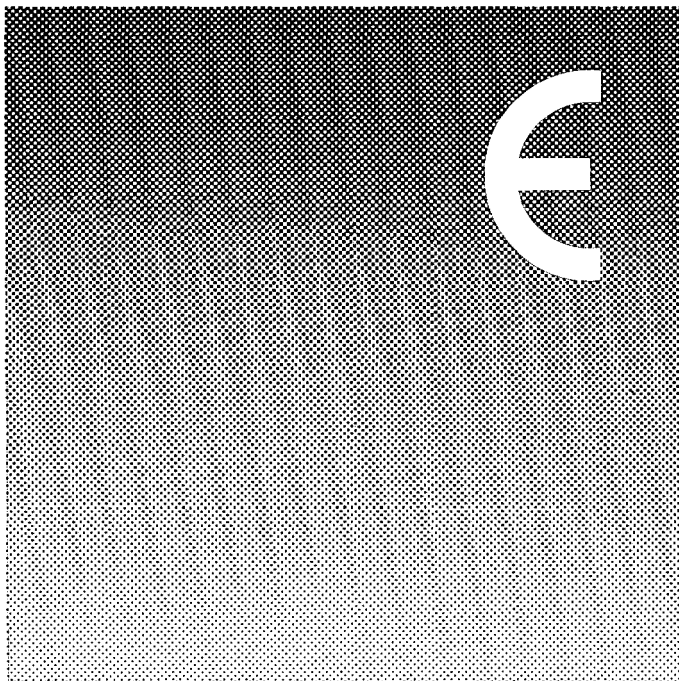


European Coal and Steel Community
European Economic Community
European Atomic Energy Community

Commission

Programme of the Commission for 1980



Brussels Luxembourg February 1980

This booklet contains the address which Mr Roy Jenkins, President of the Commission, delivered to Parliament on 12 February 1980 when introducing the Thirteenth General Report on the Activities of the Communities in 1979, and also the annexed memorandum setting out the Commission's programme for 1980.

EUROPEAN COAL AND STEEL COMMUNITY
EUROPEAN ECONOMIC COMMUNITY
EUROPEAN ATOMIC ENERGY COMMUNITY

COMMISSION

Programme of the Commission for 1980

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Address by
Mr Roy Jenkins,
President of the Commission
of the European Communities,
to the European Parliament
on 12 February 1980

Introduction

It is a considerable responsibility to present the Commission's programme for the first time to this new Parliament, but it is a responsibility which my colleagues and I welcome at the beginning of this the fourth and last year of our mandate. The introduction of the Commission's programme for 1980 fits naturally into the proceedings of a well-established and working Parliament. I look forward to the debate which will follow on Thursday on the main lines of that programme.

Today I intend to concentrate on what we see as the central issues confronting us. I do not intend to say something about everything or attempt a complete Cook's tour of the horizons of the Community. You must therefore forgive me if some things are left out. This does not mean that we do not attach importance to it. It merely means, in my view, that a speech is not a catalogue, and a catalogue is not a speech.

1979 and its achievements

First it would be right to look back briefly at what the Community achieved in 1979. Although 1979 ended with its difficulties it should in many ways be seen as a year of major Community advance. We saw substantial success on a number of major fronts. First, we put in place the European Monetary System after less than a year of discussion, and have seen it establish itself gradually and unspectacularly. We will need to do more to strengthen and support the EMS but its creation is, in my view, an important landmark in our development. Second, we have concluded the accord with a new European partner, Greece, and have begun the process of welcoming her into the Community. This accession—and the other two which are likely to follow—emphasizes the underlying vitality of the Community and the attraction which it holds for the reborn democracies of Europe. Third, we concluded after many years of difficult and largely unglamorous negotiation, the Tokyo Round. This MTN achievement offers us the reasonable prospect for a further development of the free-world trading system on mutually beneficial lines, despite the new and more difficult circumstances in the economic and employment fields which face us. Fourth, we reached agreement at Lomé on a renewed convention enhancing and strengthening our relationship with the now 58 ACP countries. Fifth, at the Strasbourg European Council last summer and subsequently at the Economic Summit in Tokyo we led the way towards establishing a new apparatus of cooperation in the energy field. Above all, we saw this Parliament elected—in my view perhaps the biggest

harbinger of hope for the future—bringing a new and powerful democratic dimension to our Community affairs.

I make these points to this House because the essential vitality of the Community can sometimes be too obscured by the dust of pressing short-term problems and difficulties. Within the framework of our common institutions there remains a deep reserve of invention, imagination and sustained cohesion which can be brought to bear in the common interests of Europe. It is well to remember what we have already achieved *together* when we contemplate the problems that we have to resolve *together* in the future.

The crisis ahead

Looking ahead, we face no less than the break-up of the established economic and social order on which post-war Europe was built. The warning bells have been sounding for a decade. Bit by bit we have seen the collapse of that long period of monetary stability founded on the Bretton Woods agreements; that process began even before the rise in oil prices in 1973. Energy price increases may not have been the only cause of our present misfortunes but they have been the main catalyst. We have built our industrial society on the consumption of fossil fuels, in particular oil, and it is now certain that if we do not change our ways while there is still time—and 1980 could be almost the last opportunity—our society will risk dislocation and eventual collapse.

Most of the economic indicators are bad. Whereas in 1979 growth of the European economy amounted to about 3.3%, in 1980 it could fall substantially below even the 2% which we were forecasting in a somewhat dispirited fashion at the end of last year. Unemployment rates, which in the early 1970s averaged under 3% for the Community as a whole, rose to 5.6% in 1979 and are forecast to rise to well above 6.0% this year. Average inflation can be expected to increase from 9% last year to nearly 11.5% in 1980. The current-account deficit on external trade is estimated to rise from almost 8 billion dollars in 1979 to more than 20 billion dollars this year under the impact of last year's 65% increase in oil prices. We may once have hoped that the waves of our recent discontents would quietly recede and that the easier world of the 1960s would re-emerge from beneath the waters. Such facile optimism is now totally untenable. The signs of irreversible change are now visible beyond mistake in the accelerating decline of some of our older industries; in the impact of new technologies in many areas of our daily lives; in the changing and more difficult pattern of our trade.

