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Under its new title "Industry and Society" this Newsletter will be aimed at providing a brief weekly survey of the activities of the European Community in respect of INDUSTRIAL DEVELOPMENT, ENVIRONMENTAL PROTECTION and the protection of CONSUMER interests. Very often this information will not be restricted to decisions or official attitudes adopted by the Commission of the European Communities and the Commission therefore declines all responsibility for it.

** "A PROGRAMME OF SOCIAL ACTION must be implemented and its aims must be the provision of full and better employment in the Community, an improvement in living and working conditions enabling them to fall in step as progress is made and an increasing share by both sides of industry in economic and social decision-making in the Community, and by workers in decision-making in industry".

A list of these priority projects, which the Council has undertaken to implement within two years, can be seen in ANNEX I.

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Further information is available from the Commission's press and information offices in the countries listed on the inside cover.

The information published in this bulletin covers the European Communities' activities in the fields of industrial development, protection of the environment and consumer welfare. It is therefore not limited to recording Commission decisions or opinions.

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** In 1970 the Western countries (United States, Japan, Western Europe) accounted for 61% of the world's energy consumption. This was stated by the European Commission in reply to a written question from a member of the European Parliament on the OIL SITUATION AND SUPPLY PROSPECTS FOR THE WESTERN COUNTRIES.

Details of the Commission's reply are given in ANNEX 2.

** THE PROGRAMME OF ACTION ON INDUSTRIAL POLICY submitted by the European Commission in accordance with the wishes expressed at the Paris Summit was adopted, with some modifications, by the Council of Ministers on 17 December 1973.

A summary of the decisions taken is given in ANNEX 3.

** The present discrepancies between the national company laws constitute an obstacle to cooperation between European companies. Therefore the European Commission recently proposed to the Council of Ministers that a European cooperation group should be set up, having simple rules of procedure essentially free of national constraints. This new legal instrument should provide a means of creating conditions conducive to trans-frontier contacts more especially between small or medium-sized undertakings. A summary of the principal aims and characteristics of this group can be found in ANNEX 4.

** Pursuing its efforts to bring about APPROXIMATION OF THE LAWS OF THE MEMBER STATES of the European Community, the Commission recently adopted two new proposals for directives in the MOTOR-VEHICLE SECTOR. These directives are aimed at harmonizing and regulating the following components:

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External projections from motor-vehicles: the object of these new specifications is to reduce the risk or seriousness of injuries suffered by a person hit or struck a glancing blow by the body of a vehicle in the event of a collision. They apply to the outer surface of the vehicle, which must not include any points or sharp edges or projections towards the outside which could, by virtue of their shape, dimensions or hardness, increase the risk of injury. The specifications include detailed requirements for embellishments, fenders, handles, windscreen wipers, etc.

Motor-vehicle fog lamps and reflectors: the specifications here are technical requirements concerning design, construction and the tests which fog lamps and reflectors must pass in order to receive the Community type-approval stamp enabling them to be marketed and sold as accessories and to be fitted to motor-vehicles in accordance with the specifications for mounting such items.

** The European Commission recently proposed that the Council of Ministers should amend the directives laying down BASIC STANDARDS FOR THE PROTECTION OF THE HEALTH of the population and of workers against the dangers arising from ionizing radiation. These standards need to be updated in order to bring them in to line with the progress made in techniques and knowledge (maximum permissible dose rates, radio toxicity, level at which action has to be taken). In this latest revision the Commission has been at pains to stress the need for reducing the exposure of the population to radiation due to the appearance on the market of a number of sources likely to emit ionizing radiation (television sets, consumer articles containing radio-active substances, etc.). It also observes that the peaceful use of ionizing radiation does not lead to increased exposure if there is good radiation protection and strict standards are adhered to.

** In future national experts of the Community countries will send the European Commission notes desribing their national research programmes in the field of the TREATMENT AND STORAGE OF RADIOACTIVE WASTE, to enable it to see what Community action needs to be undertaken in this field.

** The European Commission has attached a certain number of conditions to its approval of the THYSSEN-RHEINSTAHL MERGER. In particular it asked the group resulting from the merger "not to change the existing organization without taking account of the institutional nature of the influence acquired by the workforce in the factories and plants" and to try, together with the parties involved, to find "substitute solutions guaranteeing the workforce the retention of the rights of co-management which they held before the merger".

