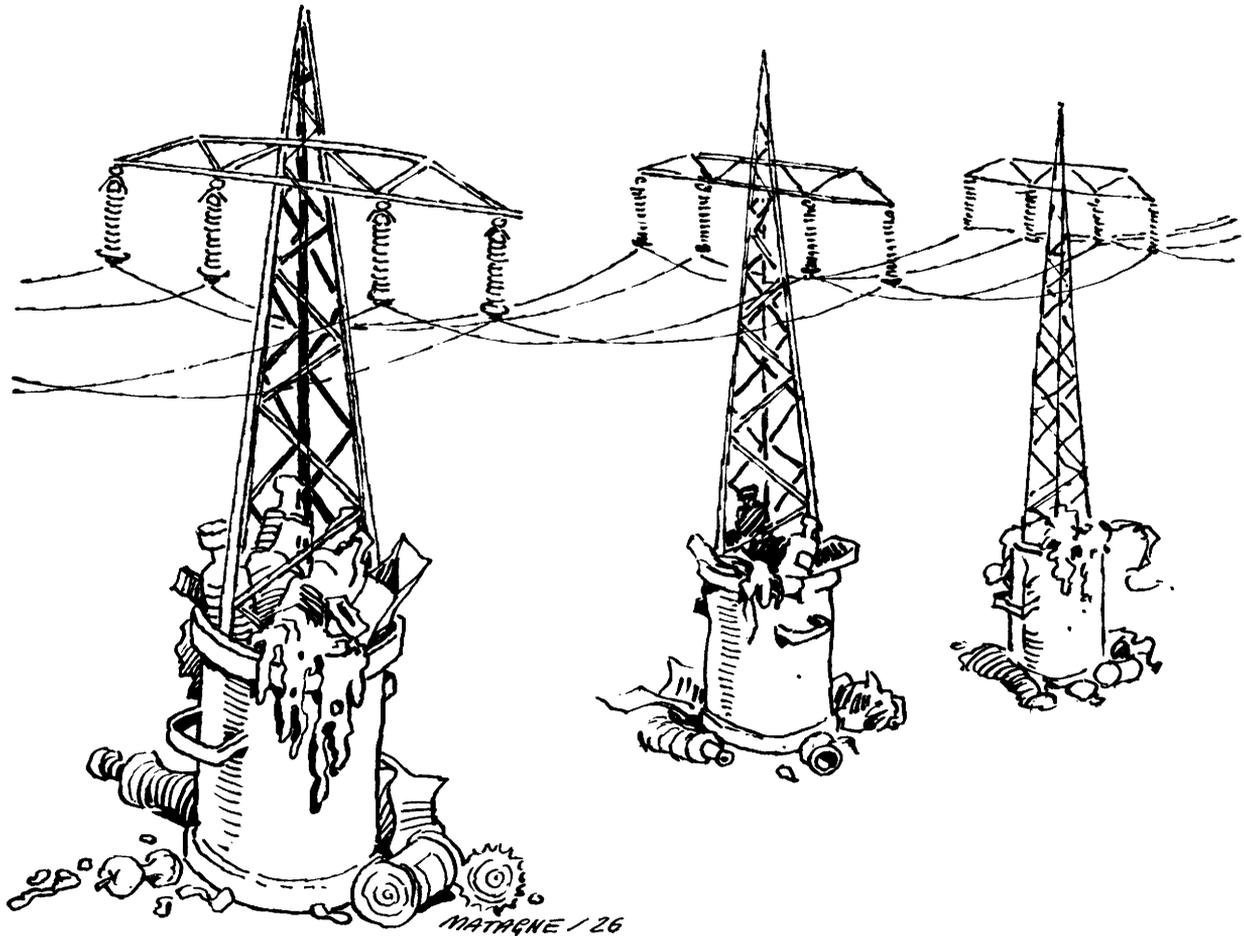


Brussels, 11 July 1978

N° 27/78



The Commission and the Waste Management Committee are looking for the best way to tap the valuable resources in Europe's waste (see page 3).

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Directorate General of Information
Rue de la Loi 200
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IN THIS ISSUE

- ++ The growth of Europe's regions (p. 3)
- ++ Ecological and economic necessity of waste recycling (p. 3)
- ++ Electronic circuits : Europe lags behind (p. 3)
- ++ Technology and jobs (p. 3)
- ++ Electric ups and downs (p. 4)
- ++ Beaujolais and Beaujolais (p. 4)
- ++ Undeclared labour and tax (p. 5)
- ++ Community gypsies (p. 5)
- ++ Steel pollution (p. 5)
- ++ Environmental research (p. 6)
- ++ Euro trade unions (p. 6)

++ THE GROWTH OF EUROPE'S REGIONS

The criteria for allocating aid from the Regional Development Fund to Member States has been modified. From now on, five percent of the Fund's total resources will be kept apart and used to finance specifically Community projects or to resolve new regional problems caused by the economic crisis.

