

WEEKLY

industry and society

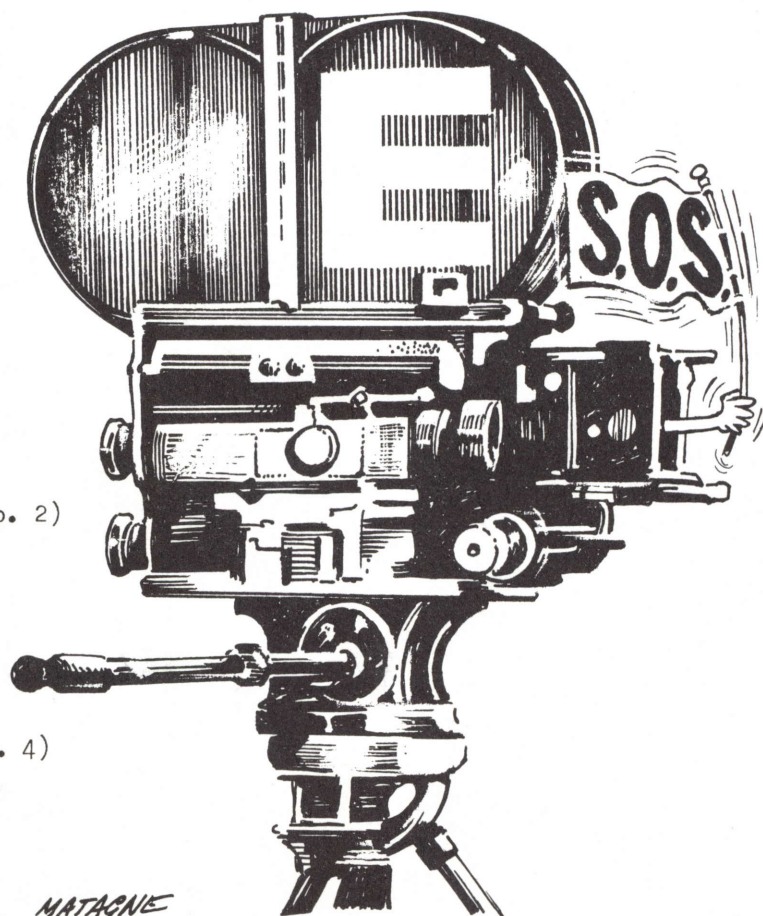
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** THE COMMUNITY CINEMA INDUSTRY is in the grips of a crisis: from 1956 to 1973 Community cinema audiences fell from 3 285 to 1 076 million. Over the same period the total number of television sets increased from 10.03 to 65.6 million.

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ANNEX 1 outlines the background to the problem.

** There are twice as many telephones per head of the population in the United States than in the European Community, and four times as many data terminals. When one realizes the importance of efficient TELECOMMUNICATIONS facilities to the development of trade and industry, the interest shown by the Economic and Social Committee of the European Communities is understandable.

ANNEX 2 describes the role of telecommunications in the transport industry.

** In 1972 expenditure on POLLUTION CONTROL IN FRANCE, in respect of equipment alone, amounted to some 2 000 million francs.

ANNEX 3 gives some significant figures from a survey on market trends in the environmental protection sector in France carried out on behalf of the European Commission.

** WASTE NOT, WANT NOT must remain the motto of all European oil users in 1976 and 1977. The European Commission has recently submitted figures to the Council of Ministers showing the energy savings which must be made by the European Community during the next two years. Total energy consumption in 1976 should stabilize a little above the 1973 level of 932 Mtoe (million tonnes oil equivalent), while in 1977 the growth in consumption should be kept down to 35 Mtoe, again as compared with 1973. With specific reference to oil, the European Commission suggests that consumption in 1976 and 1977 be maintained at approximately 10% below the 1973 level of 552 Mtoe.

** Does the use of zirconium in DEODORANTS constitute a hazard to public health? A study carried out on behalf of the United States Food and Drug Administration concludes that the risks involved in the use of aerosol anti-perspirants containing zirconium far outweigh the benefits likely to be derived from their use. Although deodorants containing zirconium account for only a small proportion of the Community market (by contrast with the United States where they are much more common), the European Commission is currently examining the FDA report and other relevant information prior to the Community's adopting proposals to safeguard the health of Europeans.

