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** The role of the EUROPEAN REGIONAL DEVELOPMENT COMPANY, proposals for the setting-up of which within the framework of a Community regional policy were put forward by the European Commission in its memorandum of June 1972 to the Council of Ministers (see IRT No. 150), will not be to prop up lame-duck undertakings, but to supplement the procedures already proposed by the Commission for the encouragement of economically sound activities. This was the main point to emerge from the Commission's answer to a written question from Mr Glinne, Member of the European Parliament, concerning new industrial efforts in the public sector and the powers to be vested in a European regional development company.

The text of the Commission's answer can be found in ANNEX 1.

** During 1973 the TOTAL ENERGY REQUIREMENTS of the enlarged Community will display a growth rate of slightly less than 6% and will reach a volume in the region of 1,500 million TCE. The additional demand as compared with 1972 will be about 80 million TCE (equivalent to the combined needs of Belgium and Denmark in 1970!).

The information and articles published in this Bulletin concern European scientific cooperation and industrial development in Europe. Hence they are not simply confined to reports on the decisions or views of the Commission of the European Communities, but cover the whole field of questions discussed in the different circles concerned.

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These energy requirements will be met as follows: petroleum products 62%, solid fuels 21%, natural gas 12%. The remaining 5% will be provided by hydro-electric power, various products such as peat and, to an increasing extent, nuclear energy (1.2% of the total requirements in 1971; 1.7% in 1973).

These are the estimates given by the European Commission in a recently published report on "THE ENERGY SITUATION IN THE COMMUNITY: Position in 1972 - Prospects for 1973". The conclusions of this report can be found in ANNEX 2.

** ANNEX 3 contains a selection of RECENT PUBLICATIONS acquired by the Scientific and Technical Library of the Commission of the European Communities. They can be consulted in the Library (1 avenue de Cortenberg, 1040 Brussels, Loi Offices, 1st Floor, Room 43) or borrowed.

** Since 1958 the development of trade among the Six has been characterized by a GROWING DEMAND FOR CONSUMER GOODS, as compared with the overall demand. Between 1958 and 1971 the average growth of intra-Community trade as a whole was 15.21%, whereas the demand for consumer goods for private use rose by an average of 17.14%.

In this connection, significant developments were noted in the pattern of trade in high-turnover consumer goods:

	%	
	1958-71	1970-71
- private cars	+ 1233	+ 18
- cameras	+ 2270	+ 38
- radio receivers	+ 72	+ 28
- domestic refrigerators	+ 385 (1960 -71)	+ 18

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The overall increase in PRIVATE CONSUMPTION, which ran at an average of 8.45% for the period 1953-71 and 10% between 1970 and 1971, was accompanied by a shift in the pattern of consumption, i.e., there was a gradual decline in the growth of food purchases (from 8.65% in 1969-70 to 7.28% in 1970-71) and in that of clothing purchases (from 12.20% to 7.02%), whereas the growth rate of expenditure on health and personal hygiene rose from 10.26% to 12.21% and that of expenditure on transport and communications from 13.9% to 14.92%.

** about 100 SCIENTIFIC JOURNALISTS from Germany, Austria, Belgium, France, the United Kingdom, Italy and the Netherlands attended the General Meeting of the European Union of Scientific Journalists' Associations, held at Sestriere on 14 April.

This body groups together the national scientific journalists' associations of Germany, Austria, Belgium, France, the United Kingdom, Italy and the Netherlands. The basic aim of the Union is to awaken the national and international authorities, the scientific community and, more generally, public opinion at large, to the desirability of developing scientific and technological information.

** The need to evolve effective procedures for CONSULTATION BETWEEN THE COMMUNITY INSTITUTIONS AND BOTH SIDES OF INDUSTRY was underlined by Dr Hillery, Vice-President of the Commission with special responsibility for Social Affairs, during a detailed exchange of views with the advisers to the Social Affairs Section of the Economic and Social Committee who represent employers and labour and the self-employed professions. Dr Hillery also stressed the need for more effective cooperation and contacts with the Economic and Social Committee. The Committee must, as a matter of principle, be invited by the Council of Ministers to attend the conference to be

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held in Luxembourg on 27 June 1973, at which representatives of both sides of industry throughout the Community, will be present.

