

WEEKLY

# industry and society

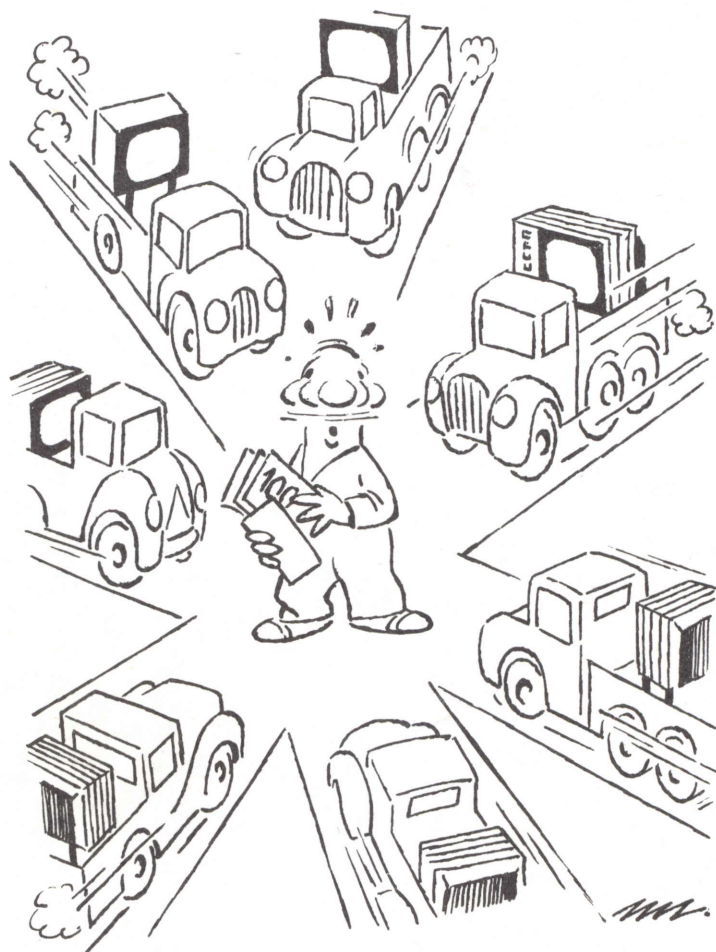
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\*\* Free but fair COMPETITION is one of the corner-stones of the Community, which is why the European Commission takes action again and again to ensure compliance with Community rules in the matter.

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ANNEX 1 contains a summary of the European Commission's Fourth Report on Competition Policy.

\*\* The figures are frightening: in 1971 there were 1 959 172 occupational accidents reported in Germany, 256 343 in Belgium, 1 115 245 in France, 612 000 in the United Kingdom, 1 301 154 in Italy... So it is with good reason that the Economic and Social Committee of the Community has prepared a study on "Prevention of occupational accidents and the relevant laws in the Community".

ANNEX 2 contains a summary of this study.

\*\* The growing numbers of unemployed raises the question of the means the Community has at its disposal to FIGHT UNEMPLOYMENT.

Grants can be made from the Social Fund, not only to help eliminate long term structural unemployment and underemployment (particularly by means of vocational training) and to assist into employment the disabled and other disadvantaged categories of workers, but also on the basis of a specific decision of the Council to assist in training workers leaving certain sectors (agriculture and textiles) and categories of persons (handicapped and migrant workers).

The Regional Development Fund should have a considerable impact in the fight against unemployment by creating jobs in the neediest regions of the Community.

Grants can be made under the ECSC Treaty to support the resettlement of redundant coal and steel workers, by helping to cover such expenditure as tideover and resettlement allowances and vocational retraining. The European Commission can also provide loans (or loan guarantees) where jobs have been lost. The object of these loans is to create new and economically sound activities or to convert existing undertakings so that the redundant workers can be reabsorbed into productive employment.

Other Community financial instruments, such as the European Investment Bank (particularly in so far as it gives loans to develop less developed regions) can also help to reduce unemployment.

\*\* The European Commission is in favour of granting workers MORE REPRESENTATION IN THE RUNNING OF INDUSTRIAL FIRMS. It recently restated its views in the matter in reply to a question tabled by a British Member of the European Parliament. The current period of profound economic and social change emphasizes the need for action in this field and the economic circumstances require important structural changes in industry. The Commission is therefore reviewing its proposal for a European Company Statute. It will give the problem of employee representation in the European Company complete and careful consideration and will present its revised proposals in the spring, having taken full account of Parliament's proposed amendments.

The Commission is also planning to publish a "Green Paper" on the issue. It hopes in this way to accelerate the debate on employee participation at European level and thereby help decrease the obstacles to a desirable convergence of policies in Member States. The Commission considers that the representation of employees on the supervisory boards of large companies throughout the Community constitutes one of the objectives to be attained. However other mechanisms for associating and involving employees in economic and industrial decision-making at various levels will also have their parts to play.

\*\* The table below indicates the growth of GROSS DOMESTIC PRODUCT at market prices from 1958 to 1973.

