

Week of January 12 to 17

ENVIRONMENT : Keeping the seas clean ...

- The pollution of the seas was the centre of a debate held at the European Parliament, January 13, which heard four reports concerning different aspects of the problem. The Parliament, which was attended by Greek representatives for the first time, was meeting in Strasbourg.

The European Commission has already made several proposals in this area. One of these has focussed on the need to set up an EEC-wide information system for the prevention of marine pollution by hydrocarbons. The Commission has also called on Member States to ensure that sea-going vessels using their ports conform with international security standards.

Parliamentarians have also made suggestions concerning such questions as the prevention of marine pollution and the fight against ecological disasters which can still occur despite all preventive measures. These recommendations will be studied by the Commission shortly.

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This newsheet is published in six languages (English, French, German, Dutch, Italian and Danish) by the Directorate-General for Information of the

Commission of the European Communities,
Rue de la Loi 200 - 1049 Brussels Belgium
Tel 736 60 00 - Telex 21877 COMEU B.

Its contents do not necessarily reflect the official views of the Community institutions

Editor Will J Reckman



ENERGY : EIB invests more than £ 2.7 billion in energy development

The European Investment Bank which began its operations in 1958, has invested a total of £ 2.7 billion in energy production, transport or stocking projects in an effort to help European Community countries come to terms with their different energy problems. Some of these loans were also extended to the Community's "associated" partners.

Within the Community itself, EIB financing of energy projects totalled about £ 7.5 billion at the end of September 1980. This aid, which represented 17 % of EIB loans during the period 1958 to 1972, rose to 38 % during 1973 to 1979. In 1979 alone, the energy sector absorbed about 45 % (£ 625 million) of the loans extended to Member States.

The energy problems facing the developing countries, particularly the African, Caribbean and Pacific (ACP) countries which are members of the Lomé Convention, were also taken into account by the EIB. Loans to the ACP at the end of 1980 stood at £ 327 million (some of these also went to the Community's overseas countries and territories).

Although most EIB loans in this sector since 1973 - the year of the Arab oil embargo and the consequent increase in oil prices worldwide - have been used for the development of nuclear and hydroelectric energy, the exploitation of oil and gas fields, and the installation of gas pipelines, the Bank has also extended loans for the promotion and development of resources which could replace oil and the reduction of energy consumption and more rational energy use. Such loans have, for the moment, mainly been extended to companies in Italy (such as Fiat) and Ireland.

EIB experts estimate that the projects financed by the Bank during the period 1973 to 1979 could allow the Community to reduce its oil imports by between 100 and 110 million tonnes per year. This represents about 19 % of the oil which the Community would probably have had to import in 1985 if these investments had not been undertaken.

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EMPLOYMENT : A special poll to measure the work force

A vast operation to sound out the European Community's work force will be conducted this spring. Each member country of the Community of course already possesses statistical information about its workers, but these don't represent a sound base for useful comparison. That's why, in an attempt to gather data that is comparable on a European scale, the European Commission has been conducting harmonised and synchronised polls throughout the Community since 1968. This means that a specific number of representative households fill out the same questionnaire at the same time throughout the member states.

The last of these samples was carried out in 1979 and a new effort is planned for the spring of 1981. The current economic situation and the major changes which have taken place on the labour market since then justify more than ever this type of exercise. In addition, the recent accession of Greece to the European Community adds a new dimension that should be taken into account.

This probe will be carried out in each of the member states, in a sampling of representative households with the number in each country varying from 30 000 to 100 000 depending on the size of the country. In other words, more than half a million households will be interrogated within the scope of this investigation.

The information will be gathered by the statistical services of the member states on the basis of a list of questions established by the European Commission in collaboration with national experts. The questions relate essentially to three types of information. First, the individual characteristics of all the persons in the households questioned, then the professional activities of these persons (their status, industry, number of hours worked and other similar information) and, lastly, on the time spent finding work and the motives for changing.

Thanks to the information collected, more precise knowledge on the employment and unemployment conditions and their evolution at the European level will be available.

It is well understood that all individual information communicated through this poll will remain secret and could never be used for anything but statistical reasons. This should ease the minds of persons worried about the prying eyes of the tax collector or others.

EMPLOYMENT : A realistic look at unemployment

Every passing month sees the publication of yet another series of statistics showing that unemployment has reached "record" levels within the European Community. Faced with such an uninterrupted and spiralling increase in figures it is necessary to take an objective look at the Community's long-term unemployment trends.

