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** Full employment and a higher standard of jobs, improvements in living and working conditions, participation of both sides of industry in the economic and social decisions taken by the Community: these are the three sectors into which the activities to be undertaken in 1974-76 can be divided according to the SOCIAL ACTION PROGRAMME which the Commission of the European Communities has recently forwarded to the Council. The Commission has also designated a certain number of priority projects which are to be implemented at an early stage in the short and medium term.

As the Commission states, no Community measure will, of course, be framed or implemented without the widest possible prior consultation with both sides of industry.

ANNEX I gives a summary of this social action programme and a list of the priority projects drawn up by the Commission.

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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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** Given the stage reached in the construction of the Community, the implementation of the industrial policy objectives adopted by the Heads of State or Government in Paris (see IRT No. 162) will in the first instance depend on the adoption by the Community Council of Ministers of practical proposals. This is stated by the Commission in the ACTION PROGRAMME ON INDUSTRIAL AND TECHNOLOGICAL POLICY which it has recently forwarded to the Council.

ANNEX 2 gives details of the contents of this draft programme.

** The studies carried out by the Commission on the EUROPEAN SHIPBUILDING OUTLOOK indicate a risk of production over-capacity by the end of the seventies, despite the record level currently reached in order books. This is stated by the Commission in the proposals which it has recently forwarded to the Council concerning the lines of the industrial policy and aid in the shipbuilding industry.

ANNEX 3 gives a summary of the Commission's communication.

** ANNEX 4 contains a selection of RECENT PUBLICATIONS acquired by the Scientific and Technical Library of the Commission of the European Communities. These works can be consulted in the Library (1, avenue de Cortenberg, 1040 Brussels, Loi Offices, 1st Floor, No. 43) or borrowed.

** The Commission is continuing its discussions on a proposal for a Directive on THE LEAD CONTENT OF GASOLINE, and is expected shortly to adopt the text (which, contrary to what we stated in IRT No. 206 dated 16 October 1973, has not yet been adopted by the Commission).

** The gradual abolition of barriers to intra-Community trade should normally have led to a CORRESPONDING REDUCTION IN THE NUMBER OF TASKS ASSIGNED TO THE CUSTOMS SERVICES. It should, however, be noted that there are still many reasons for the intervention of the Customs Service (traditionally responsible for the enforcement not only of customs regulations but also of all other requirements applicable to imports and exports) in intra-Community trade. Moreover, the considerable increase in trade since 1958, both between the Member States and with other countries, coupled with the reorganization of the Customs Services for the purposes of harmonizing customs formalities and so eliminating controls at frontier crossing-points, may have had the effect of maintaining at existing levels, if not actually increasing, the number of customs and excise officials employed in certain Member States.

This was the Commission's answer to a written question from Mr Cousté, a French member of the European Parliament.

The Commission is not in a position to give details of changes which have occurred since 1958 in the number of customs and excise officials employed in all of the original Community Member States; no reply to this question has yet been received from Italy. In the other Member States of the Six, the numbers of officials showed the following trend:

.../...

Year	West Germany	Belgium	France	Luxembourg	Netherlands
1959	35 141 (excl. the Saar)	6 402	18 099	525 ¹	4 548
1961	35 257	6 157	18 021	do.	4 011
1965	34 295	6 497	18 104	do.	4 431
1969	31 632	6 740	17 614	do.	4 423
1973	30 820	6 741	18 027	do.	4 502

¹This figure has never in fact been reached but varies between 495 and 500 units.

** The Commission's proposals for REGIONAL DEVELOPMENT POLICY (see IRT Nos. 203 and 207) are both in line with Community principles and politically realistic; the same applies to the amount of the Fund contemplated, which is large enough to make a real contribution to the progress of Europe and stands at a realistic enough level to be politically acceptable as a point of departure. This was stated by Mr Thomson, the member of the Commission with special responsibility for regional development policy, to the European Parliament on 18 October 1973.

