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\*\* The Council of Ministers of the Community, meeting in Brussels on 6 December, WERE UNABLE TO REACH AN AGREEMENT ON A COMMUNITY RESEARCH PROGRAMME. Once again, they have POSTPONED A DECISION until the next meeting, planned for 20 December.

Basing their debate on the proposals submitted by the Commission of the European Communities, which related to a three-year programme (see "Industry, Research and Technology" No. 114), the Council remained in session for almost twelve hours. The six ministers were, of course, unanimous in issuing their usual statement of faith concerning the need for "substantial and consistent" European action, but there was the customary lack of agreement on the content of this joint action. Even by lowering their sights, as the hours passed by, to aim at the adoption of a single one-year "caretaker" programme for 1972, it proved impossible to reach an agreement and the discussion had to be postponed.

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*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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On 20 December the Council, fortified by the twelve extra days' reflection, will meet again for a renewed attempt at working out a Community research programme. All the signs are that this will be a hastily drawn up programme limited to one year. The current programme ends on 31 December and a budgetary solution must be found before 1 January 1972.

ANNEX 1 contains a statement issued after this meeting of the Council of Ministers by Mr Spinelli, the member of the Commission with special responsibility for research and industrial affairs.

\*\* At their meeting held in Brussels on 3 December, the Council of Community Transport Ministers examined the proposals concerning a COMMON TRANSPORT POLICY as submitted by the Commission of the European Communities. These proposals cover a number of staggered projects extending up to 1976. The Council gave its agreement in principle to the measures recommended by the Commission for 1972.

On the other hand, the ministers were unable to reach agreement in the specific field of the common regulations to be adopted as regards the weight and dimensions of trucks and heavy vehicles, despite the large amount of preparatory work carried out, and it is difficult to see how this log-jam can be broken.

ANNEX 2 contains a summary of the Commission's proposals dealing with the common transport policy.

\*\* The COMMUNITY SHIPBUILDING INDUSTRY, which employs about 150,000 workers, has passed through a difficult period and is now undergoing a period of recovery and

stabilization. This is the reason why, in the new proposal for a directive concerning AID TO SHIPBUILDING which it has just submitted to the Council of Ministers, the Commission of the European Communities envisages a considerable lowering of the ceiling set for this aid, and at the same time plans to continue its efforts to harmonize such aid within the Community.

Further details are given in ANNEX 3.

\*\* A group of members of the European Parliament have just submitted a written question concerning the EURATOM MULTIANNUAL PROGRAMME to the Council of Ministers of the Community. The text is as follows:

1. For what reason has the Council not been able to adopt the multiannual programme proposed by the Commission in due time to allow the Parliament to adopt the Communities' budget as a whole?
2. Does the Council not think that, bearing in mind the ever-increasing need to tailor scientific and technological development to certain needs of society also, the time has come for the activities of the JRC to be expanded to include certain fields of a general nature and of Community-wide appeal in the field of environmental protection?
3. When does the Council intend to place this important problem before the European Parliament for detailed discussion?

\*\* The European Investment Bank has granted the Cassa per il Mezzogiorno FOURTEEN LOANS worth a total of 66,900 million Italian lire (107 million u.a.) for INDUSTRIAL DEVELOPMENT IN SOUTHERN ITALY. The execution of the

projects supported by these funds represents fixed investments of over 160,000 million lire and will help to create or save over 6,000 jobs. This brings the total EIB involvement in Italy up to 712,000 million lire (or 1,140 million u.a.), 80% of which is for loans concerning projects in Southern Italy.

\*\* Mr Abs, Chairman of the Supervisory Board of the Deutsche Bank, and Mr Spinelli, the member of the Commission with special responsibility for research and industrial affairs, will chair the opening session of the second European symposium on management, due to be held at Davos, Switzerland, on 22 January to 1 February 1972 (see "Industry, Research and Technology" No. 113). Two further members of the Commission attending the symposium will be Mr Barre, Vice-President, and Mr Dahrendorf. The discussions between the 350 captains of industry who have already agreed to attend the symposium will centre upon the problems of supranational industrial cooperation in Europe. The address of the Symposium Secretariat is Chemin Rieu 12, 1208 Geneva, Switzerland.

\*\* About 60 experts in the industrial and nuclear fields took part in the symposium on nuclear methods of analysis employed in the production and industrial use of PRECIOUS METALS, held in Brussels in November by the Commission of the European Communities. They examined the avenues opened up by the possible use of nuclear methods. As a follow-up to this symposium, three working parties will be formed in order to study prospecting problems, the physical properties of the substances and the assay of traces of precious metals respectively.

\*\* The Commission of the European Communities is to have a study carried out on the progress achieved in the

UTILIZATION OF NUCLEAR TECHNIQUES IN THE TEXTILE, LEATHER AND PLASTICS INDUSTRIES, both in research and at the industrial level.

