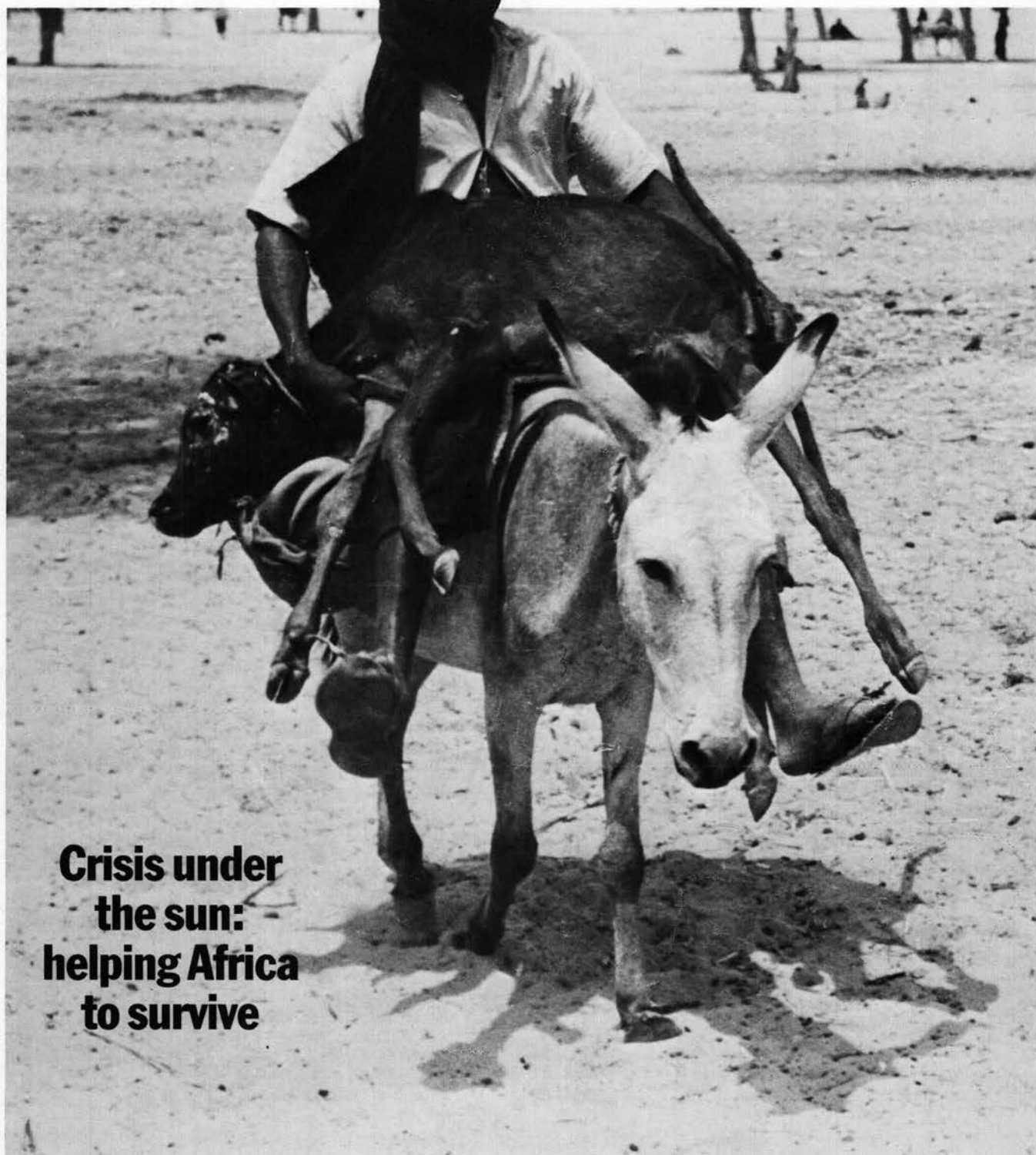


Europe 83

No. 12

December 1983



**Crisis under
the sun:
helping Africa
to survive**



In this issue...

After Athens	3
Scotland's job-creation scheme is paying off. By Roy Stemman	4
Survival crisis under the sun. By Jorgen Harboe	6
How Europe is exporting its know-how to the Third World	7
Have you paid over the odds for your new car? By Peggy Crane	8
Shades of the cinema's golden age	10
A research centre that's getting it together. By Jack Waterman	12
Salvation will not come from protectionism, says trade minister Paul Channon	13
Social Fund shift towards the jobless	13
Britain and Europe: the story of fifteen squandered years. By John Ardagh	14
Is the Community dimension a trump card—or not? asks Etienne Davignon	15
Making music the Feuchtwanger way. By James Hogan	16
Community Reports	18
Pro-EEC firms are doing best, says House of Lords committee	20
A boost for the strip business	21
Questions in the House	22
The cash runs out in 1984, says Christopher Tugendhat	23
UK's small firms are near the bottom of the league	23
Letters	23
What's in the papers	24

EUROFORUM is inset after page 12

Published by the Commission of the European Communities, 8 Storey's Gate, London SW1P 3AT.

Tel: 01-222 8122

Editor-in-Chief: George Scott
Associate Editor: Denis Thomas

Design: Lawrence Edwards
Printed by Lawrence-Allen Ltd,
Weston-super-Mare, Avon

Europe 83 does not necessarily reflect, in all particulars, the opinions of the Community institutions. Unsigned material may be quoted or reprinted without payment, subject to suitable acknowledgement.

Belfast Office: Windsor House,
9/15 Bedford Street, Belfast BT2 7EG
Tel. (0232) 240708

Cardiff Office: 4 Cathedral Road,
Cardiff CF1 9SG
Tel. (0222) 371631

Edinburgh Office: 7 Alva Street,
Edinburgh EH2 4PH
Tel. (031) 225 2058

Associated editions:

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

Europe, 350 Sparks Street, Suite 1110, Ottawa,
Ontario, Canada K1R 7S8.
Tel. (613) 238-6464

Community Report, 39 Molesworth Street,
Dublin 2, Ireland
Tel. 712244

30 Jours d'Europe, 61 rue des Belles
Feuilles, 75782 Paris Cedex 16,
France. Tel. 501 58 85

Comunità Europea, Via Poli 29,
00187 Rome, Italy. Tel. 678 97 22

EF-avisen Højbrohus, Østergade 61,
Post Box 144, 1004 Copenhagen K,
Denmark. Tel 14 41 40/14 55 32

EG Magazin, Zitellmannstrasse 22,
5300 Bonn, W. Germany
Tel. 23 80 41

Comunidad europea, Serrano, 41-5 a planta
Madrid-1, Spain
Tel. 474 11 99

Europaiki Koinotis, 2 Vassilissis Sofias,
T.K. 1602, Athens 134, Greece
Tel. 743 982/3/4

Europa-bericht, EUR info,
Archimedesstraat 73,
1040 Brussel, Belgium
Tel. 235 4178

Echos de l'Europe, Bâtiment Jean Monnet,
Luxembourg-Kirchberg
Tel. 43011

Avrupa Topluluğu, 13 Boğaz Sokak
Kavaklıdere, Ankara, Turkey
Tel. 27 61 45

A failure of the European Council is not a failure of the European Community

A STATEMENT BY THE EUROPEAN COMMISSION

Following Athens, disappointment is deep: the difficulties were real ones, and now they have been made worse. The failure of a European Council session is not the failure of the Community, let alone the failure of a historical process that is to ensure the prosperity and strength of Europe.

The Commission will shoulder its obligations to secure the preservation of the Community patrimony, make the vitally necessary progress without delay and establish the conditions needed to reactivate the Community.

Preservation of the Community patrimony requires that there should not be further uncertainties over and above those arising from the Athens European Council session. The Commission is anxious that the conditions should be established for speedy agreement to adopt the 1984 Budget. As the European Council did not decide on the economy measures it proposed, the Commission will take the decisions that rest with it and submit to the Council the proposals necessary for the 1984 Budget to be implemented.

It is imperative that the decisions be taken on schedule that will enable the Community to honour its pledges to itself, to its citizens and to non-member countries.

It would not be right for the Community to wait until it had settled all its problems before embarking on the urgent action necessary to its future development. Accordingly, steps must be taken forthwith to restore confidence and underpin economic recovery. Quick decisions must be reached on the projects of Community interest the Commission is submitting, delay on which would jeopardise their success.

The Community's obligation to certain social categories, certain sectors and certain regions holds good.

To uphold the Community's interests the Commission will continue fully to discharge its responsi-

'Decisions must be taken that will enable the Community to honour its pledges to itself, to its citizens, and to non-member countries'



Flashback to our November issue: a warning from Gaston Thorn.

'We must return to the Treaty procedures – the only ones whereby the higher interest of the Community can once again be made central'

bilities in negotiations with non-member countries.

The Commission will act to ensure that the outcome of the crisis is reactivation of the Community. The prerequisites for this are in the main, well known.

The European dimension must be fully turned to account. The Community must be afforded the necessary resources to ensure its development. A lasting solution must be worked out for the budget problems. The common agricultural policy must be enabled to perform its function more efficiently. The resources available must be thoroughly and efficiently managed. And there must be enlargement, to include Portugal and Spain.

This involves ending the clash of conflicting national interests on over-many single unrelated issues and returning to the Treaty procedures, the only ones whereby the higher interest of the Community can once again be made central to the debate. In this way the conditions will be established for agreement.

Europe belongs to its citizens. And its citizens demand of their Institutions that they enable the Community to bring about economic recovery and pave the way for them to look forward to a better future.

Scotland's job-creation scheme is paying off

Hard-hit by a massive decline in traditional industries – particularly shipbuilding and steel – Scotland's jobless are on the increase. But while the industrial giants are desperately doing their

slimming exercises and shedding large sections of their workforces, the EEC is helping to finance a unique scheme that is giving new hope – and jobs – to the unemployed, as ROY STEMMAN reports.

The scheme has its origins in Strathclyde but has already spread, with similar results, to other Scottish regions. To find out how the idea started, and why it has achieved such a remarkable response, I called on Strathclyde Regional Council's chief executive, Robert Calderwood, a man who believes in working closely with Brussels.

My visit to Scotland was timely. Antonio Giolitti, commissioner for regional policy and co-ordinator of Community funds, had been in Glasgow the day before to promote another EEC-backed scheme to create more jobs. At the same time, it was announced that a huge shipyard on the lower Clyde faced closure and the loss of 4,400 more jobs in an area which is already hit by high unemployment. Optimists are hoping that the yard and the jobs can be saved.

The outcome of talks is awaited eagerly, not least by Strathclyde Regional Council, which has responsibility for the area. Indeed, it provides major local authority services to 2½ million people, which is just under half the entire population of Scotland.

Strathclyde Region embraces an area in the west of Scotland which includes Glasgow, Ayr, Bute, Dunbarton, Lanark and Renfrew, and most of Argyll. It is the largest regional council in the country, Robert Calderwood told me, with a budget of £1 billion – more than that of some countries.

Its problems are of similar dimensions. In August this year, 187,259 people were without jobs in Strathclyde. That is 17.2 per cent of the working population, which compares badly with Scotland's average of 14.7 per cent and Great Britain's 12.4 per cent. Men were most affected: one in five does not have a job (20.6 per cent). The unemployment rate for women is 12.3 per cent.

Because of the seriousness of the problem, the regional council keeps a close watch on such matters, publishing detailed statistics which identify economic trends. These show that the young are particularly badly affected; and the longer a Scot is without a job the more difficult it is for him to find one.

'Top level talks led to a change of heart in Brussels'

In July 1983 it was found that 43 per cent of the unemployed were under the age of 25, and that 61 per cent had not had a job for more than six months. One in five of the jobless total in that month had not been able to find work for two years or more.

It was to make a dent in these figures that Strathclyde Region launched an imaginative employment grants scheme in February 1982, backed by money from the European Social Fund (ESF).

'About 2½ years ago,' Mr Calderwood told me, 'a hint was dropped in Brussels that



Backing jobs in Scotland: EEC commissioner Antonio Giolitti.

maybe we should explore such a scheme.' It had been tried elsewhere in the UK, but on a more limited basis and with far from impressive results. Strathclyde's chief executive and senior members of his staff had lengthy discussions with their opposite numbers in Brussels, devising a scheme that would enable European money to be used as an incentive to employers. The plan reflects a change of heart in Brussels which, at one time, would have been reluctant to give grants to projects involving numerous applicants where it was impossible for the EEC to check that the money was being properly spent.

That responsibility is Strathclyde's. However, all the signs are that the scheme works well and efficiently. The regional council began by marketing it in a big way. Some 25,000 letters were sent out to companies, in-

cluding them to participate, and explaining that, for every new job they created, Strathclyde Regional Council and the EEC would jointly pay 30 per cent of the employee's wages for the first six months of employment.

The scheme was particularly useful for small businesses struggling to be successful in a difficult economic climate. Those employing less than 25 people were able to qualify for an employment grant if they took on any unemployed person or someone threatened with redundancy. Firms with more than 25 employees had to create new jobs for people who had been without work for more than six months. Recruitment, in all cases, had to be through Job Centres.

The purpose of the exercise was to create additional and permanent jobs. It was not a

'After a year, 634 of the 691 jobs created were still there'

way of financing short-term work, and any employer who tried creating a job for a six-month period only, in order to receive the wage assistance, would find he had to pay back the grant. In fact, the scheme has worked remarkably well.

Strathclyde Regional Council and the ESF each put up £1 million to finance the scheme. In its first year it gave jobs to 1,748 people who may well not have found work without it. So great was the response to the idea that the money available was allocated within a couple of weeks of the launch.

Has the scheme fulfilled its purpose and provided permanent jobs? Strathclyde waited for six months after the final payments were made to the first successful applicants (in other words, after the newly-created jobs had been in existence for a complete year) before conducting a survey. It found that of the 691 jobs created in the first period, 634 remained, with the employer now paying the full wage. That is a 91.8 per cent success rate. What was equally heartening was that more than three-quarters of those jobs (78.3 per cent) were still being done by the original recruit.

The scheme had to be suspended for a six-week period in 1983 because the ESF had not given approval for the 1983/84 continuation of the scheme. It came through the day before

my visit. The EEC money amounts to £1.87 million, and the region is putting up £2.1 million. Between them they expect to finance 3,500 more new jobs by the end of the financial year.

'We could not have set up such a scheme without the close co-operation and financial assistance of the Social fund,' Mr Calderwood explained. To give credit where credit is due, the ESF's name appears alongside that of the Strathclyde Regional Council in all the promotional literature for the Employment Grants Scheme.

Among the many firms which are grateful for the support of this imaginative scheme is Thor Ceramics. Metallurgist James Thornton has been involved in the graphite refractory business for over 30 years. He ran a company in Scotland for an American group and has also operated in Sheffield. Two years ago he saw the growth potential of continuous testing ceramics and decided to return to Scotland to start his own business.

He bought a factory in the Clydebank Enterprise Zone from John Brown, who had erected it 22 years earlier for major shipbuilding work, but in recent years have used it only for the manufacture of turbines. The 80,000 sq ft of property, on a five-acre site, was equipped with overhead cranes and other essential services which made it much easier to get the business started.

Thor Ceramics received a £325,000 grant from the European Coal and Steel Community (ECSC) to help with the venture because it was creating jobs for unemployed coal and steel workers. Among those it took on were two redundant British Steel men, one a shift manager at a steelworks, the other a metallurgist.

