandon the whole idea.

'Article 119 protects individuals even when the Equal Pay Act does not'

He has threatened to take his case to the Court of Justice, but as the two Directives are not automatically part of English law, unlike article 119, he would be well advised to wait until the British Government changes the law, as it will have to do in the near future. Failure to implement these changes would be a breach of the Treaty of Rome, rendering the UK liable to prosecution before the Court of Justice.

The continuing pressure by the Commission on the British Government, and the legal implications of the cases on article 119, point to the desirability of speedy legislation to resolve the lottery of our domestic anti-discrimination laws. Amidst a welter of criticism of the European Community as a horse-trading (or fish-trading?) institution, obsessed with agricultural issues, it is timely to recall that reform of one of the basic social issues of our time – inequality of employment opportunity – is likely to flow from the Common Market.

C. A. DOCKSEY

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A matter of taste

DERWENT MAY describes the pleasures of the Bordeaux vineyards, home of the Englishman's favourite wine

The novelist Evelyn Waugh wrote in his diary for 31 December that he could look back on the year with satisfaction – he had drunk 300 bottles of excellent claret during it. I doubt whether many people will be writing that in their diary on 31 December 1981.

Claret of the great classified growths has become very expensive indeed – you won't get a bottle of a fair year like 1973 for much under £10, and for a 1971 bottle of any of the three most famous wines, Château Lafite-Rothschild, Château Latour and Château Mouton-Rothschild, the current Berry Bros list asks £26.45.

But the British have loved claret for 700 or 800 years at least – it was known in the Middle Ages as Gascon wine, when there were already strict laws about not blending it – and wine merchants have been very enterprising in the last five or ten years at finding good bottles at a more manageable price. Many of the clarets at £3 or £4 a bottle with which merchants now head their lists are from Bordeaux vineyards outside the Médoc – districts like the Côtes de Blaye, the Côtes de Bourg and Fronsac, over on the right bank of the Gironde. More and more often the wines are château-bottled, and fine clarets many of them are. They do not pretend to the haughty richness of the great Médoc wines; nevertheless they have the distinctive edge of claret, that curiously measured tang and fragrance that can never be wholly described but is unmistakable to any confirmed claret drinker.

However, surprisingly few Britons visit the Bordeaux vineyards to see where the wine comes from. In fact, I have found that the British are made very welcome in the Médoc. No doubt it is best to telephone a château in advance to say one would like to pay a visit; but if one just knocks at the door, one will often be shown round with a great deal of considerate attention.

An ideal time to go is early in September, just before the harvest. One misses the excitement of the grape-picking – and all the free grapes that are flung at one – but during the picking no-one has any time for visitors. Just before it, there is a distinct lull in the fields and around the château.

The landscape is very beautiful at this time: the vines are all kept at the same height, and the vinetops sweep like an unbroken, tranquil sea to every horizon. Along the roadside edges of the field, at the end of each row, there are often planted roses and dahlias, their petals beginning to spill in the late summer sun. The fields are almost deserted – only a few women going past, desultorily pulling up the last few weeds from under the rows. The grapes lurk, for the most part, low down on the stem, half hidden by the leaves, almost ready to be gathered. The paths dividing the sections of the fields are white and dusty – the air silent, for there are not many birds among the vines.

The châteaux themselves are sometimes magnificent country houses, sometimes not much more than farmhouses, though even those usually have a fine façade, and a dash of mediaeval fantasy about them. If you call on spec, you are likely to meet the *régisseur* – the local man, probably with a Gascon accent, who is in charge of the whole operation of bringing in the grapes and making the wine. Around the sheds at the back of the château, a few employees may be labelling bottles, or just mowing a lawn, while waiting for the harvest. You will be taken to see the two most important buildings – the two *chais*, or barns, in one of which the grapes are fermented, while in the other the wine is stored in casks.

The first *chai*, usually, will have several enormous stainless-steel vats in it. At one end there will be the wine-press – also, probably, a steel container, with a powerful steel piston or pounder to crush the grapes. There are not many châteaux left where the grapes are crushed by human feet. The grape-juice from the wine-press is pumped into the vats, or *cuves*, where it will stay for three or four weeks to ferment.

This is perhaps the most important time for the wine. During these three weeks the sugar in the grapes slowly turns into alcohol. The temperature throughout must be just right, and all the modern steel vats have an elaborate mechanism to try to ensure this. Also, day by day, the drop in the proportion of sugar must be monitored. If the temperature rises too high the wine may be completely destroyed. But if the process goes right, this is when the colour, the tannin, the suppleness in the wine begin to be established.

