

Brussels, 2 October 1973

No. 204

** Between 1962 and 1970 the annual number of mergers and takeovers within the Community of the Six rose from 173 to 612. In comparison with the 1962-1966 period, the growth rate of mergers between 1966 and 1970 has practically doubled; an increase has likewise been observed since 1965 in the United Kingdom.

The October 1972 Paris Summit Conference drew attention to the problems likely to result from excessive concentration and emphasized in particular that the establishment of a single industrial basis for the Community as a whole meant devising measures for ensuring that any mergers involving companies within the Community were in conformity with the Community's economic and social objectives and would not affect the maintenance of effective competition in the common market. The European Commission therefore

./.

This bulletin is published by the Directorate General Press and Information of the Commission of the European Communities

For further information please apply to the

Commission of the European Communities
Directorate-General for Press and Information
Division for industrial and scientific information
200, avenue de la Loi
1040 Brussels - Tel. 3500 40

or any of the Information Offices of the European Communities (list inside cover)

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.

PRESS AND INFORMATION OF THE EUROPEAN COMMUNITIES

1 BERLIN 31
Kurfürstendamm 102
tél. 886 40 28

DUBLIN 2
41 Fitzwilliam Square
Tel. 66 223

NEW YORK 10017
277 Park Avenue
Tél. 371-3804

THE HAGUE
22, Alexander Gogelweg
tél. 33 41 23

53 BONN
Zitelmannstraße 22
tél. 22 60 41

1202 GENEVA
37-39, rue de Vermont
tél. 34 97 50

PARIS 16e
61, rue des Belles-Feuilles
tél. 553 53 26

WASHINGTON, D.C. 20037
2100 M Street, N.W.
Suite 707
tél. (202) 296-5131

1040 BRUSSELS
200, rue de la Loi
tél. 35 00 40

LONDON SW 1
23, Chesham Street
tél. 235 4904 à 07

ROME
Via Poli, 29
tél. 68 97 22 à 26

COPENHAGEN
4 Gammeltorv
tél. 14 41 40

LUXEMBOURG
Centre européen du Kirchberg
tél. 479 41

SANTIAGO DI CHILE
Edif. Torres de Tajarar-Apt. 403
Torre A, Casilla 10093
Avda Providencia 1072
Tel. 43872

put forward to the Council of Ministers in July 1973 a proposed Council regulation on the control of mergers. ANNEX 1 contains extracts from the speech given on 18 September 1973 in Dublin to the Fourth Congress of the European Federation of Building Societies by Mr Ronan, Director-General for Press and Information at the European Commission.

** Despite advances in ore-body exploration, exploitation and extraction techniques, EXHAUSTION OF SOME NATURAL RESOURCES, and particularly of many metals, is to be feared during the coming decades. It will consequently become necessary to use substitution processes, replacing a given raw material by a different one with similar properties but in greater abundance, and also to develop recycling processes enabling spent materials to be re-used. Recycling is the more necessary because apart from the exhaustion of resources there is the problem of the degradation of the environment through pollution caused, in particular, by dumping large amounts of scrapped materials into it.

This is the background against which the Community multiannual research programme, put forward by the European Commission and adopted by the Council of Ministers in June 1973 (see IRT No. 195), has made provision for a research project in the field of the RECYCLING OF RAW MATERIALS to be carried out by the Joint Research Centre. A brief note on this subject is given in ANNEX 2.

** ANNEX 3 contains a selection of RECENT PUBLICATIONS added to the Scientific and Technical Library of the Commission of the European Communities. These works may be consulted at the library (1, avenue de Corbenberg, 1040 Brussels, Loi Offices, 1/43) or borrowed.

** The European Parliament's Committee on Regional Policy and Transport has recorded its approval in principle of the European Commission's

proposals for the establishment of a REGIONAL POLICY COMMITTEE AND A EUROPEAN REGIONAL DEVELOPMENT FUND and the financial regulations applicable thereto. It notes with regret, however, that the European Commission's proposals are unilaterally economic in character and that not enough consideration has been given to the social and human factors; the underdevelopment of certain regions is not evident solely in the economic sector but also, and particularly so, in the educational, vocational training, public health and other sectors.