** SOCIAL ACTION FOR MIGRANT WORKERS AND THEIR FAMILIES in the Community countries was the subject of a European seminar of social workers specializing in this field. The seminar, held in Brussels, shows the similarity of the problems facing social services in the host countries: housing, schooling for children, keeping families together, providing information for the public in the host country etc... This seminar comes within the framework of the Community social action programme.

** THE INTERNATIONAL CENTRE FOR THE FUTURE intends to concentrate its activities on the future of Europe. This foundation has facilities at Arc-et-Senans (France) for holding seminars and symposiums on methods of long-term forecasting. (Address: Fondation C. -N. Ledoux, 25610 Arc-et-Senans, France).

EUROPEAN PROGRAMME OF PRIORITY PROJECTS IN THE SOCIAL FIELD

"A programme of social action must be implemented and its aims must be the provision of full and better employment in the Community, an improvement in living and working conditions enabling them to fall in step as progress is made and an increasing share by both sides of industry in economic and social decision-making in the Community, and by workers in decision making in industry". Such was the declaration made by the Heads of State and Government of the Member States of the Community in the final communiqué of the Copenhagen Summit Conference held on 14/15 December 1973. Three days previously the Council of Ministers of the Community had already taken an important first step towards setting up this programme by adopting a certain number of priority projects in the social field. The Ministers have undertaken to implement a group of sixteen priority projects within two years, namely:

The achievement of full and better employment

In this field the Council of Ministers felt that the following action should be given priority:

- suitably aligning the Member States' employment policies and promoting improved cooperation between the national departments of employment;
- mapping out a programme of action on behalf of migrant workers from the EEC or from non-member countries (the European Commission will work out a proposal on this subject before 1 April 1974);
- setting up a European vocational training centre and amapping out a common policy in this area;
- achieving equality between men and women as regards job openings, training and job promotion, working conditions and pay.

The improvement of living and working conditions

The priorities here should be:

- suitably aligning social protection policies in the Member States;
- framing a programme for action in the fields of hygiene, worker safety and health, and job reassessment starting with the sectors where working conditions seem hardest;

- instituting pilot projects for the fight against provery

A bigger share by workers in the activities of their firms

The Ministers felt that this was an essential aim and that the Community would have to gradually introduce participation by both sides of industry in Community economic and social decision making and develop the participation of workers or their representatives in the firms' activities.

In addition to this group of priority projects, the importance of which was stressed by the Heads of State or Government at Copenhagen, eight other priorities have been adopted by the Council of Ministers. They have been drawn directly from the draft social programme already submitted by the European Commission (See IRT Nos 208 and 210).

Disabled workers..... the forty-hour week

Concrete proposals have already been submitted by the Commission on seven projects accorded priority status by the Council. These are intervention by the European Social Fund on behalf of migrant and disabled workers, integration of disabled wrokers into the economy, the setting-up of a General Committee on safety at work, equal pay for men and women, the blanket introduction by 1975 of the 40-hour working week and by 1976 of four weeks paid holiday, the setting-up of a European foundation for the improvement of living and working conditions, and the approximation of the national laws on mass redundancies.

The Commission also announced that before 1 April 1974 it would formulate a proposal on the laws relating to the retention of acquired rights in the case of changes in the ownership of companies and particularly in the case of mergers.

Other projects have been approved by the Council of Ministers although they are not classed as priorities. They cover direct contributions to workers' pay packets during retraining, the setting-up of a European Trades Union Institute, the establishing of a guaranteed minimum wage, and a Community system of unemployment benefits.

THE OIL SITUATION AND SUPPLY PROSPECTS FOR THE WESTERN COUNTRIES

In 1970 the Western countries (United States, Japan, Western Europe) accounted for 61% of the world's energy consumption. This was stated by the European Commission in reply to a written question from a member of the European Parliament on the oil situation and supply prospects for the Western countries. The main points made by the European Commission are set out below:

The industrialized countries' dependence on energy

In 1970 the United States, Western Europe and Japan accounted for a little over 61% of the world's energy consumption (including the Soviet Union and the Eastern Bloc countries). This percentage will tend to fall over the period 1972-85. In 1970, too, these same countries consumed 71% of the world's daily oil production; in 1985 this percentage is likely to be 63% for a daily world production of about 100 million barrels.

