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The Week of May 19 to 24

PARLIAMENT : The conscience of Europe

From the benches of the European Parliament in Strasbourg the questions and speeches by the Members often cover the most diverse subjects, from the protection of song-birds to export subsidies for mink skins, to cite only two recent examples.

But if there is a theme that surfaces more frequently than others in the debates, it is human rights. Arrests, arbitrary imprisonment, bloody repression, death sentences, deplorable conditions of detention, torture, wiretapping; the European Parliament has intervened in such cases on a number of different instances in recent months, a testimony to the frequency of violations of human dignity in the world today.

The word democracy still has meaning in the European Community. That's why Europeans should be pleased that the European Parliament is helping to magnify the voice of Europe's conscience.

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- CLOSE UP : p. 5 ENERGY 80 : Actions and predictions

Last week we reviewed the production, imports and consumption of energy in the European Community in 1979. This time we are presenting the outlines of a new joint energy policy proposed by the European Commission.

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ENVIRONMENT : Ecological studies and protection

Ecological problems which have arisen in recent years have been a matter of major concern for European Community authorities. Since 1971, in fact, the Community began considering the broad outline of a joint action programme of environmental protection.

From that moment on, this joint planning has always had a double objective of, on the one hand, ensuring efficient management of natural resources and our common heritage and, on the other hand, to introduce qualitative analysis of the consequences on the environment of economic and social organisation and development.

Such an action programme was adopted in 1973 and brought up to date in 1977. The main element of this programme has been the regulatory and legislative effort to reduce pollution. It is noteworthy that, in only seven years, the Community has adopted 58 measures in this field, 15 of which are concerned with reducing water pollution, 10 aimed at air pollution, seven on waste, eight to combat noise pollution and four on the protection of the environment and natural resources.

In addition, the Community has actively participated in the preparation of several international conventions against different types of pollution. Campaigns have also been directed at raising public consciousness.

A special network of pilot schools interested in environment education and training has been created in all Member States of the Community. Among the other projects in the process of realisation are the establishment of a system of ecological mapping. The method, which is currently being applied on a test basis in six regions of the Community, will allow for a rational and scientific assessment of the environment which will ensure more appropriate economic and social planning.

This mapping plan will be supplemented by a related system of quality indicators of the urban environment which will be tested in different Community cities, beginning with Rouen in France in 1980. Once perfected, the system will be made available to local public authorities throughout the Community for their own use.

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WASTE NOT, WANT NOT

How many trees and forests have to be sacrificed to provide enough paper for a major European city's telephone books or newspapers? Not to mention the multitude of other domestic and industrial uses of paper and cardboard. The European Community consumes a lot of paper and most of it is imported. The amount of money spent on imports of wood and paper pulp is second only to the oil import bill. What is more this drain on funds is expected to get even worse since the growth of forest resources inside the Community countries is unlikely to keep pace with the internal demand for wood and paper products.

But some European countries have yet to establish an efficient system to combat this continuing consumption of scarce natural resources.

In an effort to correct this deficiency, the European Commission in Brussels has just recommended that the member countries agree on a joint programme to encourage the reclaiming and recycling of the mountains of waste paper and cardboard products which now literally go up largely in flames. In a study accompanying its recommendation, the Commission observed that the annual consumption of paper and related products was about 30 million tonnes in the Community. Its trade deficit in this sector amounts to the equivalent of about 16 million tonnes, while only 10 million tonnes of the 25 million discarded by European households and industries is recovered and reused.

What the Commission proposes is that a greater effort be made to stimulate the use of recycled paper in public administrations as a start. Currently, only France has an active policy in this field. Belgium, Luxembourg, Italy and Germany recommend that governmental services use as much recycled paper as possible. While efforts are also made in other countries, what is now being recommended is that such policies be adopted at the national, regional and local levels as well.

The advantages would mean savings in raw materials, money, energy and the cost of pollution control associated with the entire paper and pulp industry.

Part of this new programme would also involve an information and education campaign for consumers and industries and additional aid to research and new technologies that still have to be perfected to increase the reuse of waste paper products.

TRANSPORT : The Chunnel again ...

For centuries men have dreamed of linking Britain to the Continent by means of a tunnel under the English Channel. From time to time the idea has been under serious consideration, but the cost has generally been a prohibitive factor.

It is 178 years since Napoleon first came up with such an idea, and now, thanks to the efforts and farsightedness of the European Commission and, in particular, of Transport Commissioner Richard Burke it seems that we may well have the opportunity in our lifetime of driving back and forth across the watery divide by means of the Chunnel. The form of transport could be anything from a single-track rail tunnel, a road bridge plus a single-track rail tunnel or a double-track rail tunnel. That all sounds very technical and expensive, but the problem of money may be overcome. While the Community could eventually contribute as much as 20 % of the cost, private rather than public capital may well have to provide the rest. The project will thus have to be commercially viable but, according to a Commission study, the financial rate of return would make it a worthwhile proposition for a business consortium. Of course, this is again dependent on the French and British governments agreeing to the venture. There is unlikely to be a shortage of custom. The journey from London to Paris would be cut to 4.5 hours and high-speed trains could make 120 crossings a day. They could also be capable of carrying 6 million passengers and 5.5 million tonnes of freight a year by 1988. This time it seems possible that the Chunnel plans will come to fruition and Europe's transport network will be revolutionised in a way that even Napoleon hardly dreamed possible !

