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Farm policy: three views

European Community

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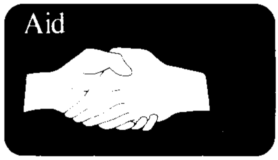
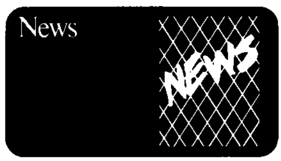




The Community in September/ October.

September 25 & 26	Agriculture Council.
October 9	Energy Council.
October 10	Development Council.
October 16	Finance Council.
October 17	Foreign Affairs Council.
October 23	Finance Council.
October 30 & 31	Agriculture Council.

Spreading aid

The Community helps non-Lomé countries too

Community aid to developing countries not directly associated with the Community under the Lomé Convention has recently received a boost. Early in May 1978, the Community and the International Development Association (IDA) signed an agreement confirming an EC contribution of $385m to the Special Action Programme, set up following the ending of the Conference on International Economic Cooperation (CIEC). In addition, the Council of Ministers has agreed on a Regulation outlining criteria for aid to non-associated states.

Special action programme

The Special Action Programme, initiated by the Community and supported by other industrialized states, is designed to help meet the immediate needs of various low-income countries facing problems of transfer of resources that hamper their development. The Programme, to be administered by the IDA, is to be financed by a $1,000m fund. So far the Community is the only contributor to allocate its contribution entirely through multilateral channels. The money will be spent within the framework of a separate Special Account and will be used in the form of credits additional to those of the normal IDA programme, and on the latter's usual terms, i.e. interest-free loans repayable over 50 years, with repayment deferred for 10 years.

Following ratification of the agreement by Community countries it is hoped that the entire contribution will be paid over to the IDA within six months, and that the credits will be disbursed as far as possible within two years.

Member countries are expected to contribute as follows:

	$ USm
Belgium	15.90
Denmark	11.28
Federal Republic of Germany	119.08
France	56.48
Ireland	1.04
Italy	34.92
Luxembourg	0.50
Netherlands	30.80
United Kingdom	115.00
	385.00

Financial and Technical Aid

Since 1976, at the instigation of the European Parliament, the Community Budget has included an item of expenditure to be used on financial and technical aid to developing countries not helped through the Lomé Convention.

The criteria for allocating aid, however, has been a matter for discussion between the Council and the Parliament. At its meeting on April 25 the Council finalised the content of a Regulation (OJ C 54/5 of 4.3.1977) which defines the measures to be taken, the objectives to be achieved, and the detailed arrangements for administration.

As a general rule the aid will be made available to the poorest countries, while seeking a reasonable geographical balance amongst the world's major developing regions. The aid is intended to contribute mainly to an improvement in the living conditions of the most needy sections of the population, with special emphasis on rural development and the improvement of food production. There is provision for Community participation in regional projects, and for a reserve to cover exceptional situations, such as natural disasters. The budget allocation for 1978 is 70 million units of account (about £47m).

The 1977 programme

In 1977, of the £30m (45mua) allocated in the Budget as aid to non-associated states, all disbursements had been agreed by the end of the year. On December 15, 1977 the Commission signed financing conventions with 10 developing countries and six regional bodies from Asia and Latin America.

The projects chosen for aid reflected the priority given to the countryside and food:

	Million ua	%
☐ storage (cereals and fertilisers)	14.8	33.0
☐ irrigation	13.0	29.0
☐ research	6.4	14.3
☐ other agricultural products	4.3	9.6
☐ studies and technical assistance	3.3	7.4
☐ fisheries (and livestock)	3.0	6.7
☐ divers	0.2	—
	45.0	100.0

Part of the aid is granted in collaboration with regional and international financial bodies; thus half of the total value of the programme is in the form of various co-financings — the principal partners being the World Bank, the Asian Development Bank (ADB) and the Inter-American Development Bank (IDB).

Food Aid

At its April meeting the Council also agreed on the skimmed milk powder and butteroil food aid programme for 1978. The total volume of milk powder to be granted as aid will be 125,000 tonnes, plus 25,000 tonnes allocated to India to assist its *Flood II operation* designed to raise the living standards of milk producers and consumers. The Community has already allocated 6,000 tonnes of milk powder.

