

WEEKLY

Industry Research and Technology

REPRODUCTION AUTHORIZED

Brussels, 27 November 1973

No. 212

** The Commission of the European Communities recently approved and forwarded to the Council of Ministers the Community's Social Action Programme required by the Paris Summit held in October 1972 (see IRT Nos 208 and 210). In ANNEX 1 there is a short note on the subject of the promotion of INDUSTRIAL DEMOCRACY, which constitutes one of the Programme's priorities.

** THE COMPUTER INDUSTRY is an advanced technology sector which is growing particularly fast (expanding annually by some 15% in the United States and 20% in Europe) and is gradually penetrating almost all fields of activity, transforming management and administration, education and science. More than 90% of the computers installed in Europe depend on American technology, however. A single dominant firm based outside Europe (IBM) controls 60% of the world market (see IRT No. 211).

The Commission has already stressed the importance of this pacemaking sector on many occasions (see in particular IRT No. 174). It has now recommended to the Council of Ministers that Community measures be introduced to assist European firms to obtain a position in the market. ./.

This bulletin is published by the Directorate General Press and Information of the Commission of the European Communities

For further information please apply to the

Commission of the European Communities
Directorate-General for Press and Information
Division for industrial and scientific information
200, avenue de la Loi
1040 Brussels - Tel. 3500 40

or any of the Information Offices of the European Communities (list inside cover)

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.

PRESS AND INFORMATION OF THE EUROPEAN COMMUNITIES

1 BERLIN 31
Kurfürstendamm 102
tel. 886 40 28

DUBLIN 2
41 Fitzwilliam Square
Tel. 66 223

NEW YORK 10017
277 Park Avenue
Tel. 371-3804

THE HAGUE
29, Lange Voorhout
tel. 070-46 93 26

53 BONN
Zitelmannstraße 22
tel. 23 80 41

1202 GENEVA
37-39, rue de Vermont
tel. 34 97 50

PARIS 16e
61, rue des Belles-Feuilles
tel. 553 53 26

WASHINGTON, D.C. 20037
2100 M Street, N.W.
Suite 707
tel. (202) 872-8350

1040 BRUSSELS
200, rue de la Loi
tel. 35 00 40

LONDON
20, Kensington Palace Gardens
tel. 727 8090

ROME
Via Poli, 29
tel. 68 97 22 à 26

COPENHAGEN
4 Gammeltorv
tel. 14 41 40

LUXEMBOURG
Centre européen du Kirchberg
tel. 479 41

SANTIAGO DI CHILE
Edif. Torres de Tajamar-Apt. 403
Torre A, Casilla 10093
Avda Providencia 1072

ANNEX 2 gives a brief account of the present situation in this sector and a summary of the measures recommended by the Commission in its draft resolution to the Council.

** In order to improve the safety of consumers, the Commission recently forwarded to the Council of Ministers a draft Directive on LEGAL REQUIREMENTS GOVERNING THE SALE OF AEROSOLS in the Community. The Council has now begun to discuss this proposal.

ANNEX 3 gives further details on the proposal.

** In an answer to a written question from Mr Cousté, a Member of the European Parliament, the Commission has published a comparative table of THE RECENT TREND OF CONSUMER PRICES in the nine Member States:

	<u>Consumer price increases</u>			
	(%)			
	<u>December 1971</u> <u>to July 1972</u>	<u>December 1972</u> <u>to July 1973</u>	<u>December 1971</u> <u>to December 72</u>	<u>July 1972</u> <u>to July 73</u>
Denmark	3.9	6.0	7.0	9.3
Germany	3.9	4.6	6.4	7.2
France	3.6	4.1	6.9	7.4
Ireland	6.7 (1)	9.6 (1)	8.2 (2)	11.2 (3)
Italy	3.2	7.4	7.4	11.7
Netherlands	3.4	4.6	7.2	8.4
Belgium	3.4	3.6	6.4	6.6
Luxembourg	3.6	3.4	5.9	5.8
United Kingdom	3.8	5.5	7.7	9.4

Source: SOEC - Base index 1963 = 100

- (1) Ireland: change between November and August
 (2) November
 (3) August

** A Convention establishing a new framework of COOPERATION BETWEEN THE NATIONAL LONG-TERM CREDIT INSTITUTIONS of the Community Member States was signed in Brussels on 20 November 1973. The aim of the Convention is to promote investment projects which may involve two or more such institutions and which are on such a scale that an external contribution to their financing appears advisable.