Dr Hillery went on to define the broad lines of the European Commission's social policy programme (see IRT No. 173), which will be discussed by the Council of Ministers on 21 May. This programme should consist mainly of special measures to help those population groups afflicted with particular problems, namely the young, the old, migrant workers, handicapped persons and women. In this connection, Dr Hillery made a strong plea for WOMEN'S RIGHTS, pointing out that the legal application of Article 119 of the Treaty of Rome (equal pay) was not in itself sufficient. It was not enough, he said, merely to allow women to fill the same posts as men; they must also enjoy equal opportunities as regards education, vocational training and promotion prospects. In addition, the ever increasing number of married women seeking employment raised, among other things, the problem of providing care for the children.

** Under the general programme for the ELIMINATION OF TECHNICAL BARRIERS TO TRADE (see IRT No. 139) the European Commission has so far drawn up some 85 proposals for directives in respect of 14 industrial sectors. About 40 of these proposals have already met with a favourable decision from the Council of Ministers.

** A round-table conference on Community problems, organized by the EUROPEAN MANAGEMENT FORUM, is due to be held in Brussels on 24-25 May 1973 under the chairmanship of Mr Jean Rey, a former President of the European Commission. Taking part will be about 100 heads of undertakings together with European Commission Members Mr Borschette, Dr Hillery, Sir Christopher Soames, Mr Spinelli and Mr Thomson. The discussions will be opened by Mr Emile Noel, Secretary-General of the Commission.

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- ** A GLOSSARY OF STEEL STANDARDS has just been published by the European Commission.
- ** THE PROBLEMS RAISED BY THE GROWTH OF INDUSTRY were the subject of a broad discussion during a conference held in Venice in April 1972. The conference, which was sponsored by the European Commission and had as its theme "Industry and society in the Community" (see IRT No. 138), provided an opportunity for representatives of both sides of industry and of the national and Community authorities to exchange views and attempt to adumbrate future solutions. The text of the various conference papers has just been published by the European Bookshop (244 rue de la Loi, 1040 Brussels) under the title "TOWARDS A EUROPEAN MODEL OF DEVELOPMENT". This publication is available in German, English, French, Italian and Dutch and is priced at 530 Belgian francs.

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THE EUROPEAN REGIONAL DEVELOPMENT COMPANY AND ITS POWERS

(based on the European Commission's reply to a written question from Mr Glinne, Member of the European Parliament)

On 19 June 1972, in the light of the Council's decisions regarding Community policy, the European Commission forwarded to the Council a memorandum containing proposals for the setting-up of a regional development company in which the Community would participate. The tasks of this company would be as follows: research and information work for investors, technical assistance and, where appropriate, temporary participation in undertakings (particularly small and medium-sized ones) set up in priority regions.

Replying to a written question from Mr Glinne, Member of the European Parliament, concerning new industrial efforts in the public sector and the powers to be vested in the European regional development company, the European Commission made it clear that the role of this company will not be to prop up lame-duck undertakings, but to supplement the procedures already proposed by the Commission for the encouragement of economically sound activities.

The Commission feels that, in view of the limited access of the small and medium-sized firms to the capital market, the possibility of securing temporary minority participation might induce the heads of rich firms to make investments which they would otherwise hesitate to undertake, especially if this involved permanent participation by more powerful groups likely to threaten their independence. Furthermore, supplementary participation could provide the means of setting in motion projects which investors might wish to see implemented forthwith, provided that their own involvement was only partial. Another consideration is that certain projects may, by their very

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magnitude, be beyond the capacity of certain regional finance companies.

