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IN THIS ISSUE:

- * European solidarity (p. 1)
- * The CAP: the case for the defence (p. 2)
- * Europe in the classroom (p. 2)
- * World economic recovery (p. 2)
- * Economic situation in the Community (p. 2)
- * Women at work (p. 3)
- * 600 million associates (p. 3)
- * Woman and health (p. 3)
- * Door-to-door sales (p. 4)
- * Industrial training and retraining (p. 4)
- * Cosmetics in the Netherlands (p. 4)
- * Schools television (p. 4)
- * Skimmed-milk powder (p. 4)
- * The Court of Justice (p. 5)
- * Biological control in farming (p. 5)



LOUIS DAVID + MATAÏNE

** The commitment of each member of the Community to the European ideal must be absolute, to the exclusion of major or minor national interests. This in a nutshell is the point of view put by Mr Gaston Thorn, Luxembourg's Premier and Minister for Foreign Affairs, during a recent interview.

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ANNEX 1 explains the relevance of SOLIDARITY to the various items on the agenda for the European Council in Rome on 1 and 2 December.

** Is there a case for the COMMON AGRICULTURAL POLICY?

ANNEX 2 outlines the main arguments for the defence and the extenuating circumstances which members of the jury - in this instance consumers and taxpayers - should keep in mind.

** The Community's Education Ministers are to meet in the near future to take the first steps to bring EUROPE INTO THE CLASSROOM.

ANNEX 3 outlines how and why Community cooperation in education can help to foster a sense of European citizenship.

** A GRADUAL RECOVERY IN THE WORLD ECONOMY can be expected in the year ahead. This is the optimistic message to emerge from a business survey recently carried out by the European Commission. Industrial production in the Community as a whole is no longer falling. There are some signs of a recovery in chemicals, man-made fibres, textiles, clothing and in the consumer durables industries. Apart from seasonal influences, there should also be some recovery in building and construction. The unemployment situation has not yet improved, with high numbers of school-leavers swelling the still rising figures. The upward movement of the cost of living accelerated in September when consumer prices in the Community as a whole rose at an annual rate of about 10% compared with about 5% in August. Imports have in general steadied or begun to rise again and exports continue to be weak. While still remaining close to equilibrium, the trade balance of the European Community has started to deteriorate slightly since early summer.

** The monthly figures supplied by Member States showing percentage variations in the industrial production index (excluding building), registered unemployment (persons registered at employment offices), the wholesale price index and the consumer price index combine to give the following picture of the ECONOMIC SITUATION in the Community.

Reference month	September 1975 <u>Industrial production</u>	October 1975 <u>Registered unemployment</u>	October 1975 <u>Wholesale prices</u>	October 1975 <u>Consumer prices</u>
Germany	- 1.5	- 1.8	0.4	0.3
France	- 0.8	0.8	0.3 (Sep)	0.8
Italy	1.7	- 0.6 (Jul)	1.0 (Sep)	0.8 (Sep)
Netherlands	- 0.3	- 0.4	4.1 (Aug)	0.8
Belgium	0.8	6.8	0.4	1.1
Luxembourg	47.9	94.2		1.6
United Kingdom	1.3	- 4.4	1.2	1.4
Ireland	10.3 (Apr-Jun)	1.5	3.8 (Mar)	- 0.7 (Aug)
Denmark	11.7 (Oct-Dec 1973)	7.2	0.6 (Sep)	0.9 (Sep)
Community	- 0.5			