'The EEC has been helping a business guidance scheme by meeting 55 per cent of its running costs'

In a comparatively short period the business has expanded rapidly. What Thor Ceramics has created is a high technology manufacturing plant which uses isostatic presses (the largest of which cost £¼ million) to compact graphite ceramics and make nozzles and valves. These are used to control the outflow of steel ladled into continuous testing machines.

Five years ago, James Thornton told me, there was no continuous steel testing done in Scotland. The molten steel was poured into ingots, which were later heated and sent to the rolling mills. All that has changed. BSC's Ravenscraig facility has switched to 98 per cent continuous testing – which is like a sausage machine – in the last five years.

What makes the continuous steel production method attractive from Thor Ceramics' viewpoint is that the nozzles and valves it makes are consumable. After five ladles of steel have passed through them they have to be renewed.

But keeping up with the rapid switch to continuous testing, not only in the UK but elsewhere, put additional financial pressures on a company which had already invested heavily in the outright purchase of its factory and the installation of new equipment. That is where the Strathclyde Employment Grant Scheme was of considerable help.

'It was very useful to have assistance in this way at a critical time in our development,' Mr Thornton explained. 'We are very grateful to those involved in the Strathclyde scheme for their help. It has enabled us to create an additional 15 jobs, bringing our present workforce to 60 people.'

As well as creating new jobs, Thor Ceramics is also helping our balance of payments. It has won major export orders in the USA and in several European countries, particularly France, Germany and Scandinavia.

Having the money to start a business and pay people to work for you is only half the battle. New businesses, particularly small ones, need the help and advice of experts: professionals who know the pitfalls and the potential of starting a new venture and can give valuable guidance.

The EEC has been helping to fund such a service with a 55 per cent contribution towards its running costs. Business Plan Service began in Strathclyde as a pilot scheme with a £300,000 budget from the European Regional Development Fund (ERDF) non-quota section. Participants were the Scottish Office, the Scottish Development Agency, financial institutions and the accountancy profession in Scotland. The scheme enabled entrepreneurs or small existing businesses to commission a basic business plan from private sector business advisers and 55 per cent of the cost, up to a total of £1,100, was paid for them.

It has been very successful, but it did have limitations. So a more adventurous scheme was launched by Antonio Giolitti on October 31, 1983. He visited Glasgow to announce the formation of Strathclyde Consultancy Consortium, which will give advice across a far wider spectrum to small businesses. Solicitors, accountants, notaries, translation agencies and others, have all agreed to give their services at lower than commercial rates. And £500,000 is being given by the ERDF non-quota section to finance the scheme. For every £1,000 worth of advice – whether it be marketing, advertising, translation, legal or accountancy – which a small business receives under the scheme, the EEC will pay £550.

Encouragement to expand the scope of the original Business Plan Service came from a study which showed that something like 73 per cent of those who sought its help acted on the advice given – and successfully.

As well as all this expertise, many Scottish businesses – if they are situated in the right place or creating new jobs in particularly bad areas – can take advantage of EEC loans at very attractive rates.

No one pretends that the new Europe-backed schemes are going to solve the unemployment situation. At best, they might preserve the status quo for a couple of years. What is undeniable, however, is that Scotland badly needs to restructure its economy to be far less dependent on major industries. By giving assistance to emerging industries in this way, Scotland is pioneering a new approach that will be watched keenly – and no doubt copied – in many other Community countries. **€**

— AND BUSINESS IS BOOMING DOWN IN THE GLEN

There has been such a concentration of new technology enterprises in the central lowland belt of Scotland, from Edinburgh towards Glasgow, that it has become known as the Silicon Glen. Business is booming, and many overseas companies, particularly of Japanese and American origin, have opened manufacturing plants in the area.

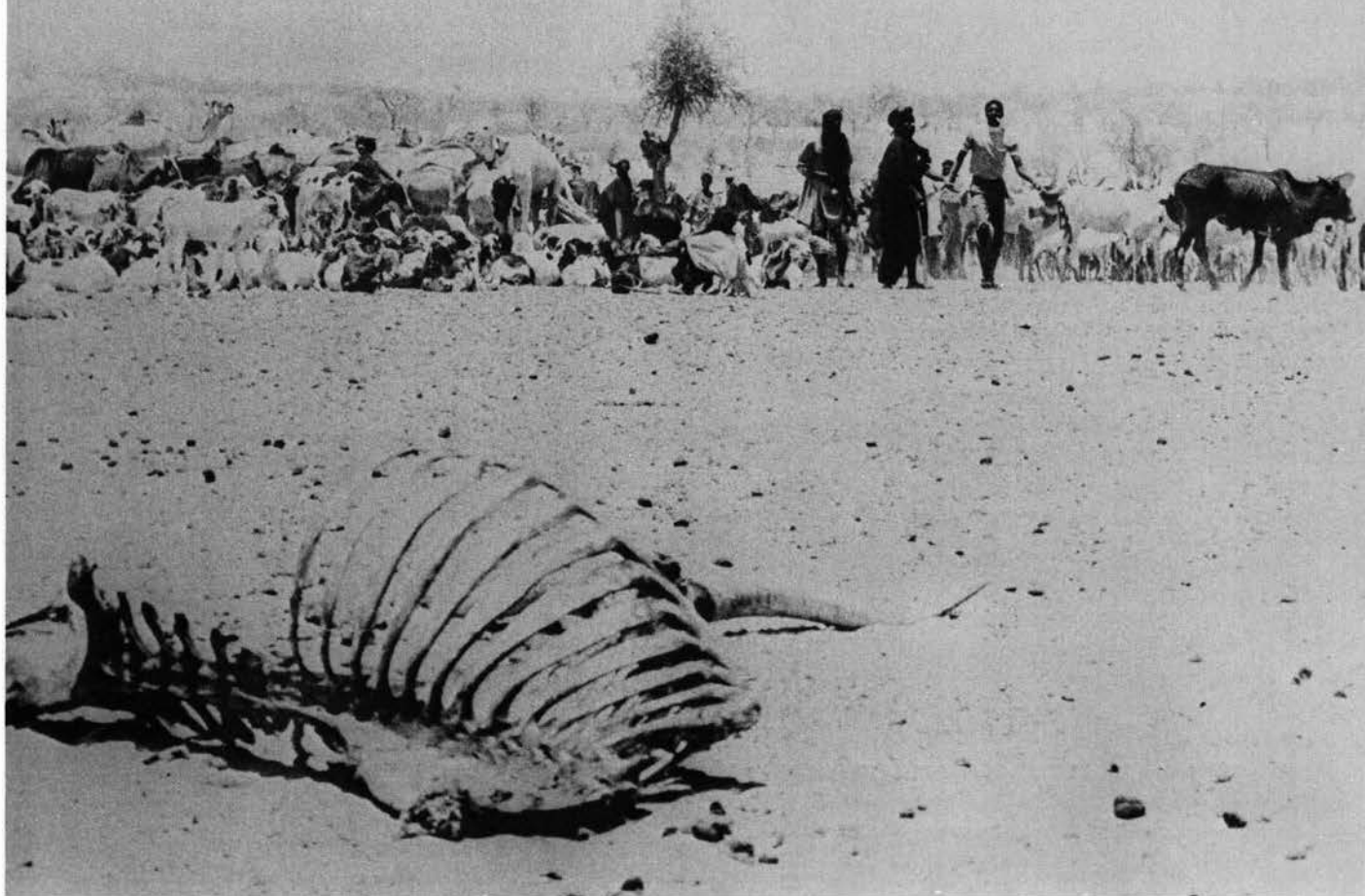
They have been attracted to Scotland not only on account of its EEC access to Europe, but also because of the country's infrastructure and the availability of a good workforce. However, whether producing mainframe computers and their components or devising sophisticated software, the high technology-companies are seldom labour intensive.

Their emergence, often assisted by EEC grants and loans, is important to the Scottish economy. In time they could – directly and indirectly – provide a considerable number of jobs. But so far they have not made much impression on the unemployment figures.

It is expected that by 1984 Scotland will be producing half of the UK's entire output of semi-conductors. Silicon Glen will house Europe's largest single concentration of silicon chip manufacturers.

Nippon Electric Company have built a £40 million silicon chip production plant at Livingston New Town, assisted by a £6 million ERDF grant. The factory, which created 650 new jobs, was opened by the Queen last July. NEC's senior manager at Livingston, Masamichi Shiraishi, has said: 'Having access to Europe was absolutely essential for us. This plant would not be here if the UK were outside the EEC.'

Survival crisis under the sun



Europe cannot stand by and do nothing while cattle are dying all over Africa says Steffen Stenberg, who in recent years has been responsible for administering most of the European Community's aid to Zimbabwe.

Last year the Community signed an aid agreement with Zimbabwe worth £17.7 million. Europe agreed to supply 16,000 tonnes of powdered skimmed milk and 2,750 tonnes of butter oil over four years, on condition that Zimbabwe adopted a policy that would eventually make it self-sufficient in dairy products.

But the programme has run into serious difficulties with the arrival of the most disastrous drought in living memory. Two years of inadequate rain mean that three million people, out of a total population of seven and a half million, are now badly in need of food aid to help them meet their basic daily requirements.

The drought has hit Zimbabwe's livestock particularly badly. In normal times they number about five million. A large number are already dead from hunger and thirst and most

European Community aid has been sent to Zimbabwe as part of an emergency programme. But the threat to both humans and livestock remains grave, writes JORGEN HARBOE

of the remaining animals are extremely weak.

If nothing is done before the next harvest in April, they will be too weak to be used for work. And that means that there will be no harvest, says Valentine Ziswe, who as director of the charity Christian Care is coordinating the efforts of voluntary organisations concerned with helping drought victims.

The European Commission's delegation in Zimbabwe has decided that it must act to try and save some of the livestock, and the lives of the people who depend on the animals for

their survival. 'We have asked the Commission to use part of the money earmarked for the dairy operation to be used to save the animals,' says Steffen Stenberg. It would involve about one million ECUs.

The form the plan would take is not yet fixed. But the Zimbabwean Government has already started to try and transport animals from the driest areas to parts of the country where they can find food. It is also trying to fight the diseases that are running rampant among the weakened beasts.

The Commission has already mounted an emergency aid programme to help the three million people affected by the drought, consisting of food aid worth two million ECUs. The government has started distributing food rations to drought victims, but there is not enough food to go around.

Government food rations consist of 400 grammes of maize, 40 grammes of beans and 40 grammes of vegetable oil per person. But last month they were forced to cut the maize ration to 200 grammes. Bean and oil rations have also been cut almost everywhere.

'If nothing is done before next April's harvest, the animals will be too weak to work'

European Community aid consists of soya beans treated to suit the needs of the rural Zimbabwean population. Inevitably, the aid will be spread thinly: this year, vast areas of Africa are suffering from drought. As many as fifteen African countries are facing serious food problems.

In Southern Africa, the drought is the most serious on record this century, according to the United Nations' Food and Agriculture Organisation (FAO). Farther north, the drought has hit a string of countries from the Sudan in the East to the Cape Verde Islands in the West. Eight countries are affected. Two of them – Mali and Mauritania – have been declared disaster areas.

With the exception of South Africa, all fifteen countries concerned are members of

the Lomé Convention, the cooperation agreement linking the community to 63 developing nations.

The drought does not only mean human suffering for the millions who do not have enough to eat. It also means a slowing down of development. 'We have made great efforts to improve the living standards of the rural population, after a civil war which went on for years. But the drought has caused us enormous problems,' says Bernard Chidzero, Zimbabwe's finance minister. Major programmes aimed at improving public education and reducing Zimbabwe's dependence on her South African neighbour have been on the cards.

But the drought has paralysed most efforts. The government's limited resources are being used to feed the population. Once, Zimbabwe was a wheat and maize exporter. Now it has to pay for food imports.

And the drought problems are going to get worse, according to Valentine Ziswe of Christian Care. Even in the areas which had a little rain last year, food is scarce. Reserves will run out before the next harvest in April, he says. **E**



Food is being distributed; but there is not enough to go round.

How Europe is exporting its know-how to the Third World

The EEC first participated in a co-funding programme with non-governmental organisations involved in the Third World eight years ago, when an experiment annual budget of 2.5 million ECUs was made available from Brussels for relief and development projects.

The raising of that budget to 28 million ECUs last year shows the increasing involvement of the Community, at non-official level, in the area of Third World aid. The relationship between the Community and the non-governmental organisations (NGOs) has to date been responsible for 1,116 projects in 106 developing countries.

It would be a mistake, however, to assume that the work of the NGO's Liaison Committee, which meets several times a year in Brussels, involves merely the acceptance and distribution of funding. According to the Committee's former Irish Chairman, Brian McKeown, who is Director of Trocaire in Ireland and was formerly chairman of the Committee from 1979 to 1981, 'Co-funding with the EEC is only one aspect of total NGO cooperation with the Community.'

'When NGOs first became involved in co-funding, we wanted to get across the message within the EEC that development education was of equal importance in the Third World. It took about two years to achieve this – but we have been successful. We also decided to become involved in order to help the Commission make more useful policies on the countries we are dealing with,' he says.

'Another aspect of our involvement is the Committee's input to the EEC's development policy. We are all the time trying to influence the Commission and other bodies in Europe on policy, and we have managed to build up a good relationship with important institutions such as the European Parliament and the ACP Secretariat. The Committee also played an important part in the re-negotiation of the Lomé Convention.'

DONAL BYRNE

Have you paid over the odds for your new car?

In 1981 the European Bureau of Consumers Unions – a consortium of Community consumer organisations – published for the first time a comparison of car manufacturers' price lists in Community countries. The variations were startling. British car prices of both home and foreign makes were the highest in Europe, ranging some 30 to 50 per cent higher than the lowest basic price in Belgium.

The situation has hardly changed since then. In October 1983, Commissioner Christopher Tugendhat announced that today in Brussels he could buy an Austin Metro 1000 some £1,410 *cheaper* than in the UK. What an injustice it is for the British tax payer to dig heavily into his pocket, he declared, to subsidise the production of BL cars – and, at the same time, to be told that he has to pay more for them, even before taxes, than foreigners less than 90 miles from our coast!

Before 1981 only a few people had realised the advantage of a trip abroad to buy their new car. After the BEUC report a trickle became a flood. In the UK, parallel imports – cars brought in other than through official dealer channels – grew from a few thousand in 1979 to an estimated 70,000 in 1982.

This threat to their distribution network has alarmed the car manufacturers and traders, and they have been fighting to stem the tide. Today, it is harder to obtain a right-hand-drive car from Continental showrooms, and even when models meet the registration specifications required in Britain, they are often subject to long delivery delays, higher than normal deposits, and no warranty guarantees, so that the discouraged customer may decide to buy his new car in Britain after all.

Complaints from BEUC and active support from the European Parliament persuaded the European Commission that, in the interests of Community competition policy, the situation needed review. Earlier this year it produced a draft measure designed to clarify legitimate motor vehicle and servicing agreements and the rights of Community citizens to buy cars, with appropriate domestic specifications, where they like in the Community.

In addition, the Commission has tried to grapple with variations in basic list prices. It proposes that, where a basic price, excluding taxes, exceeds 12 per cent of the lowest model price in the Community for a period of six months, parallel imports would be automatically allowed thus, in effect, by-passing the official networks.

