

European Community

Nos. 1/2

January/February 1980

Into
the
eighties





Contents

European Community is published on behalf of the Commission of the European Communities.

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Printed by Edwin Snell printers, Yeovil England

European Community also appears in the following editions:

Community Report, 29 Merrion Square, Dublin 2, Ireland
Tel. 76 03 53

European Community, 2100 M Street, NW, Suite 707, Washington DC 20037, USA
Tel. 202 8629500

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The mailing lists for 'European Community' are now being updated. Subscribers have recently been sent a two-page questionnaire which we hope they will complete and return in the pre-paid envelope as quickly as possible so that their name and address and particular areas of interest can be included on the new computer based mailing lists, which will be prepared as soon as all replies have been received and will supersede our existing lists. This should help us to provide a more thorough and efficient service.



Peggy Crane recalls Community achievements in 1979 and singles out challenges for the 1980s

As the new decade progresses, the generation that knew the inter-war years of the twenties and thirties and the Second World War will fade from the centres of political power, to be replaced by those with no sense of the fear, drama and change those years involved. They cannot see the European Community as its founders saw it. They have no guilt for the past.

In the eighties, the Community will have to merit its own existence without, on the whole, the enthusiastic impulses that drove it into being. The next ten years, therefore, are a crucial time for the development of the Community. If it survives them strengthened and even moderately successful, there will be no turning back.

For many British people the European Community exists only in terms of the UK contribution to its budget. The danger for the UK is that concern over this one issue will totally blind the nation not only to the responsibilities of membership of the Community, but to any realistic appreciation of what the Community stands for or could achieve.

The budget row has already overshadowed the positive gains engineered by the Community in 1979, and ignores the problems ahead, notably the possible consequences of unrest in the Middle East and its effect on energy supplies. North Sea oil cannot save Britain if the rest of the Community is in a state of economic collapse. Even without such an international crisis, slow economic growth, high unemployment and the threat to traditional industries

affect all Community countries and cannot be solved in isolation. To cope more effectively with the crisis that threatens, a Community approach has much to offer.

While Britain is not alone in the Community in defending what she sees as vital national interests, a more *communautaire* approach by all the partners in the 1980s could produce results of benefit to all Community citizens.

1979 — not a bad year

Despite disappointing average economic performance, 1979 was a year of considerable achievement, providing the basis of Community activity for much of the eighties. Although several of the major innovations were the result of long gestation, their satisfactory conclusion is part of the record.

■ **The launching of the European Monetary System (EMS):** While the principles governing EMS were adopted in 1978, the scheme did not start properly until March 1979. It is designed to stabilise member currencies within fixed limits; to establish the European Currency Unit (ECU), representing the same basket of currency units as the European Unit of Account (EUA), as the numeraire in exchange rates; and to create a European Monetary Fund within two years. Britain is not yet a member of the EMS (although it takes part in the scheme's partial pooling of gold and currency reserves), but in the first six months of operation the EMS behaved remarkably like the zone of monetary stability that it was set up to be.

The only currency that showed marked signs of fluctuation was sterling! At its meeting in Dublin in November 1979 the European Council stressed the need to improve co-ordination of the economic and monetary policies of member countries, and confirmed the intention to go ahead with the European Monetary Fund.

■ **The Tokyo Round (GATT):** The Council of Ministers has approved the results of the Multilateral Trade Negotiations (MTN) concluded under the Tokyo Round of the General Agreement on Tariffs and Trade (GATT). The new agreements took effect on 1 January 1980. Except for safeguard mechanisms, wheat and coarse grains, the MTN largely achieved the objectives which the Community (with the Commission acting on behalf of the Nine) had set itself at the beginning of the negotiations. Without that united clout the results would have been less satisfactory.

The major achievement, agreement by the USA, Japan and the Community to reduce tariffs by about one-third over the next eight years, should encourage trade and give the Community wider access to its competitors' markets, while the adoption of a series of codes and legal texts on customs valuation, anti-dumping, subsidies and compensating duties, licensing procedures and so on, should contribute to more orderly trade in the 1980s and provide a check to the protectionist reflexes which could otherwise be unleashed on world trade. The Community also played a positive role in ensuring that the needs and problems of developing countries were taken into account in the negotiations.

