

industry research and technology

WEEKLY

REPRODUCTION AUTHORIZED

Brussels, 8 February 1972
No. 131

** "It is a mistake to think, as some pretend to, that the departments of the Commission of the European Communities consist of PEOPLE WITH A MANIA FOR HARMONIZATION, MEGALOMANIA OR EXTREME CENTRALIZATION" said Mr Robert Toulemon, the Commission's Director-General for Industrial Affairs, to some 350 company directors assembled at the Second European Symposium on Management.

"In fact", added Mr Toulemon, "the excessive disparities which still exist between the laws of the various Community Member States represent a veritable discrimination against smaller companies with respect to the large ones."

ANNEX 1 gives a brief summary of Mr Toulemon's speech on THE FUTURE OF THE SMALLER COMPANY IN THE ENLARGED COMMON MARKET.

** THE NEED FOR COMMUNITY ACTION IN THE FIELD OF AIR POLLUTION CONTROL will be examined by the European Parliament at its session in Luxembourg on 7-11 February 1972, when a report by Mr Jahn on behalf of the Parliament's Committee on Social Affairs and Health Protection is submitted to it.

ANNEX 2 gives an outline of the Community action recommended in this report.

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

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

or any of the Information Offices of the European Communities (list inside cover)

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 OFFICES OF THE EUROPEAN COMMUNITIES

1 BERLIN 31
Kurfürstendamm 102
tel. 886 40 28

GENEVA
72, rue de Lausanne
tel. 31 87 30

LUXEMBOURG
Centre européen du Kirchberg
tel. 479 41

ROME
Via Poli, 29
tel. 68 97 22 à 26

53 BONN
Zitelmannstraße 22
tel. 22 60 41

THE HAGUE
22, Alexander Gogelweg
tel. 33 41 23

NEW YORK 10017
155 East 44th Street
tel. 212 MU 20458

SANTIAGO DI CHILE
Edif. Torres de Tajarar-Apt.
Torre A, Casilla 10093
Avda Providencia 1072
Tel. 43872

1040 BRUSSELS
200, rue de la Loi
tel. 35 00 40

LONDON SW 1
23, Chesham Street
tel. 235 4904/07

PARIS 16e
61, rue des Belles-Feuilles
tel. 553 53 26

WASHINGTON, D.C. 20037
2100 M Street, N.W.
Suite 707
tel. (202) 296-5131

** On 31 January 1972, the Community Council of Ministers adopted two regulations which the Commission of the European Communities had proposed to it in December 1969 in connection with a COMMUNITY ENERGY SUPPLY POLICY and which stipulate that the Commission is to be informed of:

- (a) investment projects of Community interest in the oil, natural gas and electricity sectors;
- (b) imports of hydrocarbon fuels.

(See "Industry, Research and Technology" Nos. 38 and 119).

These regulations will enable the Commission of the European Communities to have fuller information on the supply situation within the Community and its developments. This information is an essential requisite in the framing of an energy policy centred on dependability of energy supplies in a Community which depends for about two-thirds of its requirements on imports from non-member countries.

** The accident figures for 433,024 steelworkers in 1970 were 133 fatal accidents and 76,802 accidents involving an average absence from work of 18.1 days. The STEEL INDUSTRY SAFETY AND HEALTH COMMISSION therefore intends to make further efforts to collaborate with those in industry responsible for the organization of work and production to improve safety in steelworks. ANNEX 3 contains a short note recording the part played by the Steel Industry Safety and Health Commission, which was set up in 1964 under the Coal and Steel Community (ECSC).

** The French government has submitted to the Commission of the European Communities a memorandum on the development of EUROPEAN COOPERATION ON ENVIRONMENTAL PROTECTION. In an initial memorandum on this subject in July 1971 (see "Industry, Research and Technology" No. 109), the Commission had

emphasized the need for such cooperation. With the ultimate aim of enlarging this form of European cooperation, the French government thinks that the Community Member States should give priority in their joint efforts to a limited number of fundamental objectives in the field of research and concrete action, for which end flexible and practical procedures should be elaborated. Its determination to take effective action prompts it to take into account two main criteria: on the one hand, the need to preserve the unity of the European economic area, and on the other hand, the need to pool the financial resources and scientific abilities of the countries concerned, in fields where the coordination of the national efforts in the research and development of new technologies appears to offer most promise.

The Commission of the European Communities is about to submit to the Council of Ministers practical proposals for the implementation of a policy on the environment, after seeking the opinions of the various interested bodies in the capitals of the Member States and the acceding countries concerning its first memorandum on a Community policy for the environment.

