Europe 81

No. 5 May 1981

Tourism – what cost to Europe's ancient sites?

'Time and time again, we Liberals have stressed the political value of European integration'

– RT HON DAVID STEEL MP

Britain takes the chair in Brussels

Community aid for Scotland

Record exports to Europe

The Royal Ballet's half-century

EURO FORUM

Taking the chair – and a ride in the sky

Tourism is not, of course, solely a question of personal pleasures but also, as the article by Jack Waterman shows, of substantial importance for the economies of some EEC countries. We trace its steady growth and the consequences for some of the most popular places on the tourist routes.

A report from Scotland, a major beneficiary of Community aid, demonstrates how European funds are helping such diverse enterprises as sausage-making and the Pitlochrie theatre.

Robert Jackson, MEP, discusses what Britain could do in her capacity as President of the Council in the second half of 1981: is this an opportunity for her to take the initiative in developing the Community?

David Steel, who believes the Liberal Party under his leadership has a key role to play in reforming the structure of British politics, outlines his views on Europe.

Europe 81 this month introduces the Community's own entry in the Transatlantic air race, reviving memories of Charles Lindbergh's historic flight. We also join in the 50th anniversary celebrations of the Royal Ballet, which is marking the event with a programme of familiar and new works at the Royal Opera House, Covent Garden.

George Scott

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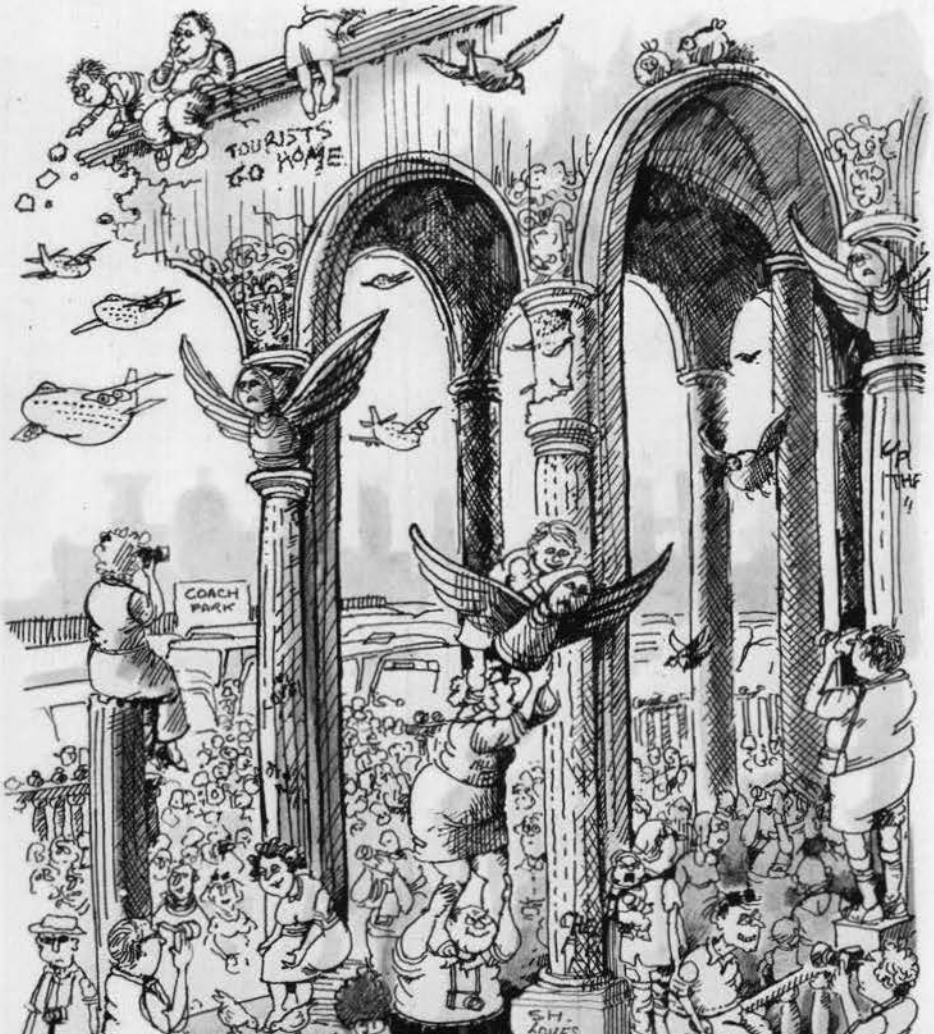
TOURISM:



how far to the end of the road?

It may be an economically vital industry for Europe, writes JACK WATERMAN, but it has its limits

The idea of holidays as a benefit of employment, to be taken for granted and paid for as of right, instead of a reward for an annual exercise in thrift, has become widespread only in the last half-century. Even more recent is the idea of holidays abroad for all. Fifty years ago, if the English industrial worker (unemployment permitting) managed a holiday at all, it would be to the seaside. So Lancashire mill girls went to Blackpool, the Geordie pitman and his family went to Whitley Bay, and the Sheffield steelworker to Cleethorpes. The West Country still awaited its invasion from the Midlands car factories. Most went on holiday by LMS or LNER in those days, some by coach, hardly any by motor car. As for flying, that was something being done by Amy Johnson, or the *Vile Bodies* set going to Paris by Imperial Airways.

Since then, from being an activity indulged by the comparative few who could afford it, the taking of holidays has altered the lives of millions of Europeans.

The latest figures show that 189 million people take holidays in Europe (Community and other countries), that nine million Germans take holidays in Italy alone – and that Greece, the latest member of the Community, has more visitors a year than her entire native population.

Tourism has become an industry. According to a recent British Travel Association report, 'The economic significance of tourism within the European Community', there is

'Already, at the most popular sites, Hell is other people . . .'

reason to believe that there may have been more than four million people employed in tourism in the nine member countries of the EEC in 1979, and that figure could well be an underestimation.

From the same source are figures which demonstrate the extent to which tourism has become a factor in European economies, and, in particular, the great rate of growth from 1970 to 1979. They show – picking at random – how Greece has increased its receipts from tourism in that time more than sixfold, and the UK more than fourfold; also how, expressed as a percentage of total exports of goods and services, the UK tourism figure has gone from 3.8 per cent to 5.6 per cent. In Italy the latest figure is 10.1 per cent. In Greece – far out in front again – it is no less than 33.5 per cent (with equivalent expenditure against imports only 1.9 per cent).

How has the Common Market been involved in this process? Undoubtedly, and whatever the arguments on particular benefits to particular countries, the EEC has stimulated trade and business within its member countries. Since, too, the receipts and expenditure of travelling businessmen come under the heading of tourism, the very existence and working of the Common Market can be seen as making a significant contribution.

The Community's interest in tourism has been marked by the appointment of Mr George Kontogeorgis, a Greek, as the first ▶

Commissioner for tourism – a job that he combines with transport and fisheries. He may well be expected to take new initiatives in the Community's programme of research into the way tourism can improve the economies of rural areas. For tourism, compared to most other industries, seems to have been less affected by the general economic recession. According to figures released recently by the Organisation for Economic Co-operation and Development (OECD), numbers of visitors and revenues from tourism show increases throughout Europe.

In 1980, OECD member countries' receipts from tourism amounted to some 78 per cent of the total 'take' world-wide. In Europe generally, there was a rise in tourist arrivals of 7 per cent.

The 17½ million Britons who went abroad last year spent £2.7 billion between them, according to the Department of Trade. Not all were tourists – business travel is included in the total – but this was in a year when holiday travel went up by 19 per cent, against a modest 6 per cent for other purposes. More than half the trips abroad by British citizens were to EEC countries, which represents an increase of 13 per cent over 1979.

'Greece receives more visitors a year than her entire native population'

Financially, the Community offers help to the tourist industry, and considerable sums have been distributed in different ways – loans through the European Investment Bank, direct capital investment grants from the European Regional Development Fund, as well as help to train people working in the industry through the European Social Fund.

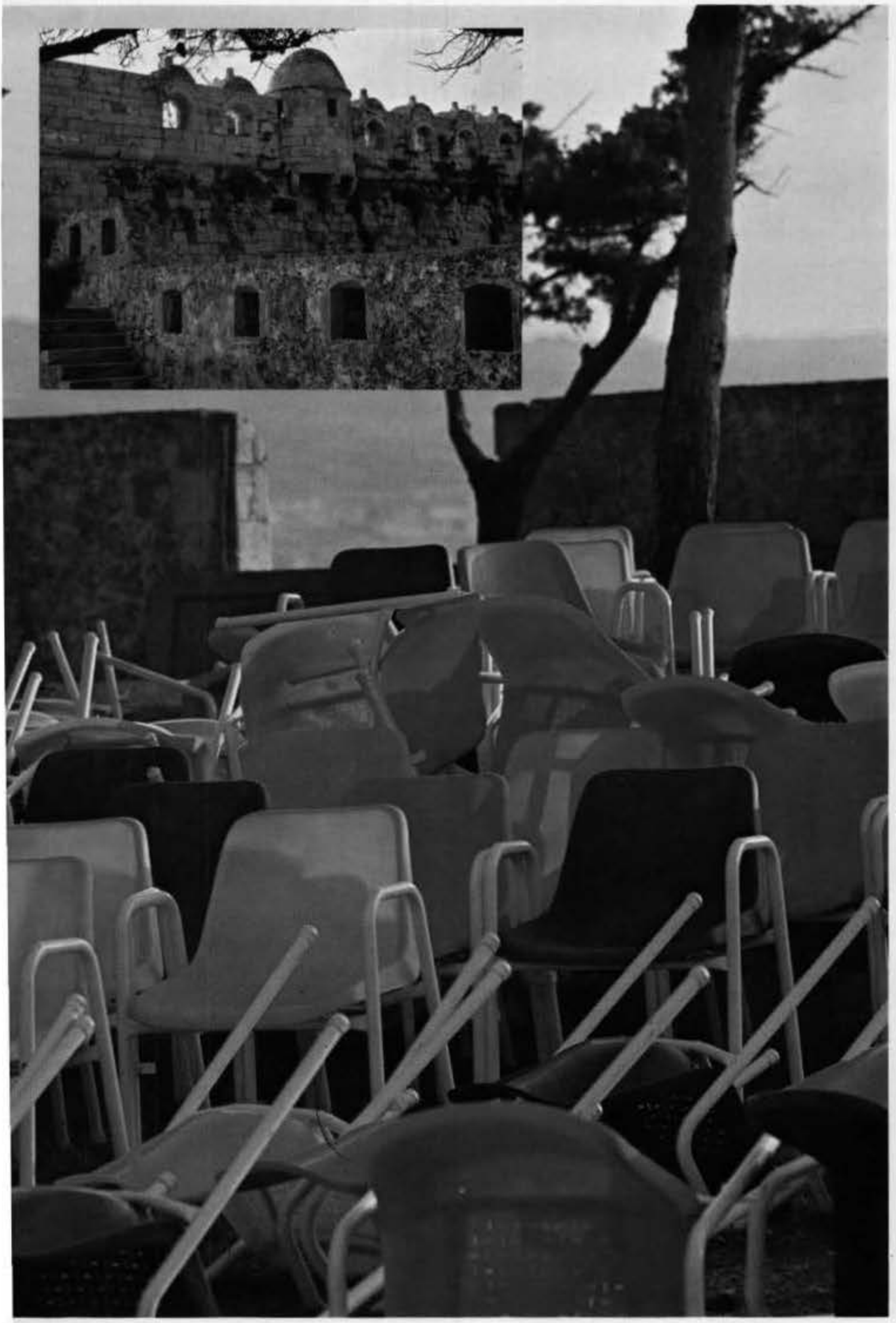
In smaller, practical ways, the EEC has helped the industry, albeit sometimes indirectly. It has brought a greater freedom to cross frontiers. The 'green' insurance card system has been simplified. Soon there will be a common driving licence; and already coach operators can move much more freely within the Community. Thanks to strict pollution control standards worked out by the EEC, bathing water is getting cleaner. And if a resort can pass certain tests, proving not only cleanliness but also a certain level of actual physical use, it can win the title of 'EEC approved beach'. Of only 17 resorts on the UK list, Scarborough may be proud of possessing no fewer than two such 'approved' beaches!

The countries with a credit balance when it comes to tourist receipts and expenditures are mostly the poorer members of the Community – Greece, Italy, the UK and Ireland. These, perhaps in corresponding order, will be hoping for an even more expansive future for their tourism once the present recession is past, and we are even farther into an age of more leisure resulting from shorter working hours and earlier retirement.

But can European tourism stand much more expansion of the kind seen in the past quarter of a century? My own view is that it cannot, and that we may be fast approaching a plateau of benefit from tourism in terms of finance, employment, and enjoyment. Such an idea, however, would almost certainly be disputed by, for example, the British Tourist Authority. Their latest report takes an optimistic view of the future, and sees tourism as a better long-term prospect for Britain than North Sea oil. It extols the virtues of its own 'aggressive and imaginative marketing', and enjoins: 'Britain has something good to sell. Let us sell it.'

The Greeks, among others, might not be too happy with the idea: after all, one of the advantages they saw in joining the EEC was a boost to their own tourist trade. Yet it seems there must come a point where, setting aside economic advantage (difficult but possible) there will be an equation between human happiness and sheer discomfort. Already the most popular areas and sites in Europe are overcrowded, and there cannot be many holidaymakers who return home without some story of misery caused, as in Sartre's definition of Hell, by the press of other people.

Try the Lake District in high summer, or St Mark's Square in Venice, or the Acropolis in Athens. Visiting the Acropolis, in particular,



'Tourism may play a role in regional development. The interrelationship of tourism, agriculture and other economic activities is very varied. But priority given to the Regional Development Fund can be based on such criteria as development potential, manufacturing industry, and where tourism is an important part of the economic structure.'

– George Kontogeorgis, Commissioner for tourist affairs, in a written answer to a question in the European Parliament by Lord O'Hagan, MEP for Devon.

is now a dispiriting rather than an uplifting experience. It is no longer possible to go inside the Parthenon, even if one survives the struggle against the crowds to get up there – an unyielding, camera-clicking, multi-national melée that makes Wembley on Cup Final day seem like a rural interlude.

It can be argued that it is still possible to get off the road and climb in the Lake District, and that there is much to be seen, and more pleasantly, away from St Mark's Square, or in Athens away from the Acropolis. True. But these random examples simply indicate the problem of overcrowding, which can make holidays today anything but recreation, rest and relaxation.

Pounding a path on the steps of the Acropolis (left) is far from uplifting for tourists. Those enticed by the peace and charm of the castle at Réthimnon on Crete (inset) come face-to-face with the 20th century in the courtyards. Meanwhile, happy holidaymakers in St Mark's Square search for mementoes of their visit to Venice.

There are other such indicators where no alternatives exist: in Greece, again, Mycenae is a human ant-heap that resembles a rehearsal in permanent progress for another Trojan War. Test any island in the Mediterranean or Aegean that the brochures describe as 'unspoilt' and see where truth lies.

In France, the cave paintings at Lascaux are closed to the public for ever – or until science can devise some way of protecting them from the polluting effects of eager visitors. Elsewhere in the Dordogne region, daily quotas have been set to safeguard the caves from over-exposure to tourists. And so, wherever it goes, the industry carries the seeds of its own destruction.

Legislation and controls can do only so much. The reality is that, though most of us are conservationists at heart, when we are on holiday we are just like everybody else. We are all tourists.

