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\*\* The European Commission intends to ensure REASONABLE TRANSPORT CHARGES WHICH ARE FAIR FOR USERS through what is technically known as for the use of transport infrastructures. The system proposed by the European Commission is explained in ANNEX 1.

The first supplementary document to the Community's SOCIAL ACTION PROGRAMME was recently made public by the European Commission. It summarizes the social aspects of Community policies in fields such as Economic and Monetary Union, scientific, technological and industrial policy, regional policy, the environment and consumer protection. It also summarizes proposals already formulated for increasing worker participation in firms.

A thumbnail sketch of these aspects is given in ANNEX 2 hereto.

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For further information please apply to the

Commission of the European Communities  
Directorate-General for Press and Information  
Division for industrial and scientific information  
200, avenue de la Loi  
1040 Brussels - Tel. 3500 40

*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.*

#### PRESS AND INFORMATION OF THE EUROPEAN COMMUNITIES

1 BERLIN 31  
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\*\* A Regulation by which the member countries will undertake to launch a systematic campaign for better consumer information and use every appropriate means for this purpose is among the urgent measures to FIGHT RISING PRICES proposed by the European Commission.

\*\* CONSUMER PRICES in the Member States of the Community of Six have risen over the last twenty years as follows:

CONSUMER PRICE INDEX

(Monthly average)

1963=100

Year	Germany (FR) (a)	France (b)	Italy	Nether- lands	Belgium (c)	Luxembourg (c)
1950	77	51	62	67	79	81
1960	92	88	87	91	96	96
1970	121	131	128	141	129	124
1971	127	138	135	152	134	129
1972	134	146	142	163	142	136

(a) Incl. Saar from 1960 onwards; from 1962 incl. West Berlin.

(b) Until end 1962, Paris only; from January 1963 onwards, France; new series as from 1971.

(c) Excl. rent.

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\*\* The attainment of ECONOMIC AND MONETARY UNION requires simultaneous advances in several fields: internal and external monetary policy, short-term economic policy and regional, social, industrial and budgetary policies. This point is stressed by a report on the process of furthering Economic and Monetary Union prepared for the European Commission by a group of eminent economists and scientists. As regards regional problems, the feeling emerging from the report is that a large-scale Community regional policy is an urgent matter. With regard to social policy, it emphasized that the consequences for labour of industrial reorganization might assume new dimensions. Most of the proposals put forward in the report - which does not, of course, commit the European Commission - call for financial resources greatly exceeding the Community's budget as it stands or can be expected to be in the next few years: certain members of the group suggested increasing this budget very substantially from its present level, approximately 0.5% of Community GNP, to 3% in 1980.

\*\* The European Commission is compiling a COMPARATIVE MANUAL ON ENVIRONMENTAL PROTECTION, current programmes, the present status of laws and the allocation of powers in this field in the Community countries.

The Commission, with the aid of national experts, has already begun drawing up a list of the laws, regulations and administrative provisions on the prevention of water and air pollution, waste disposal, and noise abatement, in force or due to be enacted in the various Member States, and is pursuing its efforts to make a comparative assessment of the laws existing in the various Member States and their practical application, in order to create the necessary preconditions for any eventual approximation of these laws.

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The compendium of laws on water pollution will probably be ready by the end of October, the one on air pollution by the end of December and two others (on the waste disposal and noise abatement) early in 1974.

Documentation of this kind has no real value unless it is kept up to date and published at regular intervals. It is proposed to record progress in the regular report on the Community environment, as provided for in the action programme.

\*\* THE BIODEGRADABILITY OF DETERGENTS is the subject of two Directives recently adopted by the Community's Council of Ministers on a proposal from the European Commission. The first, relating to detergents in general and devised with a view to complete harmonization, lays down 90% as the average biodegradability factor for any detergent. The second concerns the methods of testing the biodegradability of anionic surface agents (see IRT No. 104). The Council has also adopted two other Directives, in the field of MEASURING INSTRUMENTS: the first is on non-automatic weighing machines and the second on direct measures of length. We shall give more details of these Directives in a forthcoming issue.