- ** Mme Françoise Giroud, French Secretary of State for Women's Affairs, was present at a European Seminar on Vocational Guidance and Training for WOMEN AT WORK held in Paris recently under the auspices of the European Commission. Attending the seminar were some sixty senior staff responsible for vocational guidance and training in public and private organizations, industry, employers' associations and trade unions in the different Community countries. The meeting took stock of the main problems to be tackled in this area in the Community and suggested a number of solutions. The seminar was a further Commission contribution to International Women's Year and rounded off the year's campaign to encourage equality of treatment, an item which also appears on the agenda for the meeting of the Community's Council of Ministers to be held on 18 December 1975.
- ** SOME 600 MILLION PEOPLE will be associated with the European Community once the agreements now being negotiated with a number of Mediterranean countries are signed. Forty-six countries - this will soon increase to 50 - are already associated with the Community through the Lomé Convention. This grouping of half of the developing countries represented at the UN will carry considerable weight in world affairs.
- ** "WOMAN AND HEALTH" is the theme of the Second European Health Club Congress to be held in Brussels on 11, 12 and 13 December 1975. The papers to be read will deal with woman's biological, physiological and genetic identity, the nature-culture conflict in woman, the child-rearing function and woman's role in health promotion. A number of working parties will concentrate on specific problems such as women and work, fatigue, health and beauty, individual diets, and so on. Further details can be obtained from the European Health Club, 98, chaussée de Vleurgat, 1050 Brussels, or 41, boulevard de Latour-Maubourg, 75007 Paris.

- * The European Commission is busy drafting a Community directive on DOOR-TO-DOOR SALES. The Consumers' Consultative Committee has been asked to give its views on this document which is to be forwarded to the Community's Council of Ministers in 1976.
- ** The European Social Fund is to finance 50% of the cost of a number of pilot schemes for industrial TRAINING AND RETRAINING. In reply to a question tabled by a Member of the European Parliament, the European Commission recently stressed the importance it attaches to the long-term educational value of these schemes and to the need to adjust programme content and methods to job opportunities and individual requirements. The pilot schemes backed by the European Social Fund will guide the Council of Ministers and the European Commission in the choice of areas in which the Fund could usefully intervene. They will also help Member States and those responsible for operations to choose the most effective form of aid and to put it to the best possible use. The European Commission is well aware of the limitations of training and retraining schemes which are too specific. This is why the pilot schemes place the emphasis on permanent education, trainee participation and the acquisition of versatile skills.
- ** The European Commission's campaign to eliminate restrictive practices has moved to the DUTCH COSMETICS MARKET. The activities of the Bomee Stichting, a trade association based in The Hague, has fragmented the Dutch market in perfumes, toiletries and cosmetics. Most Dutch manufacturers and sole distributors are members of the association which imposes reciprocal exclusive sale and purchasing conditions to form a closed circuit which protects members' market positions and excludes other dealers. The situation is particularly serious because the Bomee Stichting controls a major share of the market: approximately 90% for perfumes, 70% for cosmetics and 40% for toiletries. This is why the European Commission recently intervened to ban the distribution conditions imposed by the Bomee Stichting.
- ** A series of three films on transport in Europe produced by the European Committee for SCHOOLS TELEVISION will be broadcast to several million primary school children in the months ahead. This Committee, representing the schools television services of nine broadcasting companies in five Community countries, was set up in 1967 under the auspices of the European Commission to encourage joint production of programmes on European integration. So far these have been geared to secondary school children. At a recent meeting in Brussels the Committee discussed future programmes to follow the twenty-odd films produced since 1967. The themes chosen include developing countries, migrant workers' children and consumers. The consumer film, for children in the 12 to 15 age group, will be a cartoon showing the setting-up of the European Community, the creation of a single market and the advantages to the consumer, both as regards maintenance of purchasing power and protection of fundamental rights.
- ** Surplus stocks of SKIMMED-MILK POWDER in 1975 will be some 450 000 metric tons higher than in 1974. The reasons for this additional tonnage are as follows: deliveries of milk to creameries in 1975 were an estimated 500 000 metric tons higher than in 1974

(45 000 metric tons); casein production dropped from 61 000 metric tons in 1974 to an estimated 45 000 metric tons in 1975 (50 000 metric tons); the amount of liquid milk returned to farms fell considerably (55 000 metric tons); there was a tendency to substitute soya beans for milk powder in animal feed (100 000 metric tons); finally exports of skimmed-milk powder were 150 000 to 200 000 metric tons below their 1974 level.