PERSONAL COLUMN

David Steel

At a time when economic recession has encouraged a retreat into aggressive nationalism, we Liberals reaffirm our internationalism – not least in our approach to Europe.

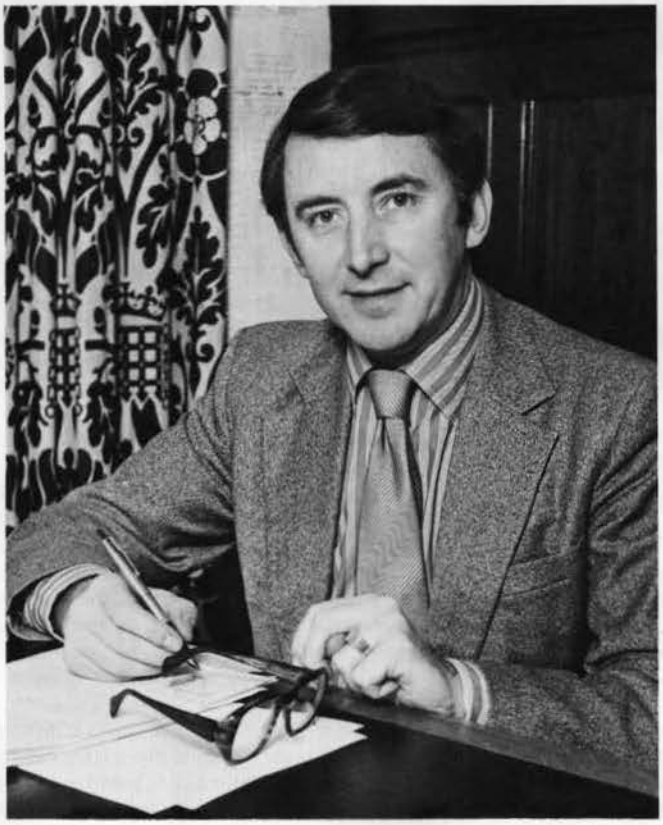
From the outset, we have been committed to a united Europe. For many years we were an isolated voice, shunned by those who preferred to turn their backs on a Europe whose institutions and policies were being fashioned without British influence.

Alone of the British political parties we did not feel the need to peddle the myth of Parliamentary sovereignty, or to fear supranational co-operation. Time and time again we have stressed the political value of European integration, because we have seen it as a step towards wider international co-operation and a more secure world.

That said, there is much that is wrong with the European Community. Its present framework of institutions and policies require radical reform. What was right for a Community of six centred on the European mainland is hardly appropriate for the present membership of ten, with the remote spaces of Scotland and Ireland expected to accept and implement the same regulations as Rotterdam and Dusseldorf.

A Community of twelve, to which we are now committed, will need to be a much more flexible federation, concentrating on the guidelines of policy at the centre and leaving the details of implementation to the States themselves. If this is possible in a developed federation like the United States, it should not be impossible for a looser confederation like the European Community.

The current balance of policies within the Community is, on any honest appraisal, indefensible. The body of community law originally established during the 1960s has been outdated not only by enlargement but also by the succession of energy crises and the long-term downturn in economic growth. It is a central problem of reviving the process of European integration that so many national politicians – and even heads of government – are still prepared to defend the evident inequities of the CAP, both between member states and between agricultural producers and consumers within the member states.



Any serious discussion of where the European Community goes from here must therefore start by accepting the need for substantial changes in the balance of Community policies and expenditure. These are required not only by the admission of Greece, and the impending admission of Spain and Portugal, but also in order to reverse the gradual and cumulative decline in public support for European integration in so many of the member states, and to adjust to the new demands of a continent in which economic growth is proving much more painful and elusive.

'The current balance of policies within the Community is, on any honest appraisal, indefensible'

There are two broad policy areas in which closer European co-operation is now urgently needed: in economic and industrial policy, and in external relations.

As regards the first, Liberals have urged the United Kingdom to join the European Monetary System since its inception. But monetary co-operation can be only one part of a wider package of economic and industrial policies. Economic union implies a framework for industrial policies which deal not merely with such crisis sectors as textiles and steel but also for the new technologies into which European industry should be encouraged to move. It implies a far more effective regional policy. It means better co-ordination of domestic economic policies. It requires closer scrutiny of the hidden protectionist practices of member Governments.

The second area of concern is that of external affairs. Economic recession and political uncertainty have made the current climate a threatening one. I therefore welcome the proposals of my Liberal colleague, Herr Genscher, for a new treaty on European political union to provide the mechanism for a far greater degree of integration in foreign affairs. But I would go further and urge the Community to reopen the defence issue and to find the basis for a more cost-effective and integrated defence system.

A Community with the necessary authority to act in these policy areas must have greater legitimacy and more efficient political institutions. The first democratically elected European Parliament is making progress, although another election on a discredited first-past-the-post system would be a disaster which would transcend the blatant injustice it might deal to British minority parties.

In conclusion, the Community faces many threats, both internal and external, to its vitality and cohesion. Only by responding to these and redefining European union as a result will we be capable of facing the economic and political problems of the 1980s and 1990s with confidence.

□ The Rt Hon David Steel, MP, journalist and broadcaster, is Leader of the Liberal Party and has been Member of Parliament for Roxburgh, Selkirk and Peebles in Scotland since 1965.

Haggis eaters in Bahrain or Nigeria can now enjoy that Scottish delicacy, as a result of a £2 million loan from Europe. This has enabled the Glasgow-based firm of McKellar Watt, the UK's largest independent sausage manufacturer, to continue an expansion programme which has taken it into the world-wide frozen foods market. The company has grown dramatically since it was started as a one-man business in 1948 by Eric McKellar Watt, who is now chairman. But in the 1970s continued expansion ran into the 'perishability barrier'. Its fresh sausages, meat pies and haggis could travel only a limited distance if they were to be still in good condition in the shops. It was time to take action . . .

The lion's share for Scotland

ROY STEMMAN reports on the situation north of the border which has led to Scotland receiving a larger share of Community funds than any other part of Britain

McKellar Watt's directors drew up a seven-year expansion plan to enable them to send their products around the world, frozen, or to be supplied fresh closer at hand, using dual-purpose delivery vehicles. This ambitious £5 million project is now nearing completion at the company's Old Shettleston Road headquarters, and the blast freezers and new packaging areas are already in use. It has a total freezer capacity of around 50 tons a week.

While the new extension rises, helped into being by £2 million from the European Coal and Steel Community (ECSC) fund at an interest rate of just under nine per cent, an old tenement building opposite looks ready to fall. Partly occupied and partly boarded up, it is typical of the poorer parts of a city which has been hit by the decline in heavy industries.

Once, at the end of the 19th century, when the coal and iron ore industries were at their peak, Glasgow was called the second city of the Empire. It attracted workers from the depressed countryside in massive numbers, but never provided adequate housing or social services: 150,000 of them were housed at an average density of three to a room. Subsequent events have done little to improve the situation. Today, Scotland – as seen by the more prosperous nations of the EEC – is regarded as 'a serious regional problem' that deserves to be helped by grants and loans.

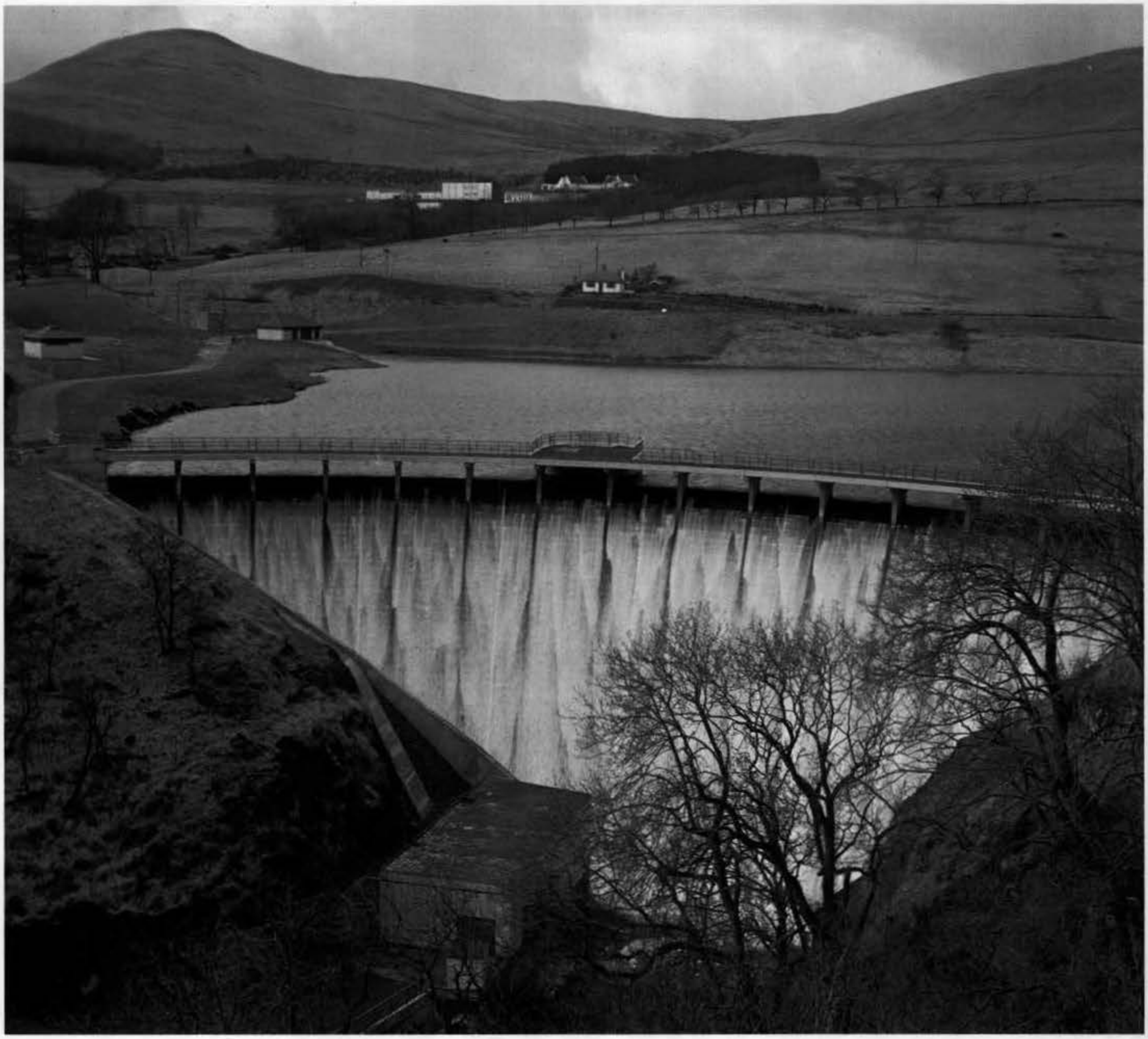
At the same time, the opportunities offered by North Sea oil are there to be exploited in order to provide work and income; and so the EEC is making significant contributions to oil and energy-related projects.

It is for these two reasons that Scotland receives a larger share of EEC money than any other part of Britain. In fact, for every 40 pence that Scotland puts into Community funds it gets back £1.

'Strathclyde is the most depressed area of Britain,' explains Stanley Budd, head of the European Commission office in Edinburgh, 'and it has had the biggest share of declining industries.' It covers an area on the western side which takes in Glasgow, Girvan, Ayr, Greenock and Oban. A study of the Glasgow area in the mid-1970s, half-financed from Community funds, resulted in the Glasgow Eastern Renewal plan (GEAR) in 1976. This unique redevelopment scheme uses the Scottish Development Agency to co-ordinate a programme that encourages and finances industrial growth in the area.

Loans to individual companies represent a large contribution to the Scottish economy.

An American industrialist, John L. Grove, has paid handsome tribute to the EEC's cheap loan facilities, which made it possible for him to set up a manufacturing facility for his ingenious, self-propelled aerial-work plat- ▶



£600,000 of EEC aid has gone into the Castlehill water project.

forms – safer than scaffolding or ladders – in Cumbernauld in 1977. A loan of £1 million was made available to JLG Industries (UK) Ltd, designed to help smaller enterprises.

In the same year, British Steel Corporation borrowed £52.7 million from the European Investment Bank to develop its Ravenscraig works at Motherwell, south-east of Glasgow. It was the largest single loan ever made by the bank, designed to assist BSC in its £220 million scheme to double steel production from the plant. It also brought the amount advanced by the EIB to the Corporation, for different projects, to £194 million.

A global loan of £12 million has also gone to Distillers Co Ltd, in Glasgow, to enable another famous Scottish product – whisky – to be blended and bottled in a new plant. These, and many similar projects, including a large number in the energy field, have brought the total of EIB loans which have gone principally to Scotland to £624 million.

'For every 40 pence that Scotland puts into Community funds it gets back £1 . . .'

In addition, loans from the ECSC have so far totalled £117 million, including £35 million for work at the new ore terminal at Hunterston.

This money from Europe is for *everyone's* benefit, not just large industrial concerns. But it is quite likely that the people of Fife do not know (or have forgotten) that every time they turn on their taps and the beautiful 'blue water' pours out, they are benefiting from the EEC's Regional Development Fund. It gave a grant of £600,000 towards the £6 million Glendevon water treatment and dam projects.

The first reservoir to supply the people of Fife with their water was built in 1875, and three others followed. With the growing demand for water, both for domestic and industrial use, a fifth reservoir was soon needed.

The solution was to dam the River Devon to create the Castlehill reservoir, and build a water treatment plant which would deal with the water from all five reservoirs. The 400 ft high Castlehill dam impounds 618 million gallons of water, which are pumped up to Glendevon's carefully landscaped treatment works on the hillside. Water from the other four reservoirs, higher up in the hills, are gravity fed to Glendevon. Each is treated, then combined to produce one of the finest water supplies in Europe.

What is more, there is a bonus for the local community. The Castlehill reservoir has been stocked with fish, and angling will soon be permitted. There are toilets, a car park and a picnic area overlooking the reservoir, and a boathouse for five boats. The reservoir has a surface area of 60 acres. Sixty per cent of the water supply for the whole of the Fife Region now passes through Glendevon, supervised by a team of just five men.

Small loans and grants from Europe are also finding their way to the remotest areas of Scotland's craggy coastal areas, and are often called on to help revive traditional crafts that are in danger of disappearing. At John o'Groats, improvements to the pier and harbour – carried out with tiny sums of money compared with the iron and steel developments – have succeeded in attracting shrimp fishermen back. Visitors who decide to go over the sea to Skye will find a new vehicle ferry terminal to link them with Raasay Island and Sconser, also made possible with European financial help.

Community funds have also been used to help the inhabitants of the Outer Hebrides, the wild and rugged collection of islands off the north-west tip of Scotland, famous for their tweeds. On the island of Harris a new township road has been built to link Ardrie and Finsbay; other roads have been built on the adjoining islands of Lewis, North Uist and South Uist.

These places do receive income from tourists, of course, but they have suffered from migration of the indigenous population, so there is a real danger that some of the Scottish crafts will die out. To reverse the trend, the European Social Fund (ESF) is helping to finance a pilot scheme promoted by the Highlands and Islands Development Board, aimed at creating new jobs in isolated areas.