Unemployment in all EEC member states in the 1960s was at a reasonably low level. The total number of registered unemployed in the EEC fell from 2.5 million in 1960 (2.5 % of the active population) to 2.1 million in 1970 (2 % of the active population).

Rocketing unemployment figures coincided with the oil crisis. The percentage of unemployed persons in the European Community increased from 2.9 % in 1974 to 4.4 % in 1975 and 5.6 % in 1978, that is just slightly below 6 million registered unemployed.

Recent statistics indicate that the total number of unemployed today is about 7.6 million (November 1980 figures), of which 3.4 million are women. Unemployment is therefore very definitely on the rise - at increasingly faster rates (+ 24.5 % between November 1979 and November 1980). The percentage of unemployed persons is higher than 10 % in Belgium and Ireland. Lowest unemployment rates can be found in Luxembourg (0.9 %), Germany (3.7 %) and in the Netherlands (5.8 %). These national rates, however, often hide significant regional differences. Generally speaking, it is in the economically strongest regions that unemployment increases have been most rapid, but it is also these regions that have shown the greatest adaptability.

According to a recent report published by the European Commission, this increase in unemployment is due to a combination of three main factors. Firstly, employment has hardly evolved since the beginning of the decade. Secondly, an increasing number of young persons are joining the active labour force, and thirdly, the number of working women has also increased. It is therefore, the Community's growing work force which has contributed the most to the current unemployment problem in the 1970s. It is clear, however, that the economic crisis also played a part, although it did not make more of an impact than the difficulties created by an increasing work force and not enough jobs to go around.

Experts indicate that the active working force will increase in the 1980s and then level out. It is quite probable that unemployment could increase in the coming years - to even higher levels - but could be absorbed in the next decade.

URBANISATION : Two-way traffic

Large numbers of people have been changing their minds in recent years - especially about where they live and work. The age-old question of whether it will be the city or the country is still just as much of a problem as it has always been.

A recent study on the regions of Europe published by the European Commission in Brussels examines this and a number of other social and economic problems of a regional nature. In a survey of the extensive migrations from rural regions to urban areas and back again which have taken place in the past decades, the report notes a clear difference between two groups of countries in the European Community. First there is a noticeable difference between countries such as Germany, the United Kingdom, the Netherlands and Belgium, which have seen a relatively small but nevertheless steady decline in the proportion of their population living in urban areas since 1960, and on the other hand, France, Italy and Ireland, which have experienced fairly sizeable increases in their urban population.

What these studies found is that while the massive urban concentrations still remain, there has been a trend away from town centres and toward the peripheral or suburban regions, unfortunately leaving the sometimes overcrowded urban cores for poorer residents while building up the economies and infrastructure of the suburban areas. Statistics indicate that, except for Italy and Greece, the increase in the urban population in the 1970s has been concentrated in urban areas below 50,000 in population, while the growth rates of the large agglomerations of 500,000 or more have been slowing down.

This is seen as being advantageous in that the trend may be easing the problems associated with overconcentration of the population, such as housing, transportation and even economic conditions. And it may be bringing about a more even geographic balance leading to a better development of smaller urban areas.

But despite these vast movements of population, the figures indicate that the regions of the European Community that were the most crowded and the least populated have largely remained at those two extremes. The population density in Ireland, the Highlands and Islands of Scotland, mid-Wales, several departments of Central and Southern France and Corsica has remained below 30 persons per square kilometre. The most densely populated, including the 14 strongly urban regions with densities of over 500 inhabitants per square kilometre, are still largely in areas stretching from North and Northwest England down through the West Midland and Southeastern England on into Nord-Pas de Calais in France, covering most of Belgium and Dutch regions and Central Germany, as well as Paris, plus Copenhagen, Lombardia, Liguria and Campania in Italy.

COMMISSION : Death of Finn Gundelach

The new Commission presided by Gaston Thorn has lost one of its most lively forces. One of its most eminent members, Finn Olav Gundelach, who was responsible for agricultural and fishing policy, died in Strasbourg, 13 January at 9.30. He was 55.

