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** In the preliminary draft budget for 1972 just submitted, the Commission of the European Communities describes by way of introduction the COMMISSION'S ACTIVITIES FOR 1972. ANNEX 1 gives an extract from this introduction concerning the INDUSTRIAL, TECHNOLOGICAL AND SCIENTIFIC sector and the ENERGY sector.

** The Council of Ministers of the Community recently published details of the brief assigned to the Commission of the European Communities to open negotiations with the International Atomic Energy Agency (IAEA), Vienna, with a view to the conclusion, under the NUCLEAR NON-PROLIFERATION TREATY (NPT), of a verification agreement on the Euratom safeguards system governing fissile materials. Further information is given in ANNEX 2.

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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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** As background material for a debate at the meeting of the Council of Ministers of Transport due to be held in October, the Commission recently sent a memorandum to the Council concerning the COMMON ORGANIZATION OF TRANSPORT MARKETS, an essential field of the common transport policy in general.

The Community's achievements in the organization of the transport market are scarcely satisfactory, and the disparities in the national regulations in this sector have an arbitrary effect on the competitive position of transport firms and modes of transport.

According to the Commission, action by the Council of Ministers should be concentrated primarily on access to the occupation of haulage contractor, capacity control in international road haulage, capacity control in national road transport, capacity control in goods transport by inland waterways and rates and conditions.

In addition, all steps towards the establishment of a common system of rates and all attempts to render it more flexible should be accompanied by the implementation of an efficient common system relating to access to the occupation and capacity control. At the same time, the Commission is sending the Council a memorandum on a system of charging for the use of infrastructures.

** In the COMMUNITIES' PRELIMINARY DRAFT GENERAL BUDGET FOR 1972, the Commission makes provision for commitments totalling about 78 million u.a., including:

15,415,000 u.a. for programmed work already decided, or;

1,735,400 u.a. for the Dragon high-temperature gas reactor;

1,506,000 u.a. for the fusion and plasma physics programme;

7,747,300 u.a. for the joint programme on biology and health physics;

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4,426,300 u.a. for the supplementary programme on biology and health physics;

(see "Industry, Research and Technology" No. 104).

60,000,000 u.a. approximately to cover the new programme proposals which the Commission is about to submit to the Council of Ministers (see "Industry, Research and Technology" No. 106).

4,000,000 u.a. approximately to cover purely financial borrowing and lending operations.

** In order to determine the medium-term lines to be followed for COMMUNITY CRUDE OIL SUPPLIES and to estimate more accurately the TREND OF FREIGHT RATES, the Commission of the European Communities has asked the Institute of Maritime Transport Economics at Bremen to conduct a study into the ships which supply the Community with crude oil; it has also commissioned Petroleum Economics Limited of London to carry out a study on the growth in tonnage of the world fleet and its effect on freight rates.

The contract for a study on the EFFECTS ON THE REFINING INDUSTRY OF THE BAN ON THE USE OF LEAD IN PETROL has been awarded by the Commission to the Société d'études économiques et financières (SETEF) of Paris; this should also show what investments are necessary for the production of petrol conforming to the new standards, as well as any increase in crude oil requirements arising as a result.

** Europe's industry and business leaders, who are anticipating the forthcoming enlargement of the Community and are working out a EUROPEAN INDUSTRIAL STRATEGY, will debate this theme at the Second European Management Symposium to be held at Davos, Switzerland, from 22 January to 1 February 1972 by the European Management Forum, under the patronage of Mr Spinelli, Member of the Commission of the European Communities with special responsibility for industrial affairs and research.

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- The Second Symposium sets out to define, in cooperation with experts of the European Community, the problems and specific opportunities which will face companies involved in Europe during this decade. The symposium and its working methods are of such a nature that attendance is restricted to 500.
- ** The Commission of the European Communities has for the first time imposed a FINE FOR THE SUBMISSION OF INCOMPLETE INFORMATION on a Belgian sugar refinery, the SA Raffinerie Tirlemontoise, after an enquiry by the Commission into charges of violations of the Treaty of Rome rulings on competition.
- ** In connection with its COMPARISON OF MEMBER STATES' RESEARCH PROGRAMMES (see "Industry, Research and Technology" Nos. 39, 70 and 82), the Community Working Party on Scientific and Technical Research Policy (Aigrain Group), at its meeting in Brussels on 17 September, heard a first report by Mr Aigrain, a high-ranking civil servant responsible for scientific and technical research in France, on French plans and programmes for research in 1972.
- ** Nearly a hundred international specialists (including a large American delegation) held an exchange of experience at the Joint Research Centre's Ispra Establishment on 20-22 September on NON-DESTRUCTIVE MEASURING AND CONTROL METHODS FOR USE IN NUCLEAR SAFETY. Some fifty papers were presented, ten of which reported on results obtained in the Joint Research Centre laboratories.
- ** In accordance with Article 37 of the Euratom Treaty, the Commission of the European Communities recently handed down an opinion on the general data relating to the project for RADIOACTIVE EFFLUENT DISCHARGE from the Saint-Laurent-des-Eaux nuclear power plant.
- ** A DELEGATION OF FRENCH SENATORS, members of the special fact-finding mission on nuclear energy, visited the headquarters of the Commission of the European Communities at Brussels and the Joint Research Centre Establishment at Ispra on 16 and 17 September.

