

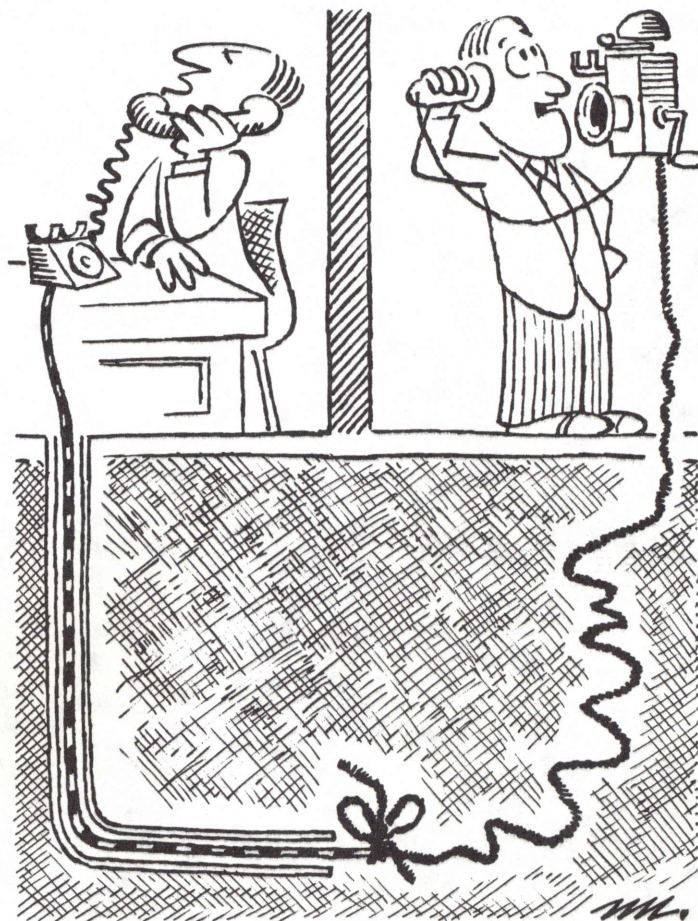
REPRODUCTION AUTHORIZED

Brussels, 25 March 1975

No 12/75

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** At present there are 25 telephones for every 100 inhabitants of the Community, as against 71 telephones for every 100 inhabitants of the United States. Good TELECOMMUNICATIONS facilities are essential to the economic, social and industrial development of the European Community.

X/166/75-E

This bulletin is published by the

Commission of the European Communities
 Directorate General of Information
 Division for industrial information and consumers
 Rue de la Loi 200
 B-1049 - Brussels - Tel. 735 00 40

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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Telecommunications services and equipment must be harmonized as a matter of urgency. The new dimension of the European Communities offers a good opportunity to Europe's telecommunications administrations to plan and provide services in a coherent European framework and to procure equipment on a European scale.

ANNEX 1 describes the situation and some of the proposals put forward by the European Commission.

** EUROPEAN REGIONAL POLICY has taken a new turn: 1 300 million units of account (1 u.a. = US\$ 1.2) will be made available for regional development over the next three years through a Fund specially created for this purpose.

ANNEX 2 describes how the European Regional Development Fund will work and what the role of the Committee for Regional Policy will be.

** No, we're not wasting space! Readers have specifically asked that (annexes apart) Industry and Society be printed on one side of the page only with a fairly large margin. This allows readers to cut out, annotate and file our articles.

** On 21 March 1975 Mr Maurice Strong, Executive Director of THE UNITED NATIONS ENVIRONMENT PROGRAMME (UNEP) had a working meeting in Brussels with Mr Scarascia Mugnozza, Vice-President of the European Commission and some of his advisers. The object of Mr Strong's visit was to discuss work being done by the UNEP and the European Commission in the environmental field with a view to identifying areas in which the European Community and the United Nations could complement each other.

