

Brussels, 5 February 1974

No. 5/74

MEMORANDUM

** "Europe now faces a stern test - a new situation that all too clearly exposes its weaknesses and lack of independence and shows up just how badly it needs to be united. And at this time of challenge Europe itself is in a state of crisis - a crisis of confidence, of will and of clarity of purpose."

This is how the European Commission addressed the Heads of State of the countries of the Community when calling upon them to "honour by their deeds their decision to unite Europe, and to respond to the challenge before us by resolutely acting together."

The European Commission considers that "there can only be one reason for the present situation in Europe: there are doubts, even if subconscious ones, over the role of Europe as a means to overcome our immediate short and long-term difficulties and to safeguard the future of our peoples."

This bulletin is published by the

Commission of the European Communities
Directorate General of Information
Division for industrial information and consumers
Rue de la Loi 200
B-1040 - Brussels - Tel. 3500 40

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.

PRESS AND INFORMATION OFFICES OF THE EUROPEAN COMMUNITIES

BELGIUM

1040 BRUSSELS
Rue de la Loi 200
Tel. 35 00 40

DENMARK

1457 COPENHAGEN
4 Gammeltorv
Tel. 14 41 40

FRANCE

75782 PARIS CEDEX 16
61, rue des Belles-Feuilles
Tel. 553 53 26

GERMANY

53 BONN
Zitelmannstraße 22
Tel. 23 80 41

1 BERLIN 31
Kurfürstendamm 102
Tel. 886 40 28

GREAT BRITAIN

LONDON W8 4QQ
20, Kensington Palace Gardens
Tel. 727 8090

IRELAND

DUBLIN 2
41 Fitzwilliam Square
Tel. 66 223

ITALY

00187 ROME
Via Poli, 29
Tel. 68 97 22 à 26

LUXEMBOURG

LUXEMBOURG
Centre européen du Kirchberg
Tel. 479 41

NETHERLANDS

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

SWITZERLAND

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

UNITED STATES

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

NEW YORK 10017
277 Park Avenue
Tel. 371-3804

** To understand better the aspirations of the working population, to study the ways and means that can and must be used to satisfy these aspirations, and to assess the effects on the economy and on vocational training: these are the main heads of the subjects the European Commission wishes to be examined in a symposium which it is organizing on IMPROVEMENT OF WORKING CONDITIONS AND JOB ENRICHMENT. The inevitable changes in the pattern of organization of the economy make an examination of such matters especially necessary at a time when the Community is embarking upon a more active social policy (see IRT No. 210 and Industry and Society No. 1/74). The Commission will invite experts from trade unions' and employers' organizations, and representatives of the governments and specialized institutions of the various Community countries, to attend this symposium, which should take place before the end of 1974.

In ANNEX 1 a short note will be found on the various points that could be discussed at this symposium.

** AN INDUSTRIAL POLICY FOR EUROPE. This is the title of a very comprehensive book on the European Community's industrial policy by Mr Toulemon, former Director-General for Industrial, Technological and Scientific Affairs, and Mr Flory, former Director for Industrial and Technological Policy at the Commission of the European Communities.

A few short extracts from this book can be found in ANNEX 2.



** Progress achieved in the ELIMINATION OF BARRIERS TO TRADE in retail foodstuffs within the Community is the subject of an answer from the European Commission to a written question from a Member of the European Parliament.

A summary of this answer will be found in ANNEX 3.

