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ENVIRONMENT : The ghost of the Amoco Cadiz

Although the shipwreck of the oil tanker Amoco Cadiz off the coast of Brittany took place some three years ago, considerable attention is still being focussed on ways of preventing such pollution disasters.

This accident and a number of other major maritime catastrophes in the past prompted a variety of measures at both the national and international level. In addition to the immediate rescue and clean-up efforts and the legal inquiries which followed these disasters, there have been a number of legislative and safety moves. France and Britain have asked together to introduce new traffic routing procedures which are now being rigorously implemented. Additional cooperation includes joint rescue exercises that would be activated in the event of a similar accident. At the international level, tighter safety controls on ships and crews have been launched.

Discussions on stricter surveillance have also been underway in the European Community. The latest round took place recently when the Ten's Environment Ministers met in Luxembourg and agreed on a new measure designed to help combat future maritime oil spills. They agreed to draw up an inventory listing all available ways and means of dealing with oil spillage in the sea, including personnel and equipment. It would also contain a list of the different kinds of hydrocarbons and their properties in order to provide a speedy identification of the pollutant involved in an accident so that it could be properly treated with the minimum delay.

The Environment Ministers considered another measure that would set up an index of tankers in operation in Community waters. Following a thorough debate on the subject, it was decided that the issue would be considered later this year by the Community's Transport Ministers who could judge whether such a new registry would be needed in view of other existing systems. The Ministers continued their study of a proposed plan that would create a system of safety inspection and reporting aimed at reducing the risk of major industrial chemical pollution accidents such as that which occurred at Seveso (Italy) a few years ago. They also considered recommendation to make it compulsory for prior study and reports on the potential environmental impact of large-scale projects to be made before planning permission is granted. Both these proposals will be the subject of further discussion later this year.

INDUSTRY : The opinion of European automobile manufacturers

The automobile industry, along with steel, has been one of the most frequently discussed sectors in recent months. The European Community's manufacturers have been experiencing difficulties in maintaining their competitiveness in the face of Japanese imports, ambitious American plans and the emergence of new producers.

The European Commission recently announced its desire to develop a four-pronged plan of action : to reinforce the domestic market, to encourage the evolution of industrial change, to ease the transfer of automobile workers to other jobs and to expand the dialogue with the Community's trading partners. But the Commission underlined the fact that it is up to the industry itself to act. Taking up this challenge, the two major groupings of European automobile manufacturers have drawn up their positions on a series of important issues.

They displayed their intentions, first of all, to promote closer cooperation in the development of joint production of parts, components and vehicles in order to improve their competitiveness through economies of scale. They have also asked Community authorities to consider not only the needs of environmental protection but also the social and economic aspects before introducing new standards concerning exhaust emissions or acceptable noise levels. They also believe that their industry should benefit from financial aids or loans at preferential rates. These funds would help promote research and development deemed to be indispensable if the European industry is to maintain its technological standing. In addition, the leaders of this industry complain of the difficulties they have encountered in exporting their output, particularly to Japan, Sweden, Spain, New Zealand and Eastern Europe. These exports are hampered either by high customs duties or the complexity of administrative procedures in these export markets.

Finally, the automobile makers share the point of view so frequently expressed by European authorities that a moderation of Japanese exports to Europe is a necessity. But, on this point, there has been difficulty in persuading Japan to deal with the Community as an entity. Up to now it has preferred to negotiate separately with certain Member States, which has led to a system of quotas in Italy and France and the conclusion of self-limitation accords on Japanese car exports to Germany and Belgium. However, Commission President Gaston Thorn has announced that following a long series of negotiations he believes the Japanese are now ready to treat the Community as a single entity in this sector.

TRADE : New International Tin Agreement

Given the current instability in prices of raw materials, both agricultural and industrial - the United Nations Conference on Trade and Development (UNCTAD) has been trying for some 6 years now to persuade the world's major commodity producing and consuming countries to conclude a series of market stabilisation agreements. Progress has, however, been rather slow.

While new agreements are being negotiated for such commodities as jute, hard fibres, copper, etc. a number of earlier agreements, such as those for cocoa and tin, are being renegotiated within UNCTAD, on the basis of new criteria calling for the equal financial participation of producing and consuming countries. Problems have also arisen for this latter group of commodities.

The International Tin Agreement is a case in point. Current negotiations for the conclusion of a sixth international pact, replacing the existing agreement which expires at the end of June 1981, have run into a number of obstacles, linked essentially to a series of key demands made by the United States, which consumes up to 27.5 % of the world production of tin. Major producing countries, including Malaysia, Thailand, Bolivia, Indonesia, Australia, Nigeria and Zaïre have rejected the American demands dealing with the supply and stocking policies to be followed under the terms of the international pact.

In a report forwarded to the EEC Council of Ministers which was due to be discussed on June 22, the European Commission has urged EEC countries to join the agreement even if the United States refuses to do so.

TRANSPORT : Air tariffs under discussion

A rather interesting written question posed by a Belgian member of the European Parliament recently prompted the European Commission to investigate the "European air fare jungle". According to Luc Beyer de Ryke, an airplane ticket between Brussels and Marseilles was more expensive than a trip between Brussels and New York.

The European Commission's study of the question indicated that while this was not true in the particular case cited by the MEP, it was correct that air trips between Member States often cost more than trips from one EEC Member State to a third country which is much further away. How can such a paradoxical situation be explained? Experts have several explanations : intra-Community distances are too short, the frontiers to be crossed too many and European air transport costs, too high they say.

