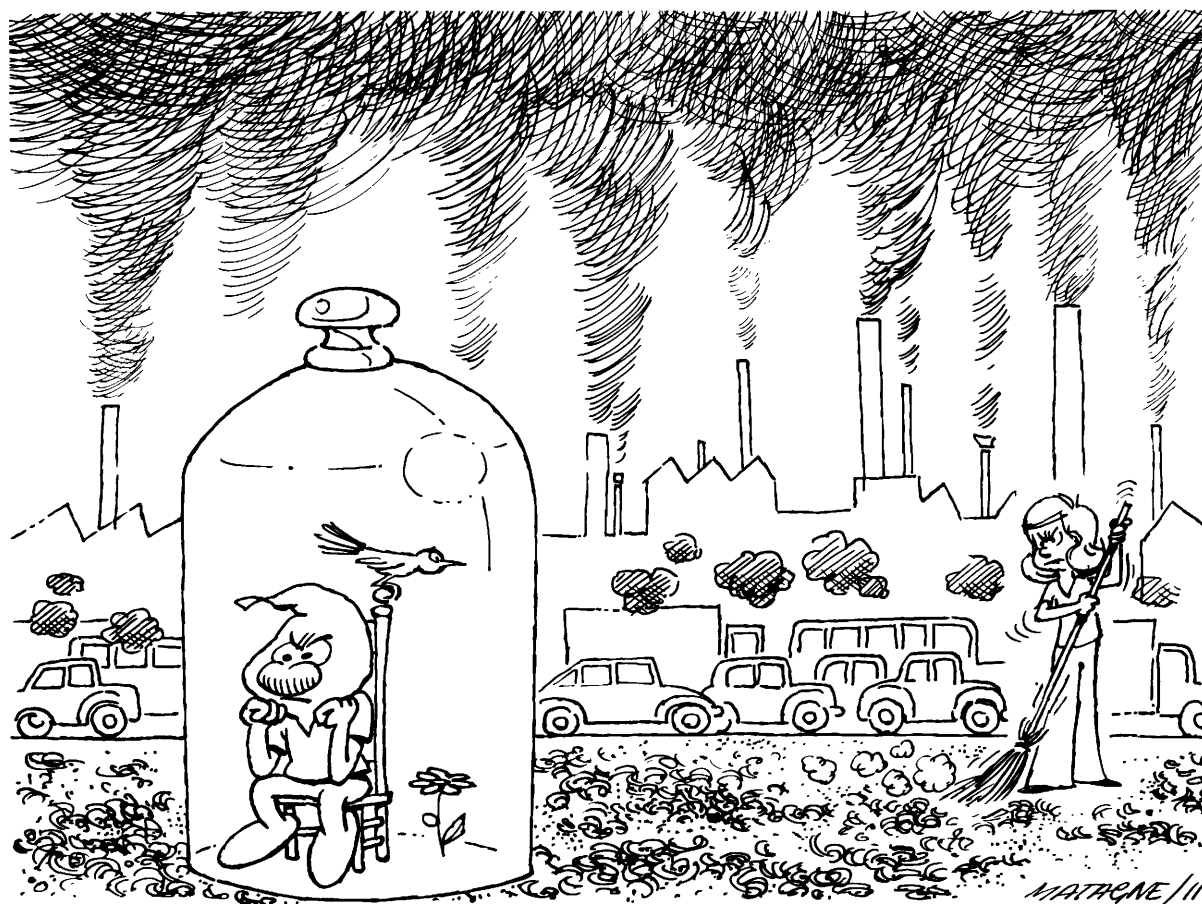


Brussels, 30 March 1976

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EURO-WHITE AND THE NINE DWARFS

Episode Ten: It's difficult to make anything without creating a mess! The Nine Dwarfs are beginning to realize that their industries are no exception. What's needed is a big clean-up. "There's no rest for the wicked", mutters Euro-White.

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The information published in this bulletin covers, very freely, different aspects of the European Communities' activity. It is, therefore, not limited to recording official Commission decisions or opinions.

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**** TOWARDS A BETTER QUALITY OF LIFE**

When we get down to basics, Europe is our environment. Europe's goal should be expansion on our terms, expansion which will ensure good living and working conditions, pleasant towns and cities and well-protected natural surroundings.