The three-year project began on April 1st this year. It involves three officers who will help train 24 people in traditional occupations such as small-scale farming, fishing, craftsmanship and the textile trade, as well as tourism. Half the £99,000 required is being supplied by the ESF.

Stanley Budd, head of the Commission's Scottish office (left) and Dr Kenneth Ireland, Festival Theatre director, with a model of the new Pitlochry theatre. Below (inset) Prince Charles takes a ride in a JLG aerial work platform during a visit to the company's Cumbernauld factory.

To the delight of the Festival Theatre, Pitlochry, a grant of nearly £½ million has been made towards the cost of building a new theatre. Pitlochry, 30 miles north-west of Scone, where the Scottish kings were crowned, is a popular and beautiful holiday resort with its loch, river, mountains and woods. The Festival Theatre, which has been in existence since 1931, is a big tourist attraction, but the company has had to make do with temporary premises because of lack of funds. When the plan for a £1,600,000 theatre complex was drawn up, various bodies – including the Scottish Arts Council, the Scottish Tourist Board and Tayside Regional Council – put up £1 million between them. Then the EEC chipped in with £475,000, ensuring that the theatre would not begin life with an initial burden of debt.

However, it was not the theatre's productions which were the prime consideration when the grant was made. It was shown that, if the theatre went out of business, 150 jobs in the tourist trade would be lost. The Pitlochry community depend heavily on the theatre to attract their 300,000 visitors a year. Thanks to those funds from Europe the livelihoods of local people involved in tourism are now assured.

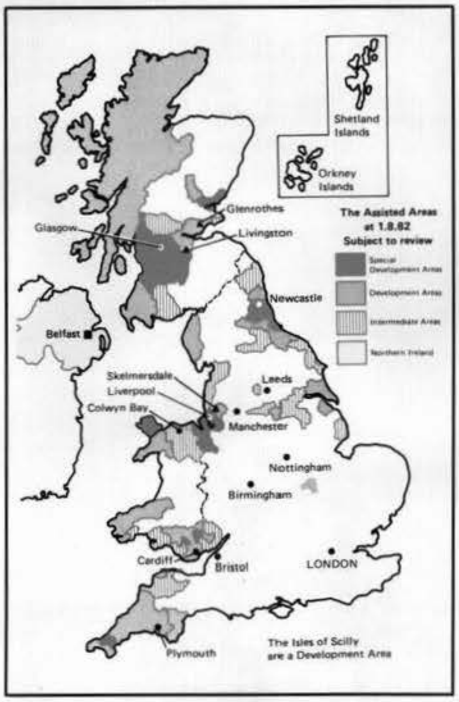
Sir Alec Douglas Home laid the foundation stone in 1980 and the curtain went up on the gala performance on May 19th this year. For once, the EEC, so often in the spotlight, was happy to watch from the wings.

Next month: Scotland and the energy industry.

REGIONAL AID

Let us deal with the EEC direct, say local councils

More Community money must be spent on regional aid, and less on agriculture, says a report from Westminster. A House of Lords Select Committee concludes that the European Regional Development Fund is too small to make a significant difference to the gap between the richest EEC regions and the poorest. The report calls for improvements in the way the fund is operated. In particular, many people who gave evidence would like to see more Community involvement in regional policy.



Over the years since Britain joined the Community, the Lords have carried out persistent scrutiny of Community policy and legislation. In the 'sifting' process, as it is called, much of the sand that falls through the mesh is of a technical or uncontroversial kind, not calling for Parliamentary attention. However, hard chips of granite – even small nuggets of gold – remain and receive the Lords' full scrutiny.

No one should underestimate the standing of the House of Lords EC Committee. Subcommittee 'A' (Finance, Economics and Regional Policy) for example, which looked at the Regional Fund, comprised a former Chancellor of the Exchequer (Viscount Amory); not one, but *two* former Governors of the Bank of England; the ex-heads of the Diplomatic Service (Lord Brimelow) and the Treasury (Lord Sherfield, better known as Sir Roger Makins, a former Ambassador to the United States) – not to mention a former Fleet Street editor, John Beavan, now Lord Ardwick; the former general secretary of a major trade union, USDAW (Lord Allen), and others with distinguished careers in banking, industry and the City – all overlorded, as it were, by the committee's chairman, Lord Plowden.

What is the ERDF all about? One of the Community's aims is to try to counter 'regional imbalances' – the differences in prosperity of the various regions of Europe, due largely to accidents of geography and history. Unfortunately, as the evidence from David Harris MEP shows, the difference between the rich and poor areas is growing, in spite of the fact that all regions showed an increase in gross regional product per head between 1970 and 1977.

Enlargement of the Community will bring a dramatic widening of the gap. The average income in Hamburg, for example, is six times greater than that of southern Italy, the poorest Community area before Greece joined. After Spain and Portugal have come in, possibly as soon as 1984, the richest area will be earning twelve times more than the poorest.

The ERDF is one of the most recent of the EC funds – or 'financial instruments' as they are called, since they also cover the loan facilities of the European Investment Bank and the European Coal and Steel Community – designed to help 'disfavoured' industries, regions or individuals. It provides straight grants of up to 40 per cent of capital investment costs for industrial investment, used to top up national regional development grants, and for investment by local authorities. Each country receives a fixed quota, the UK getting 24 per cent, second only to Italy's 35 per cent. Last year, Britain was paid £157 million. Since the fund started in 1975, Britain has received £650 million.

According to fund rules, projects have to be in government scheduled assisted areas to be eligible. That means the whole of Ireland and Luxembourg, most of Greece, 33 per cent in population terms of West Germany, the richest country in the EC, a little more for France and Italy. But only 25 per cent of the UK population will be covered after August 1982, when further assisted areas are to be downgraded or declassified.

This means that large chunks of the country, such as East Anglia, are ineligible whereas manifestly more prosperous areas in Germany can receive regional aid – though it must be said that Germany's share of the fund is not large, under 5 per cent.

The main interest of the House of Lords report is not so much the actual recommendations as the evidence collected. Usually, such findings are hardly controversial. But nowhere else would you be able to find between two covers the basic texts, up-to-date factual and statistical information, and closely argued representations from nearly all the important interest groups.

Oddly, however, the European Commission is not allowed by its own rules to give evidence to the Select Committee. Nor do Ministers – they leave it to senior officials to go through the hoops on their behalf. If this all seems rather heavy going, it is lightened by verbatim reports of witnesses' submissions. As one would expect, Whitehall is deft in defending Ministerial policy.

The written evidence from government departments is dense and statistical. Its most telling part is the rather unconvincing explanation of 'additionality' – Community jargon for why the Government pockets the money meant for industrial investors, rather than passing it on, as it does for local authority infrastructure projects. It certainly did not convince the Lords, who recommend abandoning the present system – 'charade' is the word which frequently crops up – if a better way cannot be found.

Evidence from academics ranged from the

fairly optimistic ('I'm critical of the ERDF and European regional policy such as it is.... but think a number of improvements could be made without undue difficulty') to the frankly jaded ('This submission comes from an academic economist whose interest in the European dimension of regional policy has waned. There is no other area of economics in Britain where ... the simple, commonsense observations of economists have so much relevance and so little effect').

The picture looks different from the grass roots. Here, submissions were made by numerous district and county councils and larger groupings of local authorities such as the North West Industrial Development Association (NORWIDA). They are not at all ungrateful for these cash grant bounties, which save interest payments on borrowings and so help keep down rates, or at least slow their rise, however slightly.

Their constant plea is to be allowed to deal directly with the European Commission, so as to loosen Whitehall's stranglehold on their investment programmes. 'We would support a move towards a policy drawn up in Brussels based on a survey of the needs and problems of each region within the Community,' says Mr Chapman, Director of NORWIDA.

'I feel we have definitely benefited in the Highlands from the regional fund...'

Two Members of the European Parliament were also heard, representing, as they pointed out, the extremities of the British Isles from Land's End (David Harris, Cornwall & Plymouth) to John o'Groats (Mrs Winnie Ewing, Highlands & Islands).

They too confirmed the practical value of the ERDF. Mrs Ewing: 'I feel we have definitely benefited in the Highlands from the Regional Fund' but 'the Fund is too small and the hopes are too high, and as long as that is the position there is going to be a lot of disappointment and frustration.'

Since it was not called to give evidence, perhaps the last word may be given to the European Commission. In an exchange of letters published in the *Guardian* recently, Regional Policy director-general Pierre Mathijsen said: 'We are aware of the shortcomings. The system must be changed and the Commission is working on it. Proposals for a modified ERDF will be submitted to the Council in June. Whether they will be accepted depends whether member states agree.'

It would also do them no harm to take a look at the House of Lords' report.

JOHN GREENWOOD

Daily Telegraph

WHAT'S IN THE PAPERS

A report calling for a better financial deal for Northern Ireland could help the Province even more if adopted by the European Parliament.

The report calls for a new strategy, based on an overall development plan drawn up by MEP Mme Simone Martin after a request from Mr John Hume and a visit to the Province. It proposes, among other things, a five-year 'tax holiday' for new industries, and urges the British Government to pass on the full benefit of EEC aid instead of absorbing it into the Exchequer.

– Ulster Newsletter

Thanks to photographs taken from RAF Nimrod reconnaissance planes, the Government has a complete record of last year's activities by French and other fishermen in British waters.

The Government has pictures of every trawler which entered British waters last year, with close-ups identifying names of vessels, gear used, and even the type and size of catch.

– Western Mail

Comparisons between 1970 and 1977 reveal that gross domestic product per head in Hamburg, the richest region in the EEC, rose from 197.5 per cent of the Community average to 224.6 per cent.

The North West declined from 88.9 per cent of the Community average to 69.4 per cent.

This is despite the fact the Community has poured millions into the North West, especially Merseyside, in various loans and grants.

– Liverpool Daily Post

The danger is that misconceptions about the EEC are being exploited by those who oppose the Market and refuse to accept the verdict of the 1973 referendum.

They find fertile ground among the disaffected who believe, for example, that our present economic difficulties stem from EEC membership. Think how much worse our plight would be if we were denied the huge European market.

– Coventry Evening Telegraph

HAS THE POTATO HAD ITS CHIPS?

Something is happening to the potato. It seems we are eating less and less of the humble spud, for so long a crucial element in the domestic economy of countries with large populations.

Consumption in Western Europe has fallen by 25 per cent in 25 years. From a record 106kg of potatoes consumed per head in 1955/56, consumption fell to 87kg in 1969/70 and to 79kg in 1978/79.

In step with changing demand, production of potatoes has also fallen. In 1980 the harvest was estimated at 33.5 million tonnes – a 27 per cent reduction compared with 1970. This production, however, was enough to meet all requirements in the Community countries.

A better atmosphere for businessmen

VALERIE WILLIAMS sees harmonisation of standards, and the removal of tariff barriers, as aids to making profits

For the first time in ten years, Britain's overall visible trade with western Europe in 1980 was in surplus by over £½ billion, with six Community countries among the top ten markets for UK exports.

How much of that trade is directly due to Britain's membership of the Community? Or to be more precise, how much can be attributed to the help given by Community legislation? No doubt it is difficult to pinpoint and quantify the effect, but the setting of the scene is designed to create good trading conditions and give those taking part the right atmosphere in which to work.

'Several sectors of British industry are discovering that they can be helped by Communnity legislation'

The harmonisation programme gets a lot of stick, and in some areas is probably not the answer to the question of moving goods freely around the Community. But when it comes to aligning technical standards for manufactured goods – chiefly in the engineering field – several sectors of British industry are discovering that they can be helped by Community legislation. So far, most of that legislation – in the form of Community directives – relates to cars and tractors. However grave the problems which beset the British car industry, it is at least being helped in its trade with Europe by the fact that an increasing number of the component parts can be manufactured to one Community standard. Again, the British tractor industry, probably the largest in Europe, stands to gain from the impressive array of Community directives aimed at eliminating technical barriers and making it easier to trade in tractors throughout the Community.

Cars and tractors have now been joined by weighing machines. W. and T. Avery, the world's largest manufacturer of weighing machines, was recently granted Community approval by the Department of Trade for a non-automatic weighing machine. Community approval means that if one member state certifies that the equipment satisfies the relevant Community directive, then it can be sold anywhere within the Community without having to obtain further approval from up to ten different governments. Averys, traditionally strong in Commonwealth markets, has been turning its attention to Europe – and increasing its sales – ever since Britain joined the Community. As far as Averys is concerned, this Community approval for one of its products is just the beginning. From now on, all new designs will conform to EEC standards. The company is looking forward to the day when harmonisation is extended to cover electronic machines; the standards agreed so far deal only with mechanical weighing machines.

Other companies have found that doing away with tariff barriers between Community countries has also helped. Drum Engineering, a Bradford company that makes equipment for discharging road tankers, does not yet have any Community harmonisation directives to assist it; but in a highly competitive market where every percentage point counts, getting rid of tariffs has been a 'plus' in its very successful trade with other Community countries.

'Other companies have found that doing away with tariff barriers between Community countries has helped'

A glance through the list of EEC industrial standards already in force or at the drafting stage gives the impression of a detailed, somewhat obscure, list of items. To the manufacturer of the equipment, however, technical standards are of vital importance, particularly when they represent an impediment to trade. At the same time, firms are concerned to see that any agreed standard will suit their product and not land them with too high a bill for changes in the production process. The lobbying is therefore intense. The slow process of reaching agreement on a standard is due to a mixture of effort and resistance.

Industrial standards relate to visible trade. Invisible trade, especially in financial services, is a separate but important sphere for the United Kingdom. One particular part of it has waited a long time for its harmonisation programme – or, as it is known in this case, 'liberalisation' of services – to be completed. The UK insurance industry has its eye fixed on the latest moves towards arriving at a common market in insurance services – a market in which it would be the biggest beneficiary from the expansion in trade that would follow. ∎

£316 MILLION FOR COMMUNITY FOOD AID IN 1981

The European Commission's recommended expenditure on food aid in 1981 provides for increased emergency relief to Third World countries. The Commission's proposals, now before the Council of Ministers, include provision for more than 927,000 tonnes of cereals, 150,000 tonnes of skimmed milk powder, and 45,000 tonnes of butter oil. Even these amounts, in the Commission's view, may not prove sufficient in the light of present needs.

The new programme includes recommendations made by the European Parliament, which debated the issue of world hunger last September. Its objectives, in addition to meeting emergencies, are to raise nutritional standards and to help the development of the poorest countries – mainly those with an annual Gross National Product of £300 or less per head of population.

The Commission also wants to diversify its food aid to include meat and vegetable oils.

This year the Commission also hopes to improve quality control of the foodstuffs distributed, as well as ensure better integration into local agricultural and rural development schemes.

All aid via agencies is for free distribution. Cereals sent to particular countries are mainly sold on the local market, with the funds accruing being spent on food production, storage or improved distribution.

EURO FORUM

OPINION

A welcome for new farm prices

The Commission is very pleased that there has been an early decision on farm prices for the 1981/82 year which will thus be able to come into force from the beginning of the farm year, the first time this has happened since 1974.

The agreement is of tremendous importance to the Community as a whole as well as to the farming population of some 40 million who will be the most directly affected. The Commission contributed actively by its compromise proposals to the final agreement.

In the course of the negotiations that led to the agreement, the Commission was led to propose certain additional price increases over and above those it had originally envisaged. It also became clear that in the present circumstances the proposals for the introduction of further co-responsibility measures would have to be attenuated.