Airlines stress that they are often forced to maintain air links which are not profitable or to lay on more flights than the passenger load justifies. Despite these reasons, the question of European air tariffs is an increasingly controversial one. The European Commission is currently putting the final touches to a detailed study on fare levels. This report is being drawn up in cooperation with EEC Member State experts and will be forwarded for discussion to the EEC Council of Ministers very shortly.

The issue was also raised by EEC Commission vice-president Christopher Tugendhat in a recent speech. He underlined that it was unacceptable that European tariffs should be higher than those existing elsewhere in the world. He noted that the reduction of obstacles to trips between Member States was an essential task for the Community. The EEC, he continued should not accept that such progress should be slowed down because of an attachment to old-fashioned national symbols such as the national colours on an airplane. He concluded that the question of air transport would receive priority billing as it was essential for Community integration and the realisation of objectives written into the Treaty of Rome.

#### CONSUMPTION : Butter stocks just melting away.

The European Community's butter stocks are traditionally higher than consumption. In 1980 the Community produced more than 2 million tonnes of butter, while consumption only totalled 1.6 million tonnes.

In order to guarantee the earnings of dairy farmers, European authorities buy the surplus quantities at so-called "intervention prices". These quantities are stocked, then sold at lower-than-market prices, through different agencies.

Recent months have seen higher than normal consumption of butter, leading to an all-time low in butter stocks. Such a situation is healthy for the market, but could create certain difficulties for consumers who benefitted from the traditional cut-price EEC butter sales. This was particularly useful for such non-profit-making bodies as the army, as well as certain sections of the food industry (biscuit, pastry, bread and ice-cream makers). It is in order to prevent such a situation that the European Commission has sent a special report to the EEC Council stressing that consumers should be allowed to buy butter at cut-price rates. This butter will not, however, come from the intervention stocks but will be bought on the free market. The low price will be maintained through Community assistance which will be equivalent to the traditional reduction in butter prices for the cut-price sales.

RAW MATERIALS : Science helps in the quest for new sources
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While the alchemists of Europe during the Middle Ages grappled endlessly with the problem of the transmutation of metals, modern scientists are now engaged in a race to find new sources for the world's limited supply of necessary raw materials.

Although the problem is acute and well-known in the oil sector, the public is less conscious of the desperate dependence of Europe on foreign production of other raw materials. For instance, the European Community countries import some 82 per cent of their aluminium needs, 69 per cent of their copper, 80 to 85 per cent of their tin and 98 per cent of titanium requirements. The outside dependence on a product as ordinary as wood is actually so vast that the import bill for wood products is second only to the gigantic one for oil. Unlike many of the world's other industrialised countries, the members of the European Community, because of their particular climatic and geological conditions, have very limited supplies of raw materials which have become the lifeblood of modern industry and technology. In fact, the leading producers of many raw materials are countries like the United States, the Soviet Union, Canada, Australia and South Africa while the developing world also produces a wealth of other substances as well.

Even before the 1973-74 oil crisis dramatically brought home to Western Europe its vulnerability to disruptions of foreign supply sources, many experts had already moved to take steps to reduce the risk for Europe of shortages or price disturbances of raw materials. These upheavals could have a drastic impact on industries or employment in Europe, not to mention the outflow of capital to other countries. The steps already taken include a diversification of supply sources, investment guarantee programmes to stimulate exploration, stockpiling of strategic materials, developing possible domestic sources, increasing the recycling of substances for future use, and searching for substitute and renewable substances.

Another aspect of this type of activity involved the initiation or expansion of research and development programmes in this field. In general, such scientific research is aimed at detecting previously unknown domestic sources of supplies, improving the production of such domestic sources, exploitation of so-called "poor" minerals and improving techniques of recycling, reuse and substitution of existing materials. It would also aid European industries to undertake operations on a world scale and develop products and technology that could capture export markets and also achieve significant energy savings.

Such undertakings in the past have been launched at both the national and European level. In an effort to coordinate, collaborate and generate additional funds, efforts were initiated in the European Community on research on raw materials, the exploration and extraction of uranium, recycling of paper and cardboard, and the recycling of industrial and urban wastes. Begun separately by the European Community, these programmes have been centralised and expanded to include other activities in a new action plan just recommended to the Member States by the European Commission in Brussels.

This new programme would run for four years until 1985 and would be backed by some £ 37 million (71 million ECU) in addition to the amounts already designated for existing projects in uranium and other research.

The new plan was proposed at the request of the Science Ministers representing the Community Member States meeting in 1979 and includes several different aspects. The projects will involve assistance in financing research projects in the member countries and coordinating the research. These projects will involve metals and mineral substances, the exploration and extraction of uranium, industrial pottery, ceramics or tubing, wood and timber products, recycling of non-ferrous metals and substitution of existing materials. These will have both short-term and longer term goals and will include close coordination with industry and universities in the member countries.

The past programmes have already yielded useful results such as the discovery of new tungsten deposits in Greenland, improvement of aerial tele-detection techniques for such products as molybdenum, copper and zinc, and improvements of existing treatment facilities in Germany, Italy and elsewhere. New research will also involve exploration of the continental shelf, help for prospection in other countries, improvement in the processing of clay, enlarging and improving the domestic supply and processing of wood as a renewable resource and expansion of recycling operations in numerous non-ferrous metals and urban and industrial areas.

For example, an intense effort will be made to increase the area of European forests and tree plantation. At the moment, such efforts result in an increase in European domestic production by 1 per cent a year, but consumption is increasing by 2 per cent a year, while studies indicate that European output and efficiency could be improved substantially above the present figure. This and other activities in the research programme would be closely coordinated in such a way that they would improve the economic situation in affected regions and also closely consider the environmental impact of the projects.

The European Commission hopes that the national Ministers will approve this programme this year so that it can become fully operational in 1982.