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1975 Budget

In 1975 the Community will be spending nearly seven thousand million dollars (6 955 659 809 units of account to be precise), if the Council of Ministers of the Community adopts the draft budget just presented by the European Commission. Annex 1 gives a summary of the expenditure forecast.

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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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In the introduction to this draft budget, the Commission indicates the general lines of activity for 1975. Annex 2 reproduces the section outlining the Community's economic and monetary policy.

Technical Barriers

Four proposals for directives on motor vehicles, which fall under the heading of eliminating technical barriers to trade, were forwarded by the Commission to the Council of Ministers between 22 July and 14 August. A brief outline of the contents of these proposals is given in Annex 3.

Work Planning

If the Council of Ministers of the Community adopts the Commission's proposal, nine million units of account (1 u.a. = approximately US\$ 1) will be appropriated by the Community for setting up a research programme aimed at improving work planning in the coal and steel industries. Annex 4 gives a short summary of the programme.

Cost of Living

As in all industrialized countries a marked increase in the cost of living has taken place in European countries over the last few years. The table below summarizes retail price increases in the European Community. Using the general price index, it is possible to compare the overall increase in consumer prices in the various Member States since 1970. Also included are the indices for products chiefly responsible for the general price rise.

Consumer Price Index in May 1974

(1970 = 100)

	G	F	I	N	B	L	UK	I	D
General index	127	134	141	137	130	127	147	151	139
Bread	132	137	150	136	136	132		152	153
Meat	124	142	139	126	131	130	180	180	143
Milk, butter and cheese	122	138	137	130	121	125	122	160	143
Fruit and vegetables	146	140	152	119	103	115		154	134
Rent and water	124	127	107	139		133	151	131	137
Shoes and clothing	129	132	148	149	129	129	146	164	130
Household appliances	122	123	139	123	120	115	133	155	129
Fuels and energy	145	155	143	146	135	123	137	195	202
Services	131	136	140	151	141	136		145	143

Waste Disposal

The Commission has just proposed that the Council of Ministers adopt a directive to harmonize measures throughout the Community for disposing of waste without endangering human health, putting the environment at risk (water, air and earth), or disfiguring historical sites and the countryside, whilst at the same time promoting the recycling and recovery of waste products. Despite the technical difficulties, mainly due to the heterogeneous nature of the waste, effective organization and control of its disposal is imperative, especially since the production of residual material is rapidly increasing in every industrialized country. Several Member States of the Community have already adopted legislation in this connection, or are preparing to do so (the French Government, for instance, has just forwarded to the Commission a draft law on waste disposal). The Community must therefore adopt measures which can be applied

throughout the nine Member States, so that distortion of competition, which would prevent the smooth functioning of the Common Market, may be avoided. In particular the Commission proposes that Member States should appoint authorities having responsibility over a certain area, for planning, organizing, authorizing and supervising waste disposal operations. Any firm undertaking the processing, storage or dumping of waste materials should obtain authorization from the competent authority, covering such points as the type and amount of waste to be treated, the methods to be used, and the precautions to be taken.

Consumer Protection in Italy

In Italy several events have occurred on the consumer front in the last few months:

- (1) On 18 April, Parliament passed a law appropriating Lit 60 000 million for measures to counter the crisis in stock-farming and promote the marketing of meat.
- (2) A draft law was submitted to the Senate, proposing a subsidy of Lit 300 000 million, between 1975 and 1979, to increase beef, veal and sheepmeat production.
- (3) The national consumers' union completed a survey covering forty-three brands of butter. Less than half the products tested conformed with regulations (humidity too high, fat percentage too low, impurities present, product underweight, etc.).
- (4) The union expressed its disapproval of the fact that the ban on producing and marketing several special pharmaceutical products had not been given publicity. The notice of prohibition was published in the official journal only. Such lack of information, the union points out, could turn out to be dangerous for many families.

Business Cooperation

From its inception in May 1973 until the end of May 1974, the Business Cooperation Centre has been contacted by 1867 firms seeking information and advice or wanting to link up with a partner in another European Community country (see I&S No 3/74).

These enquiries came from:

Belgium	115
Denmark	70
West Germany	545
France	181
Ireland	71
Italy	153
Luxembourg	5
Netherlands	84
United Kingdom	427
Others	216

Up to now, the Centre has processed and circulated 159 requests for partner-search, to which 790 interested firms responded. Contacts were established between potential partners in 49 instances, several of which may be expected to materialize in the near future.