In Annex 1, Euroforum outlines the new arrangements for the Regional Development Fund.

++ ECOLOGICAL AND ECONOMIC NECESSITY OF WASTE RECYCLING

The Community produces one and a half million tonnes of waste each year and many valuable resources are just lost on the rubbish tip. The Community's objectives are to reclaim, reprocess and recycle usable raw materials and dispose of the rest without harming the environment.

The work of the Community and the Waste Management Committee are explained in Annex 2.

++ ELECTRONIC CIRCUITS : EUROPE LAGS BEHIND

The Community currently imports 90% of its integrated circuits. To reduce this dependence and catch up on competitors, European countries will have to get together and pool their efforts.

The arguments for developing a European electronic circuits programme are discussed in Annex 3.

++ TECHNOLOGY AND JOBS

Machine operators are increasingly being made redundant by completely automatic machines and Mr. Patrick Joseph Power of the European Parliament has been asking the Commission about the long-term consequences of this.

The Commission stresses the two-sided nature of automation. On the one hand, automation is part of the long term process of technical progress which is the principal basis for the rapid increase in our standard of living, the Commission explains, and consequently increases in wages and improvement in working conditions. Automation on the other hand, and technical progress in the larger sense, demands a more mobile and adaptable work force. To help in vocational retraining, the Community provides aid from the European Social Fund, for example.

The Commission has been undertaking numerous studies on future employment and according to forecasts, the slow-down in the population growth between 1985-1990 should help relieve the pressure on jobs. Mobility and job retraining will be indispensable as will Community assistance.

++ ELECTRIC UPS AND DOWNS

Electricity consumption in recent years was highest in 1976 for all Community countries except the UK which peaked in 1973. For all countries, 1971 was the year when least was consumed.

Maximum and minimum electricity consumption 1971-76:
In Giga Watt hours/year (1 GWh = 1 billion Watt-hours).

	<u>MAXIMUM : 1976</u>	<u>MINIMUM : 1971</u>
Germany	297,163	232,710
France	182,852	136,989
Italy	140,750	109,560
Netherlands	52,781	39,358
Belgium	39,036	29,395
Luxembourg	3,310	2,601
United Kingdom	242,474 (1973)	218,500
Ireland	6,790	5,305
Denmark	18,277	13,900

++ BEAUJOLAIS AND BEAUJOLAIS

At the beginning of the century, the French champagne producers "Veuve Clicquot" took legal action against an American entrepreneur who was producing champagne under the same name after installing an American widow called Clicquot, President of the company.

This episode has been recalled by Willy Dondelinger of the European Parliament who has pointed out a similar possible abuse by Californian wine producers who are selling wine "made in USA" under the title of Beaujolais. Available in the UK and Belgium, this wine has an identical label to the real Beaujolais "appellation contrôlée" from France. Mr. Dondelinger has asked the Commission whether

it will take action and approach the American authorities to eliminate the unfair competition.

The Commission has replied that the situation mentioned by Mr. Dondelinger is an infringement of Community regulations concerning quality wines produced in certain regions, and also concerning the labelling and presentation of bottles. The Commission is to open an enquiry. Consumers will be protected.

++ UNDECLARED LABOUR AND TAX

The tax side of undeclared work affects both companies and workers. As far as the company is concerned, undeclared transactions amount to fraud since they escape direct taxation and VAT; in addition, companies are not paying social security contributions for their labour. The worker, by contrast, supplies his services at low cost while permitting the company or individual to escape paying VAT. The answer would seem to be to tighten up controls.

The campaign against undeclared work is part of national measures to beat tax evasion, particularly in the construction sector. Cooperation between national tax authorities could help and it should be recalled that there is a Community directive covering mutual assistance between Member States concerning direct tax. A further directive will extend this to indirect taxation.

++ COMMUNITY GYPSIES

The World Gypsy Congress has decided to set up a committee to study the problems encountered by itinerants in the Community. The European Commission has already been working on the problem and has, among other things, undertaken a study on the problems faced by gypsies as part of its effort to combat poverty.