The total volume of butteroil available for aid in 1978 will be 35,800 tonnes, plus 9,200 tonnes for Flood II, in addition to the 3,500 tonnes already allocated.

The Council also decided to allocate 9,600 tonnes of skimmed milk powder to Vietnam and 3,000 tonnes to Sri Lanka from the 1977 reserve. It was agreed to send Egypt 1,960 tonnes of butteroil from last year's reserve.

The month in Europe

UK exports up

British exports to the rest of the Community rose by 7 per cent in the second quarter of 1978, as against a 6½ per cent rise in the corresponding imports, the Department of Trade has announced.

In 1977, the UK's exports to the rest of the Community amounted to 36.8 per cent of her total exports, compared with 26.7 per cent in 1968.

Public tenders

Since July 1, 1978, British firms have been able to compete on equal terms with firms in other Community countries for large public supplies contracts. Since that date, public purchasing authorities in the Community have been required to invite competitive bids from firms throughout the Community on contracts worth more than 200,000 units of account (about £130,000). Invitations are advertized in the 'C' series of the Community's *Official Journal*, obtainable from HMSO.

Aid for steelworkers

The Commission has announced grants of £1,756,825 for the retraining and resettlement of 2,839 British steelworkers who are losing their jobs at Dagenham, Hartlepool, Shotton and East Moors.

Loans for NCB

The Commission has approved two loans, of £18 million and £36 million, to the National Coal Board, for underground plant and powered roof supports.

Bank doubled

The Governors of the European Investment Bank have doubled its subscribed capital, to 7,087.5 million units of account. This brings the statutory limit on its loans and guarantees to the record figure of 17,718.75 million units of account.

£3¼ million for uranium

The Commission has allocated 5 million European units of account (£3.25 million) for uranium prospecting within the Community, about £356,000 of it for work in Cornwall and South-West Scotland.

Farm Fund aid

The Community's Agricultural Fund has allocated a further £3,355,000 to projects in the United Kingdom, ranging in size from £394,272 for the building of a slaughterhouse at Newtownards, Co. Down, to £11,129 for the improvement of a compound feedingstuffs mill at Dalbeattie, Kircudbrightshire.

Economic Affairs

No discrimination on drink

Commission attacks protectionist duties

People in the south of the European Community drink wine; in the north, they drink beer and spirits. That, of course, is a flagrant generalization, but it explains why the European Commission is now referring to the European Court of Justice four member countries — Britain, France, Italy and Denmark — for discriminatory taxation which has the effect of protecting their own drink industries, and indirectly discourages consumers from drinking imported spirits and beer in the south and imported wines in the north. French advertising regulations are also to come before the Court.

Wine and whisky

The Commission's action against the four governments mirrors the action already taken against Distillers Co. Ltd. for charging one price on whisky for sale in the UK and a higher price to buyers wishing to market whisky in other countries of the EEC, so carving up the market and thereby preventing continental consumers from enjoying their whisky at a (lower) British price. DCL argued that their policy was adopted partly to cope with discrimination against their products in some member States.

The Commission's case

On the issue of the beverages discrimination alleged against the four countries now referred to the Court, consultations have been dragging on for two or three years. All the infringements concern discriminatory taxation imposed on certain kinds of imported drink.

The Commission has always recognized that where action is taken against a discriminatory tax, problems may result in areas entirely divorced from the strictly fiscal. For these reasons the Commission has long urged harmonization of the tax legislation of member States.

The infringements

The Commission points out that in the Mediterranean countries the traditional policy has been to protect alcohol derived from wine, for the obvious reason that it is linked to the exigencies of wine production, an essential element of these countries' agriculture. This protection, achieved by taxation differentials has as its primary objective the discouragement in these countries of the production of alcohol from raw materials other than wine, but the effect has been discrimination against imports like grain-based whisky. Article 95 of the Treaty, however, forbids such discrimination. Infringement proceedings have, therefore, been initiated against Italy and France in order to re-establish normal conditions of competition. French advertising rules which restrict the advertising of grain-based spirits are also subject to proceedings.