Eight institutions have joined this Convention: the Crédit national (France), the Finance Corporation for Industry (Britain), the Finanzierings-instituttet for Industri of Handvaerk (Denmark), the Industrial Credit Company (Ireland), the Istituto Mobiliare Italiano (Italy), the Kreditanstalt für Wiederaufbau (Germany), the Nationale Investeringsbank (the Netherlands) and the Société nationale de crédit à l'industrie (Belgium).

Since the projects likely to be financed under this Convention will probably be major projects on a European scale, cooperation with the commercial banks and other financing institutions will often be sought.

The European Investment Bank has agreed to provide secretariat services for this cooperation scheme. It might share in the financing of certain projects.

** THE TREATY CLEARLY PROHIBITS AGREEMENTS AND CONCERTED PRACTICES that restrict competition and are likely to affect trade among the Member States. The Commission will use its powers to ensure that this prohibition is obeyed by the OIL CONCERNS. That is the substance of the Commission's answer to a written question by Mr Vals, a Member of the European Parliament, on free competition in the sale of petroleum products.

** Mr Scarascia Mugnozza, Vice-President of the Commission, opened the first meeting of the CONSUMERS CONSULTATIVE COMMITTEE (see IRT No. 202) on 19 November 1973. He said that in the Commission's view this Consultative Committee which it recently set up is to be a means of communication between itself and consumers; it expects from the Committee a real and practical contribution to the work of the Community. The Committee appointed as its Chairman Mrs Groes, Charman of the Danish Consumers' Council, and as its Vice-Chairmen Mr Gilles, Secretary-General of the League of Belgian Families, and Mr Spallone, Chairman of Eurocoop.

The Committee then appointed official representatives of consumers on the various Community agricultural committees, after which it reached a broad consensus on the Commission's approach to the action it should undertake to develop a true consumer policy in the Community.

** Work has been started on the drafting of a Community Directive concerning household articles made of ceramics (tableware, kitchen utensils and packaging materials). The Commission has undertaken a study to determine the risks incurred by users. This is the substance of the Commission's answer to a written question from Mr Kater and Mr Miller, Members of the European Parliament, on THE USE OF LEAD AND CADMIUM IN THE MANUFACTURE OF CONSUMER ARTICLES AND KITCHEN UTENSILS (see IRT Nos 198 and 201).

** Under normal conditions of use, apparatus emitting LASER BEAMS WILL NOT POLLUTE THE ENVIRONMENT. This is stated in the Commission's recent answer to a written question from Mr Miller, a Member of the European Parliament. The inherent risk is not one of causing any kind of pollution but rather of giving rise to burns or, more frequently, eye damage. People living near premises where laser sources are used are hardly exposed at all to these risks which,

in practice, can only affect the employees operating such sources. In its concern at the absence of legal and technical control at national level over the application of new techniques employing laser beams, masers and microwaves, the Commission has examined the feasibility of applying mutatis mutandis to these new sources of danger the principles of and lessons inherent in protection of health against ionizing radiation, as set forth in the Euratom Basic Standards.

Moreover, with the aim of assisting those whose job it is to remedy damage caused by industrial diseases, the Commission, helped by experts, has prepared the first volume of medical information notes on such diseases. The second volume, which is in course of publication, devotes a complete chapter to potential industrial diseases caused by laser beams.

