

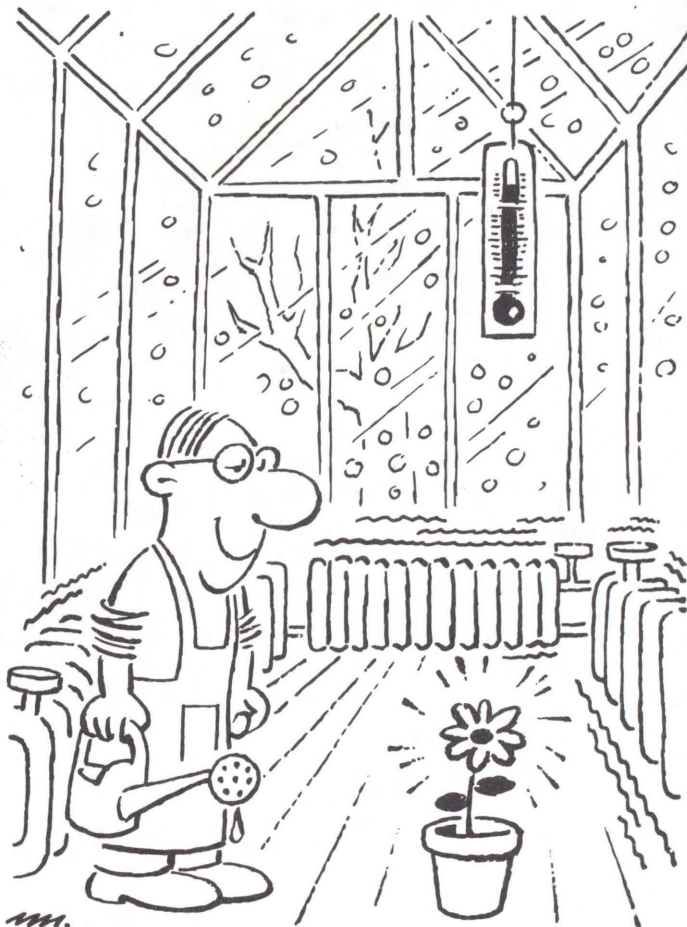
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** The Community could save 22 000 million dollars in 1985 by implementing the Community programme for RATIONAL USE OF ENERGY, a proposal which the European Commission recently forwarded to the Council of Ministers (see I&S - No 43/74). The programme is in the form of a 22 point action programme of priority measures to be implemented in the field of transport, industry, the

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The information published in this bulletin covers the European Communities' activities in the fields of industrial development, protection of the environment and consumer welfare. It is therefore not limited to recording Commission decisions or opinions.

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domestic sector and the energy production industries.

ANNEX 1 gives a short summary of the programme.

** The Commission has just drawn up the FIRST EUROPEAN SOCIAL BUDGET. It examines trends in expenditure and receipts for several sectors of social policy in the Member States. This is a special "budget", since it covers the period 1970-75, which means that some of the sums mentioned have already been spent, whilst others refer to the coming year. In addition, the "budget" shows all or part of the receipts and expenditure of local authorities, i.e., of a large number of very different bodies.

ANNEX 2 briefly describes this "budget".

** An international conference, entitled "ENVIRONMENTAL policy in the European Community" was held in Rome, from 28 to 30 November. It was organized, under the joint auspices of the Italian Government and the European Commission, by the Council of European Municipalities and the International Union of Local Authorities. Some 400 elected local and regional representatives attended, and a resolution was adopted, representative extracts of which are reproduced in ANNEX 3.

ANNEX 4 contains extracts from a speech by Mr Corona, a former Italian Minister for the Environment, now Vice-President of the European Parliament.

** Two meetings which are important for the future of THE EUROPEAN SOCIAL POLICY are to be held soon in Brussels. The first is the tripartite conference on social problems, on 16 December, which will be attended by about 150 participants representing the Council of Ministers of the Community, the European Commission, the Ministers of Social Affairs of the Member States and both sides of industry (i.e., employers and trade unions). The conference should provide the opportunity for a broad exchange of views on the prospects for European social policy. In view of present problems in the job markets of most Member States, no doubt employment will be a central topic of discussion. The aim of the discussions is to help the Community draw up guidelines to deal with the situation, which is likely to deteriorate further in the coming months.