** The TRADE UNION RIGHTS OF MIGRANT WORKERS are soon to be extended under the proposal presented recently by the European Commission to the Council of Ministers to the effect that Community workers employed in a Member State other than their own should be eligible for management and administration posts in a trade union. The Commission considers it advisable to consolidate at Community level what has already been tacitly acknowledged at national level.

** In an attempt to combat the EXCESSIVE USE OF CHEMICAL PESTICIDES which has become common practice over the last twenty years it has been necessary to evolve the new concept of "integrated control". It has in fact been established that the versatile and durable characteristics of chemical pesticides have seriously disturbed the biological balance; beneficial species have been destroyed, while harmful species and new varieties of harmful species with even greater resistance have thrived, and toxic substances have built up in the soil and in living organisms. The system of "integrated control" is constantly evolving to keep in line with all the changes affecting the agro-ecosystems and to take account of research findings. Close cooperation must therefore be maintained between research institutes and farmers through advisory services with adequate resources at their disposal. This is one of the conclusions of the investigation into methods of integrated and biological control in farming carried out by the International Organization for Biological Control of Noxious Animals and Plants on behalf of the European Commission.

** The COURT OF JUSTICE of the European Community has found in favour of a Dutch hyacinth bulb grower, Mr van Haaster, who was accused of infringing a national regulation restricting the cultivation of hyacinth bulbs intended either for marketing as bulbs or for the direct production of flowers. Mr van Haaster had not applied for the necessary permit. In his defence Mr van Haaster held that the Dutch regulation was incompatible with the corresponding Community regulation which prohibits all quantitative restrictions or measures having equivalent effect. The European Court of Justice upheld the contentions of the Dutch bulb grower, whereupon the Dutch authorities repealed the regulation in question.

** The industries producing HEAVY ELECTRICAL ENGINEERING AND NUCLEAR EQUIPMENT for electricity generating in the European Community should be able to meet demand, including some export orders, until the end of the present decade. According to Commission estimates, the MWe capacity of the conventional and nuclear power stations to be installed each year in the Community is as follows:

Year	Conventional power stations	Nuclear power stations	Total
1975	10 200	5 400	15 600
1976	13 900	6 200	20 100
1977	15 500	5 200	20 700
1978	12 200	6 500	18 700
1979	10 800	12 600	23 400
1980	9 200	16 700	25 900
1981	8 600	19 000	27 600
1982	8 000	19 000	27 000
1983	8 500	18 700	27 200
1984	9 700	24 800	34 500
1985	11 000	20 200	31 200

** According to the information received by the European Commission, some 750 metric tons of (100%) SULPHURIC ACID, 367 metric tons of hydrous iron sulphate and 246 metric tons of iron sulphate are dumped daily into the Channel. These quantities are so heavily diluted in water, however, that the actual waste discharged represents only a 2% impurity level.

** The LIVING AND WORKING CONDITIONS OF BARGE WORKERS may soon be improved by the adoption of a series of measures relating notably to total working hours and breaks, number of working hours at the helm or radar screen, daily rest periods and periodic rest breaks, annual holidays and public holidays, and the manning of different types of boat. Under its common transport policy the European Commission recently presented a proposal to the Council of Ministers for a regulation on the harmonization of social conditions in transport by inland waterway. As things stand at present, each Member State has its own legislation. Germany, Belgium and Italy for example have very specific manning laws, while France, the United Kingdom and the Netherlands have none at all. Such disparities result in social and traffic safety problems and distort competition.

** IMPORTS OF TEXTILE PRODUCTS from South-East Asia have risen considerably since 1973. Particularly disturbing for the European textile industry is the case of South Korea, which between 1973 and 1974 increased its sales of woven fabrics of cotton in the Community by 57.2%, and Taiwan, with a 72.5% increase. The European Commission has started negotiations with a number of its main suppliers to ensure that the imports from these countries do not disrupt the Community market. Voluntary restraint agreements have been concluded with India and Pakistan, and the Council of Ministers has imposed quantitative quotas on certain textiles originating in Taiwan. Agreements are also in the process of being negotiated with various other producing countries.

** The official standpoint of the European Commission on DEVELOPMENT AND RAW MATERIALS is published in the Bulletin of the European Communities (supplement 6/75) of the same title. In the Commission's own words it is necessary, instead of giving free rein to our antagonisms, to develop solidarity between the industrialized countries and those which are seeking a greater share in the wealth produced and traded in the world.