** THE OUTPUT OF CRUDE STEEL in the Community of the Nine has increased by 8.5% during the first eight months of 1973 by comparison with the same period in 1972, and the OUTPUT OF PIG IRON has increased by 11.9%. The table given below shows the growth in pig iron and steel outputs in the various Community countries:

	Outputs of raw steel		Outputs of pig iron	
	Jan.-Aug. 1973 (10 ³ metric tons)	Comparison with Jan.-Aug. 1972 (%)	Jan.-Aug. 1973 (10 ³ metric tons)	Comparison with Jan.-Aug. 1972 (%)
Germany	32,618	+13.6	24,169	+15.1
France	16,456	+ 5.5	13,127	+ 6.0
Italy	13,019	- 0.2	6,300	+ 0.6
Netherlands	3,751	+ 1.5	3,178	+11.4
Belgium	10,433	+11.0	8,612	+11.7
Luxembourg	3,936	+ 8.8	3,384	+ 9.3
United Kingdom	17,681	+ 9.8	11,393	+16.3
Denmark	277	-15.8	-	-
Community	98,171	+ 8.5	70,162	+11.2

** The Report of the results of the BUSINESS SURVEYS CARRIED OUT AMONG HEADS OF ENTERPRISES IN THE COMMUNITY of the six original member countries between the end of February 1973 and the end of June 1973 has now been published by the European Commission. In the Community as a whole the surveys have highlighted the vigorous and ongoing nature of expansion. Almost all sectors have been instrumental in stimulating economic activity. The stimuli appear to derive primarily from the capital goods sector and, to a lesser extent, from the intermediate and consumer goods industries. The production outlook is still very good. During the last few months over 90% of management expected their rate of production to remain unchanged or accelerate. In addition, reports on order books show a steady improvement. This being so, industrial production may be expected to remain buoyant. Managements consider that pressures on selling prices will continue in the coming months.

This Report is on sale in Dutch, English, French, German and Italian from the Office for Official Publications of the European Communities, Case Postale 1003, Luxembourg 1, at a price of Bfrs 50.

** The European Commission is keeping a systematic watch on the DEVELOPMENT OF CONCENTRATION IN SEVERAL SECTORS. This is what the Commission said recently in its reply to a written question from Lord O'Hagan, Member of the European Parliament, concerning competitive conditions within the Community. The Commission further stated that a list of sectors exists for this purpose. Its role is limited to enabling certain sectors to be observed in particular so that any cases of concentration of firms which bring about a reduction of the consumer's freedom of choice, which is incompatible with the EEC Treaty rules on competition, can be pinpointed. The list of sectors by no means constitutes in itself presumption of

infringement of the rules on competition.

** Thirty scientific journalists from eight countries (Austria, Belgium, France, Germany, Italy, Netherlands, Spain and the United Kingdom) have just completed a study tour in Isreal as part of the activities organized by the EUROPEAN UNION OF ASSOCIATIONS OF SCIENTIFIC JOURNALISTS. Included in the places of interest visited were the Weizmann Institute, the Universities of Jerusalem, Tel-Aviv and the Negev and the Israeli Institute of Technology (Technion). The journalists were invited by Professor Katzir, President of the State of Israel, to dine at his residence.

** In its commentary on the forming of a COMMUNITY ENERGY POLICY, the Union of Industries of the European Community (UNICE) considers it necessary for the Community to specify, as soon as it is able, the appropriate conditions under which an energy supply may be guaranteed, including quantitative data on its future structure of a kind to guide long-term business initiative.