** The Union of Industries of the European Community (UNICE) has sent to the Community authorities a statement of its attitude to the main points of the proposal for a Directive submitted by the Commission concerning the European coordination of COMPANY LAW (structure of joint stock companies and obligations of their boards of directors). The UNICE's observations mainly concern the introduction of a system making it compulsory for joint stock companies to set up a board of directors and a supervisory board, the representation of workers' interests on the supervisory board, the

.../...

powers of the supervisory board and the representation of shareholders at the annual general meeting.

** A public meeting on the MUTUAL RECOGNITION OF MEDICAL DEGREES AND DIPLOMAS held in Brussels on 22-25 October under the Chairmanship of Mr Dahrendorf, a member of the Commission, was attended by 118 delegates from various associations of doctors, universities, hospitals, sickness insurance offices, consumers' associations and trade unions. The Governments of the Community Member States, the Community Council of Ministers, the Economic and Social Committee and certain specialized organizations representing other graduate professions also sent observers.

EUROPEAN SOCIAL ACTION PROGRAMME

Full employment and a higher standard of jobs, improvements in living and working conditions, participation of both sides of industry in the economic and social decisions of the Community: these are the three sectors into which the activities to be undertaken in 1974-76 can be divided according to the SOCIAL ACTION PROGRAMME which the Commission has recently forwarded to the Community Council of Ministers. The Commission has also designated a certain number of priority projects which are to be implemented at an early stage in the short and medium term.

As the Commission states, no Community measure will, of course, be framed or implemented without prior consultation on as wide a basis as possible with both sides of industry.

A description of the proposed projects divided into sectors, is given below:

A. Full employment

1. Contributing to the establishment of a comprehensive system of retraining, with guaranteed income during the course, including possible financial support from the Community.
2. Improvement of the running of the national employment services and cooperation between them to ensure full employment at all levels.
3. Settlement of women's employment problems by the creation of a situation in which women can compete on an equal footing with men in the labour market. An ad hoc working party is being set up

to assist the Commission in identifying lines of action. The Commission also plans to set up a documentation centre on women's problems and an information centre to assist in modifying the general attitude to women at work.

4. Making the best use of the Social Fund to solve the problems of young people unable to find work, older workers and women seeking employment after a period at home.
5. Improvement of the present resources for the analysis and forecasting of the labour market at Community level.

B. Improvement of living and working conditions

1. Gradual extension of social insurance to persons not covered or inadequately covered by the existing schemes.
2. Gradual adaptation of social security benefits to the growth of incomes.
3. Promotion, with the aid of the Member States, of special measures culminating in the establishment of pilot systems for the elimination of poverty.
4. Studies and experimental projects to solve the housing problems encountered by the under-privileged or low-income groups of society, such as migrant workers and handicapped persons.
5. A search for means of improving the situation of people earning particularly low incomes through a Commission study followed by a report to the Council after consultation of both sides of industry. The aim would be a selective, harmonized upgrading of low wages

to prepare the ground for the possible introduction of a minimum guaranteed European wage.

6. Job enrichment by changing those patterns of work organization which threaten to dehumanize the worker and to create unacceptable living and working conditions. Various aspects of repetitive work will be examined and appropriate proposals will be made to the Council before 1976.
 7. Extension of the Community radiation protection programme.
 8. A study of profit-sharing systems in the Member States, which will shortly be completed, will serve as a basis for the proposals to be framed by the Commission in collaboration with government experts and the two sides of industry.
- C. Participation of both sides of industry
1. More frequent recourse to the Standing Committee on Employment for the discussion of all questions with a decisive impact on employment.
 2. The Commission will assist in the establishment of a European Trade Union Institute to help the unions set up training services on European affairs.
 3. The Commission has already forwarded two proposals to the Council of Ministers on increased worker participation in the running of firms: the draft Statute for the European company, submitted in June 1970, and the draft fifth Directive on the harmonization of company law, submitted in November 1972. The Commission is now asking the Council of Ministers for its reaction to these proposals as soon as possible.