\*\* SCIENTIFIC AND TECHNICAL REPORTS recently published by the Commission of the European Communities include the following:

- Immunogenetica - Relazione annuale 1970 (Immunity genetics - Annual report 1970)  
(EUR 4661 i - 20 pages - 40 BF - available in Italian)
- Investigations on bone marrow transplantation in irradiated animals - Final report  
(EUR 4663 e - 14 pages - 40 BF - available in English)
- Les cellules immunocompétentes - Rapport final (Immunocompetent cells - Final report)  
(EUR 4664 f - 14 pages - 40 BF - available in French)
- Power pulse fluctuations in the SORA reactor - Theory  
(EUR 4679 e - 20 pages - 40 BF - available in French)
- Metodo rapido e semplice per la determinazione di radioattività alfa globale nelle urine (Rapid and simple method for determination of total alpha radioactivity in urine)  
(EUR 4675 i - 14 pages - 40 BF - available in Italian)
- Studies on the radioactive contamination of the sea - Annual report 1970  
(EUR 4701 e - 84 pages - 125 BF - available in English)

These reports can be obtained from the Sales Office for Official Publications of the European Communities, (PO Box 1003, Luxembourg 2).

ANNEX 1

Statement made by Mr Spinelli, the member of the European Communities with special responsibility for research and industrial affairs after the meeting of the Euratom Council held on 6 December 1971

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In spite of the efforts made on both sides throughout the meeting, the Council of the Six have been unable to reach agreement, either on the multiannual research programme proposed by the Commission or on a one-year programme, an idea which was put forward by certain delegations as a tide-over solution.

This inability to come to a decision is particularly regrettable since, as the Council has been unable to fix the amount of money to be devoted to research, it has found it impossible to reach a final decision on the general Community budget. However, at the meeting which has just been held, it was clear that the Ministers were not able to display the political will or even the freedom required to meet the obligations entered into at The Hague during the meeting of the Heads of State in December 1969.

A genuine solution to the problems involved would necessitate a radical change in the manner in which the institutions operate.

As long as Community decisions - in this case those which affect scientific cooperation - are taken by a Council of Ministers, each of whom is governed by his own national interests, results such as those achieved tonight will be the order of the day. Even if some agreement is reached on 20 December out of sheer desperation, it will only be a one-year stop-gap programme which, as everyone admits, including the Ministers themselves, has little to do with the actual needs of the Community.

In order to clear the way for the changes urgently required within the JRC, the Commission had proposed a three-year programme. This was not without significance. The Commission maintained its position during the debates and will continue to do so.

## Steps Towards a Common Transport Policy

The purpose of a common transport policy is to establish a comprehensive system covering all forms of transport and transport markets, thereby ensuring that the best possible use is made of both present and future means of transport, and to guarantee the satisfactory provision of the public service duties which fall on it in the interest of society as a whole. This was recently reaffirmed in a note from the Commission to the Council of Transport Ministers on the occasion of their meeting held in Brussels on 3 December.

This note lists the measures to be adopted, in order of priority and according to a timetable. The Commission believes that their implementation in stages up to 1976 should help to close the gap between transport policy and other common policies.

### Anti-pollution measures

Pride of place is given to improving traffic safety, which includes everything concerned with protecting the environment against noise, pollution, urban congestion, etc. The development of new transportation techniques should enable solutions to be found to these problems.

### Investment coordination

In the future Community interests must replace traditional national requirements in determining investments in infrastructure, railways, roads, canals, airways, etc. The Council procedure, which has so far proved inadequate, must be made more effective.

### Transport on an economic footing

The Commission considers that transport systems must be able to operate on an economic footing, with revenue covering expenditure. Its proposals concerning the pricing infrastructure use and the harmonization of commercial vehicle taxes are designed to place the burden of maintenance costs more on users, according to frequency of use, weight and speed.

Harmonization of conditions of competition

The Commission stresses the need for harmonization of the conditions of competition both between different forms of transport and within the same form. This would also involve harmonization of the social legislation for each mode of transport (e.g., restrictions on driving time and compulsory rest periods).

In order to harmonize the numerous forms of government intervention in different countries in the field of transport, regulations are already in force relating to public service obligations, standardization of railway accounting and subsidies to certain transport undertakings.

There should also be a radical reform of relations between the States and the railways with a view to rendering them independent in terms of management. Thus, free to fix their own rates, the railways could base their fares on the corresponding cost of using their infrastructure, as do other forms of transport. The companies should be able to make a profit, which could then be used to pay off the debts incurred in developing the necessary infrastructure.

Control of access to the transport market

The Commission's proposals give priority to road transport. It believes that an increase in intra-Community road transport is urgently required and that this should be based on a multilateral agreement and the abandoning of the restrictive system of bilateral quotas which still exist for the majority of internal Community trade. These bilateral agreements are no longer appropriate now that six countries are involved and should therefore be replaced by an agreement between the Six allowing licences to be issued covering all routes within the Community.

