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** Economic expansion is not an end in itself. Its first aim should be to enable DISPARITIES IN LIVING CONDITIONS TO BE REDUCED. It should result in AN IMPROVEMENT IN THE QUALITY OF LIFE AS WELL AS IN STANDARDS OF LIVING PROGRESS (should be) PUT AT THE SERVICE OF MANKIND.

The above extracts from the solemn declaration publicly issued by the Heads of State or Government of the enlarged Community Member States following the Summit Conference which they held in Paris on 19 and 20 October are a good illustration of the concern for human and social values which will in future play a greater part in Community affairs. ANNEX 1 gives the part of the final communiqué relating to industrial policy, the environment and energy, with references to the numbers of this publication in which the various points mentioned have been covered.

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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

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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.

PRESS AND INFORMATION OFFICES OF THE EUROPEAN COMMUNITIES

1 BERLIN 31
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LONDON SW 1
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61, rue des Belles-Feuilles
tel. 553 53 26

WASHINGTON, D.C. 20037
2100 M Street, N.W.
Suite 707
tel. (202) 296-5131

** The considerable differences which currently exist between the requirements in force in the Community Member States concerning MASS DISMISSALS are prejudicial to social progress and a balanced overall and regional development within the Community. It therefore appears necessary to remove these disparities by harmonizing the national laws concerning mass dismissal. There is a particular need to define this concept at Community level in order to encourage joint negotiation between the two sides of industry and to determine the role of the public authorities. This is stated by the Commission of the European Communities in an introductory note concerning the problem of mass dismissals. Details will be found in ANNEX 2.

** The existence of a Community potential in the field of COKING COAL is a factor of security which helps to safeguard supplies of coke and coking coal to the Community's steel industry. Aid for Community coal production therefore remains necessary to ensure the maintenance of certain production facilities, the manpower required for their operation and the outlets for production under exchange schemes within the Community.

Since the present aid arrangements expire on 31 December 1972, the Commission of the European Communities feels it is necessary to work out a NEW SYSTEM OF COMMUNITY AID FOR COKING COAL. To this end it has recently forwarded proposals to the Council of Ministers and to the Consultative Committee of the European Coal and Steel Community (ECSC). Details are given in ANNEX 3.

** The conclusion between industrial firms in the Community Member States and Japan of AGREEMENTS FOR THE VOLUNTARY LIMITATION OF JAPANESE EXPORTS might lead to a veritable sharing-out of markets, and this would run counter to the rules of competition. This was the view the Commission of the European Communities put forward in a recent communication to the Council of Ministers. The Commission considers that the proliferation of such agreements should be avoided by adopting in their stead Community measures of commercial policy, supplemented by action under the common industrial policy to encourage the reorganization and modernization of sectors which are now in difficulties owing to Japanese competition.

The Commission will shortly publish in the "Journal officiel" an invitation asking companies in the Member States to notify it of any agreements of voluntary limitation which they are contemplating.

The Commission will in any case examine the compatibility of these agreements with the rules of competition and, at the same time, the desirability of commercial policy measures to replace the agreements. If necessary, it will put forward proposals for this purpose to the Council of Ministers, judging each case on its merits.

**** THE COMPOSITION, PACKAGING AND LABELLING OF COSMETIC PRODUCTS are to become subject to Community requirements. These products may not contain substances harmful to human health and their labelling must provide consumers with adequate information on the quality and quantity of the product.**

This is recommended by the Commission of the European Communities, which recently forwarded to the Council of Ministers a proposal for a directive on the approximation of the Member States' legislation concerning cosmetic products. This proposed directive - the 53rd forwarded by the Commission to the Council under the general programme on the removal of technical barriers to trade - is based on the principle of "total harmonization", under which the Community provisions have to replace the national legislation in force entirely. Cosmetics not conforming to the requirements of the directive are to be banned in all Member States and those which do conform to them must be accepted.

