# industry and society

## WEEKLY

## **REPRODUCTION AUTHORIZED**

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\*\* THE COMMON AGRICULTURAL POLICY has never been far from the forefront of the European scene. Some criticize it sharply; others keenly defend it; many are uninformed on the subject; and most of the time it is misunderstood. As the Council of Ministers of the Community has just decided to draw up a balance sheet of the results of the Common Agricultural Policy, it seemed appropriate to give our readers a more detailed explanation of just what the Common Agricultural Policy is, what its aims are, to what extent these have been achieved, and to what extent the Policy has failed to achieve them.

ANNEX 1 gives a brief description.

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\*\* The purpose of a conference organized by the European Commission, from 5-7 November in Brussels, on the subject of "Work organization, technical developments and motivation of the individual" is <u>TO IMPROVE THE LIVING CONDITIONS OR WORKERS</u> in the Community, so that working life is no longer merely a means of ensuring the livelihood of the worker and his family but of enabling him, whether in factory or office, to find conditions leading to mental enrichment and the fulfillment of human potentialities. Almost 200 experts, representing governments, employers, trade unions and universities, will be attending the conference.

ANNEX 2 provides details of the subjects on the conference agenda.

\*\* The continuing deterioration of the quality of water, and the threat posed by the uncontrolled discharge of toxic or dangerous substances into water has led several European States, including the various Member States of the European Community, to take specific action aimed at prohibiting or regulating this type of discharge. Hence the Commission has just forwarded a draft proposal for a Council decision, which aims to provide a degree of coordination between the various regulations to limit "<u>THE DISCHARGE OF TOXIC OR</u> DANGEROUS SUBSTANCES INTO WATER" in Europe.

ANNEX 3 summarizes the contents of this proposal.

- \*\* <u>COMMUNITY SOLIDARITY</u>, which was deplorably lacking at the beginning of the energy crisis, is a basic factor in the <u>SUGAR CRISIS</u> now affecting some Community countries. Italian consumers and particularly British consumers, will now be able to stock up on sugar at the Community price (less than one third of the world market price) as a result of imports financed by the Community. Under this system, the first consignment of 200 000 metric tons of sugar will be bought on the world market by the Community to supply Italy and Great Britain.
- \*\* <u>CONSUMER PRICES</u> continued to soar during the summer. Only in Germany and the United Kingdom was there any let-up, and then largely because of seasonal influences. On the other hand, seasonally adjusted <u>UNEMPLOYMENT</u> figures rose in all Community countries in the summer months. Several factors were behind this: the slowdown of economic activity in most member countries, the reluctance of firms, in view of high wage costs, to take on new workers, and finally the relatively large number of young people looking for first jobs. Unemployment was comparatively high in construction, the motor industry, structural steelwork and the textile industry. In the growth of <u>INDUSTRIAL PRODUCTION</u> there has been a marked slowdown in recent months. Production in some consumer goods industries, in

particular motor vehicles and textiles, has dropped quite appreciably. Expansion in the capital goods industries is slipping distinctly too, despite comparatively strong export demand.

- \*\* THE CONSUMERS CONSULTATIVE COMMITTEE held its fourth meeting on 18 October in Brussels. The Committee, which comprises representatives of consumer associations organized at European level (see IRT No 205), held a wide-ranging exchange of views on matters connected with the Common Agricultural Policy. The Committee raised the question of consumer concern over the problems currently faced by European agriculture. On 8 November, Mr Lardinois, the Member of the European Commission with special responsibility for agricultural matters, will receive Committee representatives, to hear their suggestions and opinions, before the European Commission takes a decision which will affect the coming marketing year. At the meeting of 18 October the Committee also discussed the matter of consumer credit, and warmly approved the principles on which the European Commission plans to base its action in this field.
- \*\* <u>COMENVIR</u> is the code name for the Commission's planned <u>ANNUAL REPORT ON THE STATE OF THE</u> <u>ENVIRONMENT IN THE COMMUNITY</u>. This publication was planned as part of the Community environmental protection programme (see IRT No 185). The team of experts from the various Community countries, which is collaborating with the European Commission to draw up the report, held its first meeting in Paris on 22 October. It concentrated on the general form of the document, which will be a situation report on national attempts to cope with the situation, and the need, in most cases, for a Community approach in redressing the situation, which must at all costs be prevented from deteriorating any further.
- \*\* On 4 and 5 November the Commission will be holding a meeting of experts from Community countries to examine the problem of <u>SPEED LIMITS</u>. The Commission and some Member States are hoping for a European solution, namely uniform speed limits throughout the European Community. So far, however, no decisive step has been taken. The European Conference of Ministers of Transport (ECMT), which represents eighteen European countries, has proposed a uniform speed limit of 100 km/hour on ordinary roads and between 110 and 130 km/hour on motorways. This proposal is to be discussed by the government experts and the Commission at their meeting in Brussels.
- \*\* Apart from the problem of radio-active waste (see I&S No 37/74), the large-scale use of nuclear energy raises the problem of <u>SAFETY IN NUCLEAR POWER STATIONS</u>. Like all industrial powers, the Community is, of course, devoting attention to the matter. By the end of 1974

