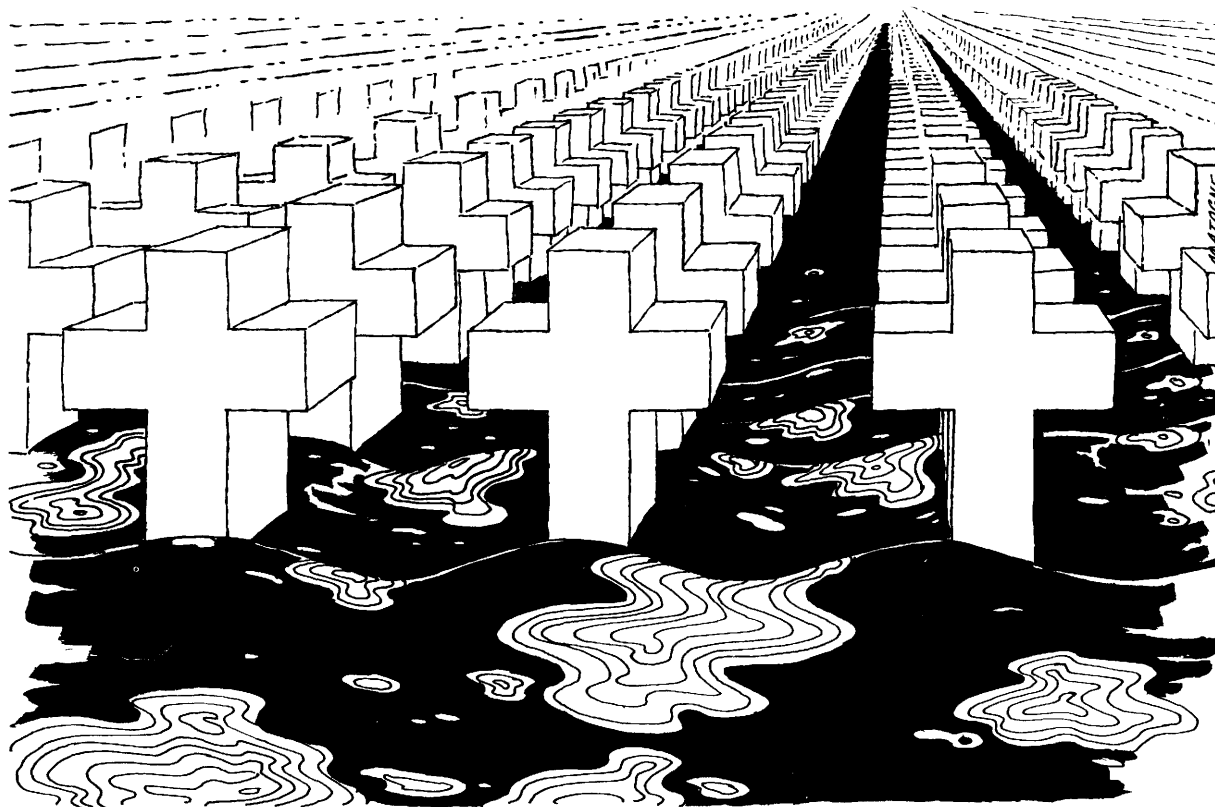


Brussels, 18 April 1978

N° 15/78



Requiem for a dying ocean.....see the European Parliament
debate on oil spillages, page 3.

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

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++ ECONOMIC CRISIS BRINGS EUROPE TOGETHER

In Copenhagen this month the Nine's leaders decided on the date for direct elections and discussed democracy, terrorism and ways of reducing unemployment.

The conclusions of the European Council are discussed in Annex 1.

++ PARLIAMENT : OIL SLICKS VERSUS THE NINE

The now notorious Amoco-Cadiz was frequently raised in debate at a recent session of the European Parliament during discussions on the prevention of oil spillages and the battle against general marine pollution. The Parliament also discussed the question of equal pay for women and members were critical of the time taken by national governments to implement the directive.

Highlights of the debates are presented in Annex 2.

++ BANKRUPTCY AND WORKER PROTECTION

When a company goes bankrupt and all its assets are spent, workers can find themselves with no work and no means of living.

Annex 3 outlines the Commission's ideas on protecting workers in the Nine from the bogey of bankruptcy.