** The Commission has recently made known its proposals on THE INSTALLATION OF EUROPEAN URANIUM ENRICHMENT FACILITIES. In particular, it proposes joint consultation between European promoters of the two uranium enrichment techniques (gaseous diffusion and gas centrifuging) with a view to adapting the operation of the facilities to the requirements of the market, in order to avoid overcapacity.

** In view of the butter situation in the Community, the Commission is extending until 31 December 1974 the SALE OF BUTTER AT REDUCED PRICES to certain classes of consumers (in particular those receiving social assistance) with aid from the public authorities of the Member States.

** The Commission will be represented as an observer at the meeting of the Coordinating Committee for European Cooperation in the Fight against Drug Abuse to be held in Paris on 6 and 7 December 1973.

PROMOTION OF INDUSTRIAL DEMOCRACY UNDER THE COMMUNITY'S SOCIAL ACTION PROGRAMME

The Commission recently approved and forwarded to the Council of Ministers the Social Action Programme required by the Paris Summit held in October 1972 (see IRT Nos 208 and 210). A short note appears below on the promotion of industrial democracy, which is one of the priorities in the Programme.

The Paris Summit Conference of the Heads of State or Government, held in October 1972, decided that the Community should adopt a comprehensive Social Action Programme by 1 January 1973. The leaders of the Nine emphasized that they attached importance to vigorous action by the Community in the social field: "Economic expansion is not an end in itself. Its firm aim should be to enable disparities in living conditions to be reduced. ... It should result in an improvement of the quality of life as well as in standards of living." The EEC Commission, after extensive consultations with the Member States, the European Parliament, the Economic and Social Committee, trade unions, employers and other interested parties, has submitted proposals for a Social Action Programme to the Council of Ministers. The Commission's proposals consist of some 40 different measures, to be undertaken in 1974-76, aiming at:

Full and better employment;

Improving living and working conditions;

Giving trade unions and employers a greater say in the social and economic decision-making processes within the Community.

This short note deals with the last point.

No proper Social Action Programme could be effectively prepared and implemented without the maximum consultation and participation of representatives of the trade unions and the employers. Participation at all levels of decision-making must therefore be the basic principle in the creation of a European Social Community.

At company level, greater participation is needed, first and foremost to promote human dignity, but also to enable the enterprise to function effectively as a team and to cope with the challenge of competitive pressures and technological and social change. The rapid pace of change and the increasing size of firms, including the development of multinational companies, are producing growing social and industrial alienation. This, apart from being objectionable from a social point of view, is adversely affecting industrial efficiency. The future development of company structure and industrial relations is being actively debated in all the Member States, and in some countries substantial improvements have already been achieved.

In all cases, the objective is to promote better human and industrial relations by:

- (i) The extension of basic democratic rights at company level;
- (ii) Greater availability of economic and social information for workers and their representatives;
- (iii) Associating workers and their representatives in economic and social decisions taken at company level.

The Commission reiterates its view that a strong and well-equipped European trade union movement is an essential prerequisite for social progress in the Community.

THE COMMISSION'S PROPOSALS

The Commission has already made proposals about worker participation. They are embodied in the draft Statute for the European company and in the draft of the fifth Directive on the harmonization of company law. The advisory and representative institutions of the Community are discussing these proposals; the Commission hopes that they will reach their conclusions without delay.

An important instrument for promoting industrial democracy and participation exists in the joint committees, of which there are at present seven (coal, steel, agriculture, road transport, inland waterways, railways and sea fishing). The Commission proposes to extend these to all sectors where both sides are willing. Sectors such as shipping, textiles, construction, shipbuilding, the food industry, ports and docks, air transport and commercial travellers' activities seem obvious choices.

Where appropriate these joint committees could be used to prepare collective framework agreements on a Community-wide basis. The Commission is in any case ready, if the trade unions and employers so wish, to help with information and technical assistance in the practical preparation of negotiations. (The Commission has completed a Community index of collective agreements in 13 branches of industry.) But the Commission has no intention of interfering in the independence of employers and trade unions in collective bargaining, except at the request of both parties.