** We would draw your attention to the following items of interest published in the OFFICIAL JOURNAL OF THE EUROPEAN COMMUNITIES (from 16 July to 5 September 1975):

1. Approximation of legislation

Proposal for a Council Directive relating to taximeters (presented by the Commission to the Council on 8 July 1975) (OJ No C 168, 25 July 1975);

Council Directive of 26 June 1975 relating to the reverse and speedometer equipment of motor vehicles (OJ No L 196, 26 July 1975).

2. Environment

Council Resolution of 3 March 1975 on the convention for the prevention of marine pollution from land-based sources (OJ No C 168, 25 July 1975);

Council Resolution of 3 March 1975 on energy and the environment (OJ No C 168, 25 July 1975);

Council Resolution of 24 June 1975 concerning a revised list of second-category pollutants to be studied as part of the programme of action of the European Communities on the environment (OJ No C 168, 25 July 1975);

Council Resolution of 15 July 1975 on the adaptation to technical progress of Directives or other Community rules on the protection and improvement of the environment (OJ No C 168, 25 July 1975);

Council Recommendation of 3 March 1975 regarding cost allocation and action by public authorities on environmental matters (OJ No L 194, 25 July 1975);

Council Decision of 3 March 1975 concluding the convention for the prevention of marine pollution from land-based sources (OJ No L 194, 25 July 1975);

Council Decision of 3 March 1975 concerning Community participation in the Interim Commission established on the basis of resolution No III of the convention for the prevention of marine pollution from land-based sources (OJ No L 194, 25 July 1975);

Council Directive of 16 June 1975 on the disposal of waste oils (OJ No L 194, 25 July 1975);

Council Directive of 16 June 1975 concerning the quality required of surface water intended for the abstraction of drinking water in the Member States (OJ No L 194, 25 July 1975);

Council Decision of 24 June 1975 establishing a common procedure for the exchange of information between the surveillance and monitoring networks based on data relating to atmospheric pollution caused by certain compounds and suspended particulates (OJ No L 194, 25 July 1975);

Council Directive of 15 July 1975 on waste (OJ No L 194, 25 July 1975);

State aids - Notice given, in accordance with the EEC Treaty, concerning financial aids granted by the Italian State to cover investment by existing firms to combat water pollution (OJ No C 180, 7 August 1975);

Council Decision of 25 August 1975 adopting research programmes for the EEC on the protection of the environment (OJ No L 231, 2 September 1975).

3. Industrial affairs

Council Resolution of 22 July 1975 on the technological problems of nuclear safety (OJ No C 185, 14 August 1975).

EUROPE SUPERSTAR

From 1956 to 1973 Community cinema audiences fell from 3 285 million to 1 076 million. Over the same period the total number of television sets increased from 10.03 to 65.6 million. That is the situation which the European cinema industry has to face.

Television

Competition from television affects the cinema industry in two ways: firstly, there is an unrestricted increase in the number of films shown on television, so that viewers no longer feel the need to go to the cinema; secondly, national television bodies buy films at what the film producers regard as unfair terms. They back up their complaint by pointing out that 95% of the viewers see the film on television and 5% in the cinemas, but that on the contrary 95% of production costs are borne by the cinema goers and 5% by television stations.

In 1973, for example, the average purchase price of a film by national television stations was FF 60 000 in France, Lit 7 000 000 in Italy, and DM 70 000 in Germany. Film producers claim that it would be more equitable to align the purchase price of a film on the average cost of a television spectacular - FF 434 000 in France, Lit 30 000 000 in Italy and DM 140 000 in Germany.

Production

The various Community countries have already concluded film-production agreements with one another. The films produced under these agreements are thus considered as national films in the country of each of the co-producers. Why, therefore, should a flexible system not be introduced extending to all Community countries the status of "Community production"? That is what the Committee of Film Industries in the European Community (CICCE) is seeking.

A Community production should meet certain criteria. For example:

- (i) co-production companies should be nationals of Community countries;
- (ii) except in clearly defined exceptions the artists and technicians should be Community nationals;
- (iii) the films should be made on Community territory, equipment and services should be provided by Community firms;
- (iv) participation of the co-producers should be in proportion to the specific part of each in the production itself and the relative size of the market in the country which they represent.

Distribution

Co-distribution of films could, like production, be organized on a European basis. This is all the more important as production financing is largely guaranteed by distributors who give producers advances repayable from earnings or mobilizable earnings guarantees.

This system works smoothly in each individual country. Difficulties arise when it is necessary to obtain the minimum guarantees for the promotion of a film not only on the national market but also the other Community markets. It is a fact that public response to the same film varies considerably from one country to another and with the effect that the country-to-country breakdown of box office earnings is difficult to forecast.