++ JOB TRAINING FOR WOMEN

To help women find jobs and combat job discrimination, and to help eliminate unequal pay, the European Commission organised a meeting in 1975 of vocational guidance and training experts from throughout the Community.

A report on the proceedings of the meeting, titled "vocational guidance and training for women workers", has just been published. Among the problems dealt with are : expanding job opportunities, options open for young women, further education, returning to work after maternity, etc.

Certain statistics demonstrate the size of the employment problem facing women. In 1973 the number of:

Working women in relation to the total working population was (in %) :

Married working women in relationship to the female working population was (in %) :

Germany	36.9%	59.6%
Belgium	34.5	65.8
France	36.9	62.0
Italy	27.8	51.4
Netherlands	25.9 ('72 figure)	28.9 ('71 figure)
Luxembourg	26.9	43.5
UK	37.2	67.2
Ireland	26.0	13.3
Denmark	41.2	41.2

The report can be obtained from the Office for Official Publications, PO Box 1003, Luxembourg, priced BF 75 or equivalent.

++ AID TO ALTERNATIVE ENERGY

To reduce dependence on oil without increasing the role of nuclear energy, money has to be invested in research into new sources of energy and their practical applications. This is one of the conclusions drawn by the European Commission from the public hearings on nuclear energy which it recently organised. As a result, the Commission has made two proposals to the Council of Ministers to give financial support to projects for developing alternative energy sources:

- geothermal energy : a total of 83 million European units of account (1 EUR = ± 1.2 dollars) over five years for some thirty projects given in the form of subsidies, repayable under certain conditions;
- coal gasification and liquefaction : annual support of 20 million EUR over a 10-15 year period, for projects aimed at processing solid fuel. This will entail subsidies repayable under certain conditions. More than ten projects could benefit from the support within the first five years.

++ SLIGHT INDUSTRIAL IMPROVEMENT

Statistical estimates indicate that industrial production in the Community improved slightly during January of this year. The production index, adjusted for seasonal factors, stood at 117.2 (1970 = 100) and represented a 2% increase on December 1977. With the exception of Holland, production increased in all countries by varying degrees.

Not all industrial sectors showed the same pattern however. Production in the capital goods industries increased by 3%, mostly under the influence of Germany (+5%) and Italy (+12%). The intermediary goods sector expanded by 3% in France and 2% in the UK, though Community-wide growth was modest. Production of consumer goods stagnated at the Community level with Italy's 4% increase being offset by a 6% drop in Holland and a 30% decline in Belgium.

++ LABELLING CHARTER

Last year the European Commission was involved in developing a labelling "charter" with a view to laying down the general principles for informative labelling of goods. Study of the situation has shown that such a charter is neither possible and perhaps not desirable at the present moment. A number of measures dealing with labelling have already been adopted by the Council of Ministers (textiles, for example), others are being discussed by the Council (foodstuffs, etc.) and others are currently being drawn up (domestic appliances etc.).

The present moment is not really appropriate for introducing general labelling principles since they might overlap with existing directives and could detrimentally affect discussions currently in progress.

++ TRADE AGREEMENT WITH CHINA

In accordance with Mao's doctrine that China should rely on its own resources and increase external trade to develop its economy, the People's Republic of China has been cementing its contacts with the European Community. A trade agreement which should expand trade between the Nine and China was signed by both parties on April 3.

Trade relations have been growing, as the following figures demonstrate:

EEC IMPORTS FROM CHINA (in million EUR)

	<u>EEC</u>	<u>D</u>	<u>F</u>	<u>I</u>	<u>NL</u>	<u>B/LUX</u>	<u>UK</u>	<u>IRL</u>	<u>DEN</u>
1975	626	171	130	97	60	33	113	2	16
1976	756	212	153	123	70	31	131	3	21

EEC EXPORTS TO CHINA

	<u>EEC</u>	<u>D</u>	<u>F</u>	<u>I</u>	<u>NL</u>	<u>B/LUX</u>	<u>UK</u>	<u>IRL</u>	<u>DEN</u>
1975	1 084	401	284	111	100	36	124	0.01	17
1976	1 034	492	275	99	31	32	96	0.037	7

(1 EUR = ± 1.27 dollars).