The essential question for 1980 and the years ahead is therefore how do we adapt our society to the new economic realities?

Energy

I turn first to the question of energy which was a central issue for the meeting of the European Council in Strasbourg last summer, and subsequently for the Economic Summit in Tokyo. It was, let us recall, the first time the Community had fixed and defended a global target figure for our oil consumption and imports. Yet since then progress has faltered. You will be debating this matter in many of its aspects tomorrow but I nevertheless believe it is right to emphasize the main points now.

In the short term, energy conservation must be the cornerstone of our policy since it forms the quickest and the cheapest way of contributing to a restoration of the balance between supply and demand. I say 'in the short term' because we can and must move quickly. But conservation is not, of course, a stopgap which we can then abandon. It is short term in the sense of being urgent, and not in the sense of being temporary. Some progress has already been made. Thus the total energy consumption of the Nine fell by about 8% between 1974 and 1977. But the potential for further savings is immense: recent studies have shown that over the next two decades there could be savings of 20-35% in the transport sector; 15-35% in industry and agriculture; and up to 50% in the housing and service sector on the basis of currently available technology. It is the Commission's view that with wider use of best practice in energy-saving equipment and in design, energy savings by 1990 could be as much as 100 million tonnes oil equivalent in excess of Member States' forecasts: in other words a 20% reduction of our import needs.

Second, we believe that throughout the Community we should rapidly raise the levels of our investment in new ways of saving energy, in exploiting our native resources, and in developing new sources. This cannot be left entirely to the market place. Of course industry must make the investments it thinks profitable and contribute to the common effort; but a big responsibility inevitably rests with each Member State and with the Community as a whole in giving a lead to investment in areas of high risk or high technology, particularly where there are big initial costs and long pay-back times.

There are three obvious areas to which I draw brief attention. First, we must reverse the downward trend, experienced through the 1970s—perversely in view of our experience during this decade—in the consumption and production of coal. Investment is needed for new production capacity; for the construction, modernization and conversion of power stations using coal; and for demonstration projects in coal liquefaction and gasification. Second, the Commission believes that the delays which have occurred in the development of nuclear energy in different parts of the Community should be made up as soon as possible. Third, we need to devote far more time and attention to the development of other sources of energy, those sometimes called new and exotic, but in fact often old and well tried. What we get out

of such sources will be in direct proportion to what we put into them. We must not fall into the error of supposing that because a source is apparently cheap, simple, and small scale it cannot be as good as that which is expensive, complicated, and large scale.

Fourth, we need to put greater efforts into our research and development programme. At present only 2 to 3% of the Community budget is devoted to energy, and only about 4% of energy investment, within the Community, is provided from Community sources. There is much that we can do to concentrate national efforts, to stimulate planning, to avoid unnecessary duplication and give the direction of advance.

In all these areas we have to reckon with the need to protect the environment, to limit and assess the consequences of pollution of land, sea and atmosphere, and to make what we do as safe as we humanly can. Concern about the consequences of developing new and existing sources of energy has been somewhat unfairly focused on the nuclear aspect. There are hazards connected with the greater exploitation of coal, in particular in its effects on the atmosphere; there are hazards in our continued high consumption of hydrocarbons; there are hazards in the development of nuclear energy, among which nuclear waste disposal is conspicuous; but, as is sometimes forgotten, there are also hazards in the use of wind power, wave power, and solar power in its many forms. In working out our programme we must see the hazards as a whole and deal with them honestly and openly.

I think that we have made some progress in recent months towards fuller appreciation of these problems. But it is now six years since the first severe warning and I fear we have missed many more opportunities than we have created. The lesson of recent developments in the Middle East is that we shall not have another such period of grace.

Our efforts to overcome these problems will require time, money, and determination. The most tangible is money. Here the Commission is looking at possibilities which include the idea of some form of energy tax or levy. Such a tax or levy would of course need to be consistent with our international obligations and should have regard to macro-economic as well as energy economy considerations. We shall keep this House closely informed of the progress of our work, and we look forward to full discussion with you as soon as our thinking is more precise. When I was in Washington in January, I found that similar ideas were also under examination there. The effect of any Community initiative would be all the greater if it were undertaken in cooperation with our major industrial partners.

New advanced technology

Energy problems may well be the catalyst in quickening the pace of economic

change. But I am convinced that the major, perhaps the ultimate test of success or failure in the next decade will be the attitude we adopt to the challenge of the new electronic technologies. The developments now rapidly unfolding herald a new industrial revolution. The first effects of these developments can already be seen reflected most starkly in the loss of jobs in traditional industries. The results can be sudden, sharp and devastating. For example in the traditional watch industry in the Federal Republic of Germany there was a drop in employment of some 40% in the mid-1970s. In printing and publishing, where composition direct from the keyboard has cut out traditional skills, we are now witnessing the prospect of a fall in established employment which could amount to 70%.

But these dramatic effects tend to hide the gains to be had from the same technologies. Such gains come from the demand for the new products available, either wholly new products or from the spin-off effects of increased demand for the products of existing technology. They also arise because of the more efficient use of resources leading to lower costs and the release of resources for investment elsewhere. The introduction of new data-processing techniques in accountancy, for example, has coincided with a substantial growth in employment, an increase of some 300 000 jobs in France in this sector alone in the past seven years. These are real gains. But because they do not always arise in the same regions or industries as those affected by unemployment, they often go unnoticed. We need not only to exploit these new developments but to contain their social effects and provide far more information than has hitherto been available about them. What is certain is that our major competitors will not hold back. Already they have worked out more consistent and wider scale strategies than we, and the technological gap between the United States and Japan on one hand, and Western Europe on the other is if anything increasing.

In November last year the European Council was informed of our ideas for the development of a Community strategy in this field. You will already have seen the paper which sets this out. We proposed that the Community should develop a social policy to prepare the way for innovation, should create a homogeneous European market for telematic equipment and services, should foster the growth of a European information industry, should promote industrial and user collaboration, should enhance existing national and European programmes for satellite communication, and above all should apply the new technologies to the Community itself on the continental scale open to us. At that European Council we were invited to develop more fully the main lines of the strategy we had proposed 'in order that we may act in 1980'. The Commission will rapidly so act. I regard such action as vital to the health of our economies, the adaptation of our society and the economic vigour of the Community over the next decade.