** THE COURT OF JUSTICE of the European Communities recently reversed the European Commission's decision to fine General Motors Continental (Belgium) for abusing its dominant position (see I&S No 2/75). The charge was based on the excessively high fee demanded by General Motors for issuing certificates and identification plates, which it alone could supply, proving that new Opel cars purchased and imported from other countries conform to Belgian standards. Before the Court gave its ruling it emerged that only five parallel importers had been involved and that all of them had subsequently been reimbursed. The Court of Justice did however uphold the European Commission's argument that the charging of a fee which bears no relation to the economic value of the service provided could have the effect of restricting parallel imports, and was therefore an abusive practice.

** The European Commission's study on the development of integrated and BIOLOGICAL CONTROL IN FARMING, which deals with plant health protection and the Community's marketing standards for fruit and vegetables, has been completed. Two further studies have now been commissioned to supplement it. One will deal with the practical aspects of the widespread application of integrated and biological control to crop protection, the other with the production of fruit and vegetables meeting certain taste specifications.

EUROPEAN SOLIDARITY

The commitment of each member of the Community to the European ideal must be absolute, to the exclusion of major or minor national interests. This in a nutshell is the point of view expressed by Mr Gaston Thorn, Luxembourg's Premier and Minister for Foreign Affairs, during a recent interview. If this opinion is shared by the other Heads of State or Government attending the European Council in Rome on 1 and 2 December, there is a fair chance that many of the problems to be raised at the Summit will be solved along truly European lines.

Election of the European Parliament

It is irrelevant whether elections take place in 1978 or 1980 and whether there are 355 or 384 members. What really matters is that the European Community should become a true democracy. This cannot be achieved by any country single-handed; all the political forces in Europe must strive towards the same goal. The impression in recent months has been that member governments are satisfied with accepting the principle of elections by direct universal suffrage and are in no hurry to put the principle into practice. Local and national communities alike cherish the memory of the day when a handful of free men put personal interests aside to lay the foundations of democracy. Why should the European Community be any different?

Passport Union

It has been decided that the "European passport" will have a Bordeaux red cover. Aesthetics are all very fine but the importance of the Passport Union is basically political. A uniform passport is being introduced to replace the various passports now in use to give Europeans a sense of Community citizenship. It is not merely a matter of replacing one piece of paper by another. Introduction of the common passport will be followed by a series of concrete political measures to abolish identity checks at internal frontiers. Checks will be switched to the Community's external frontiers which means that national legislation on aliens will need to be harmonized. At a further stage agreements will be negotiated with non-member countries to ensure that all Community passport holders, whatever their nationality, are accorded uniform treatment. The Passport Union will not just affirm Community citizenship but also Community identity.

The economic and social situation

The European Community is in the grips of the worst recession since the war. Cyclical problems are complicated by structural ones and an enormous effort will be required to overcome them. It is more essential than ever for political and social forces to unite.

The present economic downturn could give way to moderate recovery. But there is still some doubt about the scale and duration of this recovery. A return to protectionism in the months ahead could jeopardize the Community's trade balance in the interests of a short-term gain.

It is vital at this critical point to remind the authorities and both sides of industry of their responsibilities and to ensure that they cooperate constructively.

During the Tripartite Conference held recently in Brussels (see I&S No 41/75) Government ministers, employers and workers presented their assessments of the economic crisis and their views on unemployment (now reaching the 5 million mark) in the Community. It would be unfortunate, when the first outline of agreement on a common policy was being drawn, if any of the countries concerned were to retreat into protectionism - however mild or short-lived - at the expense of European solidarity.

The solidarity so forcefully advocated by Mr Thorn is just as relevant to other issues on the agenda for the European Council. These include the Community's budget, the common agricultural policy, the North-South dialogue and relations with developing countries.

THE CASE FOR THE COMMON AGRICULTURAL POLICY

"You must be out of your mind", they said, when we offered to defend the common agricultural policy. "Butter mountains", they said, "wine wars, lorryloads of apples dumped on rubbish tips, a glut of beef one year, a shortage the next". It is true that this area of Community policy is full of traps for the unwary, that the public knows all about the mistakes that have been made and who has to foot the bill. It takes a certain amount of nerve to put the case for the defence, but let's have a go.

