

Week of 3 to 7 March

FINANCIAL AFFAIRS: The activities of the European Investment Bank in 1979

The European Investment Bank (EIB), the long-term lending institution of the EEC, made loans for various projects adding up to £ 1,931 million in 1979. This represents an increase of 40% over those made in 1978. The money was spent on industrial development projects, development of energy resources and other infrastructure programmes in the nine member countries. £ 322 million was devoted to development schemes in 10 Mediterranean countries and in 16 countries of the ACP group (African, Caribbean and Pacific). The second Lomé Convention to which the ACP are signatories will require a lot of financial help from the Bank over the years of its operation.

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How much hard cash is the EEC investing in energy projects until the end of the century? - A lot, judging from Commission estimates.
See this week's feature ...

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HUMAN RIGHTS: How to reconcile ethics with politics

What is the policy of the EEC on human rights and if there is a policy is it effective? A recent question in the European Parliament threw some doubt on whether the Common Market's stand on human rights has been altogether wholehearted. Belgian socialist MP Ernest Glinne asked for a review of the European Community's position on this important subject. The Commission said that for several years now the EEC had condemned violations of basic human rights and had underlined this attitude by making a declaration of respect for fundamental rights on the 5 April 1977. This was signed by the European Commission, the Council and the European Parliament. However, it should be borne in mind that the scope of this declaration was fairly limited as it concerned human rights largely within the area of the nine EEC countries and in any case the respect for fundamental rights in Europe is in the hands of the member countries.

Regarding the numerous cases of the violation of human rights in the rest of the world it unfortunately seems that the EEC declaration has had little practical effect. The Commission was not able to put a human rights clause into the second Lomé Convention, which went into effect on 1 March 1980, because of the opposition of the ACP (African, Caribbean and Pacific) countries. However the EEC did adopt, in September 1977, a code of conduct for Common Market companies having activities in South Africa (which is as yet only voluntary).

The Commission has also recently proposed to the Council of Ministers of the Nine that preferential trade agreements with developing countries should be linked to certain international guarantees for the working conditions of people employed/by the companies ^{in these countries}. However, this would probably result in even fewer Third World exports reaching Europe and result in a further widening of the already large trade gap with these countries. It is in any case often extremely heartsearching to link development aid with protection for human rights, for if the recipient country will not accept any regulation of its affairs and therefore aid is refused, then many thousands may starve to death. The EEC takes the attitude that it would be callous to let Cambodians or Ugandans starve whilst carrying out lengthy arguments with their regimes. Mr. Glinne regretted that the Commission had not really underlined the protection of fundamental human rights within the framework of its various trade negotiations with the Eastern Bloc countries or with Iran, Brazil, Argentina and Uruguay. The Commission said that it felt that each case had to be dealt with separately and in close consultation with the nine member countries of the Common Market and it could not take a general position applicable in every case.

INDUSTRY: There's an awful lot of coffee in Brazil!

Over the years instant coffee has established its popularity and in particular in those European countries where coffee drinking is not so traditional. It is quick and easy and you just add the hot water. Of course, no coffee beans are grown in Europe but there is a healthy instant coffee processing industry (e.g. in Italy), where all the various blends and flavours are produced. Now it appears that Europe's established industry is meeting with increased competition from Third World processors, particularly Brazil - the world's largest producer of coffee beans. The Brazilians and other coffee growing countries are now also processing and packaging instant coffee and not just exporting the dried beans. One way of protecting the EEC processing industry would be to put heavy tariffs on instant coffee imports from the coffee growing countries. The trouble with this is that it runs directly counter to a major plank in the Common Market's Third World development programme. The EEC countries (along with several other developed states), have always encouraged the Third World producers of raw materials and agricultural products not produced in Europe to build up their industrial bases by processing, refining or transforming as much of their own raw materials as they can in their own countries and thereby creating much needed jobs. In answer to the understandable worries of the European processors, the European Commission says that it believes that the new competition will not harm them, for the EEC firms are more efficient and they produce a greater selection of blends of instant coffee which are more suited to the European taste. This is not to mention their detailed knowledge of the European markets and above all the quality of their products. These advantages should continue to keep Common Market instant coffee competitive.

SOCIAL AFFAIRS: Keeping Europe's women informed.

In 1977 there were nearly 133 million women in the nine EEC countries and only 126 million men! A superiority in numbers of 2.7%. But a lot of women in Europe feel that despite this numerical advantage they do not get a fair deal in such areas as research into women's problems (for example, job discrimination), and the supply of information on matters of particular concern to women. A Member of the European Parliament, Mrs. Antoinette Spaak (Independent-Belgium), recently asked the European Commission if it was enlarging the number of staff working on information for women and allocating more funds to this work, for at the moment not enough was being done. The Commission said that it agreed that it was important to enlarge the existing information services for women in the EEC countries and it was looking at the best ways to do it.