■ **Lomé II:** The Convention, signed on 31 October 1979 in Lomé, Togo, by the Community and 57 African, Caribbean and Pacific (ACP) states, comes into force on 1 March 1980 when the first Convention (Lomé I) expires. Described by M. Cheysson (the Commissioner responsible for the negotiations on the Community side), as 'an impressive package' and 'an advanced model for relations between industrial and developing countries', Lomé II builds on

the earlier preferential treatment for ACP agricultural products in the Community market, and extends the principles of the stabilisation of export earnings scheme (STABEX) to include certain minerals. The Community will contribute about 6,000 million EUA (£3,700m) to the financing of the new Convention through the European Development Fund.

■ **Elections to the European Parliament:** The first elections to the Parliament were held throughout the Community on 7-10 June. The 410 MEPs are already beginning to exercise their political muscle in relation to the other Community institutions, notably by rejecting the EEC budget for 1980! This means that the complex budgetary procedure has to start again and meanwhile the Community has to live from month-to-month on the basis of last year's budget.

■ **Energy:** Oil is now a major preoccupation of the Western industrialised world. Both at the European Council in Strasbourg on June 22-23 and at the World Economic Summit on June 28-29 oil headed the agenda. At both meetings, Heads of Government took important decisions to ensure more moderate and rational use of oil, and confirmed that there should be target limits on oil imports between 1980 and 1985. The Community target was to hold imports during this period to a yearly level equal to or less than the 472 million tonnes imported in 1978. At the beginning of December, the Council of Ministers agreed the ceilings for each of the Nine. On 10 December, all members of the International Energy Agency, including the USA, followed suit.

The Energy Council also agreed to a monitoring procedure of oil imports. At the end of July, the Council approved a second four-year energy research programme the main emphasis of which will be directed towards methods of energy conservation and the development of solar energy. Tenders for demonstration projects in the field have already been called for.

■ **Enlargement:** Negotiations on Greek entry into the Community were completed in April 1979, and Greece will join as a

full member on 1 January 1981. Negotiations on Spanish entry started in February 1979. Discussions on Portuguese membership of the Community, which were opened the previous year continued throughout 1979.

■ **Protecting birds and wildlife:** In September, the Community signed the Convention on the Conservation of European wildlife and natural habitats which requires signatories to take the necessary legal and administrative action to protect listed plants, animals, birds, amphibians and reptiles, as well as the environment needed for their survival. The legislation will supplement that already adopted by the Community for the protection of birds.

■ **Equal pay:** In March, the Commission decided to start infringement proceedings against member states whose national legislation did not, in its view, fully conform with Community directives on equal pay and equal access to employment, training and job promotion for men and women.

The Community role

The Commission's role in the Community is a dual one — as a coordinator of national policies to ensure fair and free competition within the common market, and as the innovator of legislation that promotes the Community interest. Roy Jenkins, President of the Commission, has emphasised that the Commission is not interested in intervention for intervention's sake. But as the member countries become increasingly interdependent so the Community interest grows. The fact that national governments in the Council of Ministers do not always adopt Commission proposals neither invalidates the facts of interdependence nor the Community role. The following shows how important this role will be in the eighties.

■ **Reform of the Common Agricultural Policy:** The Commission has long been concerned to keep the CAP under control. Reinforced by the demand of member countries for tougher action to cut costs, it has just put forward specific proposals covering the support arrangements for milk, beef, sugar, fruit,

vegetables, starch and durum wheat, which would save an estimated 1,000 million EUA (about £650m) in 1980.

■ **Fishing:** Present arrangements under the Treaty of Accession allow member countries to exercise certain restrictions on foreign fishing rights within their coastal waters. These arrangements expire on 31 December 1982, by which time a policy of conservation must be introduced as part of a revised Community fisheries policy. This deadline gives point to current negotiations aimed at developing a new fisheries policy satisfactory to member countries on a very sensitive issue.

■ **Energy:** Apart from the agreement on future oil imports, there was little impetus in 1979 towards a coherent Community energy policy. The Commission has constantly warned that failure to develop such a policy in the 1980s could lead to economic disaster. While most member governments have started to introduce positive energy conservation measures, coal and nuclear energy production have lagged behind targets. The Commission has already proposed a number of measures designed to safeguard the Community from an energy shortage in the years ahead. In the light of events in the Middle East and OPEC price increases these measures acquire a new urgency.