Go into the next *chai* with the *régisseur*, and an even more dramatic sight greets you – line upon line of empty oak barrels waiting to be filled. They will all have been scrubbed until they are immaculately clean – unless, as is the case with some of the great châteaux, brand-new casks are used for the new wine every year, and the old ones sold to humbler neighbours.

Into these casks the wine will be transferred when it leaves the *cuves*. (The debris of stalks and skins that are left behind in the vats will be converted into *eau de vie*.)

Then will come the wine's long sleep in the dark *chai*. It will normally stay in the barrels for two years. Every three months or so it will be transferred to other barrels, and cleaned of further dregs or deposits.

For the moment, though, these barrels are ▶

empty. Behind them are further lines of barrels, containing the wine of the two previous years.

It is here you will get a glass or two of wine to taste. A small hole is drilled in the cask, a glass pipette put into it, then a lever is pushed behind a loose iron band round the middle of the cask, and a glassful of wine pressed out for you. The hole will be stopped again with a little wooden plug, of which plenty are lying around on the tables, waiting for tests and tippling such as this.

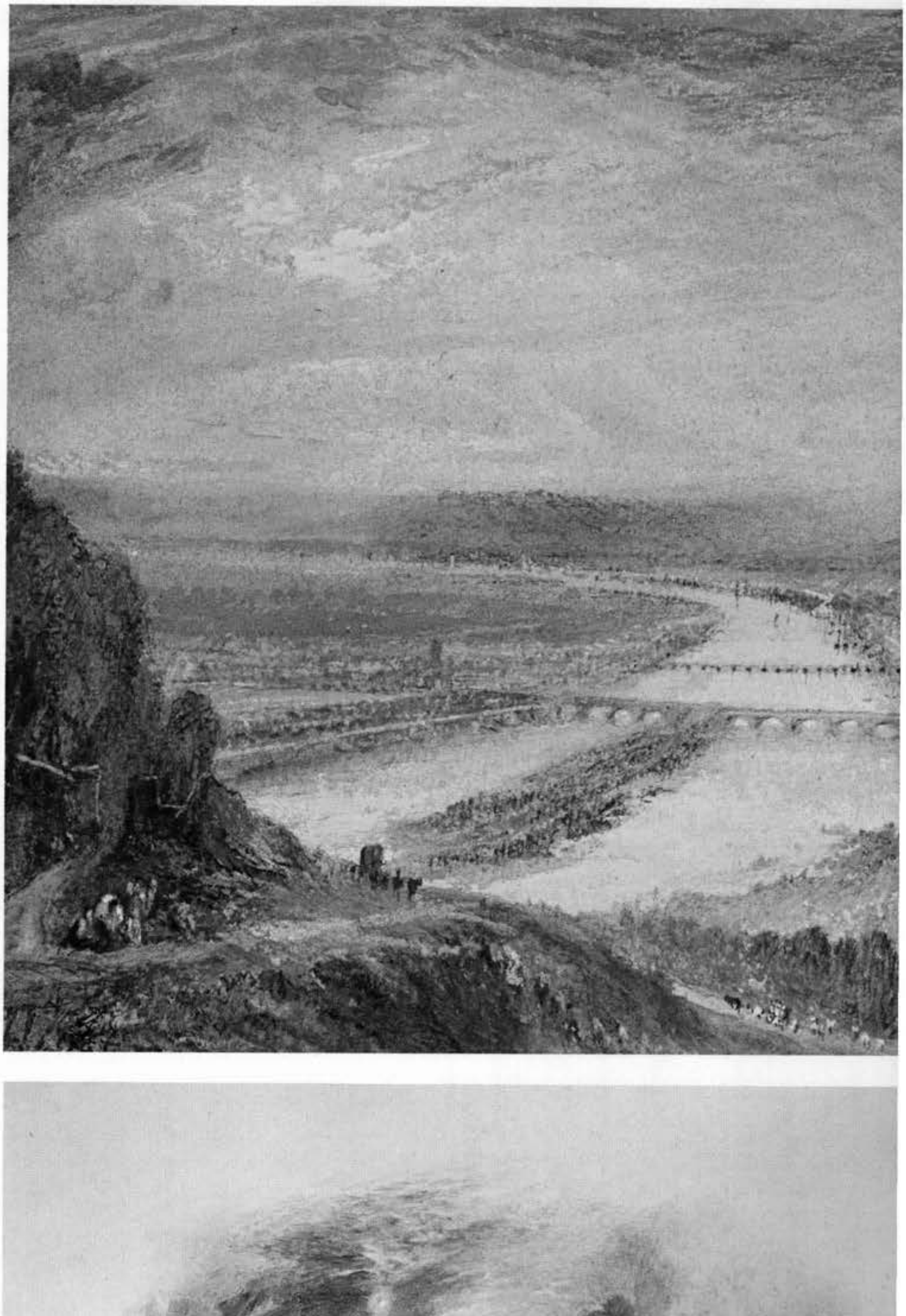
Last year's wine will still be rather raw; the *régisseur* will probably spit it out, after rolling his glassful round his mouth, though the visitor may well be inclined to drink his own glass up! The two-year wine will be distinctly better – though very few clarets can be drunk with full pleasure as early as this.