The Commission's draft legislation has brought forth a crescendo of anger and anguish from the industry's European orga-

Recent consumer reports reveal that British car manufacturers are still defying Community laws aimed at fair competition. PEGGY CRANE has been studying the arguments of the opposing parties

nisations such as the EC Committee of Car Manufacturers (CCMC) and the Liaison Committee of Car Manufacturers (CLCA). But it has been welcomed by BEUC, and by national consumer organisations such as the National Consumer Council and the Consumer Association in the UK, as well as by the European dealers' association. The situation, therefore, appears to be a straight clash between producer and consumer interests. The background, however, is complex and studied with vested interests.

Community competition rules, as set out in Articles 85 and 86 of the Rome Treaty, are very clear. They prohibit restriction or distortion of competition or abuse of a dominant position within the common market. Provision is made, however, for exemption from these rules if agreements contribute to improving the production or distribution of goods, or to promoting technical and economic progress, so long as consumers are allowed a fair share of the resulting benefit. Such arrangements, to be acceptable, must not impose restrictions which hinder the attainment of these objectives, nor must they allow the possibility of eliminating competition in respect of a substantial part of the products concerned.

Since 1965 the Commission, whose responsibility it is, has accepted that, in view of the special circumstances of the motor trade, most of the restrictions of competition inherent in the manufacturer/dealer and servicing arrangements that are common throughout the industry, fulfil the exemption conditions laid down in the Treaty and, indeed, most have been notified to and approved by the Commission.

The Commission justifies these exemptions

'The aim is to enable consumers to buy new cars wherever prices and conditions are most favourable'

on the grounds that motor vehicles are consumer durables which at various intervals require expert maintenance and repair, not always in the same place. Selected or franchised dealers and repairers provide for specialised servicing of the product and, on grounds of capacity and efficiency alone, such forms of co-operation cannot be extended to an unlimited number of dealers and service stations.

Further, competition in the motor trade tends to focus on inter-brand competition between rival distribution networks, offering the consumer a proper choice. But competition with the brand networks is sometimes less obvious; and it is in this area that the Commission is concerned to lay down ground rules which have upset the motor industry.

The aim is to enable consumers to buy new cars wherever prices and conditions are most favourable. Such an option, in the Commission's view, would require that dealers should be less dependent on the manufacturer or importer than most are now; that customers should be able to have their vehicles serviced under the manufacturer's warranty anywhere in the common market; and that customers should be able to order cars with the necessary specifications for domestic registration from official dealers in other Community countries who are willing to sell the vehicles to them, if the manufacturer or his importer sells the model concerned through the official distribution network at both places. This last condition is intended to stop manufacturers or importers trying to prevent or hinder sales of right-hand-drive versions of their cars on the Continent.

The CCMC argues that such moves would strike a wounding blow to their distribution networks and guarantees of after-sales services. Car manufacturers also resent the Commission's attempt to interfere with pricing arrangements in different Community country markets. Variations in basic price lists, they claim, are influenced by factors outside their control, such as exchange rates, levels of inflation, and government price freeze policies (as in Belgium) which distort the market and to which the industry has to adapt if it is to be competitive. Any attempt to limit these variations by legislation would not only prove unworkable, but could prove detrimental to the industry and the consumer.

The consumers' unions flatly contradict several of these assumptions. BEUC claims that, whatever the arguments about exemptions, under Community law a private citizen has a legal right to buy an approved model in whatever EC country the manufacturer or importer officially trades. It has evidence, however, of positive discouragement of sales.

A General Motors' main dealer in Belgium, for instance, was deprived of his concession on Opel cars for having supplied right-hand-drive cars to British customers. In other cases, dealers refused to sell to foreign customers following pressure from BL in Belgium and the general distributor of Ford in Germany. BEUC referred both cases to the Commission as infringements of Community competition policies.

In the German case the matter was referred to the European Court of Justice which, in an interim ruling, recently confirmed by Commission Decision, required the company to supply right hand drive cars, which it now does. In February 1983 the Commission intervened, under Community competition rules, to require Ford's West German distributors to withdraw advertisements that guarantee work would not be carried out on new Ford cars reimported after being purchased elsewhere in the Community. The advertisements were withdrawn in May.

The consumer organisations are also concerned about spare parts. BEUC points out that, once the customer has bought a car, he or she is obliged to use the spare parts of that make or intended for that make of car. Under present arrangements, competition is practically eliminated in the spare parts market, and consumers can find themselves in difficulties as spare parts do not readily lend themselves to parallel imports by individuals. According to BEUC, apart from the United Kingdom and Italy the national spare parts markets are organised along lines 'which border on sheer swindle'. As an example it quotes the situation in France, where the spare parts which go to make up a Ford Escort cost four times as much as the selling price of the assembled vehicle.

The Commission's proposed legislation

New car prices

Prices net of taxes as at 25 October 1983

As % of Belgian price	France	FGR	UK
Austin Metro 1000 L	106	109	149
BMW 320i	114	114	137
Citroën GSA Pallas	113	111	136
Fiat Panda 45	116	134	137
Ford Escort XR3i	115	116	132
Mazda 323 GT 1.5	126	112	147
Opel Kadett 1.6 SR	112	114	138
Peugeot 305 GL	109	112	135
Renault 5 GTL	109	112	136
Volkswagen Golf GTI	105	113	136
Average	112	115	138

Source: BEUC

would open up this market by allowing repairers and dealers a free hand in obtaining spare parts from third parties, provided they matched or exceeded the quality of those offered by the official contractor. BEUC would like the Commission to go further by banning all exclusive purchase and delivery arrangements covering spare parts. This would enable official distributors to sell, and to use for repairs, without restriction, all spare parts, whatever their make. It would also enable retailers and

'The consumer movement has already forced car manufacturers to slow down the rate of price increases in the UK'

repairers who do not belong to the official networks to obtain, without any restrictions, the spare parts of the official makes for resale and for repairs.

BEUC also challenges the motor trade on its case for price variations. It alleges that exchange fluctuations and inflation levels are only marginal to basic price levels, and that national importers fix their prices, adjusting them (often downwards, to improve their penetration) to the prices of national production. In the UK, where dominant British manufacturers' costs are high, the prices are adjusted upward.

This has led two conservative MEPs, Richard Cottrell and Christopher Jackson, to call Britain 'the honeypot market for the car builders of the world'. They claim that in 1980 - and the situation has barely changed - high costs in Britain added up to a 'massive £1.4 billion surcharge on British car buyers' of which BL collected a mere £280m. The remaining profit went to foreign makers.

The picture could change significantly if national governments were prepared to adopt Community-type approval regulations for windscreens, tyres and towing weights that have been lying around the Commission offices a long time. Such legislation would remove one of the greatest obstacles to free trade in motor cars and stop finicky import controls. The result would inevitably lead to greater convergence in basic price lists under pressure of freer trade; but it would not, of course, affect the equally wide variations in taxes that national governments impose on their own resident buyers.

BEUC claims that the consumer movement has already forced car manufacturers to slow down the rate of price increases in the UK and elsewhere. E



'All right if I make the cheque out in ECUs?'



Shades of the cinema's golden age

National Film Archive Stills Library

A French film of a gardener watering flowers, and the antics of a boy who stands on the pipe and interrupts the flow, may not be hilarious by modern standards. But it is preserved in the National Film Archive with loving care, and for very good reasons.

L'Arroseur Arrosée – all 66 feet of it – is the oldest film in Britain's national film archive. It was made by a Frenchman, Louis Lumière, in 1895, and is one of the first pieces of slapstick comedy on film. A year later Queen Victoria saw her first 'animated pictures' at Windsor Castle – according to Prince Charles, patron of the British Film Institute, which is celebrating its 50th anniversary this year.

The Prince of Wales referred to the royal film show at a dinner in London's Guildhall last month, when he presented fellowships to six people who have made major contributions to the film industry. Three Britons (one of them David Lean), a Frenchman, an Indian, and an American were honoured at the ceremony.

The American was Orson Welles, whose film *Citizen Kane* has been voted the most outstanding film ever made in all the polls conducted by the magazine *Sight & Sound*, which the BFI publishes.

But there is much more to film than the images it creates on the silver screen. News stories about new productions and interviews with their stars or the producers appear every day. TV programmes examine the industry and show us clips. Books are written about the

The British Film Institute's archive already houses the world's biggest collection of movieana. A recent grant from the EEC will help it to extend its service to public and film-buffs still further

epics and the major personalities from *Monro* to *McQueen*.

All of it is carefully monitored and stored by the BFI, to be used by the industry or researchers. Now, with the advent of sophisticated information technology, the Institute is looking at ways of storing and indexing this and other material in a way that will make it more easily accessible – not only to its own staff at the sites where it is kept, but also to others, anywhere in the country, using on-line view-data services.

Funding for this project will include a £129,000 grant from the EEC's Information, Market and Innovation Division.

The European money will make a notable contribution towards the cost of feeding information about 150,000 sound feature films, including all post-war Community production, into a databank. It will also help finance the development and marketing of a commer-

cial on-line information service to be called SIFT (Summary of Information on Film and Television), which could well be made available on Euronet DIANE and other appropriate systems elsewhere in the world.

A detailed feasibility study is now being carried out, as a preliminary step towards the establishment of the databank, with a £15,000 grant from the Department of Trade and Industry.

To find out more about the BFI and the databank which it plans to establish over the next five years, I visited its Charing Cross Road offices, in London, and spoke to Gillian Hartnoll, head of library services, who was largely responsible for making the successful application for a grant to Brussels. It is her part of the operation which is the subject of the present study.

The scene that greets visitors is typical of any busy library: rows of books, avenues of stacked drawers, filing cabinets and cupboards. On the public side of the reception counter, microfilm viewers are in great demand. Images on the screens are constantly changing as students examine newspaper clippings for the information they are seeking. Every so often a photocopy of the displayed cutting slides effortlessly from the top of the viewer.

It all looks so easy – as indeed it is for those who use the BFI's information services. But inevitably, a lot of work has to go on, unseen, to make all this material available to those who need it.

'To keep up to date the Institute takes 400 journals from 38 countries'

Gillian Hartnoll took me behind the scenes for a glimpse of the department in action. Our first visit was to the room in which all the cuttings are transferred to microfilm. The processed items, each smaller than a finger nail, are then filed in easy-to-handle form. Known as microjackets, they are little bigger than a standard index card, yet hold 20 or more miniaturised pages of cuttings.

Microjackets are filed in three categories. There are 50,000 on films, 30,000 on TV programmes, and 23,000 about people. To keep them up-to-date the BFI takes 400 journals from 38 countries and indexes 300 of them. The national press, and broadcasting journals, are the subject of close scrutiny by the scissor-wielding indexers. In the year 81/82, 54,000 newspaper clippings were snipped, microfilmed and indexed, just to keep abreast of the latest events.

In recent years film culture has slipped into television and video. 'All the boundaries are going,' Gillian Hartnoll explained, 'and there is sure to be further merging and shifting.' The BFI has kept in step with the changes that are occurring. Since 1975, for example, it has been indexing *TV Times* and *Radio Times*. It also monitors a number of European TV journals, mostly to record documentary or news programme items.

As well as making access to this information easier, microfilming drastically reduces wear and tear on the original cuttings, which are also stored. Indeed, much of the BFI's work is concerned with preserving originals – whether film, advertising posters or press books – in the best possible condition. Sadly, though, the ravages of time, and the handling of celluloid and paper, have taken their toll. For example, the 170 million feet of film in the National Film Archive – part of the BFI – which was recorded on nitrate stock is decomposing – and will continue to do so, even though the Archive keeps this vast collection in over 200 specially-constructed nitrate vaults at Gaydon, Warwickshire.

The Institute is copying them all; but at the current rate of 5-6 million feet a year it is going to take another 20 years or more. It also has 18 million feet of Tripack colour film (growing 48 million feet in the next five years) which is fading with the passage of time. By 1987 it will have 6,000 hours of videotapes, which may also have begun to deteriorate.

Keeping track of all this film has hitherto been on record cards at the Archive's Aston Clinton site, its oldest out-of-London location, which is bulging at the seams with 400,000 cards. These will form an important part of the British Film Institute's new computerised data base.



Above: Marlene Dietrich in 'Blue Angel', 1930. The 'King Kong' poster is for the original version, made in 1933.



The BFI 'stills' collection will also be integrated into the new databank. The scope of this fascinating collection can be seen from the *Catalogue of Stills, Posters and Designs*: an alphabetical list of 37,000 films and 10,000 directors, together with a chronological list of their productions for which Stills can supply material. It took three years to compile.

All this and much more information, together with records held by the Deutsches Institut für Filmkunde and the Deutsches Filmmuseum in Frankfurt, will be incorporated in the new databank. There will be two million references to periodical articles, books and pamphlets in 15 languages as well as all the film records.

Until the arrival of on-line technology, however, the BFI will continue to rely on a well-tried and trusted method of storing information. Gillian Hartnoll offered to show me the record card of *Gone With the Wind* – topical because it was due for its second television screening a couple of days later, and would soon appear as a video.

Opposite: a still from the classic 'Cabinet of Dr Caligari', 1919.

We walked to the neatly stacked card index files and she quickly found the correct drawer (the films are filed in alphabetical order). It was the original card, produced by the Institute 44 years ago. Dog-eared and crammed with information, it recorded the film's première in Atlanta, USA, on 15 December, 1939, along with details of its production, its stars and its re-issues. Books written about the making of the film were also listed.

Soon, this information will be available on desk-top display units linked to a central computer. And, in time, film buffs throughout this country and Europe will be able to gain access to the BFI's incredible store of knowledge about films and filming – thanks in large part to financial help from the EEC.

The original print of *Gone With the Wind*, incidentally, is in good condition. Its makers, MGM, aware that their classic product could well live up to its title and deteriorate badly, have placed the original (along with other 'old masters') in a salt mine.

A research centre that's getting it together

An advanced engineering establishment near Cambridge is helping European industry by developing and perfecting the very latest welding techniques. JACK WATERMAN has been to see how it works

Peter Houldcroft, Director of Research at the Welding Institute at Abington Hall, near Cambridge, keeps a replica of a stone-age axe in his office.

It looks very authentic: a wooden haft, with thongs binding the stone axe-head in place. It occurred to me as he was showing the axe that my notion of welding – shared possibly with that of most of the non-engineering population – was about as stone-age and out-of-date as the rawhide thongs on view. Even the phrase Welding Institute had conjured up the image of a sort of depressed building cowering behind a foundry in the back streets of Walsall.

How wrong I was. The Welding Institute has a thrumming sense of purpose, an atmosphere of high organisation, and, not least, a history of much achievement. More than 500 people work on its 35-acre site; and this year it will spend £10 million. Its two thousand company and five thousand individual members and contributors represent an entire spectrum of British industrial activity, particularly in the engineering sector, and include a great number of firms and organisations from EEC countries and other parts of the world, notably the USA.

As far as Europe is concerned, joint projects are conducted with the French Welding Institute; there is co-operation with the University of Aachen; and a European joint body, the European Research Institute for Welding, meets and discusses projects that might be done collectively. Currently, several projects are being undertaken for the EEC.

The Welding Institute was founded in 1923 as the Institution of Welding Engineers. After a rather complicated series of organisational changes it reached its present form in 1968, as a unique combination of a professional body and a co-operative research association within the same organisation based at Abington, and with offices in London. It is now the largest welding research organisation in the western world, and more than a quarter of its income

comes from overseas.