The risks could be cut if a European co-distribution system was developed enabling the risks to be spread among the co-distributors.

Public register of the European cinema

A start could be made towards solving the problems of production and distribution on a European scale by establishing a European public register. The public register has been in use in Italy since 1938 and in France since 1944: it was necessary to establish a register because film distribution rights are granted to several distributors for varying periods in respect of one or more markets or of a part of certain markets or of groups of markets.

The development of Community financing structures in areas other than distribution calls for a precise knowledge of transactions, both to protect rights of holders and to inform the third parties concerned. Hence there is a widespread desire in the film industry for a European public register to be established, or at least for registers in the individual countries.

Free movement of workers

Film producers complain that the free movement of workers in the film industry is caught between the Treaty of Rome and national rules. In any case film magnates would like all those taking part in the production to be able to carry out their activities freely throughout the whole Community with all the advantages of national workers.

The European Commission maintains contact on a regular basis with the Committee of Film Industries in the European Community (CICCE) in order to study these problems.

TELECOMMUNICATIONS AND TRANSPORT

There is a certain correlation between the extent of telecommunications facilities (especially telephones) and the per capita Gross Domestic Product (GDP) of countries in many parts of the world. Moreover, it is illuminating to note that the gap in this field between countries whose GDP exceeds the threshold of \$4 000 per capita (USA, Sweden, Switzerland, etc.) and the Member States of the Community is in the ratio of approximately 2 to 1, as regards the telephone and 4 to 1 as regards data terminals.

It is because of the importance of efficient telecommunications facilities to economic development that the Economic and Social Committee of the European Communities has recently produced a study on the applications of telecommunications facilities and the interrelationships between transport and telecommunications.

Air transport

The relationship between telecommunications and the development of trade and industry is particularly obvious in the transport sector, where the use of teleprocessing systems considerably speeds up operations. This normally means that customer services will be increased and in many cases costs are also reduced.

It goes almost without saying that, since air transport is such a "high-speed" industry, the services which help to make a flight possible must also be high-speed. Even when teleprocessing was still in its infancy, the air transport industry was a major user of data communications. Apart from computer-controlled international communications systems which link up the various airlines, the following applications for teleprocessing in the air transport sector should be mentioned: administration; booking of seats; freight scheduling; maintenance; traffic handling; ticketing; flight planning.

The most important applications, from the point of view of the volume of data traffic, are the booking of seats and traffic handling, which currently account for 40% and 35% of the data traffic in the air transport sector.

These are also the applications which will expand rapidly in the years to come. Booking systems will be responsible for an annual growth rate in data traffic of almost 20% in the next five years, whilst over the same period flight planning systems are likely to grow by 35% each year.

Seat booking systems include a computer system in which flight data are stored. Air passengers can obtain instant information about vacant seats from the terminals in booking offices and can book straight away if they wish. It is estimated that European airlines would have needed an extra 22 000 office staff in 1971, if bookings had not been automated.

One other application of current interest, especially in the light of the energy crisis, is the automation of flight planning. A distinction is made here between two different applications, one dealing with overall flight schedules and the other with individual flights. To this end, the computer system is continuously fed with the most up-to-date data on length of flight, loading, weather conditions, route, fuel consumption, delays, etc. United Airlines (USA) have calculated that 1.7 million dollars can be saved on fuel each year by using such a system.

Flight planning systems are linked to seat booking schemes, whilst extensive use is made of networks to obtain data from the various airports.

Other forms of transport

Although water, rail and road transport currently make much less use of data communications than air transport, data traffic is expected to grow by the highest rate in these sectors. Between now and 1980, annual growth rates of between 50 and 100% are expected, depending on the applications.

In view of the functional relationships between the various transport sectors, it is not surprising that there will be a strong similarity between the teleprocessing applications in each sector. The fields of application referred to above for air transport apply, *mutatis mutandis*, to the other transport sectors as well.

However, the volume of data traffic is divided up somewhat differently in the latter sectors, where administration, seat bookings and freight scheduling each account for 30% of the total traffic.

Teleprocessing for freight scheduling is being expanded, in particular by shipping companies specializing in container transport. This is due to the desire to shorten transshipment procedures as far as possible, as well as to the need to make optimal use of the expensive specialized installations.