++ STEEL POLLUTION

The European Commission has just granted 1 946 100 EUA (1 European unit of account = approx 1.2 dollars) to 11 projects dealing with pollution in the steel industry. The projects cover purification and inspection of residual water, the use and storage of waste, the reduction, trapping and precipitation of atmospheric pollutants, and noise measurement.

Most of the aid goes to two projects, one on the reduction of pollutants from coke ovens (579 000 EUA) and the second on a process to deal with steel industry by-products (360 000 EUA).

++ ENVIRONMENTAL RESEARCH

The Commission has just drawn up a revised research programme for the Ministers of the Nine on the protection of man and the environment from certain harmful substances. The new programme would require 20.8 million EUA (1 EUA = 1.2 dollars approx) and it would run for five years (4.8 million EUA more than the programme adopted in 1976).

Research will be concentrated in four main areas:

- the effects of pollution and other harmful substances (heavy metals, chemicals, organic chemicals oil, heat, noise) on the health of the environment;
- the reduction of pollution;
- the protection and improvement of the natural environment.

Of particular interest will be the ecological effects of oil-pollution cleaning techniques following supertanker accidents (as with the Amoco Cadiz); the effects on health and the environment of chemicals which are being marketed; the dangers of human exposure to asbestos; the effects of halocarbons used in aerosols on the ozone layer.

++ EURO TRADE UNIONS

To promote European trade unionism, the European Trade Union Confederation has set up - with the support of the European Commission - a European Trade Union Institute (see Euroforum N° 25/77). 500 000 EUA has been written into the Community budget as the annual contribution for 1978.

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THE GROWTH OF EUROPE'S REGIONS

Ministers of the Nine have just reached agreement on the revised European Regional Development Fund which is managed by the European Commission.

All Community countries are faced with the problem of balancing growth in their regions. At the Community level, the gaps between the rich regions (Hamburg, Paris, Brussels, etc.) and the poorest regions (Southern Italy, West Ireland, etc.) are even more striking. The economic expansion brought about by the creation of a Common Market was originally expected to reduce these disparities, but instead the differences have been increased.

Widening gaps

Italy's Mezzogiorno and parts of Ireland and France are typically underdeveloped areas and largely dependent on agriculture with low incomes, high levels of unemployment, underemployment, insufficient public infrastructure and a net migration of workers. Other problem regions are those which were formerly wealthy but whose success was based on industries which are now declining (coal, steel, shipbuilding, textiles, etc.). Such regions are mostly found in the UK and certain parts of France and Belgium and feature outmoded industrial structures and high unemployment levels. For those depressed regions situated at the periphery of their national territory and of the Community, things are made worse by communication problems. The economic crisis also hit the poor regions worse than the richer ones.

Various Community efforts.

The Community has been increasing its efforts to improve the situation in the regions. Exceptions for the poorer regions have always been provided for in Community policies and on top of this the Community has used various available financial resources to help regional development. Grants distributed by the Community amount to around 5 billion European units of account and they have been awarded to modernisation projects in the coal and steel industry or to attract new job-creating industries to the steel-producing areas. In 1977, these loans amounted to 740 million European units of account (1 EUA = 1.2 dollars approx.).

More than 1.5 billion EUA have been granted for training and retraining unemployed workers or those threatened by unemployment.

To help modernise farms and agriculture, the Community has so far spent 1.6 billion EUA.

Finally, the European Investment Bank has granted loans of 7 billion EUA, most of which went to regional development projects. In 1977, a total of 1.5 billion EUA was loaned, 69% of which went to regional development programmes.

European Regional Development Fund

These efforts were not enough, so in 1975 the Community created two specific instruments to reduce regional disparities : the Regional Fund and the Regional Policy Committee.

The European Regional Development Fund had 960 million EUA at its disposal for the first three years (1975 - 1977). Its budget for 1978 is 580 million EUA.

The Fund grants investment assistance likely to create new jobs or protect existing ones in the industrial and service sector, and also for infrastructure investments (roads, water supplies, industrial installations, etc.)

These investments should be in regions eligible for regional assistance from national governments. The Fund's resources are distributed according to criteria set down in the regulations governing the Fund. Requests for assistance are submitted by national governments.

Since its creation in June 1978, the European Commission has granted aid amounting to 1 600 million EUA distributed between 5 009 projects.

Aid is channeled through national authorities and either distributed to individual investors or kept as a partial reimbursement for expenditure incurred by the authorities.

Distribution criteria

The criteria distributing aid between different Community countries has just been modified. In particular, 5% of the Fund's total resources (approx. 100 million EUA for 1977-80) will not be subject to any prescribed criteria or national quota system. These resources can be used by the Community to assist in areas not covered by national authorities, to finance specifically Community projects and to help remedy regional problems which might emerge as a result of the economic crisis. This will give the Community greater flexibility.