\*\* The European Commission has approved the granting of aids from the European Social Fund for VOCATIONAL RETRAINING AND RESETTLEMENT operations. The payments made, expressed in units of account (1 u.a. =  $\text{ƒ}1$  at the pre-devaluation rate) give the following breakdown:

Belgium: 30,785 u.a. (vocational retraining operations);  
Germany: 30,370 u.a. (resettlement operations);  
11,909,683 u.a. (vocational retraining operations);

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France: 39,938 u.a. (resettlement operations);

Italy: 7,564,096 u.a. (vocational retraining operations).

\*\* Since the end of September, following action by the Italian courts, Montedison (the Italian company) has no longer been DISCHARGING SULPHURIC ACID AND OTHER WASTES ASSOCIATED WITH THE PRODUCTION OF TITANIUM DIOXIDE into the Mediterranean. (Titanium white is a pigment used chiefly in the production of paints). This was stated in the European Commission's Answer to a Written Question from Mr Taverne, a Member of the European Parliament. Incidentally, an examination of dead cetaceans found in the Mediterranean did not show that death was due to pollution by red mud.

It will be recalled that under the Community action programme on the environment (see IRT No. 185), the Commission has been making a top priority study of ways and means of eliminating wastes associated with the production of titanium dioxide and will publish its findings and any proposals arising therefrom not later than 31 December 1974. Furthermore, the titanium dioxide manufacturing industry is one of the priority sectors of industry on which the Commission is due to carry out various studies aimed at finding Community solutions to the problems of reducing or eliminating pollution directly attributable to their activities.

\*\* The European Commission has no official statistics from the Member States on the LENGTH OF STAY OF NON-COMMUNITY WORKERS in each of them. Germany alone has conducted sample surveys once in 1968 and again in 1972. The first - the only one published so far - was carried out on a sample of 1,000 foreign workers (i.e., 1% of the total number). The table below gives a summary of the results therefrom:

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LENGTH OF STAY				
	Not less than seven years	From four to less than seven years	From two to less than four years	Less than two years
Males	26%	31%	26%	17%
Females	13%	26%	35%	26%

The above are overall figures and include nationals of Member States working in Germany.

- \*\* The European Commission has started preparatory consultations with interested quarters for the purpose of working out proposals for measures necessary for establishing a COMMUNITY TELECOMMUNICATIONS POLICY, the lack of which would have ever-increasing, disadvantageous repercussions for telecommunications administrations as well as for the industry and, most particularly, the users.
- \*\* Measures to combat POLLUTION OF THE RHINE will be the subject of the Second Ministerial Conference of Signatory States of the Berne Convention on the Protection of the Rhine against Pollution which will be held at Bonn on 4 and 5 December 1973. The European Commission will take part.
- \*\* Thiabendazole, a food preservative, may still be used on citrus fruits and bananas at maximum concentrations of 6 and 3 mg/kg respectively, if the Council of Ministers of the European Communities adopts a proposal put to it recently by the European Commission.

Research work in progress, however, indicates that at some future date a concentration of 10 mg/kg might be desirable in certain cases to obtain more effective protection.

\*\* The study on THE VIABILITY OF A EUROPEAN DATA PROCESSING INDUSTRY (see IRT No 211), prepared for the European Commission is now available in English from the Department for Industrial and Consumer Information (200 rue de la Loi, 1040 Brussels).

\*\* THE EUROPEAN ASSOCIATION OF TANNERS recently held an exchange of views with the departments of the European Commission on the problems facing the trade particularly on account of difficulties in the supply of raw materials, which is made even more uncertain by exports (especially those to certain Eastern European countries) and growing import difficulties.



TOWARDS FAIR TRANSPORT CHARGES IN EUROPE

The Commission of the European Communities intends to ensure reasonable transport charges which are fair for users through what is technically known as "charging for the use of transport infrastructures".

Paying the true cost of infrastructures

Be it rail, road or inland waterway (the only modes of transport presently under consideration), the true cost of the facilities available for use by carriers must be included when working out the transport charge. If, in a particular country, insufficient account is taken of this cost, or, worse still, it is completely disregarded, the result would be an excessive volume of traffic and the country concerned would incur too much public spending on transport. On the other hand, an excessive rise in the cost of transport would prevent all the inherent potential in the division of work from being used and would impede technical advance.