4. Expansion of the joint committees in order to promote dialogue and the conclusion of a European agreement between employers and workers on the study of problems arising in certain industries. In the next few years, the Commission hopes to be able to set up further joint committees on sea transport, textiles, construction, shipbuilding, the food industry, ports and docks, air transport and commercial agency. Such committees already exist in the sectors of coal and steel, agriculture, road transport, inland waterways, sea fisheries and railways.

Priority actions

The Commission has also designated a certain number of projects which it feels should be implemented without delay. These (short-term) priorities are as follows:

- Aid to migrant and handicapped workers;
- Establishment of an action programme for handicapped workers in a normal economy;
- Adoption of a Directive to implement the principle of equal pay;
- Designation as an immediate objective of the general application of the principle of the forty-hour week by 1975 and four weeks' paid holiday per year by 1976;
- Institution of a European Foundation for the improvement of the environment and of living and working conditions;
- Adoption of a Directive on the harmonization of the laws of the Member States concerning mass dismissals;
- Setting up of a European Committee on general safety in industry and strengthening of the powers of the Mines Safety and Health Committee.

Medium-term priorities are:

- An action programme for migrant workers;
- The creation of a European vocational training centre;
- A Directive on the protection of workers whose services are hired through private employment agencies;
- The adoption of a Directive on the protection of workers' interests, more particularly their rights in the event of mergers.

THE ACTION PROGRAMME PROPOSED BY THE COMMISSION ON INDUSTRIAL POLICY

Given the stage reached in the construction of the Community, the implementation of the industrial policy objectives adopted by Heads of State or Government in Paris (see IRT No. 162) will in the first instance depend on the adoption by the Council of practical proposals. For this reason the Commission has recently forwarded to the Council - for adoption by 1 January 1974 - a proposal for an action programme on industrial policy. It supplements and brings up to date the time schedule for the Community industrial policy programme framed by the Commission last May (see IRT No. 203), the broad lines of which were accepted by the Council of Ministers at its session of 20 September.

The Commission has therefore confined its new proposals to certain problems which in its view are particularly urgent.

The time schedule proposed by the Commission covers the eight matters on which it considers that decisions should be adopted, as follows:

The gradual liberalization of public contracts

The Commission states that liberalization must be effective, i.e., public contracts must be open to all Community firms, whatever their country of origin. The Council is to decide by 1 July 1974 on the Directive submitted to it for that purpose last March.

The removal of technical barriers to trade

The Commission considers that this is an essential objective. The free movement of goods in the Community is an indispensable prerequisite for the establishment of a true Community industrial policy. It is, however, also a long-term task.

The Commission therefore suggests that the Community Member States should remove such technical barriers by 1 January 1978. The barriers, the Commission thinks, should be removed in five stages: 1 January 1974, 1 January 1975, 1 January 1976, 1 January 1977 and 1 January 1978. The Directives submitted by the Commission give a very long list of products.

The removal of fiscal barriers to closer ties between firms

The Commission has already forwarded two proposals for Directives to the Council concerning the common fiscal arrangements applicable to mergers, splitting up and transfers of assets of companies of different Member States and to parent and subsidiary companies of different Member States. The Council is to adopt them by 1 July 1974.

The removal of legal barriers to closer ties between firms

The programme set by the Commission is a major one: the proposal for a Directive on the incorporation and capital formation of the European company is to be examined and a decision adopted on it by 1 July 1974. The proposal concerning internal mergers of joint stock (limited liability) companies is to be examined and a decision adopted on it by 1 January 1975. Lastly, the Ministers are to make a decision concerning a third Directive on the annual accounts of limited liability companies of the Member States by early 1976.

The Commission would also like the Council to begin to examine the project for setting up a European company as soon as the opinions of the Economic and Social Committee and the European Parliament have been rendered.