However, the Commission considered that it was essential to ensure that agreement was reached by the deadline of April 1, the urgency of which was stressed by the European Parliament and the heads of State and government.

The cost of the price increases and other measures decided by the Council can be borne within the 1981 budget and imply a growth in agricultural expenditure in 1982 which should be close to the rate of growth of the Community's own resources.

The Commission is determined to preserve and improve the CAP, which remains a constant concern. Within the limits of its responsibilities the Commission will do everything it can to achieve a better control of agricultural production within the Community, taking into account the needs of the farming community as well as the existing budgetary constraints. The decision on the 1981/82 prices is consistent with those aims.

POUL DALSAGER
Agriculture Commissioner

TALKING POINT

As the world struggles to lift itself out of the current lengthy economic recession, we report on Page 8 of Euroforum that unemployment in the Community has now topped 8 million for the first time.

Various recent Community activities which we report on in this issue reflect how the ten member states are trying together to alleviate this problem, both in terms of internal Community policies and, possibly of more importance since international factors have played such a crucial role in the recession, in terms of the Community's external relations.

We report on how the Ten are trying to face up to the oil crisis in a spirit of solidarity, as well as on a new Community initiative to combat balance of payments deficits as a result of higher oil costs by, among other things, recycling so-called petrodollars to inject fresh capital into the Community economy.

On the external front, too, we deal with renewed efforts the Community is making within the constraints of the established international trading system to persuade Japan to reduce its exports in sectors which threaten jobs in the Community and to import more Community goods.

We report also on the major role of the European Investment Bank in creating jobs; on the potential role of education as an innovative economic stimulant; and, finally, on the operation of the Community's 'job-swap' system SEDOC.

QUOTES OF THE MONTH

'My 14 years as editor of The Times have left me particularly convinced of the value of Britain's entry to Europe under Mr Heath, much the most hopeful event of my time as editor, and one that I believe will prove to be historically the most important.' William Rees-Mogg, retiring editor of The Times

Quotes of the month continues overleaf

THE MONTH IN EUROPE

External relations

South African raids are condemned

The Community governments' foreign affairs experts have condemned recent military incursions by South African troops in neighbouring Angola and Mozambique.

Declaring themselves opposed to the use of violence as a solution to political problems, the political directors of the Ten's Foreign Ministries, meeting in the Hague, issued a statement declaring that a repeat of such attacks would inevitably exacerbate tension in southern Africa.

They also condemned the recent suppression of two newspapers, the 'Sunday Post' and the 'Post Transvaal' by the Pretoria government which, they said, would not help efforts to abolish racial discrimination in South Africa.

Different views on Community's peace bid

There have been a number of mixed reactions in recent weeks to the Community's activities designed to bring about a lasting peace in the Middle East.

The Community's position, enunciated in a declaration after last summer's European Council summit in Venice, reiterated the right to existence of all states in the region and the right of all parties to be associated with any peace negotiations, including the Palestine Liberation Organisation.

In the past few weeks, the President in-office of the Community's Council of Ministers, Dutch Foreign Minister Christopher Van Klaauw, has been making a tour of Middle East capitals investigating ways in which the Community's peace initiative can be furthered.

At the same time, British Prime Minister Margaret Thatcher has been in Washington as the first Community leader to have talks with President Reagan since his inauguration. She assured him that the Community initiative is complementary to American efforts, notably the Camp David agreement between Egypt and Israel.

The main reactions to Community involvement in the Middle East, one favourable and the other hostile, came from the secretary-general of the Arab League, Chedli Klibi, and the Israeli Prime Minister Menachem Begin.

Close on the heels of Egyptian President Anwar Sadat who addressed the European Parliament (see last issue of Euroforum) Mr. Klibi had talks in the Hague with Mr. Van der Klaauw where he strongly supported Community plans for a solution to the Middle East problem while emphasising that any settlement would have to include the establishment of a separate Palestinian state.

However, Mr. Begin said that he was opposed to any suggestion that Israel should withdraw from occupied Arab territory.

Quotes of the month continued

'What we have to do is ensure the emergence of a new factor – the European factor – in world affairs'. Lord Soames, former Vice-President of the European Commission, and currently Lord President of the Council and Leader of the House of Lords.

'Very few people in Britain have ever understood what the European Community is and what it is not. This, moreover, is true for both supporters and opponents of the Community.
'Leaving the European Community would merely be a symbolic expression of Britain's intention to 'go it alone', which, in today's world, is a prescription for poverty and isolation'. Ralf Dahrendorf, Director of the London School of Economics and former European Commissioner.

'The objectives of European involvement in the Middle East coincide with our own objectives in the broad sense of the term'. Secretary of State Alexander Haig.

'It is necessary to abandon once and for all the illusion that the problems of the weak regions will be solved by the rich regions. Transfers of resources have been shown to be insufficient and now even the economically stronger regions have to tackle serious problems. It is therefore necessary to help the weak regions to exploit their own resources'. Antonio Giolitti, European Commissioner responsible for regional policy.

'The immediate enlargement of the Community's own resources is the necessary precondition for that level of integration of Community policies which corresponds to the political, economic and monetary unification process demanded by the accession of new member countries'. Vincenzo Scotti, Italy's Minister for the coordination of Community policies.

Oil embargo on South Africa urged

A recent meeting between parliamentarians from Community and developing countries called for a Western European oil embargo against South Africa, as a means of changing the country's 'intransigent attitude' on the liberation and self-determination of the Namibian people, as well as its continuing apartheid policies.

Almost 60 members of the European Parliament and an equal number of representatives from the 60 African, Caribbean and Pacific (ACP) countries which are linked to the European Community through the wide-ranging Lomé Convention met in Freetown, Sierra Leone, to study a range of trade and economic issues which characterise the 'special relationship' established by the two sides almost six years ago.

Parliamentarians from both sides have a key role to play in the functioning of the Lomé Convention, and meet at least once a year in plenary session, and twice a year in the more restricted 'joint committee' sessions such as the one held in Sierra Leone.

Taking place at what President Siaka Stevens of Sierra Leone called a 'truly critical time' in international economic and financial cooperation, the meeting looked at a motley of key problems currently facing the ACP countries.

These include the ever-increasing

problem of hunger, particularly in the Sahel region, the need to seek out new sources of renewable energy to replace the rocketing oil import bills of the ACP States, and the difficulties facing ACP exporters of sugar and textiles to the Community market.

Delegates appeared to agree with the assessment of the Lomé Convention made by the President of Sierra Leone who noted that while Lomé had not been an 'unqualified success', it was the 'only functioning cooperation agreement between the rich industrialised north and the poor underdeveloped South'.

The conference was attended by Commissioner Claude Cheysson, who is responsible for relations with the Third World.

Energy

Oil bank may be key to shortages

Community Energy Ministers have asked the European Commission to study possible new ways of helping member countries overcome future oil shortages.

At a recent meeting in Brussels, the Ministers agreed that, although the Community's immediate oil supply situation was satisfactory, there was a need to provide for mutual assistance should the situation worsen.

Such mutual aid could take the form of joint oil stocks, or even some sort of 'oil bank', from which the Ten, and possibly fellow International Energy Agency members, Japan and the US, could draw when their own stocks drained below a certain level. The Commission will study the alternatives and report back to the Ministers at their next meeting in June.

The Council also discussed the Commission report on progress made by the Ten in pursuing the Community's energy policy objectives for 1990, which call for less use of oil, more use of solid fuels and nuclear energy and better energy conservation.

Although some progress has been made, the Ministers concluded that if these objectives are to be reached, several member states will have to step up their efforts, particularly by substituting coal for oil in electric power stations and by developing nuclear power.

The Council also called for more active research and development of renewable energy sources.

Congratulations
Commission President Gaston Thorn has sent a congratulatory telegram to the new Spanish Prime Minister, Leopoldo Calvo Sotelo, who was elected to succeed Adolfo Suarez. He took over the reins of power after anti-democratic elements of the civil guard and the army invaded the Parliament chamber in Madrid as the spearhead of an abortive coup d'etat. Mr. Thorn told Mr. Calvo Sotelo, a former Minister in charge of relations with the Community, that he and his colleagues looked forward to Spain's accession, scheduled for 1984.

THE NEWS IN BRIEF

Arms ban urged
The European Parliament has called on the governments of the ten member states 'immediately to cease all participation in the supply of weapons to the Uraguyan regime.' The Parliament justified its action on the grounds that there is no political or trade union freedom in the country, that the situation of political prisoners is totally unacceptable and that torture is commonplace. It supported the Red Cross's call for an international inquiry.

For the regions
The first grants for this year from the European Regional Fund, which were announced recently, total 354 million ECU. All but 13 million ECU are for infrastructure investment projects. The beneficiaries are Ireland, Italy, the United Kingdom and, for the first time, Greece, which receives just over 100 million ECU. Total aid granted since the fund was established in 1975 now amounts to just under 4 billion ECU.
Note: The ECU is worth about 54p.

No change
Following a number of press reports which he described as 'unfounded', Commission President Gaston Thorn has reassured the new Portuguese Prime Minister Pinto Balsemao that 1984 still stands as the target date for Portugal to join the Community. He said in his message: 'I confirm that at this stage I see nothing that would upset the negotiating timetable we adopted by mutual agreement.'

The Law

Commission takes two member states to task

The European Commission has begun legal proceedings against two member states – Italy and France – for possible breaches of Community law.

Action has been taken against Italy following a decision by the Rome government to cut the number of customs posts able to give clearance to steel imports from 45 to 12.

The Commission feels that the reduction acts as a quantitative restriction on trade (banned by the Treaty of Rome), since it makes it far more difficult and costly to import steel into Italy.

The import clampdown, and the Commission's action, take place against a background of widespread recession in the Community's steel industry.

The move against France followed the announcement at the end of last year of a 700 million ECU government aid package for French farmers.

While some of the aid is perfectly legal under the Community's rules on national aids and subsidies, the Commission suspects that part of the package might be going to French farmers as direct income subsidies, which are definitely illegal since they give French farmers an unfair competitive advantage over their counterparts in other member states.

Both governments concerned have been asked for their observations, and on the basis of these the Commission will decide whether to take the case before the European Court of Justice in Luxembourg which it is obliged to do by the Treaty of Rome.

Money

Community bank funds on energy

The European Investment Bank (EIB) lent just under 3 billion ECU last year, with 40 per cent of its investment in the Community going on energy projects.

EIB lending in the energy sector totalled 1,186 million ECU with increasing investment in nuclear power

THE MONTH IN EUROPE

stations, oil and gas resources, coal fired power stations, energy saving schemes and peat extraction.

The combined effect of the projects should be to knock 12 million tonnes off the Community's annual oil requirements, boosting the saving over the last 4 years to 50 million tonnes.

The EIB also increased investment to industry with loans totalling around 585 million ECU. Small and medium-size firms were the chief beneficiaries of the increase, with global loans (subsequently divided up by national authorities) virtually doubling last year. A total of 518 small and medium sized firms were financed last year.

Other major investments were in telecommunications, transport, water supplies and sewerage, and farm development.

80 per cent of funds invested in the regions went to Italy, Ireland and the UK, which were hardest hit by unemployment and structural problems.

Italy was the major beneficiary with 1,290 million ECU. The UK was next with 688 million ECU and nearly 23 per cent of all EIB spending with a massive 250 per cent increase in financing for industry. Loans to Ireland were 376 million ECU – the heaviest concentration of investment per head of population in the Community.

The EIB last year lent 547 million ECU for developing countries which have cooperation or association agreements with the Community, including Greece (now a member), Portugal, Turkey, Algeria and Tunisia. There was also a large increase in investment in the African, Caribbean and Pacific (ACP) countries linked to the Community under the Lomé Convention.

The EIB reckons that its investment helped create or safeguard 50,000 jobs in the Community last year.

Budget

Germany asks Court to rule on dispute

Germany has appealed to the European Court of Justice against the Community's 1980 supplementary budget and the total budget for 1981 which were passed by the European Parliament last December.

Both Germany and France felt that the Parliament had acted illegally in adding some 266 million ECU to the 1980 supplementary budget and 24.5 million ECU to the 1981 budget without the consent of the Council of Ministers.

The European Parliament added the extra money to a supplementary budget originally designed solely for victims of the Italian earthquake.

MEPs tacked additional regional, social and energy spending onto this knowing that most of the extra cash would have to be carried over into the 1981 budget and would therefore boost this year's spending in those sectors above the level agreed by Community governments.

Germany and France have therefore withheld their contributions to both budgets for the first three months of this year. Belgium has not paid its share of the 1980 supplementary budget.

Although the Commission is satisfied that the Parliament acted within its legal rights in approving the budget, Germany wants the Court to clear the matter up once and for all.

The Economy

Recession may last longer than expected

The economic recession is going to last longer than first predicted, the European Commission has forecast.

An upturn predicted for the first quarter of this year now looks likely to be delayed until at least July. The reason is that the level of economic activity at the start of the present cycle was higher than expected and the subsequent downturn therefore deeper.

Community GDP is likely to rise by about 2 per cent in real terms between July and the beginning of next year. But the year on year percentage will decline by 0.6 per cent rather than increase by the same amount as originally forecast by the Commission.

Unemployment is expected to reach 7.5 per cent by the end of the year although inflation should slow down to around 10.5 per cent, held by more moderate wage agreements and increased productivity.

The Community's balance of payments deficit will continue at the same level with the worse terms of trade offsetting the increase in volume.

The Commission said that the economic situation demands a reinforcement of the European Monetary System (EMS) and continuation of the economic and monetary guidelines by the member states agreed last December. Member states should also encourage investment, develop renewable energy sources and also improve energy recycling, and encourage the mobility of labour.

Agriculture

Dramatic drop in farm incomes

The economic recession may be biting deeply all round but the lot of Europe's 8 million farmers looks particularly unhappy.

Farm incomes in the Community fell by an average of 8.9 per cent in real terms last year, with farmers in Ireland suffering a dramatic 19.3 per cent income drop during 1980.

Figures released by the Community's Statistical Office also show a major income decline in France (down 11.7 per cent) Denmark (11.6 per cent), Germany (10.2 per cent) and the UK (9.2 per cent).

The main reasons for the fall in farm incomes is the increase in production costs, particularly energy and the increase in interest rates.

100 arrested in farm fraud investigation

A major fraud involving Community funds granted to aid tomato production has been uncovered in Southern Italy.

Over one hundred people have so far been arrested for alleged involvement in the fraud, which some reports claim could have cost the Community budget as much as 130 million ECU.

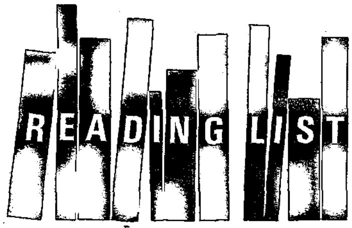
The fraud apparently began in 1978 when the Community first decided to help canneries in the so-called 'tomato triangle' in Southern Italy, around

Naples, Salerno, Foggia and Brindisi. Since then, around 400 million ECU worth of Community aid has gone to tomato processors in the region.

The actual mechanics of the fraud were disarmingly simple: processors falsified certificates saying how many tonnes of tomatoes they had bought for canning – merely by adding an extra zero in some cases.

Most of the tomatoes were bought fresh by processors at below the Community minimum price, since production in the region is so high and farmers very much depend on canneries to buy up their crop.