First thing to establish is that the basic principles behind the common agricultural policy, as laid down in the Treaty of Rome, are beyond reproach. In a nutshell, these required Europe to see to it that agriculture abandoned its traditional approach to become a rational and reasonable sector of the economy. "Rational" meant that it should make good use of the factors of production - men, machinery and raw materials - and ensure a fair income to farmers. "Reasonable" meant that it should guarantee the consumer regular supplies of the products he wants at stable, acceptable prices.

So far nobody seems to have considered challenging these principles, which are generally regarded as perfectly sound. On the contrary everybody seems to agree that these principles have been respected and the desired objectives achieved. But what did it cost? And what mistakes were made along the way?

Less than the American taxpayer

There is no denying that the common agricultural policy costs a lot of money: 3.4 thousand million units of account or 4.5 thousand million dollars. What the average taxpayer does not realize however is that, comparatively speaking, Europe gets off lightly. The American taxpayer, for example, pays almost twice as much as we do.

It must be remembered too that in many ways the European consumer has to fork out less than consumers elsewhere. Let's look at a few examples: in December 1974 wheat cost around \$ 154 per metric ton in Europe as compared with \$ 234 on the world market. In the same year the world price of sugar rose to \$ 1,080 per metric ton although the price in Europe never got above \$ 336. In other words, the common agricultural policy provided relatively sound insulation against world-wide inflation in food prices.

In recent years then the food market within the Community has been "reasonable" as the Treaty of Rome wished it to be. If we look at the causes of soaring food prices outside the Community we can even show that it was "rational". The poor harvest in 1972 was an obvious contributing factor but its effects would have been much less dramatic if grain growers in the United States, Canada and Australia had not chosen that very year to cut back production as a protest against inadequate price guarantees. It would not be going too far therefore to claim that it was the stability guaranteed by the common agricultural policy which ensured the Community of food supplies at prices less vulnerable to world inflation.

Too many small men

However, it is not all plain sailing by any means. The common agricultural policy runs into two types of problem, one cyclical, the other structural. A typical contre-temps of the first kind is the beef surplus. The experts say that this is a logical consequence of excessive price fluctuations, which is why the Community took steps in February 1975 to secure more stable prices.

Milk, wine and olive oil (an exception to the general rule since its price is directly supported) present problems of the second kind. How can the Community plan production as long as it is in the hands of hundreds of thousands of small producers? Did you know that there are more than a million olive oil producers (mainly Italian) in the Community and two million wine-growers?

This is why the Community has always advocated - and is still advocating - a new approach to agricultural structures. By providing money to modernize farms and improve infrastructures, by encouraging farmers to retire early or switch to another occupation, it hopes to eliminate those who farm on too small a scale and at the same time increase the average size of farms. This in turn will increase labour productivity since a big farmer can afford more mechanization than a small farmer. Some figures will give an idea of what this policy has already achieved: in 1960 large farms (i.e. more than 50 hectares) represented 20% of agricultural area; today they represent 40%. Incidentally, between 1966 and 1973 the productivity of labour in agriculture increased by more than 5% a year and that of land by more than 3%.

It is not really for the defence to go into technical arguments as to whether the Community ought to devote more attention to structural reform and less to market support, in other words whether the European Agricultural Guidance and Guarantee Fund, better known as the Farm Fund, should concentrate on its "guidance" rather than its "guarantee" activities.

Prices are unlikely to fall

The common agricultural policy may well have shielded us from shortages and rising price but it must be admitted that it has been less than successful in adapting output to actual requirements. Cautiousness on the part of the experts has produced surpluses, the most famous and chronic case being the glut of apples. It is obviously a shame to see food being thrown away when there is famine in the world, and the public is quite right to get excited about it. But it should also realize that if forecasts had erred in the opposite direction, it would have cost even more to make up the shortfall by buying food outside the Community.

The Community is sometimes accused of adopting an "I'm alright Jack" attitude towards the developing countries. We would like to counter this charge by pointing to two facts. The first is that despite its aspirations to self-sufficiency, the Community imported the equivalent of 43.09% of total international trade in agricultural products in 1973. The

Second is that in the last marketing year the Community was able to supply 1 500 000 metric tons of wheat and 120 000 metric tons of milk as food aid. This represented an increase on previous years, a record unmatched by other donors.