** In 1973 more than THREE THOUSAND SEVEN HUNDRED COMPANIES were involved in mergers, participations and the formation of joint subsidiaries in the European Community. The European Commission keeps a close watch on the progress and organization of companies to make sure that no operation infringes the Treaty's competition rules. Its competition department has found that:

- . International mergers, participations and the establishment of joint subsidiaries predominated over purely national transactions, with 61% of all operations;
- . More than 50% of all international operations were between firms from Member States;
- . The concentration of big companies (firms with annual sales of more than 200 million units of account - 1 u.a. = US\$ 1.2) in certain Member States decreased between 1972 and 1973;
- . General industrial concentration increased within the Community; the sales of the fifty largest firms rose by 13% between 1972 and 1973, the sales of industry as a whole by 8%;
- . Concentration within the big companies also increased. In 1972 45 firms accounted for 50% of the sales of all big firms in the Community; in 1973 the figure was 42 firms.

** The European Commission feels that it must, in its fight against UNFAIR COMPETITION, support individuals who supply it with information. It came to this conclusion when a former employee of Hofmann-Laroche's commercial department, Mr Adams, was imprisoned in Basle on 31 December 1974. The Swiss authorities took this action following a complaint by Hofmann-Laroche under Articles 273 and 162 of the Swiss Penal Code which deal with "industrial espionage".

Mr Adams was charged with passing information to the European Commission on action by Hofmann-Laroche on the vitamin market liable to contravene Articles 85 and 86 of the EEC Treaty and Article 23 of the EEC-Switzerland Agreement. These provisions govern compliance with the Treaty's competition rules within the Community and in trade with Switzerland.

The European Commission recently opened an investigation into the behaviour of Hofmann-Laroche on the vitamin market, quite independent of its investigation into tranquillisers. The Commission never divulges any information at this stage in a procedure.

Since its task is to ensure compliance with competition rules in the general interest of the Community, the Commission feels that it is legitimate for it to use information on alleged infringements once it has checked that the information supplied is sound. It follows that it must support those who are penalized for supplying information.

As soon as it was informed that Mr Adams had been arrested, the European Commission initiated the legal enquiries necessary to assess the case and contacted the appropriate authorities. It will shortly refer the matter to the Joint EEC/Switzerland Committee under Article 23 of the Agreement between the Community and Switzerland.

** Lord O'Hagan, a member of the European Parliament, is worried about the work being done by the European Commission on BEER and BEER MUGS. The European Commission has informed him that it is in fact preparing a proposal for a directive on the approximation of national legislation on beer but has assured him that "the proposed form of approximation will not require Member States to abandon the types of beer to which their inhabitants are traditionally accustomed. On the contrary, it is intended that these provisions will not only permit consumers to enjoy their existing national beers, but also allow them the opportunity to enjoy a wider range of beers than has traditionally been available to them, by providing for the unimpeded access of beers which comply with the Directive to every Member State." Point taken.

** THE CAMPAIGN AGAINST ILLICIT DRUG TRAFFIC is a problem with a European dimension. Four specialized committees responsible for public health, education and information, prevention and harmonization of legislation respectively are already at work within the Community. The nine Member States and Sweden are participating in the work of these committees and the European Commission has been accorded observer status. Furthermore, in April 1974 the European Commission produced a report on the possibility of including anti-drug measures in the framework of the Treaties establishing the European Communities. The report, which

has been presented to the Council of Ministers, examines the possible forms of action open to the Community.

** Some currencies are for payments purposes, others for accounts purposes. The EUROPEAN UNIT OF ACCOUNT, as its name implies, is an accounting currency and a very accurate one, even if it does not take the form of **bank notes** and coins. Hitherto the unit of account used in Community budgets was worth 0.88867088 grammes of fine gold, in other words the gold equivalent of the American dollar under the Bretton Woods system. The varied fortunes of the dollar, gold and various European currencies have led the European Commission to propose a new "basket" unit of account representing the sum of the following:

DM	0.820
£ sterling	0.0885
French francs	1.15
Italian lire	109.00
Dutch guilders	0.286
Belgian francs	3.66
Luxembourg francs	0.14
Danish crowns	0.217
Irish pounds	0.00759
<hr/>	
= 1 unit of account	

This is equivalent to US\$ 1.20635 or Bfrs 45.8564 (value on 28 June 1974). Since slight fluctuations are possible the exact value of the unit of account will be calculated by the Commission each working day. The new unit of account is already being used for European Development Fund purposes and has also been adopted by the European Investment Bank.