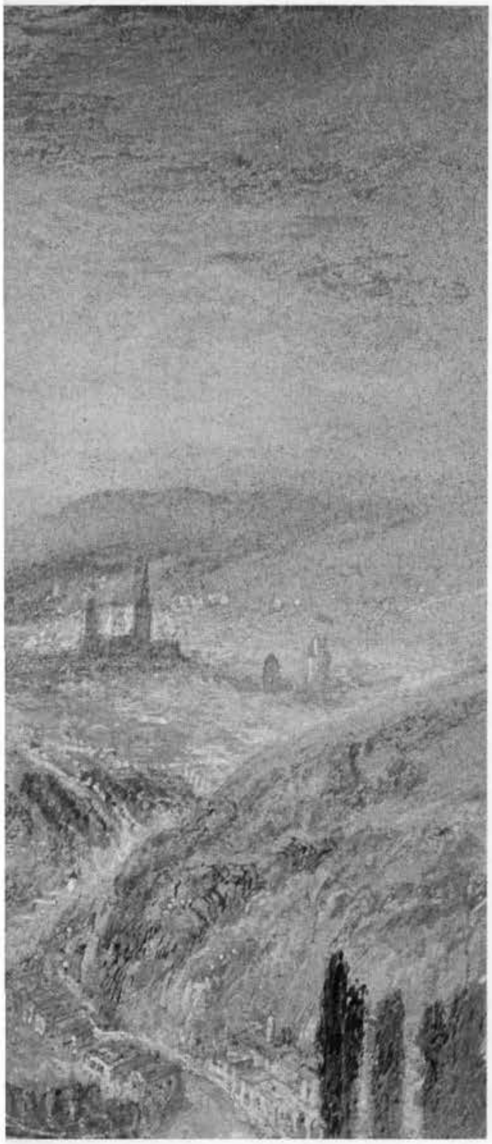
If you want a better wine, you will probably have to buy it – there is always plenty of the château's wine on sale, but it will not cost you much less than you would pay in London or Paris. However, there is a special pleasure in going home with some bottles of wine from the place where it was grown and made.

The wine is put into bottles after two years in the casks, and most of it is sold straightaway to the Bordeaux merchants, or direct to foreign buyers. But there is one more place for you to be shown – the wine 'archives'. For this you will have to go underground to the cellars. All around will be the racks of bottles that the proprietor has not yet sold; you will go past them, and through a little iron grille in the wall that your guide will unlock for you. Here, by a dim light, you will be able to see samples of the wine produced by the château from up to a hundred years ago – bottles brought out only one or two at a time, for a holiday or wedding, an honoured guest, an important English buyer who has been invited to lunch.

A good place to stay in the Médoc is Pauillac, on the shore of the Gironde. It has a few hotels along the waterfront, where men play *boules* under the poplars, a small town centre, and, only yards away, some of the most famous vineyards in the world. One exceptional place to visit there is the Château Mouton-Rothschild, where the long rooms full of barrels are like great mediaeval drinking-halls, and the cellars are lit with chandeliers. Also at the château there is a spectacular wine-museum – not a collection of tools and machinery, but a superb display of works of art connected with wine, like tapestries of drinking scenes and jewelled and porcelain wine cups from all over the world.

The EEC policy on wine is to cultivate more areas of high quality production, and to discourage wine-making in less suitable regions. One remembers that the Médoc was not the most important wine district of Bordeaux till 300 years ago, and that its fame has only come after generations of loving attention. It leads one to ask: will another part of France take, one day, the honours from the Médoc, and become the place wine-drinkers go to visit with the feelings of awe that the pleasures of Pauillac now inspire?