The new division of the Fund will be as follows:

Belgium	1.39%
Denmark	1.20%
Germany	6.00%
France	16.86%
Ireland	6.46%
Italy	39.39%
Luxembourg	0.09%
Netherlands	1.58%
United Kingdom	27.03%

A more flexible definition of those infrastructure projects eligible for assistance has been introduced to ensure they are suited to regional needs and regional policy priorities. The maximum level of financing of infrastructure projects by the Fund in certain regions or priority zones has been increased from 30-40%.

Regional Policy Committee

The second instrument in the Community's regional policy is the Regional Policy Committee composed of national officials and Commission representatives. The role of this Committee which was set up at the same time as the Regional Fund, is to follow the development of the regions, to compare and analyse national regional policies which, of course, should be compatible with each other and with Community objectives. It also examines various aspects of Community activity to gauge its effect on the regions.

This is an enormous task and the results will only emerge in the medium and long terms, as long as the Community supports the policy with resolution.

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ECOLOGICAL AND ECONOMIC NECESSITY OF WASTE RECYCLING

Each year the Community produces 1 500 million tonnes of waste : 90 million tonnes of household waste, 115 m. tonnes of industrial wastes, 200 million tonnes of sewage waste, 950 million tonnes of agricultural waste and 150 million tonnes of waste from the extractive industries. Good year or bad, the level is increasing at 5% per annum, as is the cost of disposal. In 1977, Belgium had to spend BF 100 billion collecting household wastes alone.

For a number of years, people have been aware of the enormous loss of resources involved in waste and its detrimental effect on the environment. Public authorities have been trying to find techniques for economic and clean recuperation of the considerable energy and raw material content of these wastes.

Whilst there is no universal way of treating wastes, there are today a range of techniques which can provide satisfactory solutions both from the economic and environmental point of view.

But a lot of technical and economic errors have already been made - basically due to inadequate training or lack of knowledge among local officials.

At the Community level, the Nine's environmental protection programmes (1973 and 1977) promoted the objective of creating an environment which assures man the best possible living conditions whilst reconciling economic expansion with the increasingly imperious need to preserve the natural environment.

A general environment protection plan implies, quite naturally a vigorous campaign against wastage. Recuperation, recycling, reprocessing or disposal without harm to the environment are the principal ways of accomplishing this.

Waste Management Committee

On April 21st 1976 the European Commission decided to set up a Community Waste Management Committee to advise it on problems concerning:

- the development of a Community waste programme;
- different measures likely to ensure prevention, reuse or elimination of wastes;
- the application of Community directives on waste management.

The Committee also aims to assist the Commission in co-ordinating action being undertaken in Member States and identifying complementary measures which should be taken at the Community level.

Community legislation

Legislative activity to date has been rich and varied. The Council has already adopted five directives dealing with wastes and Member States are in the process of bringing their own legislation into line with these Community directives.

The directives adopted so far deal with:

- the safe elimination and reuse of wastes in general (outline directive);
- the reuse of waste oils;
- the elimination of PCBs (polychlorinated biphenyls);
- wastes from the titanium dioxide industry;
- toxic and dangerous wastes;

A number of other sectors are currently being examined by the Commission.

Production and disposal changes

Within the framework of the Community's environmental protection programme the Commission has been working with the assistance of the Waste Management Committee in two areas:

- studying ways of reducing waste at the moment of production and consumption, increasing the life of goods and modifying the design and composition of goods to facilitate disposal or recycling, encouraging manufacturers to use recuperable material as much as possible;
- promoting selective waste collection systems to facilitate reprocessing and reuse of wastes.

For two years the Committee, which has a number of sub-committees chaired by the European Commission, (packaging, waste paper, toxic waste, agricultural wastes, energy wastes, etc.) has been effectively assisting the Commission

in its anti-wastage campaign by proposing, on the one hand, a rational management method for "capital wastes", and on the other different methods for recuperating energy and essential materials.

Various preliminary investigations and surveys in the Community that have been undertaken by the Commission show that the most valuable forms of recuperation from the financial point of view (in terms of net value per tonne) are the recycling of metals, quality paper, the reuse of glass containers, the recycling of thermoplastics and tyres, tyre retreading, the recycling of certain textiles, the recycling and reuse of waste oils as well as use of straw to produce paper pulp. Another interesting area is the recycling of paper mixtures to produce cartons, the cleaning of solvents, and the production of animal foods from waste food.

