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No 10/74

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- ** The application of the "POLLUTER PAYS" principle, which was accepted by the Council of Ministers for inclusion in the Community environmental protection programme (see IRT No 185), is designed to prevent society as a whole having to bear the cost of combating pollution. Furthermore, by allocating these costs in accordance with the same principles in all countries of the Community, the uniform application of this principle will prevent distortions of competition incompatible with the proper functioning of the Common Market. A communication from the European Commission to the Council describes how this "polluter pays" principle is to be applied. A brief summary is given in ANNEX 1.
- ** We have asked various organizations in the Community responsible for consumer protection matters, to supply us periodically with details of the LATEST DEVELOPMENTS in each of the Nine on SUBJECTS OF DIRECT INTEREST TO CONSUMERS.

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Further information is available from the Commission's press and information offices in the countries listed on the inside cover.

The information published in this bulletin covers the European Communities' activities in the fields of industrial development, protection of the environment and consumer welfare. It is therefore not limited to recording Commission decisions or opinions.

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ANNEX 2 is an article sent to us by the DANISH organization "Statens Husholdningsrad".

** POLLUTION problems (noise, and air and water pollution) caused by the iron and steel industry are assuming new proportions as a result of technological developments in this branch and increased knowledge of the effects of pollutants. In view of this situation, the European Commission has decided to put into operation its third research programme on combating pollution in the iron and steel industry. This will be the most significant research programme financed by the Commission since the creation of the European Coal and Steel Community (ECSC).

ANNEX 3 gives a summary of this programme.

** The report drawn up at the request of the Club of Rome on THE LIMITS OF GROWTH has been the subject of many discussions at the European Commission. In reply to a Member of the European Parliament the Commission points out that studies on the long-term development of the Community are currently being made by several of its departments. Contacts have been established with both the Club of Rome and a number of specialist institutes. The Commission is already contributing financially towards certain studies on the possibility of developing a EUROPEAN MODEL. Furthermore, on a proposal from the Commission, the Council has agreed to the study of a project entitled "Europe + 30 years" whose aim would be to forecast the possible long-term development of the Community. The Commission does not rule out the possibility of taking other measures. It is for instance considering the possibility of organizing a seminar in June on "EUROPEANS AND THE QUALITY OF THEIR LIFE".



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** Before submitting the second list of proposals for SOCIAL ACTION to the Community Council of Ministers, following the priority projects it has already accepted (see "Industry and Society" No 1/74), the European Commission consulted both sides of industry in the nine Community countries at a meeting on 5 March of last year. At this meeting Mr Hillery, Vice-President of the Commission, and his colleagues had a wide-ranging exchange of views with representatives of management and labour on four proposals to be submitted to the Council by the Commission before 1 April next. These are:

- an action programme for migrant workers
- the setting-up of a European centre for occupational training
- proposals for maintaining workers' rights in the event of mergers or rationalization of companies
- action on social protection for temporary workers.

** On crossing borders between different Member States, European travellers will no longer have to pay TAXES ON AGRICULTURAL PRODUCTS CARRIED IN THEIR PERSONAL LUGGAGE, as long as the value of these goods does not exceed 125 units of account per person (1 unit of account = 1 pre-devaluation dollar). The Commission has put forward a proposal to the Council for the adoption of this measure, which completes the proposals for eliminating customs duties it submitted in June last year. The proposal now before the Council is intended to eliminate other dues besides customs duties. Similarly, at borders between third countries and countries of the Community, the European Commission proposes that no taxes should be levied on agricultural products carried in the personal luggage of travellers, as long as their value does not exceed 25 units of account per person.



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- ** In order to speed up the implementation of freedom of establishment in the Community for the self-employed and, more particularly, to accelerate mutual RECOGNITION OF PROFESSIONAL QUALIFICATIONS, the European Commission has submitted a proposal to the Council of Ministers of the Community for the adoption of a number of general guidelines on which a later and more thorough study of the matter could be based. The Commission particularly points out that within the Community professional standards are to a great extent comparable. The level and quality of vocational training must be maintained, and flexible regulations and Community procedures, allowing for adaptation to changes required by the progress of science and by new teaching methods in the Member States, must be laid down. This proposal has been drawn up on the basis of conclusions reached by a working group set up by the Commission, and on a "public hearing" of those concerned with professional qualifications of doctors, held in October 1973.
- ** The Economic and Social Committee have come out in favour of COMPULSORY PRIOR NOTIFICATION OF COMPANY MERGERS (see IRT No 199) by companies in the Community whose overall turnover exceeds one thousand million units of account (1 unit of account = 1 pre-devaluation dollar). The Committee is of the opinion that only the European Commission, and not the national Governments, should be the authority competent to judge such merger operations, and that an examination of proposed mergers should be made as quickly as possible in order to reduce the inevitable period of uncertainty to a minimum.