The Industrial, Technological and Scientific Development Policy
and the Energy Policy of the Commission of the
European Communities for 1972

(extract from the introduction to the preliminary draft budget
submitted by the Commission for 1972)

A. Industrial, technological and scientific development policy

Problem of the environment

The intensification of Community action requires increased efforts by the Community institutions in the industrial, technological and scientific fields; there is urgent demand for such efforts both from the governments and from industry and the trade unions.

During 1972, the Commission of the European Communities will need to step up its action in these fields, more particularly in respect of:

- (1) Deeper interpenetration of markets, by continuing the programme of removal of technical barriers to trade adopted by the Council on 28 May 1969, and also by eliminating discrimination in the markets in which the authorities have a dominant position;
- (2) Improvement of the general conditions under which Community industry operates;
- (3) A detailed examination of the situation in the various branches of industry, particularly those with an ill-adapted structure which affects their capacity to compete with non-member countries. Such an examination is an essential prerequisite for the concentration of activities in the individual industries and should enable certain Community lines of action to be mapped out, particularly in leading industries (computers, aeronautics);

(4) Definition of Community policy lines and action in scientific and technological matters, which are closely linked with a policy of industrial development.

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The Commission emphasizes the great importance it attaches to problems of the environment. Thus it has set up a new unit on environmental matters which has the responsibility, in common with the other departments concerned, for working out a general Community programme in this field.

The Commission has outlined a general programme of action, indicating what resources it will need if it is to play its true part in both the legal and the financial field. The Commission will have contacts with the various bodies concerned, on the basis of which it will submit practical proposals for action to the Council.

The Commission also considers that certain specially urgent measures should be undertaken at once. A number of preliminary studies and surveys will be begun for this purpose in 1972.

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On 24 June 1971 the Council adopted a resolution on the stepwise creation of a European mechanized system of information and documentation, more particularly in the scientific and technical field, in order to disseminate information as efficiently as possible. The Council also decided that, as a first element of this network, a mechanized system of metallurgical documentation should be set up straight away.

In 1972, the Commission will have not only to ensure that it plays its part in this first system, but to promote the devising of other systems, together with the interested bodies in the Member States, in order to achieve a genuine network.

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On top of this the Commission has its permanent activities, arising from the day-to-day administration of the Treaties, in particular the ECSC Treaty. In the field of coal and steel, the Commission has, besides keeping a watch on prices on the international markets in accordance with Article 60, to take all appropriate steps to enable the Community steel industry better to withstand international competition in the production, sale and supply of raw materials, particularly iron ore, for which a major problem may arise in the 1975-80 period.

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With regard to Euratom, the development of the nuclear industry and the enlargement of the Communities are the two main lines of the Programmes in preparation.

On the one hand, the increasing part played by the industry in the development of nuclear reactors radically alters the nature of the Joint Research Centre's work. Action to support the nuclear industry should be concentrated on well-defined sectors, while public service activities should be stepped up and extended; longer-term research, too, should be developed.

On the other hand, the enlargement of the Community introduces a new element into the dynamics of this trend: it would be undesirable to make the Joint Research Centre's activities follow a set pattern for too long a period.

Thus the Joint Research Centre's programme will be limited to three years and will be organized along the following three main lines:

- (a) Action to back up the development of the nuclear industry:
in particular, improvement of fuel elements and work designed to increase nuclear safety;

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- (b) Public service activities: in particular, work at the Central Bureau for Nuclear Measurements and protection of the environment;
- (c) Longer-term research: consisting of studies on the diversification of the uses of nuclear energy, in particular for hydrogen production and condensed state physics.

Finally, for research carried out in conjunction with teams from the Six, the scale and scope of the problems arising in matters of fusion and biology justify a programme costing 69 million u.a., which will be carried out in 1971-75.

B. Energy policy

A start was made in the past year on the implementation of the proposals contained in "First guidelines for a Community energy policy".