On the following day, the Council of Ministers for Social Affairs will meet and probably discuss the outcome of the tripartite conference, and any solutions of which it may have given an indication at Community level. At this meeting, the Ministers are also due to take decisions on several Commission proposals: equal pay for men and women (see I&S - No 2/74), large-scale dismissals (see IRT No 162), the establishment of a European Vocational Training Centre (see I&S - No 13/74), and of a European foundation for improving living and working conditions (see IRT No 213).

** The Commission has CENSURED A PRICE FIXING AGREEMENT between French and Japanese ball bearing manufacturers. The intention of the agreement was to increase the price of Japanese ball bearings imported into France, with the aim of raising the price to the level of the local product. The agreement tended to distort price competition, whose function it is to keep prices as low as possible and thus benefit the consumer. The companies concerned have declared formally that they are no longer bound by the agreement.

** At its last plenary session the Economic and Social Committee handed down its Opinion on several Commission proposals, notably those concerning:

- limiting the marketing and use of certain DANGEROUS SUBSTANCES AND PREPARATIONS (see I&S - No 31/74). Although it approved the proposal, the Economic and Social Committee felt that it was very generalized and applied to a few specific substances only. The Committee strongly recommended that the Commission continue its work in this field, in order to complete the list of dangerous substances and preparations, as soon as possible.
- WASTE DISPOSAL (see I&S - No 32/74) - the Committee approved this proposal and added that it felt it to be necessary, not only to promote the recycling and recovery of waste material, but also to encourage the use of reusable or recycled materials, in the most economical way possible, at the production stage.
- THE SULPHUR CONTENT OF SOME COMBUSTIBLE LIQUIDS (see I&S - No 7/74) - the Committee approved the proposal, saying that it felt that implementation of the directive should not entail appreciable increases in costs for the processing industry, since the Commission had deliberately limited itself to products where technological problems were not too great, or where price increases were low.

** The Commission has attached prime importance to the abolition at the Community's frontiers of all controls affecting the free movement of persons and goods (particularly the EXAMINATION OF PASSPORTS). Controls have been appreciably relaxed over the last few years. At certain times of the year however, the need to examine passports of all nationalities involves considerable delays at airports. In order to achieve the statutory abolition of these controls, the Commission is contemplating presenting appropriate proposals to the Council of Ministers for the revision of the 1964 Council Directive designed to coordinate frontier controls on the grounds of public policy, public security or public health. The Commission will introduce this revision following an interim period in which the new Member States will be applying the application of the directive.

** At present the regulations for determining the PERCENTAGE OF ALCOHOL IN WINES, spirits, etc., vary greatly from one Community country to another. The Commission has therefore forwarded a proposal to the Council of Ministers for a directive, which aims to eliminate

inconsistencies in the wine and spirits' trade in determining the alcoholic strength of such blends. The directive harmonizes the legislative, regulatory, and administrative provisions on methods of calculating the percentage of alcohol in drinks, and on the design and control of instruments used for measuring this amount (alcoholometers, alcohol aerometers, and alcoholometric tables).

- ** The Commission has just AUTHORIZED THE FRENCH STEEL MANUFACTURERS, Creusot-Loire, to acquire a majority shareholding in Marrel Frères SA (Rive de Gier). This company is mainly a producer of high-grade and special steels. The main object of the merger is to develop production of hot-rolled high-grade and alloy steel plate, which is used primarily in the nuclear and petrochemical industries. After making enquiries, the Commission decided that this merger would not be contrary to the Community's competition rules.
- ** The Commission of the European Communities recently organized a symposium on "THE MEDICAL SUPERVISION OF WORKERS EXPOSED TO IONIZING AND NON-IONIZING RADIATION". The symposium was held in Brussels, and was attended by about 100 radiation protection specialists, public health officers, biologists, and doctors. The main object was to examine new approaches to radiation protection, in the light of scientific progress and international recommendations. Some new concepts have been introduced into Euratom's basic standards, and the Commission felt that those responsible for medical supervision in the nine Member States should be informed of the impending changes, and the resulting need to rethink radiation protection practice. Principles for protecting public health from the dangers of non-ionizing radiation, and particularly laser beams and microwaves, are contained in two draft recommendations which the Commission hopes to address to Member States in the near future. These were discussed in detail at the symposium.
- ** At its next meeting in Brussels on 13 December the CONSUMERS' CONSULTATIVE COMMITTEE will be considering especially a draft directive on the labelling of food products (see I&S - No 37/74), and another on prepackaged products.
- ** The European Investment Bank has authorized a loan of 19.2 million units of account (1 u.a.= approx. US \$1) to finance the industrial plans of SMALL AND MEDIUM-SIZED UNDERTAKINGS in the least developed regions of the United Kingdom.

