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\*\* In many respects, and despite Community efforts, the EFFECTIVE OPENING OF FRONTIERS is far from being an accomplished fact. The establishment of a common market, with all the features of a single market, remains nonetheless essential to ensure the mobility, and hence the best allocation, of production factors. It is the foundation on which the Community must build its economic, social and political development. It is a prerequisite for a modern industrial policy in the Community. These views were voiced by Mr Gundelach, Commission Member with special responsibility for the internal market, during his press conference in Brussels on 22 June 1973. A summary of his speech is to be found in ANNEX I.

\*\* On 18 June 1973, the Council of Ministers approved the last two segments of the COMMUNITY'S MULTI-ANNUAL RESEARCH PROGRAMME (1973-76) on which it had only decided in principle on 6 February 1973.

*The information and articles published in this Bulletin concern European scientific cooperation and industrial development in Europe. Hence they are not simply confined to reports on the decisions or views of the Commission of the European Communities, but cover the whole field of questions discussed in the different circles concerned.*

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They comprise respectively:

- a number of nuclear and non-nuclear direct-action projects, to be carried out at the Joint Research Centre Establishments, costing some 20.5 million u.a. over a four-year period and employing 209 personnel;
- a number of nuclear and non-nuclear indirect-action projects, to be carried out under contract, costing some 12.915 million u.a. over four years and employing 20 personnel.

For the records: the first segment of the multiannual programme, approved on 6 February 1973, comprises a number of direct projects, most of them nuclear, but some in non-nuclear fields, environmental protection in particular, costing some 157.2 million u.a. over a four-year period and employing a staff of 1440.

ANNEX 2 contains a table giving the objectives of the projects approved by the Council of Ministers on 18 June.

\*\* In 1973, CRUDE STEEL CONSUMPTION in the Nine should reach 131.6 million tonnes, a 7.9% increase over 1972. Steel output might reach some 151 million tonnes, 8.6% up on 1972. These two forecasts are given in the revised version of the Forward Programme for Steel for 1973, recently adopted by the European Commission after receipt of a favourable opinion from the ECSC Consultative Committee. ANNEX 3 gives a summary of the revised Programme.

\*\* ANNEX 4 gives a selection of RECENT PUBLICATIONS added to the Scientific and Technical Library of the Commission of the European Communities. They may be consulted in the library (1, avenue de Cortenberg, 1040 Brussels, Loi Office, 1st floor, No. 43) or borrowed.

\*\* On 19 June the European Parliament's Committee on Public Health and the Environment unanimously approved the European Communities' PROGRAMME OF ACTION IN THE ENVIRONMENTAL FIELD and the measures proposed in this field by the European Commission (see IRT No. 185).

The Parliamentary Committee protested most strongly, however, against the fact that the Council, which was over a month in deciding to ask the European Parliament's opinion on this urgent matter, consulted it on the actual Programme solely on an optional basis, whereas it considers - as does the European Commission - that consultation of the European Parliament on the whole programme is mandatory under the Treaty. The Parliamentary Committee also stressed the fact that it was not sufficient merely to adopt the programme of action but that the Council should - above all - ensure its implementation by setting priorities and taking the necessary legal measures in due time.

The Committee invited the European Commission to make detailed proposals to the Council of Ministers, during the first half of 1974 at the latest, on pollutants demanding priority attention (lead and its compounds, sulphur compounds, oxides of nitrogen, etc.). They also repeated their call for Community-wide use of a "seal of environmental approval" for long-lasting products, with good recycling properties, and causing little pollution both when produced and when consumed, and for a ban on the marketing of goods which did not meet the necessary standards and so could not bear the distinguishing mark of approval.

\*\* THE FIRST LOAN GRANTED BY THE EUROPEAN INVESTMENT BANK IN THE NEW MEMBER COUNTRIES of the Community has gone to a project in Ireland. The Bank granted the equivalent of 2.8 million Irish pounds (5.7 million u.a.) to Comhlúcht Siúicre Éireann Teoranta-CSET (Irish Sugar Company Limited) for a term of eight years at a rate

of 7 3/8% per annum. The loan will go towards the modernization and rationalization of the CSET sugar factories.

The EIB also concluded a loan contract with the Crédit National (Paris) for the equivalent of 166.6 million French francs (30 million u.a.). This is a global loan which Crédit National will allocate with the prior agreement of the EIB, to finance small and medium-scale industrial projects located mainly in regions backward in development or having to cope with reshaping their traditional activities.

\*\* THE STANDING COMMITTEE ON URANIUM ENRICHMENT, set up after the last meeting of the Council of Ministers for Energy on 22 and 23 May 1973 (see IRT No. 191), held its first meeting on 20 June last. The Committee consists of representatives from the public bodies and undertakings concerned under the chairmanship of a representative of the European Commission. Tasks are to update surveys of the enriched-uranium market, to review the basic technical and economic features of the various technologies, and to examine means of fostering the development of the necessary industrial capacity in the Community and to facilitate coordination of measures taken by the partners concerned. The next meeting of the Committee is planned for 11 July.