In a trouble-shooting capacity its staff are available to go anywhere in the world at short notice (for example, when a tanker broke in two in ice off the Canadian coast). It is a major producer of books and films, and an organiser of seminars and conferences, as well as a training centre for all aspects of welding and non-destructive testing.

One of its facilities concerns micro-joining, a unique resource providing the manufacturers of miniature devices in the electronics, electro-mechanical, electrical and instrumentation industries with support in a number of ways from problem solving, through contract research and development, to the construction of special purpose machines.

As Peter Houldcroft put it: 'Things have got bigger and thicker, and the consequences of failure have grown in recent years. That means that methods of joining have to be more precise and reliable. You could say that a great deal of our work is to do with the safety of welding in the service environment.'

The growth of the Institute is a mirror of the comparatively rapid and recent emergence of welding and its dramatic development since

'Over £800,000 from the European Coal and Steel Community has been contributed in the last few years'

the late 19th century, when it began to overtake the activities of the blacksmith. In the beginning, almost by accident, welding techniques were discovered as a result of attempts to provide high-intensity lighting, notably in the theatre.

On the way to today's sophisticated technology the Second World War (when welding was just emerging as an industrial process) saw advances, including the building of the welded 'Liberty' merchant ships in the USA – and failures in them drew attention to fracture problems for welded structures.

For the Pluto pipeline, which supplied a million gallons of petrol per day from the UK to the Normandy beach-heads, nearly a thousand miles of 3-inch diameter pipe were flash welded, including 200,000 welds. Welding proved how effective it was in saving labour and time, and reducing weight: a 3.7-inch anti-aircraft gun mounting took 348 man hours by riveting, and weighed 23 cwt. With welding, the time was 95 man hours, and

weight 18 cwt.

Work at the Welding Institute has had an important bearing on the development of oil rigs. There are now more than 150 offshore installations in the North Sea alone, and, while the bulk of the £820,000 from the European Coal and Steel Community within the last few years, for work done at the Welding Institute, has been under the non-specific heading of 'new techniques for joining steel', some has gone towards investigating the properties of welds made under water. Thus EEC money has helped to make the rigs safer.

One of the problems that beset oil rigs, fairly predictably, is corrosion. In a large tank at Abington, work is going on to counteract it, with investigations into friction welding under water lugs forming aluminium and zinc anodes that slow up the corrosive process.

In another laboratory, laser welding was going on. I examined the results: stainless steel joined almost imperceptibly. Said Peter Houldcroft: 'We have developed a laser here that became a commercial possibility. It produces beautiful narrow welds, and you wouldn't be able to do it any other way.' The first laser was successfully operated in 1960 and, initially, the microelectronics industry recognised the potential of laser welding, but with increase in power (the Institute operates a relatively large 5kw process) the aerospace industry adopted it because of the high quality of weld produced.


In yet another laboratory was the biggest and most impressive piece of equipment on the site, designed and built since 1978 by the Institute.

Resembling an enormous oven, twenty feet high by twenty across, it is a high power Electron Beam Welder, operated with a 75kw electron gun, and affording research members an opportunity to evaluate electron beam welding in heavy engineering. It can go through six- to eight-inch steel quite comfortably, Peter Houldcroft told me.

This particular process had its first successful applications in welding nuclear and jet engine components.

Now it is used in the automobile industry for a variety of applications, including fabrication of intricate gear assemblies at high production rates. The nuclear industry makes use of it because of a low level of defects that can be achieved.

I was taken finally to the latest laboratory, opened by HRH Prince Charles only three years ago, in which advanced work is being carried out on welding thick materials – including a rather amazing process called 'diffusion bonding'. This is a technique which enables metals to be joined directly one to another, or sometimes with another metal as 'sandwich'.

With the record of the Welding Institute in consistently providing success for the future, there seems little doubt that, one day, diffusion bonding will be another winner. After all, even in the Stone Age, there must have been men who doubted whether raw-hide thongs would ever work! 

EURO FORUM

THIRD WORLD REPORT

Background to Lomé – a unique contract between nations

Eight years ago, in a small seaside city on Africa's west coast, 55 government ministers from north and south of the globe gathered to sign a contract. They came from countries as far apart as Ireland, Fiji, Italy, Ethiopia, Luxembourg and the Bahamas. The contract, in which the EEC, for a five-year period, guarantees aid and trade preferences for the poorest developing countries in Africa, the Caribbean and the Pacific, was renewed in 1980. It runs out in February 1985.

This contract – the Lomé Convention – is unique. No other country, or group of countries, in the industrialised world has ever made such a wide-ranging, long-term commitment to any of its Third World neighbours. There is no doubt that the contract will be renewed. Both sides are well aware that they need each other now more than ever before. But they also know that times have changed since they first began cooperation.

Economic recession, crashing commodity prices, soaring debt, high inflation, increased protectionism and the squeeze on development assistance have combined to aggravate the situation in the Third World, and put more and more pressure on Lomé to respond. Both sides fear that, if Lomé is not adapted to these changes, it could crack under the weight of its gigantic international responsibility.

Lomé must be improved. But how? This is the question both sides were thrashing out within the negotiations for the next Convention which has opened in Luxembourg on October 6.

The First Lomé Convention came into

'More than 5 billion ECUs is spent trying to raise hundreds of millions of people above poverty level'

force in February 1975. It was signed between the EEC's nine member states and 46 of their former colonies in Africa, the Caribbean and the Pacific for a period of five years. In 1980, Lomé II – a new, improved and extended version of the original contract – was concluded, this time between the EEC and 57 ACP states. As proof of the importance placed in Lomé, ACP membership has now increased to 63. Angola and Mozambique, the only two African states south of the Sahel which are not members, are expected to join for the next Convention.

The task set for Lomé was by no means easy. The ACP states are a diverse group. They have very different problems but one common denominator – underdevelopment. They include

'More and more importance is being placed on food'

countries such as oil-exporting Nigeria – which at one time was said to be ready to contribute to the Lomé funds – and impoverished Mali, one of the world's least developed countries. Iny clusters of islands in the Pacific gather under the Lomé wing. The Caribbean, the favourite, after South East Asia, for economic growth, completes the EEC's historic links.

Through Lomé, these countries can rest assured that, for five years, they are guaranteed not only cash to aid their development, but also technical assistance, training, expert advice, food aid and speedy supplies of medicine, blankets and provisions to help cope with destruction caused by natural disasters or their immense refugee problems.

The European Investment Bank provides loans for industry, energy and mining. Lomé's SYSMIN scheme offers aid to keep mining industries on their feet. The Centre for Industrial Development gets ACP and EEC businessmen together to talk about joint ventures. And the European Commission tries to encourage other aid organisations to lend a helping hand.

In all, more than 5 billion ECUs is currently being spent trying to raise hundreds of millions of people above the poverty level.

But the Lomé Convention is more than just an aid contract. Trade is one of the most important keys to a country's survival; but, in these times of economic depression, markets are hard to find and prices are low. The Lomé Convention attempts, as far as possible, to keep the EEC market open for ACP goods. Over 99 per cent of ACP products enter the Community duty-free. ACP sugar producers are offered a guaranteed market, at prices often higher than the world level.

Special treatment is given for ACP rum, bananas and beef and, if disaster strikes, the EEC, through its special STABEX scheme for keeping ACP export earnings afloat, will provide compensation for those hardest hit.

Apart from granting favourable treatment for ACP trade, the Lomé Convention underlines the importance of growth and expansion in ACP trade. Trade promotion programmes are set up and intra-ACP trade is encouraged.

A new report, published by the Commission, shows exactly how the aid granted in 1982 was spent. It boasts 'successful progress' throughout the year with a total of 1.1 billion ECUs committed either for development projects,

'It is recognised that aid in the past has been badly managed'

compensation for falls in export earnings or as emergency aid. This was nearly twice the amount committed in 1981. Almost 50 per cent of this went to aid rural development, reflecting the new high priority given to this sector. But, despite the new trend towards agriculture, industrialisation is still an important part of ACP development.

A total of 330 million ECUs was spent in this sector in 1982. Transport and communications, especially in the rural areas, are also vital. Many of the ACP states are land-locked and need access to the sea. Others are island states and need improved air and maritime transport. Aid provided for this sector in 1982 totalled 112 million ECUs. Some 65 million ECUs went on education and training programmes, 40 million ECUs were spent on water engineering and urban development and 11m ECUs went to projects designed to improve health conditions in the ACP states.

The range of project financed by Lomé funds is vast. It can vary from large-scale regional projects, such as the ambitious transport network in East Africa, tourism promotion in the Caribbean, geological research in West Africa and telecommunications projects in the Pacific, to small-scale water-supply projects in Swaziland and Somalia, fish-farming in Benin, coconut planting in Vanuatu and animal health projects in Southern Africa.

But, above all, more and more importance is being placed on food. The Commission recognises the fact that, without food, no underdeveloped country can ever hope to achieve self-sufficiency, the ultimate aim of every independent state. This is the objective of the EEC's new food strategy approach to development, which got underway in 1982.

The ACP reaction has been encouraging. Mali, Kenya, Rwanda and Zambia have already begun setting up food strategy programmes and more and more countries, particularly in Africa, are calling on the EEC for aid in this area.

But despite its international acclaim, the Lomé Convention has not always lived up to ACP expectations. Lomé trade provisions, for example, have disappointed the ACP states. As pointed out by Ambassador Mulokozi of Tanzania, 'in spite of the apparent ease of access to Community markets, the ACP trade balance with the Community has



Commissioner Pisani: 'a lifelong commitment'?

steadily worsened.

Lomé's prized STABEX system for stabilising ACP export earnings has also come under fire. The beginning of the 1980s was a disastrous time for commodities. Falling demand caused prices to collapse to their lowest level in 50 years, and ACP export earnings followed suit. The ACP states turned to STABEX for aid but there wasn't enough money in the bank.

In 1982, the second year of the commodity crisis, the EEC member states agreed to up the STABEX funds. An extra 70 million ECUs were added to the 112 million ECUs available. But this was only able to cover half the ACP aid requests. This year things look better: STABEX will probably cover 100 per cent of ACP demands, say the experts.

EEC food aid to the ACP states and to Asia and Latin America has also been sharply criticised. The Community has been accused of offloading farm surpluses onto the Third World. Supplies of milk-powder, butteroil and cereals have, according to the critics, not only changed Third World eating habits, but also encouraged dependence on imported food and discouraged food production in the developing world.

Added to this criticism is the recognised fact that aid in the past has been badly managed. Too much emphasis was placed on large-scale industrial pro-

'More attention must be paid to the real needs of the ACP states'

jects, with little or no follow-up guaranteed. Hardly any account was taken of the effects of these development projects on the environment or of the impact on the people concerned and training for the local population was inadequate. In fact, the human factor has been ignored for too long.

Much of Lomé's inability to reply fully to ACP needs must, of course, be due to the economic recession, which has hit the Third World, and particularly Africa, hardest of all. According to the 1983 World Development Report, just published by the World Bank, impetus towards development in many nations was more sharply broken by the global economic recession than at any other time since the Bank began operations nearly 40 years ago.

In light of this, certain provisions within the Lomé Convention have been called into question. The EEC is the first to admit that Lomé must be improved. EEC/ACP cooperation under Lomé has spanned over eight years and, in such a short period, times have changed radically. Lomé must therefore adapt to these changes.

The aid must be made more effective, guidelines and priorities must be set and, says the EEC, the use of aid, no matter what form, must be carefully monitored through a continuous dialogue with the ACP states in order to ensure the best results possible. More attention must be paid to the real needs of the ACP states. Food production must be encouraged, dependence on oil imports must be reduced and, above all, the human factor can no longer be neglected.

The ACP states also recognise the need for change, but they naturally want this on their terms. Above all, they want their sovereignty to remain intact. A new Convention for them means total free access for all ACP products on the EEC market, an extension of the products covered by the STABEX system, better provisions to encourage private investment, industrial and agricultural development, help for their serious debt problems and, of course, increased development assistance.

The stage has been set. The EEC agreed its negotiating mandate on 19 September. Both sides have almost one year to hammer out an agreement and decide whether, this time around, they are prepared, as suggested by EEC Commissioner Edgard Pisani, to enter into a life-long commitment. They will be searching for a new Convention which, in these times of interdependence, will be mutually beneficial. Also, a Convention which will make economic sense for longer than just the remainder of the 1980s.

JANE MORRICE

Renewal of the contract: the Commission's brief

The Council of Ministers has concluded its deliberations aimed at defining the mandate to be given to the Commission for conducting the forthcoming negotiations on a new ACP-EEC Convention.

The second Convention, signed at Lomé on 31 October 1979, expires on 28 February 1985. This Convention provides for the opening of negotiations, eighteen months before that date, in order to examine what provisions shall subsequently govern relations between the Community and the ACP states.

As in the case of Lomé I and Lomé II, the Commission has been authorised to open these negotiations and will conduct them on behalf of the Community, in close contact with a committee composed of member state representatives, who will attend the negotiating sessions as observers.

The Council, at its meeting on 19 September, decided that the aim of the negotiations should be to work out a comprehensive agreement between the ACP and the Community, imparting new momentum to the development of relations between them, while at the same time adapting the Convention to take account of changes in the economic situation and the need to improve the effectiveness of foreign aid and its instruments.

The new Convention, in line with the first and second Lomé Conventions, will aim at increasing and consolidating the effectiveness of cooperation.

The objective of this cooperation will be to support the ACP states' own efforts to achieve self-reliant and self-sustained development, special allowance being made for specific geographical, social and cultural factors and the desire for regional organisation. The Convention must give special consideration to the least-developed countries and to the most deprived sections of the population.

Respect for human dignity, as defined by the Universal Declaration of Human Rights, the OAU charter and the European Convention, better living conditions and due consideration for the role of women will be regarded as part and parcel of any development policy.

Special efforts will be aimed at food security, promoting rural development, and boosting the food production of ACP countries, in addition to specific long-term campaigns for the conservation and exploitation of natural resources.

'A greater role must be given to programmes, especially sectoral ones'

Cooperation will be guided and monitored by a dialogue with the ACP states aimed at realising the Convention's aims and priorities in order to increase the effectiveness of sectoral policies within the framework of coherent development programmes.

Financial and technical cooperation will be based on the principal aid being used to support the ACP states' own efforts. The Community will accordingly propose to the ACP countries that the Convention make provision for the opening of a dialogue on the development policies which these countries wish, with Community support, to pursue.

The Community will reaffirm the fundamental importance of aid programming and the need to support sectoral development policies.

The practical expression of these principles should be the formulation by the Community and each ACP state of indicative development programmes in accordance with the total appropriation earmarked for the country in question. Should agreement on support for a sectoral policy prove impossible, other applications of Community aid should be looked into.

In addition, although capital projects remain the most common form of aid, a greater role must be given to programmes, especially sectoral ones.

The Community will propose that the range of general trade arrangements contained in the present Convention be retained in its successor, including the provisions on access of ACP agricultural products. It will thus confirm the principles of non-reciprocity, non-discrimination between member states and application of the most-favoured nation clause.

The Community intends to give its

support to policies aimed at consolidating and rationalising production in ACP states and increasing the value added within them.

