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\*\* As from 1 October 1974 ALL NEW VEHICLES WILL HAVE TO BE EQUIPPED WITH A DUAL BRAKING CIRCUIT. Also, from 1973 onwards, consumers in the Member States will find that all textiles on the market are compulsorily labelled or marked according to the same criteria throughout the Community. This is as a result of nine new directives, details of which are given in ANNEX 1, which the Council of Ministers has adopted, on a proposal by the Commission of the European Communities and as part of the programme aimed at REMOVAL OF TECHNICAL BARRIERS TO TRADE.

\*\* With a total of 1,821 million units of account, CAPITAL SPENDING IN THE COMMUNITY'S COAL AND STEEL INDUSTRIES IN 1970 HAS ACHIEVED A NEW RECORD. A short summary of a survey carried out by the Commission of the European Communities, giving details on the investment trend in the ECSC sector, will be found 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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\*\* In response to a United States offer to make US-developed technology on URANIUM ENRICHMENT BY GASEOUS DIFFUSION available to the Community States and the UK, and to open discussions with a view to enabling a supplementary enrichment capacity to be set up on a multinational basis, the Commission of the European Communities has announced that it is ready to enter into exploratory contacts with the United States Government. It will be remembered that the Commission has been concerned since 1967 with the question of building a European uranium-enriching facility (see "Industry, Research and Technology" Nos. 18, 80 and 105 in particular).

\*\* The adoption of common principles regarding GUARANTEE AGAINST COST INCREASES FOR EXPORTS, particularly of products with a high technological content to non-member countries, is advocated by the Commission of the European Communities, which has submitted a draft directive on these lines to the Council of Ministers.

According to the Commission, application of the guarantees against cost increases which the Member States apply to exports to non-member countries should be restricted to cases of actual cooperation between Community firms and, in the absence of such cooperation, to national projects of Community interest, or in the event of particular competition in the non-member countries. These guarantees would be restricted to certain big industrial sectors that are particularly sensitive to excessive fluctuations in production costs, and would only take effect in cases where such variations exceeded the average movement observed in the other industrialized countries.

The Commission of the European Communities has also sent the Council of Ministers a draft directive on the adoption of common principles concerning the GUARANTEED EXCHANGE RATE for exports to non-member countries. It is proposed to set up in the Community a harmonized, optional, transitional system of guarantees to guard against exchange risks for exports to non-member countries, where contracts cannot be quoted in one of the Community currencies. The Commission's proposal defines the common principles regarding the field of application of the exchange guarantee system, the conditions under which it can be granted and the procedures for operating it.

\*\* At a meeting held in Brussels on 1-2 September 1971 the General Advisory Committee of the Joint Research Centre formulated its CONSIDERED OPINIONS ON THE VARIOUS PROJECTS OF THE JRC'S 1972-74 PROGRAMME, submitted to it by the Director-General of the Centre (see "Industry, Research and Technology" No. 106).

Between now and the end of September the General Advisory Committee will prepare some general considerations on the proposed Joint Research Centre programme, and it is expected that this proposal can then be examined by the Commission and subsequently by the Council of Ministers of the Community before the end of the year.

\*\* On a proposal by the Commission of the European Communities, the Council of Ministers has adopted two directives concerning the removal of restrictions on the free supply of services in the field of PUBLIC CONTRACTS. These directives will next year allow all Community firms equal access to government works contracts of over a million units of account awarded by the Member States. By introducing effective competition among the firms, these new measures will help to bring down production costs and lead to improved techniques. They mark a major step towards a true common market and the achievement of a common industrial policy.

\*\* The Commission of the European Communities has issued a recommendation to the Member States concerning the promotion of wider use of NUMERICAL CONTROL MACHINE-TOOLS in the Community countries. It has sent them a programme of action for this purpose, comprising three basic parts -- a publicity drive on numerical control, a specific project of aid to user firms, and work in the research and development fields. The Commission considers it desirable that machine-tool manufacturers should take a material part in this promotion campaign.

- \*\* A MEMORANDUM ON THE GENERAL AIMS OF THE STEEL INDUSTRY for the period 1975-80 was finally adopted by the Commission of the European Communities recently. A summary of this document appeared in "Industry, Research and Technology" No. 92.
- \*\* In reply to a written question by Mr Vredeling, a Dutch member of the European Parliament, who asked the Commission to inform him of the French government's reaction to the Commission's request for information on the FRANCO-SOVIET AGREEMENT ON THE ENRICHMENT OF FRENCH URANIUM, the Commission states that the French government replied to this request on 24 May 1971 and confirmed to the Commission that a contract, concerning the supply of certain quantities of enriched uranium to be delivered to the Fessenheim nuclear power plant in 1973-74, had been initialled in Moscow on 29 January 1971.
- \*\* An international Symposium on RADIOECOLOGY APPLIED TO THE PROTECTION OF MAN AND HIS ENVIRONMENT, organized by the Commission of the European Communities and the Comitato Nazionale per l'Energia Nucleare (CNEN), is being held in Rome on 7-10 September 1971.