In the non-wine producing countries of the north of the Community wine has tended to be considered a luxury drink, at least in comparison with beer, the locally produced low-alcohol beverage. These countries have always taxed wine heavily, with the result, in the Commission's view, that consumption has been restricted. The Commission considers that wine cannot be considered as a luxury product meriting a higher rate of taxation than competing local products. Britain falls into this category of taxation. The Commission has also sent Ireland a reasoned opinion pointing out that deferred payments of duty on locally produced drink discriminate tax-wise against imports.

The UK case

As far as the UK is concerned, the Commission considers the tax level on still light wines to be unfair. Whereas light beer attracts an excise duty of 55p per gallon, for light wines it is £2.955 per gallon, more than five times as much.

The Commission considers that beer and wine have sufficient in common for the high rate of duty on wine to result, indirectly, in the protection of beer and calls for a cut in wine duty. The British government contests this view and argues that the Commission's criteria are unfair, arguing that normal drinking habits of beer or wine are for beer to be drunk by the pint (57 cl) and wine by the glass, equal to 4½ ounces (12.75 cl). Looked at in this way, say the British, the unit of tax would be 7.5p for a pint of beer and 8.3p for a glass of wine. In other words, beer glass for wine glass there is little difference in the tax. Indeed, according to this argument the tax applies favourably to wine if one relates it to the per degree of alcohol in the two drinks. It amounts to 1.88p for a beer of 4° Gay Lussac and to 0.72p for a wine of 11.5° Gay Lussac.

The Commission does not accept the argument that a pint of beer can be equated with a glass of wine in this way. The Commission also contests the other British arguments for the tax, noting that British duties on beer and wine have no logical rationale; they are of an historical nature, and there has always been discrimination against wine. Inevitably, this has distorted consumption patterns and no valid arguments in favour of the tax can be drawn from them.

Duty

The Commission first wrote to the British Government about the matter in July 1976. It sent a reasoned opinion on November 8, 1977, commenting on the British reply to its original letter. As nothing further was heard from the UK, the matter has been referred to the Court. The Commission noted that, despite a Council recommendation of December 5, 1975 to decrease, or at least not to augment, excise duties on wine, the UK has since then increased its excise duties by 20 per cent.

In Denmark, acuavit and schnapps benefit from a reduced tax compared with other spirits, the manufacture of which is almost non-existent in the country. Although the Danes argue that the drinks are different and therefore merit a differentiated tax, the Commission insists that such discrimination is an infringement of Article 95.

Agriculture

Three angles on the CAP

Commission members speak up for farm policy

In July, Commission President Roy Jenkins, Vice-President Finn Gundelach, and Commission Member Christopher Tugendhat all spoke to British audiences on the common agricultural policy. Their joint verdict might be summed up as: 'Not at all so black as it's painted.' But each looked at the subject from a slightly different angle.

Roy Jenkins

Opening the Royal Agricultural Show at Stoneleigh, Kenilworth, on July 3, 1978, the President of the Commission declared:

'The Common Agricultural Policy has, on the whole, served Europe well. It has given Europe's 250 million consumers secure supplies of food. It has given farmers stable prices, and it offers a long-term framework in which to plan your industry. Those are not small achievements. But the achievements and the policy are at risk from two powerful forces. The first is a threat from within European agriculture itself: by that I mean the continuing production of surpluses. The second threat comes from factors outside your control as farmers: I mean the instability of national currencies and the divergence of economic performance in Europe.

GATT

'The multilateral trade negotiations, which are now in progress in Geneva between Europe and our trading partners, will cover agriculture. It is right that they should do so, for we want to reach a balanced agreement to expand world trade as a whole. Our partners expect us to make a serious contribution towards more open markets in agriculture. But Europe is not unique in protecting its agricultural imports, as is well known to those acquainted with the position in the United States or Japan, to take only the two other major trading blocs in the world. We have the right to demand, and we shall, that they also make concessions in this field.

