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Because of the annual holidays, the next issue (no. 110) of "Industry, Research and Technology" will appear on 7 September, 1971.

- ** PROTECTION AND IMPROVEMENT OF THE ENVIRONMENT, i.e., of all the factors which contribute to the quality of life, is just as essential an objective of the Community's economic and social policy as the quantitative raising of the standard of living. The Commission of the European Communities has just approved a document setting out the Community's policy on the environment. A summary is given IN ANNEX 1.

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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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** The situation created by recent events affecting the oil industry does not appear at present to raise a direct threat of a shortage of Community supplies; but it has repercussions on THE PRICES OF MINERAL OIL PRODUCTS, and consequently exerts a pull on prices of certain other forms of energy. In addition, major changes are occurring in the relations between the producer countries, the oil companies and the consumer countries.

In a recent statement to the Council on the implementation of the "First Guidelines for a Community Energy Policy", the Commission of the European Communities draws conclusions from the changes which have taken place on the world energy market.

This statement is summarized IN ANNEX 2.

** Being aware of the need to encourage the REORGANIZATION OF THE TEXTILE INDUSTRIES, and at the same time to palliate the effects of the social and regional problems which this may entail, the Commission of the European Communities has now decided to send the Member States a communication outlining a common policy for individual textile sectors, and another communication concerning the framework of textile aids at Community level. These communications are summarized IN ANNEX 3.

** THE PROJECT FOR COOPERATION IN DATA PROCESSING between Philips, Olivetti, Siemens, AEG Telefunken, the Compagnie Internationale de l'Informatique (CII) and International Computers Limited (ICL) under the sponsorship of the Commission of the European Communities should not suffer from the possible purchase by the Netherlands Government of a computer from the Philips group, according to a reply by the Commission of the European Communities to a written question from Mr Vredeling, a Dutch Member of the European Parliament. This project related to the development of a high-power data-processing system, scheduled to be put on the market in 1980 and requiring a major research and development effort, whereas the computer ordered - it appears - from Philips belongs to a series already available commercially.

The Commission points out that the project for cooperation in the development of a large computer is no longer being maintained in its initial form, the five European firms preferring instead to consider a cooperative effort to standardize their products. Two of these firms are to present a preliminary report on this subject towards the end of the present year.

The Commission also takes the opportunity afforded by this reply to reaffirm the need for cooperation between European firms with a view to strengthening industrial structures in the advanced-technology field, and for a joint policy directed towards this end. It has set forth its ideas in the memorandum on the Community's industrial policy (last section of Part III and all of Part IV). In this memorandum the Commission expresses in particular its disapproval of preferential practices in public purchases, which, quite apart from being incompatible with the Treaty, are not calculated to create the most favourable climate for technological cooperation.

** At their meeting in Brussels on 15 and 16 July the experts of the 19 European countries whom the Community had brought together in order to lay the foundations of EUROPEAN COOPERATION IN SCIENTIFIC AND TECHNICAL RESEARCH (see "Industry, Research and Technology" nos. 59 and 101) selected certain draft projects sufficiently advanced to be submitted for decision to the FIRST CONFERENCE OF MINISTERS OF THE NINETEEN PLANNED FOR NOVEMBER 1971. Providing the experts can solve the remaining institutional, legal and financial problems at their next meeting, on 22-24 September 1971, the Conference of Ministers might decide to go ahead with the following cooperative projects:

- installation of an experimental European data transmission network and progressive setting-up of a European program library;
- forward studies on passenger transport between large conurbations;
- various means of combating nuisances (studies of the physico-chemical behaviour of sulphur, analysis of micropollutants, treatment of muds);

- various metallurgical research projects, forming part of a concerted effort;
- problems inherent in radio-wave propagation and in aeriads.

In addition, the Ministers might adopt a position in principle on the establishment of a European meteorological computing centre.

**The General Consultative Committee of the Joint Research Centre will hold its next meeting in Brussels on 1 and 2 September 1971. It is expected that it will be able to give its FORMAL OPINION on the proposed MULTIANNUAL RESEARCH PROGRAMME (1972-1974) submitted to it by the Director General of the Joint Research Centre (see "Industry, Research and Technology", No. 106) in time for the Commission of the European Communities to be able to consider this proposal and forward it for decision to the Council before 1 October. This would be the first time since 1962 that the Council had approved a multiannual programme for the Joint Research Centre.

** In reply to a written question from Mr Boerema, a Dutch Member of the European Parliament, on the Community measures for COMBATING THE POLLUTION OF RIVER WATERS, the Commission of the European Communities draws attention to the fact that at its meeting on 17 February 1971 it had decided to create the organization necessary for intensive study of questions relating to environmental pollution, including pollution of water, and to present proposals for action in this matter. The administrative infrastructure is in course of being set up.