Transport

Before I leave this perspective of the future, I want to mention one other point of great importance for the Community. This is the need to improve the organization of transport within the Community both on its own merits and to serve Community as well as purely national needs. There are few areas of more importance for the cohesion of the Community and the convergence of the economies of its Member States. You already have before you a draft financial regulation for transport infrastructure, and you will have seen our Green Paper on the subject. Without going into details here, I should like simply to commend our ideas and seek the sustained support of this House for them.

External policies

I now turn to the increasing interdependence within the industrial world in which these changes are embedded. Our Western economies and societies are rooted in the twin concepts of competition and cooperation. Without competition, there is a prospect of a widening gap between our achievements and those of our major partners and rivals. Without cooperation, we risk damaging each other and losing sight of the vital interests we hold in common. It is on the basis of realistic but humane policies within the Community that our competitive position can be safeguarded; and on the attitudes we adopt towards international cooperation that the essential interests of the Western world can be advanced. It has been a Community interest to play an active role in the series of Economic Summits, last at Tokyo in 1979, next at Venice this June. The way in which the Summit countries are working increasingly together is one of the more encouraging developments of our time.

But the industrialized countries account for only a small proportion of mankind; and the Community more than any other industrial group is linked by history, culture, interest and trade with the rest of the world. The recovery of our economies cannot be dissociated from the development of the poorer countries and the growth in world-wide demand. There is an essential interdependence in the modern world which the energy crisis has illuminated and reinforced. We shall soon engage in a further round of discussions in the North/South Dialogue. In these discussions the Community must be able to speak with a single voice not just—as is sometimes suggested—at the technical level, but at the top. Our political and economic interest in establishing consensus and cooperation is clear. Three themes will run through the negotiations and form the basis for greater stability in international economic relations which we all seek. First the need to ensure a better balance between energy supply and demand; second the steady growth of the economies of the poorer countries, which is in our interest as much as theirs, and third the provision of special help for those in most need. Within the Community and among the other industrialized countries, progress in this area is a high priority for 1980.

Employment

Concern for the rest of the world should not obscure concern for what is happening here within the Community. I refer in particular to the disfigurement which present rates of unemployment represent not only for the functioning of our economies but for the equilibrium of our society. We must adopt new attitudes.

Here I make three points. First our people must be closely informed about the changes that are occurring. They must be able to see beyond their immediate horizon to the totality of the changes that affect them. Otherwise we can expect little but defensive and restrictive attitudes to changes from workers who see only that their own industry is contracting, or that their own firm is closing. Second if we are to make the necessary but difficult changes in our society required by developing technology, our policies must encourage greater mobility and willingness to change jobs. In that process temporary unemployment may sometimes be part of the price of progress, but people must be given the means to adapt to new opportunities and to learn new skills. Third we must reduce to the minimum the average period of unemployment. That requires that we must put more effort into training and retraining; that we ensure a better match between available skills and job opportunities in different sectors and regions; and that we pursue further our discussions on the different aspects of time-sharing.

Last month this House had an important debate on unemployment. The Commission has taken careful note of your resolutions. Our policies in 1980 will take full account of them. Here I mention some central points. As Vice-President Ortoli mentioned in last month's debate, the Commission has proposed the maintenance of a relatively high level of public spending to sustain growth. Next we are coming forward with specific ideas about how to cushion the social effects of the telematic revolution to which I have already referred. In our paper we suggest 10 areas for action. We look forward to discussion about them with the social partners. Next we shall try to extend Community action to help in the reorganization of industrial sectors in particular difficulty. I have shipbuilding, steel and textiles particularly in mind. Finally we are looking again at our policies for young people and for women. Young people of working age under 25 make up less than 25% of the whole population, but nearly 40% of the registered unemployed. There is no more serious problem for our society as a whole.

Last year the Social Fund committed some 800 million ECU for training and job creation. The total should be more this year. But we still have to find up to 800 000 new jobs a year until 1985 when the demographic pattern—the number of young people coming in the labour market—is likely to change dramatically. Community institutions and Community funds alone cannot deal with issues of this order of magnitude. But they should have a catalytic effect on the policies followed by the Member States.

European Monetary System

We need to get the balance right. The Community provides the framework within which national economies have the major role but within which Community funds have nevertheless a significant function. Last year the Community framework was greatly strengthened by the introduction of the European Monetary System. If I had foreseen a year ago the stormy waters onto which this frail craft would be launched and have to make its early voyages—a year in which the yen depreciated by 30% against the dollar; the dollar by 10% against the ECU; and gold set off on its wild and unpredictable course. Had I foreseen all these storms for the first year of the life of the EMS I would not, perhaps, have been confident of its survival. Not only has the system survived, it has worked well involving only two small adjustments to central rates and providing a valuable buttress of greater monetary stability in Europe at a difficult time of international turbulence. I much regret the continued absence of the United Kingdom from full participation in the system. I hope the experience we have gained in the EMS will encourage our ninth Member State to come in, and make its contribution to the good health and fortune of the system. Without sterling the system is frankly incomplete. Without participation the United Kingdom is not playing its full part in Europe.

At Dublin the European Council confirmed the timetable already laid down for progress in the System in particular towards the creation of a European Monetary Fund; it should not be allowed to persist for long. The Commission is playing an active role, notably in the discussions with the Monetary Committee and the Central Bank Governors, and will be reporting on progress to the next European Council. I should like to see a steady extension of the work of the EMS, for example through closer internal coordination and the working out of common policies with regard to third countries and other currencies. In saying this I in no way wish to detract from the role of the dollar which is and will remain for the foreseeable future the principal medium of international exchange. Rather our efforts should be seen as part of a common effort with our major trading partners to rebuild a framework within which the monetary turbulence we have experienced in recent years can be effectively contained. In that process, the EMS has a major role to play.