In ANNEX 1 Euroforum explains how the European Commission sets out to achieve this ideal in its new action programme on the environment.

**** RECOVERY OF INDUSTRIAL PRODUCTION**

Industrial production in the Community as a whole continued to recover in the early months of 1976. The upswing, initially confined to a relatively small number of sectors, has now spread to almost the whole of industry. Another encouraging sign is that the worsening of labour market conditions has moderated distinctly since the summer of last year. Both short-time working and full unemployment have declined slightly. The deficit on the Community's balance of trade has continued to widen since the closing months of 1975 because of a sharp rise in imports. Exports also increased, but on the whole less rapidly than imports. Wholesale prices which had shown a calmer trend into the autumn of 1975 have resumed their upward movement. Retail sales continue to provide a major boost to economic activity. In almost all Community countries the sharp drop in sales of motor vehicles in 1974 was followed by a brisk recovery in 1975.

**** EUROPEAN CONSUMER SURVEY**

A total of 265 million people live in the nine Community countries. That makes 265 million European consumers. How do they think? How do they behave?

The European Commission decided to find out and conducted its first-ever consumer survey between October and November 1975. The results should be published within the next few weeks and will obviously be given full coverage by Euroforum in due course.

At present a computer is busy analyzing the answers to some sixty questions put by interviewers from eight specialized institutes to a representative sample of nearly 10 000 people in the nine countries. The analysis should provide interesting information on consumer attitudes to a number of issues including:

- . inflation and the present economic situation;
- . fraudulent goods and services;
- . regular food purchases;
- . consumer information relayed by the mass media and advertising;
- . consumer protection and the record of consumers' organizations, trade unions and political parties;
- . the Common Market.

** AGRICULTURE IN THE COMMUNITY

Consumers' eating habits have been changing over the last few years. Per capita consumption of potatoes, bread cereals, rice, most fresh dairy products and butter has dropped while consumption of fruit, vegetables, sugar, hard wheat, vegetable fats, meat in general, eggs, cheese and fresh cream has increased.

This is one of the facts to emerge from the European Commission's 1975 report on "The Agricultural Situation in the Community". The report can be obtained from the Publications Office of the European Communities, Boite postale 1003, Luxembourg.

** CONSUMERS' CONSULTATIVE COMMITTEE

The Consumers' Consultative Committee met with Commission staff in Brussels recently to discuss follow-up action to its opinion on the preliminary draft directive on product liability. It also pressed ahead with its review of consumer prices and asked that price surveys conducted by the Statistical Office be expanded to give price comparisons for frontier regions.

The Committee delivered an opinion on the preliminary draft directive on door-to-door selling and urged that this sales technique be regulated to provide maximum protection for the European consumer.

The Committee also agreed to prepare a paper in connection with the European Commission's work on correspondence courses. On the common agricultural policy, an area of vital interest to the consumer (see Euroforum No 4/76 and 6/76), the Committee decided to have another look at food prices in Europe.

** FISSILE MATERIALS

A propos the article which appeared in Euroforum No 3/76 on Mrs Walz's report to the European Parliament on a Community siting policy for nuclear power stations, we would point out to readers that a special Commission department - the Euratom Safeguards Directorate - monitors the peaceful use of fissile materials in the European Community (see I&S No 35/75). It assures us that no fissile materials have ever been stolen in Europe and adds that, as far as it knows, the same is true of the rest of the world.

** COMPETITION ONE: CAR INSURANCE

The European Commission feels that the laws governing motor vehicle insurance in the Member States must be harmonized if there is to be more competition between insurance companies in the matter of premiums. A 1972 Community directive required all Member States to introduce compulsory motor vehicle insurance valid throughout the Community. In December 1975 the European Commission submitted a second directive to the Community's

Council of Ministers to coordinate national rules on direct insurance other than life assurance and facilitate effective exercise of freedom to provide services in this area.

This second directive will not affect compulsory motor vehicle insurance for the moment. Coordination must go much further before insurance companies will be free to cover this risk. Laws governing third party liability in general and minimum legal cover in particular will have to be harmonized first. The European Commission intends to look into the matter in the very near future.