Currently, the industrialized countries are largely dependent on their oil imports. Japan and Europe import virtually all the oil they consume, while the United States is obliged to import about 23% of its needs. Around 1985 Japan will apparently still need to import all its oil. In the United States the shortfall will increase from 23% in 1970 to 40% in 1980. This conservative estimate seems to be the most realistic one, although different forecasts have been put forward by a number of American experts and organizations such as the National Petroleum Council which foresees a level of imports equivalent to 40-50% of the country's needs by 1980. At

present the Soviet Union is the only major industrialized country to enjoy a satisfactory equilibrium between its indigenous oil resources and its domestic demands. In the future the Eastern Bloc countries may have to call on outside sources for some quantities of hydrocarbon fuels.

Resources of the producer countries

The main producer countries are situated around the Persian Gulf and at the end of 1971 had proven reserves estimated at about 367,000 million barrels.

Although the Member States of OPEC currently control about 73% of the world reserves, excluding the reserves of the Eastern Bloc countries, it is difficult to gauge the success of the diversification efforts being carried out in various parts of the world.

The geographic situation of the main proven oil reserves at the end of 1972 was: 8.5% in North America, 4.4% in Latin America, 8.6% in Africa, 16.2% in the Eastern Bloc countries (including China) and 57.6% in the Middle East.

In the years ahead the capital requirements to meet the demand for petroleum products will be very large indeed. For the period 1971-1980 they may, according to estimates by financial circles, be set at $500,000 million, including not merely the capital investments but also the undertakings' increased working capital and the incomes distributed.

Security of supplies in the European Community

From a security aspect, the North Sea oil discoveries offer new prospects

as regards Community supplies. The size of the currently known resources is, however, relatively limited; they might cover 11-15% of the Community's total demand for oil in 1980.

Building up an 80-day stock of oil obviously requires a sizeable outlay, which may, however, be cut down by recourse to underground storage. The annual costs for this form of storage vary, depending on the interest on capital, from $3 to $4 per metric ton, more than half of which is accounted for by the financing charges on the value of the crude oil. After 20 years, however, the cost of underground storage would be drastically reduced when the facilities had been amortized.

EUROPEAN ACTION PROGRAMME ON INDUSTRIAL POLICY

At a meeting on 17 December 1973 the Council of Ministers, after making some modifications, adopted the action programme on industrial policy proposed by the European Commission. The Ministers agreed on the following timetable:

Removal of technical barriers to trade

The Ministers undertook to remove these barriers progressively between now and January 1978 in five stages: 1 July 1974 (preserved milk, emulsifying agents, natural mineral waters, safety windows, etc.), 1 January 1975 (dietetic foodstuffs, substances in contact with foodstuffs, pre-packaging of certain solids etc.), 1 January 1976, 1 January 1977, 1 January 1978.

Gradual extension of the right to tender for public contracts

The Council of Ministers must take a decision by 1 January 1975 at the latest on the directive for coordinating procedures for awarding public supply contracts.

Removal of fiscal barriers which impede the linking-up of undertakings

The Ministers will, before 1 January 1975, give their opinion on a common tax system applicable to parent and subsidiary companies in the various Member States and before 1 January 1976 on a common tax system applicable to mergers, scissions and contributions of assets occurring between companies in different Member States.

Removal of legal barriers which impede the linking up of undertakings

The Council will issue a decision:

(i) before 1 January 1975 on the directive concerning the formation

and capital of 'société anonyme' type companies;

(ii) before 1 January 1976 on the annual accounts of joint stock companies in the Member States;

(iii) on the statute of the European 'société anonyme' as soon as the European Commission has submitted a new proposal in the light of the opinion of the European Parliament and the Economic and Social Council;

(iv) as rapidly as possible on the European association for cooperation.

European-scale promotion of competitive advanced technology undertakings

The Council will issue a decision before 1 July 1974 on the Regulations dealing with the setting up of joint undertakings and the implementing of Community industrial development contracts. The Council will also issue a decision on proposals from the Commission:

(i) before 31 March 1974 for the aeronautical sector;

(ii) before 1 July 1974 for shipyards;

(iii) before 1 October 1974 for the data-processing sector;

(iv) if possible nine months after receiving proposals from the Commission for the paper sector.