■ **Established industries:** Slow economic growth combined with intensifying competition from developing countries and the Eastern bloc have hit traditional basic industries in all the Community countries. Steel, shipbuilding and textiles have been the major casualties, resulting in high unemployment, often in regions already economically deprived.

Community negotiated measures such as the Multi-Fibre Arrangements (textiles), minimum prices and anti-dumping procedures (steel), and proposals for a 'scrap-and-build' policy (shipbuilding), have all been designed to give a breathing space to native industries pending modernization and conversion with the aid of Community funds. These industries will remain vulnerable in the 1980s and can only benefit from Community cooperation.

■ **Telematics:** The decline of old industries highlights the need to concentrate on developing the growth industries, such as telematics (a new word to cover the electronics industry, e.g. telecommunications and computers). While it remains so fragmented, each country going its own way, the telematics industry in Western Europe cannot effectively compete with the United States and Japan. In September 1979 the Council approved a four year strategic programme aimed at encouraging common standards and inter-operability of equipment, and the rationalization of research and development within and between Community countries.

Implementation of the programme will be a major task in the 1980s.

■ **Budget funding:** Funding the budget, as much as how the revenue is spent, is likely to dominate Community's discussions in the early 1980s. Under the present arrangement, the money is running out. Funding from own resources — customs duties, agricultural levies and up to one per cent of Value Added Tax (VAT) — has not kept up with inflation, particularly where agriculture is concerned, and by 1981 the VAT ceiling will have been reached. The Commission has already drawn attention to the problems and suggested ways of increasing Community finances if the Council insists that the VAT ceiling should be maintained. The issues involved are not merely matters of arithmetic, but

go to the root of Community policies. In addition the European Parliament has shown that it is determined to have a greater say on budgetary matters. The Commission's role in finding a solution in this minefield will be crucial.

A useful Community

Uncertainties in the Middle East and the possible threat to Western oil supplies are obviously matters on which a common Community front will carry more weight than the members acting individually. Although fragile at times of crisis, and far from the founders' visions of political union, the seventies have seen a real development in cooperation among the Nine both politically and economically. In the UN and in other foreign arenas, increasingly the Community is acting as one, and is already regarded by outsiders, particularly in the economic field, as a tough political entity prepared to strike a hard bargain.

Members would not cooperate to this extent unless they perceived it useful and, as historians point out, twenty years is a very short time in the evolution of economic and political union. As the novelty and enthusiasm of earlier years fade, the Community will be judged in the eighties by its usefulness to its members rather than as part of a great political design. Some of us will regret this, but in the end, usefulness is the touchstone of survival for all political organizations.

Investment Bank

In 1979 Britain received European Investment Bank (EIB) loans amounting to £550 million — one third of the money lent to European countries.

Farm Trade

For the first time since Britain joined the EEC, there is no gap between the green £ and the market rate for the £. For many products, the levies and subsidies which have applied on UK agricultural exports and imports since 1973 are suspended. They still apply for grains.

Rhodesia

The Foreign Ministers have agreed to provide free access to the Community market for goods from Rhodesia until the end of this year, after which the country is expected to join the Lomé Convention. The UN High Commissioner for Refugees has requested Community help for the repatriation of refugees in Mozambique, Botswana and Zambia. The Commission will allocate \$4m — about half the cost — from Lomé emergency funds.



Solar energy could provide a lifeline for developing countries

The prospects of an energy shortage and the high price of oil have stimulated research into developing new ways of producing energy. Solar energy is an obvious example. The Community 1980-1983 Energy Research Programme allocated nearly £30m out of a £65m budget to solar energy and the generation of energy from organic waste. But solar energy is still expected to account for only 2 per cent of energy requirements in industrialised countries by the year 2000, although it could reach 4 per cent in the hotter developing countries.

Inequalities of consumption

By the end of the century, world energy consumption is expected almost to triple. Today 4,000 million people consume 6,300 tonnes of oil equivalent (toe); by 2000 a world population of 6,500 million, of whom nearly 4,000 million will be

living in developing countries, will consume 17,000 million toe. The inequality of energy consumption, however, will persist. Today, 30 per cent of the world's population (the industrialised countries) consumes 83 per cent of its energy; in 2000, the figures will be 22 per cent and 70 per cent.