The Community believes that STABEX, which must retain its agricultural emphasis, should include machinery for joint (EEC-ACP) diagnosis of the reasons for losses in earnings and joint decisions on courses of action to remedy the situation either by improving profitability or switching to another, more profitable type of enterprise.

The Community will reaffirm in the next Convention the importance for all parties of promoting and protecting private investment, which can make an indispensable contribution to development. It is also essential that the principle of non-discrimination between member states be upheld.

Certain sectoral cooperation policies should be maintained and improved, such as:

- Cooperation on food and agriculture.* The emphasis should be on supporting ACP states' own efforts to orchestrate better their agrifoodstuffs policies, and on encouraging the implementation of food strategies at both national and regional levels.
- Industrial cooperation.* Here the Community will confirm its desire to support small and medium-sized industrial and craft enterprises and the development of domestic markets.
- Energy policy.* Aimed at reducing the dependence of ACP states in this sector.
- Mining policy.* Encouragement of prospecting and the development of ACP states' mineral resources.
- Sea fishing policy.*

While wishing to retain, in broad outline, the present institutional structure, the Community nevertheless recognises the need to improve the way in which it operates.

The EEC-ACP Council of Ministers' policy-formulation and arbitration functions should be strengthened, and the Committee of Ambassadors should remain the standing body.

The present duplication between the Consultative Assembly and the Joint Committee should be ended.

The formal opening of the forthcoming negotiations took place on 6 and 7 October in Luxembourg in the presence of representatives of all the parties concerned. In addition to the 63 ACP states signatory to the Convention, two non-member African states – Angola and Mozambique – have already made known their wish to attend the negotiations as full members, showing that they may be favourably disposed towards joining.

Aid to the Third World is not just charity

As renewed talks with the Lomé nations get under way, commissioner Edgard Pisani stresses that Third World development is 'part of the Community's identity'

The European Economic Community has opened negotiations with sixty-three African, Caribbean and Pacific (ACP) nations. What is at stake is more than just a renewal of the economic, financial and trade links agreed between Europe and the Third World under the Yaoundé, Lomé 1 and Lomé 2 Conventions.

It should be remembered that development aid to the Third World is not simply charity. It also offers advantages in terms of privileged links and trade. It is not in Europe's interest for the greater part of the Third World to suffer from perpetual under-development and malnutrition: we must give them better aid, and more of it.

Better aid for the ACP countries means aid that can be used properly, used to build for the future and not just satisfy immediate needs and past debts.

More aid means crossing the threshold, beyond which economic take-off is possible and development aid can attain its double objective: the overall economic growth of the beneficiary country and its positive participation in world trade. Can Europe refuse the ACP countries the very same benefits of participation in the world economy that it enjoys itself?

The Convention will have to include issues relating to trade and raw materials – two burning topics in the aftermath of the Belgrade Conference, at which the Third World pleaded with the industrialised countries for a return to free trade and an end to protectionism.

Will Europe have the strength to accept competition from the developing countries in those traditional sectors which are also the least developed in our own system of production? And in such a situation, should one not regard the principle of non-reciprocity in terms of access to markets differently?

Above all, the Community has chosen to recommend strongly that absolute priority be given to the food problem. It is extremely urgent. The causes of hunger in the Third World are well known. The Community wants its ACP partners to undertake food strategies that will allow them, if they so decide, to overcome the dilemma which confronts them: whether to import oil or wheat, to

'Can Europe refuse the ACP countries the very same benefits in the world economy that it enjoys itself?'

tackle hunger or the energy crisis. Through the 'policy dialogue' and the introduction of 'food strategies', a debate has emerged as to the best way to use external aid and what form this aid should take to be useful.

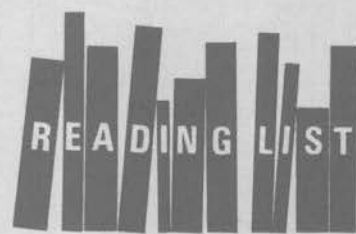
The debate is educational because it concentrates analysis, and it is innovative because it leads to a new type of development, which is more autonomous in its conception and day-to-day administration in the countries concerned.

The dialogue is decisive, because it allows us to put into perspective the short and medium term, the sensational and the essential, our technological civilisation and the culture of our partners.

But the Community must also say how it intends to deal with a serious problem, the importance and urgency of which was side-stepped by UNCTAD. The subject is debt. Annual debt servicing offers the developing countries one of two choices: stop paying or stop investing. Once the Community has confirmed the principle that all debts must be repaid, could it not dispense with having to take into consideration the problem, which obsesses ACP governments?

Europe is in a crisis that is both existential and essential. Some people think that agricultural, budgetary and institutional issues are priorities which require us to relegate the problems of the Third World to the second shelf. This is a mistake. Third World development policy is part of the Community's identity. Without it, Europe would not be the same.

Europe's ability to conceive, propose and conduct a major North-South policy has placed it on a world stage and given it a sense of its own interests. The Lomé negotiations will soon give it an opportunity to say if it really has the will and the ability to exist.



Women's Rights in the EEC: a guide for women in the UK. Rights of Women Europe Group, 374 Grays Inn Road, London WC1, £3.00 (plus 50 pence postage)

Based on research in the UK, this paperback explains the means and procedures by which women can pursue claims to entitlements under Community law, notably in areas where it conflicts with national legislation.

Common Market Digest: an information guide to the European Communities. By David Overton. The Library Association, London, £29.50

A guide and aide memoire to the structure of the EEC institutions, aimed at businessmen, local authority and civil servants, students and academics, who need a direct line to the sources of Community authority and action.

European Court Practice. By John A. Usher. Sweet & Maxwell, £32.00

How the European Court of Justice operates, with detailed analysis of particular procedures, by a former legal secretary at the European Court who has first-hand knowledge of how it works.

Immigration Law. 2nd edition. By J.M. Evans. Sweet & Maxwell, £7.50 (paperback)

An enlarged and substantially rewritten edition of a useful book of case studies in English public law, with a separate chapter on immigration law and the European communities.

Food policy, August 1983 issue. Butterworth Scientific (IPC), £22.20

An issue of this specialist quarterly magazine covering Third World states.

Salvation will not come from protectionism, says minister

Europe has been losing the fight for world markets, and is now at an 'historic crossroads', Britain's trade minister, Paul Channon, told the Swedish Chamber of Commerce on 28 October.

The dismantling of both internal and external trade barriers which preceded a rapid economic progress of both the community and Efta during the 1960s and early 1970s has been overtaken by greater caution and uncertainty in the harsher economic climate of the last decade, he said.

More disturbingly, it also gave rise to protectionist leanings among those who believed that Europe's industrial and economic interests might now best be served by the evolution of a 'Fortress Europe'.

Mr Channon underlined the fact that, in the cases of both Efta and the Community, the prosperity of modern Europe had been based on the development of free trade. Europe's salvation would not come from protectionism, he warned. It would increasingly lie in greater industrial and technological collaboration.

What he called 'the increasing irrelevance of national frontiers' was opening up opportunities for collaborative industrial and scientific projects within the Community which could use Europe's 'formidable human and technical resources to challenge the industrial might of Japan and the US in a way that no member state on its own would be capable of.'

Mr Channon warned, however, against too purist an approach. Not all such collaborative projects should be restricted to Europe, he said. A country was not a 'bad European' country if it entered a collaborative project where the market logic demanded it.

'Any attempt to opt for an exclusively European route to future industrial development would inevitably run the risk of further widening the gap between the existing major industrial and trading blocs and of increasing protectionist trends', he said.

The minister gave reasons for optimism about the future of world trade.

'First and most obviously, we have finally succeeded in beginning to emerge from the worst world recession since the 1930s without anyone having initiated a trade war. Indeed, the tariff cuts which have been continuing under the Gatt's Tokyo round have actually reduced the incidence of industrial tariffs to unprecedentedly low levels.

'Secondly, the European Community is considering how best to play a full part in implementing the Williamsburg undertaking to roll back protectionism', Mr Channon said. **E**



It's a long wait. But the Community's employment policies are getting more money.

Social Fund shift towards the jobless

European Social Affairs Ministers have agreed to concentrate European Social Fund spending on jobs.

The reassessment of the Social Fund, aimed at reallocation of available resources, resulted in a compromise solution. The formula eventually adopted was suggested by European employment and social affairs commissioner Ivor Richard, and reconciled the differences between supporters of a 'regional' Social Fund and a 'de-regionalised' Fund aimed at issues.

The eventual result served the interests of the high-priority regions, whilst at the same time guaranteeing that most of the resources will go towards employment-orientated projects. Young people in high unemployment areas will benefit the most.

In concrete terms the agreement means that 75 per cent of available credits will go towards promoting employment among young people aged under 25. The rest of the money will be

spent on helping the long-term unemployed, women wanting to work again, the disabled, migrant workers and people employed in small and medium-sized businesses. People involved in careers guidance will also be eligible for Social Fund aid.

About 40 per cent of the money will go towards supporting employment policies in the member states. Greenland, Greece, the French Overseas Departments (DOMs), Ireland, the Italian Mezzogiorno and Northern Ireland will all be major recipients.

The rest of the funds will be concentrated on job creation in high unemployment areas and industrial and sectorial restructuring.

Projects of an innovatory kind have also been included. Five per cent of credits will go towards specific innovatory projects and efficiency studies. The Commission still wants to promote measures to bring about a reorganisation and reduction in working time in the Community. **E**

Britain and Europe: the story of fifteen squandered years

JOHN ARDAGH reviews a book in which leading figures in Britain's long-drawn-out negotiations to join the original European Community give their own accounts of how an historic opportunity went begging

Why, in the first fifteen years after the war, did Britain refuse to join the new movement for European integration that was to lead to the creation of the Community?

It is a dispiriting story of myopic judgments and missed opportunities, and is told in detail in an absorbing book (*The Price of Victory*, BBC Publications, £10.75), based on a series of interviews conducted by Michael Charlton for the BBC.

Initially these were edited into nine one-hour programmes for Radio 3. Now they are

between hard covers, in far more extended form, with Charlton's linking commentary: Macmillan, Heath, Wilson and others, including senior politicians and diplomats both British and foreign, tell the whole saga in their own words.

As emerges clearly, the consensus view today is that Britain after the war made serious mistakes in underestimating the forces then working for unity in Europe, and in deciding that it was not in her interests to get involved. Thus she stood aloof both from the inception of the Coal and Steel Community in 1950, and from the talks at Messina, Sicily, in 1955 that led to the birth of the EEC. She missed her chance to assume the leadership of the new Europe, when it was hers for the taking.

And so, according to this consensus view, she permitted the Continental nations to form their own kind of Europe, which was not exactly hers, and when she did finally join it many years later, it had to be much more on their terms than hers.

In the words of one of Charlton's contributors, Lord Thorneycroft, a senior minister at the time of Messina: 'If we had gone in then, our position was strong, our reputation high... The resultant community would have

looked quite different to the one which exists today, and would be geared far more to British interests... It was a diplomatic catastrophe.'

To European federalists, this may seem a rather nationalistic way of looking at things: yet there seems little doubt that Britain also harmed the cause of Europe itself by those fifteen years of negative tactics, and that today the Community would have fewer problems if she had joined it initially.

The story begins in June 1940, when Churchill tried – unsuccessfully – to implement Monnet's proposal for a union of Britain and France. As this book shows clearly, Churchill was a francophile and European visionary, one of the first to conceive the ideal of a federal Europe, which he saw as a bulwark against the Soviet menace and also as a means of ending the hostility between France and Germany.

Over what Britain's role should be in this new order, Churchill was more equivocal – 'We are *with* Europe, but not *of* it,' he once said. But he certainly did not want Britain to be left out. After Labour's arrival in power in 1945, the Foreign Secretary, Ernest Bevin, staunchly anti-Communist, played a leading role in organising European unity on *defence* in alliance with the Americans, and this led to NATO. But economic and political unity interested Bevin far less, and he cold-shouldered overtures from the Continent.

Disenchanted with Britain, the Europeans then set about organising their own unity, based on the Schuman Plan that led to the European Coal and Steel Community. British Governments – first Labour, then Conservative – failed to perceive the significance of this venture and feared it would restrict Britain's sovereignty, if she joined. ☐

A late entry (Edward Heath) is ushered on stage by Harold Macmillan – how British cartoonist Leslie Illingworth saw the contest in 1961.



De Gaulle: 'What on earth do you want to bother with the Common Market for?'

When Churchill returned as Prime Minister in 1951, his earlier European idealism seemed to have deserted him, and he did nothing to further its cause. Probably by then he was too old and tired. Anthony Eden, his Foreign Secretary and successor as Premier, was much more an Atlanticist than a European, and so were most of his Cabinet. So Britain again stood negatively on the sidelines when, in 1955, the Europeans met at Messina and began to prepare the EEC.

The Foreign Office was largely to blame, for it was sceptical of these talks leading to any thing durable, and advised against joining them. Britain later tried to promote her own rival scheme for a loose 'free trade association', but this was scuppered, largely by the French.

After Macmillan became Prime Minister in 1957, there was a gradual change of heart – at least. He realised that the new-born EEC was *not* going to fail, and that Britain's long-term interests were to get inside it.

But by now – savage irony! – a man had come to power in France who was much less 'European' than the Schumans and Aeneas and *far* less keen on welcoming Britain into the club: General de Gaulle. At a key meeting with Macmillan in 1962, he said (as de Zulueta recalls): 'What on earth do you want to bother with the Common Market for? I don't like it very much but I've got it, and why on earth do you want to join it?'

De Gaulle's crucial veto in January 1963 then delayed British entry by almost a decade. But, as Charlton's book shows eloquently, the real veto had come from Britain herself in the 1950s.

Why did she persist in this line for so long? The answer lies partly in the war: Britain escaped defeat in 1940 just because, geographically, she was *not* part of Europe, and her final victory derived substantially from the backing she got from the Empire and the United States. After the war, even while transforming Empire into Commonwealth, she still relied on these links, and was slow to perceive how much Europe and the world were changing. In Jean Monnet's words that conclude this book: 'It was *the price of victory*, the illusion that you could maintain what you had, without change.'

Today, Britain has found her rightful place. But, had she joined much earlier, and thus help to shape the Community initially, it is at least arguable that the Common Agricultural Policy would be less wasteful and more realistic, and that Britain would have been spared most of those tedious wrangles over her role in the Community. Such is the price of those squandered years. ☐

Is the Community dimension a trump card – or not?

ETIENNE DAVIGNON, a vice-president of the European Commission, asks if it can recover the confidence and vitality of its early days

After long delay and much equivocation, the European Community is today being forced to reconsider its position.

Ten years ago, after the accession of the UK, Denmark and Ireland, the Community thought that it could continue to function as it had previously, as if the realities were inevitably going to adapt themselves to its wishes.

At the end of the 1970s, instead of recognising that there were real problems to be faced, especially in the agricultural sector – problems which would have arisen inexorably, even in the Community of the Six – Europe stubbornly continued to consider the unwillingness of its new members to adapt as the fundamental cause of its problems. Even more important than the accession of Spain and Portugal is the industrial crisis which, unfortunately for us, is no longer that of the Western world in general, but is solely and specifically our crisis.

It is this which poses the only really pertinent question for our governments. Is the Community dimension the trump card with which we can beat the crisis, or not? Are the alternatives, for example individual action or agreements with Japan and the USA, viable and profitable? How and when should the Community act?