TURNER IN EUROPE

SELBY WHITTINGHAM discusses some of the subjects that inspired Britain's greatest painter on his Continental travels – and puts in a word for an independent Turner Gallery

Two fine Turners of European subjects that have recently been through Christie's: Rouen from St Catherine's Hill and (left) an emotive view of the Field of Waterloo.

Since the bicentenary of the birth of J. M. W. Turner in 1975 there has been a campaign mounted by the Turner Society to have all the paintings, watercolours and drawings which he bequeathed to the nation housed in a separate 'Turner's Gallery', according to the terms of his will.

This idea has met with antipathy from some members of the British art establishment. But in mainland Europe, from Turner's day to the present, the idea of a gallery devoted to a single artist has been much more acceptable. In 1983 there will open in Paris the third independent museum devoted to Picasso – with whom, for variety, few can compete better than Turner. Scheduled optimistically to open the following year, the 'Clore Gallery for the Turner Museum' is being elaborately dressed up to conceal the fact that it will only be a new wing of the Tate Gallery.

It has been argued that an artist's works should not be seen in isolation, but in the context of the work of other artists, and, in Turner's case, in the context of his English contemporaries. What is clear is that Turner left two paintings to hang between two by Claude at the National Gallery, and that he wished to be judged by the standards of the greatest masters of European art. So from 1820 onwards he exhibited paintings whose titles and subjects were chosen as tributes to various old masters, such as Raphael, Rembrandt and Canaletto.

It is true that Turner was a patriot and wanted to establish a charity for the support of poor artists 'born in England and of English parents only.' Patriotism ran high among English artists at the time of the Napoleonic war, and from the beginning of the 19th century there were hopes that at last a native British School of painting was being created. This led to various attempts to found a National Gallery of British Art. But Turner does not seem to have had anything to do with these attempts.

In Bavaria, Ludwig I had a similar idea of establishing the Neue Pinakothek at Munich, eventually built 1846-54, beside the Alte Pinakothek. This was reopened earlier this year with a recently acquired Turner in its collection, one of the very few in European public galleries. In 1845 Turner sent his 'Opening of the Walhalla' to be exhibited at the Congress of European Art at Munich and had appended the caption to it a couple of years before: 'L'honneur au Roi de Bavière.' Ludwig I had built the Walhalla, and earlier the Glyptothek, at Munich. The latter was to house some classical Greek sculpture unearthed by Turner's friend, C. R. Cockerell, for whom Turner made a watercolour showing the sculptures lying around the temple where they had been found.

Turner never went to Greece, but he based his views of it on sketches by other artists. However, he was influenced by the Greek Revival, and many of his major pictures have Greek myths as their subjects. He also drew upon the other main sources of European culture, such as its history and the Bible, and was the least insular and most European of all England's painters.

The European landscape was as important to him as its culture, and he evidently felt a constant need to revisit it to renew the impressions it created on him. Perhaps his most popular works at the apogee of his career in the early 1840s were his views of two areas of Europe: watercolours of the Swiss Alps and oil paintings of Venice.

The Napoleonic wars prevented him from seeing much of the continent until he was over 40. In 1799 he turned down an invitation to go and draw archaeological remains in Greece, because the terms offered were not good enough. But in 1802 he managed to visit Switzerland and see Napoleon's collection of masterpieces at the Louvre. This, like his next two trips abroad, has been seen as a turning-point in his career. Of Switzerland he wrote, 'The country on the whole surpasses Wales: and Scotland too.' In the Louvre he saw the peaks of European art in a greater concentration than he could have done in England, and he filled a sketchbook with records of his impressions of them.

In 1817 he made his next trip across the Channel, this time down the Rhine. The set of watercolours he made of it faithfully catch the particular scenic character and hues of the Rhine. This centre of European romanticism provided the subject for an excellent exhibition at the Wallraf-Richartz-Museum at Cologne last winter.

On the way he toured the site of the battle of Waterloo. This became the subject of a painting, 'The Field of Waterloo', which he exhibited the following year, and of several watercolours, one being an illustration to Byron. In each he shows, not a famous British victory, but a battlefield strewn with corpses, the horrors of war rather than its national glory.