ENERGY: Increased EEC imports of natural gas

Natural gas is becoming increasingly important as an energy source in the EEC countries. Even though the Netherlands produce large amounts each year and the UK has several productive gas fields in the North Sea, imports are increasing.

In 1979 natural gas provided 17.7% of the total energy needs of the Nine, as against 17.1% the year before. This increase was apparently used up by industry and the domestic sector rather than in generating electricity. In fact, the use of natural gas in power stations actually fell last year. In 1979 20.4% of the gas used in the Common Market was imported, being a net increase of 23% on the 1978 figures. By way of comparison, it is worth noticing that only 1% of natural gas used in the EEC was imported in 1970 and only 11% in 1977.

TELECOMMUNICATIONS: Competition in space

The French and German governments have recently agreed on a project to build a direct-link TV satellite which should be in orbit by 1985. This bilateral project appears to be in competition with the "Ariane" space launcher and satellite programme of the "ESA" (European Space Agency). The prototype "Ariane" rocket was recently successfully launched from French Guiana.

In fact, as part of this ambitious project the ESA is planning to put a heavy space platform into orbit which will incorporate an Italian-built TV link. This "Ariane" scheme has the advantage over the Franco-German satellite in that it will be in operation sooner.

The EEC is very interested in any project to improve Europe's communications and these TV links will enable pictures to be broadcast directly to domestic TV aerials in the EEC member countries with much improved reception.

TRANSPORT: Possible canal link between the Rhône and the Rhine?

European MP Mr. Charles-Emile Loo (France - Socialist) recently asked in the European Parliament in Strasbourg whether there was any decision yet on linking the two great European rivers of the Rhône and the Rhine and thereby allowing water traffic to pass freely between the North Sea and the Mediterranean. He felt that this would be the cheapest means of transport for many goods and would certainly boost the European transport infrastructure. The Commission replied that it was first of all up to the French government to put forward a detailed scheme.

COMPETITION: Free competition between Europe's Lotteries?

Most EEC countries have some form of national lottery or "sweepstake", where for the price of a ticket people can dream of winning a small fortune. Whether it's the French "Loterie Nationale", the Dutch "Staatsloterij" or the British "Premium Bonds", or even the newer and very popular "Lotto" of France and Belgium (where instead of merely "buying" a number, one has the chance to choose a series of numbers to win), the aim is to win a lot of cash for the minimum effort. The popularity of these national games of chance never seems to fail and it is, for the governments of the nine Member States, a very welcome source of extra revenue. Now the question has arisen whether there is "free competition" between these various lotteries. A member of the European Parliament Mr. Eugène Remilly (France - European Progressive Democrats) recently asked the Commission if it knew anything about a version of the German National Lottery selling tickets in France and if this was allowed under EEC law. The Commission said that the responsibility for regulating lotteries on national territory was very much the affair of the member countries of the Common Market, although in making any rules about them the countries must not discriminate on the grounds of nationality or residence. The EEC has not so far made any rules governing state lotteries. The Commission admitted that it had not heard about any German lottery selling tickets in France.

CONSUMERS: Eggs - when were they laid?

One of the main purposes of Common Market food regulations is to make sure that the food reaches the consumer in the freshest possible condition. Efforts are made to encourage supermarkets and other retail outlets to date-mark their food products to show how fresh they are and by what date they must be eaten. Obviously this dating is even more important with highly perishable foods such as eggs and dairy products. Here it is vital that the consumer is told just how long the food will keep fresh. Eggs have proved a problem because there are two possibilities for date-marking, either the date the eggs were laid or the date when they were packed. Logically it would seem to be better to use the date of laying but there are difficulties here, which were recently highlighted by a question in the European Parliament. Mrs. Mechthild von Alemann (Germany - Liberal), explained that in Germany before the EEC regulations were adopted, it was possible to work out the date of laying from markings on the packing. Now, with the Common Market regulations in force this was no longer possible. The Commission explained that ideally the date of laying would be used but it was impossible to control this date-marking process at the farms, where the cost would be prohibitive for the farmer. It was better that the egg-packing stations should deal with the marking. They have a choice in this, either they can mark the week when the eggs were laid or mark the date when they were packed. In this latter case the packer has the responsibility to make sure that the eggs he packs are fresh and ready for sale to the consumer.

TRADE: A new agreement for cocoa?

The value of world cocoa imports added up to a massive 6 million dollars in 1978. This commodity is a vital source of revenue for certain developing countries of the Third World, notably those countries associated to the Common Market (the ACP states) by the Lomé Convention. 60% of the world supply comes from the ACP countries.

An international cocoa agreement was signed in 1975 and it is due to expire on 31 March this year. At the moment the International Cocoa Council is meeting in London to try to negotiate a new agreement. The discussions between the importing and exporting countries have not been entirely problem free as the exporting countries, under the initiative of the Ivory Coast and Brazil, are demanding higher prices and stabilisation funds than are acceptable at the present time to the importing countries.