European industry considers it desirable for the Community to adopt firm decisions as soon as possible in order to achieve the following prime objectives:

- (a) an energy supply organized on the broadest possible basis through efforts to diversify as to types of energy and territories of origin;
- (b) the inauguration of active joint consultation between the Community and the main industrialized regions importing energy sources, with the object of specifying the means necessary to ensure adequate medium-term and long-term supplies at the lowest possible cost for every region, and of defining their joint attitude in any crisis situation;

IRT No. 204, 2 October 1973, p.6

- (c) the establishing of a Community policy jointly agreed with the major consuming regions with the object of improving relations with the petroleum producing and exporting countries through initiatives at the economic, scientific, technical and cultural levels;

- (d) an expansion of energy activities, notably through tax and financial concessions of a kind to encourage oil and natural gas prospecting; support for measures in the nuclear energy field (acceleration of the nuclear power station construction programmes and the provision of a uranium enrichment capability within the Community); the granting of the proper research facilities to enable new methods for using and producing energy to be developed; the optimum harnessing of domestic energy resources; an encouragement of a more effective and efficient energy utilization policy, etc.

European industry emphasizes, furthermore, the importance of speeding up the work to create a common energy market, which means eliminating national segregation of the Community's resources and abolishing the numerous technical, economic, fiscal and regulatory disparities which still prevail.

** The European Commission held a TECHNICAL SEMINAR at Erlangen in Germany from 24 to 28 September 1973 on the development of a standard method for determining the enzymatic activity of the dehydratase of delta-aminolevulinic acid (ALAD) in the blood. In the context of the Commission's work on the effects of lead in the environment (particularly in the atmosphere from the combustion of motor fuels), it has been proved that the activity of this enzyme in the blood may be used as a sensitive indicator of human contamination by lead.

./.

Representatives of specialized laboratories in Member States of the Community, Sweden and Finland participated in this work.

** From among the number of SCIENTIFIC AND TECHNICAL REPORTS which have recently been published by the European Commission, special attention is drawn to the following:

1. Air lead concentrations in the European Community (Yearly Report, April 1971 to March 1972).
Report No. EUR 4982 d, e, f, i, n: 168 pages; Bfrs 210.
Available in German, English, French, Italian and Dutch.
2. La pollution radioactive - son elimination (IIe partie: les installations industrielles).
Report No. EUR 4981 f: 28 pages; Bfrs 40. Available in French only.
3. Comparison of the radioactive contamination of the total diet of adolescents in the Community (III. Analysis of food consumption in the institutional diet programme).
Report No. EUR 3945 e.III: 32 pages; Bfrs 50. Available in English only.
4. Some phase equilibria and thermodynamic considerations for irradiated oxide nuclear fuels.
Report No. EUR 5013 e: 60 pages; Bfrs 70. Available in English only.
5. Contrôle radio graphique de particules enrobees pour reactuer a haute temperature.
Report No. EUR 5021 f: 42 pages; Bfrs 60. Available in French only.

The above publications are obtainable from the Office for Official Publications of the European Communities, Case postale 1003, Luxembourg 1.

MAINTENANCE OF EFFECTIVE COMPETITION IN THE EUROPEAN COMMUNITY
AND CONTROL OF MERGERS

(excerpts from an address given by Mr Ronan, Director-General for Press and Information in the European Commission, at the 4th Congress of the European Federation of Building Societies, in Dublin on 18 September 1973)

Between 1962 and 1970 the annual number of business combinations in the Community of the Six - defined as financial participations of more than 50% - rose from 173 to 612. In comparison with 1962, the yearly number of combinations had thus increased three and a half times by 1970. In comparison with 1962-1966, the rate of increase in 1966-1970 had almost doubled. Among the new countries, there has been a particular increase in the number of combinations in Great Britain since 1965.

The danger which over-concentration represents for the maintenance of effective competition is well enough known: not only can it lead to the adoption of completely arbitrary price policies, but it also restricts consumer choice and workers' freedom to choose between various employers. Furthermore, dominant undertakings are often in a position to keep potential competitors out of the market.

The Paris Summit Conference in October 1972 drew attention to the problem of such mergers and stressed that the establishment of a single industrial base for the Community as a whole involved the formulation of measures to ensure that mergers concerning firms established in the Community are in harmony with the economic and social aims of the Community, and the maintenance of fair competition as much within the Common Market as in external markets, in conformity with the rules laid down by the Treaties.