\*\* On a similar theme: Mr Simonet, VICE-PRESIDENT OF THE EUROPEAN COMMISSION, with special responsibility for energy matters and the Euratom Supply Agency (nuclear fuel), toured the French URANIUM ENRICHMENT PLANT AT PIERRELATTE, at the invitation of the French authorities.

\*\* Following contacts established under the auspices of the European Commission between a delegation from the Andean Group and representatives of European industry in February 1973, the

Commission's departments, with the cooperation of the official bodies of the Andean Group, collected a quantity of technical information useful to industry and a number of invitations to tender in preparation for INVESTMENTS IN THE ANDEAN GROUP OF COUNTRIES. These countries are promoting industrial development by a planned industrialization: one programme (electrical and mechanical engineering) is already under way and others (motor vehicles, chemicals, pharmaceuticals, fertilizers, glass, paper, electronics) are being formulated (see IRT Nos. 179, 189).

The Corporacion Andina de Fomento (Andean Group development bank) has drawn up a list of priority projects for Bolivia under the programme for the mechanical and electrical engineering industries, together with some feasibility studies. It has also forwarded a progress report to the European Commission on the various investment projects, in the Andean countries, under that programme.

Invitations to tender, feasibility studies and the progress report are available from the Commission of the European Communities. Those interested may contact the Directorate-General for Industrial and Technological Affairs of the European Commission directly (Division III, D 1).

\*\* The European Commission also decided to grant financial aid totalling 6,080,251 u.a. for four COAL RESEARCH projects, on which the ECSC Consultative Committee has rendered a favourable opinion.

The projects concern:

- coke-making
- increased total output and output per manshift of faces underground;
- complete mechanization of roadway drivage;
- physical and chemical upgrading of coal and coke.

\*\* In accordance with the ECSC Treaty, the European Commission has decided to grant aid totalling 2,537,087 u.a. for ten technical research projects in the IRON AND STEEL sector. The ECSC Consultative Committee recently delivered a favourable opinion on all ten projects. They concern:

- injection of hot reformed gas into blast furnaces;
- continuous refining of pig iron;
- optimizing of production of ordinary steel in electric furnaces;
- automation of oxygen-process steelworks;
- study of the basic properties of high-intensity electric arcs used in steelmaking;
- an electronic monitoring technique for equipment in a steelworks;
- design and development of apparatus for detecting surface faults in steel strip from a skin-pass mill;
- loss of power in magnetic sheets;
- creep of ductile materials subjected to uni-axial stress;
- improved methods of stress-analysis and construction for parts subject to fatigue in heavy mechanical engineering.

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COMPLETION OF THE COMMON INTERNAL MARKET

Despite the efforts made on a Community-wide basis, the effective opening-up of frontiers is, in many fields, far from being an accomplished fact. This was one of the points made by Mr Gundelach, European Commission Member with special responsibility for the internal market, during his press conference in Brussels on 22 June 1973.

The establishment of a common market, with the features of a single market, is nonetheless essential to ensure the mobility, and hence the best allocation, of production factors. It constitutes the foundation on which the Community must build its economic, social and political development. Above all, it is the sine qua non of a modern industrial policy in the Community. And how can economic and monetary union be achieved except on the basis of an internal market consistent throughout, in its structures and in the behaviour of transactors?

The establishment of an internal market depends on a great variety of extremely complex technical measures. Individually, these measures do not perhaps seem very important and are far from spectacular. They inevitably put the layman off. However, their combined effect endows the whole operation with considerable political implications since it shapes the Community's entire future development.

- (a) A first set of measures on which the European Commission will concentrate with a view to achieving the free movement of goods will consist in simplifying customs procedures and formalities.



- (b) Specific regulations for numerous products, enacted by Member States for reasons as diverse as consumer protection, public health, the environment, and quality requirements, constitute obstacles to trade if their effect is that, before it can export, a firm in one Member State must make its products comply with the rules in force in the other Member States. The establishment of a single market requires the removal of such obstacles without the basic aims of those rules being jeopardized. Steps to remove technical obstacles to trade should be speeded up.

Accordingly, the Commission has just proposed, as part of its industrial and technological policy, a concrete programme, along with a precise timetable, for the removal within the next five years of all the technical obstacles so far found to exist.

The removal of technical barriers must not, however, result in harmonization at any price. This approximation procedure must be flexible in its approach to finding solutions so that the range of alternatives available in the Community, to consumers in particular, remains as extensive as possible. This is particularly true in the case of foodstuffs. Flexibility is also necessary if there is to be rapid adjustment to technical progress.