** A standard form of agreement for the PROTECTION OF DESIGNS drawn up by the Stichting Instituut voor Industriële Vormgeving (Amsterdam) has been terminated following representations from the European Commission. Parties to the agreement undertook not to manufacture, sell or import products similar to designs they had registered with the Stichting. The European Commission considered that the agreement could impose unacceptable restrictions on trade between Member States and the free play of competition. In any event, a uniform Benelux law governs the protection of designs.

** The FIFTH SYMPOSIUM ON MICRODOSIMETRY will be held from Monday 22 to Friday 26 September 1975 at Verbania Pallanza (Italy). Those taking part will be able to review and exchange information on the development of microdosimetry. The accent will be on future research, notably into the applications of microdosimetry to radiobiology, to radioprotection and to radiotherapy. Further information can be obtained from the Commission of the European Communities, DG XII - Biology Department - 200 rue de la Loi - B-1049 Brussels.

** The PRESERVATION OF HISTORIC TOWNS is the theme of a symposium being organized by the Belgian National Committee for European Architectural Heritage Year and the International Council of Monuments and Sites from 12 to 15 May 1975. Appropriately enough, the symposium is to be held in Bruges and will be attended by specialists and political figures from all over Europe. For further information contact: Administration communale de Bruges
Hôtel de Ville
8000 Bruges - Belgium.

EUROPE CALLING!

At present there are 25 telephones for every 100 inhabitants of the Community, as against 71 telephones for every 100 inhabitants of the United States. Good telecommunications facilities are essential to the economic, social and industrial development of the European Community. Telecommunications services and equipment must be harmonized as a matter of urgency. The large scale provision of new data transmission facilities will also be vital to the effective use of computers in European life. At present 960 000 computer terminals are installed in the United States and this figure is expected to increase to more than four million by 1980. By contrast, there are less than 100 000 computer terminals in the whole of Europe and the present growth forecast is to approximately 500 000 by 1980 and 815 000 by 1985.

The new dimension of the European Communities offers a good opportunity for European telecommunications administrations to plan and provide services in a coherent European framework and to procure equipment on a European scale. At present each Member State has a telecommunications system that was designed to meet its own internal and international requirements. The fact that many characteristics of these national networks are different from each other creates significant difficulties in providing for the introduction and growth of the telecommunications services necessary to serve the present and developing needs of the Community taken as a whole. The differences also inhibit intra-Community trade in telecommunications equipment.

In 1972, out of a total expenditure by the nine telecommunications administrations of approximately 4 000 million u.a., only 200 million u.a. or 5% was purchased from other than national suppliers.

The separation of national markets has affected the structure of the European telecommunications equipment manufacturing industry and adversely affected its competitive capability in the world outside. The industry needs a home market base for the development of advanced technology systems of Continental scale.

What does the European Commission propose?

1. Opening up the market: The European Commission proposes to apply the Directive on tendering for public supply contracts to telecommunications equipment (See Industry and Society No 10/75). Suitably adapted to meet the special problems of telecommunications, the Directive offers a realistic and practical way of providing European industry with growing opportunities to compete throughout the common market and thus develop dimensions and capabilities strong enough to compete in world markets with the major enterprises based outside Europe.

2. Harmonization: Rules to open up tendering need to be accompanied by other measures if there is to be a useful and economic growth of intra-Community trade in telecommunications equipment.

This was made clear in a Report produced by the European Commission in close collaboration with the national telecommunications administrations in 1974. In this report, the administrations agreed that work would have to be carried out to harmonize:

- . services offered to customers
- . operational procedures of telecommunications systems management
- . technical standards for systems and equipment
- . procedures and technical conditions for type approval of subscribers apparatus.

All administrations agreed with the Commission that, since the European telecommunications network is not limited by the frontiers of the Community and includes major countries outside, this work of harmonization should be carried out in such a way that:

- . full advantage is taken of existing facilities by which the European Community and non-Community administrations have already established working arrangements to agree international procedures and standards;
- . maximum benefit can be obtained by the Community telecommunications manufacturing industry from technical standards that help them to sell into the largest possible European market.

Harmonization cannot therefore be limited to Community countries. For these reasons it is proposed to work within the framework of the Conférence Européenne des Administrations des Postes et des Télécommunications (CEPT). This international organization was set up in September 1959 and has a present membership of 26 West European countries. The basic objective of the CEPT is the harmonization and improvement of the commercial and technical services provided by its members. The new programme of harmonization would imply a major increase in this effort, encouraged and supported by the Community.