Budgetary and convergence issues

I turn briefly to internal issues relating to the budget. These issues have dominated Community discussion for six months. I in no way complain. They are of importance and need to be approached in orderly fashion. But let us keep them in perspective. They are essentially part of the process of putting our house in order. Once settled we can get down to the bigger and more important issues affecting the future development of the Community. We cannot afford to spend much more time on family squabbles.

As the House knows, the Commission will decide on its proposals for a new budgetary document for 1980 tomorrow, and Commissioner Tugendhat will present them to Parliament on Thursday. I hope that on the basis of these proposals it will prove possible to move rapidly towards agreement between the Community institutions on the 1980 budget. It is in no-one's interest for these difficulties to be prolonged. The Commission is at the disposal of both parts of the Budgetary Authority to give any further help that may be required.

A vital element in our budgetary proposals is clearly the related issue of agricultural prices which Vice-President Gundelach presented to you this morning. Obviously our proposals must and will be considered on their merits, but they also need to be seen in the light of the mounting agricultural surpluses of recent years and the structure of the 1980 budget. Fundamental change cannot be achieved overnight. But the proposals we have made could if adopted by the Council mark a significant step towards containing expenditure and thus putting our agricultural policy into a better relationship with our other Community policies. For the first time in the history of the Community we should have a lower level of expenditure on agriculture—in money let alone real terms—than in the previous year. Failure to act now in the Council, following our proposals, could in my view have consequences for the continued existence of the common agricultural policy in its present form.

I now turn to the complex of problems which go under the label of convergence and budgetary questions. The House will recall the specific mandate given to the Commission by the European Council at Dublin. The result was the paper we sent to the Council and to this House in the first week of February. I make two observations upon it.

We covered two broad issues: structural questions affecting the less prosperous Members of the Community, and budgetary questions affecting the United Kingdom. We believe that the proposals we have made under both heads could provide a solution to both sets of problems. In this way we hope that we have, as it were, cut these problems down to size, and made their solution one of practical and specific negotiation. Let us not have too much metaphysical but unrewarding argument.

Next, we believe that what we have proposed would be good not just for the countries directly concerned but for the Community as a whole. To remedy an imbalance is one thing: it has to be done, and we are doing it; but to reinforce the direction of our structural policies and thereby promote genuine convergence is another, and in my judgment still much more valuable and important. That is our purpose. We now have to work out the detailed programmes to give effect to it. As you will see from our paper we have taken good care to avoid disturbing good existing Community policies. Instead we have focused on the temporary, special and *ad hoc* measures which we think a solution of the problem requires.

There will now be a further period of discussion here and in the Council of Ministers. That period of discussion should be short. It is time for us to settle these issues and put them behind us.

Institutions

My final points are about our institutions. These have been under scrutiny in the report of the Three Wise Men on the Community as a whole and in the report of the Spierenburg Group on the Commission. I have three points to make.

There was remarkable similarity of view in both reports about the role and responsibilities of the Commission. While both pointed to external factors and internal weaknesses, developing over a decade or more, which had led to some dilution of its effectiveness, there was no dispute that the Commission should continue to exercise its political powers of initiative in full independence. That is indeed our prime responsibility. The Commission is neither the servant of the Council nor the secretariat of the Parliament. The institutional framework of the Treaties depends on a creative partnership, perhaps I should say creative and constructive tension, between independent bodies each respecting the other, and each with its own defined responsibilities. Within those responsibilities the Commission must be allowed to get on with the job, and to fulfil its role as the executive of policies as well as the proposer of them.

Like all organizations the Commission needs to adapt and renew its own response to changing circumstances. For this reason we took the initiative in 1978 to appoint the Spierenburg Independent Review Body to examine how the Commission's organization and staff resources could best be adjusted to meet future needs. This report will be acted upon. We regard it as our responsibility to hand over to our successors the best possible administrative structure. We will shortly be considering a range of proposals designed to secure streamlining of our administrative services, improvement and strengthening of our internal coordination and planning, and better control over the use of staff. In giving effect to these reforms we shall need the understanding and support of the Budgetary Authority. We would welcome an early debate on our proposals in the appropriate committee of this House.

Last, the Commission hopes that there will be rapid consideration leading to action on the wider institutional issues raised in the reports. Decisions will soon be necessary on the composition of the next Commission. Our experience does not lead us to think that it should necessarily be smaller than the present one; but nor do we think it should be significantly larger, as the logic of a Community of 12 might suggest. Although I cannot commit the new Commission, I think it right that it should, as it were, submit itself to this House on taking up office.

I am not proposing anything so formal or precise as a vote of confidence; but I know that, to fulfil its functions as it should, the next Commission must be in a position to feel that it has been accepted by those who represent the people of the Community.

Conclusion

I conclude. Following the events in Afghanistan, tension in the world is perhaps closer to danger point than at any time over the past two decades. The gravity of the situation was recognized by the almost unanimous view expressed by this House in its resolution last month; in the serious and important discussions within the Political Affairs Committee which I attended a fortnight ago; and in the series of actions which the Community has taken together in condemnation of Soviet aggression. These events come on top of the difficult economic and social problems which already are exercising pressure on the Community system.

We can achieve nothing unless we act in the spirit of solidarity. That solidarity depends on respect for the rule of law, not only in our own society but in the world as a whole. Our Community institutions—the symmetry of Parliament, Commission, Council and Court each operating within a common framework—are our foundation. We depart from it at our peril. There can be no bargaining with the law. If we flout our own rules for whatever reason, we can hardly expect to command authority or influence elsewhere. No consideration of temporary advantage or national self-interest can transcend our common interest in an orderly world in which rules are respected until there is agreement to change them. The Court interprets the law on the basis of the Treaties of which the Commission is the guardian. There is no duty to which the Commission attaches more importance. It is the rock on which the Community stands.

Memorandum annexed to the
1980 programme address

Internal policy

Economic and monetary policy

1. The Commission's main objectives in 1980 will be to consolidate the European Monetary System (EMS) and to prepare the ground for the subsequent stages of its development. These objectives are closely bound up with the pursuit of measures to control inflation, improve growth and restore a higher level of employment.