European promotion of advanced technology firms

The Council of Ministers has been asked to make a decision by 1 April 1974 on two draft Regulations, one on the creation of Joint Undertakings within the scope of application of the Rome Treaty (see IRT No. 136) and the other on the introduction of Community industrial development contracts (see IRT 154). The Commission also hopes that the first decisions will be adopted concerning the aeronautical sector, by 1 January 1974, and concerning the data processing sector, by 1 May 1975.

Conversion of branches of industry in crisis

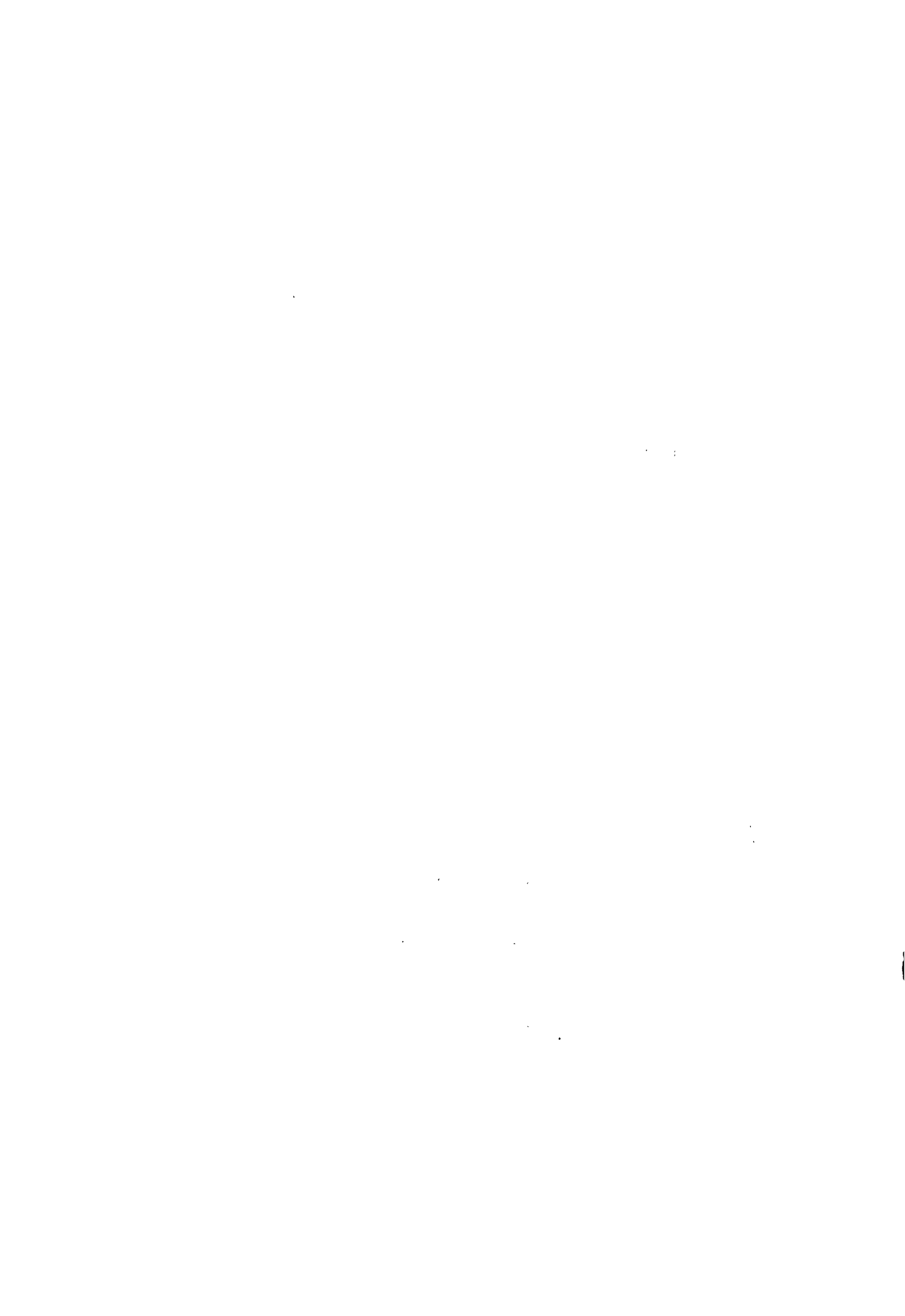
The Commission has already submitted to the Council a communication on the conversion of shipyards, concerning which the Council is to make a decision by early 1974. The Council is to decide by 1 January 1975 concerning the conversion of industries in the paper sector, on the basis of proposals to be submitted by the Commission. The Nine are also to adopt by 1 April 1974 the proposal for a Directive on mass dismissals.