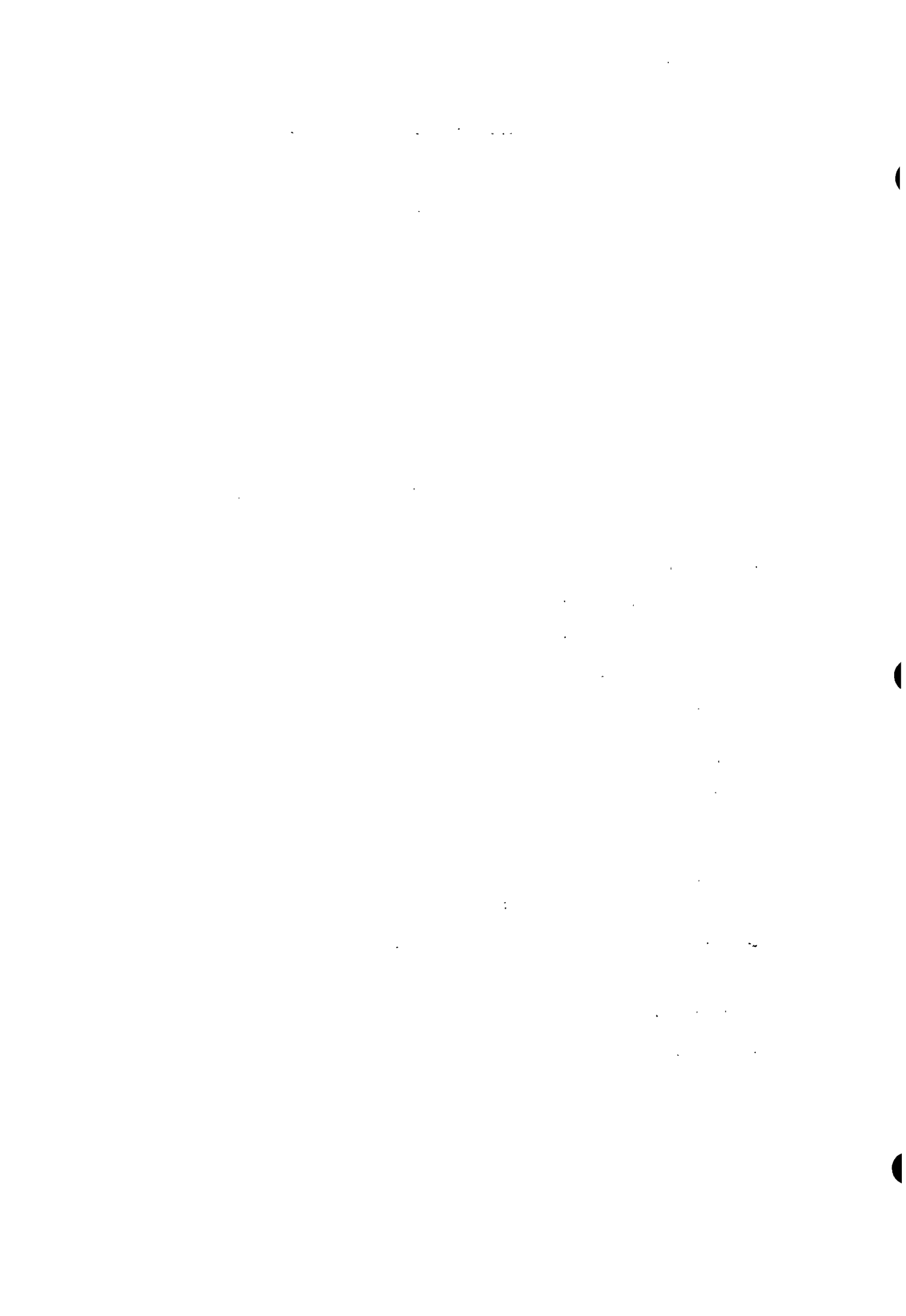
** Under the COMMUNITY ACTION PROGRAMME ON THE ENVIRONMENT (see IRT No. 185), the competent departments of the Commission are preparing in cooperation with experts from the Member States, a series of reports establishing acceptable criteria concerning:

- the presence of sulphur in the atmosphere,
- the presence of lead, cadmium and mercury in the atmosphere and in water,
- the presence of carbon monoxide in the atmosphere,
- noise, etc.

These reports are expected to be ready before the end of 1974.

** As part of the COMMUNITY SOCIAL ACTION PROGRAMME, the competent departments of the Commission should draw up before 1 April 1974 proposals relating to:

- an action programme for migrant workers,
- the establishment of a European centre for vocational training,
- the harmonization of laws on workers' accrued rights, particularly in cases of mergers.