Responsibility for monitoring the correct application of Community farm aids lies primarily with the national authorities and although the Commission carries out spot checks, these cannot cover every case.



Agriculture
The situation of the agricultural markets. This report gives an overall view of the CAP in 1980, together with statistics.
Ref: COM(81)58 final

Europe's Common Agricultural Policy. This useful leaflet explains how the CAP works. Ref: European File No. 4/81

Company law – Banking
EEC directive on annual accounts of banks and other financial establishments. This new Commission proposal follows an earlier directive, 78/660/EEC, and covers the drawing up, auditing and publication of accounts of all share capital companies.
Ref: COM(81)84

Employment and training
The European Social Fund, what it does, who can apply and how to apply.
A new edition of a useful booklet compiled by the Department of Employment.

Regional policy
Practical guide to the European Regional Development Fund. This guide has been compiled by the European Parliament. It is designed to meet the need for precise information on the procedures to be observed in submitting applications.
Ref: PE68.319

Transport
The Council has adopted the first directive on the introduction of a Community driving licence. This decision introduces a system of mutual recognition and exchange of driving licences without a test from 1983.
Ref: OJ.L375 31.12.80

Finance

Ten planning to raise more money abroad

European Community Finance Ministers have agreed to borrow more money on international capital markets, or from oil producing countries, to help member states with balance of payments difficulties.

The new mechanism will raise up to 6 billion ECU and is essentially a modification of a system established in 1975 which has already been used by Ireland and Italy for 5 to 7 year loans.

The need to update the 1975 lending facility is clearly demonstrated by the fact that in 1974 the Community's balance of payments deficit was $11 billion. Last year, with the sharp increase in the price of oil, it had shot up to $43 billion.

Voting on the value of the loans and the terms that should apply will be done unanimously by ministers. Governments will be required to manage their economic policies so that they work towards a reasonable balance of payments.

Helping Spain to prepare for membership

The European Commission has proposed 100 million ECU worth of Community investment in Spain to help the country adapt to forthcoming membership of the Community.

The aid which will take the form of financing by the European Investment Bank (EIB) would be chiefly designed to help regional development and improve transport and communication links with the existing Ten.

It would also give a boost to small and medium-sized businesses in Spain to help them cope with the increased competitiveness of the Community market.

Projects designed to improve energy saving and efficiency would also be eligible for this special EIB investment.

The Commission feels that the aid, which would continue until the date of Spanish accession (provisionally set for January 1, 1984) would play an important role in speeding the integration of Spain's young democracy into the Ten.

Industry

Steel: Ten agree on streamlining

European Community industry ministers have agreed in principle to end all public subsidies to steel firms by mid-1983.

The decision came at a recent meeting in Brussels to discuss restructuring in the industry. The ten member states felt that if they were to restore international competitiveness, profitability and stable employment to the European steel industry, national subsidies which tend to distort competition between individual firms had to be stopped.

But they accepted that some degree of national aid was necessary to help restructure the industry and rationalize production. They decided, therefore, that public aids would be permitted as a transitional measure between now and July 1 1983 on condition that they contributed directly to restructuring.

The European Commission has been asked to build up a complete picture of all public aid funding to steel firms both by the Community and by member states and to report back to the Council within two months.

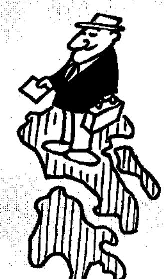
It has also been asked to ensure that Community investment from the European Coal and Steel Community budget goes only to producers who achieve a satisfactory degree of restructuring and who do not increase production without cutting back equally on uneconomic production capacity.

The Ministers also called on European steel producers to reach a voluntary agreement on production targets so that the Commission's temporary anti-crisis measures, brought in last November, could be lifted as intended in June.

EUROPE AND YOU

Opening up new frontiers for jobless

Wanted, 25 4-51.26 M/F DE+EN Nace 654.2/654.3. Or, in plain English, 25 sales assistants, either male of female, who speak German and English and specialize in retailing clocks, watches, jewellery and plate, or in retailing toys and possibly sports goods.



What looks at first sight like a bewildering list of numbers and letters is in fact the SEDOC system, a very precise code which enables national employment offices to exchange information about job opportunities which cannot be filled locally.

The free movement of workers between Community countries is a right guaranteed by the Treaty of Rome. Indeed, Community citizens have an 18-day priority when jobs are offered. The problem is matching supply and demand, and this is where the European System for the International Clearing of Vacancies and Applications for Employment – known as SEDOC – comes in.

Since 1972, Community regulations have required the labour services of each member state to exchange, at least once a month, the statement of their own manpower needs for each occupation, and a similar statement on job hunters interested in working in another Community country. The problem was, how best to do this with different languages being spoken and each country using different occupation codes. Specialists in the various member states also foresaw problems arising from the fact that different jobs have different names or need different qualifications in one country than in another. The French 'ouvrier qualifié' and the Italian 'operaio qualificatio' may look like the same job, but while the Frenchman is a skilled worker, the Italian is only semi-skilled. And to make things even more complicated, the opposite is true: the Italian skilled worker is an 'operaio specializzaio' while the French 'ouvrier specialisé' is only semi-skilled.

Then again, a British or Irish "steel erector" is called three quite different names in France, Luxembourg and French-speaking Belgium, even though the language used is French, and Dutch-speaking Belgians have a different name from that used in the Netherlands.

So, over a long series of painstaking meetings in Brussels, the specialists developed a comprehensive single-language system, with a hefty 450-page register including every possible job with appropriate grades, levels and specialisations, each translated very precisely in all Community languages. Each division and sub-division has its own code, so that any employment office receiving details of vacancies in another country only has to lock up the register for an exact description of what is needed.

The system has gone through a series of trials involving an increasing number of areas over the past few years, and is now almost fully operational (the Greek register is expected shortly). Information about both vacancies and job hunters is being collected in all member states on a national basis and exchanged within a matter of hours between all other member states. Information about living and working conditions, social security, and so on is also circulated.

In this way, some 25,000 jobs were made available last year on a Community-wide basis. Although simultaneously 18,000 people were offering to work abroad, few of these jobs were filled. The matching rate was only about 10%, and the proportion of placements is even smaller.

There are various reasons. Not all member states make equal use of the facility: 80% of the job offers come from Germany; 70% of the job hunters come from Ireland, Italy and the United Kingdom. A mis-matching of skills is one of the biggest problems: applicants may be office workers while the jobs on offer require builders' labourers. Or people may not be sufficiently qualified, or speak the right languages.

Sometimes prospective employers have an inflated idea of the age, experience and language ability the job really requires; or the salary offered may not be acceptable; or employers may not pay a prospective employees travel costs.

The Brussels Coordinating Office also feels strongly that details of unfilled vacancies need to be more widely publicised by the labour services in the member countries. At the moment only a few dozen out of a monthly total of 2,000-odd jobs get included in the labour bulletins.

Meanwhile, according to recent figures, Germany needs 1,790 workers it cannot get locally: in addition to the sales assistants mentioned above, there are vacancies for 15 engineers, 15 technicians, 4 translators, 15 secretaries, 4 hairdressers, 52 tree-fellers, 18 textile workers, 20 tanners, 33 butchers, nearly 100 machine tool setters, 7 dental technicians, 50-odd plumbers and welders, 30 metal erectors, 15 glass-blowers, 23 printing machine operators, 10 masons, 16 carpenters, 30 insulators, 10 lorry drivers, 336 labourers, and a good few others besides.

SEDOC will help at least some of the 1,617 job hunters currently registered as willing to work in other Community countries to get at least some of those jobs. In the future, it may help to match a good many more.

If employers seek manpower not available on the national market, or if workers would like to know about the possibilities for employment in other countries of the Community, or wish to register as a jobseeker for a job in another Member State, they should apply to the employment service in their own country. The UK agency is: MANPOWER SERVICES COMMISSION, SEDOC SECTION, Employment Service Division, Overseas Placing Unit, Pennine Centre, 20-22 Hawley Street, SHEFFIELD S13 CA Tel: (0742) 739022 Telex: 54 78 85

These services are inter-connected by telex and exchange information on vacancies and applicants three times a month. Requests should not be sent to the Commission's offices, since it is the national employment services which process the information exchanged between themselves.

EUROPEAN REVIEW

Commissioner sees new dimension for education

Education must be regarded as an integral part of the Community's social and employment policy and the member states' education and training systems must be adapted to foster a social and economic revival.

This is the policy outlined recently by Ivor Richard, the first member of the European Commission to combine education and vocational training with employment and social policy in a composite portfolio.

Speaking to the European Parliament's Committee on Youth, Culture, Education, Information and Sport, he said that the time had come to overcome the 'ancient dichotomies' between general education, which was dominated by the academic school and which concentrated on cultural and intellectual development, and vocational training which was so often linked too closely with the immediate needs of employers for skilled labour.

While emphasising the Community's fundamental commitment to respect the diversity and autonomy of education and training systems in the member states, he believed there was room for effective community action based on the understanding and participation of those working at the grass roots – in schools, teacher training colleges, local government, voluntary organisations, trade unions and so on.

Mr. Richard said the Commission's strategy over the next few months would be to consolidate existing activities and to pursue new initiatives in the context of a developing social policy, and he hoped that a start would be made at a meeting of Education Ministers which is likely to be held this summer.

Jobless rate tops 8 million for the first time

Unemployment in the Community topped 8 million for the first time in January, the latest month for which figures have been released. This represents a rate of 7.7 per cent for the Community excluding Greece.

The new level is an increase of 6.1 per cent in a month and is an increase of 27 per cent over the previous January. More than 3 million of those without jobs were under 25 and just under 42 per cent were women.

Almost half of the additional 500,000 joining the dole queues were in the United Kingdom, where unemployment rose by almost 1 million in a year, or an increase of 65 per cent. Denmark was not far behind with a 62 per cent increase, while in the Netherlands the figure was 48 per cent and in Ireland 36 per cent.

Smaller increases were registered in Luxembourg (+ 28 per cent), Germany (26 per cent) Belgium (19 per cent), France (13 per cent) and Italy (4 per cent), giving an average January to January increase for the Nine of 27 per cent. In the enlarged Community of Ten, the unemployment rate for January last was 7.5 per cent or 8.5 million. The number of registered unemployed in Greece was only 71,000, or just over 2 per cent of the civilian working population.

However, the structure of employment in Greece is very different from the other member states. Employees represent less than half of total employment whereas this proportion is 84 per cent in the Nine. There is also a very large agricultural sector and a high degree of occasional employment, which makes it difficult to distinguish between employees and self-employed or between the active and the non-active.

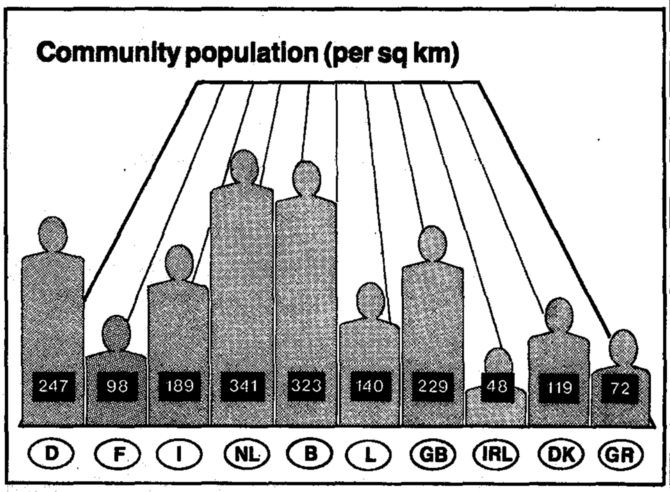
New measures possible to save the whale

The European Commission is examining the possibility of extending the list of secondary whale products whose entry into the Community may be banned.

Last January, the Council of Ministers adopted a Commission proposal banning the import into the Community of all primary whale products and a large proportion of secondary products.

While the member states have thus committed themselves to the fight to save the whale, the Commission has revealed in reply to a question in the European Parliament that only four of them – Denmark, France, the Netherlands and the United Kingdom – are contracting parties to the 1946 International Whaling Convention.

The convention, which was drawn up to ensure the long-term survival of the world's largest mammal, last met in July, 1980. In addition to the four member states which are contracting parties, the Commission represented



EUROPEAN REVIEW

the Community as an observer. Belgium and Germany, as well as applicant country Portugal, also attended as observers.

Parliament aims to safeguard readers' choice

The European Parliament has called on the European Commission to carry out an investigation into the book trade because it fears it is being concentrated in too few hands and that the small bookseller is in danger of being squeezed out.

The Parliament feels that exclusively economic criteria should not apply to the book trade because of the specific nature of books which are products which directly affect the interests of the citizen in the cultural, educational and information fields.

In the interests of protecting Europe's cultural diversity, the Parliament considers it is necessary for the Community to ensure that minority ethnic and cultural publications are distinguished from the popular mass market of best-sellers.

It believes that, if necessary, national governments should be allowed under Community fair trade rules to provide financial support for certain types of publishing where natural market forces are not sufficient to safeguard cultural interests.

Euro fund urged to protect the environment

Environment Commissioner Karl-Heinz Narjes, who took over the portfolio in January, has called for the creation of a European Environment Fund. He would like to see between 5 and 8 million ECU being set aside for this purpose in next year's Community budget.

Mr. Narjes told the European Parliament's committee on the environment that the fund should be devoted to the promotion of clean or low-polluting technologies, nature conservation, the promotion of recycling of materials and improved information and education in the environmental field.

The Commissioner also said that he would like to see the Commission's relatively slimline environment and consumer protection service being upgraded to a full directorate-general with adequate staff to do its job.

Charting course towards cleaner water

Water in the Community, both salt and fresh, should begin to become cleaner and healthier as a result of recently-adopted legislation to control discharge of cadmium, a highly-toxic substance.

From January 1, 1983, the member states have agreed to start implementing legislation which will control industrial wastes containing cadmium which are discharged into water. Limits are fixed for such discharges.

This provision will apply to existing industries. In addition, different limits will apply from January 1986 for new industries, taking into account improved technical means to control such toxic effluent.

Member states will also take appropriate action to control cross-border pollution.

EP shares view on hormones

The European Parliament has expressed its concern about the use of hormones and other additives in the fattening of livestock for human consumption. The European Commission has already prepared legislation at the request of the Council of Ministers.

Members of the Parliament differed over the details of how the use of hormones could be controlled, but they joined together in a call for a negative list to be drawn up. This would list substances which should be banned.

Still rising

Consumer prices accelerated in the Community last year, rising by 13.8 per cent compared with 9.9 per cent the previous year. The biggest rise was in Greece (24.7 per cent) followed by Italy (21.2) Ireland (18.2), the United Kingdom (18), France (13.6), Denmark (12.4), the Netherlands (7), Belgium (6.7), Luxembourg (6.3) and Germany (5.5)

Protecting the individual from Big Brother

An international convention designed to protect individuals from the spread of computers has been opened for signature by the 21-member Council of Europe, to which all ten Community member states belong.

The Convention for the protection of individuals with regard to automatic processing of personal data, to give it its full title, will establish international standards for the storage of computerised information and the transfer of information from one country to another.

The convention makes particular mention of information about a person's politics, racial origin, religion, personal health and criminal record. It is against the processing of such information unless domestic laws provide proper safeguards.

However, exceptions are made where state security, the monetary interests of a state or public safety are concerned.