This same visit revived his interest in Dutch painting, and in rivalry with Aelbert Cuyp he painted one of his most perfect pictures, 'The Dort', which he exhibited with the 'Field of Waterloo'. It was an earlier tribute to Dutch painting, a picture he called variously 'Dutch Boats' or 'Sun Rising Through Vapour', which he chose to hang with one of his Claude-like Carthaginian scenes between two Claudes at the National Gallery. The second title seems to anticipate Monet's 'Impression, Sunrise' – and perhaps Turner is most often linked with the two great Frenchmen, Claude and Monet.

His first visit to Italy followed in 1819-20. This has been seen as one of the greatest turning-points in his career, in that the bright Mediterranean colours propelled his art in the direction of even greater brilliancy – a facet of his work that was more noticeable to contemporaries, who, unlike us, were unused to such brightness in paint and who saw Turner's work undimmed by time.

'You will have heard of Mr Turner's visit to Rome,' wrote Eastlake in February 1829 from that city. 'He worked literally night and day here, began eight or ten pictures and finished ▶

and exhibited three – all in about two months or little more. More than a thousand persons went to see his works when exhibited, and you may imagine how astonished, enraged or delighted the different schools of artists were at seeing things with methods so new, inventions so daring and excellencies so unequivocal . . .'

'The European landscape was as important to Turner as its culture'

In 1833 there was advertised the first part of 'Turner's River Scenery of Europe', for which he had been collecting material for some years. The first volume was devoted to the Loire, and those for 1834 and 1835 to the Seine. Of 'Rouen from St Catherine's Hill' in the Seine series, Ruskin wrote: 'If any foreign master of landscape painting, hitherto unacquainted with Turner, wishes to know his essential strength, let him study this single drawing, and try to do anything like it.'

'Of all foreign countries he has most entirely entered into the spirit of France,' Ruskin had said earlier. And indeed Turner's last visit to the Continent was to Northern France in 1845, when he was invited to dinner at the chateau of Eu by King Louis Philippe, whom he had met first as his neighbour in Twickenham thirty years earlier. It does not seem at all before time, therefore, that a 'Turner in France' exhibition will open in Paris this October at the Centre Culturel du Marais, whose idea it has been. This will continue until January 1982, and in 1983 the French are hoping to put on a bigger and more general Turner exhibition at the Grand Palais.

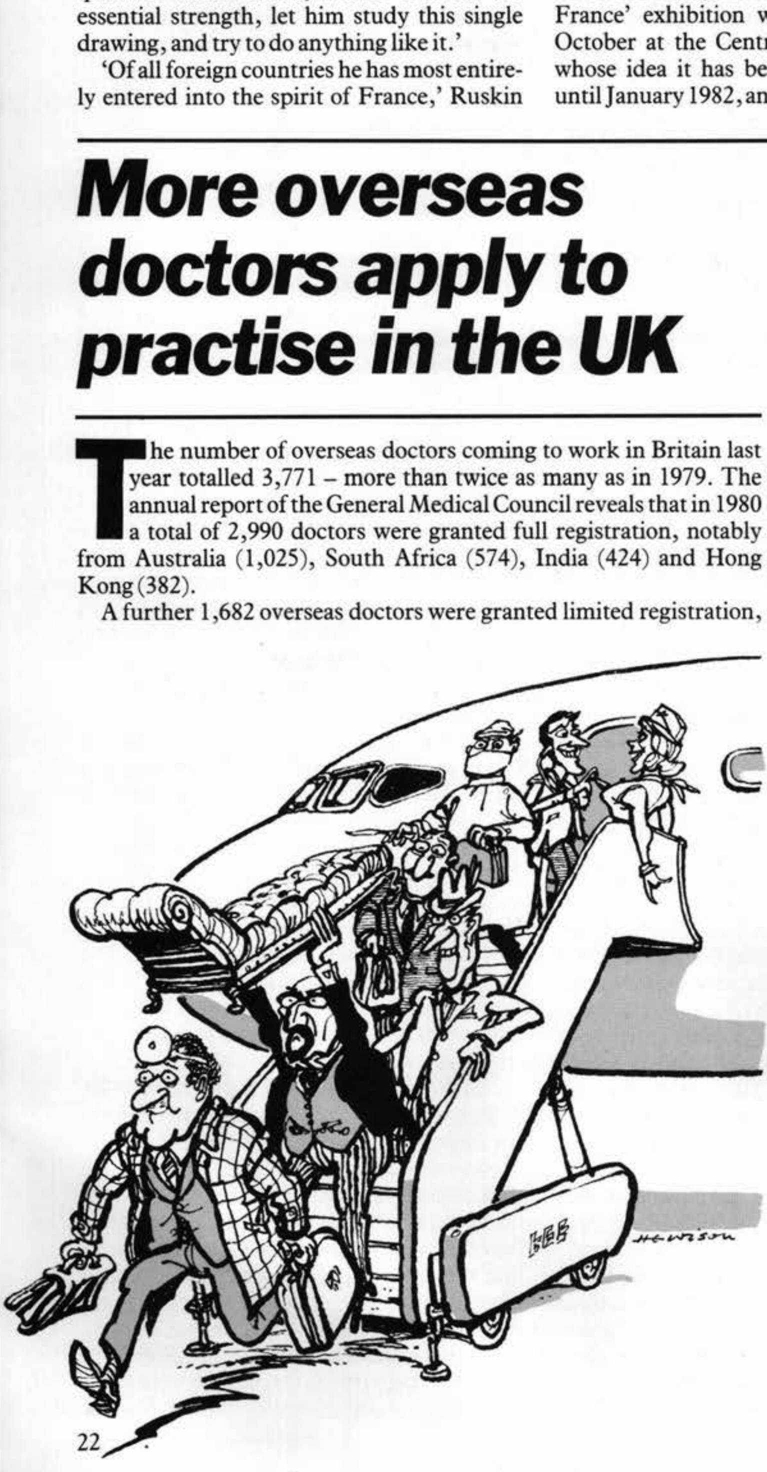
That these exhibitions should be held in the country of Monet seems appropriate, as he is perhaps the only major painter to show a real debt to Turner. 'The connection between the two artists,' the Director of the Tate Gallery has written, 'is at a very profound level, beyond the question of stylistic borrowing.' He adds: 'One can't help feeling that there was something about Turner's painting that got under Monet's skin, as the work of no other artist did.'