Already developing countries without their own oil resources have been badly hit since 1973 by the soaring cost of oil. The situation will get worse, and unless new sources of energy are found, development will be increasingly restricted. In addition, the growing demand for fuel is already causing problems, particularly in Africa, from the cutting down of forests, with the consequent effects on local climate.

Even so, individual energy consumption in ACP states (African, Caribbean and Pacific states signatory to the Lomé Convention) as a whole is the

Drawing water the traditional way is no doubt picturesque, but small scale pumps using solar energy may one day relieve these women in the Niger of a back-breaking job.



lowest in the world: 85 kilograms oil equivalent a head, compared with a third world average of 300kg, three tonnes oil equivalent per head in Europe and 7.5 toe in the USA.

Role of solar energy

While solar energy cannot replace traditional forms of energy in the foreseeable future, experiments suggest that, particularly in rural areas, it can prove a useful source of domestic and agricultural electrical power.

Solar energy here means all the renewable forms of energy derived from the sun, either directly (by direct photovoltaic conversion) or indirectly (by thermal conversion and use of biomass — organic waste — or wind power). While some industrialised countries are experimenting with sophisticated equipment, such as giant heliostats, it is clear that such techniques would not be relevant to the rural areas of Africa. Here it is the small installation that offers most hope.

In China, for instance, thousands of small cookers powered by a biomass method are used all over the countryside. Biogas cookers (biomass method) work off a gas produced from organic waste and sewage water, the gas being piped from outside to where the food is prepared. A similar experiment failed in India, but the use of solar energy to power small electricity generating stations in villages and for pumping water have proved feasible in several developing countries.

In Malawi and the Sahel, solar energy is being used to dry tobacco and fish, while the Philippines, Brazil and India are experimenting in its use for drying crops. Solar technology is also proving useful in telecommunications; in Niger and Togo, photovoltaic equipment is used to power educational television networks; in Zaire, the use of solar cells to power a telephone link has proved successful; in Jordan, 32 rural telephones and about 100 emergency phones on main roads are already being powered by solar energy.

On a more sophisticated scale, Brazil is experimenting with the use of biomass

from agricultural processing or vegetable sources to produce alcohol (ethanol) which can not only be mixed with petrol in the combustion engine, but which the government hopes may eventually replace petrol altogether in a specially designed car.

Developments in solar technology

Solar technology is still largely in its infancy. Systems using solar panel collectors require enormous bulk in relation to the amount of electricity that they produce, but the development of the photovoltaic solar panels (solar cells which operate on the basis of junctions in semiconductor materials) has already shown considerable potential. Such installations have the advantage that they do not have any moving parts so that the maintenance required is minimal and it is possible to generate electricity continuously over a long period.

The Community's 1980-83 energy research programme will concentrate particularly on furthering photovoltaic power generation, solar energy for dwellings, and the generation of energy from biomass. Some money will also be available for studies on wind energy.

Although the programme will be largely devoted to experiments relevant to Community needs, the Commission anticipates that the research will also benefit developing countries.

Last March, the Commission sponsored a symposium in Varese, Italy, at which the main topic was 'Solar energy in the service of developing countries'. It was clear from the discussions in which more than 250 representatives from Africa, Latin America, Europe and the Middle East took part, that while the industrial use of solar energy seemed hardly feasible because of the cost and the sophisticated nature of the equipment, the use of solar energy for domestic purposes as a means of acquiring energy independence in village and rural areas should be developed. In essence this means the development of a large number of small solar energy projects.

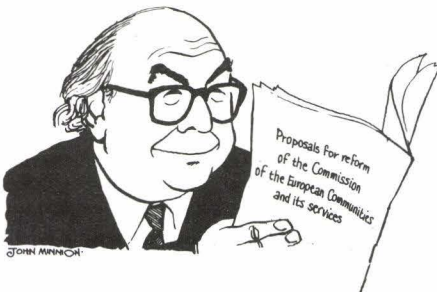


Reforming the Commission

The Spierenburg report recommends streamlining before new member states arrive

The success of the European Commission in fulfilling its duties under the Rome Treaty should not be underestimated, but this must not blind us to the fact that over the last ten years, sometimes for reasons outside its control, the Commission's influence, effectiveness and reputation have declined. This is the view of the independent review body appointed by the Commission in January 1979 to examine the Commission's organisation and staff resources in the light of anticipated changes in the 1980s and to suggest ways in which to maintain a permanent Community civil service of the highest quality.