Coordination of economic and monetary policies

2. Satisfactory operation of the European Monetary System is conditional on closer convergence of economic performance and hence, in large measure, on improved procedures for coordinating economic and monetary policies. The Commission intends to achieve this without amending the present legislative provisions. Acting upon the guidelines set by the Council in June 1979,¹ and after consulting the relevant bodies, it will press for the adoption of practical measures in the following areas: improved link-up between the competent Community bodies; improved information and technical basis for policy coordination; closer cooperation with the monetary authorities of non-member countries on exchange and interest rate policies; review of the procedure for examining medium-term economic matters (in preparation for the fifth medium-term policy programme).

Consolidation of the EMS

3. For the transition to the final stage of the EMS, the Commission will continue to contribute actively to the preparatory work being carried out by the Committee of Governors and the Monetary Committee on the structures which will have to be established, with particular emphasis on the role of the European Monetary Fund and its operating methods, and on the role of the ECU as a reserve asset and means of settlement. In preparation for the first European Council meeting in 1980, the Commission will submit a report that takes stock of the progress made in this field and of any difficulties that may have arisen.

¹ Bull. EC 6-1979, point 2.1.5.

Financial instruments

4. The Commission will ensure that the Community's financial instruments continue to make a contribution to achieving the Community's economic objectives.¹

Internal market

5. *As in 1979, the Commission's aim is to consolidate the unity of the market by strict compliance with the rules of the EEC Treaty concerning freedom of movement and by making progress in the approximation of laws.*

Compliance with the rules of the Treaty

6. The Commission will resolutely continue its action to ensure compliance with the rules of the Treaty concerning freedom of trade, the freedom of establishment and the freedom to offer services throughout the Community. If need be, it will take vigorous action against infringements of Community law and in exceptional cases will resort to urgent procedures.

Legislation

Removal of technical barriers to trade

7. The Commission is endeavouring to reduce the number of national measures which hamper trade. On the basis of the communication it has just sent to Parliament, it will participate in the debate which must be held on the problem and on the solutions proposed, which include closer cooperation between national authorities and standardization bodies in order to forestall the introduction of new barriers.

8. To solve the problem of the treatment to be granted to products imported from non-member countries, which for the last two years has been blocking adoption of several Directives, notably those which would complete the arrangements for Community type-approval of motor vehicles, the Commission will urge Parliament to give its opinion on the proposed Directive as soon as possible and the Council to adopt it by 30 June 1980, in accordance with the line taken by the Community when the code on standards was adopted at the multilateral trade negotiations.

¹ Point 167.

9. The Commission will also seek to push through the proposal for a Directive on construction materials, which will institute a more flexible procedure for removal of barriers.

10. In addition, the Commission will make a number of new proposals for eliminating the main barriers in the following areas:

- (i) *Foodstuffs*: soft drinks (first half of the year), solvents (second half of the year), regenerated cellulose coming into contact with foodstuffs (first half of the year), deep-frozen foods (first half of the year);
- (ii) *Fertilizers*: amendment of the Directive on analysis and sampling techniques (first half of the year);
- (iii) *Construction materials*: structural safety requirements for various materials (Eurocodes) (second half of the year);
- (iv) *Pharmaceuticals*: advertising of proprietary medicinal products (first half of the year), parallel imports (first half of the year), removal of remaining barriers to free movement (second half of the year);
- (v) *Mechanical engineering*: measuring instruments (first half of the year), agricultural tractors (second half of the year);
- (vi) *Motor vehicles*: extension of Directives on safety belts to cover new types of vehicle (first half of the year).

11. The Commission will also make proposals or take any other appropriate steps in reaction to any moves by Member States which may lead to the creation of new barriers.

Customs legislation

12. The Commission will continue implementation of the multiannual programme for the customs union.¹ Efforts in 1980 will mainly be directed towards the twin aims of ensuring the uniformity of rules governing trade with non-member countries and further simplifying of formalities in intra-Community trade.

Trade with non-member countries

13. The Commission will be transmitting the following proposals to the Council for adoption by the end of the year. They cover:

¹ Thirteenth General Report, point 140. The programme for 1980 is set out in a paper addressed to the Council on 31 December 1979: Bull. EC 12-1979, points 1.3.1 to 1.3.3.

- (i) harmonization of provisions on the form and scope of information by administrations (first half of the year);
- (ii) simplification of the administration of the CCT as regards temporary tariff exemptions (first half of the year).

14. The Commission will also present proposals concerning:

- (i) right of appeal in customs matters (second half of the year);
- (ii) conversion into regulations of certain directives on customs procedures with economic impact (second half of the year);
- (iii) customs arrangements for territorial waters (first half of the year);
- (iv) import declarations (second half of the year);
- (v) temporary admission of means of transport (second half of the year);
- (vi) definition of customs debtor (second half of the year).

Intra-Community trade

15. Among the proposals already pending before the Council, the Commission will try to ensure that the one on improving the Community transit procedure is adopted in 1980.

16. The Commission will also be transmitting a proposal for introducing a procedure to make it easier for goods in free circulation in one Member State to stay temporarily in another¹ (first half of the year).

Industrial property

17. During the first half of the year the Commission will transmit proposals for a Directive on the approximation of the laws of the Member States relating to trademarks and for a Regulation on the creation of a Community trademark and a Community Trademark Office. The aim of these proposals is to establish a common market for trademarked goods and services.

Company law

18. The Commission will transmit a proposal for a Directive to approximate the laws of the Member States relating to:

¹ Point 43.

- (i) groups of companies (second half of the year);
- (ii) information and consultation of workers in groups of companies (first half of the year).¹

Bankruptcy law

19. The Commission will be transmitting to the Council an opinion on the draft Convention between the Member States on bankruptcy, winding-up, arrangements, compositions and similar proceedings (second half of the year).

Private international law

20. The Commission will transmit an opinion on the draft Convention between the Member States on law applicable to contractual obligations (first half of the year).

Free movement of persons

21. During the first half of the year the Commission will transmit to the Council:

- (a) proposals for Directives on the free movement of pharmacists and the mutual recognition of diplomas in pharmacy;
- (b) two proposals for Directives supplementing the Directives on doctors, one covering general practitioners and the other part-time training of specialists.

22. In respect to the request from the Ministers of Justice, the Commission will transmit a paper on the recognition of judgments concerning the custody of children (first half of the year).