++ HARD WORK

An evaluation of physically demanding work has just been published by the European Commission in a report for industrial employers (coal and steel industry, assembly lines etc.). The document summarises current knowledge of ergonomics (with a view to evaluating physically strenuous work) and outlines the result of the Commission's own research programme on energy expenditure at work, and working postures.

The report is available from the Commission's Directorate General for Scientific and Technical Information and Information Management, Bâtiment Jean Monnet, Luxembourg, price £1.10p.

++ LABOUR COSTS IN 1975

The gap between labour costs in Community countries increased in 1975 with Holland finding itself more than twice as expensive as low-wage Ireland and Britain. Highest average rates were found in Holland, Belgium and Denmark who have overtaken W. Germany in the leading group. Lagging behind this group (30%) are France and Italy, with Ireland and the UK providing the lowest labour costs in Europe.

Average hourly labour costs (office and shopfloor workers) in industry in 1975 were: (in European units of account (1 EUR = ± 1.2 dollars)

Germany	5.76
France	4.59
Italy	4.20
Netherlands	6.45
Belgium	5.96
Luxembourg	5.61
UK	3.02
Ireland	2.70
Denmark	5.74

Indirect payments increased faster than direct wages in all Community countries. (Direct wage implies gross wages + regular bonuses. Indirect payments cover social security expenditure, paid holidays, sick leave, irregular bonus payments, etc.).

Indirect payments rose to around 3% of labour costs in practically all Community countries and the increase is doubtless due to an increase in welfare contributions and in payments for days off.

The relative importance of indirect payments varies strongly between countries and stood at 9% of labour costs in Denmark, 20-24% in Ireland and the UK, 33-37% in Luxembourg and Germany, 42% in France, Holland and Belgium and 50% in Italy. Thus Denmark, though only placed third regarding cost, comes out as the most expensive for direct wages. The UK, second to last in terms of costs, emerges above Italy in terms of direct wages.

In relation to previous years, 1975 saw little reduction in the gap between labour costs in different industrial sectors where extractive industries and industrial goods producers have higher labour costs than industries producing consumer goods.

The same year confirmed the trend towards a reduction in the average working year - 2% shorter in Denmark and 12% shorter in Belgium than 1972-73.

These figures are supplied by the Community's statistical office, (EUROSTAT), PO Box 1907, Luxembourg.

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ECONOMIC CRISIS BRINGS EUROPE TOGETHER

The Nine's leaders took a major step in the increasing cohesion within the European Community in Copenhagen this month where they spent more than half of the ten hour European Council discussing the social, economic and monetary situation in the Community. They also decided on a date for direct elections.

The first direct elections to the European Parliament will be held between June 7 and 10 1979 in all nine Community countries.

Democracy and human rights

The Council declared that direct elections represent a resounding demonstration of the democratic ideal common to everyone in the European Community. Government chiefs have confirmed their intention through the Copenhagen declaration to guarantee respect for the values of legal and political order, and to safeguard the principles of representative democracy, the rule of law, social justice and respect for human rights.

Putting these principles into practice implies a political system of democratic pluralism, and the leaders of the Nine solemnly declared that respect and maintenance of representative democracy and human rights in each Member State are the essential elements of belonging to the European Community.

Helping the unemployed and the economy

During the coming three months the Council agreed that the Community and its Member States will develop a common strategy to reverse the current unsatisfactory trend. This common strategy will facilitate progress towards economic and monetary union and will cover economic and monetary questions, employment, energy, trade, industrial problems and relations with the developing world.

The Council declared concern for the persistently high level of unemployment. To improve the job situation, the Community has to reach an annual growth rate of 4.5% by the middle of next year. In addition to creating new job opportunities, the Council expressed interest in exploring the idea of job sharing to reduce unemployment.

The European Council also underlined the need to re-establish competition in industry. "Tripartite" bodies set up at the European level are indispensable in overcoming problems of structural overcapacity in a number of industries, and to promote a restructure in industry which can face up to world competition.

Much of the discussion dealt with the need for greater monetary stability in Europe. The Nine should, in the view of Commission President Roy Jenkins, look for greater exchange-rate stability, and greater influence in international monetary affairs. This calls for an extension of the Community exchange-rate system beyond the "snake", a new dimension in the use of the European unit of account, and an increase in the resources of the European Monetary Cooperation Fund.