Chaired by Ambassador D. P. Spierenburg, and including Mr Dick Taverne as one of its members, the review body has recommended a number of important changes in the Commission structure, not least that, from 1981, only one Commissioner should be appointed by each member country, thus limiting the college to 12 when Greece, Portugal and Spain become members in the 1980s.



Small bureaucracy

The Spierenburg report notes that the total number of Commission employees is smaller than is generally realised.

Excluding research staff, it amounts to 8,300 officials, of whom some 40 per cent are directly or indirectly concerned with interpretation or linguistic work.

Excluding research and language staff, therefore, the number is only 5,000.

Compared with national central administrations this is hardly excessive.

The problem is rather one of lack of cohesion within the college of Commissioners, an imbalance between portfolios, a maldistribution of staff between departments, and shortcomings in the career structure of the civil service of the Commission.

These weaknesses have arisen partly from enlargement in 1973, partly from the rather *ad hoc* way Commission responsibilities have increased over the years. In addition, because of the accident of time at which they were recruited, very few top civil servants are expected to retire in the next six years, so that prospects for promotion are at present poor, and morale has inevitably suffered.

In its closely argued report, the review body recommends urgent action to make the Commission a more coherent and flexible college, while at the same time streamlining portfolios and encouraging greater mobility among staff.

The report stresses the need for the Commission to act as a college in maintaining its important position as initiator of action and guardian of the treaties *vis-à-vis* the Council and the

European Parliament. This requires strong coordination procedures and proper machinery for arbitrating between claims of competing sectors within the Commission. The review body believes that the college of Commissioners would be more effective if the President, assisted by one Vice-President, were actively responsible for directing coordination. At present, as one among equals, the President has no such overriding power.

The review body also queries the number of portfolios, each headed by a Commissioner, that now exist. It makes out a case for eight permanent portfolios, with a maximum of 10 on enlargement, and suggests ways in which present portfolios could be amalgamated or changed. The aim is to give portfolios greater equality of importance and to spread the work of Commissioners more evenly. This is one reason why the report suggests the limitation of Commissioners to one from each member country (at present the larger states, Germany, France, Italy and the UK appoint two Commissioners each) with a maximum of 12 with the advent of Greece, Portugal and Spain. The report also sees merit in keeping the college of Commissioners small if it is to act effectively with coherence and flexibility. The review body would like action taken on this matter before the appointment of the new 1981 Commission. If, however, the Commission is to remain as large as ever, it recommends that there should be four or five Commissioners without portfolio who would assist four or five of their colleagues in the management of portfolios with a particularly taxing workload.

Administrative structure

At present, the 13 Commissioners preside over 29 separate administrative units, most of which are Directorates-General divided into Directorates and Divisions. Some of these units have 'horizontal' functions, such as the legal, budget and personnel services, while others are 'vertical', concerned with policy sectors, such as agriculture and external relations.

The review body recommends the

merging and streamlining of the D-Gs, so that they have more relevance to its proposed portfolios. It would like to see by 1981 the vertical units regrouped into 12 Directorates-General corresponding to eight portfolios, each covering a sector of Community policy, while the horizontal units should be put under the sole authority of the Presidency. Later, on the entry of Spain and Portugal, the number of D-Gs would be reduced to ten to coincide with the 10 portfolios that would then form the final structure of the Commission. In line with such innovation, the position of the Directors-General should be upgraded and they should be given considerably greater authority and responsibilities.

Turning to other staff, the review body was struck by the large number of Divisions (247) and specialised services (92) that make up the basic administrative structure of the Commission, many of which appear to have spawned haphazardly as the Community has developed. The report recommends a detailed review of existing units with a view to reducing their number, coupled with a package of proposals regarding promotion prospects and early retirement.