some 90 000 units of account (1 u.a. = approx. US  $\sharp$ 1) will have been spent at Community level to ensure greater safety in power stations producing nuclear energy, through more consultation and greater coordination between the efforts of interested parties. The Commission departments are now engaged in drafting a communication on this activity. The document should be ready before the end of 1974 and will stress the need to achieve the same degree of safety and health protection, for workers and the general population, throughout the various Community countries. It is probable that there will be a marked increase in Community action in this sector during the next few years.

- \*\* In its <u>ANSWER TO A WRITTEN QUESTION</u> by a Member of the European Parliament on the <u>LEAD</u> <u>CONTENT IN PETROL</u> the Commission states that it organized a symposium in Amsterdam in October 1972 which was attended by world specialists on the health hazards of lead in the environment. The Commission goes on to state that there is a minimum ingestion level for children and this will be taken into account in the document on safety standards for lead now being prepared by the Commission. Neither the lead levels now authorized by Member States nor those advocated in the Commission's proposal for a directive (see IRT No 214) can damage present-day engines or **exhaust** systems. On the contrary, deposits of lead compounds are positively good for some engine surfaces since they act as a lubricant. Large-scale research is being carried out at **present** to find a way of replacing lead in petrol, either by substituting another additive or by using a mixture of petrol and methanol. There is therefore no need for the Commission to act.
- \*\* Local communities and small and medium-sized enterprises are finding it more and more difficult every day to make rational decisions on environmental matters on the basis of a complete knowledge of the facts. The Council of European Municipalities and the International Union of Local Authorities, under the aegis of the European Commission and the Italian Government, are therefore holding a conference in Rome, from 28-30 November, on the subject of "<u>ENVIRONMENTAL POLICY IN THE EUROPEAN COMMUNITY</u>". The conference is intended to provide an opportunity for comparing the problems of local and regional authorities, with the aims of the Community's environmental policy. The main subjects for discussion will be the social, economic and financial implications of an environmental policy, definition of the quality objectives of an environmental policy, and the implications of this policy for regional development. Mr Scarascia Mugnozza, Vice-President of the European Commission, will give the opening address at the conference.

## \*\* EXTRACTS FROM THE OFFICIAL JOURNAL OF THE EUROPEAN COMMUNITIES

(12-19 October 1974):

#### 1. Social Affairs

- (i) Council Regulation of 15 October 1974, on the application of social security schemes to employed persons and their families moving within the Community
  (OJ No L 283 of 19 October 1974);
- (ii) Council Regulation of 15 October 1974 on the organization of a sample survey of manpower (OJ No L 283 of 19 October 1974);
- (iii) Opinion of the Economic and Social Committee on the proposal from the Commission on the establishment of a European Vocational Training Centre (OJ No C 125 of 16 October 1974);
- (iv) Decisions of the Administrative Commission of the European Communities on social security for migrant workers (QJ No C 126 of 17 October 1974):
  - \* Relating to the right of unemployment benefits for workers other than frontier workers (Decision No 94 of 24 January 1974);
  - \* Concerning the revision of rights to benefit (Decision No 96 of 15 March 1974);
  - \* Concerning the use of the Certificate of Posting (Decision No 97 of 15 March 1974).