After Amoco-Cadiz.....

The prevention of marine pollution (oil in particular) should become a major Community objective and the Council of Ministers should agree on the following measures proposed by the European Commission:

- rapidly introduce international standards, particularly those setting out living and working conditions at sea;
- prevent accidents through coordinated Community action (reinforce the system of compulsory shipping lanes and police ships not conforming to international norms);
- research and implement effective anti-pollution measures.

Terrorism and European legal zone

Profoundly distressed at the abduction of former Italian Premier Aldo Moro, the Council expressed its concern for the spread of terrorism. The nine Community States are committed to protecting democracy and the responsible ministers will soon be presenting proposals on the idea of setting up a European legal zone.

European Foundation

The heads of state and government decided on the objectives and tasks of the European Foundation (see Euroforum N° 42/77) and agreed on the structure of its financing. The European Council also decided that formal agreements on the creation of the Foundation should be implemented as soon as possible. The Foundation will be located in Paris.

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PARLIAMENT : OIL SLICKS VERSUS THE NINE

The Amoco-Cadiz catastrophe - the fourth oil slick to hit the Brittany coast in eleven years - has demonstrated (as if it were necessary) that a "laissez-faire" policy on maritime transport is no longer tolerable. This is the view expressed at a recent session of the European Parliament by speakers from all political parties. Detailing the causes of the current state of disorganisation, the Parliamentarians asked the European Commission about its plans to ensure that appropriate safety regulations are introduced. The spokesman for the Parliament's Agricultural Committee stressed that the Common Fisheries Policy must be backed up by a global marine policy, and recommended the creation of a European coast guard service to enforce it.

The Commission's reply was presented by Vice-President Lorenzo Natali who recalled that in June 1977 the Commission had in fact sent the Council of Ministers a number of proposals on the prevention and control of accidental oil spillages. But the Council has not been forthcoming with decisions.

Mr. Natali read a long list of international conventions on sea pollution that have already been signed and said he regretted that the international approach is all too often compromised by the often long delays between when a convention is signed, the time when it actually comes into force, and the time when it is effectively applied. The effectiveness of this international approach is dependent on the cooperation of the signatories of conventions, and experience has shown that cooperation is difficult both at the regional and the world level.

The Commissioner also pointed to two other problem areas : insufficient resources in relation to the loads transported by tankers and insufficient means to deal with oil spills.

In his speech, Mr. Natali placed the problem of oil spillages in the general context of marine pollution by hydrocarbons. According to latest estimates (produced in 1973 by the US Academy of Sciences) 6 million tonnes of oil are discharged into our oceans each year. Tanker accidents, however, only account for 5% on average (300 000 tonnes) of total marine pollution from oil and derived products. Three equally important sources of pollution are discharges in ports or dry docks, natural seepages and sea bed

drilling (11% each), not to mention the residues from petrol fumes released into the atmosphere. Tanker discharges account for 18% of the pollution and the largest source (44% or 600 000 tonnes) comes from land : industrial wastes, sewers, refinery residues, inland water transport, pipeline leaks, waste engine oil, insecticide and herbicide oils etc. Most of the hydrocarbon pollution is carried by drainage water and polluted canals and rivers feeding into the sea. Even so, the consequences of an oil tanker accident in a geographically limited area are still immense.

The European Council in Copenhagen took a step in the right direction by stating that the fight against pollution should be a major objective for the European Community. The first initiative from the Commission will doubtless be to insist that international conventions are strictly applied within the Community. It will subsequently look at ways of dealing with ships which contravene the conventions. On top of this Mr. Natali announced his intention to propose a six point action programme :

- to create an information system covering anti-pollution resources available to each Member State;
- to create an information system on the technical and legal aspects of shipping;
- to raise the effectiveness and "solidarity" of anti-pollution teams;
- to introduce a programme that will develop vessels for retrieving oil discharged at sea;
- to introduce a research programme dealing with harmless chemical oil dispersants;
- to examine modifications and improvements to the legal aspects of tug-boats and insurance.

The European Commissioner also discussed the delicacy of the 12 mile limit. Community States only have regulatory power within this zone and in the 200 mile zone their powers only extend to fishing (with the exception of France which has powers to act over pollution within her 200 mile zone.) Other countries are afraid of losing navigation rights in the waters of third countries if they extend their own

powers. A fair balance must be struck, Mr. Natali concluded, between freedom of sailing for our ships and the necessity for effective measures preventing the pollution of our coasts.