The proposed directive concerns not only the technical requirements relating to the composition and authorization of most of the cosmetic products or substances used in their preparation, but also methods of control. It gives a list of the products which should in no case be used in the composition of cosmetics and also indicates the substances which cosmetics may contain only within certain limits, as well as the only colorants permitted for use in cosmetics which come in contact with the mucous membranes. A flexible procedure for the revision of these lists and provision for updating methods of sampling and analysis are included. The adoption of this proposed directive by the Council of Ministers will be of great advantage to all consumers and producers: the resulting liberalization of trade and the clarity of the information required for

the marketing of the products will enable all to benefit - under specified conditions of safety, which are unfortunately often wanting - from the progress which is being made continuously in this steadily developing industry.

** A EUROPEAN SEMINAR is to be held in connection with the Third European Management Symposium, to be held at Davos, Switzerland, from 1 to 9 February 1973, under the patronage of Mr Spinelli, Member of the Commission of the European Communities with special responsibility for industrial and scientific affairs.

This European Seminar will be under the auspices of senior officials of the Commission and will cover four broad subjects:

1. The European industrial company confronted by a society in conflict (introduced by Mr Mansholt, President of the Commission of the European Communities).
2. European reorganization and regrouping (introduced by Mr Ortoli, former French Minister for industrial development).
3. Social relations in the European company (introduced by Mr Roy Jenkins, former British Chancellor of the Exchequer).
4. The European company in the world (introduced by Mr Dahrendorf, Member of the Commission of the European Communities with special responsibility for external relations).

Additional information can be obtained from the Industrial and Scientific Information Division (DG X, Commission of the European Communities, 200 rue de la Loi, 1040 Brussels).

** The establishment of COMMON IMPORT ARRANGEMENTS FOR HYDROCARBON FUELS is one of the important elements of a Community energy supply policy; imports of hydrocarbon fuels into the Community represent about 20% by value of all industrial imports.

In connection with the steps taken in accordance with the guidelines of the common energy policy in order to achieve a Community hydrocarbon supply policy, the Commission has proposed to the ..//..

Council of Ministers a regulation establishing common arrangements for imports of hydrocarbons from non-member countries. The proposed regulation provides for the liberalization of hydrocarbon imports in order to facilitate the Community's security of supply, at relatively stable, low prices. Provision is also made for supervision and safeguarding measures, should this be necessary to ensure the Community's security of supply.

- ** COMMUNITY AID FOR TECHNICAL RESEARCH ON STEEL granted under European Coal and Steel Community (ECSC) arrangements since 1955 totals some 60 million units of account. This aid is currently running at about 6.2 million u.a. per year.
- ** Together with the nine competent ministers of the Member States of the European Community and the acceding countries, the Commission of the European Communities will take part in a EUROPEAN CONFERENCE ON ENVIRONMENTAL PROTECTION organized by the German Government, and due to be held in Bonn on 31 October 1972. This conference should enable the adoption of a joint action programme on the environment to be speeded up, as proposed in very concrete terms by the Commission of the European Communities (see IRT Nos. 109 and 138).
- ** A CONTRACT CONFERRING EXCLUSIVE RIGHTS concluded between a leading mattress ticking manufacturer and an engineering company producing power looms was recently annulled by the Commission of the European Communities, which concluded after an enquiry that the agreement infringed the Community's rules of competition.

INDUSTRIAL, SCIENTIFIC AND TECHNOLOGICAL POLICY,
THE ENVIRONMENT AND ENERGY

in the final communiqué of the Summit Conference held in Paris
on 19-20 October 1972

(the numbers in brackets refer to the issues of "Industry,
Research and Technology" (IRT) in which the various points
mentioned have been covered).

- The Heads of State or Government consider it necessary to seek
to establish a single industrial base throughout the Community
(see IRT No. 48).

This implies the elimination of technical barriers to trade
(see IRT Nos. 127 and 139) as well as the elimination, particularly
in the fiscal and legal fields, of barriers which hinder closer
relations and mergers between firms (see IRT No. 82), ~~the~~ rapid
adoption of a European company statute (see IRT No. 62), the
progressive and effective opening up of public purchasing markets
(see IRT No. 155), the promotion on a European scale of competitive
firms in the field of high technology (see IRT Nos. 48 and 153),
the transformation and conversion of declining industries under
acceptable social conditions (see IRT No. 122), the formulation
of measures to ensure that mergers affecting firms established in
the Community are in harmony with the economic and social aims
of the Community, and the maintenance of fair competition as
much in the Common Market as in external markets in conformity
with the rules laid down by the treaties (see IRT No. 103).