Multinational companies

The Ministers have undertaken to debate, before 1 June 1974, the problem of the growth of multinational companies in the Community. They will also give their opinion before 1 January 1975 on the Regulation imposing controls on mergers and takeovers.

Insurance credits

Between now and 1 July 1974, the Council will draw up a list of priorities and a timetable for the decisions still to be taken at that date. A number of draft regulations are durrently before the Council, on minimum rates for export credits, investment guarantees, greater concertation in regard to the Eastern Bloc countries, etc.

Supply of raw materials

The Council will take action as rapidly as possible on proposals to be submitted by the Commission during the first six months of 1974 concerning the supply of basic materials, especially non-ferrous metals.

SETTING-UP OF A EUROPEAN COOPERATION GROUP

The European Commission recently proposed to the Council of Ministers that a European cooperation group should be set up in the form of a new legal instrument which would promote trans-frontier cooperation among undertakings in the Member States of the European Community. The creation of such an instrument is of considerable importance for European firms and constitutes a further step towards the achievement of one of the European Community's aims, namely the setting up of a genuine "internal market".

The current discrepancies between the national company laws constitutes an obstacle to cooperation between European companies, and in particular small and medium-sized undertakings. An instrument such as the European cooperation group, the simple rules of constitution and procedures of which are basically free of national constraints, could remove these obstacles and create conditions conducive to trans-frontier contacts between undertakings.

1. Legal form of the group

The European cooperation group as conceived by the European Commission is neither a business undertaking nor a company but an ancillary to the activities of its member firms for which it represents a form of temporary, contractual cooperation. In fact, owing to its ancillary status and its limited range of tasks, the group will only employ a small number of people - at the most 250. The undertakings belonging to the group retain their legal identity and complete economic autonomy. The group is not able - nor is it its purpose - to direct or control its members. It is at their service for the purpose of rationalizing or coordinating certain of their functions facilitating or developing their economic activities and improving or extending the results of these activities. The group seeks no profit for itself.

European cooperation groups may be set up by contract for a specified period of time by not less than two companies governed by the laws of different Member States, or two natural persons each of whom runs an industrial, commercial, craft or agricultural undertaking within the territory of different Member States.

2. Activities open to the group

The group's essential aim is to promote the interests of its members. In order to achieve this aim European cooperation groups will have the possibility of carrying out two types of action:

(a) the provision of services for the exclusive benefit of its members. The following examples illustrate the services which the group could perform for its members: the joint setting-up of a purchasing office (the group gathers together the scattered orders placed by its members for a given product and, owing to the size of the combined order, can negotiate from a position of strength to obtain a better price from the suppliers), the opening of a joint sales office, the joint management of specialized services (e.g., wages office), representation of members for the purpose of specific operations (e.g., a number of companies form a group in order to obtain a contract which is too big for them to handle individually. If the contract is obtained the group organizes the division of the work and coordinates and supervises its performance), coordination of certain technical activities carried out by members (who, for example, decide to make the group responsible for coordinating research on a new product, a prototype machine, etc.);

(b) processing of goods purchased for account of its members only. This type of activity can be illustrated by the following example: several undertakings produce the same commodity (e.g., cheese) and certain of their activities are identical (e.g., purchase and drying of wood, cutting into strips). At a certain stage of the process the activities diverge (manufacture of boxes and labelling, since the brandmarks and characteristics of the cheeses differ). Instead of pursuing their identical activities separately the firms have them carried out on a common basis by a group, with all of the resultant commercial advantages.

These are the principal components and arguments of the proposal which the European Commission recently addressed to the Council of Ministers. In 1971 an initial version of this regulation had been submitted for consultation to the six Member States, the three countries applying for membership and the professional and trades-union organizations concerned. The great majority of the European organizations likely to take advantage of this new legal form had insistently requested the setting up of such a group. A second version was the subject of meetings of groups of experts from the "Nine"; both its principles and its specific provisions received wide approval. These talks and studies led to the compilation of the document recently addressed to the Ministers, which contains an ambitious proposal demonstrating the European Commission's firm intention to open the intra-Community frontiers more widely and positively.