The review body also proposes a number of ways for improving the recruitment, training and career prospects of all Commission staff. It inserts a word of warning on the role of staff in the private offices ('cabinets') of Commissioners. While admitting that they are useful in helping the Commissioner do his work, the report points out that 'some aspects of their operations are starting to cause difficulties and are even threatening

to disrupt, quite substantially, the smooth running of Commission services'. The role of the 'cabinet', the report suggests, is to act as trusted assistants to the Commissioner and ensure that he is fully briefed on other portfolios to enable him to meet the demands of collective responsibility. This role does not permit interference in policies and papers from Directors-General without consultation. The review body believes that if its recommendations for better streamlining, coordination and control of Commission portfolios are carried out, certain difficulties now apparent between cabinets and Commission staff would be eliminated.

In his new year message to staff, Commission President Roy Jenkins said that he and his colleagues attached particular importance to carrying through a programme of reform within the Commission, based on the work of the Spierenburg Group, during 1980. The Commission is in favour of reducing the number of basic administrative units and is also studying the constitutional issues raised in the report about the size, composition and method of appointment of future Commissions. It also hopes that the report will soon be debated in the European Parliament.

Statistic of the month

Hard Coal

(data in US \$/tonne of oil equivalent – toe)

Production costs within the Community (Average of the first half year 1979):	104.00
Import prices for coal imported into EEC: Steam coal (average of second quarter 1979)	51.00
Ranges:	
USA	54.00-63.00
South Africa	41.00-47.00
Australia	46.00-57.00
Poland	50.00-57.00
Guide price for coke coal (Situation: 1/7/79):	94.00

Crude Oil

(data in US \$/metric tonne)

Low Cost Oil mainly in Near and Middle East:	<i>Production costs</i> under 1.00-10.00
Medium Cost Oil mainly in Western Europe, Africa, Latin America and Far East, some parts of the USA:	25.00-75.00
High Cost Oil USA, Arctic regions, deep-water resources:	75.00 and higher

Source: Answer to a Written Parliamentary Question to the Commission.



Work-sharing and sandwich courses help reduce unemployment

With expectations of only an annual three per cent economic growth rate, unemployment in the Community is forecast to rise in the 1980s. Though all age-groups will be affected, the young are expected to suffer most. Until 1985, they will be reaching working age in ever increasing numbers.

The Community is already providing aid through the Social Fund and other funds to national schemes aimed at reducing unemployment. Now it is turning to other methods. Recently the Council of Ministers approved two Commission schemes aimed at encouraging governments to examine various forms of work-sharing, and to pursue schemes for young people that provide a positive link between work and training.

Work-sharing

The trade unions have been particularly keen to try to offset unemployment by providing more jobs through work-sharing and related measures. The Commission suggests various ways such schemes might operate. It emphasises that the success of such schemes will depend on normal agreement procedures between workers and management.

Limiting overtime working: The aim should be to limit overtime working, save only in exceptional cases. The best way to do this, the Commission suggests, would be to introduce compensatory time off rather than extra pay when overtime is worked, whilst maintaining the principle that each hour of overtime above a certain limit should be equivalent to more than

one hour's time off. Agreement on such measures should be part of collective bargaining agreements.

Flexible retirement: The Council has asked the Commission to continue studies on voluntary flexible retirement. Any measures should be seen as part of a gradual withdrawal from working life at the end of a worker's career, such as part-time work and longer holidays for older workers.

Part-time work: Such work should be open to both men and women, though care should be taken to ensure that part-time work is not limited to unskilled, poorly paid work by women. The extent to which part-time work could be made available to certain groups should be examined, such as the elderly or parents with young children. Hours should be flexible and part-time workers should normally have the same social rights and obligations as full-time workers.

Temporary work: Temporary employment should be controlled and temporary employees receive social security protection.

The Council also recommends that *shift work* must take into account working and health conditions, and there should be further examination at Community level on prospects for a reduction in *annual working time*. It considers that any measures on work-sharing should be seen as part of a further programme encouraging the alternation of work and training throughout working life.