Industrial affairs

23. *The Commission's main aim is to facilitate:*

- (i) *the adaptation of sectors affected by industrial change in order to put them back on a sufficiently sound footing to withstand competition from non-member countries;*
- (ii) *the adaptation of industrial plant to the growing energy constraint;*²
- (iii) *the development of advanced-technology industries.*

¹ Point 79.

² Points 86 and 88.

24. The Commission will press for Council adoption of its proposals to make use of appropriations entered in the 1979 budget to finance Community assistance for structural change and conversion in industry.

Steel

25. Depending on how the situation develops the Commission intends to adopt measures relating to the Community market and to trade with non-member countries. It will continue its efforts to promote industrial reorganization and worker readaptation, notably by improving the social measures.¹

Shipbuilding

26. Again depending on how the situation develops both at Community and world level the Commission will put proposals to the Council to promote a Community scheme for the scrapping and building of ocean-going ships² (first half of the year).

Textiles

27. In an attempt to assist the industry in general and small and medium-sized businesses in particular by improving the flow of information, the Commission will be actively involved in setting up a textiles and clothing information system for the parties concerned,³ provided budgetary resources are available. It will also submit a proposal concerning the indication of origin on textile products (first half of the year).

Man-made fibres

28. The Commission will continue to keep a close watch on the problems affecting European producers as a result of the dual oil and gas pricing system in the United States.

New information technologies

29. Provided budgetary resources are available, the Commission will put forward the

¹ Point 69.

² Point 70.

³ Point 71.

proposals¹ announced in its communication on new information technologies (telematic systems and services).² It will ensure that all interested parties are properly consulted.³

Raw materials

30. The Commission is to submit a proposal to encourage prospecting in the Community (first half of the year).

Competition

31. *The Community will be able to consolidate and advance its economic and social achievements only if it acts to preserve the unity of its market and to ensure effective competition between firms, a sine qua non for the continued adaptability and dynamism of the Community economy. These two considerations will continue to inspire the Commission's policy on restrictive practices and State intervention that can be prejudicial to healthy competition.*

Restrictive practices

32. *Patent licensing agreements:* To promote the transfer of technology, while safeguarding the free movement of patented goods within the common market, the Commission will adopt a Regulation determining the circumstances in which these agreements are compatible with the rules on competition in the EEC Treaty (second half of the year).

33. *Sea transport:*⁴ To facilitate application of the rules of competition in this area, the Commission will send a proposal to the Council for a Regulation giving it the necessary powers to take effective action.

34. *Air transport:* As one of the measures to improve the general structure of air transport, and particularly in order to improve the competitive situation, the Commission will transmit a proposal to the Council for a procedural Regulation applying the EEC Treaty rules of competition in this area (first half of the year).

¹ These proposals refer specifically to microelectronics, the standardization of telecommunications with particular reference to integrated digital networks and the development of an interinstitutional information system based on new technologies.

² Bull. EC 11-1979, point 2.1.21.

³ Point 120.

⁴ Point 111.

35. *Exclusive dealing agreements*: The Commission will complete its consultations with business circles and experts in the Member States so that the block exemption Regulation¹ can be recast in the second half of the year.

State aids

36. *Regional aids*: The Commission will scrutinize a variety of national schemes for conformity with the EEC Treaty rules on competition.

37. *Industry aids*: The Commission will prepare a fifth Council Directive on aids to shipbuilding² (second half of the year) and, in the light of its consultations with Member States, will if necessary broaden the scope of the Community discipline on aids to the textiles industry³ (second half of the year).

38. *Environment aids*: The Commission will also adapt the Community approach⁴ in line with developments since 1974.

39. *Notification of aid schemes*: The Commission has observed that not all schemes are being properly notified; it will pay particular attention to seeing that the Member States abide strictly by their obligation to notify planned aid schemes before putting them into effect.

40. *Public undertakings*: In the first half of the year the Commission will adopt a Directive to achieve a greater degree of transparency in Member States' financial relations with public undertakings.

Tax harmonization

41. *The Commission's objective is:*

- (i) *to obtain Council decisions on a number of proposals for harmonization in key sectors;*
- (ii) *to present new proposals aimed at further simplifying tax formalities and procedures in trade between Member States.*

¹ OJ 57 of 25.3.1967.

² For the Commission's other activities in relation to shipbuilding, see points 26 and 70.

³ Fifth General Report, point 146.

⁴ Eighth General Report, point 167.

Indirect taxation

42. In the first half of the year, the Commission will present a multiannual action programme for simplifying tax formalities and procedures within the Community.

Value-added tax

43. The Commission will transmit to the Council proposals for Directives to ensure uniform application of VAT:

- (i) to goods placed under arrangements for processing under customs control before being released for home use (first half of the year);
- (ii) to the importation of goods qualifying for non-tariff customs exemption (first half of the year);
- (iii) in connection with simplification of the temporary movement of goods within the Community¹ (first half of the year);
- (iv) to the temporary importation of goods from a non-member country (second half of the year);
- (v) to the importation of books and newspapers consigned to private persons within the Community (second half of the year).

44. As requested by Parliament, the Commission will ask the Council for instructions to negotiate with non-member countries the conditions governing VAT refunds to taxable persons resident in those countries (second half of the year).

Excise duties

45. *Spirits, wine and beer*: The Commission will press for the adoption, as a matter of priority, of the proposals for Directives on the harmonization of excise duties on alcoholic beverages.²

46. *Mineral oils*: The Commission will re-open discussion of its 1973 proposal concerning a common structure for excise duties on mineral oils;³ adoption of the proposal is a matter of growing urgency in view of the impact of these excise duties on the consumption of certain petroleum products.

¹ Point 15.

² Thirteenth General Report, point 197.

³ Twelfth General Report, point 191.

47. *Tobacco*: The Commission will present to the Council a proposal for a Directive aimed at pressing ahead, after completion of the second stage on 31 December 1980, with harmonization of the structure of excise duties on the consumption of cigarettes (first half of the year).