Following signature, the convention will have to be ratified by national parliaments of Council of Europe member states which will have to incorporate its terms into national legislation.

Bulk of emergency aid devoted to refugees' needs

Community emergency aid to developing countries last year amounted to 153 million ECU. Of this amount, 35 million ECU went to countries in Africa, the Caribbean and the Pacific (ACP) with which the Community has signed the Lomé Convention; 63 million ECU to other developing countries, and about 55 million ECU took the form of emergency food aid.

The bulk of the aid went to refugees in South East Asia and the Horn of Africa. However, many aid operations were also mounted to help victims of natural disasters such as drought in the Sahel, hurricanes in the Caribbean and the Algerian earthquake.

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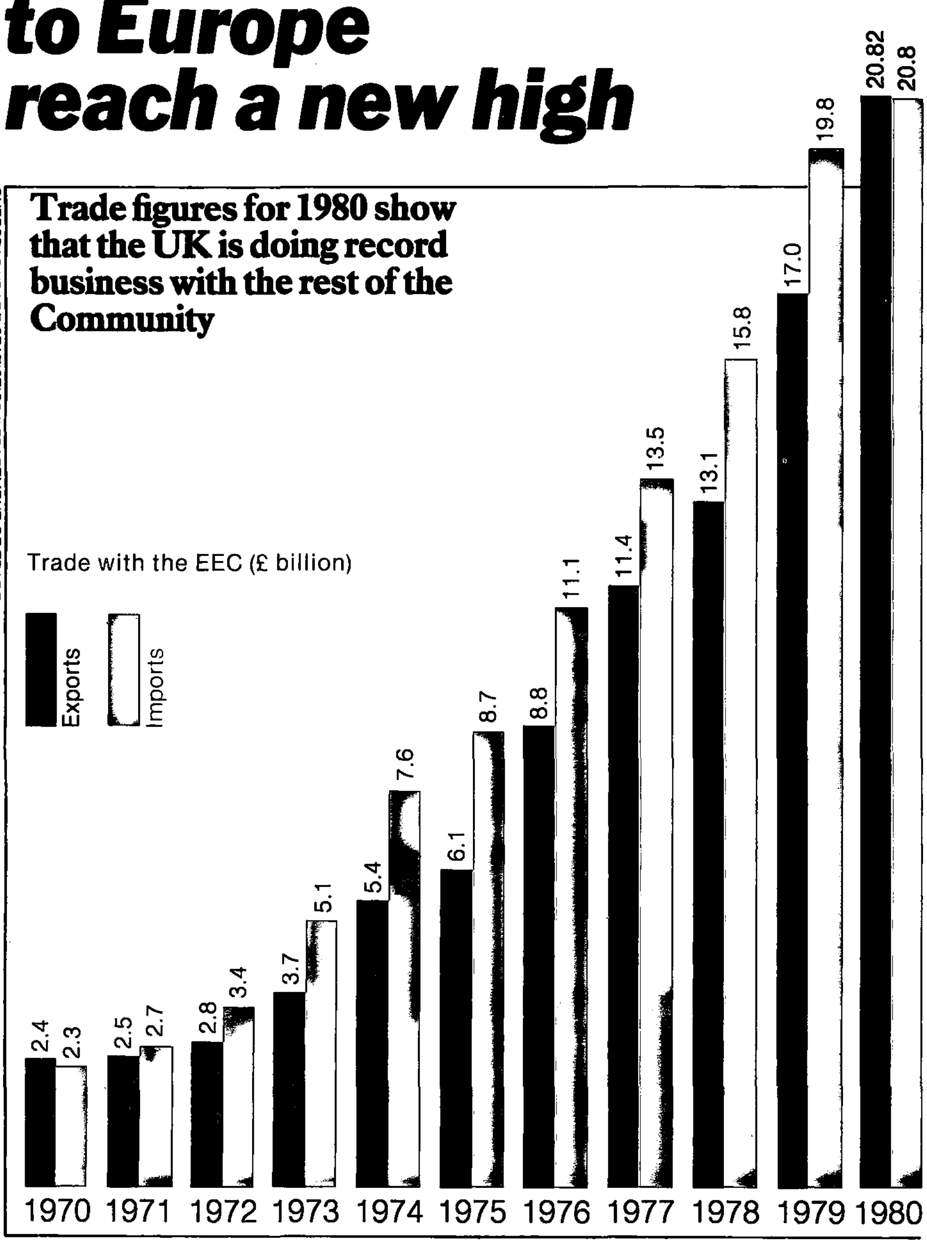
Britain's exports to Europe reach a new high

Trade figures for 1980 show that the UK is doing record business with the rest of the Community



OVERSEAS TRADE STATISTICS DEPARTMENT OF TRADE

In 1980 the UK exported more to the rest of the European Community than it imported – the culmination of a steady improvement in the UK's exporting performance to the rest of the EEC since the mid-1970s.

Exports to the Eight last year were worth £20,825,802,000 and imports £20,802,915,000 – a surplus for the UK of £22,887,000 in its visible trade balance with the European Community. This gave the UK an export/import ratio of 100 per cent for the first time since the UK became a member of the EEC.

Two-way trade on visibles last year was valued at £41.6 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 13 per cent from the 1979 figure, which in turn increased by 27.3 per cent over the 1978 figure. The 13 per cent increase in trade came in a year when the world-wide recession bit hard into all economies.

1980 saw the other member states continuing to be important UK trading partners, as has been the trend since UK entry to the EEC. As in 1979, the EEC accounted for 42 per cent of all UK exports. Imports from the EEC, however, last year fell by two per cent from the 1979 figure to 40 per cent, giving the UK its 1980 100 per cent export/import ratio. At the start of the Seventies, imports and exports from the EEC amounted to less than 30 per cent of the UK's trade.

Since the mid-1970s there has been a trend for UK exports to the EEC to rise faster than imports. Despite a setback in 1978, exports by 1979 had risen on average by seven per cent per annum more than imports. The 1980 figures have improved this to nine per cent. Exports rose in 1980 by 22.3 per cent and imports by only five per cent – a definite improvement on 1979, when exports increased by 30 per cent and imports by 25 per cent.

The UK's trading performance with the EEC last year converted its trade balance with the Community from a deficit of £2.8 billion in 1979 to a £22.9 million surplus. The UK continues to be in a trade *deficit* with the rest of the world: in 1980 the deficit stood at £2,162,363,000.

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 22.3 per cent increase in exports and a five per cent rise in imports.

'...from 1973 to 1979, British exports to other member states increased at an average annual rate of 23 per cent'

Looking at the UK's trading relations with other regions of the world, last year shows that this country's largest deficit was with the United States.

Exports were worth £5,450,493,000 and imports £7,489,217,000, a deficit of £2,038,724,000. The UK also had a deficit of £230,733,000 with the Middle East and North Africa; a deficit of £118,183,000 with the Eastern European Countries; and a deficit of £32,938,000 with the rest of Western Europe. The UK has a surplus balance with the other developed countries of £874,845,000, and of £43,784,000 with Latin America.

Before Britain's entry, trade with the UK's potential EEC partners was slipping. By 1975 – two years after entry, and as tariff barriers in the transitional period began to come down – the import/export ratio began to improve, reaching 86 per cent last year.

In reply to a written question in the European Parliament in March, Mr François-Xavier Ortoli, commissioner for economic and financial affairs, said that, from 1973 to 1979, British exports to other member states increased at an average annual rate of 23 per cent.

In the same period, Mr Ortoli added, British imports from other member states increased at an annual rate of 20 per cent. Of the UK's total imports, the share from other members of the Community has risen from 33 per cent in 1973 to 38.5 per cent in the first nine months of last year.

The challenge to Europe in southern Africa

EEC involvement in the economies of South Africa's neighbours offers a chance of peaceful change. But the political crunch is yet to come, writes CAROL COSGROVE TWITCHETT

The winds of change continue to blow strongly throughout southern Africa. Tensions resulting from de-colonisation, racialism, and the needs of economic and political development might well boil over in the not-too-distant future. Today, southern Africa represents both a challenge and an opportunity to the European Community.

Most members of the Community, and the United Kingdom in particular, have long-established interests and deep historical ties with the region. Zimbabwe's emergence as an independent country under black majority rule is the latest piece of the jigsaw in an as yet unfinished picture. Namibia remains a disputed, white-dominated territory which has still to attain independence.

The greatest challenge of all will be the future of the Republic of South Africa, the final bastion of white minority rule. During the last decades of the 20th century, the struggle against racism in South Africa seems likely to be a major source of instability and tension in international relations. The European Community has the opportunity to play a decisive role in promoting peaceful change.

The Community has already undertaken a range of aid and trade measures designed to promote stability and alleviate poverty in the region. Perhaps the most important to date have been through the Lomé Convention, linking the European Community with the African, Caribbean and Pacific (ACP) states.

Zimbabwe – as reported in the March issue of Europe 81 – is the sixtieth ACP state to sign the Convention, joining the other southern African countries – Botswana, Lesotho, Malawi, Swaziland, Tanzania and Zambia. With Vanuatu's accession to the Lomé Convention, there are now 61 members of the ACP group.

The ACP states have free access to the Community market for most of their exports, and also benefit from a range of trade promotion schemes. Those exports, which compete with European farm produce, are subject to special rules under the Common Agricultural Policy. These rules cover, for instance, limited quantities of cane sugar and beef from Botswana, Swaziland and Zimbabwe. The southern African countries also gain from the Lomé Convention's *Stabex* and *Minex* schemes for compensating ACP states for losses in their export revenues from agricultural and mineral products.

The Republic of South Africa is rigidly excluded from all benefits accruing from the Lomé Convention, and from other EEC schemes designed to assist the developing states of southern Africa. Ironically, however, under the CAP the Republic has more preferential access for some of its fruit exports to the Community than do those of developing countries.

European Community aid to southern Africa comes through many channels. The Lomé Convention European Development Fund (EDF) is the most important, providing several hundred million pounds in grants for development projects, especially to promote agriculture, rural development, education and technical training. The European Investment Bank has provided loans for major agro-industrial projects, such as a sugar mill in Swaziland. And the ACP-EEC Centre of Industrial Development attempts to promote new industries in the southern African states.

The European Community funded extensive emergency aid programmes in response to conflict in the region during the 1970s; in particular, in Rhodesia, Angola and Mozambique. Speedy action was prompted by the pressures exerted on the 'front-line' states, especially through the disruption of transport and food supplies together with a massive influx of refugees. In the immediate aftermath of Zimbabwe's independence, the Community made a decisive contribution to the work of the United Nations in resettling the estimated million people displaced by the war, especially by providing convoys of buses. European Community food aid was also very important, not only in Zimbabwe and the neighbouring ACP states but also in Angola and Mozambique.

Left: heading back home from a protected area with a roof for the family's head. For some, brick-making provides a livelihood (below); for others (above) time passes slowly in refugee reception camps.

The recent emergence of the Southern African Development Co-ordination Conference (SADCC) provides a regional framework for economic development. Angola and Mozambique have joined with the seven ACP countries to promote collective self-reliance and decrease their dependence on the Republic of South Africa. Together the SADCC countries have a population of 57 million, estimated to grow to 90 million by the end of the century. They have vast natural resources, especially mineral wealth, and under-exploited food production potential. The European Community has pledged to support SADCC and assist the participants to achieve their objectives. It has allocated more than 100 million ECU (about £54 million) to regional projects from the EDF between 1981-85.

Some individual SADCC countries have special responsibilities regarding their collective endeavours, such as Botswana (agricultural research), Mozambique (transport), Swaziland (trade and manpower), Tanzania (energy) and Zimbabwe (food security planning). The Community has promised financial and technical assistance for these tasks. However, so long as Angola and Mozambique ▶

remain outside the Lomé Convention framework, there are problems in identifying regional projects eligible for EDF finance. These problems will become much greater if, as is rumoured, Mozambique actually joins Comecon, the Soviet-dominated trading system.

The European Community is pledged to encourage southern African states to diversify their economic links and reduce their dependence on the Republic of South Africa. Since the mid-1970s the member states have attempted to promote a common policy towards South Africa, mainly through the political co-operation machinery and as such *outside* the formal Community institutional framework. The United Kingdom is by far the largest of South Africa's EEC trading partners. However, the actual significance of the South African market is often exaggerated. In 1979, under 2 per cent of British exports went to South Africa, and other black African markets are now much more important. Nigeria, for example, buys almost twice as much British goods as South Africa.

For the United Kingdom, however, investment could be a more pressing issue. In 1977

'In Zimbabwe, the Community helped to resettle a million people displaced by the war'

the British Foreign Office estimated that more than 50 per cent of all foreign investment in South Africa came from British sources, with the West Germans and French accounting for 5 per cent and 2 per cent respectively. The British-South African relationship is bolstered by the fact that more than 300 British companies have subsidiaries or associates in South Africa.

It was against this background that the then British Foreign Secretary, Dr David Owen, in 1977 initiated the EEC Code of Conduct for European companies in South Africa. All the Community member states pledged themselves to oppose racism and to encourage their commercial enterprises to work against apartheid. The Code of Conduct calls on Community-based companies to promote better conditions of work for non-white employees and to recognise, and even encourage, trade unions to improve the pay of black workers and their training facilities. Representatives of the Community member states meet regularly to review the experience of their companies in applying the code, and to co-ordinate their national policies towards the Republic. The value of the Code is essentially symbolic. It is voluntary, and in practice it has proved almost impossible to monitor its precise application.

Overall, there is little doubt that the EEC is, at least publicly, committed to majority rule in South Africa and to ending apartheid. It is not yet clear, however, whether the Republic will interpret Commmunity support for SADCC as hostile to its interests. Hopefully, South Africa will appreciate that no black African government can tolerate continued economic dependence on an avowedly white-dominated régime.

The newly independent countries of southern Africa are totally committed to reducing that dependence and to dismantling apartheid. They seek western European support in bringing about the necessary change peacefully.

The Community's collective response could well be crucial. In fact, a successful EEC dialogue with all developing countries in the next decade or so will depend largely on its response to the challenge.

BOOKSHELF

Basic Community Laws. Edited by Bernard Rudden and Derrick Wyatt. Oxford University Press, £4.95.

This is a handbook, written by two Oxford scholars, covering the various Community treaties, along with secondary and other documents covering free movement of goods, the CAP, freedom of movement for workers, freedom to provide services, competition, and social policy.

Transnational Party Co-operation and European Integration. By Geoffrey and Pippa Pridham. Allen & Unwin, £18.00.

The new style of party political integration that has begun to change the concept of Europe, and its implications for party groups within the Community, raise unfamiliar issues. These are exhaustively discussed, in a text based partly on interviews with MEPs and 'Euro-experts', in a book that owes its origins to a European Commission research grant.

European Community Law and National Law: the Irreversible Transfer? By John Usher. George Allen & Unwin, £2.95.