** The text published in "Industry, Research and Technology" No. 126 on the COMMON ENERGY POLICY AND ITS LINKS WITH THE COMMUNITY'S POLICIES IN OTHER SECTORS was open to misinterpretation in connection with the pollution caused by the generation of energy. It should therefore be stated that even though energy is a significant contributing factor to the pollution and degradation of the environment, since the use of fossil fuels in various forms is the cause of 60-80% of all air pollution, nuclear energy can provide a solution to this problem. The electricity produced is a perfectly clean form of energy and the radioactive emissions of certain nuclear plants are efficiently controlled by especially stringent regulations.

** ABOUT 600,000 JOBS ARE TO BE CREATED IN THE INDUSTRIAL OR TERTIARY SECTORS FOR FARMERS aged under 55 throughout the Community between 1972 and 1976. Of this total, about 300,000 will probably be for farmers living in basically agricultural regions, where industry and the services are underdeveloped and offer few new job openings. This emerges from a survey on the retraining of workers leaving agriculture in the six Community countries which was carried out under the auspices of the Commission of the European Communities.

It is estimated that between 1972 and 1976 agricultural changes in the Community may lead to the redundancy of about two million (the bulk aged 55 or over) of the approximate total of 10 million farmers currently working on the land.

** The Commission of the European Communities is proposing to have a study carried out concerning PATENTS IN THE COMMUNITY with a view to the effective promotion of the innovation process. It will deal with problems of acceptance conditions and information dissemination, as well as those raised by regulations governing inventions made by employees and those connected with the exploitation of patents. At first, only a detailed examination of the literature and studies carried out in this field will be conducted. In this way it will be possible to assess the precise volume of a factual survey and to map out the questions (to be put) to the interested bodies in the next phase of the study. The contract for the first part of this study has been awarded to the Max-Planck Institute for Foreign and International Patent, Copyright and Trademark Law in Munich.

** THE COMMUNITY'S NET TOTAL PRODUCTION OF NATURAL GAS INCREASED 23% IN 1971 over 1970, with a figure of some 78 thousand million cubic metres:

NATURAL GAS PRODUCTION

Year	Community	Germany	France	Italy	Netherlands
	in million m ³				
1970	63,248	12,657	6,520	12,455	31,616
1971	78,100	15,400	7,000	12,400	43,300
	in Tcal (UCV)				
1970	556,827	106,465	63,795	120,202	266,365
1971	682,600	129,500	67,300	119,800	366,000
change 71/70	+23%	+22%	+5%	-	+37%

RECEIVED FROM NETHERLANDS

IMPORTED FROM
NON-MEMBER COUNTRIES

Year	Community	Germany	France	Belgium	Community	France	Italy
1970	95,180	31,462	25,978	37,740	5,543	5,543	-
1971	145,000	53,000	39,500	52,500	10,000	5,000	5,000
change 71/70	+52%	+68%	+52%	+39%	+80%	-10%	

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

- Nave cisterna a propulsione nucleare - Rapporto finale
(Nuclear-propelled tanker - Final report)
(No. EUR 4630 i - Vol I - 890 pages - 1,100 BF - available in Italian)
- Niveaux de contamination radioactive du milieu ambiant et de la chaîne alimentaire - rapport annuel 1970 (Levels of radioactive contamination of the environment and the food chain - Annual Report 1970)
(No. EUR 4700 f - 56 pages - 70 BF - available in French)
- Kernkraftwerk Lingen - Jahresbericht 1970 (Lingen Nuclear Power Plant - Annual Report 1970)
(No. EUR 4703 d - 56 pages - 70 BF - available in German)
- Centrale nucléaire des Ardennes - rapport annuel 1970 (Ardennes Nuclear Power Plant - Annual Report 1970)
(No. EUR 4705 f - 40 pages - 60 BF - available in French)
- Kernkraftwerk Gundremmingen (KRB) - Jahresbericht 1970 (Gundremmingen (KRB) Nuclear Power Plant - Annual Report 1970)
(No. EUR 4706 d - 66 pages - 85 BF - available in German)
- Centrale elettronucleare di Latina - relazione annuale 1970 (Latina Nuclear Power Plant - Annual Report 1970)
(No. EUR 4707 i - 44 pages - 60 BF - available in Italian)
- 12^o annuario meteorologico 1970 (Twelfth 1970 Meteorological Yearbook)
(No. EUR 4710 i - 90 pages - 125 BF - available in Italian)
- Annual progress report 1970 of the Joint Research Centre, Geel Establishment, Belgium
(No. EUR 4734 e - 66 pages - 85 BF - available in English)

These reports can be obtained from the Sales Office for Official Publications of the European Communities, PO Box 1003, Luxembourg 1.