The Commission believes that the Standing Committee on Employment should be the principal forum for discussing employment questions. The Commission will shortly, as a member of the Committee, present suggestions to improve its working methods.

Job insecurity is today a potential and evident cause of industrial unrest and suspicion. The Commission proposes that the Council should, as a matter of urgency, adopt a directive on mass dismissals. The Commission also intends to submit immediately a Regulation on the protection of workers' rights in the event of international mergers. For national mergers, provisions concerning agreements between management and workers have already been proposed in the third Directive on company law.

In order to improve the dialogue between trade unions and employers and to enable the trade unions to take full advantage of the opportunities

offered them by the move towards greater participation, the Commission proposes the establishment of an independent but Community-financed European Trade Union Institute.

Finally, the Commission intends to develop its relations with the European representatives of the trade unions and employers to enable them to participate more fully in the Commission's work in all fields of policy.

These, briefly, are the Commission's proposals. It is now up to the Council of Ministers to act on them. If the Council is to respect the deadline laid down by the Paris Summit, it must adopt the Social Action Programme by 1 January 1974.

THE COMMUNITY FOUNDATIONS FOR A EUROPEAN DATA PROCESSING POLICY

The computer industry is an advanced technology sector which is growing particularly fast (expanding annually by some 15% in the United States and 20% in Europe) and is gradually penetrating almost all fields of activity, transforming management and administration, education and science. More than 90% of the computers installed in Europe depend on American technology, however. A single dominant firm based outside Europe (IBM) controls 60% of the world market (see IRT No. 211).

The Commission has already stressed the importance of this pacemaking sector on many occasions (see in particular IRT No. 174). It has now recommended to the Council of Ministers that Community measures be introduced to assist European firms to obtain a position in the market.

Below a brief account is given of the present situation in this sector and a summary of the measures recommended by the Commission in its draft resolution to the Council.

I. Brief review of the present situation of the European computer industry

Taken in isolation, European computer firms are not large enough to sustain competition with American firms. Their viability depends on permanent government intervention. The rocketing growth of the market means that these companies have to deploy an intense activity in order to preserve even their present share of the market. A closer grouping of the computer industry provides the only possibility of making this sector viable. The two tables below show clearly the exceptionally high growth rate of this market and the absolute domination exercised by IBM on West European markets.

(a) Five-year estimates of computer market growth rates (Europe and the world):

	1970-75		1975-80	
	Europe	United States	Europe	United States
Central units	110%	67%	61%	25%
Peripheral units	146%	95%	89%	42%
Services	219%	191%	207%	113%

(b) Manufacturers' share in West European markets

expressed as a percentage of the value of the equipment installed:

	IBM	HIS	UNIVAC	BUR- ROUGHS	CDC	ICL	CII SIEMENS PHILIPS	OTHERS	TOTAL %
Germany	57	8	3	3	3	0.5	16.5	9	100
Britain	38.4	7	3.7	3.9	1.8	34.7	0.9	9.6	100
France	57.5	18	3.5	1.5	3.5	3	12	1	100
Italy	73	11	7	2.5	2.5	-	2.5	1.5	100
Benelux	60	9.5	5	4	4	3	8	6.5	100
Others	65	6	4	3.5	4.5	5	2	10	100
Total %	59.47	10	4.4	3.12	3.27	7.83	6.93	4.85	100

Source: Data Processing Delegation, Paris 1972.

British Delegation, 1973.

Conditions for balanced competition

In order to succeed and be competitive, European computer companies must have access to the main advanced markets of the United States and Japan. The conclusion of collaboration agreements with companies outside Europe is one way of achieving this. However, associations of this kind can be fully profitable to Europe only if they are based on a proper balance between the parties.

Association of European firms with one another should be contemplated as a key objective that will make relations with outside companies more balanced. The establishment of the Unidata group by Siemens, CII and Philips points the way.