Obviously, for the Commission to know whether particular combinations are likely to upset the balance of competition, it must be informed of such

IRT No. 204, 2 October 1973 ANNEX 1 p.2

operations in advance. The Commission therefore made a proposal for a Council Regulation, forwarded to the Council in July 1973, in which it provides for the prior notification of intended mergers and takeovers.

The proposed regulation stipulates that if a combination between undertakings or groups of undertakings of which at least one is situated on Community territory will enable these undertakings to acquire power or increase their power to impede effective competition in the common market, then the combination is incompatible with the common market in so far as trade between Member States is likely to be affected.

This principle does not apply if the aggregate turnover of the firms involved in the combination represents less than 200 million u.a. and if the goods or services concerned by the operation represent no more than 25% of the business carried on, in any member country, with goods or services which are identical or considered as similar by the consumer.

Proposed combinations must be notified to the European Commission when the total turnover of the firms concerned is equal to or greater than one thousand million u.a. However, combinations envisaged by a firm or group of firms which has already attained or exceeded this turnover figure need not be notified to the Commission if the turnover of the firm to be taken over is less than 30 million u.a. (For banking and financial institutions, the turnover criterion is replaced by the criterion of one-tenth of the total assets; for insurance firms it is replaced by the value of the premiums received).

It was calculated that in 1971 some 25 of the combinations which took place inside the Community would have met the criterion of 1,000 million u.a.

RECYCLING OF RAW MATERIALS

under the multi-annual research programme of the European Community

Mankind today is rapidly consuming reserves which have taken millions of years to accumulate in the earth. The growth rate of the world's population and its standard of living, combined with the progress of technology in the industrialized world, engender an exponential increase in the demand for raw materials. Consequently, there is a risk that, despite more advanced techniques of prospection, mining and extraction of ores, certain natural resources will be completely used up, in particular the non-renewable resources. Numerous metals fall into this category, notably mercury, lead, gold, zinc, silver, platinum and tin: it is estimated that these metals could be used up in the next 20 years.

Before such reserves are fully depleted we shall naturally witness sharp increases in their cost, because of market laws and the need to exploit increasingly low-assay deposits.

It will then be necessary to resort to methods of substitution, replacing one material by another which has similar characteristics and is available in larger quantities. The possibility of re-using spent materials by recycling will also become very important.

Recycling will become all the more necessary as the problem of depleted reserves is aggravated by that of environmental deterioration, and as many scrapped materials dumped in the environment represent a severe source of pollution.

Extensive research and development is needed if economic methods for the substitution and recycling of various materials are to be developed in time to avert a critical shortage in various industrial sectors in the near future.

This is the background against which a research project on raw materials recycling is to be carried out by the Joint Research Centre. The project forms part of the Community multi-annual research programme put forward by the European Commission and adopted by the Council of Ministers in June 1973 (see IRT No. 195). The first phase will consist mainly in making an exploratory analysis of the situation and carrying out a few specimen studies. The funds assigned to this phase are somewhat limited (1.65 million u.s.).

The programme of the Joint Research Centre on raw materials recycling will fall into two parts:

- (a) by means of systems-analysis type studies it will be possible to draw up, for certain minerals, a table of present demand and estimated future consumption in the various sectors of industrial and social activity, together with a table of the available or foreseeable resources classified according to their accessibility. Possible substitutes will be taken into consideration, and a preliminary estimate will be made of the magnitude of the various possible degrees of recycling. A mathematical model of the system will be composed in order to study its sensitivity to the various strategies. On the basis of these studies it should be possible to define the areas in which research could be most usefully carried out and more or less quantify the advantages it might yield;
- (b) pilot feasibility studies will be carried out on certain recycling or substitution processes, in order to furnish the necessary data for the systems-analysis studies and to be able to form an opinion on certain new techniques.