Objectives will need to be defined and the development of a
common policy in the field of science and technology ensured
(see IRT No. 148). This policy will require the coordination,
within the institutions of the Community, of national policies
and joint implementation of projects of interest to the Community.
To this end, a programme of action together with a precise timetable
and appropriate measures should be decided by the Community's
institutions before 1 January 1974.

- The Heads of State or Government emphasize the importance of a Community environmental policy. To this end they invite the Community institutions to establish, before 31 July 1973, a programme of action accompanied by a precise timetable (see IRT Nos. 109, 138 and 149).

- The Heads of State or Government deem it necessary to invite the Community institutions to formulate as soon as possible an energy policy guaranteeing certain and lasting supplies under satisfactory economic conditions (see IRT Nos. 119 and 156).

MASS DISMISSALS

The considerable differences which exist at present between the regulations in force in the Community Member States concerning mass dismissals are prejudicial to social progress and to a balanced and overall regional development within the Community.

This fact is noted by the Commission of the European Communities in an introductory note concerning the problem of mass dismissals. In this note, in accordance with the recommendation of the Council of Ministers, the Commission treats in greater detail the reflections already outlined in the summary report on the provisions for redundant workers under the law of the Member States which it submitted to the Council of Ministers on 16 May 1972.

The wide differences in the matter of protection of workers in the event of mass dismissal result in disparities in conditions of competition which may influence the decisions of national or multinational companies concerning the distribution of jobs. It may thus be expected that the extent to which workers are protected will influence the choice made by firms when they have to decide on the partial or total closure of certain establishments under plans for internal reorganization. Such distortions would be contrary to the requirements of social progress throughout the Community.

At a time when economic integration, increased competition at world level and technological progress are necessitating appreciable structural changes in industry - a prerequisite for healthy growth - the necessary occupational mobility should be backed by a framework of suitable guarantees.

Increasing mobility of workers makes the inequality of the situations created by the application of widely varying regulations governing mass dismissals even more glaring.

It is therefore necessary to eliminate these disparities by aligning the national regulations relating to mass dismissal. The independence of the two sides of industry will not be jeopardized; on the contrary, means should be found for creating a structure which gives employers and workers an incentive for joint negotiation and at the same time indicates clearly the major objectives of such negotiation.

The concept of mass dismissal

A prior agreement on the actual concept of mass dismissal is obviously desirable. At present, five Member States apply a quantitative criterion (the number of workers dismissed, in relation, if appropriate, to the total payroll of the firm in question) and one country - France - has adopted an essentially qualitative criterion (the motives of dismissal, such as technical innovation, market fluctuations, etc.).

It would seem possible to reach agreement on a Community definition based both on the practices current in the Member States and on the need to avoid results which differ from country to country. This definition of mass dismissal might be: any dismissal on economic or technical grounds, i.e., independent of the individual behaviour of the workers concerned, starting from a fairly low threshold yet to be determined.

Consultation of workers' representatives

With the exception of Germany, where workers' representatives have a certain say in questions of dismissal, the function of these bodies in the Community countries is still somewhat limited; they are informed, sometimes consulted and made responsible to a certain extent for the operation of the dismissals contemplated, but hardly ever is there any legal compulsion for the employer to take their opinions into account.

It would seem appropriate to give workers' representatives greater influence so as to ensure that their requirements and suggestions are taken seriously into consideration as far as possible. In particular, it is necessary to encourage a dialogue with the employers on a certain number of points of special importance to workers, such as the possibilities of avoiding dismissals or of limiting the number of workers affected by such measures, adaptation or transfer within the firm, the establishment of criteria for the selection of workers due for dismissal and the measures to be taken to help redundant employees, in particular compensation, re-employment priority, etc.