Activities of the 16-18 age group (1978)

Country		Number of young people 000's	Full-time education or training %	Part-time education or training %	No education or training %
Belgium	16-17	160	78	3	19
	17-18	160	64	6	30
Denmark	16-17	75	48	20	32
	17-18	75	29	13	58
Germany	16-17	1,000	50	35	15
	17-18	970	33	46	21
France	16-17	855	75	10	15
	17-18	845	54	6	40
Ireland	16-17	60	60	9	31
	17-18	60	29	4	67
Italy	16-17	880	55	11	34
	17-18	880	40	9	51
Luxembourg	16-17	5	50	29	21
	17-18	5	37	19	44
Netherlands	16-17	245	84	6	10
	17-18	240	64	13	23
United Kingdom	16-17	900	60	7	33
	17-18	875	32	12	56
EEC	16-17	4,180	61	15	24
	17-18	4,110	41	18	41

Source:

Estimates made by the European Centre for the Development of Vocational Training.

Linking work and training for young people

The Commission has coined a new word 'alternance' (from the French) to describe what in Britain are broadly known as 'sandwich courses'. 'Alternance', however, is a principle as much as a practice, which the Council sees as operating throughout life. Because of current high unemployment among young people, such programmes should concentrate on them. In the Community as a whole, 25 per cent of the 16-17 age group and 41 per cent of 17-18 year olds leave school without pursuing any further education or training. (In the UK, the figures are respectively 33 per cent and 56 per cent.)

Today such young people find it increasingly difficult to find or to retain jobs. Opportunities for in-service training, however, vary widely between Community countries. In Belgium for instance, *apprenticeships* are largely confined to manual workers, whereas in Germany they are found in almost all sectors of the economy, covering some

455 occupations. In Germany also, *part-time day release* is compulsory for all young workers aged 16-18, which with apprenticeships undoubtedly accounts for Germany's low proportion of young people who are not undergoing some form of education or training, compared with the Community as a whole (see table above).

Care must be taken to ensure that 'alternance' does not degenerate into a disguise for marginal jobs or a low-paid workforce. The aim must be to provide not only for vocational skills but also for broader education to help the young worker adapt to change and new jobs.

The Community has set out guidelines for member countries to follow in establishing coordinated programmes. These programmes will obviously require close links between employers and the appropriate education authorities and the costs of training and remuneration to trainees should be shared by the employer and the public authorities. It may be possible to get some money from the Social Fund to help with pilot schemes and the coordination of experience.



The Community helps clean up British beaches

Holidaymakers going to the seaside in any member state of the European Community should increasingly benefit from EEC legislation designed to ensure that bathing waters reach high standards of cleanliness from sewage pollution, industrial effluents, rubbish and all the other detritus which can make bathing unpleasant or hazardous.

Over a 10-year period, the bathing waters of the most heavily used beaches, whether Mediterranean, Atlantic or North Sea should be cleaned up (if they need to be) to meet certain minimum quality levels.

In the directive, member states were asked to provide by the end of 1979 the list of beaches which would fall within the scope of this law. These lists are now being provided by member states, although the information is not yet complete. The British list was given to the House of Commons recently. In consultation with water and local authorities, the Department of the Environment has designated 25 such beaches in the United Kingdom where the standards must be respected.

Bathing at Brighton, c.1820, where it all started – a far cry from 1980 when Brighton will be trying to tempt more people into the water by opening a naturist beach, the first major resort to do so.



Applying the directive

The legislation, which was agreed by the Council of Ministers in 1975 as part of the Environment Action Programme, concerns the main 'bathing beaches'. As a rule of thumb for identifying such beaches, the UK Department of the Environment used the simple criteria of a beach where 500 people regularly bathe at a time or 1500 people per mile – simple, at least, once the information has been collected.

Under these criteria, resorts like Brighton, Blackpool and Clacton do not appear on the list, but there is no reason why these and other holiday towns should not cooperate with the local water authority in assessing how far their beaches meet the standards laid down and making the results known. Inspection in the UK is the responsibility of the water authorities.

Provisions of the directive

The aim of the directive is to ensure that, within 10 years, bathing waters are free of pollutants harmful to health, such as sewage, pesticides, oil, detergents and

so on. It details the physical, chemical and bacterial limits that are permissible, and requires constant sampling and inspection to ensure that these standards are observed. Exceptions are permitted such as where geographical or natural soil conditions create specific problems, but there must still be adequate public health protection.

Accepting that some countries will find it difficult to conform with the required standards in time, the directive allows that 'in exceptional circumstances' the 10-year target date can be waived, but justification for such delay must be sent to the Commission not later than six years following the introduction of the directive.