Surpluses

'I mentioned a minute ago the question of surpluses. They are not always a bad thing. It is better for the consumer to have a small surplus than a small shortage. But that is not the case with European milk production. One-sixth of milk output is already surplus to requirements, while total consumption of milk products is declining. We shall not be able to persuade Europe's taxpayers and consumers to support that indefinitely. We cannot expect importers and other exporters of milk outside Europe to relieve us of that burden, even though we can dispose of some part outside the Community.

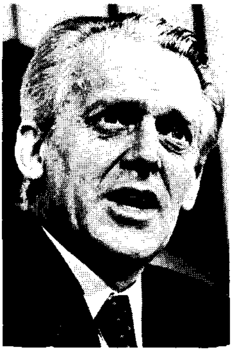
'Commissioner Gundelach has spoken of the time-bombs ticking away under the milk policy. For myself, I cannot tell you how long is the fuse that may detonate those bombs, but I do know that, for every month and every season which passes, the fuse becomes shorter. The Commission has embarked on a policy of prudent prices for surplus products. In the last two years, to the best of our ability, we have made the policy stick. We intend to hold to it in future. But I cannot conceal our fears about milk. In this year's price decisions the Council of Ministers invited us to review the situation in the summer. We shall carry out a fundamental and objective review. But I repeat that we cannot continue with unlimited support for milk at price levels which lead to such heavy costs. We must find a way of checking the surplus through prices and the market mechanisms. Otherwise we shall have to introduce direct limits on production that will be less acceptable to producers than is the present position to consumers.

The green pound

'All farmers in Europe understand monetary compensatory amounts, because they almost all have them. The only exception is Denmark, but Danish farmers too are quite well informed about their effect. They strike at the heart of the common agricultural policy. When national farm prices, in francs, lire or pounds, are affected more by the so-called green changes than by the common prices, then the common policy begins to be re-nationalized. Price differences of 30 or 40 per cent between Europe's member States divert trade and distort competition. They sap the very structure of the CAP, and undermine the will to find solutions. There are those who do not lament this state of affairs. There are those who would rejoice if it weakened the CAP. How can it be wrong, they ask, for national governments to take into their hands their own agricultural policies, so as to take more account of purely national interest?

Interdependence

'That approach is seductive. But it is a profound mistake. Agricultural problems, like other economic matters in the modern world, cannot be solved at the national level. Let me put it to you in another way. Those who make their living in agriculture want to be part of the broader economy, to benefit like other citizens from economic liberty and from increases in wealth. They do not want to be a second-class group within society. So it is with nations. They are obliged to trade, and none more so than the nations of Europe, whose wealth depends so largely on their trade. Agriculture cannot be an exception to that rule of interdependence.'



Finn Gundelach

It was not practicable to seek to impose a straight ceiling on the Community agricultural budget, said Mr Finn Gundelach, European Commissioner responsible for agriculture speaking at the East of England Show in Peterborough on July 19. Mr Gundelach said that such a demand was not well thought out, for it ignored the nature of the agricultural policy. He did not believe that in the end it would be adopted. Agricultural expenditure was determined by too many uncertain extraneous elements.

Mr Gundelach maintained that the budget for agriculture was not all that excessive. 'The agricultural policy is the only fully fledged common policy, but those who say that the CAP is preventing other policies from developing are wrong. They have also forgotten that due to the lack of social and regional policy, regional policies make up a big part of the agricultural budget.' For instance, 1,000 million units of account (about £650m) was being set aside for development in Italy, the South of France and the West of Ireland. The agricultural budget was not just support for farmers, but for regions as well. It also met the costs of monetary compensatory amounts, which cut food prices in the UK and meant that beef was cheaper in Britain than in the US and British bread was cheaper than Australian.

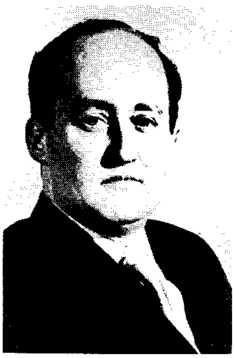
Mr Gundelach hoped that the process started at the recent Bremen and Bonn summits would enable us to get to grips with MCAs. 'It will take time, but in the long run they must come down in fairness to UK producers.'

Mr Gundelach said it was unfair to judge the CAP purely on the basis of surpluses which were confined to a few commodities — dairy products, sugar and olive oil. The policy was basically sound and had ensured food supplies for 250 million people in an uncertain world at fairly stable prices, sometimes lower than prices on the world market.