MORE EFFICIENT USE OF ENERGY

The Community could save 22 000 million dollars in 1985 by implementing the Community programme for the rational use of energy, a proposal which the European Commission recently forwarded to the Council of Ministers (see I&S - No 43/74). The programme is in the form of a 22 point action programme of priority measures to be implemented in the fields of transport and industry, the domestic sector and the energy production industries.

Implementation of this programme could mean a saving of 15% in Community energy requirements by 1985, representing about 240 million tons of oil equivalent. The annual rate of increase in energy consumption would be reduced from 3.8 to 3%, between 1973 and 1985. The effects of such a programme, economically and at the environmental and social levels, could not but be beneficial.

The 22 points in the programme have been chosen for their ease of implementation, the resulting savings in energy, and their viability:

- In the domestic and tertiary sectors the Commission calls for measures to ensure more effective thermal insulation, regulated ventilation, better regulated heating, improvements in burner design and heating systems' maintenance, greater efficiency in hot water production, and energy-efficient appliances and installations. Measures in these areas would account for an 18% energy saving in 1985. Insulating layers in roofs can, for example, reduce heat loss by over 10%. Double glazing reduces heat loss by almost 5%.
- In the transport sector the action programme outlines six areas of major importance for energy savings: ignition timing and carburettor setting, improvements in vehicle design, promotion of diesel engines, better thermal insulation in public transport vehicles, and limiting any increase in the volume of private urban traffic, for the purpose of promoting public transportation. The Commission estimates that effective measures in the transport sector will allow of a 16% energy saving in 1985. Thus optimum ignition timing and carburettor setting could mean a reduction of between 5 and 10% in fuel consumption.
- In the industrial sector seven areas have been singled out for rational energy use: combustion efficiency, residual heat recovery, better operating plant lighting efficiency, continuous production and other manufacturing methods, combined heat/power production in industry, and recycling and recovery of materials. Efficient combustion, for example, can reduce fuel consumption by 5 to 10%. By implementing the programme the industrial sector could account for 15% of the energy saved (84 Mtoe) in 1985.

- The energy industry itself should improve its efficiency. Three measures in particular (increased yield from transformer installations, combined production of heat and power, and the use of residual heat) would enable the energy industry to make a saving of at least 6% (11 Mtoe) between now and 1985.

POTENTIAL ENERGY ECONOMIES FROM THE COMMISSION'S
RUE PROGRAMME

SECTOR	1985 Internal con- sumption Mtoe estimate without RUE	Realisable economy Mtoe	% by sector	1985 Internal con- sumption Mtoe with RUE
Domestic	516	90	18	426
Transport	217	35	16	182
Industry	541	84	15	457
Energy industry	186	11	6	175
	<hr/>	<hr/>	<hr/>	<hr/>
Total Energy Consumption	1 460	220	15	1 240
Non-Energy Consumption	140	20	14	120
	<hr/>	<hr/>	<hr/>	<hr/>
Total	1 600	240	15	1 360

FIRST EUROPEAN SOCIAL BUDGET

The Commission has just drawn up the first European Social Budget. It examines trends in expenditure and receipts for several sectors of social policy in the Member States. This is a special "budget", since it covers the period 1970-75, which means that some of the sums mentioned have already been spent, whilst others refer to the coming year. In addition, the "budget" shows all or part of the receipts and expenditure of local authorities, i.e., of a large number of different bodies.

The first European Social Budget, drawn up by the Commission in consultation with national experts, and forwarded to the Council of Ministers, is thus presented as what it is: a general outline of the similarities, differences and tendencies in social expenditure in the nine Member States.

The 1973-75 forecasts in this European Social Budget were established on the basis of the legislation currently in force, and state the position failing any change in previous decisions or guidelines in the matter of social protection. As the trend in social legislation is normally one of improvement and advance, any assessment based on unchanging legislation must constitute a minimal assessment for all the sectors covered (social security, social assistance, and aid to the victims of political events or natural catastrophes).