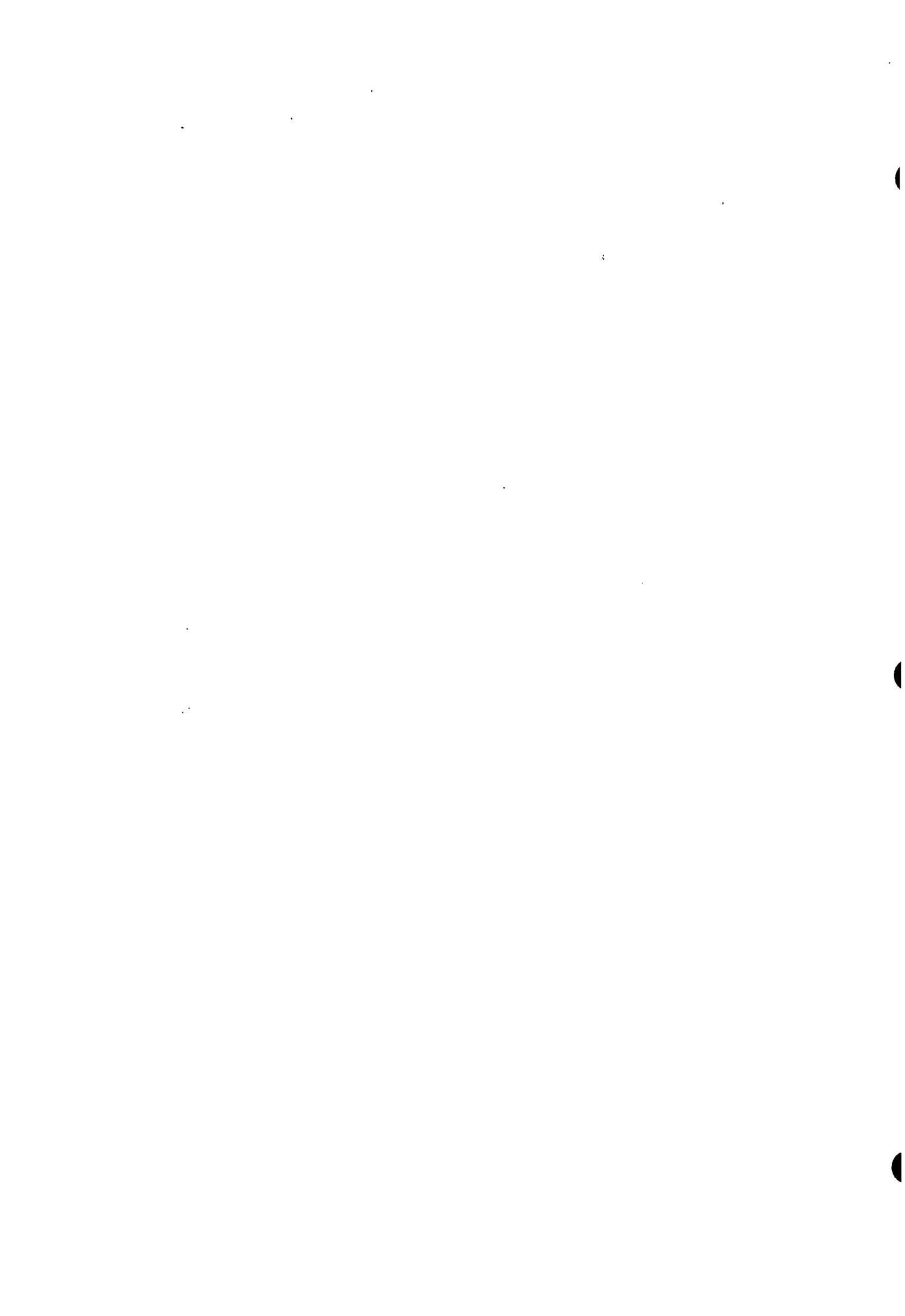


** THE USE OF DDT is no longer authorized in the majority of the Member States for many agricultural purposes. DDT is still being produced, however, because it is very important to the developing countries, particularly in the struggle against diseases which can be communicated by insects and parasites. Nevertheless, the effects of DDT on discrete components of the environment and the significance of these effects are at present being studied under the Community action programme for safeguarding the environment. This problem has already been studied at several meetings of experts. A new study is seen to be necessary, however, in view of the inaccuracy of the data on hand.

** THE CONDITIONS GOVERNING GUARANTEES ON MOTOR VEHICLES given by manufacturers or dealers in the Community are apt to vary from one firm to another and from one country to the next. In a written answer to a Member of the European Parliament, however, the European Commission makes it clear, that the question of guarantees which go beyond the normal protection provided for in the national laws is left to private initiative and therefore cannot be the subject of mandatory measures taken by the European Commission in accordance with the provisions laid down in the Community Treaty concerning the approximation of legislation.

** A detailed comparison of WAGE AND SALARY STRUCTURES IN THE SERVICES SECTOR, broken down by branches, qualification and seniority conditions, sexes and regions, will be drawn up on the basis of a survey to be carried out by all Community

./.



countries in 1974. A similar survey has already been undertaken in the industry sector, and has produced some significant results. The trade-union organizations show keen interest in this type of enquiry.