Investment in Nuclear Energy

According to information available to the European Commission, the cost of a 1000 MW nuclear power plant ranges between 250 and 350 million units of account, depending on country, market conditions and the methods of price calculation. (1 u.a. = approximately US\$ 1) The investment required in the next few years will therefore be considerable, since it is intended

that nuclear energy should provide a growing proportion of thermal electricity requirements. According to the Commission's latest estimates this proportion should rise as follows: 11% in 1975, 24% in 1980, and 48% in 1985.

Geothermal Energy

Because of the energy crisis, efforts to develop geothermal sources in Member States have considerably increased. In the Commission's view, the contribution which geothermal energy can make to the supply of energy, though relatively small, is by no means negligible, and the Commission is at present preparing a proposal for Community action in this area.

Radio Interference

The Commission has just proposed that the Council of Ministers adopt a directive laying down standard upper limits permissible for all Member States in respect of radio interference produced by high-frequency industrial, scientific and medical appliances, together with uniform methods of metering.

Oil Industries and the Environment

All the national regulations passed with the aim of protecting the environment from the activities of the European oil industries have been listed in a publication produced by the Concawe Foundation (Stichting Concawe). This is available on request from the Stichting Concawe, 60, Van Hogenhoucklaan, The Hague 2018, Netherlands.

The Trend in Community Expenditure by Sector

in u.a.

Sector	1974 Approp.	%	Approp. for 1975	%
<u>I. - European Commission</u>				
<u>A - Operating appropriations</u>	238 248 613	4.69	352 034 670	5.06
<u>B - Intervention appropriations</u>	4 462 449 319	87.85	6 097 430 855	87.66
B 1 Agricultural sector	3 754 288 500	73.91	4 303 846 750	61.88
B 2 Social sector	331 116 000	6.52	417 673 200	6.00
B 3 Regional sector	token entry	-	650 000 000	9.34
B 4 Research and technology, industry, energy	113 608 819	2.24	157 158 905	2.26
B 5 Cooperation and development	263 436 000	5.19	568 752 000	8.18
<u>C - Contingency reserve</u>	2 500 000	0.05	5 100 000	0.07
<u>D - Reimbursement to Member States</u>	294 368 771	5.80	397 554 320	5.72
<u>Commission Total</u>	4 997 566 703	98.39	6 852 119 845	98.51
<u>II. - Other institutions</u>	81 899 220	1.61	103 539 964	1.49
Grand Total	5 079 465 923	100.-	6 955 659 809	100.-

Economic and Monetary Policy

In the field of economic and monetary policy, the Commission will continue in 1975 its effort of the past year to make a practical contribution, so far as its powers permit, to improving the economic situation in the Community, preserving what the Community has already achieved and reestablishing the conditions required for the progressive implementation of the economic and monetary union.

Absolute priority will continue to be given to inflation control in order to ensure the balanced development of the Community. In its permanent role of providing encouragement and impetus, the Commission will continue an intensified effort to foster suitable national stabilization policies, to make sure that they are mutually compatible, to seek common approaches, both internally and internationally, and to elaborate effective and realistic Community solutions.

The direct and indirect repercussions of the increased cost of oil on the economy of the Member States will also form one of the major problems facing the Community in 1975, as in 1974. The Commission will continue to play an important part both in seeking to cut back balance-of-payments deficits and in ensuring that they are financed, in an expression of Community solidarity, by means of European mechanisms and machinery already existing or to be set up, and in efforts, connected with the foregoing, to facilitate the recycling of capital resulting from the net surplus of the oil-exporting countries. Here the Commission should devote particular attention to the overriding requirements of a well-ordered organization of international finances and to the changes in the structures of production, employment, investment and consumption necessitated by the higher prices of petroleum products.

The Commission will also continue and step up its efforts to reestablish or improve the monetary coordination required for the harmonious development of the Community, in order to arrive as soon as possible at a European exchange system.

Since the strength of such coordination also depends on the stability of the international monetary system, the Commission's continued activity at Community level should be accompanied by an unremitting contribution to work on the reform of the system, to be carried out within the IMF on the basis of the partial results which will have been achieved in 1974.

