

industry research and technology

WEEKLY

REPRODUCTION AUTHORIZED

Brussels, 14 March 1972

No. 136

** THE COMMUNITY'S INDUSTRIAL POLICY must be directed towards improving living and working conditions and attaining a better regional balance in the Community through the strengthening of industrial structures and the promotion of technological development. This is emphasized by the Commission of the European Communities in the chapter on industrial policy in the General Report on the activities of the Communities in 1971. The Commission is now in a position to put forward certain formal proposals in the matter. Extracts from this chapter will be found in ANNEX 1.

** In 1971 THE EURATOM SUPPLY AGENCY concluded 12 toll enrichment contracts with the USAEC to a total value of 529,011,776 dollars. This is one of the facts which emerge from the recently published General Report for 1971, extracts from which are given in ANNEX 2.

** SOME 87 EUROPEAN IRON AND STEEL STANDARDS have been published in the Community so far. The Coal and Steel Community has striven since 1953 to establish a uniform nomenclature for iron and steel products - the EURONORMS - with a view to facilitating intra-Community trade and, in particular, the comparison of products and prices. ANNEX 3 contains further information on standardization in the European iron and steel industry.

This bulletin is published by the Directorate General Press and Information of the Commission of the European Communities

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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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** At the end of 1971 there were MORE THAN 2.1 MILLION UNEMPLOYED IN THE COMMUNITY, as compared with 1.7 - 1.8 million at the end of 1970. Rising unemployment has affected all the member countries except Luxembourg, and especially the Netherlands (increase of more than two-thirds), West Germany (up 50%) and France (25%). According to the first figures available for January 1972, the total number of unemployed reached 2.3 - 2.4 million at the end of that month. The following table shows unemployment trends in the Six:

Country	December 1970	December 1971	January 1971	January 1972
Belgium	87,200	99,000	87,300	
Germany	175,100	269,800	286,200	375,100
France				
job-seekers	322,400	397,900	351,700	
estimates	430,000	535,000	470,000	
Italy	1,032,200	1,088,900	1,144,300	
Luxembourg	33	22	20	
Netherlands	66,600	114,500	78,900	134,300
Community (estimates)	1,791,100	2,107,200	2,066,700	

On the other hand, the INCREASE IN REAL WAGES of industrial workers during the period July 1970 - July 1971 amounted to 7.5% in Belgium, 6.5% in Germany, 5% in France, 11% in Italy (April), 1.5% in Luxembourg (April) and 7% in the Netherlands.

** The measures required to ensure the necessary growth of the EUROPEAN AIRCRAFT INDUSTRY in an enlarged Community of 10 countries will be the subject of a forthcoming proposal by the Commission. A paper is now being prepared by the Commission's departments, which have held numerous consultations with all the circles concerned over a period of almost a year.

** At its first meeting in 1972, held in Brussels on 6 March, the OFFICE OF THE EUROPEAN UNION OF ASSOCIATIONS OF SCIENTIFIC JOURNALISTS elected Mr Giancarlo Masini (Italy, Corriere della Sera) as Chairman and Mr Nicolas Skrotzky (France, France Soir) as Vice-Chairman.

The Office of the Union also decided to invite similar associations in other European countries to join the Union, which already includes the Associations of Scientific Journalists of West Germany, Belgium, France, Italy and the Netherlands.

** The easing of demand in the ALUMINIUM INDUSTRY observed in 1970-71 is reflected in a rate of increase of 2%, as against 9% in previous years. The Community's aluminium industry is particularly affected by this crisis, as is pointed out by the Liaison Committee of the Non-Ferrous Metal Industries of the Community in a letter to the Commission of the European Communities, in which the Committee raises the question of the measures to be taken to redress the situation in the aluminium industry, including possible supervision of imports.

** The Commission of the European Communities is aware of the legal problem involved in the APPROPRIATE REPRESENTATION OF WORKERS' INTERESTS in a private company which no longer takes independent decisions but conforms to the decisions of the group to which it belongs; it mentioned it in a reply to a written question from Mr Vredeling, a Dutch member of the European Parliament, concerning the particular point of the threat of redundancies at the Fokker works (Fokker-VFW). The Commission states that it will consider what measures should be taken here in the course of its current work on the coordination of the laws on corporate groups.

In its draft regulation on the statute for a European company (see "Industry, Research and Technology" No. 62) the Commission proposed the creation of a GROUP WORKERS' PARTICIPATION COMMITTEE in every private European company with subsidiaries in several Member States. The Commission has begun work on the subject of

a regulation designed to prevent or reduce the possible harmful social effects of certain types of international conglomerate. The conclusions will show whether, apart from this general regulation, any particular action on the part of the Commission is necessary.