SPORT : Transfer of football players

Italy was the first European country to accept football players from other countries. As a follow-up, most of the other countries matched this example, and a number of successful European teams owe their reputations to top-flight imported foreign players. Nevertheless, national sports federations have succeeded in imposing restrictions on the number of foreign players allowed per team to leave a chance for national players. The European Commission in Brussels recently adopted an opinion on this topic. It ruled that any obstacle to the transfer of a player from one Community country to another violated the provisions of the EEC Treaty protecting the free movement of workers inside the Community.

Until recently, the industrial world had always based its economic system on the availability of cheap supplies of energy, principally coal in the 19th century and gas and oil in the 20th century. But between now and the end of the century, and perhaps beyond that, energy looks like being in short supply.

As a result, prices should steadily increase. That's why the stabilisation of our economies, never mind economic growth, is a priority which demands a thorough reorganisation of present structures. This reorganisation is naturally preoccupying minds at the European Commission in Brussels. The European Community steel does not have a true common energy policy to face up to this challenge. The Community, in fact, only possesses specific powers to deal with coal and nuclear energy. These powers entrusted to it by the nine Member States have enabled it to participate in the financing of new electric power stations, to stimulate energy savings, and to set in motion a research and development programme on alternative sources of energy. It may be expected that after the substantial increases in crude oil prices registered in 1979 (close to 120 percent), that 1980 will offer the European Community a respite during which it can more adequately develop its energy policies. It's indispensable that this opportunity be seized to avoid the risk of gravely compromising the economic future of the nine member countries.

A few weeks ago, the European Commission addressed a series of reports to the Council of Ministers aimed at defining the major outlines of a Community energy policy. These contain several major points.

The Commission, for one thing, forecasts an increase of some 60 million tonnes in coal production for the next 20 years. The United Kingdom and Germany will account for all of this increased production that will be used by electric power stations and certain industries. On the other hand, the demand for coal in ordinary households will continue to decline.

The Commission also feels that, by the year 2000 at least, five coal liquification and gasification plants should be in operation inside the Community and that they should consume some 5 billion tonnes of coal each.

The Community authorities also believe that there is an absolute need to develop nuclear energy. But even while developing such power, they feel it is imperative to take the maximum amount of precautions for security and safety of the environment.

A number of measures have already been adopted concerning the processing of nuclear materials, the elimination of radioactive wastes and fast-breeder technology.

Nevertheless, the two main pillars of the Community energy actions will be designed to concentrate on pricing and tax policies as well as the investment rate in this sector. The increase in oil prices last year were in part absorbed by national budgets and were therefore not completely passed on to the consumer. This pattern, which helped reduce short-term inflation, nevertheless had a number of unfortunate consequences. It actually reduced the drive to economise energy and develop new sources, and it made economic evaluations and predictions more difficult.

The three types of taxes that have an impact on energy are general consumption taxes such as VAT, special excise taxes on consumption and customs duties. The latter may hit 6 percent for refined products. Difficulties arise from the fact that these tax rates vary according to the type of energy and according to the different member countries. In general, taxes are higher for petroleum products than for other forms of energy and they are also higher for the private consumer than for industry. The highest rates are found in Denmark, France and Italy and the lowest in the United Kingdom and Ireland.

These differences create commercial competition distortions between the EEC member countries and disrupt consumption. That's why the European Commission feels it is essential to seek a gradual harmonisation of prices and taxes inside the Community. This coordination would allow for a better measurement and control of the effect of energy price increases on inflation and employment and to maintain coherent policies aimed at reducing the dependence on imported petroleum. But there would also be important side-effects on the redistribution of revenues and expenditures between the member countries and might have to be accompanied by corrective measures. The other main pillar of the Community policy will concern investment. For the 1980-1990 period, the nine Member States expect to invest a total of about £ 244 billion in the energy sector. These are impressive figures but they will probably not keep potential demand from surpassing the available supplies in 1980.

For imports to remain at their current levels, which should be a maximum goal, the Commission feels that commitments should be made in the early years of this decade for additional investments from £ 30 - 60 billion. Consequently the Community must undertake a major policy effort aimed at encouraging these investments. It must aim at eliminating all political, administrative, financial, technological or psychological obstacles in the way. No potential alternative sources should be discarded

by the investors, even if at this moment only geothermal and solar energy are commercially possible in the Community. To accomplish this programme, the Community will supplement the existing national actions by providing aid, in the form of subsidies, loans, interest rebates and others, to specific projects.

But it remains to be seen how the necessary sums to finance this mammoth commitment will be found. One of the possible solutions considered, which seems to be making some headway, would be by means of revenues collected from a Community tax on energy production and/or consumption, or a levy on imports.

THIS WEEK : The week's agenda

PARLIAMENT : For the second time, the European Parliament meeting in Strasbourg on May 20 again failed to thoroughly debate a recommendation that Europe should take steps to defend its oil supply routes in the Gulf and Indian Ocean and instead decided to send the suggestion back to Committee for further study.

COMMISSION : The Mediterranean, which is not only the cradle of civilisation but a popular holiday area for Europeans may be a cleaner place as a result of a treaty signed in May by countries along its rim and the European Community to combat the dumping of land-based chemicals and wastes into its increasingly-polluted waters.

COUNCIL : The looming problem of steadily increasing number of workers entering the Community from new Member States in the coming years was one of the main subjects discussed at an informal meeting of European Community Social and Employment Ministers in Venice on May 15 and 16.