As regards the discharge of residual salts into the Rhine (see "Industry, Research and Technology, No. 78), the Commission of the European Communities points out in particular that the Community does not possess legal powers of such a nature as to enable the Commission to intervene to prohibit such discharges.

** The information which we published in "Industry, Research and Technology", No. 107, on PUBLIC EXPENDITURE ON RESEARCH AND DEVELOPMENT derived from the work of expert statisticians in the member countries and the Community's Statistical Office.

THE COMMUNITY'S POLICY ON THE ENVIRONMENT

The steady improvement of living and employment conditions for their peoples is the essential aim which the signatory states to the Treaty establishing the European Community set themselves. Conservation and improvement of the environment, i.e. of all those factors (background, atmosphere and living conditions) which make up the quality of life, are therefore just as essential an objective of the Community's economic and social policy as the quantitative raising of the standard of living.

This standpoint, which has been repeatedly affirmed by the Commission of the European Communities and the Member States (see "Industry, Science and Technology", Nos. 83 and 89), is bound to lead them to adopt a fresh attitude and pay greater attention to the qualitative aspects of technological progress, to take into account the cost in social terms of the degradation of the environment, to integrate the ecological factors in economic decisions, to accept the financial sacrifices necessary in order to combat pollution and improve the background living conditions, and to adapt present institutions in such a way as to permit them to tackle and solve problems which frequently transcend the traditional political and economic framework.

In a society which is becoming increasingly populous, urbanized and industrialized, the environment is seen to be an essential factor in the organization and promotion of human progress. The Commission has therefore approved a document setting out the Community's policy on the environment. It intends to enter into a series of contacts with the authorities of the Six and of the candidate countries in order to be able to suggest a number of concrete measures which the Commission should undertake.

THE ROLE OF THE COMMUNITY

Protection of the environment calls for the making of regulations to cut down and if possible eliminate the risks from pollution to the health and well-being of man and to the natural environment. The pervasive character of pollutions, which know no frontier, and the economic and commercial consequences of measures to eliminate them, make it essential

for these measures to be taken at international, and in the first place at Community, level.

Measures taken by a single country are liable to penalize certain sectors of the economy and industry of that country vis-à-vis competitors less attentive to the adverse effects of pollution or having different ideas as to the way in which the costs of combating pollution should be shared. It is advisable to preclude such distortions by international agreements, and particularly urgent and imperative to do so within the framework of a Community constituting henceforward a single market and purposing to establish an economic union.

In addition, the expansion of industrial and agricultural activities, the increase in the urban population in towns of ever-greater size, the use of ever-growing areas for leisure and recreation purposes, render particularly urgent the rational husbanding, from both a geographic and an economic standpoint, of available space and of natural resources. The last-named, which until recently were considered as boundless and gratuitous, now represent rare and costly economic assets which must be safeguarded and preserved.

The extent and natural diversity of the regions and sites which characterize the Community, the unequal distribution of population and economic activities in these regions, the abolition of obstacles to the freedom of movement for manpower, services and capital as laid down in the Treaty - all this makes it essential to seek and find at Community level solutions to the problems of environmental conservation which affect all the Member States.

Finally, problems such as the purification and conservation of rivers (such as the Rhine and its tributaries, which pass through several Member States) or the control of marine pollution (i.e. in the Mediterranean and the North Sea, which constitute property common to all the Member States) are immediate and urgent. They can be solved only by formulating and implementing joint decisions as to the objectives pursued, the solutions to be employed and the means to be used.

Projects hitherto confined to individual sectors

The legal and financial measures at present open to the Community in the field of environmental protection, although by no means negligible, all tend to limit its action to particular sectors and problems:

- Under the terms of the Coal and Steel Treaty, the Community encourages research on the protection of workers against the dangers of dust emission (mines and steelworks) and gases (steelworks), and on the organization of medical measures of a prophylactic and therapeutic character;
- Under the terms of the Euratom Treaty, the Community lays down basic standards (maximum permissible doses and contamination) to protect the health of the general public and of workers against the dangers resulting from ionizing radiations;
- The European Economic Community has been constrained to concern itself with pollution from the angle of the effects which disparities between the laws, regulations and administrative provisions enacted by the Member States to diminish or eliminate such pollution may have on trade and competitive power. (In a forthcoming issue of "Industry, Research and Technology" we will deal in more detail with the sector-by-sector action already undertaken by the Community in the field of pollution control).

Despite their value, these activities remain too fragmented to ensure effective protection and improved conservation of the environment.