#### 2. <u>Harmonization of legislation</u>

- (i) Opinion of the Economic and Social Committee on the proposal for a directive relating to the noise level of agricultural or forestry tractors fitted with wheels (OJ No C 125 of 16 October 1974);
- (ii) Opinion of the Economic and Social Committee on the proposal for a directive relating to textile names (OJ No C 125 of 16 October 1974).

#### 3. Environment

- (i) Opinion of the Economic and Social Committee on the proposal for a directive on the disposal of waste oils (OJ No C 125 of 16 October 1974);
- Proposal for a directive on the marketing of certain dangerous substances and preparations (OJ No C 126 of 17 October 1974).

SINCE IT IS A TOPIC OF CONVERSATION, HERE IS A RUNDOWN OF THE COMMON AGRICULTURAL POLICY

The Common Agricultural Policy has never been far from the forefront of the European scene. Some criticize it sharply; others keenly defend it; many are uninformed on the subject; and most of the time it is misunderstood. As the Council of Ministers of the Community has just decided to draw up a balance sheet of the results of the Common Agricultural Policy, it seemed appropriate to give our readers a more detailed explanation of just what the Common Agricultural Policy is, what its aims are, to what extent these have been achieved, and to what extent the policy has failed to achieve them.

#### I. Why have a Common Agricultural Policy?

For political, economic and social reasons, every state needs to be able to ensure an adequate supply of food products for its citizens. So every country in the world intervenes in its agricultural sector, in order to reduce the impact of imponderables such as climate and soil, in an attempt to avoid as far as possible becoming too dependent on foreign products. No state can therefore avoid having an agricultural policy, and the same applies to that group of states which makes up the Community.

Hence, over the past ten years, the Common Agricultural Policy has always occupied a central position in the process of European integration, on both the economic and political planes. Since it is a compromise between the national agricultural policies which existed before the creation of the Community, the aim of the Common Agricultural Policy is to maintain a reasonable level of consumer prices, while stimulating efficient production and assuring a reasonable income to producers, by stabilizing supply and demand fluctuation. These two objectives may appear contradictory, but any agricultural policy must be a compromise between the interests of the consumer and those of the producer, not forgetting that, between producer and consumer, lies the processing industry and, often, a distribution network.

#### II. The supply of food products

The supply of food products within the Community is guaranteed almost 100%. The only notable exceptions are soya beans and maize, for which the Community is largely dependent on imports. But there are Community mechanisms to cope with a possible shortage. Thus, faced with the present sugar shortage in the United Kingdom, and since world prices are much higher than European prices, the European Commission has just proposed to the Council that the Community should show its solidarity, and jointly finance imports of the required quantities of sugar.

The Common Agricultural Policy thus ensures the supply of food products for the Community. It has also meant in recent years that the consumer can be offered a wider range of food products: in the last five years for instance, the number of food items offered to the consumer has tripled.

#### III. Consumer prices

In 1973 the rise in food prices in the Community was less than in most industrialized non-member countries (see I&S - No 12/74). In the present world market situation the European consumer therefore, as a result of the Common Agricultural Policy, benefits from prices that are lower than those outside the Community. In the case of foodstuffs the Policy has thus proved to be a stabilizing factor, rather than a source of in-flation. In the case of some agricultural products such as wheat, rice and sugar, the advantage is considerable. In addition, statistics reveal that expenditure on foodstuffs is becoming an increasingly smaller item in the family budget.

#### IV. What, then are the problems?

The Common Agricultural Policy has achieved some of its objectives, but there are other problems of agriculture which it has not been able to resolve:

- (i) <u>imbalance</u>: no country's agriculture shows a constant balance between production and consumption. With a few exceptions, the imbalance has generally taken the form of surplus production, as far as the Community is concerned. The European Commission has put forward proposals for the measures required to remedy some of these surplus situations - reform of the agricultural structure, reorganization of pricing and market policies (see, for instance, I&S - No 37/74 on the subject of the imbalance on the wine market).
- (ii) <u>marketing of farm products</u>: the prices fixed by the Common Agricultural Policy are the production prices. Where food products are concerned, these have very little effect on the prices paid by the final consumer (see I&S - No 35/74). Increased food prices are mainly due to the various middlemen between producers and consumers. This situation is confused in most Member States and the Commission is currently drawing up proposals to rationalize the marketing of farm products.
- (iii) <u>farming incomes</u>: farming is one of the sectors in which increased productivity has been most marked, during the last few years. Nevertheless, farming incomes are generally lower than those in other socio-professional groups, and there is considerable variation between regions (see I&S - No 17/74). Since 1972 the Commission has therefore been implementing a social-structural policy and the Council of Ministers has decided to apply measures to benefit mountain and hill farming and other less prosperous regions.