'This security is a worthwhile insurance premium providing a safety-net of guaranteed prices for farmers to ensure that they can continue in production.'

The idea of reducing Community production and importing more food from outside the Community was rejected by Mr Gundelach. World prices were artificial prices, he said. They were quoted for small quantities, where slight day-to-day variations in supply could lead to big jumps in prices. 'If we cut down our own food production by 10-20 per cent world prices would sky-rocket and we would find that supplies would not be enough for our own needs. We are already the biggest food importer in the world.'

Production costs were rising elsewhere in the world. New Zealand, he pointed out, had requested a 23 per cent increase in their guaranteed price for butter sold to the EEC last year. They were granted a 14 per cent increase; home producers received 3 per cent. This year New Zealand was asking a 15 per cent increase; Community farmers had had 2 per cent.



Christopher Tugendhat

On July 20, Mr Tugendhat spoke to the Cheshire Branch of the National Farmers' Union at Crewe. Among other things, he declared:

'It is widely believed in the UK that the CAP, designed as it was for a Community of Six, has an inherent tendency to produce policies detrimental to the UK. Personally I have always contested this. It is my belief that, given the sweeping changes which have occurred in recent years in the world's economy and food supply, and the likely future trends, the question of price stability and security of supply has become sufficiently more important to justify paying a premium in terms of the actual level of prices. As a result the CAP is in fact not such a bad fit for the UK as it is often supposed.

Costs

'It is, however, too expensive, takes too large a share of the Community budget, and produces too many surpluses. As I have often said before, it needs to be reformed in a number of ways, some quite far-reaching. This need for a close look at the CAP has now been recognised at the highest level, by the Community Heads of Government at the recent European Council meeting in Bremen. The Commission has been called upon to produce a report on the workings of the Community's agricultural policy. One of the criticisms which I, as Budgets Commissioner, have levelled against the CAP relates to the way in which the major decisions are taken in the Council. I do not believe it is right that questions which are of such far-reaching economic significance should remain so firmly in the hands of Agricultural Ministers. I would like to see other ministers more directly associated with the annual price review, especially the Ministers of Finance.

Change

'However, the CAP is already changing. It is a policy which — as my colleague Finn Gundelach recently stressed — allows in itself for a large degree of flexibility. In truth it has never stood still, but has been adapted to the changing needs of the Community, first of Six and now of Nine. Thus it is that we are now pursuing a policy of prudent price increases in an attempt to help curb the Community's agricultural surpluses. In the same way, the Commission has demonstrated the adaptability of the CAP in producing a proposal to take account of the particular peculiarities of the Community lamb market — the predominance of only two member States (Britain and France) in the market, the traditional British imports from New Zealand, the considerable differences between the prices and consumer habits currently ruling in the different member States.

Mutton and lamb

'The regime proposed also reflects the increasing disillusionment in the Community with expensive market intervention arrangements. There will be no intervention buying, no export refunds, no monetary compensatory amounts; the Commission does not believe these to be necessary in the case of mutton and lamb. As for imports, again lamb is rather particular. We import a large slice of our needs and we have an international commitment towards New Zealand not to restrict access. The Commission is therefore proposing a liberal import regime which for the UK means no change from the present arrangements. There are two widespread — and totally erroneous — beliefs currently prevalent here. First, that the Commission wants to force prices in the UK to French level; and secondly, that we want to deprive consumers of access to cheap New Zealand frozen lamb. In fact, neither of these fears is justified, as has now been recognized by the House of Lords in its recent report on our proposals. There will not be a massive price rise for fresh lamb in the UK. The Commission has proposed that the Community 'basic' price should be fixed at the weighted average of existing prices in the various member States, which means that it will be somewhere above the present UK price but below the present French price.