Such a major effort in the fields of harmonization of services and of industrial standards would have a significant impact both on the users of international telecommunications services and on industry. The European Commission therefore considers that means must be found of giving users and industry an opportunity to bring their views to bear on the work and it has asked telecommunications administrations to consider how this might be done.

It seems that present obstacles result more from truly technical factors than from legislative or regulatory acts. Hence, and in view of the rapid rate of technical change, the complexity of standards in this area and the difficulty of proceeding according to a fixed timetable in this field, the Commission has concluded that new standards are best applied on a voluntary basis, as are existing CEPT standards. The Commission reserves the right however to make proposals for a Directive, under Article 100 of the EEC Treaty, if experience proves at some stage that regulations or administration actions in Member States still impede the effective operation of the common market.

The programme of harmonization will make a major contribution to providing Europe with a modern telecommunications infrastructure during the 1980s.

EUROPEAN SOLIDARITY AND REGIONAL DEVELOPMENT

European regional policy has taken a new turn. The Council of Ministers recently decided to make a total of 1 300 million u.a. (1 u.a. = US\$ 1.2) available to the European Regional Development Fund. Of this, 300 million will be forthcoming in 1975, 500 million in 1976 and 500 million in 1977.

Available funds have been allocated as follows to take account of the nature, geographical location and relative seriousness of regional problems:

Italy 40%, United Kingdom 28%, France 15% Germany 6.4%, Ireland 6%, Netherlands 1.7%, Belgium 1.5%, Denmark 1.3%, Luxembourg 0.1% (See Industry and Society No 10/75).

The priority regions are: Southern Italy; Ireland; development areas in Scotland, Wales and the North of England; Western and South-western France; eastern frontier regions of Germany; the mining regions of Belgium and the Netherlands; and Greenland. It has been agreed that investment in French overseas territories would also qualify for assistance.

The Regional Development Fund is not seen as the sole motivating force behind regional development. There is no question of the Fund taking over from governments; they will continue to assist their own regions. The Fund is designed to supplement State intervention to allow governments to achieve more than they could accomplish on their own.

Secondly, applications for assistance from the Fund will not be presented by investors but by the Member States. This arrangement has been introduced to ensure more consistency between Community and national regional policies.

Lastly, the Fund is designed to promote investment in economic activity and infrastructures, the minimum investment qualifying for assistance being 50 000 u.a.

Applications for assistance from the Fund will be assessed on their merits. They must show that the particular project is compatible with the overall investment policy of the Member State concerned and that it contributes to the economic development of the region. The effect on employment and the situation of the relevant economic sector must be indicated also.

Frontier investment projects representing collaboration between Member States will be examined very attentively. Lastly, applications must take account of the different incentives to investment in the region, whether provided by the Member State concerned, by Community institutions or by the European Investment Bank. The Committee for Regional Policy will have to coordinate the various forms of assistance.

The Committee for Regional Policy

The recently-created Committee for Regional Policy represents the second institutional facet of the new European regional policy.

It is an advisory body of senior national and Commission officials responsible for regional policy. The Committee will be able to seek advice from regional bodies, trade unions and professional organizations.

Its tasks are many and varied. Briefly it can be said to deal with anything of a remotely regional character, its main task being to review and coordinate regional policies:

(a) Regional analysis

One of the Committee's first tasks will be to study the objectives, resources, approaches and experience of the Member States in the regional policy field and then keep a close watch on developments so that available resources are continually adapted to particular regional situations.

(b) Regional programming

The Committee will study regional development programmes put forward by the Member States and coordinate them if need be where several regions are affected. The formulation of regional development programmes will also call for harmonization. Finally, the Committee will examine national arrangements to discourage investment in saturated areas with a view to defining a coherent policy in this field.

(c) Regional assistance

The Committee for Regional Policy will also be required to evaluate the financial resources that Member States propose to devote to regional development.

(d) Information for investors

Lastly, the Committee for Regional Policy will be concerned to provide public and private investors with information on development prospects in priority regions and on possible backing for their projects so that they can make their choice of location in full knowledge of the facts.