The 1968 directive on storage is currently being revised in order to introduce an amendment increasing compulsory stocks to the equivalent of 90 days' consumption, while a panel of experts is to be set up with instructions to lay down the procedures for consultation in the event of a supply crisis.

Ad hoc working parties will be set up to prepare comparative schedules concerning the national arrangements for the construction and operation of refineries, pipelines and service stations and concerning the price arrangements, and to make proposals for the harmonization of these arrangements. Essential tasks in the energy field in the coming years will be the establishment of a system for the collection at regular intervals of information on prices actually applied, the application to oil products of the liberalization arrangements, together with a Community supervision procedure, and the drafting of a regulation establishing for the benefit of firms in the oil and natural gas industry similar provisions to those of the Euratom Treaty relating to Joint Undertakings.

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Endeavours will be made to arrange annual consultations between the various governments on coal policies and periodic consultations with the leading importers and the producers on the role of imported coal in the Community energy supplies. In addition, the departments responsible will work on putting into application Article 172, fourth sub-paragraph, of the Euratom Treaty, with a view to granting loans designed to speed up conversion to nuclear energy. Other long-term tasks are under examination, such as measures to increase the flexibility of maritime transport and to encourage the interconnection of energy transport systems, measures to increase the flexibility of electric power plants' consumption, measures to improve the pattern of consumption and the conditions of energy utilization and to secure joint financing and management of aids and subsidies, anti-pollution measures, etc.

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The Commission Assigned a Brief to Negotiate on the Community's
Behalf an Agreement for Verification of the Euratom Safeguards
System Governing Fissile Materials Under
the Nuclear Non-Proliferation Treaty

The Council of Ministers of the Community recently specified the brief assigned to the Commission of the European Communities for opening negotiations with the International Atomic Energy Agency (IAEA) in Vienna with a view to the conclusion, under the Non-Proliferation Treaty (NPT), of an agreement for verification of the Euratom safeguards system governing fissile materials.

The NPT, drafted in the United Nations in response to a proposal by the United States, Britain and the USSR, aims to prevent the proliferation of nuclear weapons.

In the NPT, the term "nuclear-weapon state" is taken to mean those countries which exploded a nuclear bomb before 1 January 1967. The Treaty stipulates in particular that nuclear states shall undertake not to transfer nuclear weapons directly or indirectly, to any other state. Moreover, each state party to the NPT undertakes not to supply a non-nuclear-weapon state with special raw and fissile materials unless those materials have been subjected to a system of safeguards and inspection. The inspection is carried out by the IAEA. Under the Treaty, non-nuclear-weapon states must thus conclude an agreement with the Agency to meet the requirements of the obligations undertaken.

It will be recalled (see "Industry, Research and Technology" No. 81) that the five Community Member States (i.e., all except France) which are non-nuclear-weapon states and which have signed the NPT, on a proposal of the Commission of the European Communities, declared on signing that they intended to make ratification of the Treaty subject to a satisfactory

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agreement on the verification by the IAEA of the safeguards carried out by the European Community; the Agency should therefore confine itself to a verification of the efficacy of the methods and accounting system employed by the Community's safeguards department.

The difference in situation between the five Community Member States signing the NPT and France, a nuclear power which did not sign the NPT, made it difficult to define the terms of the brief assigned to the Commission, on which the Six have just reached agreement.

The European Community is currently the only institution which has an international inspection and control body for fissile materials which is generally acknowledged to be efficient, in particular by the countries which are leading suppliers of fissile material.

Designed by the authors of the Treaty of Rome to ensure permanent surveillance of the use of fissile materials and to prevent the diversion of such materials to uses for which they are not intended, the European Community safeguards system covers every gramme of fissile material from its entry into the Community; under it, up-to-date accounts are maintained and inspections carried out in the user installations, such as fuel fabrication plants, reprocessing plants, nuclear power plants, research reactors, power reactors, etc. It is also exercised over stocks of nuclear materials and natural uranium mines.

As a result of the rapid growth of nuclear activities in the Community, the rise in the number of installations using fissile materials and the emergence of large fuel element fabrication and reprocessing industries which handle large quantities of uranium-235 and plutonium, the Commission has had to strengthen its safeguards department considerably; today it has some sixty employees, its budget has been increased from 31,000 units of account in 1968 to 270,000 u.a. in 1970 and a research programme on control methods has been undertaken, with annual funding amounting to 600,000 u.a.

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In order to prevent any diversion of fissile material, the Commission also ensures that the methods and efficacy of the safeguards system are constantly improved as the sector covered by it develops.