The role of the public authorities

With regard to the information conveyed to the public authorities, a simple communication after workers have been notified of their dismissal, as is the case in Belgium, does not seem sufficient. It would be better if the public authorities were informed before any dismissal takes place (as in Germany, France, Luxembourg and the Netherlands) and notified of the number of workers to be dismissed, the period during which the dismissals are to be effected and the reasons for them. There is also the problem of whether the information should automatically entail a certain delay in dismissal - a case in point is Luxembourg - and how many days this should be.

The authorization of the public authorities is at present compulsory in three countries. In France and the Netherlands it depends on the verification of the reason given in support of the planned dismissals and can be refused if the reason proves to be incorrect. In Germany, notification of the mass dismissals envisaged to the competent labour department gives rise to a one-month period of blockage during which no dismissal is allowed without the consent of the labour department.

These various systems of authorization obviously have the advantage of giving the public authorities themselves time to take certain steps to help workers due for dismissal, e.g., in the field of vocational training, and of allowing them to intervene if necessary to ensure that all possible means of limiting the number of workers affected are examined or to minimize the consequences of unavoidable dismissals. Therefore authorization is often subject to the fulfilment of certain conditions by the employer, such as the need to provide facilities for vocational retraining with a view to readaptation, periods of notice, etc. The extension to other Community countries of such a conditional authorization system appears desirable.

In this context, it should also be pointed out that any powers of intervention which the public authorities may possess can be successfully exercised only if the results of talks between the management of the firm concerned and its workers' representatives are respected. Thus it appears justifiable, for example, to require that the public authorities be notified of the results of these results also, no authorization for dismissal being granted if there has been no consultation of workers' representatives.

NEW SYSTEM OF COMMUNITY AID FOR COKING COAL
AND COKE FOR COMMUNITY STEELWORKS

Since 1967, the Community has been making a special effort as regards supplies of coking coal to the steel industry of the Six. Two successive decisions by the Commission of the European Communities, adopted with the unanimous agreement of the Council of Ministers and the favourable opinion of the ECSC Consultative Committee, have made it possible to grant aid for the purpose of facilitating the production of coking coal and blast furnace coke in the Community and their disposal under intra-Community exchanges, which have always been a characteristic feature of the market for this raw material in the Community.

Since the current decision expires at the end of 1972, the Commission has submitted to the Council a study on the supply of coking coals and coke to the Community steel industry. This report evaluates the present and future possibilities offered by European and overseas coking coal production, which at present covers 85 and 15% respectively of the Community's coking requirements. The Commission considers that an increase in supplies by non-member countries would entail appreciable waiting periods and investments on the part of purchasers; moreover, it would risk causing a rise in prices, particularly if there were too steep a reduction in the volume of Community production. Experience in recent years has shown that the existence of a Community potential in the field of coking coals constitutes a safety factor, particularly in periods when economic conditions are good or market fluctuations occur (see IRT No. 156).

Community coal production does, however, require financial aid, especially since comparison with the prices of coal imported from non-member countries, usually in American dollars, is hampered by the changes in monetary parities which occurred in 1971.

In the past few months, detailed discussions on the various aspects mentioned above have taken place between the Commission and the

bodies concerned.

The Commission has deemed it necessary to work out a new system of Community aid for coking coal, intended to help maintain the common market by placing the metallurgical industries in comparable supply conditions and to favour the security of intra-Community trade, which is in the interests of all the Member States.

This system provides for the granting of government aid to coking coal production and of aid to facilitate marketing in areas remote from the coalfields. The rates currently in force in both cases would be appreciably raised, without infringing Community principles. The financing of aid for marketing would be shared between the steel industry and the Member States. The system would be maintained for a fairly long period so as to allow the steel industry to orient its long-term supplies, while the granting of aid would be subject to the conclusion of long-term contracts between the collieries and the coking-coal and coke consumers.

These are the proposals which the Commission has submitted to the Council and the ECSC Consultative Committee, in accordance with the rules laid down by the Treaty of Paris. The consultation will be extended to the acceding countries, since the proposed new Community system would come into force on 1 January 1973, which is also the date of the enlargement of the Community.