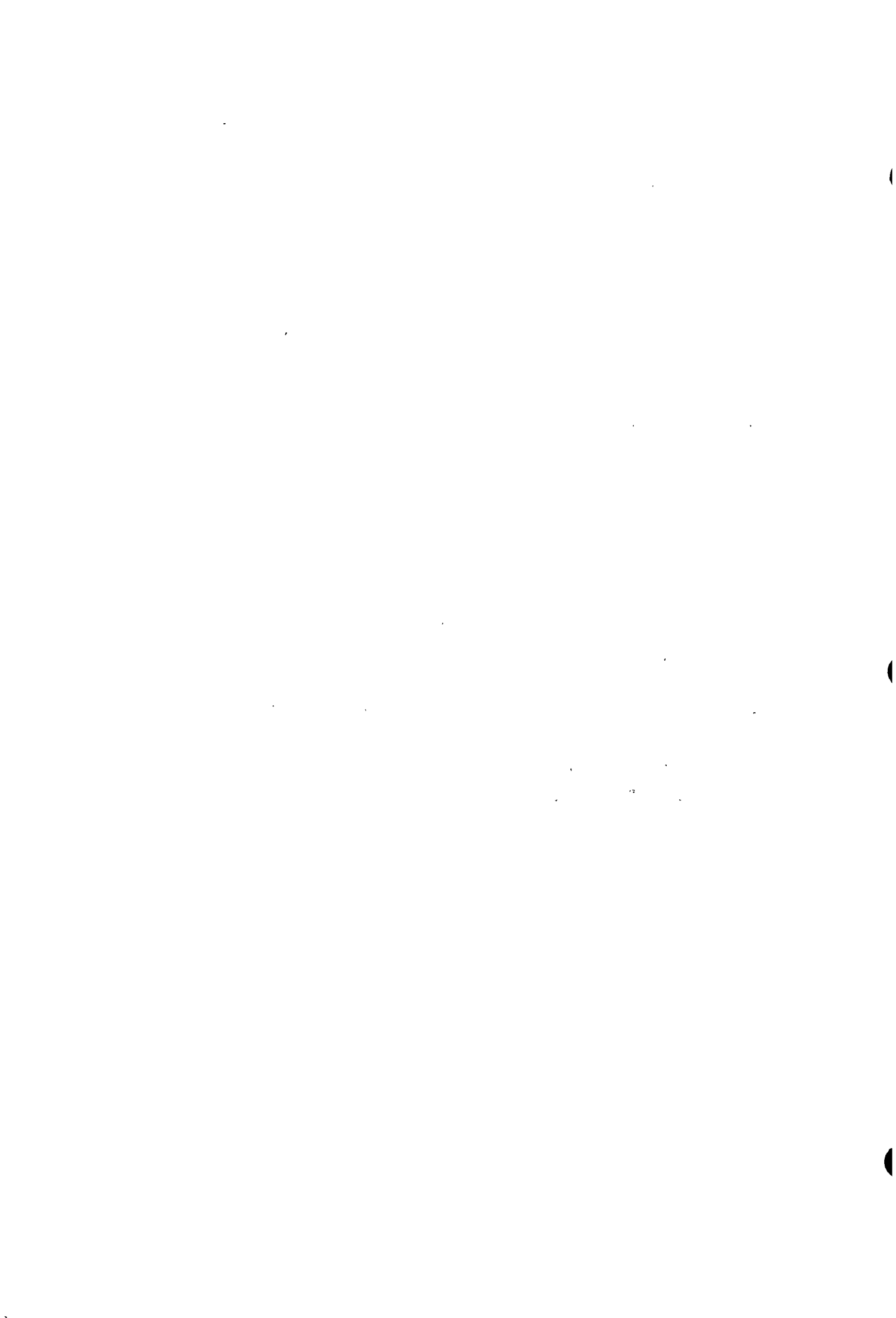
** Under the sponsorship of the European Commission, an information session will be held on 24-26 September 1974 on TECHNICAL MEASURES OF POLLUTION PREVENTION IN THE IRON AND STEEL INDUSTRY. At this session the results of research and study projects carried out in this field will be examined, and the prospects regarding the development of these problems will be analysed. Further information can be obtained from the Directorate-General for Social Affairs, Commission of the European Communities (29 rue Aldringer, Luxembourg).

** In order that regulations on the presence or use of POLLUTANTS in certain products can be harmonized at Community level, the European Commission is endeavouring to COLLECT THE INFORMATION AVAILABLE IN THE VARIOUS MEMBER STATES on the quantities of heavy metals contained in refuse discharged into the environment in the Community countries. For instance, two studies have made it possible to arrive at an assessment of the use of mercury, cadmium, chromium and their derivatives in Germany and the Netherlands.

These studies can be obtained from the Office for Official Publications of the European Communities (case postale 1003, Luxembourg).