A GENERAL PROGRAMME OF ACTION

The attainment of the required objectives and the execution of the tasks entailed make it necessary to initiate a programme of Community action on the environment which is both on a largescale and practical. It should include the following points:

- 1) the introduction at Community level of regulations aimed at diminishing or eliminating the risks from pollution or nuisances to human health and well-being, and the organization on the basis of existing national facilities of a Community network for the observation of water, air and soil pollution, together with the creation of a joint centre for the processing of the observed data. This project will necessitate the establishment of a coordinated research programme and possibly the financial participation of the Community in its implementation.

- 2) The preservation and improvement of land, resources and natural surroundings in the Community, especially in the context of the regional policy and also of the adaptation of certain regions of general interest to the Community (e.g., the Rhine basin and the sea coasts), and financial participation in the creation and functioning of inspection and planning agencies for these regions.
- 3) Cooperation of the Member States in harmonizing and securing more effective supervision of compliance by individuals with regulations against pollution, and also measures for penalizing infractions of these regulations.
- 4) The provision of financial facilities for special efforts at regional and sectorial level to combat pollution.
- 5) The creation of a European Institute for the Environment.
- 6) The participation of the Community as such in the work of international organizations on the preservation of the world's natural wealth and to the avoidance of obstacles to international trade.

The present provisions of the Treaties invest the Community with powers which are inappropriate and insufficient for carrying out such vast and urgent tasks.

In order to be able completely to attain the objectives stated above the Community would have to enjoy the power to make regulations in these fields which would be directly applicable in each Member State and which, once adopted, would replace existing national regulations or fill the gaps in national laws.

PRIORITY PROJECTS

Because of their urgency five priority projects should be started immediately, with the following aims:

1. Reduction of the concentration of some of the most dangerous air pollutants (including sulphurous acid anhydride, carbon monoxide, etc.) and water pollutants (phosphates, hydrocarbons etc).

2. Reduction of the pollution caused by the use of certain products in commercial use and of substances deriving from industrial processes.
3. Launching of a coordinated programme of research on pollutants (origin, dissemination and effects) with a view to establishing criteria, indices and standards.
4. Improvement of land and of the natural surroundings. A monograph of the Rhine basin will be drawn-up after obtaining the backing of the experts and institutions concerned, particularly the International Commission for Rhine pollution control. The Commission will support and itself take the necessary measures to stem pollution of the Mediterranean and the North Sea.
5. Implementation of basic studies required in order to secure better understanding, determination and solution of environmental problems (e.g., a schedule of laws, regulations and administrative provisions; elimination of wastes; estimation of the cost of anti-pollution measures, etc).

These priority projects must be implemented as a matter of urgency, and at the same time the Community must increasingly participate in the work of international organizations and cooperate with non-Community countries.

TOWARDS A COMMUNITY ENERGY POLICY: GUIDELINES AND CONCRETE MEASURES

Energy supply is a basic factor in industrial development. Any distortion of energy supply conditions has far-reaching economic effects. For some time, therefore, the Commission of the European Communities has been concerned to harmonize the Community's energy economy and to bring the Member States to adopt a certain identity of views on matters such as supply, taxation, and aid to research and development.

"First Guidelines for a Community Energy Policy" was forwarded to the Council by the Commission of the European Communities in November 1969 (see "Industry, Research and Technology" Nos. 5, 47 and 86). According to the Commission the basic objective of a common policy, which must be centred on protection of the consumer, is to achieve security of supply in the various energy sectors at prices as low and stable as possible. These basic principles were approved by the Council, which on 13 November 1969 requested the Commission to submit the most urgent concrete proposals to it as soon as possible.

Since then various proposals have been put forward in implementation of these "first guidelines" and various forms of action undertaken with a view to arriving at a common energy policy, the necessity for which is underlined by the present situation.

In a recent communication to the Council on the implementation of the "First Guidelines for a Community Energy Policy", the Commission of the European Communities draws conclusions from the changes which have taken place on the world energy market following recent events in the oil sector.

The new situation does not at present appear to pose a direct threat of shortage of supplies to the Community, but it has repercussions on prices of oil products, and in consequence an entrainment effect on the prices of some other sources of energy. In addition, major changes are taking place in the nature of the relations between the producer countries, the oil companies and the consumer countries.

This trend, which a common energy policy must take into account, brings out in particular the need for suitable measures to offset a partial interruption of energy imports, the advisability of promoting the unification of the energy market, and the value of establishing a common supply policy. These considerations have influenced the new measures taken and the new proposals advanced by the Commission of the European Communities in the field of energy policy.

In the light of these facts it is advisable to:

- determine by agreement between the national administrations and Commission of the European Communities the procedures for consultation on the measures to be taken in the event of a supply crisis and on the possibility of ensuring coordination of these measures at Community level;
- consider methods of ensuring the cohesion of national measures likely to affect the structure and conditions of the energy market from a Community standpoint, and the progressive establishment of a common policy;
- apply a common commercial policy, which should include in particular a policy for cooperation between the Community and the developing countries (which, by stimulating the industrial, economic and social development of these countries, would have the effect of widening the field of trade between them and the Community, improving the stability of their reciprocal relations, and providing a more satisfactory framework for the activities of the firms which provide the Community with hydrocarbon supplies.