Approximation involves more than the mere removal of barriers to trade. It must also take into consideration qualitative objectives such as public health or protection of the environment.

- (c) Products and goods intended to meet the requirements of the public sector do not yet enjoy completely free movement by any means. Intra-Community purchases by public and semi-public bodies virtually never exceed 5% of apparent consumption, whilst in the private sector they account for between 15% and 35%.

Purchases by these bodies represent, nevertheless, an increasing share of industrial markets in the Community (at the moment approximately 17%).

The Commission has attempted to prevent national firms from receiving preferential treatment or from being guaranteed public-supply contracts when such contracts are being awarded. It has sent the Council a proposal for a directive coordinating procedures for the award of public supply contracts by public authorities. Other directives will shortly be prepared by the Commission to add to the body of legislation in this field.

There is also a need to tackle the legal and fiscal obstacles which transactors still come up against in their attempts to adapt to the new, enlarged market. In this respect, one important requirement is the establishment of a suitable legal framework for company law. The Commission has proposed several directives on harmonization and also a European company statute and a draft convention for transnational mergers. With one exception, however, these instruments are still awaiting adoption. Other proposals are being drafted concerning, in particular, the law relating to groups of companies, private limited companies and European cooperation groups. A very special effort still needs to be made in this field.

It is important to note that the aim of such action is not merely to harmonize the safeguards required of companies for the protection of the interests of their members and others. The Commission is keen to suit its action to trends in modern society. It considers that the integration of workers into the economic and social system will be achieved only if they are informed of how their firm operates and how it can develop, and if they take part in the decision-making process. With this in mind, the Commission has proposed certain joint management schemes.



THE TWO SEGMENTS OF THE COMMUNITY'S MULTIANNUAL  
RESEARCH PROGRAMME APPROVED BY THE COUNCIL

On 18 June 1973, the Council of Ministers approved the last two segments of the Community's multiannual research programme (1973-76) about which on 6 February 1973 it had reached only a decision in principle (see IRT No. 175).

The first segment of the same programme was adopted on 6 February 1973; it comprises a number of direct projects (i.e., to be carried out at Establishments of the Joint Research Centre), most of them nuclear but some non-nuclear (environmental protection, in particular), costing some 157.2 million u.a. over a four-year period and employing 1440 personnel.

The two segments of the four-year programme adopted by the Council on 18 June comprise respectively:

- A. A number of direct projects (List B) whose objectives are shown in the following table:

| Direct projects, to be carried out at the Joint Research Centre | Appropriation ('000 000 u.a.) | Personnel |
|---|-------------------------------|-----------|
| (a) <u>Nuclear projects</u>                                     |                               |           |
| Basic materials research  | 5.10                          | 50        |
| Hydrogen production   | 6.70                          | 70        |
| Technical assessments in support of Commission activities       | 2.00                          | 20        |
| (b) <u>Non-nuclear projects</u>                                 |                               |           |
| The environment   | 2.85                          | 30        |
| Standards and reference substances                              | 0.80                          | 9         |
| New technologies  |                               |           |
| - solar energy  | 1.40                          | 14        |
| - recycling of raw materials                                    | 1.65                          | 16        |
| TOTAL   | 20.50                         | 209       |

B. A number of indirect projects, to be carried out under research contracts, in particular:

| Indirect projects               | Appropriation<br>(*000 000 u.a.) | Personnel |
|---------------------------------|----------------------------------|-----------|
| (a) <u>Nuclear projects</u>     |                                  |           |
| Materials-testing reactors      | 0.215                            | 2         |
| Instruction and training        | 4.500                            | 8         |
| (b) <u>Non-Nuclear projects</u> |                                  |           |
| The environment                 | 6.300                            | 4         |
| Central Bureau of References    | 1.900                            | 6         |
| <b>TOTAL</b>                    | <b>12.915</b>                    | <b>20</b> |

REVISION OF THE FORWARD PROGRAMME FOR STEEL FOR 1973

In 1973, actual steel consumption in the Nine should reach 131.6 million tonnes of crude steel equivalent, i.e., 7.9% more than in 1972. This is one of the forecasts given in the revised version of the Forward Programme for Steel for 1973, recently adopted by the European Commission after a favourable opinion on it was delivered by the ECSC Consultative Committee.

The improvement in the economic situation, both inside and outside the Community, gave reason for all the forecasts for 1973 prepared at the end of last year to be revised upwards (see IRT No. 169).

In the first months of this year, the iron and steel market in the Community expanded at an exceptional rate. Internal demand for steel products increased appreciably as the rise in steel consumption - already apparent in the consumer-goods sector - spread to industries producing capital-goods which are heavy users of steel. However, the fairly high growth rate of 7.9% also reflects the strong recovery in UK steel consumption expected this year. For the original six member countries of the Community, demand will be 6.7% higher than in 1972.