The case for the defence can also cite extenuating circumstances, the main one being that the Community cannot really plan its agricultural policy, in the short or the long term, until its nine Member States have achieved greater overall economic integration. The difficulty of adapting financial measures to monetary fluctuations is a perfect illustration of this. The Community's agricultural experts are already forced to walk on a tightrope; a swaying tightrope does nothing to help.....

EUROPE IN THE CLASSROOM

Unless something unexpected intervenes, the Community's Education Ministers will meet on 10 December to take the first steps to bring Europe into the classroom. Once they give the green light a start can be made on putting the education programme put forward by the European Commission in December 1974 into practice.

The Treaty of Rome makes no reference to education, but it is generally agreed today that effective cooperation is essential in this field. Indeed considerable space was devoted to education problems in the Community's social action programme (see I&S No 1/75). In June 1974 the Community's Education Ministers decided to initiate European cooperation in this area and as a preliminary created a Committee on Education made up of representatives of the nine countries and Commission officials.

The first priority of the action programme to be adopted on 10 December is improved links between the educational systems of the Nine. To this end regular contacts will be organized at all levels between those involved in education policy. For teachers this will take the form of training courses and stays in other Community countries. In primary and secondary schools teachers and pupils alike lack first-hand European experience, particularly in the matter of languages. If mobility is to be increased Community countries will have to overcome their reluctance to recognize time spent by pupils in schools abroad and give teachers an opportunity of pursuing their careers in another Community country. In addition, multi-lingual European or international educational establishments with specific curricula will be created.

Invaluable assistance could be provided by the statisticians. It is essential that each Community country should have a centre, in permanent contact with the other eight, to provide clear statistics because success at Community level will obviously depend on the efficiency of national sources of information. A guide to the various school systems will be compiled; this will be easy to consult and will be updated as often as necessary.

Higher education presents the same problem of mobility and free movement for research workers and students; in addition there is the more obvious problem of the recognition of diplomas and periods of study. The Education Ministers have expressed the hope that cooperation will develop rapidly in this sphere. Contacts between universities and similar establishments must be intensified, always assuming that they are prepared to cooperate. Interdepartmental cooperation will be furthered through the formation of small groups. One of the main aims will be to complement national scholarship systems for students and research workers and secure recognition of diplomas acquired and studies completed in another Community country. As with primary and secondary education, this would mean that university teachers could claim credit for time spent teaching outside their own countries.

Cooperation will get nowhere without a major effort in language teaching and the European Commission is forced to admit that the present state of affairs leaves a lot to be desired. The ideal that everyone in the Community should learn a second Community language as early as possible is not yet generally catered for in primary schools nor indeed outside the school system. An effort will be made to promote a dialogue between those responsible for this area of education policy and to encourage language teachers to spend more time abroad. But here again traditional isolationism will not be easy to overcome.

Another priority in the Community's education programme is equality of opportunity in the matter of access to all forms of education. This is perhaps the most important feature of the programme, since it is the prerequisite for a real equality of opportunity at all levels of society and in this sense closely linked with economic and social policies.

As a first step, pre-school education should be geared to primary education. For older age groups measures will be taken to ensure that every one can receive an education in line with his real ambitions, thus facilitating smooth transition from school to work.

The education of migrant workers and their children is the only section of the programme which is a matter for the Community as such. The Ministers have said that they want to see improved reception facilities for migrant workers and their children, irrespective of their origin.

A draft directive on reception facilities has already been referred to the European Parliament. It stipulates that the language and culture of the country of origin must be respected so that the European citizen of tomorrow will value his cultural heritage.

To facilitate first contacts with their new neighbours migrant workers will receive crash courses in the language of the host country. They will also be informed about opportunities for learning languages or acquiring new skills inside or outside the firms in which they work.

The basic aim of these measures is to provide migrant workers with educational opportunities tailored to their cultural and social needs.

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The Community's efforts to cultivate a sense of European citizenship will stand or fall by the success of the education programme. Cooperation between the Member States in educational matters is therefore a vital stage on the road to a united Europe.