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#### IMPROVING WORKING CONDITIONS IN THE COMMUNITY

The aim of a conference organized by the European Commission for 5-7 November in Brussels, on the subject of "Work organization, technical developments and motivation of the individual" is to improve the living conditions of workers in the Community, so that working life is no longer merely a means of ensuring the livelihood of the worker and his family but of enabling him, whether in factory or office, to find conditions leading to mental enrichment and the fulfillment of human potentialities. Almost 200 experts, representing governments, employers, trade unions and universities, will be attending this conference.

The problem of working conditions in industry and the services is of course far from being a recent discovery. Trade unions, employers organizations, engineers, and experts in job psychology and job sociology have long been concerned with this problem and have put forward solutions. Interesting experiments, some very bold, have been carried out or are still in progress, and the first positive results have been obtained. These initiatives and experiments must be continued and encouraged, but they are generally isolated, confined to a specific problem valid for given local conditions, and difficult to extrapolate. They must therefore be tackled at Community level, otherwise fear of a temporary slump in the competitive position of certain branches of industry could make undertakings hesitate to introduce the necessary measures to improve working conditions.

The conference organized by the European Commission will allow participants:

- to analyse work that needs to be done to improve the quality of working life in a changing society affected by many forces, and in particular the expansion of science and technology;
- (ii) to examine and compare the methods proposed and current experiments in order to sift out the aspects they have in common and make them more generally known;
- (iii) to lay the foundations for an action programme which will be a long-term project, constantly subject to revision, combining interests which often run parallel to each other, sometimes clash and which will necessitate everyone's cooperation.

#### I. Developments in working conditions

The lack of interest among young people for work in industry, and the high rate of job instability noted among workers under thirty, cannot be explained purely in terms of wages - in some countries (USA, Switzerland) many manual jobs are better paid than numerous posts in the tertiary sector. The causes of this alienation lie in the working conditions themselves - lack of freedom, authoritarian atmosphere, job repetitiveness. These negative elements are now appearing more and more frequently in the tertiary occupations; they are even affecting supervisory and managerial staff who, in spite of

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their high position in the firm's hierarchy, have in reality little or no influence on the decisions which condition their professional life.

Such a climate of general dissatisfaction, quite apart from the more acute problems of pay and job security, is in the long run harmful to the individual and to society as a whole. True, increasingly severe legislation is abolishing the most dangerous and dirty jobs. Industry is trying to improve its image by improving all amenities, by reorganizing work, by leaving the worker far more freedom and greater initiative and by holding out the prospect of improving his "brand image" by actual progress in his job.

Moreover, the overcrowding of careers demanding university training and the relative reduction in salaries consequent upon it tend to reduce the gap caused by differences in basic training. The continued improvement of apprenticeship, which is tending more and more to become multiskilled and the generalization of permanent education will help to reduce the present gap between manual workers and salaried staff even further. The first signs of a reversal of the trend have already been observed in some countries (USA, Switzerland, Sweden) where young people are once again beginning to take an interest in work in industry as a result of the efforts made.

These signs are encouraging, and one of the aims of this conference, organized by the Commission, is to see if permanent action, conducted on the plane of product conception, work organization and the introduction of democracy within the undertaking, can help to create better living and working conditions.

#### II. The work of the conference

The work of the conference will be divided between four working groups, each of which will examine one of the following subjects:

- (i) working life in European society;
- (ii) methods and achievements;
- (iii) economic and financial problems, administrative problems;
- (iv) education and training.