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- ** The implementation of the COMMUNITY ENVIRONMENTAL ACTION PROGRAMME implies the adoption by the Council of Ministers of certain directives some of which will be technical. These directives should if necessary be adapted to changes in our level of knowledge. In order to enable such adaptations to be made easily and quickly, the European Commission has asked the Council to agree that, where technological progress has been made since the adoption of a directive by the Council, any decision to modify such directive may be taken by a committee of delegates from Member States, under the chairmanship of a representative of the European Commission. This procedure would enable the Commission itself to take such decisions, with the agreement of government experts, and without the Council of Ministers having to intervene, except where a problem was of particular significance or where the committee could not reach agreement.
- ** The European Commission's first proposals on EDUCATION have been put before the Council of Ministers of the Community. Their aim is to outline the priorities and define the initial measures to be taken. In the first instance, these proposals concern the free movement of students, teachers and research workers. In order to achieve this aim, the Commission has suggested organizing a vast "public hearing" devoted to mutual recognition of academic qualifications, both at undergraduate and postgraduate level. A further aim of the Commission's proposals is to improve the opportunities open to children of migrant workers to acquire educational qualifications that are recognized in their countries of origin but at the same time permit them to become integrated in the Community country in which they live. The Commission further proposes improving foreign language teaching and encouraging more profound study of Europe at all educational levels. Finally, it suggests the establishment of a European committee of experts for cooperation on teaching matters.



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** ABOUT THIRTY JOURNALISTS from all Community countries, who are responsible for CONSUMER matters in the general press, met in Brussels on 7 and 8 March at the invitation of the Commission's information service for an exchange of views on the Community's action with regard to consumer protection and information.

** Mr Bernard Sassen, who has up to now been Vice-President of ORGALIME, the Liaison Group for the European Engineering Industries, has just been appointed Secretary-General of UNICE, THE UNION OF INDUSTRIES OF THE EUROPEAN COMMUNITY.

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METHODS OF APPLYING THE POLLUTER-PAYS PRINCIPLE

The Commission has forwarded a communication to the Council on the methods of applying the "polluter-pays" principle, accepted by the Council for inclusion in the Community environment protection programme.

1. Those responsible for pollution must bear the cost of any measures necessary to prevent that pollution

According to the "polluter-pays" principle the natural or legal persons responsible for pollution must bear the cost of such measures as are necessary to prevent pollution or to reduce it to the desired level of environmental quality, as laid down by the public authorities.

Environmental protection must not be ensured by policies which rely mainly on grants of aid and hence put the burden of pollution control on the Community. It is therefore right that the Community as such and the Member States in their national legislation should apply the "polluter-pays" principle in environmental protection matters. The general application of this principle would also lead to the allocation of costs of environmental protection against pollution by the same principles throughout the Community, and thus avoiding distortions of competition which would be incompatible with the proper functioning of the Common Market.

2. Determining the optimum purity level of the environment

The application of the "polluter-pays" principle requires that the optimum level of purity for the environment should be determined. This level should be determined by the public authorities as a function of the natural or chosen vocation of a particular area at any given time taking into account, economic and social considerations and also the marginal costs of purification or prevention.

This optimum should be fixed at least at a level where human health and the survival of animal and plant life are not threatened. Even if this level varies from one region to another it is desirable that account be taken not only of the inhabitants' interests in the region for which the quality objective has been fixed, but also of the drawbacks for all parties concerned.

3. Determining the real polluter

The application of the "polluter pays" principle also requires that in each case the real polluter and the precise extent of pollution for which a firm or individual is responsible, be determined.

Where pollution results from a production process or the supply of a service, the cost of the antipollution measures should in principle be borne by the producer or by the person providing the service. Where pollution results from the use of certain products, the cost of the anti-pollution measures should in principle be borne by the user.