The least profitable processes appear to be the use of materials to produce fuel or compost and the use of plastic to reinforce construction materials, and pulverised clinker and ash to be used for construction work and embankments.

Other financial criteria

There are often factors specific to each situation which influence the costs and viability of waste recuperation. In some urban areas, inhabitants cannot be forced to separate their rubbish before collection, and manufacturers can find themselves unable to treat their own wastes without heavy investments in new plant.

There are of course factors other than financial ones which have to be taken into account. Saving scarce resources - oil-based products and metals - is particularly important. In certain cases, recuperation can result in reduced pollution and less destruction of the countryside. This is particularly the case in extractive industries where primary processing can be relatively polluting.

The Commission role, along with that of the Waste Management Committee, is all the more important since the Community is heavily dependent on third countries for its raw materials. The Nine have to import some 60% of their paper and paper pulp requirements, and 90% of iron, zinc, tin and non-ferrous metals. Many of these metals are to be found - albeit mixed together - in our rubbish. They have to be saved.

The Community's Waste Management Committee is composed of 20 members, two representatives from each Community country and Commission representatives. National members are:

Belgium

Mr. I. VAN VAERENBERGH
Ministry for Scientific Policy

Mr. M. RENSON
Ministry of Public Health and the Environment
State administrative centre

DENMARK

Mr. E. MOLTKE
Head of division, Ministry of the Environment

Mr. S. SEITZBERG
Director of the Rezholdningsoelkabet, a non
profit making association which deals with
waste collection.

FRANCE

Mme J. ALOISI de LARDEREL
Assistant director for waste problems,
Ministry of Environment and Living Conditions

Mr. N. CLAMEN
Permanent secretary, raw materials and
economies,
Ministry for Industry and Research

GERMANY

Dr. G. FELDHAUS
Director, responsible for problems concerning
noise, air, water and waste,
Ministry of the Interior

Herr. W. LÖTZ
Head of division,
Ministry of the Environment

ITALY

Dr. V. PANUNZIO
President of the ecology and industry
committee of the
Ministry for Industry

Dr. E. PANETTA
Ministry of the Interior

IRELAND

Mr. J. COFFEY
"Chief Engineering Adviser" in the
Ministry for Local Government

Mr. L. Hopkins
"Senior Scientific Officer" in the
Institute for Industrial Research
Standards (I.I.R.S.)

LUXEMBOURG

Mr. C. LANNERS
Inspector in the Department for the
National Economy
Ministry for the National Economy

Mr. P. WEBER
Responsible for waste management in the
Ministry for Public Health and the
Environment

NETHERLANDS

Dr. J.H. ERASMUS
Deputy director
Ministry for Public Health and the
Environment
Chairman of the Waste Management Policy
Group in the OECD's Environment Committee

Mr. J.W. WECK
Head of division "hygiene and environment"
in the
Ministry for Economic Affairs

UNITED KINGDOM

Dr. R.L.P. BERRY
Director of the
National Anti-Waste Programme

Mr. J.R. NIVEN
Director of the "Noise, air and wastes"
division in the
Ministry of the Environment

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ELECTRONIC CIRCUITS : EUROPE LAGS BEHIND

In the early 1980s, it will be possible to concentrate all the power of one of today's large computers on a chip the size of a 10p piece. This will be the continuation of the same technology which has been able to condense all the power of the first computers in a pocket sized calculator.

This technology is becoming more crucial, not only for data processing, **telecommunications**, aerospace and defence but also for the majority of other industries from machine tools to cars and general consumer goods.

Today it is impossible to evaluate likely future developments and all their consequences, but it is certain they will have a decisive effect on the growth of industrialised countries such as in Europe.

The Community currently imports 90% of its integrated circuit requirements - demonstrating the commercial and technological lead of Europe's competitors in this sector.

To remedy this, various agreements - supported directly or indirectly by national governments - have been made between European and foreign companies. It is not certain, however, whether these agreements will enable the Community to gain access at the right time and in the right quantity to the most advanced components, particularly considering the strategic importance - in economic and political terms - of the product. Neither is it certain that agreements such as these encourage the growth of the Community's own know-how and innovative capacity both in the production and use of these components.

The solution should be for Europe - with public support - to launch its own development programmes similar to those in Japan and the USA. The cost of such programmes has hindered their progress as the national level, and they have consequently hardly got further than the research stage.

Combining efforts at the Community level could change this. The European Commission is currently preparing for a policy debate on the feasibility of a long term technological programme in the electronic circuits sector. The matter is both important and urgent.

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