Any participation by the European regional development company must be on a minority basis, since it would not be advisable for this company to take over the management of small and medium-sized undertakings or of regional development companies in the Member States which enjoy its support.

In order to assist other firms to set up or develop in the priority regions, the European regional development company must also be able to terminate its participation by transferring its holdings to the promoters as soon as the latter are in a position to buy them back.

This is why participation by the company should be only temporary.

The Commission does not rule out the possibility that the tasks of the regional development company, as outlined in its memorandum, might be extended.

THE ENERGY SITUATION IN THE COMMUNITY: POSITION
IN 1972 - PROSPECTS FOR 1973

During 1973 the total energy requirements of the enlarged Community will display a growth rate of slightly less than 6% and will reach a volume in the region of 1,500 million TEC. The additional demand as compared with 1972 will be about 80 million (TCE equivalent to the combined needs of Belgium and Denmark in 1970!).

These energy requirements will be met as follows: petroleum products 62%, solid fuels 21%, natural gas 12%. The remaining 5% will be provided by hydro-electric power, various products such as peat and, to an increasing extent, nuclear energy (1.2% of the total requirements in 1971; 1.7% in 1973).

These are the estimates given by the European Commission in a recently published report on "The energy situation in the Community: position in 1972 - prospects for 1973".

Problems and prospects for 1973

A. The enlargement of the Common Market

The year 1973 will be marked by the accession to the Community of three countries in which the energy supply position, while it has much in common with that in the original Member States, also differs from it in certain important respects. In all probability, however, the effects of this new situation will only begin to be felt in the medium term: interpenetration of markets will be a gradual process and it will be some time before the structures on both sides become adjusted in the new dimensions.

An initial important aspect of the enlargement of the Community is oil and natural gas production and the hopes that are pinned to the development of exploration in the continental shelf of the new Member States. Though modest at present, the contribution

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made by these resources is calculated to reduce the Community's dependence on imports.

In the coal-mining sector, the collieries of the six original Member States will have to take into account the prospects of the penetration of their market by British production.

B. Growth of demand and the supply situation

During 1972 the situation on the Community energy market was relatively quiet. This was due mainly to the steady growth in demand following a year of semi-stagnation.

Nevertheless, what would appear to be a satisfactory supply situation from a quantitative point of view is only relatively so. In point of fact, the flow of supplies is at the mercy of a combination of fortuitous circumstances, similar to those obtaining in 1969 in the case of coking coal and in 1970-71 in the case of oil, which under certain conditions could create pronounced tensions on the markets.

On the whole, the movement of prices has reflected the relative easing of the market in 1972, although the effects have also been felt of the general inflationary trend currently prevailing. It is worth noting, in this connection, the Council resolution setting a limit of 4% on the rate of price increases during 1973. In the case of energy prices, the pursuit of this aim will raise a number of problems, the most salient of which are outlined below.

Community coal remains at a disadvantage in relation to coal imported from non-Member States. The continual rise in the costs renders ever more acute the problem of ensuring that the collieries are able to cover their costs and adapt their production to the demand.

As far as crude oil is concerned, the year 1972 was marked by the continuation of the changes in the structure of supply which

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had begun in 1971. Rises in the cost of crude oil, however, had only a slight effect on the prices of derived products, owing mainly to the easing of the world market. Nevertheless, this easing is only relative and could be diminished by certain adverse factors which are now emerging.

On the one hand, US imports from the eastern hemisphere are growing rapidly at a rate which could prove to be higher than that forecast a year or two ago. These imports relate mainly to light crudes from North Africa and to low-sulphur products generally derived from these crudes.

On the other hand, the reserve production capacity in certain African and Middle Eastern countries is less than in the past. In some cases this is due to technical factors affecting the extraction or shipment of crude oil, and in others to restrictions imposed by the authorities.