- ** From 5 to 31 March 1974, representatives of the nine countries of the European Community will take part in an intergovernmental conference in Luxembourg for the purpose of SIGNING THE COMMUNITY PATENT CONVENTION. This convention will be the logical follow-up to the one signed last October by 21 countries on a European System for the Grant of Patents (see IRT No. 201).
- ** An international symposium on RECENT PROGRESS IN THE ASSESSMENT OF THE EFFECTS OF ENVIRONMENTAL POLLUTION ON HEALTH will be held in Paris from 24 to 28 June 1974. Further information can be obtained from the Directorate for Health Protection of the Commission of the European Communities (29, rue Aldringer, Luxembourg).
- ** The European Commission has had a study made of THE MANUFACTURE OF TEXTILES FOR EXPORT ON AN INDUSTRIAL SCALE IN THE ASSOCIATED AFRICAN STATES AND MADAGASCAR (AASM). This study examines potential markets in Europe and the products that might be considered for this purpose as well as analysing production conditions and degrees of competitiveness in the AASM. The four volumes of this study can be obtained from the Commission of the European Communities (DG VIII/B/1, 200 rue de la Loi, 1040 Brussels).



IMPROVEMENT OF WORKING CONDITIONS AND JOB ENRICHMENT

To arrive at a better understanding of the aspirations of the working population, to study the ways and means which can and should be used to satisfy these aspirations and to assess the effects on the economy: these are the main heads of the subjects which the Commission wishes to be examined in a symposium which it is organizing on the improvement of working conditions and job enrichment. The inevitable changes in the pattern of organization of the economy make this study especially necessary at a time when the Community is embarking upon a more active social policy (see IRT No. 210 and Industry and Society No. 1/74). The Commission will invite representatives of the workers, employers and governments, as well as representatives from specialized institutions, ~~in the various Community countries,~~ to attend this symposium, which should take place before the end of 1974.

The following points may be debated in the course of the symposium.

Man and his work in modern society

Work has long been, and basically still is, the means by which man procures the resources necessary for his existence and that of his family. One change in this traditional pattern has been the nature of these requirements. Consequently, in order to satisfy new consumer needs, man has been constrained, despite more or less unchanged working hours, to increase his productivity considerably with the help of machinery and by dint of more rational organization of his work. Working conditions have become unsatisfactory and in some cases even deteriorated. Although technology has made it possible to step up productivity, it

has often discredited the actual job. A greater proportion of the population is engaged in occupations which are devoid of interest and whose sole purpose is to satisfy the needs of the consumer, which are constantly increasing as regards both range and cost.

As a result, there is a growing disaffection with work, a high rate of staff turnover and absenteeism, and it is impossible to find people willing to perform certain thankless tasks. The use of unskilled and cheap foreign labour has in many cases no more than a mitigating effect.

The energy crisis which has recently erupted is a serious warning of the danger to which our civilization is exposed by following the line of least resistance. Abundant and cheap labour will soon, as in the case of oil, be merely a memory of an exceptional and fleeting period in history. The economy now hangs on our ability to find new sources of energy and to operate our production machinery with our own manpower.

How to improve working conditions

When one studies methods of improving working conditions one is confronted by habits (particularly in the field of consumer goods production) which circumscribe such methods considerably. In our society it is the market which determines the nature and quality of the product. These characteristics are rarely compatible with optimization of the production process. Firms are motivated by the need to sell and as a general rule only concern themselves with methods of production after they have decided on the nature and quality, of the product,

concentrating mainly on making their plant and equipment pay.

If the market could be made up of consumer goods of a more durable nature, planned in accordance with the means of production, the production system could more readily satisfy man's needs as a producer. The recent developments in the energy crisis and the need to conserve raw materials which are becoming scarcer also point in this direction. It is therefore important to answer the fundamental question: should we continue to satisfy Man the Consumer to the detriment of Man the Producer?

Job enrichment

The simplest and most direct way of improving working conditions is to act at the level of individual jobs. Work is made more meaningful by changing the nature or broadening the scope of the tasks performed. A job rotation system is introduced and the workers' sense of responsibility increased. Changes of this kind call for intensified staff training, which becomes an integral part of, and not an adjunct to, the work.

The worker's skills are acknowledged in concrete terms by setting up a new classification of occupational categories, and transfer from one to another of these categories is subject to verification of such skills. Pay, too, is not geared to the characteristics of the job but to the recognized proficiency of the worker. These measures go further towards satisfying the workers' aspirations. They have a beneficial influence on productivity.

Organization into production teams

The Scandinavians were the originators of the idea of organizing workers in production teams: the work is divided up into a small number of tasks, each of which is performed by a given group on its own responsibility. The degree of supervision varies from one form of organization to another, but in every case the group is autonomous. It is always preferable not to specify the tasks which should be performed within the group, partly because the increasing complexity of production machinery makes it more difficult to define individual objectives and partly because it has proved more productive to leave the initiative for finding the best method of production to the group itself.