Beaches on the U.K. list are at:

Bournemouth	St. Ives (2)
Bridlington (2)	Sandown (IoW)
Christchurch	Scarborough (2)
Margate	Southend
Newquay (2)	Swanage
Paignton (3)	Torquay (3)
Sennen (Cornwall)	Weston-super-Mare
Poole	Weymouth
Ryde (IoW)	

Grants and Loans

The European Commission announced a series of grants and loans of benefit to the UK:

Regional Fund: In the fourth and final batch of Regional Fund grants for 1979, the UK is to receive £98m, most of which goes to infrastructure development. This brings ERDF grants in UK to £170m for the year and to £420m since the fund was established.

Drax B: An ECSC loan of £500m is to be made towards the cost of the Drax B coal fired power station in Yorkshire.

Selby coal: The Community is expected to provide about half the capital needed for development of the Selby coalfield in Yorkshire, through ECSC loans of £500m. The Commission has announced the second phase of this lending, with a loan of £190m.

Steel and trucks: An ECSC loan of £1.4m has been announced for steel makers

Barworth Flockton Ltd of Ecclesfield, Yorks. A loan of £5m is to be made to ERF Ltd, British manufacturers of heavy vehicles, for investment which should create about 400 new jobs at Wrexham, Clwyd.

Farming and fishing: Grants from the agricultural fund totalling £2.7m will help with investment in UK fisheries and food processing and marketing.

Fishing

The Ministers for Fisheries have agreed on a total allowable catch (TAC) for 1980 and a system of obligatory notification of catches. Some countries would have liked larger permitted catches for various kinds of fish, but a decision on this has been put off until a report on the state of stocks is available from the International Commission for the Exploitation of the Sea.



Principles of the agricultural policy still right but costs must be controlled.

The escalating costs of the Common Agricultural Policy are now a matter of public concern, said European Commissioner Christopher Tugendhat recently. Had the Council of Ministers heeded the warnings which the Commission has been giving in clear and unmistakable terms over the last three years, preventive action could have been taken and the present Community crisis on both finance and agriculture could have been avoided.

The action of the European Parliament in rejecting the Budget for 1980 indicates a widespread belief among MEPs that, without drastic action to highlight the imbalance in Community expenditure, the Council of Ministers would continue to postpone decisions — which only they can take — and to let things drift.

If as a result of the actions of the European Parliament the Council and the Member States really face up to the problems of agricultural expenditure, the need for effective Community policies in non-agricultural areas, the costs of enlargement, the pursuit of convergence, and the question of whether all these matters can be dealt with within the present limits on Community revenue, then the present temporary financial difficulty will not have been in vain.

Fierce attack

In 1977, shortly after taking on the job of Commissioner responsible for the Budget, I made a speech in Paris criticising the Council of Agricultural Ministers for excessively high price settlements which encouraged surpluses and thus inflated the costs of the CAP.

My remarks were regarded by the Ministers as outrageous and I was fiercely attacked. Yet each year since, when the

Commission reiterated its warnings and proposed low price settlements, the Council went ahead regardless, increasing prices, and storing up surpluses — and trouble.

The Council recently took the first step to tackle the problem by agreeing on a procedure whereby Finance Ministers would be involved in the consideration of the budgetary aspects of the farm prices settlement for 1980/1. This is a step forward and one very welcome to the Commission.

Spending curbs

The European Parliament has made its concern about the run-away tendencies of CAP expenditure clearly heard. The Commission welcomes this concern. We have already put to the Council of Ministers a package of proposals designed to curb agricultural expenditure, especially in the dairy sector. It is essential that the Council adopt this year a realistic price settlement which takes budgetary problems into account.

It is worth noting that the Resolution by which the European Parliament rejected the 1980 Budget included a statement that it 'in no way attempted to call in question the principles of the Common Agricultural Policy, but simply to control the cost'. We agree with that view.

Farmers should recognise that measures to tackle the abuses of the CAP will safeguard, rather than undermine their interests. What we must seek to develop, is a well-balanced agricultural policy which takes into account the interests of Community producers, consumers and taxpayers, all of whom need and can benefit from a system providing secure and stable supplies of food.