Competition between means of transport

Even if, by establishing the true cost of transport - a major portion of which is represented by spending on infrastructures - an efficient use of transport firms' available capacity is achieved, there is still the question of dealing with the problem of competition between modes of transport. Whether competition is allowed to decide which means of transport will be employed in each specific case or it is left to the authorities to decide this, a correct basis for calculation is obtained only if the true costs of transport infrastructures are used when working out the cost of the various means of transport and are reflected in the rates charged by them.

This problem is very easily solved in the case of the railways as their transport infrastructures are planned, built and maintained by themselves. The matter of charging for the use of infrastructures is more complicated for other modes of transport whose infrastructures are planned, built and maintained by the State, while the actual transport operations are performed by a great number of private or nationalized undertakings and individuals, none of them concerned with the planning, infrastructures or responsible for the cost of building and maintaining them.

If the State allowed transport infrastructures to be used free of charge by these undertakings, they would be given a competitive advantage over the railways, and considerable economic resources would thus be misallocated. For this reason, the cost of transport infrastructures should, in one way or another, be charged to their users.

#### Differing solutions

Several approaches are possible. For example, motor vehicles, the various forms of transport operation and operating requisites (motor fuels, tyres) can be taxed or user charges imposed (motorway and bridge tolls, navigation dues, parking fees, etc.).

When the true costs of infrastructures are thus charged to the users, i.e., transport undertakings, they will have to take them into account when setting their rates and the transport user, who must choose between rail, road and inland waterway, can make his decision on the basis of realistic rates, i.e., undistorted ones which include all costs. This does not, however, rule out applying rates in certain cases (e.g., for reasons of social or regional policy) which do not pass on the whole cost to the users.

The solutions based on transport taxation and law adopted so far by the Member States have not, however, taken this necessity sufficiently into account, being framed mainly from the angle of sufficiently large tax yields without any direct connection with expenditure on transport infrastructure.

The proportions of vehicle and motor fuel taxes in the Member States' total tax revenues in 1966 reached the following percentages: Belgium, 6.9%; Germany, 14.8%; France, 9.9%; Italy, 14.2%; Luxembourg, 3.1%; and the Netherlands, 12.5% (similar data are not available for the three new Member States). The problem is of great consequence owing to the importance of these taxes to the Member States' budgets. They represent between 3.1% (Luxembourg) and 14.8% (Germany) of budget revenue. And, surprising as it may appear, in spite of the high proportion of German, Luxembourg and Netherlands tax revenues accounted for by these taxes, these are not enough to cover infrastructure costs (coverage is 84.7, 46.9 and 85.6% respectively), while in France and Italy coverage shows a surplus (179.3 and 183.1% respectively).

#### A Community solution

The considerable divergences in taxation as between the Member States also serve to underline the need for a Community solution to the problem of transport infrastructure cost, since otherwise it would be found to be impossible to institute a common transport policy.

Owing to the profound repercussions which the system proposed by the Commission of the European Communities will have on the conditions under which transport undertakings operate, obviously it can be implemented in its entirety only at the end of a fairly long period of adaptation (from 10 to 15 years, as the case might be). The calculation of infrastructure

cost does more than take account of the increased expenditure on the maintenance, replacement, operation and administration of infrastructures due to additional traffic. It also takes in the costs due to additional traffic and incurred by the remainder (money value of time lost through slower traffic movement, increased fuel consumption due to more frequent changes in speed, the cost of goods being in transit for longer periods, etc.). Similarly the marginal cost of accidents and the costs of nuisances are estimated (noise, smoke and fumes, etc.).

The proposed system may appear at first sight to be very complicated without necessarily affording the consumer any immediate advantage. By contributing to the efficient use of the Community's economic potential, however, it will promote technical progress and constitute an important factor towards the prosperity of the Community and all its inhabitants.

THE MAIN SOCIAL ASPECTS OF THE COMMUNITY POLICIES

The first supplementary document to the Community's social policy programme was recently made public by the European Commission. It outlines the social aspects of Community policies in fields such as economic and monetary union, scientific, technological and industrial policy, regional policy, the environment and consumer protection. It also outlines proposals already formulated for increasing worker participation in firms.