Generally speaking, the level of pay is the same for each member of the team and it is the output of the group and not that of the individual which is taken into consideration for calculating bonuses.

Job automation

Simple, unhealthy, dangerous, tiring and repetitive tasks which are performed manually can often be replaced by automatic devices or by a straight-forward automated system. When a large number of industrial operations or processes have to be performed simultaneously more complicated hardware is often necessary. Recent developments in the sphere of electronics and fluidics suggest the possibility of replacing man by machinery for jobs of an increasingly complex nature.

Examples of the most highly automated sectors at the present time are: petrochemicals, laminating, foundry, engineering components, papermaking, packaging and of course, all administrative sectors which use business computers (banking, insurance, accountancy).

The economic obstacle to automation is the lack of flexibility of mechanical systems. The system can only pay for itself by mass production and only highly concentrated sectors of activity can afford the necessary capital investment. These sectors employ little more than 20% of the labour force. Efforts should there be directed towards making machines more adaptable. Such adaptability may be obtained with systems which can be programmed and are modular. Good examples of these systems are numerically controlled machines and industrial robots.

Industrial robots

Robotization is still a very recent technique but one which is developing rapidly. The number of robots in operation in industry may be estimated at about 3000. In their present form these systems are relatively simple machines, capable of grasping objects, moving them and guiding them.

The robots can be programmed, which gives them a high degree of flexibility. For instance, the Trallfa robots, which are produced in Norway, are widely used for all painting, sanding and enamelling operations. The same robot can be made to paint objects of any shape simply by changing the programme recorded on a magnetic cassette, which takes scarcely any longer than changing a cassette on a tape-recorder.

However, the robot cannot take any initiative. It will only work properly if the object is always in the same position and facing in the same direction and it will be unable to recognize a different object if one is put before it by mistake. This is where recent studies on artificial intelligence come in: when provided with sensors which enable it to detect shape, position and direction, and with a programme able to recognize these three parameters, the robot can be programmed to react to variations in the outside world and to adapt its actions accordingly. These studies have made considerable progress and the expectations are that towards the end of this decade the first systems equipped with artificial intelligence will make their appearance in industry and will increase the potential of automation.

Occupational training

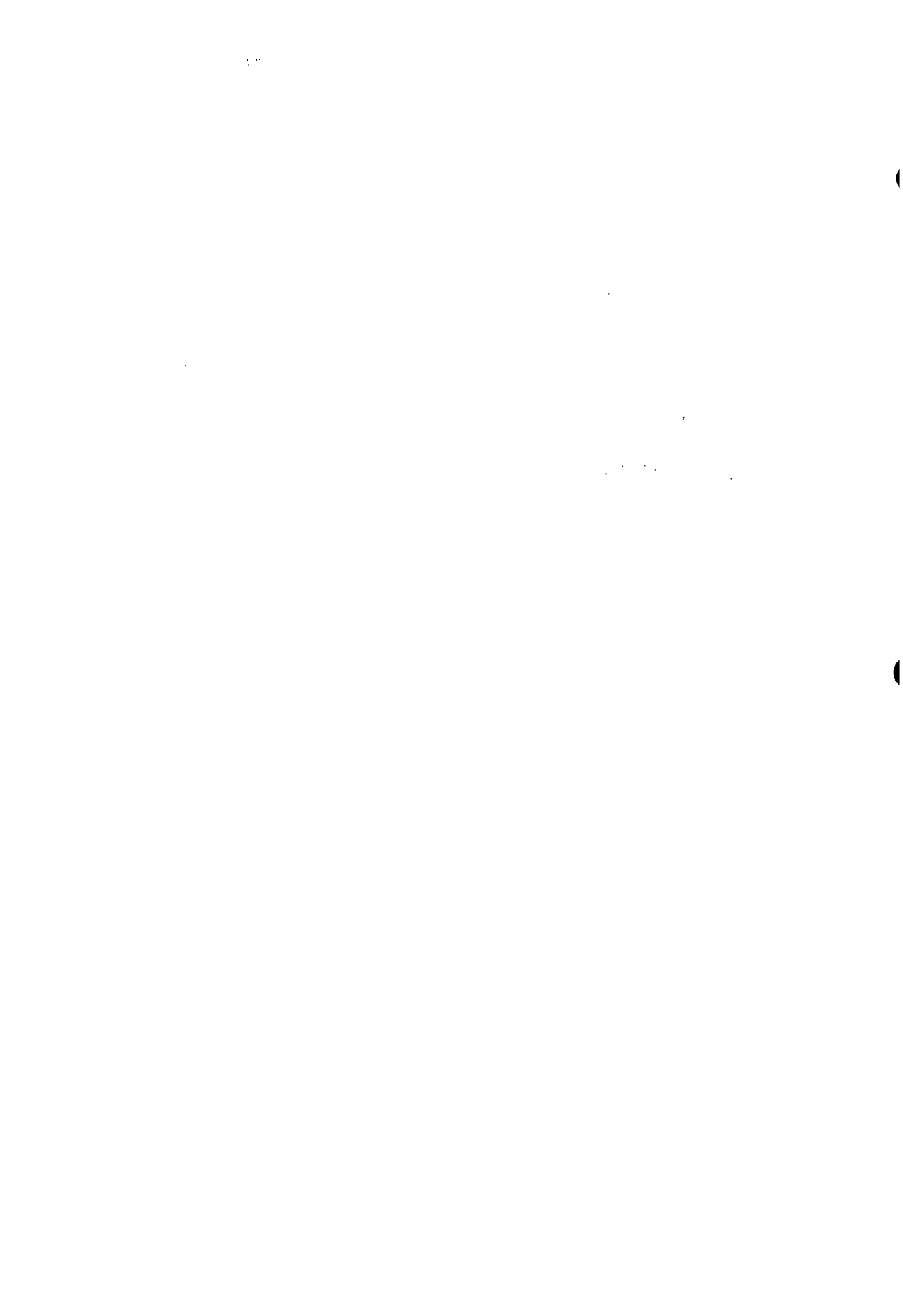
It is impossible to offer new generations tasks which are incompatible with their level of culture without creating a contentious situation which will generate serious social tensions. The first step to be taken in preparing for the future is to train technical and administrative executives who will establish the future pattern of production.