The Future of the Medium-Sized Undertaking
in the Enlarged Common Market

(Summary of a report presented by Mr Toulemon, Director-General for Industrial Affairs at the Commission of the European Communities, at the Second European Symposium on Management, 26 January 1972).

It is wrong to think, as some people pretend to believe, that the departments of the European Commission are staffed by fanatical devotees of harmonization, giantism, or out-and-out centralization. The fact is that the excessive disparities which still exist between the laws of the various Community states constitute palpable discrimination against medium-sized firms, to the benefit of their larger competitors.

Large undertakings have much less difficulty in adapting themselves to differences between the legal and fiscal systems of the countries in which they operate. They can even turn them to advantage, for example, by concentrating their profits in the country which has the most favourable fiscal system. In the same way, if they wish to develop a multinational structure, they can do so even in the absence of a European company statute. They can tender for public contracts in all the countries in which they are established, assuming the cloak of their local subsidiary. Lastly, they have access to the Eurodollar market.

Clearly the situation is different for medium-sized companies. It is they who would derive major benefit from the harmonization of legal and fiscal systems, from the abolition of administrative or technical impediments to trade, from standardization, from the throwing-open of public contracts, etc. - all measures for which the European Commission is working.

No doubt there is likely to be a further reduction in the number of undertakings in certain sectors such as motor cars, computers, aeronautics and nuclear energy. This movement has already begun, and is bound to be accelerated by the intensification of competition, and in some instances by the slackening of demand. Some trends towards concentration will certainly be strengthened by the enlargement of markets - not only the Common Market but also the world market, is being opened up to an ever-increasing extent by the development of free trade.

However, statistics make it clear that the increase in the percentage of the labour force employed in large firms is a very slow process.

In the same way, a comparison of the results of European firms shows that in no sector is the highest level of profitability to be found in the largest firms. According to a recent survey in the review "L'Expansion", the leading European companies in this field in 1970 were BMW (cars), Beecham (pharmaceuticals and cosmetics), Girmes (textiles), Poclain (mechanical engineering), Thorn (electrical engineering), Moulinex (domestic equipment) and Pernod (foodstuffs). The giants in these sectors - VW, Ciba-Geigy, Courtaulds, GHH, Philips, ICL and Unilever - lag far behind from a profitability standpoint.

This is because the undeniable and well-known advantages of size are counterbalanced by drawbacks of which less is heard but which are nonetheless real, such as management difficulties, poor dissemination of information, lack of mobility and flexibility of response, frequently higher labour costs and mounting overheads.

For the reasons mentioned above, it is the medium-sized firms which have the largest stake in the completion of the Community's work.

Measures in course of implementation:

Harmonization of customs laws.

Elimination of measures "with equivalent effect" to quantitative restrictions on trade.

Abolition of technical barriers to trade.

Opening-up of tenders by national public administrations to firms in the various Member States.

Extension of the right of establishment throughout the Community.

Harmonization of company law.

Fiscal harmonization (general application of the VAT).

Harmonization of social laws.

Liberalization of capital movements, which is bound up with the implementation of monetary union.

Planned measures:

Establishment of a Statute for the European Company.

Setting-up of European "groupements d'intérêt économique".

Extension of Joint Undertaking status.

Fiscal statute for parent firms and subsidiaries.

Fiscal statute for company mergers.

Harmonization of VAT rates and indirect taxation.

Concertation of certain public or semi-public purchases.

Establishment of an office for the promotion of closer relations between companies.

Institution of Community industrial development contracts.

Common policy for scientific and technological development.

Common environmental protection policy.

This list is naturally not exhaustive, but it suffices to indicate the width of the field already covered by the Community. The medium-sized undertakings must realize that it is they who will be the first victims of delays in implementing the Community projects.

The Need for Community Action in the
Fight against Air Pollution

(based on a report which Mr Jahn will present to the European Parliament on 10 February on behalf of the Parliamentary Commission for Social Affairs and Public Health).

Air pollution, which has reached frightening proportions of late, is a menace to the health and wellbeing of mankind, does damage to animals and plants and entails losses to the economy.

The Commission of the European Communities has already presented a report on the general problem of the protection of the environment (see "Industry, Research and Technology" No. 109), but on 10 February next the Parliamentary Commission for Social Affairs and Public Health will present a report to the European Parliament dealing more particularly with the fight against air pollution.