Again, since these estimates were made on the basis of assumed income and price trends, which now turn out to have been very much lower than in practice, the 1975 forecasts shown in the European Social Budget should clearly be revised upwards.

The Commission has therefore proposed that the Council revise the 1975 figures in the light of the most recent economic and demographic assumptions, extending the budget to cover 1976, if not beyond.

This first European Social Budget anticipates the outlays relating to the following risks or needs:

- sickness
- old age, death, life expectancy
- invalidity
- occupational accidents and vocational diseases
- unemployment
- family expenses (including maternity)
- miscellaneous (particularly physical and psychological disability, natural catastrophes, and political events).

If we first compare the sums involved in social expenditure (for all the sectors mentioned above) with the gross domestic product (at market prices), we see that there are appreciable differences between Community countries, both for the years 1970 and 1972 (actual figures) and for 1975 (estimates).

We have first the group of countries in which 20% of the gross domestic product is spent on social protection - Denmark, Germany, Italy, and the Netherlands (the last mentioned being well in the lead). The next group - Belgium, France, Luxembourg - spends between 18 and 19.5% on this item. The third allocates a much lower percentage to this sector. This is because national policy aims to ensure that everyone has basic protection (for instance, by providing a national health service).

The difference between the various countries brings out one of the difficulties blocking harmonization in this field. In all cases however, a steady growth can be observed in the percentage outlay on this item over the last few years, a tendency which will continue in the immediate future.

The utmost caution should be exercised in interpreting such figures and comparisons are often made with reservations. This is because firstly, by their very nature, economic and social forecasts are invariably affected by some degree of uncertainty. Then, too, legislation in every Member State alters the actual state of affairs in such a way as to make it impossible to reproduce in terms of figures, existing records being what they are. In some countries, for instance, tax rebates are a significant form of family assistance, but it is almost impossible to take this into account under the heading of "family allowances" in this first European Social Budget.

A careful examination of expenditure shows that allowances account for some nine tenths of all disbursements. These are divided into allowances in kind and cash allowances, the latter being by far the bigger item, principally because they include old age pensions.

Allowances in kind, generally for the maintenance or recovery of health, constitute a very varying percentage, but one which in most cases is growing. The heaviest expenditure appears to occur in countries which have a national health service (United Kingdom, Ireland, Denmark). Except for Luxembourg, the other countries allocate between 20 and 25% to this item.

Cash allowances represent approximately 60 to 80% of all expenditure. In every country this goes chiefly in old age payments, immediately followed by sickness benefit. Two other items share third place - invalidity (Italy, the Netherlands, United Kingdom), and family allowances (the remaining countries).

A tendency to increase expenditure for the benefit of the sick is noted in all countries. In some States (Denmark, Germany, Italy), this already amounts to almost a third of all benefits.

In the other countries, sickness benefits represent about a quarter of the total, except in Luxembourg, where prolonged illness is treated in the same way as invalidity.

As regards sources of income, the first European Social Budget states that the countries concerned can be divided into two main groups, depending upon the amounts allocated by State and local government, or contributions provided by employers and workers.

Generally speaking, contributions furnish the major part of all receipts in the six original Member States. Financial aid by State and local government (taxes and subsidies) represents the largest share of receipts in Ireland and Denmark. The United Kingdom comes about half-way between these two groups, the two principal sources of finance being about equal.

Employers' contributions (private and public undertakings) are relatively high in Germany, France and Italy, (varying between approximately 51 and 68%). Although still high (over 43%) the percentage is lower in Belgium and the Netherlands. There is a further slight decrease for the United Kingdom and Luxembourg (roughly 35 to 37%). In Ireland the percentage of employers' contributions is very low (in the region of 20%) and Denmark (10%).

When we turn to workers' contributions, it is difficult to distinguish between wage earners, the self-employed and pensioners. The figures quoted are therefore an amalgam of all three groups. It can then be seen that in all Member States, workers' contributions account for a lower proportion of receipts than employers' contributions.

Workers' contributions are high in the Netherlands (where they represent about 36% of total receipts and, as a result, are very nearly the same as employers' contributions, for which the figure is 43%). They account for a quarter of all receipts in Luxembourg and Germany, a fifth in France and Belgium, a lower percentage in the United Kingdom (17%), a still lower proportion in Italy and Ireland (between 13 and 14%), and are almost insignificant in Denmark, especially if the downward trend continues in the future.