Having regard to the foregoing guidelines for a Community energy policy, the Commission of the European Communities has just submitted the following three proposals to the Council:

- compulsorily held stocks of oil and oil products to be raised to the equivalent of 90 days consumption in the previous year, by amending the directive of 20 November 1968 which fixes this requirement at 65 days' supply.

- the application of Joint Undertaking status be extended to activities in the hydrocarbons sector.

In order to stimulate these activities, and notably exploration and development of resources, and transport and storage, which are of importance as regards security of hydrocarbons supply for the Community, the regulation proposed by the Community provides for the establishment of a framework for cooperation between undertakings in pooling their resources, and the creation of specific facilities for aid on a Community basis (e.g. tax reliefs, loan guarantees, low-interest loans, or loans not repayable in the event of exploration work proving unsuccessful).

- authorization be given for the raising of loans to enable the Community to contribute to the financing of nuclear power plants.

Nuclear power can reduce Europe's excessive dependence on external energy sources by making a contribution to electric power output. The development of nuclear power plants is at present being impeded by the higher construction costs entailed as compared with conventional plants. The Commission has therefore proposed to the Council that effect be given to Article 172 of the Euratom Treaty, which permits loans to be raised for financing research or investment projects in the nuclear industry. The proceeds of the loans in question would be used for granting at market conditions redeemable Community loans for funding nuclear investment projects.

A COMMON POLICY FOR THE VARIOUS SECTORS OF THE TEXTILE INDUSTRY

In 1969 the textile and clothing industries accounted for 9.6% of the total production of Community industry (in terms of added value), or 14,000 million dollars, and employed 11.8% of the Community's industrial labour force (against 12.9% in 1966). Furthermore, 70-80% of the textile industry is concentrated in a few areas, in which it employs up to 30% of the working population. For some years, too, the textile industry has been releasing on an average 40,000 operatives per annum. This is the result of a rationalization undertaken under pressure of increased competition both within and outside the Community, and aimed particularly at the improvement of productivity.

Realising the importance and sensitivity of this industry, and also the problems which it raises both within the Community and in the Community's relations with outside countries (particularly with developing countries), the Commission of the European Communities has decided to send Member States two communications, one on policy for the various sectors of the textile industry and the other on the Community framework for aid to the textile industry.

In the document on policy for the various sectors of the industry, the Commission sets the guidelines for the action to be taken by both private firms and public authorities at national and Community level in the current reorganization.

In the Commission's view, while the initiative in reorganization measures must come from private industry, it is the responsibility of both national and Community authorities to create conditions calculated to promote the necessary changes and to enable Community firms to become sufficiently competitive in anticipation of the gradual opening-up of the Community market.

It would therefore be advisable to consider action at Community level with the following aims:

1) To accelerate the adaptation of the textile sector and the development of its technology.

- the planning of government aid will be pursued by the Commission of the European Communities as part of its responsibility for assessing aid requirements under the Treaty of Rome. It is important that the textile aid programmes envisaged by certain Member States should fit in with an overall policy for sectors of the industry, and that they should be coordinated at Community level so as to avoid distortions of competition in the Community. The Commission has accordingly sent the Member States the document on framework for aids, so as to give guidance in any action they may undertake.
- As regards research and the exploitation of technological progress, the Commission will firstly coordinate individual and collective research, and secondly apply development contracts to the textile sector as soon as the procedures for implementing such contracts are finally approved by the Council. Technical and technological progress, and the exploitation of such progress (particularly the discovery of new chemical fibres) is one of the essential conditions for the maintenance or improvement of the competitive position of Community industries.
- the creation at Community level of a centre for reviewing the market situation, the initiative in which must come from the branch itself, will be encouraged by the Commission.

2) To alleviate the social and regional difficulties caused by reorganization.

Selected social and regional projects are planned with the aim of stimulating readaptation within and outside the sector through the concerted use of the recast Social Fund, the regional policy instruments available at Community level and the European Investment Bank.

- 3) To implement a common commercial policy capable of reconciling the progressive opening-up of the Community market, especially in favour of developing countries (see "Industry, Research and Technology" No. 103), with the textile sector's special adaptation requirements.

In implementing this policy, the Commission should seek to ensure that the market is opened-up gradually, and that the timescale is known to industrial firms, so as to enable them to work out medium-term reorganization plans. Furthermore, the establishment of fair competition on a world scale remains an essential precondition for the progressive opening-up of the market.