Removal of Technical Barriers to the Free Movement of Trade in the Community Becoming a Reality

After 30 September 1974, all new vehicles will have to be equipped with dual braking circuits. Also, after 1972, all textiles marketed in the Member States will be compulsorily labelled or marked according to the same criteria throughout the Community.

The Council of Ministers adopted, on 26 July last, as part of the programme to remove technical barriers to trade in industrial products, nine directives concerning the approximation of legal regulations in the Member States and dealing, one with motor vehicles, another with textiles, and the remainder with measuring instruments.

1. Braking systems in motor vehicles

The growing density of road traffic, the increasing power of engines and the great weight of trucks and buses all oblige manufacturers to make a special effort as regards safety, and it is time for the law to lay down specific standards in this respect.

If a genuine common market for motor vehicles is to be created, however, the standards must be of Community-wide uniformity, and with this in view the Community has issued a new directive for the automobile sector, concerning braking systems for motor vehicles.

Vehicle and trailer braking systems play a capital part in road safety. Today, brake failure is one of the most frequent technical causes of traffic accidents. Thus safety was in the forefront of the Community's mind when it formulated the first complete set of multinational regulations on braking systems.

The Directive now adopted by the Council of Ministers establishes requirements concerning:

- (a) design and assembly;
- (b) tests and performance;
- (c) methods for measuring the response time;
- (d) air tanks (for compressed-air brakes);
- (e) inertia brakes, spring brakes and vacuum locking systems.

The dual brake circuit, which is now compulsory on all new vehicles after 30 September 1974, will substantially increase their technical safety, because if one circuit fails, the other will still provide sufficient braking power.

Trucks and buses will be subjected to special tests (behaviour on steep gradients and long descents). The performances thus required of them should lead to fewer of the accidents which have claimed so many victims in the past.

Mention should also be made of the progress embodied in the requirements for inertia braking equipment for trailers (control devices, brakes, compatibility of control, transmission and braking devices).

This is the tenth directive adopted by the Council of Ministers concerning the automobile sector. The nine previous directives related to acceptance of motor vehicles and their trailers; the permissible noise level and the exhaust system; the measures to be taken against air pollution by gases from spark ignition engines; liquid fuel tanks and rear shielding devices; the positioning and mounting of rear registration plates; steering equipment; doors; horns; and lastly, rear-view mirrors. Thus the Community procedure for acceptance of motor vehicles, which has gained an important set of regulations with the last directive adopted, is moving steadily towards complete fulfilment.

## 2. Labelling of textiles

Under the directive adopted by the Council of Ministers, textiles will be compulsorily labelled or marked according to the same criteria throughout the Community territories. This will give the consumers better information and protection, and will greatly facilitate the free movement of textiles inside the Common Market.

The new regulations will apply to all existing textile fibres, including man-made fibres, which are taking up an even greater share of the textile industry.

The directive provides for the use of names exclusively reserved for this or that type of fibres, depending on their origin and nature, and the protection of these names against the wrong use of certain adjectives (e.g., "pure", or "virgin" in the case of wool), which can only denote top quality in a product. Only the details strictly necessary to establish the nature of the fibres and the proportions in which they are mixed can appear on the label. The tolerances allowed for technical reasons are prescribed very rigorously. A special directive, specifying sampling and analysis methods applicable in all the Member States, by which the proportions of fibres in a mixture can be checked, thus removing any arguable doubt, was submitted to the Council of Ministers early this year.

To prevent unnecessary trading complications it was decided, however, not to impose compulsory labelling for certain low-value, low-utility textile products (such as artificial flowers or tea-cosies), or on textiles for highly specialized uses which concern only a restricted range of customers who can generally judge the quality of their purchases (e.g., industrial felts). Lastly, small products such as handkerchiefs will be covered by an overall label, to avoid unduly increasing their price by the cost of the label.

This directive brings all the Member States' laws on the description of textile products completely into line. It should be noted that it comes into effect shortly before the implementing of a law recently passed in Germany in the same field, and a similar bill approved by the Italian Parliament.

### 3. Measuring instruments

To ensure the free movement within the Community of measuring instruments that are subject to national regulations, by laying down inspection conditions valid in all the Member States, is the aim of the seven directives recently adopted in this sector by the Council of Ministers. (A further set of directives should be adopted very shortly).

The first is a framework directive, which establishes Community inspection procedures allowing the free movement of measuring instruments and thus opens the way to mass production for a huge united market.