It seems a pity that the collection of works of this artist, of all schools and of none, a collection which would furnish the richest gallery devoted to a single artist in Europe, will continue to be relegated to a wing of a gallery of British art, and that loans from it to exhibitions in Europe will be even more restricted than before.

More overseas doctors apply to practise in the UK

The number of overseas doctors coming to work in Britain last year totalled 3,771 – more than twice as many as in 1979. The annual report of the General Medical Council reveals that in 1980 a total of 2,990 doctors were granted full registration, notably from Australia (1,025), South Africa (574), India (424) and Hong Kong (382).

A further 1,682 overseas doctors were granted limited registration, which means they are able to work in the UK only under the supervision of a fully registered doctor in an approved hospital or institution. Limited registration is granted to doctors who have passed, or been exempted from, the special tests – including command of English and professional competence – laid down by the GMC.



The sharp increase in numbers is due to the ending of the reciprocity scheme, dating from 1886, under which qualified doctors from the former British Empire were able to practise in Britain, and vice versa. The scheme was eventually extended to Belgium, Italy and Japan.

The GMC annual report explains that the announcement that the scheme was to be wound up at the end of last year stimulated a considerable increase in the number of doctors applying. These numbers may now be expected to fall. But the GMC expresses concern at the standards of medical education in some other EEC countries, whose doctors – if nationals – have an automatic right to full registration if they choose to work in Britain.

'Other EEC doctors have an automatic right to registration if they choose to work in Britain'

The number of such doctors who have so far been granted registration is, the GMC says, relatively small – by the end of 1980 full registration had been granted to 452 EEC practitioners, of whom 44 had qualified in Belgium, 16 in Denmark, 48 in France, 110 in Germany, 163 in Italy and 71 in the Netherlands.

However, the numbers of medical students in training in the various countries which were listed in a report on general tendencies in basic medical education produced by the Advisory Committee on Medical Training of the EEC in June 1978 indicated that the numbers of doctors seeking to practise in the United Kingdom could greatly increase.

These figures, relating to 1975, showed that while one person in every 2,997 inhabitants of the United Kingdom was then a medical student, the ratio was 1:715 in Belgium, 1:657 in Denmark, 1:514 in France and 1:312 in Italy, and that the numbers of doctors in the United Kingdom and in Italy, the populations of which are similar in size, were 82,550 and 126,326 respectively.

The recent entry to the EEC of Greece, and the impending entry of Spain and Portugal, will substantially increase the number of EEC doctors eligible to practise in this country in the future. However, adds the report, the system of making appointments in the National Health Service 'offers some protection in relation to medical employment in the public service against a massive influx of doctors from other EEC countries.'