New Zealand

'As to the New Zealand angle, I must stress that the Commission is fully aware of the importance for New Zealand of its agricultural exports to the UK markets, and has always recognized that special provisions were necessary to take account of this. We have always said that, in setting up any sheepmeat regime, we would respect our international commitments and that is precisely what we are proposing to do. The import charge we propose in our regime — though variable — will not be allowed to exceed the present 20% tariff. There is no suggestion anywhere of quantitative restrictions. These would conflict with our international commitments. There is no reason here why New Zealand lamb should be any dearer than it would be in the absence of a regime. There is certainly no question of our pricing New Zealand lamb out of the market. Indeed, I would like to say here and now that I believe New Zealand lamb will be coming to Europe — and providing our Sunday joint — for as long as New Zealand cricketers will be coming to England, in other words as far ahead as anyone can see.'

Statistic of the month

Income tax percentage rates February 1978

Country	Starting rate	Maximum rate
United Kingdom	34	*83
Netherlands	20	72
Belgium	10	72
Italy	10	72
Denmark	42.2	66.4
Ireland	20	60
France	5	60
Luxembourg	18	57
Federal Republic of Germany	22	56

*98% where the investment income surcharge applies

Dossier ON FILE

News

Lead hazard

The use of lead capsules to enclose corks in wine bottles may, in some cases, and after several years, cause an increase in the lead content of wines, the Commission has declared in answer to a European Parliamentary Question. However, in the light of available information, it cannot confirm whether this is a health hazard. The Commission and the member States are currently engaged in further research and measurement of the effects of exposure to lead, and directives may follow.

Research grants

The Commission has just awarded seventeen research grants, mainly for young university teachers of European affairs. They included awards to four Britons: Antony Alcock, working with an Irish colleague, Terence O'Brien, at the University of Ulster; David Piauchaud and Jonathan Bradshaw at the LSE and York University, and Thomas Sharpe, at the Universities of Edinburgh and Dundee.

Cheysson in Angola

Claude Cheysson, Member of the Commission, paid an official visit to Angola on July 6 and 7, 1978. Angola already receives food aid from the Community.

Federal solutions

Federal Solutions to European Issues is the title of a symposium published by Macmillan for the Federal Trust and edited by Bernard Burrows, Geoffrey Denton, and Geoffrey Edwards. Its price is £8.95.

Parliament

The European Parliament and the European Community, by Valentine Herman and Juliet Lodge, is also published by Macmillan at £8.95.

Fiscal Federalism

The Political Economy of Fiscal Federalism is the title of a study edited by Wallace E. Oates and published by Lexington Books at £11.50. Our own readers may be interested particularly in a chapter on 'The Finances of the European Community', written by Michael Emerson of the Commission's staff.

Mediterranean

Tariff Preferences in Mediterranean Diplomacy is a study by Alfred Tovias, published by Macmillan for the Trade Policy Research Centre at £6.95, and dealing among other things with the Community's policy in the area.

Fukuda in Brussels

Mr Takeo Fukuda paid an official visit to the Commission on July 18, the first Japanese Prime Minister to do so.

Education

Teaching languages

Commission proposes an action programme

In February 1976 the Council of Ministers agreed an Action Programme in the Field of Education.

This programme laid stress on the importance of enabling as many students as possible to learn the languages of the Community. The Commission has now approved a plan proposed by Commissioner Guido Brunner to improve the teaching of foreign languages within the Community and to promote greater educational mobility for pupils up to 18 years of age.

If the plan is approved by the Council, 1979 will be spent in preparing to implement it. The cost of the various actions proposed is estimated at 6.5 million EUA in 1980 rising to 8.275 million EUA by 1982.

The plan covers nine points:

Teacher training

The Commission considers it important that all future foreign language teachers should be required to spend a period of study and preparation in the country whose language they intend to teach. At present students or young foreign graduates act as language assistants in giving conversation classes in their own mother tongue to a small group of students. In 1973/4 there were 7,032 assistants in the Community, and the Commission proposes the establishment of a Community-wide scheme for such exchanges.

Continuing Training

Practising foreign language teachers should be able to spend regular and officially recognized periods of re-training in the country whose language they teach. The Commission proposes to give an impetus to this by creating a Community scheme for exchange of foreign language advisers and inspectors and for one term or one year periods of service abroad for practising teachers.