For the time being, research will be concentrated on a limited number of metals selected either on account of their expected scarcity in the near future or because, when disposed of, they pollute the environment. The metals in question are chromium, lead, tin and platinoids.

Obviously, the research carried out by the Joint Research Centre will be very much like a pilot study to start with, and it can only be really significant if it is backed by European collaboration. Furthermore, the programme cannot be implemented without a quantity of statistical material and technico-economic information, which can only be obtained by surveys of current research and industry in Europe. The collecting of data and establishing of the necessary contacts will be started shortly; extensive reference will be had to the work already carried out in this field by the European Commission. It may be supplemented by contract work accomplished by specialized institutes and organizations in the Community countries.



RECENT PUBLICATIONS

added to the scientific and technical library of the Commission of the European Communities. These works may be consulted at the library (1, avenue de Corbenberg, 1040 Brussels, Loi Office, 1st floor, No. 43) or borrowed

Ecology

Growth by Intussusception (EU 17495 (44))
Ecological Essays in Honor of G. Evelyn Hutchinson
Deevey, E.S. (Ed.)
Connecticut Academy of Arts and Sciences - The Shoe String Press,
Hamden, Conn., 1972

Milieubalans van Nederland (EU 17460)
Mulckhuysse, J.J.
Intermediair, Amsterdam, 1972

Environment

Rapport de la République fédérale d'Allemagne
sur l'Environnement de l'Homme (EU 17351 f)
Stockholm, June 1972
Bundesregierung - Bundesminister des Innern,
Germany, Bonn, 1972

Energie, Mensch und Umwelt (EU 17461 (7))
Bailey, R. & Broadbent, D. & Esposito, J. &
Gaskell, Th. F. & ...
Lang, Bern, 1973

Development of Environmental Health (EU 1979 (511) e))
Criteria for Urban Planning
World Health Organization, Geneva, 1972

Mutagenic Effects of Environmental Contaminants
(EU 13096 D (10))
Sutton, H. Eldon & Harris, Maureen I. (Ed.)
Academic Press, New York, NY, 1972

The Environmental Future (EU 17487)
Proceedings of the First International Conference on
Environmental Future held in Helsinki, 27 June to 3 July 1971
Polunin, Nicholas (Ed.)
Macmillan, London, 1972

Tous les problèmes juridiques des pollutions et nuisances industrielles (EU 3218 N)

Grenier-Sargos, Aline
Delmas, Paris, 1973

Droit de la protection de la nature et de l'environnement (EU 17516)

Lamarque, Jean & Pacteau, B. & Constantin, F. & Macrez, R.
Librairie Générale de Droit et de Jurisprudence,
Paris, 1973

Code permanent environnement et nuisances (EU 17486)
Editions Legislatives et Administratives, Paris, s.d.

Analyse de l'espace (EU 17469 A)

Décentralisation dans l'industrie électronique
en France de 1954 à 1970

Constans, Françoise
Association Universitaire de Recherches Géographiques et
Carographiques, France, s. 1., 1972

Survols de l'Europe (EU 15314 (37))

Mangin, Ch. - M.
La Documentation Française, Paris, 1973

Pollution

Nuisances et Survie (EU 17514 (4))

Frederica, Robert
Bordas Poche, Paris, 1972

Pollution in the Air (EU 17481)

Problems, Policies and Priorities
Scorer, R.S.
Routledge & Kegan, London, 1973

Economic Thinking and Pollution Problems (EU 17459)

Auld, D.A.L. (Ed.)
University of Toronto Press, Toronto, 1972

Pour une politique de lutte contre la pollution
des mers (EU 15842 (12))

GRUPE INTERMINISTERIEL D'ETUDE DES PROBLEMS
DE POLLUTION DE LA MER
La Documentation Française, Paris, 1973

Radiation protection. Radioactive waste

Regulations for the Safe Transport of Radioactive
Materials (EU 630 (6) 71973 e) - 1973 Revised Edition
INTERNATIONAL ATOMIC ENERGY AGENCY & WORLD HEALTH
ORGANIZATION, Wien, 1973