WHAT'S IN THE PAPERS

If Britain pulled out of the Common Market, would we then qualify for the very cheap food and wine the Poles and Russians are getting?

– Letter in the Daily Express

Britain is top of the international export league, according to industrialist Sir Raymond Pennock.

He said yesterday: 'If you take the major industrial nations of the world and express their exports as a proportion of their total output, who is at the top of the league?

'Not Western Germany as you might expect. Not Japan with its torrents of exports into the EEC. Not the U.S. with its favourable oil price differential.

'It is the United Kingdom. How many people in Britain recognise that we export as a percentage of our total production, twice as much as the Japanese?'

Membership of the EEC had done a great deal to help Britain's performance, said Sir Raymond, who is president of the CBI.

– Daily Mail

The Common Market is to spend millions of pounds in a bid to turn the IRA's border strongholds into a tourist area.

Britain and the Irish Republic will share £15 million of aid destined for such areas as Ulster's South Armagh – known to troops and police as Bandit Country.

– Daily Express

'If I spoke Spanish, I'd soon let them know what I thought!'

– Peterborough, Daily Telegraph

On Greece's first day in the Common Market a merchant tricked it by exporting about £2 million worth of Chinese mushrooms to Germany duty-free under forged Greek production labels.

Mr Nicholas Pateras, the Piraeus public prosecutor, said that after receiving 4,108 tons of canned Chinese mushrooms from Hongkong last December, a merchant bribed a port customs official with £1,300 to forge Greek company and export documents to EEC requirements.

– Sunday Telegraph

Paris-style loos may soon be gracing the pavements of London.

They are being promoted by the Cleaner London Campaign as a way of combating the rapid disappearance of the capital's public conveniences, and next month officials and councillors from the borough of Hammersmith and Fulham, which is being officially advised by the campaign will visit Paris to see them in operation.

The conveniences that may be imported from Paris are not the classic Clochemerle-type *pissoirs*.

The Parisian versions are sophisticated unisex cabins, installed by crane and containing a seated toilet, a wash basin, and even a handbag hanger. Estimated cost of using a superloo: 10p a time.

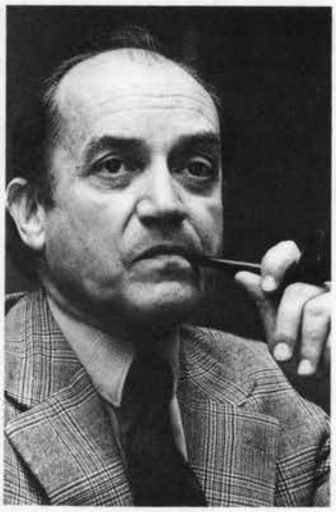
– Observer

France has blocked moves to ban the use of certain hormones in fattening livestock in European Common Market countries. The British Agricultural Minister, Mr Peter Walker said in Luxembourg after an EEC farm ministers' meeting that the French argued that a West German proposal did not go far enough.

The Germans were responding to a long-standing campaign by consumer groups, which fear a possible health risk from hormones, with a proposal to ban one type of hormone in livestock production.

But under the German plan, five other types of hormones could still be used pending further investigation of the health question. Mr Walker said the French wanted a ban on all hormones and failing this they preferred to leave the present rules unchanged.

– Reuter



A profile of the former EEC commissioner for relations with the Third World, now a key member of the new French government, by JEAN LACOUTURE

Man with a vision

Claude Cheysson's reputation is associated with three main policies: Europe, the Third World, and national independence. For more than ten years, and under governments of diverse political orientation, he has been one of the two French members of the European Commission, which is, as it were, the general executive of the Community. At one point, a heated controversy brought him into disagreement with Jaques Chirac, then minister of agriculture, who accused him of not defending fiercely enough the interests of the French peasant farmers.

Cheysson's patriotism is of the kind that is going to make itself noticed; but he felt that, in this matter, the future of Europe depended on compromises from Paris, and he acted accordingly. His performance in Brussels was brilliant enough for first Pompidou, and then Giscard d'Estaing, to keep him in this vital position despite his unswerving socialist convictions.

He must be seen primarily as a fervent European. However, he is none the less convinced that the Third World, at present underdeveloped and exploited, represents the world's future. The 3,000 million people, from Lima to Peking and from Istanbul to Tananarive, who consume only 25 per cent of the world's resources will be called upon to arbitrate on the great day of reckoning that lies ahead. Unless we work out some sort of compromise with them, Cheysson believes, the industrialised world faces certain destruction, at best merciless confrontation of a kind only hinted at by the tensions over oil. His ideas for overtures towards the southern hemisphere derive from his views on justice and human compassion, together with notions which he believes to be clear and realistic.