Such licences do in fact already exist, but their number is inadequate and they should be issued by the Community and not, as at present, by individual states. The problem of their renewal will be raised at the end of this year.

As regards inland waterways, the Commission proposes the temporary, voluntary and compensated immobilization of excess capacity.

Transport costs

The Commission believes that the railway tariff system, which is governed by a structure usually determined by the public authorities, should be made more flexible and replaced by a system similar to that used for road transport between Member States (i.e., tariffs variable within certain price brackets).

Weights and dimensions of commercial vehicles

The Commission has made a compromise proposal to the Council whereby the maximum axle weight would be limited to 11.5 tons, midway between the present French and German limits (13 and 10 tons respectively).

Measures planned for 1972Harmonization

- Road:                   - adjustment of commercial vehicle taxes.  
                          - weight and dimensions of trucks.
- Railways:               - financial reorganization and managerial independence.

Market organization

- Road:                   - Community quota to replace bilateral quotas.  
                          - extension of bracket rate tariff system for international transport.
- Railways:               - bracket rate tariff system for both national and international traffic.
- Inland waterways:     - temporary immobilization of excess capacity.
- All forms:              - end of all forms of discrimination.

Development

- Road:                   - increased safety.  
                          - standardization and toughening of conditions for the granting of driving licences.

The Commission's programme for the next few years, up to 1976, is to be put into effect in the following stages:

- 1973: 1. Choice of a basic tariff system for use of infrastructures and adoption of a common ratio between petrol and fuel oil taxes.
2. Strengthening of the consultation procedure, especially for major matters of Community importance.
- 1974: Harmonization of social provisions for all forms of transport.
- 1975: Implementation of actual road safety measures.
- 1976: ~~Establishment of a complete system~~ for regulation of capacity.

Aids to Shipbuilding

(New proposals from the Commission of the European Communities)

The shipbuilding industry gives work to about 150,000 people in the Community, and is of great importance regionally and locally, being concentrated in certain towns or localities where it is among the chief industries if not the biggest one.

Although this sector of the Community's economy went through a bad time for a number of years, it was able to stage a recovery and, despite certain difficulties, financial ones in particular, it is now very busy, with an estimated annual turnover of \$1,500 million, 50% of its output being for export.

The Council of Ministers' directive that has governed aids to shipbuilding since 1969 will expire on 31 December 1971. In view of this, the Commission of the European Communities recently sent to the Council of Ministers a proposed new directive on the measures to be taken in this sector from 1972 onwards.

Encouraging results

The Council's first directive (the Commission of the European Communities had put up the proposal as early as 1965) helped to improve the position of Europe's shipbuilding industry which, in the Community, deteriorated badly up to 1967, then improved slightly in quantitative terms up to 1969, since when it has levelled out. The European industry has been able to specialize in the construction of ships with a high added value and has adapted to the new requirements of the shipping industry.

The harmonization of aids to shipbuilding in the Community has also had a satisfactory outcome. Initially the situation varied widely (aids sometimes exceeded 30% of the selling price in France and Italy, but were non-existent in other Member States), but a better balance is now emerging: since the beginning of 1971 national aids have been

pitched at an average level around 5% (with the exception of Italy, where they are still up to 10%).

The Commission's new proposals

The new proposals put up by the Commission of the European Communities would result in a considerable reduction in the ceiling on aids to shipbuilding, while continuing with the attempt to harmonize them within the Community.

A reduction in the level of aids of this kind is justified for a number of reasons:

- the distortion of competition on the international shipbuilding market has lessened of late;
- many shipbuilding countries are deciding, increasingly often, that the shipbuilding industry must ultimately stand on its own feet;
- the Community's shipbuilding industry has improved its position in relative terms, owing to rising demand and the early results of the restructuring of the shipyards.

However, it will still benefit the Community to maintain an aid scheme, at a reduced level, since this will facilitate the further rationalization needed in the Community's shipbuilding industry which is made more difficult by the poor trading results achieved by many shipyards owing to the continuing distortion of competition on the international market.

The Commission of the European Communities formulated the proposed new directive (with a three-year life) having regard to all these considerations. Under it, aids to export credit are limited by the latest stipulations laid down on the subject by the Organization for Economic Cooperation and Development (OECD), (a minimum rate of interest of 7.5%, 20% down payment and repayment of the balance over eight years), while other forms of aid may not exceed 5% of the selling price in 1972, 4% in 1973, and 3% in 1974. A general revision clause is provided for.

The harmonization of aids within the Community must cover not only specific aids but also the general systems of aid (guarantees against cost increases, etc.), in force in certain countries, which are widely applied to shipbuilding and affect it just as much as specific aids. The Commission of the European Communities proposes that these general schemes of aid should be allowed for in setting the levels of Community ceilings on specific aids to shipbuilding.

Generally speaking, these new proposals represent another step towards placing all the Community's shipyards on an equal footing as regards support with public funds; they form part of a policy of harmonization pursued unceasingly by the Commission of the European Communities.