	Overall growth rate	Average annual growth rate
Germany	109.4	5.1
France	124.1	5.5
Italy	116.7	5.3
Netherlands	116.3	5.3
Belgium	102.5	4.8
Luxembourg	70.0	3.6
United Kingdom	57.6	3.1
Ireland	92.5	4.5
Denmark	105.9	4.9

In the Communities' new system of national accounts (ESA) as in that of the United Nations (SNA) the concept of gross national product has been superseded by the concept of GROSS DOMESTIC PRODUCT. For this reason only gross domestic product is calculated at constant (1970) prices.

\*\* The European Commission has long been convinced that a general SPEED LIMIT could lead to an appreciable reduction in road accident figures and fatality rates. The Commission, assisted by Government experts, is at present investigating the feasibility of introducing Community rules on a general speed limit within the Community, for different categories of road and different types of vehicle. The European Commission hopes to be able to present proposals in the matter before the end of 1975.

\*\* The European Commission has been invited to attend the next meeting of the international coordinating committee responsible for the European campaign AGAINST THE USE OF AND ILLICIT TRAFFIC IN DRUGS. One of the items on the agenda for the meeting, to be held in Paris on 10 and 11 April at the invitation of the French Government, will be the organization of a further meeting at ministerial level.

\*\* TECHNICAL RESEARCH IN THE COAL INDUSTRY was recently awarded a subsidy of 11.2 million units of account (1 u.a. = US \$1.2) by the European Commission. France (9 projects) will receive FF 10.1 million, Germany (12 projects) DM 13.6 million, the United Kingdom (14 projects) £2.2 million and Belgium (3 projects) Bfrs 4.1 million.

\*\* The ANTI-NOISE CAMPAIGN is an important facet of the struggle to protect the environment. The European Commission intends to include measures to promote research into the effects of noise on man in the second environmental research programme to be presented to the Council of Ministers. The information thus obtained will allow the Commission to suggest improvements to regulations already adopted by the Council or, alternatively, to draft new proposals for the reduction of noise levels.

The Commission feels that everything possible should be done to reduce the noise levels to which man is exposed. It is essential in this context that manufacturers of noisy equipment and industrialists employing noisy processes should carry out the necessary technological research.

\*\* From veal to hormones, milk to antibiotics, oranges to diphenyl, apples to pesticides; a well-known make of washing machine which is constantly breaking down, a dress which is unwearable after one washing: all these topics and complaints are discussed in a recently-published book by Mrs Josée Doyère, a journalist on the French daily "Le Monde". It is entitled "LE COMBAT DES CONSOMMATEURS" (or THE CONSUMER FIGHTS BACK) and is published by Editions du Cerf, Paris.

## FROM COMPETITION TO RIVALRY

Free but fair competition is one of the corner-stones of the Community, which is why the European Commission takes action again and again to ensure compliance with Community rules in the matter. It is for this reason too that it produces regular reports on competition policy. In the fourth of these reports, recently referred to the European Parliament, the Commission emphasizes that competition policy has a moderating influence on price rises by prohibiting horizontal and vertical price-fixing agreements, market-sharing agreements, and agreements which voluntarily limit imports from outside the Community.

A number of prohibition decisions taken by the European Commission in 1974 broke new ground. One case saw the first application of the views expressed in the Commission's statement published in 1972 about the position of voluntary restraint agreements. In the case in question the Commission decided that private agreements which prevent imports from third countries into the Community, or which have the effect of increasing the prices of such imports, conflict with the Treaty's competition rules. Another Commission decision prohibited an agreement between undertakings with the ostensible objective of maintaining "fair trading rules". It was found that under the cloak of protecting fair trading, competition between the parties was in fact restricted in respect of prices, rebates and terms of sale, to the detriment of consumers.

As in past years, the European Commission started a number of proceedings to establish whether abuses under Article 86 of the Treaty had been committed. A penalty was imposed upon a motor manufacturer who had been publicly appointed to issue certificates of conformity for imported motor cars. This was on the ground that he had charged excessively high prices for the services involved which required relatively little effort on his part.

### Distribution

In the field of sole distribution agreements the Commission had occasion to consider two contracts outside the scope of the block exemption. One concerned an agreement entered into by two parties in the same Member State and the other an agreement conferring sole distribution rights on one undertaking for the products of another throughout the entire area of the Common Market. By defining in these two cases the circumstances in which favourable decisions can be taken, the Commission has, in effect, simplified the legal problems of sole distribution agreements.

Questions of selective distribution were probed in detail with the Member States' experts on restrictive trade practices. In a first decision of its kind, the Commission granted an exemption in this field to a motor manufacturer on conditions and for a limited period of time. In the case of selective distribution agreements in the perfume industry a widely

applicable solution has been arrived at. In the light of the special circumstances in this market which is characterized by numerous manufacturers each with a relatively small market share, the Commission can accept a situation in which dealers are appointed under objective and non-discriminatory standards of selection and in which the freedom of dealers in respect of pricing and sales to other dealers of the same distribution network remains unimpaired.

