# research and technology

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### REPRODUCTION AUTHORIZED

Brussels, 3 June 1970 Newsletter No. 56

- \*\* THE FIRST IRR.DISTED PRODUCT TO BE WERKETED IN THE COMMUNITY will be put on sale by a large Dutch chain-store on 3 June 1970; the roods in question are mushrooms, irradiated under a research programme conducted jointly by Euratom and the Instituut voor Toepassing van Atoomenergie in de Landbouw (ITAL).

  The mushrooms are processed in a pilot plant at Mageningen and are only passed as harmless after stringent tests by the competent Dutch authority in accordance with very strict international rules.

  Irradiation lengthens the product's shelf-life, improves its appearance and enhances its taste.
- \*\* The Commission of the European Communities has compiled a substantial <u>PORTFOLIO OF INVENTIONS AND PATERITS</u> resulting from the Commission's nuclear research and development programmes over the period 1 January 1960 to 31 December 1969:
  - (a) 1 460 inventions were dealt with,
  - (b) 1 283 initial applications for patents were filed.
  - (c) 4 553 potent extensions were filed.
  - (d) 3 212 putents were granted.

In addition, 62 contracts for licences or use of knowhow were signed, and 24 other contracts are in the course of negotiation.

For further information please apply to the

Commission of the European Communities
Directorate-General for Press and Information
Scientific and Technological Information Service
200, avenue de la Loi
Brussels 4 — Tel. 350040

- \*\* A RESTRUCTURING OF THE COMMUNITY'S ELECTRICAL INDUSTRIES is recommended in a communication sent recently to the Council of Ministers by the Commission of the European Communities.

  A brief summary of the views expressed in this document will be found in the ANNEX.
- \*\* Members of the West German Parliamentary Committee on Education and Science, who recently visited the Commission of the European Communities, said they had been most interested in the account they had been given of the improved PROSPECTS FOR SCIENTIFIC AND TECHNOLOGICAL COOPERATION IN EUROPE.
- \*\* Replying to a written question from Mr Hougardy, a Belgian member of the European Parliament, on the INTELSAT NEGOTIATIONS (see "Research and Technology" No. 10), the Commission of the European Communities recently stated that the trend appears to be towards regional and national satellites managed by the Intelsat member countries. In order to ensure the best possible conditions for the running of the national and regional networks, Europe ought to have launchers and satellites so that she can operate not only as a user but also as a producer in the satellite telecommunications sector. In this connection it is very desirable that the European Space Conference should adopt no later than July next the decisions that will lead to the implementation of priority European programmes.
- \*\* A catalogue of the <u>UNIVERSITY CENTRES AND INSTITUTES</u> concerned with <u>RESEARCH ON RESEARCH</u> in the Community countries and Switzerland has been compiled by the Commission of the European Communities. Although it is still incomplete, this catalogue provides the basis for a card index which will be regularly brought up to date. It can be obtained free of charge by sending a reasoned request to the Scientific and Technological Information Service, 200 rue de la Loi, 1040 Brussels, Belgium.

- \*\* The latest <u>DRAGON COUNTRIES PHYSICS MEETING</u>, held at the Joint Research Centre's Ispra establishment, was attended by experts from the OECD member countries participating in the Dragon high temperature reactor project at Winfrith, which is being financed jointly by the OECD-ENEA and Euratom.
- \*\* "THE EUROPEAN COMMUNITY DRAWS UP A COMMON POLICY FOR SCIENTIFIC AND TECHNICAL RESEARCH". This is the title of a booklet just brought out by the Scientific and Technological Information Service, summarizing the conclusions reached by the Aigrain Group. It is available in German, French, Italian, Dutch and English and will be sent free of charge on application to the Scientific and Technological Information Service, 200 rue de la Loi, 1040 Brussels, Belgium. Please specify the language required and the applicant's profession.

## ANNEX

## RESTRUCTURING THE COMMUNITY'S ELECTRICAL ENGINEERING INDUSTRY

## Communication from the Commission of the European Communities

Observation of the size of national groups in the USA, United Kingdom and Japan indicates that, in order to be fully commercially viable and competitive nowadays a group must have a minimum production capacity for heavy electrical plant (turboalternators) of about 6,000 MJe a year. At present the only grouping in the Community with such a capacity is Kraftwerk-Union of Germany, an AEG/Siemens link-up.

However, foreseeable requirements in the Community over the next five years or so, together with exports, suggest that only two or three firms would remain competitive as the result of such a merger, compared with a figure of about ten at the present time. Most of the Community firms must therefore give consideration to regrouping. It was a natural - even if inadequate - move that they should first try to achieve this on a national basis. In adopting this course, however, firms would soon reach a point beyond which any further progress could be made only by going multinational.

Continued compartmentalization would, moreover, encourage the fragmentation of production and the retention of too many complete ranges, thus hampering the rationalization of production structures, which can only be done at Community level. Fragmentation of this kind is quite clearly at the root of the difficulties now being encountered by several firms in this sector. These are the main conclusions which emerge from an important communication recently sent to the Council of Ministers by the Commission of the European Communities regarding the restructuring of the Community's electrical engineering industry. It is the first of the sectoral studies mentioned in the Commission's memorandum on the Community's industrial policy (see "Research & Technology" No. 48).

The first amalgamations in the Community have already taken place, i.e., between the heavy plant divisions of Germany's two largest electrical firms, AEG and Siemens, with similar moves towards mergers in France, etc.

Mergers are essential to ensure greater efficiency and will step up rather than reduce the competition needed within the Community provided they are accompanied by the opening-up of markets in accordance with the Commission's request.

At the moment most electricity utilities usually grant "de facto" preference - if not an outright monopoly - to their own country's suppliers. Competition between a small number of technological and financial big-timers will be more effective than against the background of a market shared by a larger number of less efficient manufacturers who are often dependent on artificial protection stemming from the existence of national barriers.

The Commission is hopeful that discussion by the ministers will reveal agreement on the following aims:

- (a) The gradual opening-up of the market by the coordination of the purchasing policies of the Member State Governments and the electricity producers;
- (b) The promotion of European groups, of as multinational a nature as possible, which could reconcile efficiency and competition while helping to open up the market;
- (c) Steps to ensure that agreements, both governmental and private, in the electrical engineering and nuclear fields do not impede the achievement of the first two aims.

Once agreement on these aims is seen to exist, the responsible ministers should discuss the negotiations in progress between Community firms.