II. The action recommended by the Commission in its draft resolution

The Community will undertake and finance a restricted number of major international development projects in the field of data-processing applications. Certain applications are of a fundamentally international nature (air navigation control, surveillance of the environment, meteorology, customs and commercial statistics, etc.) while others meet collective needs which are common to the various European countries (social security records, medical systems, monitoring and control of urban traffic, etc.).

Collaboration in purchasing policy, standards and applications should be established between the Community Member States.

A systematic Community programme for the industrial development and application of data-processing should be drawn up as soon as the evolution of industrial structures so permits, the main objective being to create a strong and viable European industry by the beginning of the 1980s.

Community financial aid will support industrial developments undertaken jointly in the key fields of this sector (central units, stores, software development, electronic components, peripheral units and applications).

Detailed proposals for such action will be made by the Commission by the end of 1974. The Commission should also, before the end of 1975, submit a report on trends in the data-processing sector in the Community.

LEGAL REQUIREMENTS CONCERNING THE SALE OF AEROSOLS

In order to improve the safety of consumers, the Commission recently forwarded to the Council of Ministers a draft Directive on legal requirements governing the sale of aerosols in the Community. The Council has now begun to discuss this proposal.

Is the aerosol safe?

All over the world today aerosols are used in everyday life: for shaving cream in the morning, for mosquito insecticide in the summer, for easier polishing of floors, for sun-tan oil, and even for decorating cakes with fresh cream.

Until now, aerosol containers have come in many different shapes and sizes, depending on the manufacturer's own ideas. However, with the advent of the Common Market and free movement of goods, it has become necessary to produce aerosols which conform to certain rules and regulations, for two reasons.

The first is a question of safety. The spray of an aerosol is achieved by the action of a compressed gas, which can be dangerous if elementary precautions are not taken in making these products. If aerosols were obliged to carry a Community symbol of approval, the consumer would have the guarantee that safety regulations had been observed.

Secondly, the consumer would gain from a drop in price resulting from large-scale production in the enlarged Community.

In all Member States transport of pressurized aerosols will come under the international regulations of ADR (International regulations for the transport of dangerous goods by road) and RID (International regulations for the transport of dangerous goods by rail).

The harmonization proposed by the Commission is "optional". This means that aerosols conforming to the Community Directive can be sold in all the nine Member States, but each State, if it wishes, can also accept other types of aerosol conforming to international regulations.

The Directive applies to aerosols with a minimum capacity of 50 ml, regardless of the container material used. Containers of less than 50 ml not covered by regulations in the Member States are excluded from the Directive. In fact, this size is so small that it presents no safety problem.

In order to obtain a uniform degree of safety for all types of containers, the maximum capacity for aerosols is fixed at 1,000 ml, 220 ml and 150 ml, depending on whether the container is made of metal, safety glass, or ordinary glass.

Since aerosols may present some risk to the consumer, they must obviously conform as closely as possible to precise safety specifications. For this reason the Commission suggests that each aerosol or its individual wrapping should be labelled clearly and indelibly with the following information:

1. The name and address, or trademark, of the manufacturer of the aerosol or of the person responsible for putting the aerosol on the market.
2. The Community symbol of approval, which is the Greek letter epsilon in reverse ("ε").
3. A description of the contents.
4. The net content in metric units.

Also, if the product contains inflammable components, such as propellant gas, which have specific upper and lower explosive limits, the container must be marked "inflammable" when the product includes more than 45% weight or more than 250 g of inflammable substances.

The aerosol must also bear a clear and legible indication that the container is pressurized and must not be pierced or exposed to heat (50°C for aerosols in a metal container, 40°C for those in a glass or plastic container, even when empty, and that the spray must not be directed at a flame.

Finally, if a Member State considers that an aerosol, even though it conforms to the Community regulations, is liable to be dangerous, it may at its request be authorized provisionally to ban the sale, movement or use of that aerosol on its territory. A Community procedure for solving the problems which might arise from such a unilateral decision is contained in the Commission's proposal.