Direct taxation

48. *Mergers, divisions and contributions of assets occurring between companies of different Member States*: The Commission will continue to urge the Council to adopt the proposal for a Directive on the common system of taxation applicable to these operations. The proposal was transmitted to the Council in 1969.¹

49. *Company taxation and withholding tax on dividends*: The Commission will press for progress by Parliament and the Council on the proposal for a Directive—pending since 1975—concerning the harmonization of these tax systems.² Progress will depend, in the first instance, on Parliament's delivering its Opinion on the proposal.

50. *Measures to combat international tax evasion and avoidance*: The Commission will organize, on a permanent basis, the pooling of experience between Member States as provided for in the Directive concerning mutual assistance in the field of direct taxation,³ which entered into force in 1979.

Medium-term objectives

51. In the first half-year, the Commission will present a green paper on the scope for and ways and means of advancing, through converging tax systems, towards a 'mean' Community structure.

Financial institutions

52. *The objective is to prepare the ground for progress in certain specific areas towards liberalization of transactions carried out by banks and by insurance companies and other financial institutions.*

¹ OJ C 39 of 22.3.1969.

² OJ C 253 of 5.11.1975.

³ OJ L 336 of 27.12.1977.

Banks

53. In conjunction with the Advisory Committee concerned with coordination of banking legislation, the Commission will lay down the ratios relating to the solvency of credit institutions. These ratios will subsequently be applied by the competent authorities for observation purposes.
54. In the second half of the year, the Commission will present a proposal for a Directive on the annual accounts of banks.

Insurance

55. In the first half of the year, the Commission will transmit to the Council a draft agreement between the EEC and Switzerland on direct insurance other than life assurance.
56. In the second half of the year, the Commission will submit proposals for Directives:
- (i) to govern certain aspects of the third-party insurance of motor vehicles, and in particular mandatory cover for passengers and the minimum amount of the mandatory guarantee, in order to afford policyholders throughout the Community identical protection, irrespective of where the contract is concluded;
 - (ii) on 'assistance' transactions, particularly 'tourist assistance', in order clearly to delimit the field of activity of undertakings carrying out such transactions as distinct from insurance companies;
 - (iii) on sickness insurance, with a view to eliminating the difficulties arising out of the fact that composite insurers are unable to underwrite this risk in Member States where specialization is mandatory.

Securities markets

57. In the second half of the year, the Commission will transmit to the Council a proposal for a Directive on a Community issue prospectus for transferable securities that will be a follow-up to the proposal on the particulars to be published on admission to stock exchange listing, on which the Council reached agreement in principle in December.¹

¹ Thirteenth General Report, point 182.

Regional policy

58. *A regional policy which is more incisive and better adapted to requirements remains our goal, because there are still serious regional differences which are hindering the convergence of the Member States' economies, and because of the enlargement process now under way.*

59. *ERDF allocation*: The Commission will continue to argue the need for progressive increases in the Regional Fund's resources.

60. *Social and economic situation in the regions*: The Commission will be producing its first report on the social and economic situation in the Community regions (first half of the year). On this basis, it will define guidelines for the Community's regional policy over the coming years (first half of the year).

61. *Fields with a priority claim to ERDF assistance*: The Commission will determine these priority fields on the basis of the regional development programmes drawn up by the Member States (first half of the year). By a regular review of these programmes as they are updated by the national authorities, the Commission will be able gradually to bring about greater coordination between the Member States' regional policies.

62. *Revision of the ERDF Regulation*: In the light of changes in the social and economic situation in the regions and the fields with priority claim to ERDF assistance, the Commission will transmit to the Council proposals for a further amendment of the Fund Regulation,¹ to take effect on 1 January 1981 (first half of the year).

63. *ERDF 'non-quota' section*: The Commission will be co-financing the first set of special programmes under this new section of the European Regional Development Fund and will present further proposals to the Council for specific projects in this field (first half of the year).

64. *Coordinated use of the Community's financial instruments for structural purposes*: The Commission will continue to launch integrated projects designed to help solve regional and employment problems in clearly defined geographical areas of the Community, a start being made this year on the first few of these projects.

¹ OJ L 35 of 9.2.1979.

Employment and social policy

65. *Improving the level of employment remains one of the Commission's main concerns. In this connection, priority will be given to introducing measures to improve the organization of working time in the near future. This objective cannot be achieved by the Community institutions acting alone: it is essential for management and labour to develop their contacts and direct their action towards convergence and consensus within the Community.*

Action directly linked with improving the employment situation

Promoting a better distribution of the work available, taking account of productivity gains and the need to remain competitive

66. On the basis of the Council Resolution of 22 November 1979¹ and in the light of meetings between and with the two sides of industry, the Commission will present its conclusions as to the possibility of drawing up Community guidelines to limit systematic overtime working and reduce effective annual hours of work. During the first half of the year it will also submit special memoranda on part-time work, the progressive introduction of flexible retirement schemes and curbing abuses in temporary work.

Improving the operation of the labour market

67. *Community labour market policy:* As requested by the Council and in the light of the conclusions of the Standing Committee on Employment,² the Commission is to present a communication setting out guidelines for a policy on the problems of placement, training and vocational guidance during the first half of the year.

Social Fund

68. To implement the Council Resolution on training/work experience schemes for young people,³ the Commission intends, during the first half of the year, to improve the selection criteria established for the management of the Fund and support certain experimental projects aimed at speeding up the work of improving training systems.

¹ Thirteenth General Report, point 203; Bull. EC 11-1979, point 2.1.41.

² Bull. EC 10-1977, point 1.4.8.; Bull. EC 10-1979, point 2.1.44.

³ Bull. EC 11-1979, point 2.1.42.

Social action in connection with industrial restructuring

69. *Readaptation aid for workers affected by the restructuring of the steel industry*: As soon as it has obtained the assent of the Council, the Commission will begin negotiations with the Member States on new bilateral agreements to put this aid into operation (first half of the year).

70. *Shipbuilding*: Concurrently with the implementation of its industrial restructuring measures in the shipbuilding industry¹ and in accordance with the Council Resolution of 19 September 1978,² after consultation with the two sides of industry the Commission will work out guidelines for measures to resolve certain social problems in this sector, making use of the funds available for this purpose.

71. *Textiles*:³ During the first half of the year, the Commission will organize systematic contacts with management and labour to examine in detail the special employment problems in the textiles industry.