Taxes and subsidies from State and local government are a third way of subsidizing social expenditure. Here Denmark heads the field by a large margin (over 80%), followed by Ireland (in the region of 65%), and the United Kingdom (with 38 to 39%), and then a group of countries where the proportion is even smaller. Within this group, there are differences between Luxembourg and Belgium (29 to 30%), Germany and Italy (20 to 22%) and France and the Netherlands (10 to 12%).

SOCIAL EXPENDITURE AS A PERCENTAGE OF THE GROSS NATIONAL PRODUCT

(at market prices)

	Belgium	Denmark	Germany	France	Ireland	Italy	Luxem- bourg	Nether- lands	United Kingdom
1970	18.0	19.7	20.1	18.3	12.9	18.4	17.3	20.7	16.0
1972	19.3	20.8	21.5	18.7	13.0	22.2	19.5	23.1	16.7
1975	19.4	22.9	22.1	19.3	15.3	23.0	18.1	26.3	16.4

SOCIAL EXPENDITURE PER HEAD

(in units of account)

	Belgium	Denmark	Germany	France	Ireland	Italy	Luxem- bourg	Nether- lands	United Kingdom
1970	484.8	629.4	620.6	526.3	174.6	320.6	520.1	501.6	356.4
1972	645.1	810.1	826.4	652.2	238.2	446.9	667.8	724.5	458.1
1975	893.5	1 166.7	1 138.7	932.3	435.3	684.3	880.9	1 127.8	602.3

It can be seen that the social policies of Member States, particularly social protection policies, often develop in very different directions. This is because of different national circumstances, which mean different social priorities, or that social problems are not felt with the same degree of intensity and are therefore not tackled in the same way.

The primary objective of a European Social Budget is therefore to provide greater knowledge of these policies, in all their aspects, and of their development, in their various forms. It is an instrument always capable of improvement, which national or Community authorities can employ to encourage a progressive social policy while bringing the economies of Member States closer together.

LOCAL GOVERNMENT OFFICERS AND THE ENVIRONMENTAL PROTECTION

An international conference entitled "Environmental policy in the European Community", was held in Rome, from 28 to 30 November. It was organized under the joint auspices of the Italian Government and the European Commission, by the Council of European Municipalities and the International Union of Local Authorities. Some 400 elected local and regional representatives attended, and a resolution was adopted, representative extracts of which are reproduced below:

The priorities of industrial civilization have been challenged - concern to protect the environment and aspirations to a better quality of life must from now on be considered as fundamental objectives. Under no circumstances must these be sacrificed to present economic difficulties.

Implementation of these aims is thus, outstandingly, a political undertaking. It cannot be achieved merely by introducing a series of technological measures, because it presupposes a new type of society, whose ultimate aim is neither production nor consumption as an end in itself, nor the single-minded pursuit of profit, but social and human progress.

Since they are closest to the aspirations and needs of citizens, local and regional authorities are best equipped to give visible shape to this "new design for European man at the close of the 20th century".

Within the bounds of what is possible the following measures and guidelines would seem at present likely to promote this new project:

- All big reorganization and equipment programmes will be automatically evaluated for their positive or negative effects on the environment and the background to our lives.
- A special effort will be made to inform and educate the public and to increase public participation in improving living and working conditions.

Area management depends on land management and presupposes that property laws are adapted to the requirements of urban living and regional development. Communities and local authorities will therefore have to be given extended legal powers, and increased resources, in order properly to manage the allocation of land between the requirements of economic and social activities, whilst taking into account the dictates of the environment.

Urban development will respect more human standards, and efforts will be made to ensure that streets and squares return to their original function of promoting exchanges, being a meeting-place, and a place for celebrations. Public transport will be encouraged, particularly at beauty spots.

The "polluter pays" principle, which allows ecological costs and the "status quo" principle to be taken into consideration, will be generally extended to cover all forms of pollution, the important point being to ensure the maximum possible elimination of pollution at the production stage, so as to avoid the cost, which is always heavy, of clearing up pollution at a later date. Although it is not a sufficiently effective long-term weapon, the "polluter pays" principle should, by analogy, be extended to those who make wrong use of land. As the sorting, recovery and recycling of waste products spreads, it will contribute towards cleaning up the environment, while at the same time saving raw materials.