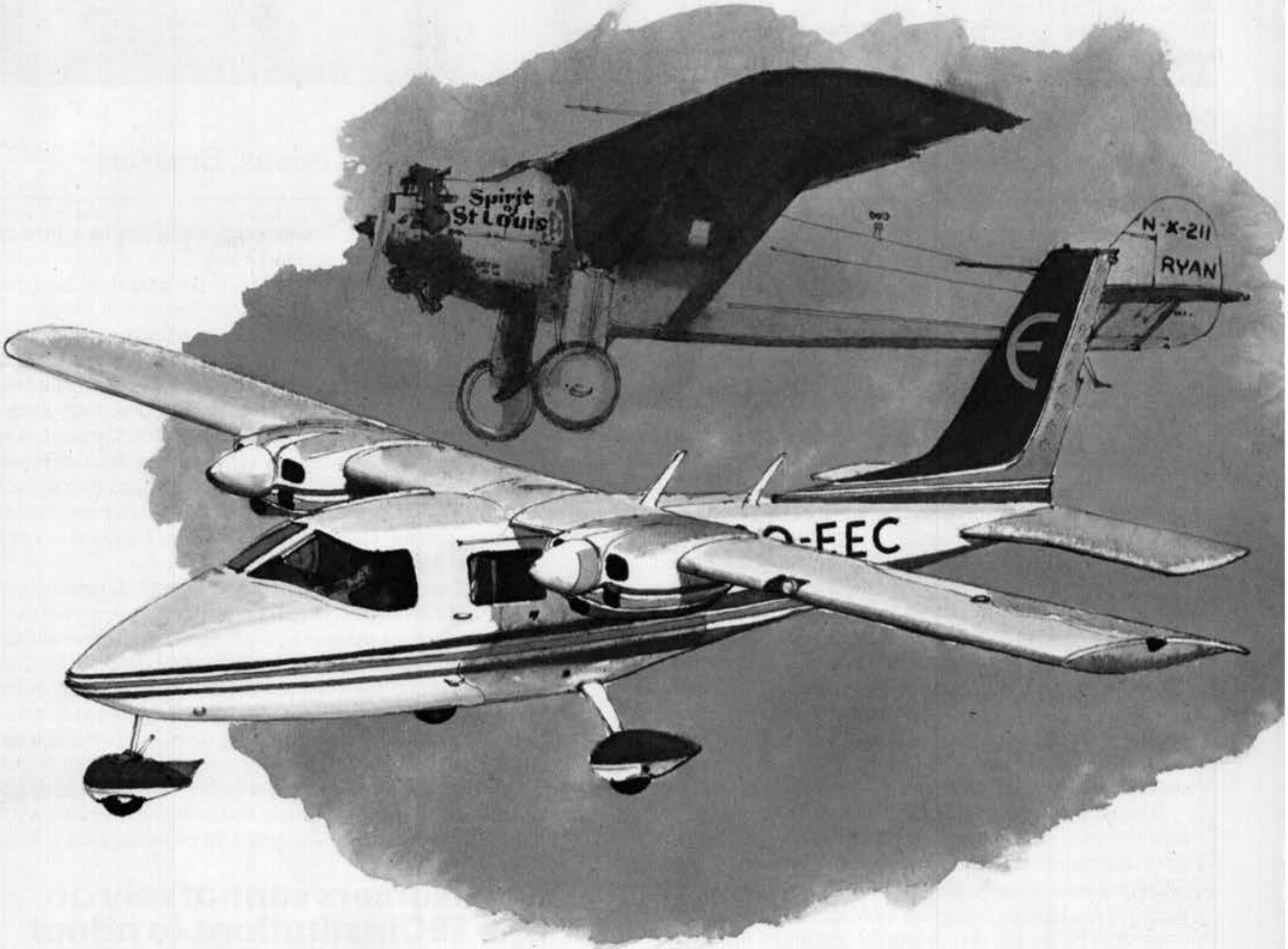
Most books in this area of study tend to relate to the constitutional and theoretical side of the relationship. The purpose of this one – a 90-page paperback – is to examine what has happened in practice, says the author. It examines the interaction of Community laws with those of member states, then proceeds to a study of how agricultural markets, common policies, and the harmonisation of laws have been affected. The underlying thesis, says the author, is the transfer of power from member states to the Community.

A Framework for Development: the EEC and the CAP. By Carol Cosgrove Twitchett. George Allen & Unwin, £12.00.

As an expert on Europe's links with the developing countries, Dr Twitchett has a thorough understanding of the relationship between the EEC and the 60 African, Caribbean and Pacific states who make up the block covered by the Lomé Convention. She gives a full account of the issues and the ways and means by which they are being tackled, with much documentary detail in support.

Accountants Guide to the European Communities. By Dennis Evans. Macdonald & Evans, £15.00.

Accountants are expected to unravel the complexities that inhibit businessmen seeking to operate in other markets than their own. This is both a technical guide and an economic appraisal of the EEC countries' financial institutions, aimed at university and professional students of accounting and business studies. The author is a member of the European Foundation for Management Development and of the European Accounting Association, both in Brussels.



Europe on the wing

Pilots taking part in next month's big air race – including two who work in the EEC – will be following the trail blazed by Lindbergh

When Charles Lindbergh made the first non-stop solo flight across the Atlantic in 1927, he ushered in an age which saw trans-continental aviation raised to heights of romance and adventure. As time passed, that heroic era faded. Today, for most of us, mastery of the skies means nothing more exciting than being wafted through the heavens in a kind of flying snack-bar.

But something of that old go-it-alone spirit lives on. The age of the great air race is not over – yet. Next month, during the Paris Air Show from June 4 to 14, a hundred pilots from ten countries are due to compete in the first transatlantic air race – known as Transat – along roughly the same flight paths as Lindbergh's, from Le Bourget to New York and back.

The event, organised by the French Ministry of Sport, has a multi-national flavour. It is open to civil aircraft in four separate categories, each plane to be flown by two qualified pilots, of whom the senior or captain has to have 500 flying hours behind him, and the co-pilot 200 hours. The planes include both single-engined and twin-engined craft. At least one is a veteran from other days: a restored De Haviland Rapide, of the kind that flew the London-Paris mail run in the Thirties.

Crews will have the option of making stopovers in Ireland, Scotland, Iceland, Greenland, Newfoundland and New Brunswick, on a flight which is expected to take some 144 hours. Winners will not be judged merely on a first-past-the-post basis: performances will be weighted according to the differences between the theoretical time taken at 75 per cent of the aircraft's top speed and the actual time it took to complete the route.

One plane – a twin-engined, Italian-made Partenavia – will be flying under the colours of the European Community, licence number 00-EEC. Its captain is Herbert Allgeier, 46, a German nuclear engineer and one-time air taxi pilot who is now scientific aide to the Commission's director-general for science and education. His co-pilot, 31-year-old Elda Stifani, a former journalist and an experienced competitor in air races, is on the staff of the Council of Ministers, where she has worked since 1977. Both belong to the EEC Aero-Club and are enthusiastic aviators.

In flying the flag for the Community they are following the example of the crew of *Treaty of Rome*, the yacht that has represented Europe in transatlantic sailing races in recent years. Their aim, like that of all the competitors in Transat, is to promote the safety, reliability – and excitement – of modern-day flying. TV coverage on Eurovision will ensure a huge audience for the event. Whoever wins the prizes, the cause of aviation in Europe looks as if it will come out the winner.

BRUSSELS NOTEBOOK

by TONY VENABLES
Director of the European Bureau of Consumer Unions, Brussels

What are consumer organisations doing in Brussels, and can they exert influence on the Common Market? Last year, following the veal boycott in France, the European Consumers' Union launched a campaign to ensure, first, a ban on the use of hormones as growth promoters in meat, and above all proper controls. The Agricultural Council immediately committed themselves to introduce legislation, and the French press talked of the first 'European victory by consumers'. Of course, now that the papers have stopped talking about the issue – having cried 'Victory!' before the legislation was adopted – we have had a hard time seeing it through the complex Brussels machinery in the first part of 1981.

It's a tough but enjoyable job, because whilst we are concentrating on one issue, people will turn round and say 'It's time you started making a noise about agricultural prices', or 'What are your views on European rail links?' or 'Can you send someone to a hearing organised by Michael Welsh (MEP) and his committee on the import of clothing (the multi-fibre arrangement)?' Oh, to be a single-issue organisation (but unless you are COPA, the farmers' union, it could be frustrating)!

People probably imagine that a European public interest group has no access to the Common Market institutions. The opposite is true. We are submerged by information and requests for opinion, so that the real danger is of being sucked into the machinery of advisory committees, conferences (three so far this year, one organised by us), and visits to Luxembourg and Strasbourg for the European Parliament (one of us goes down for a day every session).

Since we are a total staff of 10 in Brussels, our strength can only lie in rigorous selection of priorities and close links among our member organisations, the Consumers' Association and National Consumer Council in the UK, and their equivalents in the other EEC countries. Our council, composed largely of the directors of these organisations, meets four times a year, and it is there that we decide on activities; health and safety issues; competition policy (air fares is the most flagrant abuse of the rules, and an active issue for us); and economic policies affecting consumers, particularly the CAP.

Consumers cannot rely on the EEC institutions to adopt consumer legislation. Deregulation is fashionable, so are calls for cost-benefit analysis to industry. The EEC has a comprehensive consumer programme, adopted in 1975, which led to high hopes – largely unfulfilled. The new Commissioner for consumer affairs, Mr. Narjes, whom I met in February, has rapidly seized on the main problem – proposals made by previous Commissions are blocked in the Council of Ministers. Mr Narjes has rightly put the main emphasis on getting results.

Things could also change with judgements by the Court of Justice which go in the direction of breaking down protectionist barriers, so that consumer protection will now have to be treated as a European, not just a national issue.

Success will depend on the UK Government taking a more positive line towards EEC consumer legislation. Despite representations from Consumers in the European Community Group (CECG), Mrs Sally Oppenheim has disappointed our expectations by seeking exemptions to the directive on product liability – the liability of producers for accidents and death caused by defective products. The exclusion of 'development risks' would undermine its effectiveness as a consumer protection measure, at least in the majority of EEC countries. Britain is not the only country blocking consumer legislation, but the negative attitude is striking, coming as it does from a country regarded as a model for consumer legislation elsewhere.

One of the objections, particularly from UK members of the European Parliament's legal committee, has been that the Treaty of Rome does not provide a proper legal basis for consumer legislation. Again, it is paradoxical to find the British far more dogmatic about 'the written constitution' than other countries. There is something in the explanation that 'if we in Britain accept EEC legislation, we do so knowing we will implement it more strictly than other countries.'

There is also some justified criticism of 'harmonisation'; but perhaps the real explanation is that a disproportionate number of lobbyists seeking to block legislation come from the UK (I would be delighted to elaborate if anyone asks me to do so). This is probably because, to UK interests, the Common Market is still threatening, whereas in other countries nothing much is expected from Brussels.

'Consumers cannot rely on the EEC institutions to adopt consumer legislation'

There is a general lack of direction and weakening in the face of the growing power of outside pressure groups – which with 2,000 to 3,000 people EEC watching in Brussels represent a kind of fourth Institution. This is the greatest obstacle for us. For example, when I was down in Luxembourg for the debate on the hormones issue in February, attempts were being made by industry representatives to get the debate postponed and the issue buried in the legal committee. In this case the attempts did not succeed; but they are often successful.

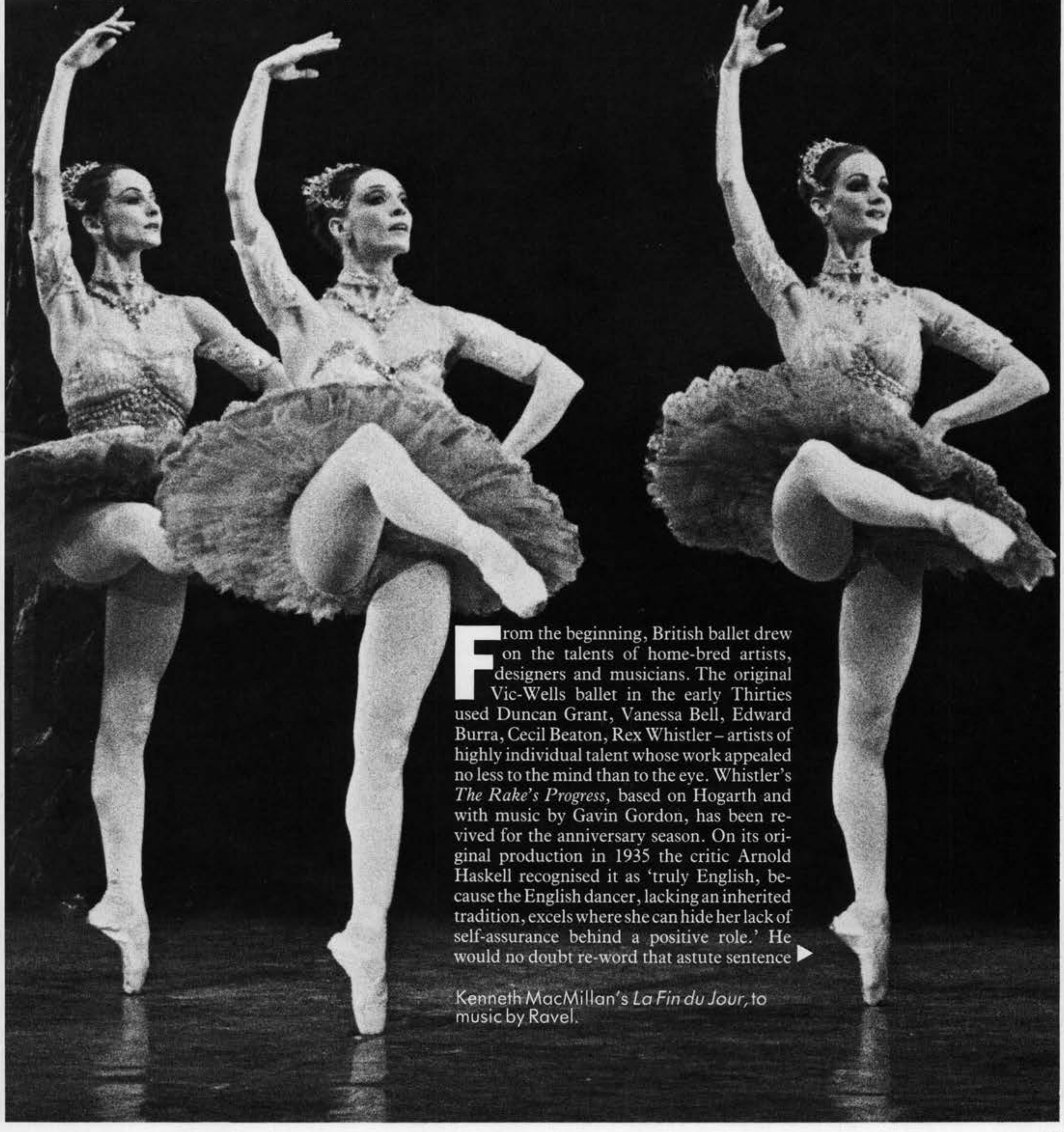
On this question we are able to mobilise public opinion. But to most people, the Common Market's effect on price, quality and choice is far too remote. Perhaps this will change: the Consumers' Association has recently analysed attitudes to the Common Market – reported in the April issue of this magazine – and is urging members to write to their MEPs about the CAP and other issues. On the CAP, the consumer organisations are notoriously weak by comparison with the powerful farm lobby, COPA, but our weakness is not so much in access to the EEC institutions.

During the farm price review we have the opportunity to put our views to the Commissioner responsible, the Committee on Agriculture in the European Parliament, and the President of the Council of Ministers. The consumer movement needs far more grass roots support to lend weight to its position in Brussels.