**** COMPETITION TWO: KNITTING YARNS**

Thanks to the European Commission British knitting enthusiasts will now be able to choose between SIRDAR wool, produced by Sirdar Ltd in Wakefield, England, and PHILDAR wool, produced by Les Fils de Louis Mulliez, in Roubaix, France. Its intervention marks the end of a long-standing dispute between the two companies.

In 1964 they agreed that the French company would refrain from marketing its yarns in the United Kingdom and that the British company would not market its yarns in France. They felt that the two trademarks were confusingly similar. When the United Kingdom joined the European Community the French company decided that the agreement was void on the grounds that it infringed the Community's competition rules. It began selling its yarns on the British market whereupon Sirdar brought an action in the High Court in London based *inter alia* on the 1964 agreement. In the middle of the legal wrangling, the Commission intervened to put its views to the two companies, stressing that the Treaty rules make for healthy competition in the common market. In the end the 1964 agreement was abandoned and the British company withdrew its opposition to registration of the Phildar trademark in the United Kingdom.

TOWARDS A BETTER QUALITY OF LIFE

When we get down to basics, Europe is our environment. Every day brings evidence of how the environment is deteriorating - the price of Europe's unprecedented economic expansion over the last ten or twenty years.

Europe's goal should still be expansion, of course, but expansion on our terms, expansion which will improve living and working conditions without depersonalizing our towns or destroying our natural surroundings. The European Community recognized that improvement of the quality of life and preservation of the natural environment are two of its fundamental tasks when it adopted its action programme on the environment on 22 November 1973.

This programme has gradually been put into operation over the last two years by a series of measures which, though adopted in Brussels, affect all Europeans. The time has now come to take stock and give fresh impetus to joint action, which is the idea behind the new action programme on the environment which the Commission has just put to the governments of the nine Member States.

The objectives defined in the first action programme still hold good: namely to prevent, reduce and, as far as possible, eliminate the pollution and nuisances which plague our society. In more general terms, the aim must be to maintain a satisfactory ecological balance, to protect the biosphere, to ensure that natural resources are used sensibly, in other words without unduly disturbing the ecological balance. Finally, economic development should be made to comply with quality requirements, especially by improving working and living conditions for the people of Europe.

Naturally, not all of these battles can be fought at Community level. Some forms of pollution and nuisances will need to be attacked locally. Others will call for a worldwide campaign conducted by international organizations in whose councils the Community must speak with one voice. But pollution and nuisances know no frontiers, and the geographical proximity of the countries of Europe means that a whole series of environmental problems will have to be tackled at Community level.

1. Better understanding

We all know that pollution of one kind or another damages health or spoils the environment. But to what extent? In other words, how harmful is each pollutant, how much "harmfulness" can we tolerate, what is the threshold we dare not pass? Nobody knows exactly and in many cases even the experts disagree because there are gaps in scientific knowledge.

The European Community is a common market within which all products - pollutants included - move freely. It is obviously important that common criteria of "harmfulness" be defined for the main pollutants and nuisances on the basis of joint research as a preliminary to defining common standards which can be applied throughout the Community.

The Community has therefore set up a major environmental research programme (costing some \$4 million a year) to provide a sound scientific basis for Community legislation in this field.

2. Clean water

The density and concentration of Europe's population, its high standard of living and varied economic activities combine to make clean water - on our beaches, in our rivers, in our lakes ... or from our taps - extremely rare. This is why protection and purification of fresh water and sea water to meet economic and social needs and to guarantee the maintenance of vital ecological balances are given priority in the action programme. The Community has already adopted very stringent directives on the abstraction of drinking water, on the quality of bathing water, and on pollution caused by dangerous wastes discharged into the aquatic environment.

But this is not enough. Last December the Council decided that the Community would adopt emission standards for the more harmful chemical substances and the Commission's draft action programme now provides for the elaboration of new quality objectives for water; for stringent measures to protect underground water; for more intensive exchange of information between surveillance and monitoring networks and for active involvement in activities of world organizations working to improve the aquatic environment.

3. Clean air

60% of the Community's population are town dwellers breathing air polluted by industry, heating systems and motor vehicles.

The main difficulty here is the large number of pollutants present in the atmosphere. Very often the concentration of a given pollutant is low but even this can be harmful when combined with other pollutants, the danger increasing with prolonged exposure and certain weather conditions. The Community's first task here must be to press ahead with its work on the Community-wide harmonization of methods and instruments for measuring pollutants.