Seat booking systems will have particular impact on the railways sector. In Western Europe some systems are already in operation, while booking systems for other railway companies are in the planning stage. One major way in which these systems differ from airline booking systems is their size; they cover a considerably larger number of terminals and seats.

Applications are not kept completely separate and there is a growing tendency to integrate related systems. It is thus possible to book a complete journey in a matter of minutes in a travel agency, i.e., bookings can be made for any travel combination by air, train and ship, as well as for hotels and self-drive cars, etc.

In conclusion and during the discussion which followed the Economic and Social Committee expressed the conviction that if the European Commission were to promote telecommunications technology more strongly, this would probably stimulate faster development of new transport techniques and help to increase safety in the transport field.

THE ANTI-POLLUTION MARKET IN FRANCE

In 1972 expenditure on the pollution control market in France, in respect of equipment alone, amounted to some 2 000 million francs. The case of France is particularly significant - hence the survey carried out on behalf of the European Commission - but the upsurge in sales of environmental protection goods and services as a result of the enactment of new laws and regulations is reflected throughout the Community.

Estimated expenditure on pollution control equipment in France in 1972		millions of francs
Water:		500
(a) urban	320	
(b) industrial	180	
Air		160
Noise		750
Waste:		225
(a) household waste ¹	1 520	
(b) treatment ¹	320	
(c) collection ¹	1 200	
(d) recovery of industrial waste ²	6 000	
(e) vehicle disposal ¹	19	
Transport		330
Total		1 965

¹Annual turnover, not equipment sales.
²Token entry: integrated part of production cycle.

It can be seen from the above table that this sector is already quite sizeable, representing 0.15% of the French gross national product. When ancillary operating costs are included, this figure rises even higher to approximately 1% of the gross national product or 10 000 million francs.

A booming market

With pollution control gaining momentum and the associated increase in the volume of laws enacted, regulations issued and direct action taken on the government front, this has become a rapid growth sector.

The energy crisis may well have a positive impact on the future of heat insulation materials, and as these often have a notable sound-proofing effect, it may well have a significant effect on the noise abatement sector as well.

Market trends in the pollution control sector in France			
millions of francs			
	1972 market	growth rate (%)	1980 market
Water	500	15	1 500
Air	160	5.5	255
Noise	750	10	1 600
Waste	225	20	960
Transport	330	20	1 200
Total	1 965	14	5 515

Air pollution control seems to be increasing less rapidly than other forms of pollution control. It should however be noted that much of the effort in the transport sector is aimed at reducing air pollution. If this is taken into account, the growth rate in this sector is above average¹.

Measuring instruments - a minor, foreign-dominated market

Even at a generous estimate, measuring equipment can scarcely constitute more than 40 million francs worth of the total market.

French share of the measuring equipment market	
millions of francs	
Water	10
Air	12
Noise and vibration	20
Total	42

¹It should also be noted that factory stacks and experimental desulphurization units have not been included in this total.

French firms have captured very little of the water, air or noise areas of this part of the pollution control market which is dominated by foreign firms, often American but sometimes European (it is a Danish firm which leads the noise sector).

This is due in part to the slowness of France's involvement with pollution control in general. However, government effort, which was initially concentrated on pollution control proper, is now tending towards the task of measuring the pollution agents themselves (measuring networks in particular). One can therefore assume that the measuring equipment market in this sector may well achieve an annual growth rate of more than 20% with the value of sales reaching 200 million francs or more by the end of 1980.

Effect of government action

Government action takes the form of the introduction of regulations, tax schemes, aid programmes, particularly for research, and information.

All such activities play a vital part in the expansion of the market. Without regulations there would be no attempt to control air pollution, and sales of the relevant equipment will only increase if these same regulations are applied more strictly to cars and fuel in general (sulphur dioxide problem). To avoid any adverse effect on Community trade such regulations must not vary too much from country to country (as is the case with the tetraethyl lead content in petrol which varies from France and Germany, as the guidelines adopted affect car sales, and with benzene production).

Similarly tax schemes and aid programmes are of vital importance to the future development of water pollution control or the disposal of old cars.

This also doubtless applies to the recovery of domestic waste paper (which requires separate collection) at present in the experimental phase. Example after example shows that the anti-pollution market could not exist or prosper were it not for State action.

National economic policy may, however, make use of this situation - or refrain from doing so - either to protect its markets and occasionally derive decisive export advantages (as in the case of non-pollutant plant), or to make its industry more competitive, even though this must be a purely temporary phenomenon as pollution control is irreversible.