#### Concentration

The Commission was concerned for the first time with a concentration situation in which the management of the target company opposed the take-over bid. To enable the company to have the Commission's authorization reviewed by the Court, the Commission postponed the effective date of its decision.

In two other cases in which several groups of undertakings had indicated their separate interests in the acquisition of a third undertaking, the parties in question were restrained by interim orders from taking further steps in the matter, pending the grant of authorizations by the Commission. The Commission can adopt such measures to stay a concentration process while an application for authorization is being considered.

#### State aids

As regards state aids, 1974 was marked by continuing activity on matters already initiated while action was also taken in new fields.

As regards general regional aid systems, the search for a new coordination solution was actively pursued. Although technical and above all political difficulties did not allow the 31 December 1974 deadline to be met, these difficulties have now been overcome or are about to be. This will allow the Commission, during the first quarter of 1975, to define the terms of a new coordination solution which will take into account the difficulties peculiar to each large region or each large group of regions within the Community.

As regards new areas, considering that protection of the environment should be considered a priority objective for the Community, the Commission, faced by a multiplication of state aids designed to facilitate the adaptation of undertakings to the new requirements demanded by this protection, has considered the guidelines it will apply to these aids in future examinations. Adherence to these guidelines by Member States will allow these initiatives to achieve their objectives without distorting trade or competition within the Community in a manner which is contrary to the common interest.

Since late 1974, the Community has been confronted with the most severe economic and structural difficulties it has ever had to face. In these circumstances, the European Commission accepts

that, in certain cases where extremely grave social problems exist, temporary aids may be given to safeguard employment. However it is in the general interest that the Member States respect the provisions of the European Treaties to avoid the sterile outbidding each Member State might be tempted to make to transfer its current social and structural problems to another. Yielding to this temptation would mortgage the future without safeguarding the present.



OCCUPATIONAL ACCIDENTS IN THE EUROPEAN COMMUNITY

The figures are frightening: in 1971 there were 1 959 172 industrial accidents reported in Germany, 256 343 in Belgium, 1 115 245 in France, 612 000 in the United Kingdom, 1 301 154 in Italy... So it is with good reason that the Economic and Social Committee of the Community has prepared a study on the "Prevention of occupational accidents and the relevant laws in the Community".

The study recognizes that there is a definite Community-wide trend towards a fundamental revision of the whole field of accident prevention and puts forward a number of different proposals. Their object is to formulate mandatory minimum requirements to apply in all the Member States of the European Community. Thus, for example, in the case of the design, production, sale and use of plant and machinery, major importance attaches to the possibility of preventing new hazards from appearing in establishments by means of uniform protection and safety standards which would have to be complied with before sale, utilization or installation of plant and equipment. However, in this field each Member State is going its own way and the action taken is uncoordinated.

Furthermore:

- (a) The construction, marketing, sale and installation of machines and plant in the appropriate list should be prohibited if they do not have a type-approval certificate issued by the office, institute or centre authorized to do so by the competent ministry in each of the Member States;
- (b) There should be authorized safety-approval centres which would operate in conformity with the type-approval standards suggested by the Community and endorsed by the individual Member States;
- (c) There should be mutual recognition by the Member States of safety type-approval granted in the Community.

Neither should it be forgotten that environment measures should be based on strict supervision of compliance at the workplace with predetermined standards relating to light levels, noise, smoke, dust, etc. and based on uniform values determined at Community level. Action with regard to workers themselves must be founded on compulsory prophylactic medical checks at regular intervals for certain types of workers exposed to special risk, carried out by industrial physicians who are both competent to make the checks and independent of the firm, in accordance with the principles set out in ILO Recommendation No 112.

Mention must also be made of the need for the Community to set up a uniform system for collecting and processing statistics on occupational accidents. This system should be geared exclusively to prevention. Such a technical instrument is of undeniable importance for the planning of programmes of preventive measures and as an aid to the impartial identification of occupational hazards.

It could be particularly useful if the Community were to draw up a code for works' safety departments and works' medical services, laying down technical responsibilities and procedures for these two institutions which are so important for accident prevention at places of work.

For migrant workers in particular, it is necessary to tackle the complex problems arising from the fact that foreign workers must be given guidance in accident prevention which is adapted to the language, conventions and working practices of the host country. Specific action will be needed to promote appropriate technical and vocational training. Specialized courses should be arranged so as to make it easier for the worker to settle down into his new work environment and the different socio-economic structure in which he will have to live and work.

The Economic and Social Committee study would appear to represent a useful working basis for the Community in the matter of accident prevention. It must be given tangible form as soon as possible in a specific action programme drawn up in collaboration with the two sides of industry, national industrial safety authorities and representatives of manufacturers of plant and machinery.

This will certainly be a complex but nonetheless urgent undertaking since, in the words of a recent ECSC study, "industrial expansion, ever-increasing employment, the use of more complex and faster tools, coupled with the increasing population density in the environment in which people live, have caused such an increase in hazards as to put accidents at the top of the scale of social misfortunes".