The measures which have been taken hitherto in the various Member States with a view to combating air pollution are quite insufficient. In addition, laws passed by individual Member States are liable to cause distortions of competition and raise new obstacles to trade. It is therefore important that the required measures should be taken at Community level, and it is incumbent upon the Commission of the European Communities to present concrete proposals to the Council as speedily as possible. The harmonization of national measures is facilitated by the fact that they are as yet of limited scope.

The Commission for Social Affairs and Public Health of the European Parliament believes that the most urgent requirement is the joint development of processes for the manufacture of lead-free anti-knock additives for fuels. One might also envisage the use of

new fuels (methanol or natural gas) or even develop engines which do not require anti-knock fuel (battery-driven electric car). The Commission of the European Communities is therefore invited to examine as a matter of priority the possibility of imposing within the Community at an early date a process capable of considerably reducing the emissions of noxious gases from motor vehicles. In addition, priority should be given to Community measures aimed at eliminating the noxious components (in particular carbon monoxide, the hydrocarbons and nitrous compounds) of industrial waste or domestic smoke.

Lastly, the question arises as to whether and, if so, to what degree the pollution of the stratosphere by the exhaust gases of high-flying aircraft has damaging effects upon our natural environment. This question, which has scarcely been studied so far, should be clarified as a matter of urgency if the possible damage to public health is to be averted.

In addition, there is a pressing need for the development of automatic measuring instruments for use in all the critical areas of the Community, i.e., wherever there is a grave risk of air pollution. These devices must be capable of detecting the presence in the atmosphere of the principle noxious substances, of determining their concentrations and of passing information to a computer centre. In this way it will be possible to establish an effective early-warning system, so that the necessary steps can be taken in good time.

The results of scientific research should also be employed in an effort to determine the moment at which air pollution reaches a level which is inadmissible from the health standpoint. The results of this investigation could then be used to define maximum pollution thresholds and tolerances applicable throughout the Community.

It is clear that the question of the cost of all these measures is an important one. The underlying principle must be that it is incumbent upon the perpetrator of atmospheric pollution to bear the

cost of remedying it. The financial responsibility of the public authorities should be limited to the solution of special problems. At the same time, it is an inescapable fact that this expenditure will in the long run be passed on to the consumer in the form of tax or price increases. At all events, it will always be cheaper to prevent pollution than to repair damage once inflicted or to restore the balance of nature once it has been upset.

The European Parliament will be called upon to express an opinion on the report presented by Mr Jahn on behalf of the Parliamentary Commission for Social Affairs and Public Health at its session in Luxembourg on 7-11 February.

The Steel Industry Safety and Health Commission

For 433,024 workers employed in the Community steel industry in 1970, there were 133 fatal accidents and 76,802 entailing an average absence from work of 18.1 days. The situation is worrying, and fresh efforts must be made in collaboration with the heads of firms and with those responsible for the organization of work and production. This is the aim of the Steel Industry Safety and Health Commission.

This Commission was created in 1964 under the aegis of the European Coal and Steel Community (ECSC) with the brief of carrying out studies on industrial safety and health and of promoting exchanges of experience between professional people so that conclusions applicable in industrial practice could be drawn. It is composed of 24 members, including for each Community country one representative of the steel manufacturers' professional organization, one member of the board of a large steel firm and two members of the steelworkers' unions. Two observers, from the British and Swedish steel industries, are also invited.

The Commission delegates the conduct of technical studies on particular problems to working parties of experts nominated by the Member States and disseminates their conclusions with a view to their practical implementation. It also circulates information internationally in collaboration with the International Occupational Safety and Health Information Centre, which provides technical help with the publication of bibliographical booklets. The working parties have been asked to study the following subjects:

1. The organization of preventive safety in industry.
2. Safety training.
3. Rescue work.
4. Travelling cranes.
5. Gas pipes and equipment.

6. Oxygen pipes.
7. Blast furnace smelting.
8. The use of explosives in blast furnaces.

The results of a series of studies already carried out in this connection have been published by the Commission. They include the following:

1. Principles of accident prevention.
2. Application of principles of preventive safety in Britain.
3. Principles of training in industrial safety.
4. Selection and training of crane operators.
5. Access to the cabin of a travelling crane.
6. Oxygen distribution station and oxygen cutter.
7. Individual protection of the smelter.
8. Maintenance and repair work on gas pipes and equipment.
Construction equipment.
9. Maintenance and repair work on gas pipes and equipment. Methods
of individual protection.
Gas metering and detection.
10. Oxygen. Equipment for sectioning and regulation.
11. Oxygen. Assembly equipment.
12. Bibliography: Noise.