As the U.S.A. was not present during these negotiations the EEC countries had an important role to play on the side of the importing countries (the EEC was given 560 votes out of a total of 1000). The Common Market is defending its interests and particularly making sure that no concessions are made on price levels for cocoa without corresponding advantages for the importing countries. Hopefully, a new fair agreement will result from these talks.

WHAT'S BEEN HAPPENING IN THE EEC THIS WEEK?

COUNCIL: As European Community Farm Ministers meeting in Brussels on March 3 and 4 were unable to find a solution to the controversy over lamb imports into France, the European Commission said it would ask the Court of Justice to end French restrictions on such imports.

COMMISSION: Ministers of the European Community and the five states of the Association of Southeast Asian Nations (ASEAN) met in Kuala Lumpur, the capital of Malaysia, on March 5 to sign the new trade and economic cooperation accord between the two.

COMMISSION: European Commissioner Lorenzo Natali spent several days in Lisbon recently laying the groundwork for the negotiations aimed at the accession of Portugal into the European Community.

COMMISSION: European Industrial Affairs Commissioner Etienne Davignon represented the Community in an international meeting in Paris to discuss the world steel crisis, where he said that 120-125,000 jobs had been lost in the EEC steel industry in recent years.

Can Europe ever be freed from the tyranny of its oil imports? Can she become self-sufficient in energy production to such an extent that by the end of the century she will be ready to tackle the economic problems of the 21st century? Will Europe be the first continent of the world to put the new fusion technology to work for man - in other words, can we bridge the "energy gap" and reach the promised land of cheap, clean, and largely danger free energy production. These questions have been taxing EEC experts for long years now and still there seem to be no clear answers available.

Many ideas, many dreams, many thoughts, but how much is actually being done at a practical level to find the answers? At St. Denis-en-Vol, near Orleans in France, 16 acres of greenhouses are being artificially heated by water pumped up from a depth of 1500 metres, already hot from its contact with the heated core of the Earth. At Culham, Oxfordshire, in the UK, the nine Common Market countries are pitting their combined scientific wits in a massive attempt to find the "genie in the bottle" - fusion, that process that fuels the sun and provides all the primordial energy in our solar system. Already a lot of progress has been made. High in the Pyrennees, solar power stations are already providing vital Kilowatts of energy for Europe's needs.

While the funds to operate these projects may be enormous, they also have the beneficial spin-off of providing jobs in many different fields for the Common Market labour force. Recently the European Commission published an estimate of the sums needed to satisfy Europe's energy requirements and the number of new jobs that will as a result be created to carry out the schemes. It is interesting to note that for the insulation of houses, factories and officies alone, 300,000 new jobs will be provided over a 10-year period. The cost of this project will be something in the order of £31 billion. Other projects such as wind power, solar power, tidal energy etc., will use between £ 12.5 and £25 billion.

Hydroelectric schemes will cost a further £22.6 billion. In total the funds earmarked for the four main areas of activity - insulation, electricity generation without the use of oil, new sources and hydrocarbons - will cost some £142 billion. If the "energy gap" can be bridged, then every penny will have been worth it, for the only alternative is disaster for the world as we know it today. This sum does not take into account, of course, the huge amounts being spent to make the internal combustion engine of the motor car more efficient and ultimately to find an effective alternative to it.

On this last point the European Commission will obviously take no financial steps as the development of better and more energy saving means of transport is the responsibility of the motor companies who are stepping up their research to an even higher level.

One can perhaps take the example of rail travel to illustrate the difficulties of precisely forecasting future trends in the energy field. A few years ago a great campaign was started against the use of the diesel locomotive. It was said that the diesel was noisy, polluting, but above all enormously wasteful in fuel. Therefore, a tremendous effort was made in the 1960's and 1970's to electrify Europe's railways or at least, the mainlines. This was largely done and whilst a far greater efficiency in modernised rail service was established the energy saving was never the large amounts that had been hoped for. The reason, of course, was that most of the electricity generating stations were fueled by oil and after the massive price increases of 1973/4 any electricity generated using oil cost proportionately more. Therefore the cost of providing the electricity for the huge new electrification programmes cost more as well.

Is it possible to cut down on the use of oil in electricity generation? There are moves afoot to make much greater use of hydroelectric power, but of course the number of areas geographically suitable for this form of energy are strictly limited. More important probably from the point of view of cost-saving in electricity generation, is the future use of coal-fired power stations. Europe has always had an abundance of coal and it seems logical now to make further and more effective use of it. However, as the majority of existing stations use oil, the conversions to coal use will take time. Until new ideas can be put effectively to work, Europe will have to pay a heavy price for any electricity produced from oil.

There are, therefore, no complete answers to the various problems posed by the "energy gap" and the best policy already seems to be to use, as effectively as possible, the various different energy ideas. No single source will suffice and therefore they must all be tried.

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