But atmospheric pollution must also be attacked at source. A Community directive has already dealt with the problem of harmful substances in motor vehicle exhausts, another currently under discussion will limit the lead content of petrol. Proposals are also pending - and more are to come - on industries emitting dust, sulphur and nitrogen oxides, hydrocarbons, solvents, fluorine and heavy metals.

All this will take time and progress will have to be made gradually at all levels in association with organizations in the nine Community countries responsible for monitoring atmospheric pollution and tracking down polluters.

4. Less noise

Most of us suffer from noise without realizing it. The noise problem is getting more acute as machinery gets noisier and noisier (growth of rail, road and air traffic, mechanization of agriculture, and so on). The nine Governments are therefore making efforts to fix maximum noise levels for plant, vehicles and machinery. Unless they are harmonized at Community level these regulations could prevent goods moving freely within the common market.

A number of Community directives have already been proposed to deal with pneumatic drills, generators, motor vehicles and motor cycles.

A lot more needs to be done. The new action programme envisages the adoption of Community directives on maximum noise levels for specific areas (rest zones, residential areas, leisure areas, industrial estates, roads, railway lines, airports, international waterways ...), noise measurement methods, specifications, regulations governing use, labelling and "low noise" stickers, and sound-insulation standards.

5. Industrial pollution

The new Commission programme proposes that, in addition to steps taken or about to be taken to regulate pollution from industries like the paper or the titanium dioxide industries, particular attention should be paid to energy-producing industries. Thermal pollution must be stamped out by equipping power stations with cooling towers and finding ways utilizing waste heat.

Similarly, although they are by no means the only pollutant products on the market, particular attention should be paid to chemicals. The Commission feels that, because of their environmental impact, chemical compounds should be systematically reviewed for toxicity, biodegradability and persistence.

6. Space management

Rapid technological, economic and sociological change and the growth of industrial and agricultural production have created imbalances between urban and rural areas and led to the intensive economic use of rural and urban space. To reconcile regional development with environmental protection the European Commission intends to develop a mapping method which would present environmental data as an aid to space management. These maps should enable the planners to compare an economic model (social demand) with an ecological model (environmental supply).

As far as agriculture is concerned an effort will be made to accentuate its good effects on the environment and reduce its adverse ones. The Community intends to regulate the use of fertilizers and pesticides, circulate an environmental "code of practice" and encourage the

development of new equipment for applying fertilizers. The processing of effluent from stockbreeding, the ecological consequences of modern cultivation methods and the establishment of new crop systems must also be examined.

In mountain areas a balance must be established between the development of tourism and decline of traditional agricultural pursuits.

On urban areas the Commission will be organizing an international conference in 1977 on urban growth and urban decline in cooperation with the Conseil des Communes de l'Europe and the International Union of Local Authorities. It sees this a contribution to the formulation of a town planning policy.

Protection of the environment must extend to the preservation of ancient monuments and areas of special interest which are a physical manifestation of Europe's cultural and historical identity. The Community must act to protect them from deterioration and destruction by encouraging the development of new conservation and restoration techniques and organizing training programmes for specialists.

7. Europe's flora and fauna

Flora and fauna must be protected because they help to maintain the ecological balance. The main threat comes from international trade in wild flora and fauna in danger of extinction; this must obviously be controlled. Similarly, the continuing decline in the populations of saltwater fish and mammals is a serious threat to the ecological balance of the sea. The Community must take steps to prevent over-exploitation of marine resources, by introducing catch quotas for instance. The protection of domestic species and cultivated plants is ecologically important too, a factor which should be borne in mind when long-term objectives are being formulated for the common agricultural policy.

8. Water supply

Until relatively recently only arid areas had water supply problems. Economic growth, urban concentration and degradation of available water resources have shown that stricter planning and control is now needed everywhere in the Community.

The Commission has already conducted a number of surveys which have shown that, on the whole, the Community's water resources are adequate to meet foreseeable requirements for many years to come. But they also reveal that availability varies considerably from region to region and from season to season. Water supply is a regional problem and there is a close link between the quality and quantity of resources.