The traditional type of instruction is not suited to the new forms of production. Improvement of working conditions is a dynamic process which will require constant adaptation, which can only be brought about by means of continuous training.

The right to meaningful work

It is time we acknowledged that the right to have a meaningful job is to be equated with the right to adequate pay or job security, and that this right is of considerable social and economic importance and may even condition economic development in industrialized countries.

In the Community serious research should be undertaken without delay into all the conditions and implications of a general improvement in working conditions and appropriate legislation should be drawn up. The European foundation for the improvement of living and working conditions which the Community decided to set up in the context of its social action programme should make an active contribution towards this research.



AN INDUSTRIAL POLICY FOR EUROPE

This is the title of a very comprehensive book published by the Presse universitaire de France on industrial policy in the Community and written by Mr Toulemon, former Director-General for Industrial, Technological and Scientific Affairs, and Mr Flory, former Director for Industrial and Technological Policy at the Commission of the European Communities. As Mr Spinelli, the Member of the European Commission with special responsibility for Industrial Affairs, points out in the postface to this work, "the policy described in this book so ardently and clearly by the two main contributors should form one of the cornerstones in the building of European economic unity".

This idea is borne out by the book, which does not simply give an historical review of Community development but makes several reflections on the scope and significance of a European industrial policy.

Here are some extracts:

What do we mean by industrial policy?

"Industrial policy is a relatively new concept. If it is true that direct action in favour of a particular industrial sector or a particular technological programme has become widespread in the developed countries, only a few of them have worked out an overall doctrine for industrial development ... Although the words "industrial policy" are not to be found in the Community Treaties, the European Communities have in fact long been pursuing a very active industrial policy, like Monsieur Jourdain¹ ..."

¹ of. "Le Bourgeois Gentilhomme" (Molière)

.. "To make sure that industry has a framework for development which will enable it to exploit to the full the advantages inherent in the establishment of a vast organized market, subject industry to the discipline necessary for its expansion to make a real contribution to the well-being of man, which as we now know cannot be measured simply in terms of individual income ... These two roles which the Community industrial policy has already assumed will become even more important in the years to come."

.. "An era ending which, if not politically then at least economically, has brought with it the benefits hoped for and more besides. But another era is dawning which, through economic and monetary union, should lead in 1980 to a wider union embracing all aspects of European cooperation. Because it acts on structures, industrial policy can help create a base without which the other structural components would have no stability. At the Summit in October 1972 the Heads of State or of Government summarized the task before them in a very neat phrase: to establish a single industrial base."

Europe began with industry

.. "The first step towards a European Community were made in the industrial and technological field with the entry into force of the ECSC Treaty in 1952. Euratom, which with the Common Market was the second stage in the construction of Europe, was a novel attempt at integration in the industrial, technological and research fields. This determination to organize industry and technological development in Europe may be regarded as the starting point of the Community political process."