The others concern:

- (a) weights used with balances at the most widely various sales points;
- (b) domestic and industrial gas meters;
- (c) meters for liquids other than water (notably hydrocarbons);
- (d) gauging systems for ships' tanks (very important for river navigation);
- (e) measurement of mass per hectolitre of cereals (will permit uniform application of the agricultural regulations on cereals).

The last directive concerns units of measurement, and is essentially aimed at introducing the International Units System uniformly throughout the Community.

The Community work on metrology is carried out in step with that of the OIML (international legal measurements organization) to which most of the industrialized countries belong.

New Record of Capital Investment in the Community Coal and Steel Industries in 1970 (summary of the survey conducted by the Commission of the European Communities)

With a total of 1,821 million u.a., capital spending in the Community coal and steel industries hit a new record, well above the previous years' figures (1,164 million in 1964 and 977 million in 1968). A major part of this total is accounted for by investment on the production of steel products.

This was brought out by the survey conducted by the Commission of the European Communities among the firms of the Coal and Steel Community (ECSC), the findings of which were published recently.

In the coal sector, capital spending has been shrinking ever since the crisis started in the coal industry in about 1958. Whereas in the period 1954-59 annual expenditure in the Community coal industry had reached an average of 327 million units of account, in 1970 it was down to 110 million.

The annual hard coal extraction potential should drop by some 22 million metric tons between 1970 and 1974, when it will only amount to 161 million tons. This forecast implies a slowing-down of the rate of retrenchment, which would be only about 3% a year instead of the 5.5% averaged over the years 1966-70. Nevertheless it is probable that the estimated figures for retrenchment will prove lower than the actual closure figures, and that certain firms will revise their programme and speed up their outback.

In the coking sector, on the other hand, the situation continues to improve. The Community's production capacity, which has been dwindling for ten years (and must have been used in 1970 at the exceptional rate of 99%) should increase from about 71 million to over 80 million tons in 1974. This increase - corresponding to an annual average growth rate of some 3% - can be attributed in part to the efforts of the mining companies, which have devoted roughly a third of their capital expenditure to the coking sector.

In the iron ore mines, capital spending in 1970 remained at the modest level of the two previous years - i.e., some 20 million u.a. - but may increase slightly in 1971. Extraction capacity may level out at around 80 million tons a year, nearly three-quarters of it being located in the Lorraine basin.

In the steel industry, the trend towards investment, already noted last year, is continuing. Its capital spending, which in 1970 reached the record figure of 1,700 million u.a., will probably rise to 2,500 million in 1971, with the development of production capacity accelerating at all stages as a result.

The gap is widening, however, between the growth rate of production capacity planned for the coastal plants - now 14% of the total for crude steel, as against 9% at the time of the 1970 survey - and the corresponding rate for the inland plants, which will probably remain unchanged at 4%.

The upswing is particularly noticeable in the pig iron sector. The average growth rate of production capacity is likely to be 7% between 1970 and 1974 (whereas the previous survey quoted a rate of 5.3% for the period 1969-73). Under these conditions, the figure of 123 million tons of pig iron expected in 1975 might be achieved in 1974.

Crude steel production capacity is expected to rise from 127 to 161 million tons between 1970 and 1974, i.e., an annual growth rate of 6.1%. The 34 million tons of additional annual capacity expected between now and 1974 result from two opposite movements - rapid expansion of the electrical and pure oxygen steelmaking capacity, and a cutback of the basic Bessemer and open-hearth steelworks.

For flat mills the expenditure - nearly 540 million u.a. - in 1970 was about five times the amount spent on long products mills, although this is rising perceptibly. This trend should continue in 1971 and even 1972. The annual growth rates predicted for both types of production capacity are both rising, amounting to 3.3% for long products and 6.6% for flats.

Growth of production capacity in the chief ECSC sectors (in 10 <sup>6</sup> metric tons)					
Product	1966	Annual increase in %	1970	Annual increase in %	1974 (forecasts)
Coal	229.6	-5.5	183.0	-3.1	160.9
Coke	77.6	-2.2	70.7	+3.3	80.5
Iron	90.5	-2.9	80.3	-0.5	78.4
Pig iron	80.3	+4.0	94.1	+7.0	123.5
Crude steel	108.0	+4.0	126.8	+6.1	160.6

All in all, the Community steel industry's forecasts reflect even more clearly than in the previous year the decisions reached by the firms during a period coloured by a brisk economic revival. These forecasts match quite closely the predictions made by the Commission of the European Communities in connection with the "General Objectives for Steel". It is nevertheless conceivable that if the development of some projects were spread over a certain time it would be easier to adjust the growth of supply to the trend of demand, in order to avoid the imbalances that accompany alternating phases of extensive development and saturation, and the difficulties these may cause on the market, particularly as regards prices.