Under the environment programme to be implemented in the years ahead steps will have to be taken to husband water resources. The Commission intends to put forward proposals to improve

the use of available and potentially available resources to guarantee minimum resources in areas which are chronically short of water and in tourist areas where the shortage is seasonal.

9. War on waste

Every year the Community "produces" about 1 500 million tonnes of waste: 90 million tonnes of household refuse, 115 million tonnes of industrial waste, 200 million tonnes of sewage sludge, 950 million tonnes of agricultural wastes ... And every year it produces 5% more than the year before.

"Dumping" is still one of the most widely used means of disposal. It is a risky business because of the toxic and dangerous substances present in the waste. What is more it squanders resources since these wastes often contain potentially valuable materials (metals, glass, oil, plastics ...). In recent years therefore determined efforts have been made to recover these materials. Indeed specialized agencies have been set up in Denmark, France, Germany and the United Kingdom.

The Community itself has adopted an outline directive on wastes and a directive on the disposal of waste oils.

But there are a number of major obstacles to progress here: the instability of the secondary raw materials market, a lack of accurate economic data, the technical inadequacy of reclamation processes, the difficulty of organizing reclamation, inadequate and unreliable market outlets, structural inertia, apathy in industry, etc.

The Commission therefore suggests that the Community should attack the problem on two levels. It should encourage recycling and recovery and at the same time promote action to prevent waste generation and ensure the safe disposal of non-recoverable residues. Industry must be persuaded to design and manufacture products with an eye to avoiding wastage and facilitating the recovery of raw materials. Products complying with certain criteria could be given an "environment sticker" and consumers could be encouraged to buy these products in preference to others.

Radioactive wastes are a special case but the Community has already drawn up a major management and storage programme to deal with this problem.

10. Environmental impact assessment

The Community's 1973 programme expressed the view that the best way of protecting the environment was to prevent pollution and nuisances at source; trying to counteract their effects after the event was much less satisfactory. It follows that the possible effects on the quality of the human environment of measures adopted or contemplated at national or Community level must be looked at closely.

This long hard look is known as an "environmental impact statement" and has been used for many years in the United States. Four Community countries (France, Germany, Netherlands, United Kingdom) have now introduced similar procedures.

The Commission has been considering the possibility of introducing a Community environmental impact assessment procedure at the appropriate levels and may well propose that steps be taken at Community level to integrate national legislation into an overall Community policy in view of the fact that economic and social ties between the Member States are becoming closer and closer.

11. Cost-benefit analysis

An environmental policy does not exclude economic development. It should however serve as a constant reminder that development must not be at the expense of the environment - natural surroundings or self-created living conditions - which shapes man's destiny.

Similarly the economic implications of an environmental policy must be studied carefully before it is implemented. It is essential that the cost of the measures to protect and improve the environment be assessed. But this assessment must take the long-term view and embrace social considerations which are often difficult to quantify.

The Commission will press ahead with its work in this area and will concentrate in particular on ways and means of applying the "polluter pays" principle.

12. Dissemination of information

The Community and the Member States are currently making every effort to provide the scientific, technical and economic information which is needed to service the environment programme. Because these moves are relatively recent, because national information requirements are very similar and because the solutions proposed follow a pattern, action can easily be coordinated at Community level.

A joint procedure for compiling and updating an inventory of sources of information on the environment is already under way and one of the Community's tasks in the years ahead will be to supervise its operation.

Before long a varied body of automated data bases produced by world and Community abstracting services will be accessible through the Euronet network. These automated data bases cover a large number of important documents from the various disciplines concerned with the environment.

The Commission intends to forward proposals for the completion of an information system on national and Community legislation on the environment. It will be proposing practical ways of setting up a specialized information network on technologies to combat pollution,

examining the possibility of organizing an information service to cover conferences and congresses on the environment, and considering the creation of a data bank on chemicals likely to contaminate the environment.

13. Public awareness

The environment is everybody's business. To make the public aware of its importance, the Commission will continue its information activities: it will publish regular reports on the state of the environment, prepare educational brochures for primary and secondary school teachers, edit a textbook for use in primary schools, manage a network for the exchange of information on experiments in pilot primary schools, support university activities and cooperate with non-governmental organizations, notably the European Environmental Bureau.

The Community also intends to support various projects undertaken in Member States to encourage people to take an active interest in problems associated with protecting and improving the environment.