** The British Government will shortly sign in Vienna a protocol and exchange of notes with the Danish Government on the implementation of safety measures and also the promotion and development of the PEACEFUL USES OF NUCLEAR ENERGY. The British Government has notified the Commission of its intention in accordance with the consultation procedure provided for the interim period before its accession to the Community.

** THE MANAGEMENT OF RADIOACTIVE WASTE in Western Europe is the subject of a report by a group of experts recently published by the European Nuclear Energy Agency (ENEA).

** The CATALOGUE OF THE PUBLICATIONS OF THE EUROPEAN COMMUNITIES (Volume 1), the publication of which by the Office of Official Publications of the Community we recently announced, is sent cost-free only to subscribers to the Bulletin of the European Communities. It is not for sale.

4/12/71-2

ANNEX 1

THE COMMUNITY'S INDUSTRIAL POLICY

(extracts from

the Fifth General Report on the Activities of the Community, 1971)

1. As regards the preparation of an industrial policy for the Community, 1971 was a year of reflection and consultation; the Community institutions continued to study the guidelines for industrial policy formulated by the Commission in its memorandum of March 1970 (see "Industry, Research and Technology" No. 48) and produced an initial set of conclusions.

All these studies show a substantial measure of agreement on the basic objectives of the Community industrial policy. It must be directed to the improvement of living and working conditions and to a better regional balance in the Community through the strengthening of industrial structures and the fostering of technological development. An active policy must be conducted on behalf of small and medium-sized businesses. The Commission felt it was already in a position to submit certain formal proposals.

On 28 April 1971 the Commission put before the Council a draft Decision on the setting up of an Industrial Policy Committee (see "Industry, Research and Technology" No. 97). This Committee was to fulfil a twofold need, namely, to permit coordination of the national policies in the industrial field, in regard to both general and sectoral measures; and to contribute to the preparation of the Community's further work on industrial policy through various studies or opinions to be used by the Council and the Commission. Although the need, and indeed the urgency, of coordination of the national industrial policies within the Community was not disputed, the Council has still not been able to reach agreement on the setting up of such a committee.

On 14 September 1971, again in fulfilment of the discussions on the industrial policy memorandum, the Commission submitted a proposal for a Council regulation on the creation of Joint Undertakings within the scope of the EEC Treaty (see "Industry, Research and Technology No. 112).

The draft regulation provides for the setting up of such Joint Undertakings within the Community in the following two situations:

- (a) total or partial pooling of the public-service activities of centres, firms or national administrative bodies of different countries, whether or not these bodies are legal persons, or creation of new activities of this type;
- (b) creation of firms that involve the participation of firms or organizations belonging to at least two Member States and are intended to exercise a major activity of common interest from a European standpoint in the field of technological development or the supply of basic materials other than hydrocarbons.

This draft regulation aims at providing interested parties with a legal instrument enabling them to meet the particular problems of organization or structure that arise at the Community level where public services are concerned or where a major public interest is involved alongside the exercise of certain industrial and commercial activities. It also permits financial participation by the Community if necessary, and the granting of advantages comparable with those which the various countries grant in similar cases because of the nature of the activities.

It would be possible for a non-member state, an international organization or a national of a non-member state to participate in the Joint Undertakings.

2. Work is progressing actively on the other points of the industrial policy memorandum and should soon result in proposals; these points are, in particular, the Community industrial development contracts, the aligning of government purchasing policies, and the Business Link Office.

The Community industrial development contracts should be aimed at stimulating cooperation between firms of different Member States in the field of technological development. In principle, therefore, they would be reserved for such cooperative ventures and would enable projects to be carried out which had hitherto not been feasible because in practice governments only assist the industries of their own countries. The procedures to be covered by such contracts are still being discussed by the Commission with the business circles concerned.

The Commission will shortly be in a position to propose a plan for the establishment of an office for the promotion of trans-frontier business links. The duties of this office would be to send firms general information on the ways of overcoming the obstacle inherent in multinational cooperative ventures; to put firms wanting to cooperate or link up in contact with one another; and to notify the public authorities of the Community of any barriers hampering cooperation.

As regards invitations to tender for public contracts and the aligning of policies on public or quasi-public purchasing, the Commission is preparing the requisite directives to harmonize the procedures for the award of contracts and is also endeavouring to identify the sectors where trade is not developing normally in the Community, together with the reasons for this situation. It may decide to propose certain procedures for accelerating the identification and removal of the obstacles in question (e.g., technical standards, specifications) and for preventing fresh barriers arising in the case of new products, by concerting the purchasing policies, a method which, through coordinated purchases, would also tend to encourage the development of new technologies.