However, all these efforts will achieve little unless there is some tangible convergence of economic policies. The Commission is convinced of the importance of this prior requirement, and in 1975 will not cease to strive towards achieving it. Until the necessary improvements have been made, the existing machinery should be applied stringently, namely, the various acts which the Council adopted on 18 February 1974, particularly the decision on the attainment of a high degree of convergence of the economic policies of the Member States, which coordinates and draws together all the basic decisions on economic policy taken between 1960 and 1972, supplements them in essential areas and adapts and rationalizes coordination and consultation procedures; and the Directive on stability, growth and full employment in the Community, whereby the institutions are required to ensure that all Member States possess a set of economic policy instruments appropriate for achieving these three major objectives.

At the same time, in the light of the experience of the first stage and allowing for recent events, the Commission will continue to seek new ways and means of relaunching progress towards the aims of economic and monetary union which the Member States have themselves laid down.

Approximation of Laws on Motor Vehicles

Between 22 July and 14 August the European Commission forwarded to the Council of Ministers four proposals for directives aimed at removing technical barriers to trade in motor vehicles. They are as follows:

(1) Seat belt mountings

This proposal lays down Community requirements regarding the position, strength and anchorage tests for seat belts. It provides that all private cars shall be fitted with seat-belt anchorages for each seat. Towards the end of 1974 it will be followed by another proposal on seat belts and, once adopted by the Council, these regulations taken together will increase car passenger safety considerably.

(2) Reverse gear and speedometer

The directive proposed provides for the compulsory installation of reverse gear in all vehicles with a maximum authorized weight of over 400 kg, and includes regulations for speedometers. The latter aim at greater precision in indicating speed to minimize differences between the actual speed and the speed indicated on the meter.

(3) Manufacturers' name plates and statutory indications

The third proposed directive includes in particular requirements regarding manufacturers' name plates and vehicle identification numbers, to allow a vehicle to be definitely identified as to make and model.

(4) Permissible sound level and the exhaust system

The fourth proposal for a directive is aimed at strengthening the regulations contained in the Council Directive of 6 February 1970 relating to permissible

sound level and the exhaust system of motor vehicles. If this directive is adopted the admissible noise levels from all categories of vehicle will be subject to more severe restriction. The proposed reductions are two decibels for private cars and four for buses, in other words a reduction of some 50% as compared with current levels. The effect of this proposal will therefore be to reduce sound pollution from vehicles and considerably improve the environment.

These directives come under the heading of the Community type-approval procedure which was the subject of the Council Directive of 6 February 1970, and constitute further progress towards instituting that procedure.

Meanwhile, on 22 July 1974, the Council adopted a directive relating to the internal fittings of motor vehicles (strength of seats and their anchorages) and is about to adopt a further directive, on parts projecting from motor vehicles.

Improving Work Planning in the ECSC Industries

Greater adaptation both of the man to the job and of the job to the man; greater understanding of the operations of firms and staff; more rational job and work planning - such are the chief aims of the third "Ergonomics and Readaptation" research programme submitted by the Commission, under the heading of research financed by the European Coal and Steel Community (ECSC). The Commission is proposing an overall appropriation of 9 000 000 u.a. for this programme (1 u.a. = approximately US\$ 1).

1. Action taken so far

Previous research programmes, which mainly covered the prevention of accidents at work, have brought new knowledge of the human factors in occupational safety and health including the relations between man and environment, man and machine and man and organization. The new data have been assembled and studied with a view to their practical use in industry. The research has also led to specific applications likely to lead to greater safety at work, e.g., educational safety-training material for staff; the development of safety equipment suited to the specific requirements of the coal and steel industries; establishment of interdisciplinary teams in each country, which firms may consult regarding unsatisfactory work places and from which they may then receive proposals for reorganizing work in such a way as to make it more compatible with the workers' requirements, whilst at the same time taking account of production needs.

As regards the retraining of occupational accident victims, considerable research has led to substantial improvements in methods of treatment, physiotherapy and rehabilitation.

2. The new research programme

In the third research programme which it has just submitted the European Commission proposes that efforts should be renewed to assess work-stress and its effects on man (mental fatigue, physical strain), in order to develop new tools and protective equipment for the coal and steel industry, and improve work organization, and staff training. The research aims to reduce the hazards and fatigue involved in work, whilst at the same time improving work-performance.

In addition, the Commission proposes that better knowledge of the operations of an enterprise should become the topic of another line of research (e.g., individual and collective attitudes to work-tasks and safety, assessment of occupational experience, safety programmes, decrease in the work-capacity of older workers, etc.). Biological and metabolic research should be undertaken in the field of industrial medicine (the problem of the handicapped, and how to make full use of their capacities, assessment of their abilities, and the value of new therapeutic methods in particular types of occupational accident).