If finding the real polluter proves impossible or too difficult (and hence arbitrary) - especially when there are "pollution chains" or "cumulative pollution" - the cost of pollution control should be charged at certain points along the chain or during the cumulative pollution, by whatever means offer the best solution from an economic and administrative point of view.

4. Means of action

The chief means of action available to the public authorities to reduce pollution to the desired level of environmental quality are standards and levies.

Standards set the maximum permitted values for:

- the concentration of pollutants in a given milieu (immission standards)

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- the emission of pollutants or nuisances from fixed installations (emission standards)
- the level of pollutants or nuisances which is not to be exceeded in the composition or emissions of a product (product standards)

Levies may have an incentive or redistributive function. The rates may be uniform or may vary for each emission depending on the quality objective to be attained. The levies must be fixed by emission units and applied according to the quantity of the pollution emitted.

Where the main aim of the levy is to bring about a redistribution, it should be calculated in such a way that, for a given region and objective, its sum equals the collective purification charges. Where it is not possible or desirable to install collective purification plants, or where those plants will have a limited capacity, the levy should be calculated so that its main effect is to fulfil its incentive function.

The levies may be used either to finance collective purification infrastructures or to provide grants for major polluters to set up such equipment.

In order to avoid serious distortions of competition affecting trade and the distribution of investments in the Community, it will undoubtedly be necessary to harmonize the various methods of calculating levies at Community level more and more closely.

5. Costs to be borne by those responsible for pollution

Those responsible for pollution will be obliged to meet:

- the expenses incurred as a result of compliance with the standards laid down by the public authorities (investment in anti-pollution plant and equipment, introduction of new processes, cost of running anti-pollution installations, etc.);

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- expenses in respect of payment of levies;
- compensation paid to victims of particular pollution or nuisance.

By contrast, the cost of constructing, buying and operating pollution measuring and control equipment should be borne by the public authority.

6. Exceptions to the "polluter pays" principle

Exceptions to the principle could be justified by real difficulties in adapting to environmental quality standards, particularly for economic, technological and social reasons. In this case, it might prove necessary to allow some producers a certain time to adapt their products or output to the new standards. Transitional aids might also be granted to the industrial sectors or regions concerned.

These then are the general methods for applying the "polluter pays" principle to which, according to the European Commission, the Member States should conform in their legislation. In addition, the Commission will at a later date submit to the Council of Ministers more specific proposals on the application of this principle.

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RECENT DEVELOPMENTS IN CONSUMER PROTECTION IN DENMARK

We have asked various organizations in the Community responsible for consumer protection matters, to supply us periodically with details of the latest developments in each of the Nine on subjects of direct interest to consumers. It should be understood that these articles are the sole responsibility of their authors. The following article was received from the Danish organization, "Statens Husholdningsråd".

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Consumer news flashes on Danish Radio

Since 1 January 1974 Danish Radio has been broadcasting an every morning consumer programme in the form of short, 90 second bulletins coming just before the 7 o'clock news. Subjects covered refer either to new laws that concern the consumer, or to questions raised in the daily press by consumer organizations.

Price freeze and law on profits

On 8 January the Danish Parliament adopted a law freezing prices retroactively from 2 January. This law was in force for eight weeks and became invalid on 24 February. It covered all types of goods, but notably did not apply to increases that were a direct consequence of the energy crisis.

On 24 February a new law on prices and profits took effect. Supervision of prices is largely exercised by "Monopoltilsynet" (the monopolies commission) which may, for example, decide for itself which prices, profits and fees, etc. may not be increased for a period of up to 6 months. It is also the responsibility of this commission to re-establish reasonable prices where these have reached unjustifiable levels.

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A marketing law, an "Ombudsman" and a tribunal for consumer complaints

Following the conclusions of a consumer commission established by the Ministry of Commerce in 1969, proposals for new legislation on marketing, a consumer "Ombudsman" and a tribunal for consumer complaints are shortly to be introduced in Parliament.

Details have not yet been issued, but it is known that proposals have been put forward for Denmark to have a consumer "Ombudsman", as do Norway and Sweden. Either on his own initiative or on the basis of complaints received, this "Ombudsman" must take action to ensure that commercial practices respect the regulations. If he is unable to achieve an amicable settlement, the "Ombudsman" may take the case to the "Sø of Handelsretten" (commercial and maritime tribunal).