- It should be the role of the European Communities to lead in matters of environmental policy, particularly as regards defining joint quality objectives, maximum admissible levels, or toleration thresholds. Community intervention, particularly in cross-frontier matters, will be based on coordination at multi-national level between local and regional representatives. They will be given increased powers in the field of environment and a system of close and permanent consultation with international bodies representing local authorities (CEM, IULA) will be developed.
- The European Communities, public authorities at all levels, and associations of local and regional authorities are responsible for promoting environmental studies and research, and for ensuring that the results obtained are widely disseminated. In this field, where conflicts abound, real arbitration as regards information must be ensured at Community level. Responsibility for organizing the information system should rest out with the pressure groups and economic interests involved, since, if the occasion arose, these would be both the judges and the parties concerned.
- No decisions can be taken at purely national level, concerning sites for nuclear power stations. Under the European environmental policy, the consequences of developing nuclear energy, like those of all other forms of energy, must be studied in detail, so that the serious and irreversible decisions, which will be binding on future generations, are not overhastily taken.

A bold environmental policy does not exclude development. Rather is it a matter of giving development a new meaning and a more human aspect. It will have an important contribution to make in fulfilling the major ambition of Europeans now, at the dawn of the post-industrial era - namely to respect nature, liberate man and change life.

THE ECOLOGY IS NOT POLITICALLY NEUTRAL TERRITORY

Below we give extracts from the speech made at the international conference on "Environmental policy in the European Community", by Mr Corona, former Italian Minister for the Environment and now Vice-President of the European Parliament. The conference was held in Rome from 28 to 30 November 1974.

Ecology is neither a fad of the 60's, nor an escape from the serious political and social problems of the present.

The experience of local authorities in this area has shown how limited are their powers of action. Because they lack adequate resources and authority, dispose of a fraction of the land available, local authorities are often unable to intervene except to repair any damage, and have no power to deal with the root causes of environmental degradation. The very fact that they often have to limit themselves to measures concerning health and hygiene proves that they act only when breaking-point has been reached, and the human health is endangered.

Ecological problems must be tackled rationally at national and Community level. Many ecologists however, feel that, even at these levels, powers are not wide enough, and institutions ill-equipped, not solely on account of their "life-cycle", but also, and above all, because of their vertical structure, whereas the interdisciplinary nature of the problems raised by environmental protection demands a horizontal structure.

What is required, therefore, is a single government organization, be responsible for the smooth implementation of the entire environmental policy. But this idea, which has been expressed by several parties, is being gradually watered down, and degenerating into generalized discussions and vaguely humanist approaches, which only serve to avoid the real issues.

The environmental issue is essentially bound up with the problems of scientific research and technology, determined by the largely industrial nature of our society, and with land use. If we want to conduct a policy that is really capable of acting on the root causes of environmental degradation, we must remember that ecology is not a painless technique, and that environmental protection clashes with vested interests which are essentially industrial. The merit of industry was undoubtedly to make an affluent society possible, in spite of the inconveniences and crises with which we are familiar. However, industry and technology are not neutral territory and do not automatically serve the public interest. One notorious example was the problem of "red mud" which was the subject of a long controversy.

Technologists in a polluting industry never, of their own accord, introduce production processes which prevent pollution, whereas technologists employed by the State, and therefore free of the need to make a profit, are in a position to develop non-polluting technology, even if it is more costly, which demonstrates very clearly that industry is not neutral.

We must ask ourselves therefore who will compel industry to adopt counter-pollution measures, or to give up speculative behaviour, if no national governments or European authorities can get them to respect clearly formulated standards? The responsibility of setting pollution toleration limits cannot be left to regional authorities, and most certainly not to national authorities on their own, unless we want to run the risk of different regions outbidding each other, in order to attract industry, and thus produce distortion between different countries.

What is needed is to establish environmental quality standards for the European Community, which are as uniform as possible, and, also, to apply differentiated tolerances, in the form of environmental management instruments.

However, all this also implies effective political power in Europe and, as the Commission does not have this, it will restrict itself to adopting directives which will not really be directives, but merely reflections of the present situation. Such action is fraught with peril for the harmonious and balanced development of the various countries' economies.