The Commission has given increasing attention to the problems connected with the development of management training for firms in the Community and in Europe. It has taken pains to encourage contacts and exchanges of information between representatives of all the parties concerned - universities and training institutes, manufacturers and works training staff, management and organization counsellors, and so forth. The Commission was particularly glad to see the setting up, in November 1971, of the European Management Foundation, which complies with the recommendations put forward in its memorandum of March 1970 (see "Industry, Research and Technology Nos. 119, 127 and 131).

3. The Commission continued to watch the economic growth of the various industries. It is constantly concerned to ascertain the best conditions under which the restructuring and adjusting movements already in progress can be encouraged and speeded up by the combined action of the national and Community authorities and guided towards higher productivity, more especially through research and the application of technological developments.

The Commission is convinced that effective action on the structural trend, in keeping with the characteristics of each sector, is still the essential aim of a sectoral policy which must also comprise other specific courses of action. Dynamic, competitive industrial sectors will, taken together, provide economic stability in the Community as well as continually improving living and working conditions. Moreover, if efficacious action can be taken on the development of the industrial structures, these will then be capable of coping with the new demands of the market, which is characterized by increasing competition both inside and outside the Community.

When the sectors have achieved their new structures and the last barriers to the free movement of goods have been removed, Community industry will be able to reap the advantages of the new market dimension.

ANNEXE 2

THE ACTIVITIES OF THE EURATOM SUPPLY AGENCY

In 1971 the Euratom Supply Agency concluded 12 toll enrichment contracts, to a total value of \$529,011,776, with the US Atomic Energy Commission. This emerges from the report which the Agency has just published on its activities in 1971. The result of these activities can be summed up as follows:

1. Natural uranium

In 1971 a total of 12 contracts for the supply of natural uranium were concluded, 11 being of the "simplified procedure" type. They were distributed as follows:

Four contracts with US producers totalling	452.3 t U
Two contracts with South African producers totalling	247.3 t U
Five contracts with West German producers totalling	275 t U
One contract with French producers for	<u>640 t U</u>
	1,614.6 t U

The contract prices make it clear that the downward price trend already observed in 1970 has persisted.

2. Enriched uranium

In 1971 a new supplier of toll enrichment services appeared for the first time alongside the USAEC, namely Tekhsnabexport (USSR) (in March 1971 it was announced that a toll enrichment contract had been signed between the French CEA and Tekhsnabexport).

However, efforts to enable other Community users to benefit from the Soviet sources will not succeed until negotiations with the IAEA concerning a verification agreement have been concluded, since the USSR has indicated that it would not provide enrichment services except on this condition. Hence in practice the US supply monopoly persists for the moment as far as Community

users are concerned (except the CEA).

Two developments connected with the supply of enriched uranium by the USAEC occurred in 1971, namely:

- (a) A 13% rise in prices.
- (b) A hardening of the USAEC delivery conditions.

Other major changes in delivery conditions are expected in 1972. apart from the saturation of US enrichment facilities expected by the end of the present decade, these events strengthen the desire of users to create new enrichment possibilities for the Community.

It will be recalled that, under the Euratom/US Agreement for Cooperation and the additional agreement governing all deliveries to the Community, the ceilings are fixed by US law. The maximum quantity of enriched uranium is at present fixed at 215 metric tons of U²³⁵. Up to 31 December 1971, lease, purchase and toll enrichment contracts had mobilized a total of 186,914 tons of U²³⁵, so that Community users have only 28.086 tons available for future deliveries. The USAEC will shortly take the necessary steps to obtain a fresh authorization from the US Congress for further deliveries to the Community. The 28.086 metric tons of U²³⁵ left over from the maximum quantity of 215 metric tons will suffice to cover the short-term requirements of research and power reactors for 1972 and 1973.

In 1971 the Euratom Supply Agency concluded 12 toll enrichment contracts with the USAEC. These contracts, which are usually drawn up for a period of several years, have a total value of \$529,011,776 (on the basis of the present cost of a separative work unit). Negotiations have been concluded for five other contracts, which only remain to be signed.

In addition, 19 purchase contracts were concluded with the USAEC in 1971 under the Master Sales Agreement, the total value of the enriched uranium purchased being \$1,010,298.07, and 15 lease contracts for a total quantity of 1,215.39 kg for the Community as a whole were concluded under the Multilease Contract.

3. Plutonium

There was very little activity concerning plutonium in 1971. There is as yet no real plutonium market. Few transactions have been noted, and in particular there has been no major delivery from USAEC. As a result only half (748 kg) the maximum quantity of plutonium available to the Community under the Euratom/US Agreement for Cooperation (1500 kg) has been used.