Equal work, equal pay

The Parliament also debated the application of the directive on equal pay for men and women (see Euroforum N° 14/78). The Parliament stressed its concern at the deteriorating situation for women regarding pay and equal opportunity.

Henk Vredeling, Commission Vice-President, confirmed that all nine governments had replied to the Commission's questionnaire on the application of equal pay, and that Commission experts are currently drawing up a report based on the replies. The report should help the Commission evaluate ways - including infringement procedures - for the Community to ensure strict application of the equal pay principle. But Mr. Vredeling said action can only really begin when the last stage of the directive comes into force on August 12 this year.

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BANKRUPTCY AND WORKER PROTECTION

The company is going down the drain but the boss can't see the writing on the wall. Debts mount up and he gets behind in paying wages. By the time the company's fate is assured, all its assets have been gobbled up.

Despite being creditors, the workers do not get anything in recompense from the insolvent company and find themselves with no income, no job and no livelihood.

This pattern of bankruptcy is quite common, and all too common in the Community. In Germany, 70% of companies that went bankrupt in 1976 did not have sufficient assets to implement the procedure normally laid down for insolvency. Losses suffered by workers in these cases varied between £80 - 200 million per year before the laws on wage indemnity were introduced. In the UK, wage losses amount to £4 million per year. Community figures are not available but the situation is not much better in other countries, in the Commission's view.

The Commission has proposed a directive to give greater protection to workers in cases where employers go bankrupt and insufficient assets are left, by ensuring that debts to workers are looked after by State institutions.

Neither Italy nor Ireland have such institutions and both will be obliged to create them. The other seven countries have already adopted systems to protect employees in case of bankruptcy. The directive proposed by the Commission aims at coordinating them. To keep pace with the international growth of economic activity, worker protection has to be made uniform, in the Commission's view. If not, the ensuing social disruption will inevitably have repercussions on the functioning of the Common Market.

Workers deprived of livelihood

The Commission's Proposal has been motivated by the awareness that wage-earning workers depend totally on the fruits of their labour. Particularly as they can be deprived of their livelihood until bankruptcy proceedings are over - which can take a long time. On top of this, the legal proceedings are virtually incomprehensible for the average worker. They need lawyers to effectively defend their rights, but in the financial situation they are likely to find themselves, paying legal fees would be difficult.

The crisis which is currently facing Europe is causing increasing numbers of bankruptcies and, in many cases, the insolvent company assets at the time of collapse are usually

not enough to pay debts to employees (backpay, redundancy pay etc.). Occasionally, the total lack of assets prevents bankruptcy proceedings even being implemented. And the wage-earner is consequently deprived of all protection.

Remedies?

The only way of remedying this situation is to introduce institutions which are completely independent of the employer and which by-pass bankruptcy procedures. Such institutions would be responsible for paying outstanding debts to workers when an employer is found insolvent. This is the view of the Commission and in its proposal, payments would include:

- work and training pay dues;
- other dues from sickness, holiday, or redundancy pay and any any other bonus payments.

(as long as these debts arose before the employer ceased payment).

The organisation, financing and operation of such institutions should be worked out by Community Member States, though they should incorporate common principles, particularly that:

- the resources of these institutions are completely independent of the capital of the employer;
- workers are not the only contributors to its financing;
- the institution should pay even if the bankrupt employer has not fulfilled the appropriate obligations;
- Community countries can stipulate that a condition to payment is that debts to workers are uncontested and that proof of right to payment exists (in such cases debts would be paid immediately without awaiting the end of the bankruptcy proceedings).

Payment limits

According to the proposal, Member States would have the (non-obligatory) right to fix certain limits to the claims on these institutions. These limits would, however, not be lower than a certain minimum : three months salary for pay, for example.

Finally Governments should take the necessary measures for workers to receive social security payments - including old

age or invalid pensions - even if the employer has not paid his obligatory contributions. In such cases, no limitation is prescribed.

The Commission has stressed that its aim is only to achieve minimum protection. The directive will not prevent governments from practising or adopting more stringent measures to the benefit of workers.

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