The answers to these questions have not yet been established. However, the absence of ideological schisms in the Community seems to me to be an encouraging factor. There are no schisms concerning the agricultural policy, which all the member states, including those on the other side of the English Channel, consider to be vital.

The same is true as regards public intervention in industry, for all the member states in fact influence the economic and social environment within which industry operates in one way or another. Nor are there any schisms concerning either the main axis of the economic and monetary policy or the question of building up our resources, which – albeit an important one – is of an essentially technical nature.

It remains to be seen whether or not the countries of the Community are really on the same wavelength in the field of industrial com-

petition, and also whether one or the other of them is not still under the impression – and I stress this word – that they have an alternative to the European solution.

What has to be accepted now is that pragmatism without strategic aims on the one hand, and strategies without a large market on the other, have led to a stalemate. The national 'champions' do not exploit the high level of European science as fully as they might, nor do they exploit the continental dimension at their disposal, which is necessary to their development; and, above all, they cost their governments large sums of money.

And yet, the same enterprises in Japan and the USA enrich those countries' economies. This implies that the member states of the Community set themselves common strategic objectives and create conditions which give industries an incentive to support cooperation. Today, in 1983, there is nothing to prevent us from announcing a ten-year programme setting up an internal market which offers industries the same guarantees as the customs union did previously.

The main priority will be an aggressive review of the fiscal and competition policies. It is high time that favourable conditions were created in these two areas.

In fact, the greatest difference between our European society and the Japanese and American societies is the rigidity within which we operate. We have neither the strategic flexibility of the Japanese, who make just as many mistakes as we do but are rapidly able to correct them, nor do we have the mobility and continental dimension of the USA. The potential of the Community is such as to enable these deficiencies to be remedied, on condition that we are able to agree on credible and precise actions which can be rapidly transformed into operational instruments.

One of the greatest difficulties which threaten in the future is, in fact, the scepticism which surrounds the Community.

Are we capable of giving future strategies the same attention we gave those of 1958? At that time, the industries were convinced that the customs union would indeed be introduced and they anticipated the move. We must arouse the same confidence and rediscover the same vitality today. ☐



GILBERT VOGT

Making music the Feuchtwanger way

On the day that the first performance of his new work for piano was being given at the Queen Elizabeth Hall, Peter Feuchtwanger finished his master class in Holland and flew to Heathrow, leaving barely enough time to change before the recital. But such a rapid sequence of events is all in a day's work for Feuchtwanger, who divides his time equally between his pupils in London and those in major academies across Europe.

The new work, entitled 'Raga Todi' was commissioned and played by the American pianist, Craig Sheppard. It is the latest in a series of pieces composed over a period of twenty-five years; and in all of them Feuchtwanger has combined the music of East and West in an exciting and original way, producing an authentic oriental sound on conventional western instruments. But he is not a prolific composer. He devotes almost all of his time to teaching, preferring the quiet atmosphere of his classes to the limelight. Only when he can be lured away from teaching does he compose, despite the immediate success that all his works have achieved.

In 1959 his 'Variations on an Eastern Folk Tune' won first prize at the international Viotti competition in Italy. Not long afterwards he

JAMES HOGAN meets one of Europe's most rigorous piano teachers, whose own compositions have won him international acclaim

composed his 'Three Studies in the Eastern Idiom' in which he introduced the Raga into western music before it became fashionable. In 1966 Yehudi Menuhin commissioned Feuchtwanger to compose the 'Raga Tilang' for the Bath festival. It was performed by Ravi Shankar and Menuhin himself. But despite broadcasts and the willingness of celebrated pianists to play his works, Feuchtwanger turned to teaching as easily as he had, at a much earlier stage, abandoned a brilliant career as a concert pianist. He has no regrets.

'I started as a concert pianist and it was a very good career. But I didn't like all that went with it, the publicity, the social obligations and the unavoidable long hours of practise. All that would have kept me from composing, reading and looking at paintings which were just as important to me.'

The determination to see music-making as one part of a richer life is at the heart of his teaching. In a three-hour long class Feuchtwanger may draw his pupils into a discussion of literature or painting. On the wall of his own music room there is a twentieth-century masterpiece, 'Soleil d'Hiver' by George Rouault. These are not mere diversions to alleviate the intensity of a very long class. Feuchtwanger's classes are relaxed, and he sees these other references as an essential part of a pupil's education.

Many of his pupils have gone on to win prizes in major competitions. Some of them have also found that, irrespective of any praise which has been heaped upon them, they have wanted to retrace their steps and begin again under Feuchtwanger's guidance. With infinite care and patience he leads them along a new path of learning. This is not a penance designed to shake off bad habits, it is an adventure. At the end of the journey they may discover the elusive and nameless essence of the music. All egotistical considerations are forbidden.

Top: a Feuchtwanger master class in progress. Right: arriving at London's Queen Elizabeth Hall with American pianist Craig Sheppard

Even a new technique must be mastered, using only natural movements instead of exaggerated muscular contractions. This approach to piano playing, Feuchtwanger believes, will give the pianist a new freedom to play the music honestly and directly without affectation.

Only two musicians in recent times, Clara Haskil and Kathleen Ferrier, have achieved the ideal, in Feuchtwanger's view. Clara Haskil, whose Mozart and Schumann recordings of the Fifties are still thought to be unsurpassed, had an overwhelming influence on his approach to teaching. He heard her play and also knew her as a friend; and in recent years he has been a regular member of the jury at the Clara Haskil piano competition, held every two years at Montreux-Vevey.

In this competition, which honours the warmth and purity of Clara Haskil's genius, candidates are judged more on the quality of their interpretation and their musical ability than on their technique and virtuosity. This is not to say that technique is less important than interpretation. It means that the judges want the technique to be put at the service of a musical ideal.

Feuchtwanger's own distinguished teachers include Edwin Fischer and Walter Gieseking. He studied composition with Sir Lennox Berkeley and Hans Heimler, among others, and his profound knowledge of oriental music grew from a five year study of Indian music at London University. He was thirteen before he had a formal piano lesson.

'At first I was self-taught,' he says. 'I played all the Chopin studies and Beethoven sonatas by ear from gramophone records. It was not until I played them at a lesson that I realised I had been playing them a semitone too high because the gramophone was too fast. It amused my first teacher, and having to learn to play them all again in the right key meant that from then on transposition came naturally to me.'

'Though he abandoned a brilliant career as a concert pianist, he has no regrets'

Feuchtwanger's love of reading has proved to be as vital to his musical development as his old gramophone. Indeed, one short book, 'Zen in the Art of Archery', by Eugen Herrigel, has influenced his approach to teaching as much as the playing of Clara Haskil and Kathleen Ferrier's nobly passionate singing.

Having begun to bridge the gap between Eastern and Western music, he found in Herrigel's little book the perfect expression of his own ideals in music making. The pianist was to be regarded as an instrument with a soul. Movements must be restricted to those needed to make a sound, and pupils were to be positively discouraged from parodying the

'The pianist was to be regarded as an instrument with a soul'

music or their own feelings with a repertory of facial expressions. Feuchtwanger has earned his reputation as an *enfant terrible* because of this uncompromising search for purity in music making.

'My approach is very different. Apart from insisting on completely natural movements, I want my pupils to realise that the piano is much closer to the human voice than people think. Most pianists today don't cultivate a beautiful sound like the pianists of the golden age. It has nothing to do with technique. They don't share the same ideals as the pianists of that time. And they don't learn from the example shown by the great *bel canto* singers who inspired and influenced composers like Chopin and Mendelssohn and even Alban Berg.

'They should study the old recordings of legendary singers like Adelina Patti. Through Rossini, Patti was introduced to the ornamentations and embellishments created by Maria Malibran, Bellini's favourite singer. By studying these recordings my students get a completely different idea about phrasing. Clara Haskil knew this instinctively. All instruments find their ideal in the human voice.'

Feuchtwanger also asks his pupils not to treat the piano like a percussion instrument. Loud playing, he tells them, is no substitute for powerful musical expression.

'Piano playing is not a sport to see who can play the loudest. Even in a piano competition it's the music that must come first. You don't make music to win prizes. But winning does, of course, make it easier to start a career. Whether or not competitions bring out the best in pianists is another matter. Some of my pupils play much better in concerts than they ever would in competitions because they are too sensitive. And it works the other way round. Pianists who do well in competitions sometimes go on to give undistinguished performances in concerts.

'If a student has all the pieces in his repertory that a competition demands, then I can help to prepare him. But I refuse to work with a pianist solely for the purpose of entering a competition. It is unnatural, and the aim is wrong.'

For the future, Feuchtwanger – who is a vice-president of the European Piano Teachers' Association – hopes that he will be able to set up a musical foundation to help preserve the great traditions and provide support for talented young musicians. Characteristically he laments the modern practise of cheering singers to the echo for giving performances which would have been regarded as intolerable in the past. ☐



Too many teachers, says new report

Thousands of newly qualified teachers face unemployment this year because of falling numbers of schoolchildren and cuts in education spending, according to a European Commission report.

Economic pressures, and fewer students, could mean the loss of 12,000 teaching jobs in the Netherlands and over 10,000 in the Federal Republic of Germany by 1985, says the report, which was compiled by the Commission's Eurydice Education Information Network.

In the German Land of Hessen alone, job losses could be as high as 9.7 per cent of the total teaching force of 45,000, with the possibility of a further cut of up to 17 per cent between 1985-1990, it claims.

Europe's school-age population is falling and with it the demand for teachers. Between 1975 and 1985 the number of under-14 year-olds in the ten EC countries is expected to decline by an average of 14.5 per cent. In the Federal Republic of Germany the decline is expected to be 31.1 per cent, nearly a third of the present level. In the Netherlands school rolls are expected to fall by about 16 per cent, in Belgium by 18 per cent and in the United Kingdom by about 14.9 per cent.

EEC governments, with the exception of France, have reacted to the trend by freezing or cutting their education budgets. Education spending in the FRG between 1982-1985 is expected to increase by a nominal 1.5 per cent a year. The Dutch government are hoping for a 3 per cent saving over the next two years and in Belgium, teachers' salaries have been subject to a general public sector squeeze.

France, on the other hand, increased its education expenditure by about 15 per cent in 1981/82, as part of President Mitterand's socialist programme.

Small firms failure rate

Small firms with less than twenty employees have emerged as the most dynamic source of job creation this decade, according to social affairs and employment commissioner Ivor Richard.

However, only about one in five survives more than five years, either because of bad management, marketing or accountancy, or because of insufficient technical skills, or simply because of lack of versatility, he claims.

Speaking to a European seminar on the training needs of small and medium-sized firms in Luxembourg, he said that the Community was committed to improving vocational training in Europe, and in particular management training to help small firms.

The European Commission places special emphasis on training for women and young people wanting to start their own businesses.

But training is only part of the complete support structure needed for the creation and survival of small firms. The range of organisations offering support services must also expand, he said.



The pong of the briny

A number of beaches in Europe now run out red flags when the pollution rises above a certain level, according to a British MEP.

Richard Simmons says that the European Commission should now act to introduce measures to protect the health of holiday-makers.

He wants a Community-wide system of flags that could be run out to indicate the level of pollution and the risk that it poses to bathers.

He also wants the European Commission to encourage a revision of legislation in member states to ensure that brochures and guidebooks provide tourists with adequate information.

Cut-rate phone calls inside Europe?

The European Parliament has called for the introduction of a system of cheap rates for international telephone calls between EC countries during off-peak hours.

Cheap rates currently apply to domestic calls in most Community countries at weekends, on public holidays and at night between 8.00 pm and 7.00 am.

In a resolution submitted to the European Commission and the Council of Ministers in September, the Parliament said that a draft European directive on reduced rates inside the Community should be drawn up as soon as possible to create a single market for telephone calls in Europe.

In the meantime, member states should introduce identical rates for cross frontier trunk calls inside the Community and should independently reduce off-peak charges by a third, say the MEPs.

Park your firearms here

The .22 rifle has caused numerous deaths in Europe, and two MEPs have called for stricter controls on possession of the weapon.

The 1978 European Convention controlling the acquisition and possession of firearms has been ratified only by Luxembourg and the Netherlands, and signed by the Federal Republic of Germany, Greece, Ireland and the United Kingdom.

Belgian Socialist MEPs Raymonde Dury and Ernest Glinne say that gun legislation in EC countries is too varied and provides no effective control over exports. If a European cannot acquire a weapon in his own country, he can always obtain one in another member state, they claim.

The MEPs say that governments should strengthen their national legislation, and ratify the European Convention to put an end to crime committed with weapons bought over the counter.



More help for small farmers?

Support for small farmers, increased development aid for poor rural areas, an improved division of available resources and control of surpluses are the four main objectives of new European Commission proposals designed to reform the structure of agriculture in Europe. The policy is 'a key element' in the Community's future, according to agriculture commissioner Poul Dalsager.

The proposals to reform the CAP emanate from decisions taken by the European Council in Stuttgart and are part of a wider effort to relaunch the Community. They are designed to change existing structures in the light of past experience to meet new market conditions. With ministerial approval, the programme could come into operation in January 1984.

The main beneficiary would be the small farmer hard hit by the recession and directly affected by a tighter budget and lower guaranteed prices in the future. He would get additional aid. The Commission programme would relax the conditions under which aid was granted, in order to help the least prosperous farmer and improve the management of his land.

Europe is currently helping 15,000 to 20,000 farmers. With the new programme we could be helping ten to twenty times as many, says Poul Dalsager.

Italy, Ireland and Greece, which all have serious structural and financial problems would also get major financial aid under the plan. The new system would provide additional aid to compensate for natural handicaps and infra-structural problems in poor areas, by financing a large number of collective investments.

The way in which available resources are divided would also be rationalised. Whereas in the past

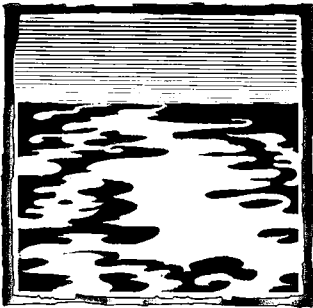
productivity was the only criterion, new priorities include a reduction in production costs, an improvement in living and working conditions, and the quality of the product. The programme would also reduce surpluses by assisting the processing of surplus products.

Consult your data-doc

Europe's doctors are increasingly turning to computers, and an Italian Christian Democrat MEP has now called for the creation of a European Health Data Base.

As medical knowledge advances in leaps and bounds, traditional methods are no longer adequate to diffuse it to doctors. A new efficient service would benefit both doctors and their patients, he says.

He says that the medical data base could be added to the existing Euronet Diane network. It would include data on medication needed to treat rare diseases, diagnostic data on poisons and information on specialist centres in different member states.



Can we stop those oil spills?

European Environment Ministers are to consider a directive aimed at drawing up joint contingency plans to combat accidental oil spills at sea.

The growth of off-shore oil and gas exploration in European waters means that the threat of oil pollution is growing. According to the International Tanker Owners Pollution Federation, 32 major spills of over 5000 barrels, or 20 per cent of the world's recorded accidents, took place in European waters between 1974 and 1981.

The Regional Oil-Combating Centre for the Mediterranean in

Malta recorded 72 accident alerts between 1977 and 1982, twelve of which resulted in oil pollution that affected the sea, beaches and wild-life.