The Community's steel imports should not differ much from the 1972 level (10.2 million tonnes), mainly owing to the shortage of steel on the world market. Exports, although increasing, should not exceed 26.4 million tonnes, because of increased internal requirements.

Stocks will rise beyond the level required to cope with increased steel consumption. With longer delivery times and higher steel prices giving added impetus to restocking, there could be an increase of some 3.65 million tonnes in stock levels.

In the light of these forecasts and scrap consumption in rolling mills, crude steel production may reach some 151 million tonnes which is 12 million tonnes, or about 8.6%, higher than in 1972; in relation to 1970, which was a boom year, the average annual growth rate would be 3.2%. The forecast steel production will probably result in most firms using existing capacity to the full.

The scrap market in 1973 will be marked by an overall increase of 3.7 million tonnes in scrap consumption by steelworks and other users. Total requirements will thus progress from about 48.6 million tonnes in 1972 to 52.3 million tonnes in 1973; this includes an increase of 0.3 million tonnes in works stocks. To cover this demand, works scrap could reach 24.8 million tonnes and scrap from the processing industries 14.0 million tonnes.

Assuming a subsequent increase in imports from 2.2 million tonnes in 1972 to possibly 2.4 million in 1973, recovery of merchant scrap should increase by 1.1 million tonnes to 11.1 million tonnes. This increase in demand will make it necessary to use everything that the scrap market can offer.

The following table gives a breakdown of supplies to the Member States from Community plants in 1972 and forecasts for 1973:

Deliveries to the Member States from Community plants in 1972  
and forecasts for 1973

(in '000 000 ingot tonnes)

|   | Germany | BLEU  | France | Italy  | Netherlands | United Kingdom | Denmark           | Ireland           | Community |
|---|---------|-------|--------|--------|-------------|----------------|-------------------|-------------------|-----------|
| Actual consumption                          |         |       |        |        |             |                |                   |                   |           |
| 1972  | 42.60   | 5.55  | 24.30  | 20.30  | 4.25        | 22.75          | 1.85 <sup>1</sup> | 0.35 <sup>1</sup> | 121.95    |
| 1973  | 45.60   | 5.90  | 25.75  | 21.70  | 4.55        | 25.70          | 2.03 <sup>1</sup> | 0.37 <sup>1</sup> | 131.60    |
| Variation in stocks <sup>2</sup>            |         |       |        |        |             |                |                   |                   |           |
| 1972  | + 0.80  | +0.37 | - 0.06 | + 0.90 | + 0.05      | + 0.70         | -                 | -                 | 2.76      |
| 1973  | + 1.40  | +0.20 | + 0.90 | + 0.40 | + 0.05      | + 0.70         | -                 | -                 | 3.65      |
| Total requirements                          |         |       |        |        |             |                |                   |                   |           |
| 1972  | 43.40   | 5.92  | 24.24  | 21.20  | 4.30        | 23.45          | 1.85              | 0.35              | 124.71    |
| 1973  | 47.00   | 6.10  | 26.65  | 22.10  | 4.60        | 26.40          | 2.03              | 0.37              | 135.25    |
| Supplies from Community plants <sup>3</sup> |         |       |        |        |             |                |                   |                   |           |
| 1972  | 39.89   | 5.36  | 23.44  | 18.95  | 3.72        | 21.60          | 1.27              | 0.30              | 114.53    |
| 1973  | 43.30   | 5.55  | 25.90  | 19.90  | 4.05        | 24.65          | 1.43              | 0.32              | 125.10    |
| Imports from non-member countries           |         |       |        |        |             |                |                   |                   |           |
| 1972  | 3.50    | 0.56  | 0.80   | 2.25   | 0.58        | 1.85           | 0.58              | 0.05              | 10.18     |
| 1973  | 3.70    | 0.55  | 0.75   | 2.20   | 0.55        | 1.75           | 0.60              | 0.05              | 10.15     |
| Total supplies                              |         |       |        |        |             |                |                   |                   |           |
| 1972  | 43.40   | 5.92  | 24.24  | 21.20  | 4.30        | 23.45          | 1.85              | 0.35              | 124.71    |
| 1973  | 47.00   | 6.10  | 26.65  | 22.10  | 4.60        | 26.40          | 2.03              | 0.37              | 135.25    |

<sup>1</sup> Apparent consumption

<sup>2</sup> Stocks held by producers, stockholders and users.

<sup>3</sup> Except finished products made from semis imported from non-member countries

IRPT No. 195, 26 June 1973, ANNEX 3 p.3

X/331/73-E





RECENT PUBLICATIONS

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TRANSPORT

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(Prévision à moyen et à long terme)  
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Canada, Montreal, 1972

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Quatrième Rapport du Comité Mixte FAO/OMS d'experts  
des additifs alimentaires - Genève, 24 June - 2 July 1970  
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