1. Economic and monetary union

The second stage of economic and monetary union should witness the implementation of a number of specific measures in the social field:

- (a) Emphasis should be placed on guaranteed income at the time of vocational retraining which should to some extent be linked to creating jobs locally (see IRT No.211).
- (b) An unemployment benefit fund should be set up at Community level.
- (c) As part of tax harmonization, and in relation to personal income tax, measures must be taken to facilitate the free movement of frontier and migrant workers (see IRT No.210).
- (d) Priority should be given in the Community budget to regional policy and employment policy.

2. Industrial and technological policy

- (a) An effective industrial policy should help to create enough jobs for the Community's present and future population. It should in particular make it possible to encourage the creation of jobs in regions affected by the various forms of unemployment and under-employment.

- (b) The European Commission recommends more forecasting of trends in employment - regionally, sectorally, and with regard to qualifications - in particular with a view to giving better guidance to the various actions required in the field of vocational training and retraining with the support of the new European Social Fund (see IRT No.210).
- (c) Workers and their trade unions will be called upon to play an ever-increasing role as regards not only the level of employment and wages but also working conditions and participation in the firm's management and business decisions (see IRT No.208).

### 3. Regional policy (see IRT Nos. 189, 203 and 207)

The fundamental objectives of Community regional policy are to achieve lessening of inter-regional disparities through a more equitable allocation of resources and to improve the living conditions of all Community inhabitants, whether those living in areas of structural underemployment and high unemployment, or inhabitants of the large overpopulated urban concentrations with a sub-standard environment. The Community's regional policy cannot replace national policies but is intended to complement them by favouring poor areas by means of incentives and by a major effort to reduce the excessive concentration of economic activities in overpopulated areas by means of disincentives.

The establishment of the Regional Development Fund will enable Community resources to be applied for regional purposes. It will be concentrated entirely on the medium- and long-term development of backward or declining regions, with the aim of raising them to the level of self-sustaining growth. The European Commission recently decided upon a list of regions which may benefit from the Fund's operations.

A Regional Policy Committee will enable the regional policies of the Member States to be coordinated at Community level.

4. The environment (see IRT Nos.185, 209 and 210)

The aim of environmental policy in the Community is to improve the setting and conditions in which its peoples live.

Improving the working environment is a priority objective. Efforts within firms must be directed towards reducing the monotony and repetitiveness of work, adopting flexible working hours where possible and promoting satisfactory human relations at work. Safety and health at work must also be improved. A real improvement in environmental conditions should be made technically feasible and mandatory for all enterprises.

The Council of Ministers of the European Communities is expected to give its ruling shortly on the setting-up of a European Foundation for improving living and working conditions with the task of studying the factors that are likely to lead to improvement in the quality of life. The studies to be carried out will be particularly aimed at determining the ways in which industrial society must force itself to adapt if it is to offer acceptable conditions of life to the individual. Any distinction, in this kind of forward study, between the environment and living and working conditions would be artificial (see IRT Nos 185, 209 and 210).

The fields on which studies will be conducted with regard to the general improvement of living conditions include:

- the town and its space (the various types of living accommodation - the optimum land use - the preservation and restoring of old districts and city centres, etc.);
- the development of private and public transport (see IRT No 211);
- the development of communications and the computer revolution (see IRT No.211);
- the social integration of immigrants, in particular of the nationals of non-member States (see IRT No.210).

#### 5. Consumer protection

The setting-up of a Consumers' Consultative Committee was recently decided on by the European Commission (see IRT Nos 202, 209 and 211). This Committee's role is to strengthen cooperation with consumer organizations and to assist the Community to get better acquainted with the needs and desires of European consumers.

The European Commission is also preparing to submit to the Council of Ministers of the Communities an action programme for improving consumer protection and information (see IRT Nos 202, 207, 209 and 211).

#### 6. Scientific and technological policy

Medical research is one of the priority concerns of the European Commission in regard to scientific policy (see IRT No 176).

#### 7. Worker participation in the running of firms (see IRT Nos 208 and 210)

A European Board of Management will have to be set up in every European company with establishments in various Member States. Its authority will be confined to matters concerning the company as a whole or more than one of its establishments. Committee members will be chosen by the workers of all the establishments. The Board of Management will have authority for information, consultation and approval.

Workers will also be entitled to one third of the seats on the Supervisory Boards of European limited companies.

The working conditions of workers in European companies may be governed by collective agreements arrived at between the company and the trade unions represented at its establishments.