Improved national contingency plans, coordination and information exchange, faster assessment of the threat posed by specific spills, increased aerial surveillance, improved communications, better training for staff supervising clean-up operations, shared equipment and simulated joint exercises are some of the ideas embodied in the proposed directive.

The latest on hormone fattening

Sixty of Europe's most eminent scientists have contributed to a Commission report on the health implications of using hormones to fatten farm animals, according to European Farm Commissioner Poul Dalsager.

The definitive work should clarify the debate which began in October 1980, when the Commission called for a ban on the use of selected hormones for fattening animals, on health grounds.

The report may help to establish whether they do in fact constitute a health hazard and should be withdrawn from the market.

Save your old iron

The wrought iron remnants of one of the most famous Art Nouveau buildings in Europe have gone to a Belgian scrap dealer for a little over three pence a kilo.

The sale, which has outraged conservationists including Belgian Socialist MEP Marijke Van Hemeldonck, is the latest chapter in the story of Victor Horta's Maison du Peuple, which was demolished in 1965.

The move has brought renewed calls from Ms. Van Hemeldonck and others for a European register of protected monuments. She says that legislation should be introduced to clarify what actually constitutes Europe's cultural and social heritage and what should be done to protect it.

The European Parliament first floated the idea of European measures to protect our 'architectural and archeological heritage' in September 1982.

Dump it and lump it?

European industry has a variety of different defences against unfair trading practices. The European Commission has just published its first report on its anti-dumping and anti-subsidy activities.

Between 1980 and 1982, 131 cases were investigated - 25 in 1980, 48 in 1981, and 58 in 1982. Chemical products, including fertilisers, trichlorethylene and saccharine, were amongst the most frequent offenders in cases involving the Community and third country exporters.

The 131 investigations involved 32 countries, 21 of them related to the United States, 13 to Czechoslovakia, 12 to East Germany, and nine to Brazil.



Let's tax the Russians, says MEP

A European Community tax on cut-price Soviet merchant shipping has been proposed by a British Euro-MP.

European Democrat MEP William Newton Dunn says that the Soviet Union has been deliberately under-cutting freight rates charged by Western shipowners, who have to operate on a profit basis.

Subsidised fuel, low wages and unrealistic depreciation allowances allow the Soviet fleet to charge 'unrealistic' rates that pose a threat to the strategic position of the free world, he says.

Over the past twenty years the Soviet merchant fleet has increased sixfold, and in numbers of ships is now the largest merchant navy in the world. It is the sixth largest in terms of total national tonnage.

The tax would apply to all shipping services provided to EC charterers by Soviet ships, but would need the support of the EFTA countries, the USA and Japan to be effective.

Plight of the 'outsiders'

The European Parliament has approved a report condemning the economic decline of the European Community's peripheral regions and islands, and calling for additional regional development aid.

The already vast disparities between Europe's rich heartlands and poor peripheries are growing, according to the report, which was compiled by British MEP Davis Harris for the Parliament's committee on regional policy and planning.

Indexed per capita GDP in the relatively poor Dutch area of Groningen is 208.7, compared to 37.3 in Calabria. Indexed productivity is roughly of the same magnitude. Youth unemployment in peripheral areas is about three times the Community average and the workforce is migrating to richer pastures, leaving behind the very young and the old, say the MEPs.

The report approved EC plans for integrated development programmes to help the poorest Mediterranean areas and said that new industries, particularly tourism, should be encouraged.

Inflation is still going down

Inflation over the past year in the ten EC countries fell to 8.2 per cent, according to Eurostat's consumer price index.

Greece remained the country worst affected, with inflation running at about 20 per cent. Italian inflation was down to 13.6 per cent, followed by Ireland at 10 per cent and France at 9.6 per cent.

The lowest rate was recorded in the Netherlands, which experienced 2.7 per cent inflation. The Federal Republic of Germany had 3 per cent inflation, the United Kingdom 4.5 per cent, Denmark 6.1 per cent, Belgium 7.9 per cent and Luxembourg 8.3 per cent.

Inflation figures for the industrialised OECD countries as a whole was 5 per cent, the lowest figure on record since October 1972.

Europe's major industrial competitors, the United States and Japan, both registered inflation rates of between 2 per cent and 2.5 per cent.

PRO-EUROPE FIRMS ARE DOING BEST, SAYS HOUSE OF LORDS REPORT

Successful exporters to Europe are distinguished by their 'positive attitude' to membership, according to a recently published report on Britain's pattern of trade with other Community member states.

The report, prepared by the House of Lords Select Committee on the European Communities, concludes that the firms which have been most successful in exporting to other Community countries have been 'notably well informed' about markets in Europe.

Statistical evidence indicates a shift towards the Community in two-way trade since Britain joined in 1973. And although the shift in the direction of Community markets has varied from industry to industry, overall it has been over and above what Britain could have expected in the light of pre-entry experience, the report shows.

On the debit side, lack of competitiveness rather than the effects of membership are blamed for the deterioration of the trade balance in manufactures. Confederation of British Industry evidence to the select committee partly blames the overvalued pound for undermining industry's competitiveness in recent years.

But the problem is not confined to Europe, the report points out. Decline in trade in manufactures is in line with similar decline in trade with other industrialised countries.

Manufacturers of food and drink are singled out in the report as being among those who have reacted capably to the opportunities and problems of membership. But in addition to the big swing towards Europe in trade in food and related products, the clothing and chemical industries have been 'outstandingly successful', along with trade in some sectors of the electrical engineering industry. However, trade in mechanical engineering products has suffered badly since Britain joined the Community, says the report.

Most representatives of industry giving evidence to the select committee were agreed that membership has given Britain a larger and more secure export market overall. But the market was still fragmented by a lack of Community standards,

plus an alarming proliferation in state aids and administrative barriers. Moreover, some countries are 'adept' at bending community rules to protect their own nationals, the report maintains.

Among the healthy benefits of membership the report lists greater domestic competitiveness; an increase in foreign investment in the UK; an increase in European sourcing by industry due to more availability and cheapness in supplies; and a wider choice with lower prices in finished consumer goods, except for food.

Food manufacturing industries have been 'constrained to purchase dearer community foodstuffs or pay high duties/levies on non-European supplies' says the report. 'But while the cost-enhancing effects of the Cap are well known, the cost-reducing effects of free trade in manufactures is generally ignored.'

Despite dissension in the mechanical engineering industry about the consequences of membership and varied opinions about the value of membership in the past, the report comes out strongly in favour of membership as being no less than 'essential' to the future well-being of British industry. It cites a 'striking' unanimity among industry about the importance of remaining in the Community, and the select committee itself is convinced that membership has been 'instrumental in sustaining trade and industrial activity in these recent very difficult years'.

The report goes on to warn of a 'real risk' that the European Community will slide towards increasing protection of national

'Ignorance about Europe is blamed for Industry's sluggish reaction'

markets in the present economic climate. At best it is likely to prove more difficult to secure agreement where member countries' interests differ.

To combat this threat the report recommends that the Government should act to remove barriers to trade and secondly to provide information and assistance to help firms develop markets in the community. Industry itself should be aware that the future of the British economy must be seen in a European context, the report urges. Widespread misunderstanding and ignorance about Europe is blamed for industry's initially sluggish reaction to membership.

'Our partners were much quicker off the mark in exploiting opportunities in this country, having had fifteen years of experience of membership when we joined,' the report adds. 'Britain has to work to make up this lead.'

BRITISH BUSINESS

A boost for the strip business

In France, characters like Tintin and Asterix have the status of folk heroes. Now, the minister for cultural affairs wants them, and other popular cartoon figures, to be introduced into French schools

America has been the uncontested master of the international strip cartoon market since 'The Yellow Kid' first appeared in the pages of the *New York World* in 1883. But today it is the French who are making a name for themselves in the world of the comic book. French cartoonists have developed a new, more serious form which is supposedly more artistic, and is read by millions of adults.

Last year the French spent 224 million francs (£18.85 million) on over 22 million comic books. In all, 679 new albums appeared, which was 53 more than the previous year. Nearly half of all French albums have appeared during the past four years, showing the growing popularity of the strip cartoon in France.

A recent poll showed that 90 per cent of comic strip readers in France are adults. French intellectuals look on them as a new art form. President Mitterrand admits to liking them, and Pierre Mauroy, his Prime Minister, has said that he prefers Popeye to Karl Marx.

Jacques Lang, the Minister of Culture, is another fan. He recently introduced a funding programme to support the French strip cartoon industry. Young cartoonists are to get government grants. And the Cartoon Museum at Angoulême, in South-western France, has been given a 300,000 franc (£25,000) government subsidy.

Angoulême is to the strip cartoon what Cannes is to the cinema. In March of this year a new cartoon art college opened in the town; and in June Angoulême's annual cartoon fair and exhibition attracted over 100,000 visitors.

Official interest in cartoons in France comes relatively late. For many years most cartoon strips in French came from Belgium. The French, like the Belgians, regarded Tintin, drawn by the Belgian cartoonist Hergé, as

something of a national hero. When George Rémi, the creator of the strip, died earlier this year, France practically went into national mourning.

General De Gaulle once compared himself to Tintin, confiding to his friend and Minister of Culture, André Malraux: 'Tintin and I are both with the little men who won't be put down by the big men.'

De Gaulle went down in history as one of the great political leaders of his time. But, unlike Tintin, he did not have a weekly magazine named after him. For years, 'Tintin' was one of the most important comic book papers in France. More than 80 million Tintin albums appeared in 26 languages. Tintin films and plays were written. And in the Wolwendal Park in Brussels a Tintin statue was erected.

Tintin was the most popular of the French language cartoon characters until 1959, when Asterix – a little Gaulish warrior with a horned helmet and a huge moustache – appeared on the scene.

The strip was created by two French cartoonists, René Goscinny, who is now dead, and Albert Uderzo, who is still producing the cartoon.

Asterix first appeared in 'Pilote', a comic book paper that the two artists had started with Jean Michel Charlier, the creator of various strips, including 'Captain Red Beard' and 'Fort Navajo'. 'We were looking for a new character, and after studying all the existing characters we discovered that there wasn't a single Gaul among them. And Gauls to the French are like cowboys to the Americans,' says Uderzo.

Thanks to Asterix, 'Pilote's' circulation rose from 6,000 to over a million in four years.

'Gauls to the French are like cowboys to the Americans'

Originally conceived for children, the strip's satire quickly won it an adult audience. In 1966 'L'Express', France's answer to 'Time' magazine, ran a story on Asterix and put his picture on the cover. 'Pilote's' circulation increased by 15 per cent. Asterix is also the only cartoon strip that 'Le Monde' has ever deemed worthy to appear in its dignified columns.

Asterix laid the ground for a number of other successful French strips, among them Jean Claude Forest's 'Barbarella', a sexy science fiction heroine, and 'Guy L'Eclair', her male equivalent.

Barbarella was an instant success in France and abroad. But a number of people found her offensive, including Mme De Gaulle, who insisted that she should be 'decently clothed'. When the strip appeared as an album in 1964, the artist eventually complied and 'clothed' her.

In 1966 a new French cartoonist, Philippe Druillet, came out with a Barbarella imita-



tion, called 'Lone Sloane'. Initially it was a fiasco, but Druillet improved it to create what was to become an artistically remarkable cartoon.

In addition to 'Pilote' France now has five other big cartoon papers for adults: 'L'Echo des Savanes', created by Gotlib, Nandryka and Brétécher in 1973, brought contemporary issues of sex and violence to the French comic book stage. 'Metal Hurlant' deals with science fiction in the tradition of Jules Verne. 'Charlie' and 'Circus' both consist of thrillers told in picture form. And Gotlib's 'Fluide Gial' specialises in biting political satire.

In France the theatre, cinema and television all currently vie with each other to put on imaginative versions of popular cartoon strips. But, although the comics are currently a thriving business for French publishers, some of them think that the market could disappear. Louis Gerard, the head of Caster-

man's cartoon section, is one of them. 'The adults who read the strips nowadays to amuse themselves are used to reading,' he says. 'They have read since childhood, when they were brought up on Donald Duck, Tintin and Prince Valliant. Today, children prefer watching television to reading comic books. If they didn't read comics as children, it is unlikely that they will start reading them as adults.'

French Culture Minister Jacques Lang wants to stimulate interest among children by introducing certain well-known cartoon characters into school curricula. American cartoons have been invading Europe for decades. Perhaps now is the time for French strips to reverse the trend. The new French strips are already popular amongst American intellectuals and many of the larger American newspapers are showing interest in syndication rights.

QUESTIONS IN THE HOUSE

Henriette Poirier, France:

'Can the Commission measure the part played by the multinational companies in, and their impact on, agricultural trade, particularly exports from the developing countries?'

Answer by Poul Dalsager on behalf of the Commission:

'The Commission's staff does not possess adequate resources for carrying out forecasts or analyses of agricultural trade at world level. The forecasts and studies carried out within the Commission are normally confined to Community trade.

However, the Commission keeps abreast of forecasts and studies concerning world trade which are drawn up by other organisations.

With particular reference to the role and impact of multinational companies in agricultural trade, especially as regards the exports of developing countries, the United Nations Centre on Transnational Corporations has published a study entitled 'Transnational Cooperation in Food and Beverage Processing' (New York 1981).

This study shows that the export of foodstuffs from developing countries, which make up about 25 per cent of their food production, has always been a major field of activity for transnational corporations (TNCs). The role played by TNCs in trade in such products and their degree of vertical integration have been developing rapidly.

The TNCs still control a large part of trade in a number of products such as bananas (three companies control 70 per cent of trade), tea (eight companies control 90 per cent of trade), fishery products (high concentration in the processing industry) and canned fruit. The TNCs make less impact on trade in products such as vegetable oils and cocoa. They play only a limited role in trade in sugar and meat.

The TNCs control all the stages of production of some products through to the distribution of processed products (e.g. tea, bananas). In other cases, it is rare for TNCs to involve themselves in actual growing (e.g. cocoa, coffee). Instead, they buy the raw commodities from local marketing companies.

Mario Sassano, Italy:

'In connection with the safety criteria adopted by European Community countries for the siting of nuclear power stations, can the Commission state, for each Community country, the legal provisions laying down the minimum distance between the sites of nuclear power stations and centres of habitation? Can it also provide the same data in respect of the USA and Japan?'

Answer by Karl-Heinz Narjes on behalf of the Commission:

'The selection of sites for nuclear power stations is carried out by each member state according to criteria which are peculiar to that member state.

For the most part, the member states of the Community do not have rules on minimum distances from population centres when siting power stations; nevertheless, the population distribution in the area around a potential site is taken into account when making a final choice on the site, its development, the design of the power station and the drawing up of emergency plans.

Only Italy and the Netherlands have rules on the population density limits for the various given concentric zones around a power station.

The United States and Japan lay down exclusion zones, low population density zones and minimum distances from large population centres, these being based on calculations of the dose to an individual should radioactive substances be released into the atmosphere following a given hypothetical accident.

All the problems connected with the selection of sites for nuclear power stations are being thoroughly discussed in a Commission Working Party for "Water reactor safety, methodologies, criteria, codes and standards".

Rudolf Wedekind, Federal Republic of Germany:

'Does the Commission share the view that a European parallel currency could lead to more quickly and economically to a Community currency than agreement between national governments?'