.. "In the Common Market Treaty no provision is made for industrial policy: no particular rules, no legal basis on which to make specific

provisions affecting industry. Industry is subject only to the general provisions of the Treaty: free movement of goods, free movement of capital, freedom of establishment, free movement of persons, prohibition of aids and compliance with the rules of competition ... The Community has none the less progressively evolved some guidelines for an economic, and in particular an industrial policy by two procedures: medium-term policy and industry-by-industry coordination."

Towards a Community industrial policy

.. "From 1968, the European Commission made a systematic effort to analyse all types of action, whether laid down by the Treaties or not, which the Community should take to enable industry to grasp all the opportunities offered by the Common Market. This was the subject of a memorandum on industrial policy in 1970. The Commission has also endeavoured to prevent a rift between industry and society by examining how industrial development could be made to serve man. This was the purpose of the Conference held on this subject in Venice in April 1972."

"The task of persuading the Member States to accept this overall approach and to go beyond the stage of isolated efforts at cooperation was a difficult one. The first significant results seem to have been achieved at the Paris Summit in October 1972."

Europe and economic growth

"American dog-food accounts for more than the average industrial income of the people of India; 20 hectares of Canadian forest are swallowed up each week by the Sunday edition of the New York Times,

90% of which is devoted to advertizing, which in turn encourages wastage; 700,000 tons of PVC packaging will be produced by France in 1975. Such facts stir the imagination. On the other hand, the champions of expansion cannot be blamed for deriding the tendency to idealize the pre-industrial age, to forget that at that time the lot of the man in the street here was doubtless worse than the misery currently being suffered by the Third World and that it was only the industrial revolution which stopped mankind from controlling its growth by means of famine and war."

.. "Provided it keeps to the path of unity, Europe, with its traditions and with its concentration of so much wealth and culture, seems well placed to open up the way towards a civilization where the word "economy" will regain its traditional significance and where human wellbeing will no longer be synonymous with the abundance of material possessions."

ELIMINATION OF BARRIERS TO TRADE IN RETAIL FOODSTUFFS

Progress achieved in the elimination of barriers to trade in retail foodstuffs within the Community was the subject of an answer from the European Commission to a written question from a Member of the European Parliament. Here are some of the main points:

- (a) At the present stage of European integration it should be pointed out that barriers to intra-Community trade other than those whose progressive elimination directly resulted from the provisions of the Community Treaty on the free movement of goods (customs duties, quantitative restrictions and measures having equivalent effect) have so far been only partially removed owing to difficulties in approximating the various laws and regulations which govern goods circulating in the territory of each Member State. Consequently, goods imported from one Member State into another are still subject to customs clearance formalities designed to give effect to these national provisions (provisions concerning taxation, the protection of human and animal health, conservation of plant life, public safety and public morality, protection of industrial and commercial property, etc.).

The Commission, aware of the obstacles to intra-Community trade as a result of the complexity and multiplicity of customs formalities resulting from these disparities, is endeavouring to accomplish the work necessary to align these formalities in accordance with its programme for harmonizing customs legislation, and in particular to simplify them within the Community transit procedure.

- (b) The Commission has also undertaken the work required to harmonize procedures for putting goods imported from non-member countries into free circulation and to set up a simplified overall procedure applicable in intra-Community trade. In both cases it will propose that any person able to present the goods to the customs together with the documents necessary for customs clearance should be allowed to begin customs formalities, which would have the effect of eliminating any possibility of their being a de jure or de facto monopoly from which certain sectors may be benefiting at the present time.
- (c) In the field of excise duties, proposals have been sent to the Council for harmonizing structures concerning which the European Parliament has not yet given its opinion. The proposed arrangements are calculated to solve the present difficulties.
- (d) Regarding import and export licences, the EEC Treaty provisions which are directly applicable "preclude the application in intra-Community relations of any national legislation which, even if only nominally, may still call for import and export licences or any other similar procedure".

The Commission has meanwhile been endeavouring to secure compliance with these provisions.

- (e) On the basis of surveys carried out on this subject, the Commission believes that the charges made by Member States for plant health inspection in intra-Community trade are to be considered as taxes having an effect equivalent to that of customs duties. Accordingly,

the Commission has initiated the procedure laid down by the EEC Treaty vis-à-vis certain Member States.

At present the Commission is extending its survey of such charges to cover the situation in the new Member States.

The Commission will take all the necessary steps to make conditions for the intra-Community trade in plants similar to those ruling on an internal market.