The third component of Claude Cheysson's personality is his concern to give France a dominant role as a world power, in the West as well as in the East. This approach is reminiscent of General de Gaulle in that it looks as much to Europe as to France for support. For him, France belongs unreservedly to the Western World.

Cheysson is both a European and an Atlanticist. In relations between France and Israel, the touchstone of all Washington diplomacy, he will do his best to heal recent wounds without repudiating the pro-Arab diplomacy of his predecessors. He will do everything in his power to win Israel over rather than to provoke hostility.

It is not that which worries American diplomats, but Cheysson's concern for the Third World, and the effect on South Africa and the bloodiest of South American dictatorships – Chile, Argentina and Uruguay – of initiatives taken over San Salvador. Washington sees that situation as a possible source of acute tension with its French allies. Those allies are more reliable than they were, but also, now, rather more troublesome.

SHARP REACTIONS TO PROPOSED BUDGET CUTS

'Community taxpayers should not be treated in this way' says Tugendhat

Efforts to reconcile differences between member states over the Community budget were made late in July, when the Council adopted a draft amending budget for 1981 and a drastically cut draft budget for 1982 (see EUROFORUM). These now go to the European Parliament, for further examination and discussion.

It is likely that the amending budget for the rest of this year will be adopted by the Parliament in September. The draft budget for 1982, however, has run into serious controversy. It proposes cuts in areas which the Parliament, and some member states, regard as essential if the Community is to meet its responsibilities in providing more regional and social aid in a time of increasing economic hardship.

'The cuts in the 1982 budget are at a calamitous rate'

Christopher Tugendhat, vice-president of the Commission and Commisioner for budgets, was outspoken in his criticism. 'The Budget figures,' he said at a press conference following the budget statement, 'are in a mess.' Though the atmosphere among members of the Council had been 'very good', with 'no bad temper', divisions had been 'too great to bridge', Mr Tugendhat said. He went on:

'For the first time in my experience, there were wide gaps in the Council between delegations. There was simply no desire on the part of the Council to deal as seriously with the budget as they should. Eventually, it was a truce of the exhausted that prevailed.

'The amounts settled on the Regional and Social Funds were totally inadequate. In fact, given inflation, they amounted to a reduction in real terms. There was an enormous gulf between the fine words and good ideas and sentiments expressed in such bodies as the European Council, and what actually happened in the Budget Council. It is very important, if Europe is to be taken seriously, that the ideas of heads of government are given effect in Community procedures.

Christopher Tugendhat: 'Wide gaps'.

'The ratios between commitments and payments are not adequate. For the first time in this Council I am struck by the fact that one or two of the smaller countries have adopted attitudes which are totally intransigent. Three countries actually voted against the package it as it stood: Greece, Italy and Ireland. It was carried only because the qualified majority voted for.

'There was a lack of rational debate in the Council. Ministers were simply engaged in a lopping-off exercise. Community taxpayers should not be treated in such a fashion.

'The cuts in the 1982 budget are at a calamitous rate. They will entail untold costs in terms of human discontent and misery. The Council proposes spending only about 1½ per cent of the budget on regional and social problems, while the number of unemployed in the Community has increased in the past year by 35 per cent.

'This is a dereliction of duty. I fervently hope things can be put right through the budget process by the end of the year.'

'The gap between promise and performance is quite staggering. Politicians tend to shoot off their mouths – but when it comes to delivering it is very different. People should put their money where their mouth is, otherwise they should not open them so wide.'

'A slap in the face for the unemployed' – Ivor Richard

After the Budget Council meeting on 24 July, Mr Ivor Richard, Commissioner for Social Affairs, issued the following statement:

'The Council's proposals would represent a real cut in social expenditure. I think this is totally irresponsible. It ignores the social priorities for Europe, which all of us were supposed to have agreed at the "Jumbo" Council – the joint meeting of finance and social affairs ministers held in Luxembourg on 11 June.

'It seems to me to be a slap in the face for the 9 million unemployed in the Community.'

Commission President Gaston Thorn (centre, right) with heads of government including President Reagan, Mrs Thatcher, Pierre Trudeau, M. Mitterand, Chancellor Schmidt, and the Prime Ministers of Italy and Japan, at the 'Summit' meeting in Ottawa, 20-21 July.