14. The Community and the international scene

The Community is already actively involved in the work being done by international organizations such as the United Nations, the OECD and the Council of Europe. It is also making a valuable contribution to international conferences on the environment since it can speak with authority on behalf of nine countries. It has signed environmental cooperation agreements with Canada, Switzerland and the United States.

These international activities must be expanded and a special effort made vis-à-vis the developing countries. They do not always see why they should be bound by pollution control standards which are as strict as those required in industrialized countries. This attitude is quite understandable but could be dangerous when it comes to dealing with persistent pollution. It is for the Community, and indeed the industrialized countries as a whole, to help the developing countries adopt intermediate technologies which not only cause less pollution but are more in keeping with the life-style of the people who live there. The Community will be doing a lot of hard thinking on this issue.

15. Progress v. quality of life

To sum up then, the environment policy proposed by the Commission is designed to stage-manage progress to guarantee Europeans a better quality of life.

The Community has created a European Foundation for the Improvement of Living and Working Conditions. This has just begun operations and will be working hand-in-hand with the Commission.

It should therefore be possible to produce a new growth model for the Community, a model which will steer a course between the two dangers which threaten expansion - the limits to natural resources and the limits to consumption - the latter a very real danger since growing sections of the population are rejecting the values imposed by the consumer society.

16. Progress to date

The Community's first big success in the environmental field was the signing of an information agreement in March 1973 (see I&S No 24/75). This has led to a regular flow of information between the Commission and the Member States. So far more than a hundred draft laws, regulations and administrative provisions have been sent to the Commission by the nine governments. In twenty cases the Commission asked the national authorities to postpone application of the proposed provisions to give the Community time to propose analogous measures which would apply in all Member States.

The "polluter pays" principle (see I&S No 42/74) requires firms which cause pollution to put it right. The Commission sees to it that conversion aids granted to firms to help them comply with the new regulations do not exceed certain well-defined limits.

A first environmental research programme (see I&S No 3/75) has been implemented. One of the first projects was to define criteria, in other words to establish a relationship between exposure to pollution and the effects on the organism. An epidemiological survey now in progress is examining the effects of atmospheric pollution on respiratory diseases.

The Community's Action Programme on the Environment gave top priority to water protection. An outline directive approved in December 1975 limits the amount of pollutant wastes which can be discharged by reference to their toxicity and persistence. This directive was followed by a special regulation on pulp mills (see I&S No 31/75) and another to prevent ships and aircraft dumping waste at sea (see I&S No 32/75).

Still in the area of water pollution, a directive to ensure minimum bathing water standards was adopted in December 1975 (see I&S No 2/75) and a further directive adopted in June 1975 specifies minimum quality requirements for surface water for the abstraction of drinking water (see I&S No 30/75). This is backed up by a Commission proposal on all sorts of waters for human consumption and waters used in the preparation and preservation of foodstuffs. The Commission is also involved in negotiations on marine pollution in the Mediterranean and in the work of the International Commission for the Protection of the Rhine against Pollution (see I&S No 23/75).

Air pollution has not been forgotten. The Community's Action Programme is particularly concerned to combat atmospheric pollution by sulphur. A first directive in this field limits the sulphur content of certain liquid fuels. The Commission has also made proposals to limit the sulphur content of fuel-oil and to reduce the harmful effects of sulphur dioxide and suspended particulates in urban areas (see Euroforum No 8/76).

The Commission's attitude to wastes (see I&S No 16/75) is influenced by a desire to protect the environment and prevent the squandering of energy. A framework directive adopted in July 1975 requires Member States to encourage prevention, recycling and processing of waste. Another directive inspired by the same considerations was adopted towards the end of 1974. It requires Member States to re-use waste oils rather than destroy them. Similarly, the Commission has looked into the possibility of reprocessing red mud to recover the titanium dioxide and reduce the amount of waste discharged into the sea (see I&S No 29/75).

The Commission has also proposed action to combat the dispersal of polychlorinated biphenyls (PCBs) by limiting their use to enclosed areas in systems where they can be controlled (see I&S No 7/75).

A last point on wastes: the Community recently adopted a major research and development programme on the processing and storage of radioactive wastes (see I&S No 27/75).

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