Furthermore, it is likely that the operators will seek to pass on to the consumers the pressure which will increasingly be brought to bear on their production profit margins. The market is therefore exposed to possible price increases which could become very considerable in the event of a sharp rise in demand or the reduction or interruption of crude oil supplies from certain sources.

In this connection, it has been found that reductions in the world supply of crude oil, such as were experienced in 1967 and in 1970-71, are not the only factor which may affect the market. In 1972, changes in the availability patterns of various types of crude oil, resulting in the modification of the manufacturing structure at the refineries, contributed to a rise in the price of certain products which was in contrast with the general easing of the market.

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This state of affairs serves to emphasize a particular aspect of security of supply: apart from the need to ensure that the overall requirements are met, the need to strike a qualitative balance between the various products demanded on the market calls for the adaptation of the refinery structure to the supply trends.

Internal consumption of energy from primary and equivalent sources (enlarged Community)

	Volume in millions of TCE			Variations (%)		Total share (%)			Volume in millions of TCE (for guidance only)		
	1971	1972	1973	1972/71	1973/72	1971	1972	1973	1971	1972	1973
Coal and equivalents	302.43	268.05	269.40	-11.4	+0.5	25.2	21.7	20.5	211.7	187.6	188.6
Lignite and equivalents	31.15	32.10	33.76	+3.0	+5.2	2.6	2.6	2.6	21.8	22.5	23.6
Crude oil and equivalent	694.26	732.86	772.34	+5.6	+5.4	57.9	59.2	58.8	406.0	513.0	540.6
Natural Gas	114.47	143.01	168.93	+24.9	+18.1	9.6	11.6	12.9	80.1	100.1	113.2
Primary electricity + others ¹	55.72	61.02	68.22	+9.5	+11.8	4.7	4.9	5.2	39.0	42.7	47.8
Total ²	1198.03	1237.04	1312.65	+3.3	+6.1	100	100	100	838.6	865.9	913.8

¹Including the external trade balance

²The total may differ from the sum of the individual items owing to rounding off

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RECENT PUBLICATIONS

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BIOLOGY

- Current Topics in Developmental Biology (EU 14454 (7))
Vol. 7
MOSCONA, A.A. + MCNROY, Alberto
Academic Press, New York, 1972

POLLUTION

- Pesticides in the Modern World (EU 17206)
UNO-FAO
FAO, (Rome), 1972
- 3. Nordisk Møde (EU 17203 (3)) 3rd Nordic Radiation Protection Conference, Copenhagen, 18-20 August 1971
Proceedings
NORDISK SELSKAB FOR STRALEBESKYTTELSE
State Institute of Radiation Hygiene, Copenhagen, 1971
- Water Management (EU 17211) - Basic Issues
Gestion de l'eau - Aspects Fondamentaux
OECD, Paris, 1972

COMPUTER SCIENCE

- Computers in Ireland (EU 17225 (58))
FOSTER, F.G. + LAND, F. + MOYNIHAN, J.A. + TUTTY, M.G.
Economic and Social Research Institute, Dublin 1971
- Structured Programming (EU 7917 (8))
DAHL, O.J. + DIJKSTRA, E.W. + HOARE, C.A.R.
Academic Press, London, 1972

TELECOMMUNICATIONS

- The Telecommunications Industry (EU 13849 E)
Integration Vs. Competition
IRWIN, Manley R.
Praeger, New York, 1971

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TRANSPORT

- A Literature Survey on the Aerodynamics of Air Cushion Vehicles (EU 17163 (565) 1) Vol. 1
HARTING, A.
NATO-AGARD, Neuilly sur Seine, 1969
- A Literature Survey on the Aerodynamics of Air Cushion Vehicles (EU 17163 (565) 2) Vol. 2
HARTING, A.
NATO-AGARD, Neuilly sur Seine, 1969
- Traffic des principaux aéroports mondiaux (EU 17223)
1967-1971
Traffic at Major World Airports - Relations Internationales
AEROPORT DE PARIS - Direction Générale - Paris, 1972