In Sweden the consumer "Ombudsman" had to deal with 4,149 cases in 1973, of which 3,120 were on the basis of complaints received from private individuals.

The tribunal for consumer complaints should deal with cases not falling within the competence of the "voluntary" tribunals, already established in coordination with the associations of small traders.

TECHNOLOGICAL BATTLE AGAINST POLLUTION IN THE IRON AND STEEL INDUSTRY

The European Community has for many years been interested in promoting research into combating air pollution in the iron and steel industry by technological means. Its first activities, which were chiefly concerned with hygiene at work, go back to December 1957, when it cooperated in a first four-year research programme on safety at work. Its most recently decided research programme on combating pollution in the iron and steel industry by technological means will be concerned with problems of noise, and air and water pollution. It will be financed by a grant of 10 million units of account (1 u.a. = 1 pre-devaluation dollar), to be spread over five years beginning in 1974. This project may be classified under the general heading of the Community environmental protection programme (see IRT No. 185).

New research is in fact necessary if we are to keep pace with developments in production and in technological installations which permit an average annual increase of 5.7% in blast furnace capacity in the Community, with a corresponding production potential for steel which could rise from 121 million metric tons in 1969 to 163 million metric tons in 1975, giving an annual increase in the region of 5.3%. It is therefore essential to adapt anti-pollution arrangements. This will be the object of the new Community research programme which will have applications in coking plants, cast iron foundries, steelworks, rolling mills, and in some general fields.

1. Coking plants

The research will bear on:

- a) coke charging and quenching, where treatment in old plants is still difficult;
- b) smoke trapping at discharge, which still awaits a solution viable on an industrial scale;
- c) the problem of effluent.

2. Cast iron production

The Community research project will look into:

a) Mineral pelletizing

The use of different fuels, as well as of residual materials and exotic ores, presents problems as regards the quantity and properties of the dust emitted and the harmful gases vented to the atmosphere, for which there are at present no solutions.

b) Blast furnaces

A number of solutions for the problem of treating gaseous emissions from blast furnaces was already provided so long ago as to encourage the belief that the problem of pollution from blast furnaces had been satisfactorily resolved. But the increase in the amount of liquid or gaseous fuel injected, and changes in pressure control, give rise to new problems. The treatment of slag will not be neglected, and it is planned to consider the treatment of effluent from gas scrubbing in blast furnaces, that might contain cyanides as well as compounds of zinc, lead and fluorides.

3. Steelworks

In this field research will be concerned with:

a) Oxygen blast converters

The industry will continue to develop less bulky machinery with lower installation and maintenance costs and with increased reliability in operation. It still remains for systems to be perfected for avoiding brown fumes at the beginning and end of an operating cycle. In addition, satisfactory solutions have to be found for subsidiary operations in steelworks, e.g., drawing off, desulphurization, cleaning, additives, charging and emptying of converters.

b) Electric arc furnaces

Electric arc furnaces and the use of extra high rating furnaces draw attention to problems of industrial hygiene in steelworks and to environmental protection.

4. Rolling mills

Pit furnaces, annealing furnaces, anti-crack treatment gas torches, and machining of ingots can all be sources of emissions of gas, dust or smoke. Having care not to pollute water, the development towards more complicated products, and the surface treatment of products all raise problems for research workers.

5. General problems

Under this heading problems such as elimination or dumping of waste products, treatment of discharge water, the prevention of danger from inhaling gases or toxic dusts, e.g., silicogenic dust produced by handling some abrasive refractory materials, and the reduction of noise levels in certain iron and steel plants will all be studied.

6. Measurement of pollution

There is an urgent necessity for developing simple, trustworthy measuring instruments and processes adapted to practical work conditions. It is also necessary to have a thorough knowledge of the chemical and physical properties of pollutants, as well as of their quality and concentration at the place of work and in air, water and soil. In addition, it is important to coordinate research programmes relating to the same field. Exchange of information and experience should be regarded as an integral part of the programme. This would make it possible to obtain results of research transposable to many installations and avoid duplication of effort and thus, it may be hoped, lead to more rationalized use of Community funds.