Mobility and exchange

The Commission proposes a three part scheme of Community support for individual and group exchanges. This is aimed firstly at enabling member States to overcome the difficulties which financial and geographical circumstances put in the way of such exchanges; secondly at organizing vacation activities (either conferences or field studies) in which senior pupils from different member States can participate using one common language; and thirdly at launching pilot projects to explore the exchange needs of handicapped children, the possibilities for the exchange of pupils in technical and vocational education, and the problems of associating all countries, particularly those whose language is not in wide use.

Early teaching

Joint action is proposed to examine the varying experience of member States in introducing the teaching of a second language during primary education.

Less able pupils

There is common concern about the many young people who end school with virtually no capacity in a second language. A number of pilot projects are proposed to explore the problems and approaches to the teaching of languages to children of modest ability or those with little interest in languages.

The 16-25 age group

Arrangements should be made to place greater emphasis on the provision of language learning opportunities combined with other disciplines for students entering vocational and higher education.

Adults

As a first step in the field of adult education, a special study is proposed of the language needs of certain professional groups, such as doctors, nurses and architects.

Multi-lingualism

The Community has already established European Schools designed to develop a specific European identity. These are, however, primarily for the children of Community officials. The Commission proposes to set up a European Community Schools Scheme to adapt some existing schools to fulfil a similar role. This European network of experimental schools would promote good practice in the learning of foreign languages, bilingualism, and the creation of greater European consciousness in the schools system.

Information

Information about language teaching must be widely diffused to those concerned, and this should be made a priority task for the Community's Information Network on Education which will be established in 1979.

Jobs Europe-wide

Plans for a Community-wide employment exchange system, through which news of job opportunities throughout the Community could be available in all member States, are moving ahead. 'Sedoc', as it is called, may be ready to operate in 1979.

Culham School

About 100 children are expected to go to the European School to be set up at Culham, primarily for the families of those who will be working on the Joint European Torus project of research on controlled nuclear fusion. The decision to establish the school was taken in March 1978.

Quotation of the month

'If it means removing power to increase prosperity the House will have to decide whether it wishes to remain poor and independent or is willing to sacrifice some power in order to be more prosperous.'
The Rt Hon. James Callaghan, UK Prime Minister, on the new European monetary project, in the House of Commons on July 10, 1978.

Consumer Affairs

Food in plastic

The Commission scents danger

There has been a tremendous increase in the packaging of food in recent years, and especially of the use of plastics for this purpose. After contact with foodstuffs for reasonably long periods, however, plastics can transfer substances to the food itself. This can present dangers. Vinyl chloride, for instance, one of the substances used in the manufacture of plastics, is now under suspicion.

A common limit

In fact all Community countries have laws or regulations governing health standards for food which reflect on packaging. Where plastics are concerned, several member countries, particularly Belgium, France, Italy and the Netherlands, have adopted legislation to limit the possible contamination of foodstuffs by insisting on maximum limits of transfer or 'migration'.

As far back as December 1973 the Council of Ministers agreed on a Resolution to include in its programme for the elimination of technical barriers, the harmonization of laws covering 'materials and objects intended to come into contact with foodstuffs'. This was followed in November 1976 by adoption of an outline directive.

The Council has further adopted a specific directive concerned with monomer vinyl chloride residues, and the proposal for plastics is part of the on-going general programme.

The introduction by four member countries of different levels of 'migration' and the varying legislation now applying in other countries often makes it difficult, the Commission argues, for exporters to know where they stand when packaging their goods with plastic materials. The Commission is therefore proposing an overall 'migration' limit of 60mg/kg in foods and of 60mg/litre for liquid foodstuffs with provision for testing the packaging with 'simulants'.

The Commission proposal has the support of the European Parliament, the Economic and Social Committee, various consumer and producer organizations and of the Consultative Committee for foodstuffs.

Britain

The United Kingdom does not yet have specific legislation regarding the packaging or containment of foodstuffs comparable to that in the four other Community countries or that proposed by the Commission.

British consumers are given general protection under Section 2 of the Food and Drugs Act 1958, but UK legislation does not rely on specific chemical formulae as the criterion for assessing dangers to health. In the Commission's view, specific limits are a valuable way of facilitating free trade and of protecting consumers.