Multinational companies

The Council of Ministers has been asked to hold a debate before the beginning of next year to provide guidance on the problem of the development of multinational companies, on the basis of a communication which the Commission will have submitted by then.

Industrial cooperation with third countries

By 1 July 1975, decisions will have to be made concerning exchange and price guarantees, the common credit insurance policy and the system of Community guarantees for private investment in third countries.



TOWARDS A COMPETITIVE EUROPEAN SHIPBUILDING INDUSTRY

The studies carried out by the Commission on the European shipbuilding outlook indicate a risk of production over-capacity by the end of the seventies, despite the record level currently reached in order books. This is stated by the Commission in the proposals which it has recently forwarded to the Council concerning the lines of the industrial policy and aid in the shipbuilding industry.

The difficulties engendered by such a situation would have a particular effect on the European shipbuilding industry, whose structure lags behind that of its principle competitor, Japan, which alone at present accounts for 50% of world production.

In order to meet this situation, the Commission must endeavour to create conditions of encouragement and coordinated action, in which all public and private resources which can help to make good the structural backwardness of the industry can be used, in order to make it competitive on a world scale and give it the best equipment to meet any over-capacity situation which may occur.

In order to attain this objective of competitiveness, the Commission proposes to facilitate an adjustment of European structures by investment in rationalization and by concentrating aid for investment over four years. In addition, the cutback in direct aid will continue gradually and on a wider scale than in the past.

The essential structural changes are bound to bring about quantitative and qualitative changes in employment. The Commission therefore proposes to mobilize all the potential of the European Social Fund in order to facilitate the necessary transfers.

Research activities with particular relevance to medium-sized and small shipyards also need to be stepped up. The Commission intends to compile an inventory of requirements for the purpose without delay, in order to define the type of action to be taken and the priorities.

Finally, the Commission intends to urge small and medium-sized European shipyards to collaborate, particularly in the field of sales, in order to be capable of adjusting their production to changes in the market and increasing their outlets.

This series of measures is to be backed by joint consultation of all the organizations concerned (producers, trade unions, customers, governments) and by the production by the Commission, in permanent consultation with those organizations, of annual illustrative programmes for guidance concerning supply, demand and employment.

RECENT PUBLICATIONS

acquired by the Scientific and Technical Library of the Commission of the European Communities. These works can be consulted in the Library, (1, avenue de Cortenberg, 1040 Brussels, Loi Offices, 1st Floor, No. 43) or borrowed

Data processing

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Rand Corporation, Santa Monica, Calif., March 1973

Introduction to Operating Systems (EU 14289 (17))
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Rand Corporation, Santa Monica, Calif., March 1973

Optimum Packing and Depletion: The Computer in Space and Resource-Usage Problems (EU 14289 (14))
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Computers and Telecommunications (EU 16018 (3)(e))
Economic, Technical and Organizational Issues
Organization for Economic Cooperation and Development,
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Questions d'ordre économique, technique et institutionnel
ORGANISATION DE COOPERATION ET DE DEVELOPPEMENT ECONOMIQUES,
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Industry

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Mooz, W.E.
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Environment

Pour une conservation efficace de l'environnement
(EU 17646 A) - Aspects sociaux politiques et administratifs
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"Inner City Blues" (EU 17656 (P-4994))
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Assessment of the Effect of Discharges into Coastal Waters
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Gritton, Eugene C.
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Life's Basis: Biomolecules (EU 17639 A)
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