Mr Gundelach had been the Danish member of the Commission since his country's entry into the Community in 1973. Under the Presidency of François-Xavier Ortoli, he handled the customs union and the internal market. Between 1977 and 1980, he was a vice president of the Commission and was responsible for one of the most important sectors of European policy, the common agricultural policy.

Gaston Thorn described the death of Mr Gundelach as "an irreplaceable loss for the Community, for Denmark and for Europe". He praised his courage, his knowledge and commitment.

In the opinion of all his associates, Mr Gundelach was a tireless worker who knew his subject intimately. He was also an exceptional negotiator. Before joining the Commission, Mr Gundelach was a diplomat. During World War II, he was a member of the Danish resistance. After the war, he became the president of the students' union at Aarhus University, where he studied economic science, and then vice president of Denmark's national union of students.

From 1951 to 1955, he was in charge of matters relating to NATO and the OECD in the Danish Foreign Ministry. From 1955 to 1959, he was the permanent representative of his country at the United Nations in Geneva.

From 1959 to 1961, Mr Gundelach was director for trade policy of GATT (the General Agreement on Tariffs and Trade). In this role, he participated in the Kennedy Round of world trade negotiations. From 1967 to 1972, as Danish ambassador to the EEC, he negotiated his country's entry into the Common Market.

At the time of his death, Mr Gundelach was working on the reform of the Community Agricultural Policy.

He is succeeded by Poul Dalsager, Denmark's Agriculture Minister.

U.S. - EC Relations : Interdependence is Strong
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The tensions that have surfaced in the past year between the European Community and the United States, especially in the area of foreign policy, have led to worries on both sides of the Atlantic that relations between the two bastions of the industrialized western world could be heading for a rough period.

However, no matter how leaders in Washington and Brussels may feel on issues such as Afghanistan and Israel, the fact remains that, where trade is concerned, the links between the United States and Europe remain extremely close and are growing stronger, especially if the past decade is taken as an example.

Of Europe's trading partners, the U.S. is both the largest customer for Community goods and the primary source for EC imports. From the American point of view, the Community is the main market for U.S. exports, while it ranks second to Canada in importance as a source for U.S. imports. In 1979 alone, the Community sent more than \$ 33 billion worth of goods to the United States. However, in the same year, Europe imported more than \$ 42 billion of items from its transatlantic partner, leading to a 9.3 billion dollar deficit for the Nine.

Total trade between the two has increased threefold since 1972.

The Community's negative trade balance with the United States more than tripled between 1978 and 1979, although it had actually been reduced between 1975 and 1978. This improved trade situation for the United States appears to be part of an overall pattern of more favourable trade relations with other industrialized nations (its deficits with Japan and Canada were diminished in recent years) offset by rapidly growing deficits with oil-producing developing countries.

Trade relations between the EC and the United States are conducted within the framework of the GATT agreements, the most recent of which was conducted in 1979 - the so-called "Tokyo Round".

While Community tariffs on industrial products have been relatively low, EC exports to developed countries have often come up against high tariff barriers. Thus, the Tokyo Round agreements provided for a gradual reduction of certain U.S. tariffs and the eventual harmonization of customs barriers.

These tariff cuts began in 1980, with the exception of the steel and textile sectors, where tariff reductions are to begin in 1982. In textiles, tariffs will be cut by both the U.S. and the EC, while in areas such as steel, machinery, transport equipment, ceramics and glass, it is the U.S. which will make the most concessions. The Community is to make substantial cuts in its duties on paper goods from the United States.

Community trade with the U.S. is heavily dependent on manufactured goods, with the United States enjoying a substantial trade surplus in capital goods trade. However, agriculture also plays an important role; the Community represents the most important market for U.S. agricultural exports. Grains are especially important U.S. exports to the Community, while the past few years have seen a phenomenal growth in Community imports of soya beans and soya products from America.

EC agricultural exports to the United States are on a much smaller scale, representing approximately 30 per cent of the total U.S. agricultural exports to the EEC. Many of the most important Community agricultural exports, such as dairy products and ham, are subject to quantitative restrictions in the United States. In addition, European farming remains by and large less efficient than its American counterpart.

U.S. exports to the EC of products which are neither agricultural nor manufactured have grown in recent years, particularly exports of gold and coal.

Of the Community countries, the United Kingdom and the Federal Republic of Germany are the United States' largest trading partners, taking 45 % of U.S. exports to the EC and accounting for 54 per cent of the goods sent from Europe to the United States.