4. Transfers from or to non-Community countries, and transfers within the Community

In 1971 a total of 96 transfers of special fissile materials of Us origin from and to non-Community countries were recorded. In addition, the growing activity of the Community's nuclear industry, particularly the manufacture of fuel elements, has led to an increase in transfers of nuclear fuels and above all of enriched uranium within the Community.

ANNEXE 3

STANDARDIZATION IN THE EUROPEAN IRON AND STEEL INDUSTRY

About 87 European iron and steel industry standards have already been published in the Community; standardization, if it is to be effective, can no more be kept within national limits than can the economic system. Only standardization at European level can give specifications the requisite weight in the vast movement towards world standardization necessitated by the expansion of world trade.

The Coal and Steel Community (ECSC) has therefore striven since 1953 to establish a uniform nomenclature for iron and steel industry products - the Euronorms. The main purpose of this nomenclature is to facilitate trade between the various Community countries, and in particular the comparison of products and prices. The ultimate aim is to replace national standards by these Euronorms.

1. Why Standardize?

Standardization seeks to rationalize supply and demand, in order to obtain the best possible result from the economic and social standpoints. It entails defining ranges of products and methods suitable for satisfying given categories of needs (suitability for use), eliminating superfluous complications and varieties (simplification) and ensuring interchangeability by unification.

Standardization is an important instrument of industrial policy; it ensures the increased viability of articles fabricated in accordance with standards, improves the transparency of the market, and favours increased industrial productivity and hence lowered costs. These things are indispensable in an enlarged market.

In the general economy more intensive standardization should lead to the industrial development of forms of production which have hitherto been little industrialized (e.g., prefabrication in the building trade), with all the attendant economic and social advantages. Lastly, by organizing and disciplining the growing complexity of the realm of products, standardization helps to combat overcrowding, which is the most general feature of the developed societies.

2. The Community's Work on Standardization in the Iron and Steel Industry

Since the preparation of standards for the iron and steel industry, or Euronorms, is a voluntary task undertaken jointly by representatives of producer and user, there can be no question of imposing Euronorms on any of the countries concerned. There is, however, a kind of gentleman's agreement to incorporate the Euronorms in the national standards (whose implementation is also generally optional, but which are very often used, in the form of a standard contract, between producers and users) as rapidly and completely as is compatible with existing laws and certain special contingencies, in order to speed up the establishment of identical or at least very similar, iron and steel industry standards in the member countries.

The Euronorms have the aim of stipulating the conditions governing quality and form which an iron and steel industry product must fulfil, together with the tolerances (inevitable in any industrial process) which are acceptable to both producer and user. Thus there will be quality specifications, including certain chemical, mechanical or technological characteristics of the material to which the quality standard refers. In order to measure these characteristics, it is necessary to use test methods which are the subject of test standards. Lastly, the product's dimensions must fulfil certain geometric conditions, which are the subject of dimensional standards and dimensional tolerances.

- (a) The Euronorms relating to testing methods (to date 19 on physical and 13 on chemical tests) have been unanimously adopted by the producers and users of the Six and converted practically unchanged into national standards.
- (b) The Euronorms relating to dimensions and tolerances (to date 27) have been almost completely incorporated in the national standards. A major effort has been made here to rationalize samples, particularly in the categories of hot rolled bars and beams; as a result very important savings have been made in production, storage and processing.

In the highly complex matter of Euronorms governing quality (to date 19) satisfactory results have come more slowly, particularly as regards the most important Euronorm relating to general-purpose structural steels. In the first edition, produced after long and laborious work, it was still not possible to introduce some order into the various grades manufactured in the Community; however, this is not true of the second edition, which is now at the printer's. Thanks to a very marked trend in the last ten years towards the unification of steel manufacturing processes using pure oxygen, major simplifications have been introduced, and this second edition can be considered very satisfactory from the standpoint of the standardization of grades.

From the first generation onwards, the situation has been better as regards the other quality standards prepared hitherto (boiler steels, thin sheet for deep-drawing, strip, tin plate, concrete steels and steels for heat treatment and special processing); here a much greater harmonization of the various points of view on grades and the standardization of regulations has been attained. The national standards for these products are practically the same as the corresponding Euronorms.

To sum up, the overall Euronorm balance-sheet is decidedly positive, both as regards unification and simplification. While certain difficulties remain, the preparation of the second generation of standards will undoubtedly enable many of them to be eliminated, and at the same time permit further unification or fresh simplifications to be introduced in other fields.