A detailed examination and synthesis of the problems and of the various experiments in progress in certain branches of industry is impossible in the three days of the conference. For this reason specialized seminars were organized before the conference, to work out synoptic reports to serve as a basis for the work of the delegates. The following subjects were covered:

(a) the car industry: this is a typical mass production sector, divided by tradition into manufacture and assembly lines. It was used in the past to test Taylor's system of scientific work organization. It is also the sector in which the industrial disputes have been extremely bitter and brought to the public eye by the press. Lastly, it is a sector in which numerous experiments are in progress in the organization of work and production techniques.

- (b) the processing industry and heavy industry: the aim of this specialized seminar was above all to examine the problems of work organization in sectors of continuous production, where processes are highly mechanized and automated, since the technology of these processes is still relatively simple, and the worker's job is generally restricted to supervising the machinery.
- (c) <u>the service industries</u>: the tertiary sector, which long enjoyed a privileged position, is undergoing rapid and deep change, firstly, because of the introduction of management computers, and secondly, because of the continued and rapid increase in numbers employed. It is at present calculated that, in the next few decades, more than 50% of the working population will be employed in the service industries. It is, therefore, a vital sector for the future, and new forms of work organization must be found and put into operation, if the workers are not to become bored and discontented, and vital public and private sectors are to be kept moving. The problem is complicated by the multiplicity of activities included in this sector.
- (d) <u>automation, industrial robots and artificial intelligence</u>: the title of this specialized seminar refers to the introduction of modern production technology, which has developed from the scientific and technological revolution. This technology is extremely adaptable, flexible and may be put to a multitude of uses (see I&S No 5/74). It is of fundamental importance in the organization of work. The task allotted participants in this seminar, which is essentially of a prospective character and therefore vague by definition, is an extremely difficult one. The effects of this technology must not be underestimated through lack of imagination, nor exaggerated, through idealization of its effects.

#### WATER POLLUTION - ABATEMENT PROGRAMME

The continuing deterioration of the quality of water, and the threat posed by the uncontrolled discharge of toxic or dangerous substances into water has led States, including the various Member States of the European Community, to take specific action aimed at prohibiting or regulating this type of discharge. Hence the Commission has just forwarded a draft proposal for a Council decision, which aims to provide a degree of coordination between the various regulations to limit the discharge of toxic or dangerous substances into water in Europe. Within the last few months three important Conventions concerning water-pollution have been under discussion within the framework of different international bodies: the Paris Convention for the prevention of marine pollution from land-based sources (see I&S-No 9/74), the Strasbourg Convention for the protection of international freshwaters against pollution, prepared under the auspices of the Council of Europe, and a draft Convention for the protection of the Rhine against chemical pollution.

Member States of the Community have participated, or are participating, in the elaboration of these three Conventions, and will be involved in the development of the pollution-abatement programmes provided for in the Conventions. Each Convention proposes a list of substances, whose discharge is to be controlled. Each Convention proposes a timetable - some substances are to be brought under control more quickly and more severely than others. Each Convention proposes machinery to assist in the implementation of programmes. But the fact is, that there are certain inconsistencies (and sometimes even contradictions) between the three Conventions, not only where the list of substances is concerned, but also in respect of the basic constraints and timing of the pollution-abatement programmes, and the modalities of execution.

If the zones of application of the three Conventions were totally distinct one from the other, the existence of such differences and inconsistencies might be less serious than it is. But in fact the subject of the three Conventions overlaps in certain aspects. It is impossible to achieve the effective reduction of marine pollution without reducing river pollution. The most important type of land-based pollution of the sea is pollution carried by rivers. Thus, the Paris Convention will necessarily apply to all rivers reaching the sea. Similarly, the Rhine will be subject to all three Conventions: the Strasbourg Convention, because it is an international river, the Paris Convention, because it is a river flowing into the sea, and the Rhine Convention.

In view of the overlapping zones of application, the Commission has just forwarded to the Council of Ministers a proposal that the Community should adopt a coherent approach covering all three Conventions, in order to facilitate implementation of the Community's environmental protection programme. The Commission's proposals include particularly:

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- (i) drawing up a single list, valid for all three Conventions, of the substances which are most dangerous, and whose discharge is to be controlled (e.g., mercury, cadmium, organophosphorus compounds, certain oils and hydrocarbons and certain synthetic substances);
- (ii) fixing within a certain time limit, the limiting values likely to be respected by Member States.