Answer by Francois-Xavier Ortoli on behalf of the Commission:

'The Commission has not, hitherto, undertaken any studies on the introduction of a European parallel currency as a first step towards the creation of a Community currency, nor does it intend to do so.

However, the Commission takes the view that, in the ECU, the European Economic Community already possesses a currency unit which can perform a valuable function as the expression of the Community's monetary identity in the context of both the future development of the world monetary system and of intra-Community needs.

The Commission has made several proposals for the wider use of the ECU, e.g. in March 1982 in its draft Resolution on the development of

the European Monetary System, and in April 1983 in its Communication to the Council on financial integration. Finally, in May 1983, in its Communication to the Council on the promotion of the international role of the ECU the Commission proposed that the promotion of the private use of the ECU should take place under three main headings: the status of the ECU, the fields in which it is used, and protection of the designation ECU. In this Communication the Commission presented the Council with a draft Resolution expressing the intention of the relevant authorities to take all the measures necessary to ensure that ECU operations are treated, in the context of their internal regulations, as foreign currency operations.

This draft Resolution is at present under examination by the Monetary Committee.'

Lord O'Hagan, United Kingdom:

'It is widely alleged that the EEC will force Britain to harmonise the rate of VAT on baby clothes and food with those obtaining in other member states. To what extent is this true?'

Answer by Christopher Tugendhat on behalf of the Commission:

'Under Article 28(2) of the Sixth Council Directive of 17 May 1977, the Council is to review reduced rates of VAT and exemptions with refund of the tax paid at the preceding stage every five years on the basis of a report from the Commission and, where appropriate, is to adopt the measures required to ensure their progressive abolition, acting unanimously on a proposal from the Commission.

The Commission submitted its first five-yearly report to the Council on 17 January 1983. The report, which covers all the temporary exemptions provided for by Article 28, has been discussed by the Council ad hoc working party and is currently being examined in meetings between the Commission departments and member states' administrations.'

Horst Seefeld, Federal Republic of Germany:

'Tourists travelling to Greece by car are still required to carry a green card or to take out expensive additional insurance at the border.

What measures has the Commission taken to ensure that the green card check at the Greek border is abolished?'

Answer by Christopher Tugendhat on behalf of the Commission:

'As the Commission explained in its answer to Written Question No 2217/80 by the Honourable Member, checks on green insurance cards at the Greek frontier can be abolished only when civil liability in respect of vehicles registered in Greece has been extended to the territories of the other member states and when the Greek National Motor Insurers' Bureau has signed the Supplementary Agreement between national bureaux.

The first condition was met with Presidential Decree No 1019 of 4 September 1981. As to the second condition, the Greek National Motor Insurers' Bureau has not as yet seen fit to sign the Supplementary Agreement of 12 December 1973, on account of difficulties stemming from the fact that the legal basis necessary for the operation and financing of the Bureau does not yet exist.

The Commission has repeatedly reminded the competent Greek departments of the need to comply with the requirement, which has been binding on Greece since 1 January 1981.'

Basil de Ferranti, United Kingdom:

'How does the Commission intend to ensure that there will not be a shortage of grain in the United Kingdom after the next growing season and to avoid the intolerable situation that has arisen this year where grain exports from the United Kingdom at 5 million tons have resulted in such a shortage that the price of barley has risen to £135 a ton in a record harvest year?'

Answer by Poul Dalsager on behalf of the Commission:

'As the Community is a single market for cereals with common support prices and the flow of cereals within the Community and to third countries is thus a matter of market forces and individual trading decisions within the framework of these common support prices, the Commission and member states draw up annual balance sheets as a basis for their managements of the barley and other cereal markets.

The Commission does not propose to interfere with this freedom of trading activity but notes that the United Kingdom took into intervention during 1982/1983 heavy stocks of both barley and wheat. These are currently running at 480 000 tonnes for barley and 3750 000 tonnes for wheat. The intervention agency in the United Kingdom, as in other member states, may sell their stocks on the internal market if the situation requires it. It seems difficult in these circumstances to speak of a shortage of barley in the United Kingdom.'

The cash runs out in 1984 — Tugendhat

The Commission is not bankrupt. It is not even technically bankrupt. But it needs more money next year if it is to meet its obligations.

This was the message conveyed by the Commissioner for budgets, Christopher Tugendhat, in an interview with Giles Merritt before the opening of this month's summit talks in Athens.

The Community, Mr Tugendhat explained, faces two quite different budgetary crises. He said:

'The first of these concerns the limits on authorised expenditure, while the second has to do with the limits placed on the Community's total resources. The Community budget problem this year has concerned only the former problem, and to overcome that the Commission drew up a supplementary budget. But it is the latter problem that makes the present attempts by the Ten to agree a new budgetary framework so crucial.

'It is now obvious that we shall hit the ceiling of the Community's total resources — the various duties and levies and the product of up to a one per cent VAT charge in each member state — in 1984.

It is not possible to forecast exactly when. But it is clear, on present trends, that next year will be the year when the Community's commitments outstrip its budgetary resources. And that moment will represent an important legal landmark. The Commission cannot spend money that the Community has not got.

'This year, EEC spending has been running at 99.4 per cent of available resources. When, and if, we hit the 100 per cent mark, we will not go bust, as a company would. But that ceiling is nevertheless an absolute limit. We cannot spend above it, nor can we even borrow funds to tide the Community over while the negotiations on a new budgetary regime continue between the Member States.

'In other words, if the Ten fail to introduce new and increased "own resources" for the Community, or if they fail at least to put in place some interim arrangement leading up to this, we should be unable to meet all our obligations. I very much hope that situation will not occur.'

As people are consumers and producers as well as taxpayers, Mr Tugendhat added, what they lose as taxpayers can be more than made up for by improved economic activity. 'We in the Commission believe that certain things can be more efficiently done at EEC level. So increased Community expenditure can mean either a drop in member states' overall level of public spending, or it can yield greater benefits for the same volume of spending.'

UK's small firms are near the bottom of the league

Small firms in Britain have less going for them than in any of the ten European Community countries except Italy, according to a study prepared by the Economist Intelligence Unit (EIU) for the European Year of Small and Medium-Sized Enterprises.

Britain ranks ninth in a European league table drawn from the study by an assessment panel of three — Vernon Weaver, former administrator of the USA's Small Business Administration, Bill Poeton, convenor of EYSME events in the UK, and Diarmid McLaughlin, director, EC economic and social committee.

In a breakdown of environmental factors affecting small businesses, Britain comes top of the league in tax considerations. But this factor is not given as big a weighting as labour costs and employment legislation in which Britain again ranks ninth out of ten.

The UK ranks bottom in the league table when it comes to the costs of office and factory space. Graham Bannock, managing director of the EIU, underlined this factor at a press conference to announce the preliminary results of the study by pointing out that factory space in Britain costs more than in any other member state of the Community — £2.55 sq ft compared with 70 pence in Belgium, where costs are lowest. Office accommodation also costs more in Britain at £7.60 sq ft against Belgium's £2.32.

On capital and credit the UK does less badly, ranking seventh. But in a category covering positive discrimination in legislation Britain is again at the very bottom of the league.

Comparative data presented in the EIU study on the legal and economic environment for SMEs in Europe has been ranked in order of favourability to profit maximisation. This is why Britain comes off much better in the tax field, where tax paid as a percentage of profits is lower than in most other member states. In none of the eight specific tax items listed in the league table does Britain drop lower than sixth out of the ten countries, although it is believed that personal taxation in Britain affects small business owners badly by preventing them from taking money out of their businesses, thus dissipating capital.

Not covered by the EIU study is the problem facing all businesses in the Community's internal market, in which non-tariff barriers to trade, such as differing technical standards and cumbersome bureaucratic procedures, are thought to be costing the business sector £7 billion a year.

The definition of a medium-sized business for the purpose of the study is one employing less than 500 people. A small business is one employing less than 50. However, the assessment panel believe that small businesses are recognised by the nature of their problems rather than by the number of employees.

Letters

Cri de coeur

In Britain we can and do sell or buy our houses, flats, land etc without benefit of solicitors. Here in France, you may sell (but not buy) your real estate without using a *notaire*. Why cannot one buy real estate here without using a *notaire*?

Answer: it's the law. You must — nay, are compelled — to use the services of a notary (and pay heavily for the privilege). See decrees of 4.1.1955 and 78.262 of 8.3.1978.

Here is a good opportunity for the EEC anti-monopolies or anti-cartel committee to get their teeth into the French legal system — and jolly good luck to them!

John Orpen
Yvrines, France

More means worse?

Adeline Baumann ('Watch it — we are being outnumbered', October issue) says 'the demographic status of Europe is likely to suffer' if it comes to represent a smaller

proportion of world population; that Spain and Portugal are 'contaminated by the white plague' (lower rate of population growth); and that figures showing some increase of population are 'less pessimistic' than one that shows a small decrease.

Obviously, the author regards increases of population as good, and stable or decreasingly populations as bad. Moreover, she takes it for granted that her readers will think the same — a truly astonishing attitude in 1983.

The high-consumption lifestyle of the European Community means that each addition to population numbers has many times the impact on demand for resources as that resulting from a similar addition in the undeveloped world. Moreover, there is no threat that Europe will be 'outbred'; over-population weakens nations, and Europe will be stronger if it is less dependent on heavy imports of raw materials and fuels.

In spite of all that has been written in recent years about the conflict between growing population and a finite world, atavistic pro-natalism is clearly still a force to be reckoned with — and vigorously opposed.

John Davoll
The Conservation Society,
Chertsey, Surrey

Solar collecting panels have been installed into three Peterborough Development Corporation houses in Goswick, Orton Brimbles, as part of a project conducted by scientists and engineers from the Polytechnic of Central London, with the aid of a £50,000 grant from the EEC.

Two of the houses will be available for rent at the end of the month, and a spokesman for the Corporation expects there will be a deluge of people wanting to move into the cost-saving houses.

— Peterborough Standard

Bonn is prepared to go to the European Court in Luxembourg to uphold West Germany's 490-year-old beer purity law, on health grounds, against imports of 'adulterated' foreign beers ordered by the European Commission.

Dr Heiner Geissler, the Health Minister, yesterday told a brewers' convention in Nuremberg that 'our beer law says it may be made only from hops, malt, yeast and water.'

The European Commission claims the German law, which dates from 1493, infringes the Treaty of Rome, which forbids import restrictions.

— The Times

More than £100 million worth of cheap Common Market butter may have been sent secretly to Russia.

The alleged fiddle broke a trade embargo imposed after Russia invaded Afghanistan in 1981. Cuba then became a major buyer of surplus EEC butter at a subsidised price of 33p per pound.

EEC bosses in Brussels think some of the 50,000 tons bought by Cuba was diverted to Russia while the ships were still at sea.

— Daily Mirror

Spain's Felipe Gonzales and Portugal's Maria Soares have both recently said of the Common Market or European Economic Community, 'If we are not wanted, let it be said and we'll look elsewhere.'

Ironically, both prime ministers are Socialists and they are irritated at another Socialist-led country, France, for the lack of progress.

This question was top of the bill at an informal meeting last month of the five Socialist prime ministers of southern Europe. In addition to the two aspirant countries, two of the original EEC countries France and Italy, led respectively by Pierre Mauroy and Bettino Craxi were also there. The meeting was hosted by Greece in a resort just outside Athens.

— Morning Star

The Government has opened the way for imports of long-life milk from Europe despite warnings that it could mean the end of doorstep deliveries and a subsequent loss of 50,000 jobs.

Regulations to permit imports were laid in the Commons yesterday and the milk could be on sale in Britain from November 16.

France, Holland, Belgium and Ireland are already geared up with cartons printed in English.

Unions fear that if imported milk is sold at several pence a pint cheaper than the 21p charged for delivered milk, there would be a major switch to supermarket buying. Dairies have warned that only a 10 per cent switch is needed to make milk rounds uneconomic.

— Daily Mail

The European Court of Justice is doing its bit to ensure that justice is seen to be done — by having the windows of its handsome headquarters in Luxembourg cleaned 12 times a year. The EEC Commission makes do with half a dozen cleanings, and the European Parliament with between three and six.

— Guardian

Rebel Tory Euro MPs helped to freeze Britain's £457 million Common Market rebate in Strasbourg yesterday.

Euro MPs decided by 262 votes to 52 to freeze Britain's refund, another for West Germany and five per cent of agricultural funds.

They are determined to secure long-term EEC budgetary reforms. Unless an Athens Summit in December produces satisfactory changes, they could throw out the entire Market budget.

— Daily Express

First prize: £2.8 million to the British Conservative party. Second prize: £900,000 to the Labour party. Third prize: £250,000 to the Liberal-Social Democratic alliance. The bulk of the first and second prizes will be paid in advance, the third prize will only be awarded after the game is over.

The contest is next June's election to the European parliament. The sums of money are what the three main British contenders will receive if they do approximately as well as they did in the British general election on June 9th. The amount paid will only vary slightly with performance.

— Economist

A confidential report by five top banks has concluded that sufficient sources of private finance exist to build a £5bn cross-Channel link. But the report, now being studied by transport ministers in London, Paris and Brussels, warns that a decision to go ahead must be taken soon while funds are available.

The favoured scheme is for a 'rolling road' — a twin-bore tunnel with rail facilities for passengers and for roll-on/roll-off traffic. The authors of the report believe such a scheme is 'economically robust and technically feasible.'

— Sunday Times

These rebels would presumably argue that they are thinking in terms of solutions on a Community, rather than a purely national or British basis. That is the danger of having a lot of Euro-MPs living, working and swanning about in Europe. For all that, it seems that the freezing of Britain's rebate will not last very long. There are mechanisms for challenging it. The European Parliament may come to its senses.

— Daily Telegraph

Bananas and pineapples exported to Europe may contain pesticide residue, Vera Squarcialupi (Italy) told the European Parliament.

The reason is that although there is strict control over the use of pesticides in the USA and the Community, there are no rules governing the pesticides that may be exported to the developing countries.

The World Health Organisation estimates that about 400,000 people in the Third World may be poisoned this year. Around 10,000 will die.

Mrs Squarcialupi tabled a resolution calling on the Commission to bring pesticide exports under tighter control. This was adopted by 96 votes to nil with one abstention.

— EP News

After days of agonising and backstairs bargaining with other political groups, most Tories found themselves favouring the strategy supported by the vast majority of the parliament, but unable to stomach the proposed methods.

Fearing the wrath of Downing Street and possible political retribution in next year's Euro-elections, most Tories voted against freezing the British rebate. But to the obvious discomfort of the group's leader, Sir Henry Plumb, up to a dozen rebels were among the MEPs voting to put the payment on ice.

— Financial Times

WHAT'S IN THE PAPERS

Relations between French and Spanish Socialists have reached a low ebb amid mounting frustration in Spain about the failure to resolve European Community entry negotiations.

The Spanish Socialist Party's five-member delegation walked out of the closing session of the French party's congress at Bourg-en-Bresse on Sunday after an unsuccessful bid to change the text of the resolution concerning EEC enlargement.

— The Times

The latest forecast of a lower EEC cereals crop is final confirmation that the common agricultural policy (CAP) had the luck of the devil in 1983. Predictions last spring that CAP spending would force the Community to go bust by year-end were confounded by a rare coalition of market forces — and some sleight of hand by Community accountants who pushed 250m ECUs (£145m) of 1983 spending forward to next year.

— Economist