THE ROYAL BALLET TAKES A BOW

50 years after its beginnings at Sadler's Wells, one of the world's great dance companies celebrates by re-staging some of its best-loved works

For thousands of ballet lovers, this month's celebration of the Royal Ballet's half-century is a nostalgic event. Old favourites, fondly remembered, crowd into the theatre of the mind. The names of ballets and dancers jostle for precedence as the years fall away, some seen no more, others still vividly alive. For two generations ballet in Britain has been a refreshment to the spirit; lyrical, literate, with a sure theatrical touch.



From the beginning, British ballet drew on the talents of home-bred artists, designers and musicians. The original Vic-Wells ballet in the early Thirties used Duncan Grant, Vanessa Bell, Edward Burra, Cecil Beaton, Rex Whistler – artists of highly individual talent whose work appealed no less to the mind than to the eye. Whistler's *The Rake's Progress,* based on Hogarth and with music by Gavin Gordon, has been revived for the anniversary season. On its original production in 1935 the critic Arnold Haskell recognised it as 'truly English, because the English dancer, lacking an inherited tradition, excels where she can hide her lack of self-assurance behind a positive role.' He would no doubt re-word that astute sentence ▶

Kenneth MacMillan's *La Fin du Jour,* to music by Ravel.

if he could see this masterpiece again in 1981.

Other works with essentially English origins followed. Robert Helpmann's ballet of Milton's *Comus* had sets and costumes by Oliver Messel. Another Helpmann ballet, *Hamlet*, to Tchaikowsky's overture and with designs by Leslie Hurry, made a stunning arrival in 1942. Like *The Rake's Progress*, it is among the classic Sadler's Wells ballets that have been revived for the gala season. Another is *Checkmate*, with a score by Arthur Bliss, a game of chess in which the pieces gradually emerge from their stereotyped roles to become individuals with sensibility and emotions. It was mounted for the Sadler's Wells Ballet's first visit to Paris in 1937, and is being given four performances in June.

Historically, Ninette de Valois' *Job* stands as the first major work by an English choreographer, with décor and costumes after Blake's engravings and music by Vaughan Williams. In the programme it was styled a 'masque for dancing' but its balletic qualities are not to be denied. Those were the days when the company had only one star, the fragile and classical Alicia Markova, who had danced in Diaghilev's company in her teens. Her last role at Sadler's Wells was the Betrayed Girl in *The Rake's Progress*, after which she left to form her own company with Anton Dolin. Markova's influence on the young English dancers was to play an acknowledged part in their development.

Musicality and wit were contributed by two young men of genius – the conductor and composer Constant Lambert, and Frederick Ashton, the company's first contracted choreographer. *Façade*, to William Walton's ever-popular suite, has been delighting ballet audiences for close on 50 years.

All these works have remained in the repertoire, or have been revived in subsequent versions, sometimes with new décor such as John Piper's for the restaged *Job* at the Royal Opera House in 1948. Ashton's achievements as choreographer reflect his unflagging wit and fancy: *Les Patineurs* – a brilliant simula-

Jennifer Penney and Wayne Eagling in The Sleeping Beauty.

tion of ice-skating, to music by Myerbeer – *Scènes de Ballet, Symphonic Variations, Cinderella, Ondine,* culminating in *Rhapsody,* Ashton's one-act tribute to the Queen Mother on her 80th birthday.

Ashton is one of several choreographers who have tackled *Romeo and Juliet,* to Prokofiev's multi-layered score. His version, for the Royal Danish Ballet, has not been seen in London. But the Royal Ballet's hugely successful version by Kenneth MacMillan is back. Ashton, however, is well represented: the Sadler's Wells fortnight in June includes two of his best-loved works, *Sinfonietta* and *The Two Pigeons,* in one programme.

The Two Pigeons, with music by Messager, was first staged in Paris as long ago as 1866. Older still is *La Fille Mal Gardée,* one of the company's most popular productions – it was first produced in Bordeaux in 1789. Its music has undergone so many changes that the present version – Ashton again – is a very different work from the original. At least it illustrates the pedigree of art that is also great entertainment. Audiences do not often laugh out loud at the ballet, but they do for this one.

The cornerstone of the repertoire is *The Sleeping Beauty,* first performed by the company in 1939. There is hardly a dancer in the company who has not appeared in it over the years. It has made the reputations of unknowns, enlarged the artistry of the famous, and promoted the Royal Ballet's name all over the world.

In a note to the anniversary programme, Ninette de Valois recalls that the Royal Ballet, known then as Sadler's Wells Ballet, performed right through the war, up and down the country. 'At the end of the war it danced its way on to the stage of the Royal Opera House. Those elegant red curtains which had so sadly fallen in 1939 rose on 20 February 1946, with memories of a long and dusty sleep.'

The ballet the curtain rose on was *The Sleeping Beauty.* Appropriately, it is the centrepiece of the 50th anniversary season. The only regret is that Britain's greatest dancer will not be there to crown it. Margot Fonteyn has called it a day.

DENIS THOMAS

Will this bush help us save the whale?

A scraggy-looking bush that grows wild in the deserts of southern California and north Mexico has lately attracted interest as a potentially valuable crop. It is the jojoba – pronounced ho-ho-ba – and its bean could be the answer to one of industry's most stubborn lubrication problems: finding a substitute for the uniquely choice oil that is extracted from the sperm whale.

Claims made for the jojoba bean are impressive. It is said to penetrate the skin more easily than other oil; to have no odour or waste; to last indefinitely in storage without turning rancid; and to have a wide variety of applications, from cosmetics to aerospace.

On top of all that, after the oil has been extracted, what remains of the bean, it is claimed, makes a high-protein cattle feed.

The jojoba is already being cultivated commercially. One firm now actively promoting its investment potential, the Arid Lands Development Company, lists plantations in Israel, Africa, Australia, India, Paraguay, Jordan, Thailand, Venezuela – and in Spain, Portugal and Greece. A parcel of 20 acres, say the promoters, should show a small profit after five years, and a handsome one in the 1990s.

Agreement by EEC member states to ban imports of whale oil, and a range of products making use of it, has already been reached. The sooner we find a substitute for the few remaining industries that use it, the better will be the sperm whale's chances of survival.

A chance for change as Britain takes the chair

ROBERT JACKSON considers the outlook for settlements and initiatives under Britain's second Presidency of the Council

In 1977, when Britain first assumed the Presidency of the Council of Ministers, Anthony Crosland and then David Owen seemed to use for a motto Pope's phrase – 'whate'r is best administered is best'. There was a certain air of chauvinism about the whole performance: Britain showing the lesser breeds how to run things efficiently.

This time there must be more humility, together with a more constructive will.

The Presidency is not, however, an opportunity for pushing national advantage – although this may be an opportunity to advance, for instance, the national interest in such Community objectives as the opening up of the common market for insurance and other financial services. Bias from the chair is counter-productive: indeed, the Presidency is under strong psychological pressure to show 'Community spirit'. The spokesman of the government in the chair is always the last to speak, and if in a minority of one, he (or she) is bound to be inhibited from holding up a decision.

Nevertheless, there is scope for the Presidency to infuse a certain dynamism and initiative into the Council's proceedings. And the exercise of chairmanship gives an opportunity to bring home to public opinion in the Presidency-country the constructive role its government is playing in the Community. It is these themes which Britain should pursue in her second Presidency.

Dynamism and initiative: this involves a firm grasp both of the issues and of the Community's decision-making machinery.

With any luck the fisheries issue will have been resolved by July. Indeed, it should be an important British objective to get a settlement before finding itself inhibited by the responsibilities of the chair.

There is, however, no prospect of ducking the other great issue over which Britain is at odds with her partners: that of budget reform. It will present three aspects. Decisions will be needed on the budget for 1982. Within the framework of that budget there will need to be decisions about the amount to be refunded to Britain in 1982 to reduce her net contribution. And at the same time, the debate about the overall restructuring of the Community budget – and the reform of the financing of the Common Agricultural Policy – will have to be advanced so that decisions can be made next year.

Of these points there is no doubt that, from the British angle, the last is the most important. It is, however, impossible that agreement can be reached this year on the complex questions of budget restructuring. The emphasis must therefore be placed on careful and unpressurised preparation of the ground, in close co-operation with the Belgians, who will hold the Presidency in the first half of 1982.

Meanwhile, confrontations over the British refund for 1982 should be avoided; and Britain can only benefit from an exemplary exercise of care and impartiality in the preparation of the annual budget for 1982 – working closely with the European Parliament, which shares authority over the budget with the Council.

Britain has too many particular interests in the matter of the budget. This is why it is all the more crucial, psychologically, to use the opportunity of the Presidency to pursue other themes over which Britain is not at odds with her partners, and demonstrate commitment to the success of the Community.

Here there is obviously considerable scope in the field of political co-operation. Following the Israeli election, Lord Carrington should take maximum advantage of the chance to act personally as the negotiating representative of the Ten, advancing the European proposals for an Arab-Israel settlement. A feature of the Presidency in the second half of the year is the long interregnum from mid-July until early September. While this cuts down the time for routine, internal issues, it provides an opportunity for high-level personal diplomacy of the kind that is needed in the Middle East, and at which Lord Carrington excels.

'Opportunity for personal diplomacy, at which Lord Carrington excels'

Connected with this, an important subject upon which it will be necessary for Britain to give a lead, and demonstrate her European commitment, will be relations between Europe and the United States. The transatlantic dialogue is becoming more and more complicated, and it may become increasingly tense, especially if there is overt Soviet interference in Poland. The Presidency in political co-operation will have to act skilfully to concert the European side, ensuring at the same time that the Americans are never given grounds for grievance about 'lack of consultation'.

There is also scope for constructive statesmanship in strengthening the organisation of political co-operation. Lord Carrington has already made proposals for this, including the establishment of a form of central political secretariat.

We must not, however, make the mistake of simply confirming the already widespread impression on the Continent that Britain's interest in the Community's development is confined to the field of foreign policy – i.e. to the congenial task of co-ordinating sovereign policies, as opposed to the more painful effort to create *common* Community policies. Tenure of the Presidency is an opportunity to show that Britain has a positive approach to the Community's internal, as well as its external, consolidation.

With all her national experience of the operation of a world-wide reserve currency, and the concentration of international financial and monetary expertise in the City of London, Britain surely has something to contribute to implementing the second phase of the European Monetary System (EMS). Last year, France and Germany announced that progress in the establishment of a European

Monetary Fund, and an expanded role for the European Currency Unit, would have to be deferred until after the French Presidential election. Taking the chair in the Community soon after that event has occurred, Britain should begin to play her due part in what is likely to be one of the crucial areas of Community development in the 1980s.

Indeed, has the time not come for Britain to become a full member of the exchange rate system of the EMS? From the viewpoint of the national economy, the rapid fall in the rate of inflation should now make it possible to pay more heed to industry's cries for exchange-rate stabilisation, if possible at a lower rate for sterling. From the Community angle, there is no doubt that full participation in the EMS would have a very positive effect on the psychology of the very difficult negotiations that will surround the restructuring of the European budget.

Making a success of the Community Presidency requires not only a constructive purpose and a grasp of the issues, but also a clear understanding of the Community's machinery and how to make it work. Meetings have to be prepared and conducted at every level – Ministers meeting in council or conference, officials meeting in working groups, etc. One of the main jobs of the Presidency is to work together with the Commission to promote the consensus that is needed for conclusions to be reached, often by the technique of package-deals. For this to be done effectively not only

'Britain can only benefit from care and impartiality in preparing the budget for 1982'

are skills in chairmanship required: it is also necessary for the chairman to be closely familiar with the business in hand.

For Ministers whose working lives are tied to the House of Commons it will be difficult to find the time to prepare adequately. But the effort must be made. The second British Presidency falls at the beginning of a turning-point in the Community's affairs – a period of crisis and reform in which the British role in Europe will be closely scrutinised and severely judged, within the Community and at home.

The key to success lies in demonstrating that Britain has an important part to play, and is prepared to play it full-heartedly and well. Nothing could have a more positive impact on public opinion, both in Britain and on the Continent, than the sight of the British at last playing their full part in the team.

☐ Robert Jackson, MEP for Upper Thames, served in the private office of Sir Christopher Soames, now Lord Soames, when vice-president of the EEC Commission, and was chef de cabinet to Basil de Ferranti, chairman of the Community's economic and social committee, 1976-78.

YOUR OBEDIENT SERVANTS . . .

Which country in the Community has the highest proportion of civil servants – defined as 'general and administration' – in relation to total population?

When Lord O'Hagan, MEP for Devon, put a written question on the subject to the Commission in March, he was given the figures for 1979. These show that Germany tops the table, with 3.7 per cent of bureaucrats in its population of 61 million. Next comes Belgium, with 3.2 per cent. France, Luxembourg and the United Kingdom are equal third with 3 per cent, followed by Denmark (2.5 per cent), Italy (2.3 per cent), the Netherlands (2.2 per cent) and Ireland (2 per cent).

The average for the Nine (Greece had not yet joined) works out at 2.9 per cent. The equivalent figure for the European Commission, based on a total strength of 11,621 serving the combined populations of the Nine – 260,856,000 – comes out as 0.0045 per cent.

EASING THE BURDEN OF EUROPE'S HANDICAPPED

About 450 million persons, or 10 per cent of the world population, are mentally or physically handicapped, according to United Nations estimates. The broad scope of the problem posed by handicapped persons has led the United Nations to declare 1981 the International Year of the Disabled. One of the objectives is to try to assure a better integration of handicapped persons in society, especially by enabling them to participate more fully in normal active life.

Currently, three-quarters of the handicapped in the world receive no professional help. The European Parliament has adopted a report prepared by Mrs Ann Clwyd (British Socialist) for the Committee on Social and Employment Affairs on the integration of the handicapped into society. This report urges a guaranteed minimum income of the handicapped, and an invalidity indemnity in all the member states of the European Community.

It also proposes a number of measures concerning the adaptation of housing to the requirements of the handicapped, assistance for families, transport facilities, employment quotas, working conditions, and a number of other aspects. The European Parliament has also urged that the resources of the European Social Fund be increased, and that a massive collection campaign be launched on television to finance a European Community programme.

Addressing the 434 parliamentarians from the ten member countries, the European Commissioner for Social and Employment Affairs, Ivor Richard, indicated that he was preparing a new action programme for the disabled that would emphasize education and professional training. He underlined the importance of involvement in educational life as well as in the local community. He also assured MEPs that he would insist that the Social Fund budget be sharply increased in 1982.

ROYALTY RULING FOR THE RECORD

The European Court of Justice in Luxembourg has once again upheld Community law in a conflict with national law. The latest case concerned the rights of authors, composers and publishers to collect royalties at agreed national rates when their work – in this case records and cassettes – is sold outside their own countries.

A German organisation specialising in the collection of royalties for composers and musicians, GEMA, tried to secure for its clients the higher German royalties which it felt were due to them when recordings of their works were sold elsewhere in the EEC. A legal argument broke out over whether the Treaty of Rome's guarantees on free circulation of goods between member states did not run counter to the payment of such fees when selling in another Community country.

The case was so complicated that the German tribunal before which it was being tried asked the European Court of Justice for its ruling. The Court decided that EEC laws do conflict with national laws in such a case, since they affirm the right to free circulation throughout the EEC. GEMA thereupon assured the Commission that it will no longer charge on imports of sound recordings from other member states the difference between the fee paid in the latter and the customary fee paid in Germany, if the sound recordings have lawfully been put into circulation.