Equality for men and women at work

72. To supplement the Directive on equal treatment for men and women under statutory social security schemes, during the first half of the year the Commission will take the appropriate steps to see that the same principle is observed in the case of private schemes.

73. After having looked into the situation in the Member States as regards maternity leave (ban on dismissal, length of leave, remuneration), the Commission will put proposals before the Council during the second half of the year, taking account of new provisions such as parental leave.

Migrant workers

74. *Freedom of movement*: During the first half of the year the Commission will forward to the Council a proposal removing the remaining restrictions concerning the exercise of trade-union rights, including the right to participate as trade-union delegate in the administration bodies governed by public law and the right to hold public office.

75. *Social security*: During the first half of the year the Commission will propose to the Council that:

¹ Points 26 and 37.

² OJ C 229 of 27.9.1978.

³ Point 27.

- (i) arrangements should be improved for paying unemployment benefits to unemployed persons leaving the country where they were last employed;
- (ii) the system for calculating pensions should be modified in the light of cases decided by the Court of Justice.

Action to improve working conditions

Improving the working environment

76. The Commission will begin consultations with management and labour in the various sectors to seek a solution to certain problems connected with shift work.

Improving safety at work

77. During the second half of the year, on the basis of the outline Directive limiting and averting workers' exposure to harmful physical, chemical and biological agents,¹ the Commission will propose specific Directives on asbestos (first half of the year), cadmium,² and other carcinogenic substances (second half of the year).

78. During the first half of the year the Commission will also send the Council two proposals for Directives on medical irradiation and microwaves respectively.

Worker participation in decision-making in firms

79. The Commission will send the Council a proposal to make the information and consultation of workers compulsory in groups of companies (first half of the year).³

Public health

80. *The Commission intends to make better coordinated use of available Community instruments to help in the efforts to raise the level of public health and contain the rising trend of costs.*

81. During the first half of the year the Commission will draw up a programme for better health at less cost, which will cover the priority guidelines and projects. These will include

¹ Thirteenth General Report, point 239.

² Point 129.

³ Point 18.

the steps to be taken in 1980 concerning smoking, drug abuse, primary healthcare and a European health card to ensure prompt medical attention.

Energy policy

82. *The main aim is respect for the commitments undertaken so as to limit the importation and consumption of oil. To this end the Commission will concentrate on energy saving, transparency of the oil market and the development of alternative energy sources.*

General measures

83. The Commission will give its constant attention, as a matter of priority, to monitoring the measures taken by the Member States to keep the Community's oil imports within the 472-million-tonne limit set by the European Council up to 1985.¹

84. The Commission will continue to assess the Member States' energy programmes with a view to consistency in the pursuit of common long-term objectives. Where necessary the Commission will make recommendations.

Energy saving

85. Basing itself on the third report on the Community energy-saving programme,² the Commission will endeavour to elicit a comparable effort from all the Member States in the national energy-saving programmes. It will also make specific recommendations concerning pricing policies (first half of the year).

86. *Motor vehicles:* The Commission will endeavour to coordinate the commitments made by the industry at national level to reduce the fuel consumption of vehicles and to hammer out a Community agreement in this field (first half of the year).

87. *Rational use of energy:* The Commission will put forward a proposal for a second Directive on the performance, regulation and inspection of heat generators (first half of the year) and also new proposals for applying to gas water-heaters, gas-ovens and television sets the Directive on consumer information via the labelling³ of energy consumption (second half of the year).

¹ Bull. EC 6-1979, point 1.1.17.

² Bull. EC 6-1979, point 2.1.110.

³ Thirteenth General Report, point 393; OJ L 145 of 13.6.1979.

88. *Energy-saving technologies*: The Commission will take the steps necessary to set up a data bank to provide industrial and trade circles with technological information enabling them to achieve energy savings when making investments, in particular in the building sector (second half of the year).

Sectoral measures

Oil and gas

89. *Transparency of the oil market*: The Commission will put into operation the system of registration of oil imports agreed in 1979.¹ It will also continue its monitoring of the spot oil markets of Western Europe and the Mediterranean.

90. *Community supply crisis mechanism*: The Commission will test this mechanism in consultation with the Member States and the oil industry² (second half of the year).

91. *Natural gas*: The Commission will send the Council a communication on the problems associated with the supply of natural gas to the Community (first half of the year).

Nuclear energy

92. *Chapter VI of the Euratom Treaty*: Now that the Council has begun its debate³ the Commission will send it a communication summarizing the work it has done on the subject with the help of a group of senior experts (first half of the year).

93. The Commission will make specific proposals on related areas at a later date:

- (i) the stockpiling of nuclear fuels (second half of the year);
- (ii) aid for uranium prospecting outside the Community (second half of the year); and
- (iii) an outline proposal on the carriage of radioactive substances (second half of the year).

Coal

94. The Council will continue its efforts to encourage greater use of coal and to this end will be making new proposals for stepping up investment in the coal industry (first half of the year).

¹ Thirteenth General Report, point 398.

² Thirteenth General Report, point 399.

³ Thirteenth General Report, point 403.

Alternative sources of energy

95. *Demonstration projects*: The Commission will make proposals aimed at extending support for projects in the fields of wind, wave and tidal energy (second half of the year).

96. *Exploitation of new energy sources*: The Commission will present a proposal to the Council to encourage capital-intensive and high-risk investments.

External relations

97. The Commission will ensure that the Community is fully represented in the various international forums in which energy problems may be discussed.¹

98. To guarantee the supply of uranium to the Community, the Commission will:

- (i) negotiate an extension of the Cooperation Agreement with Canada, an important part of which expires on 31 December 1980, and ask the Council, in the light of INFCE studies,² for a brief to negotiate new safeguards arrangements with Canada;
- (ii) continue negotiations with Australia on a Cooperation Agreement.

99. The Commission will endeavour to obtain the Council's approval for Community accession to the international convention on the physical protection of nuclear materials, which the Commission negotiated in 1979.³

Common agricultural policy

100. *The continuing main priority for the Commission in 1980 is to secure a better balance between supply and demand, particularly on the milk products and sugar markets.*

101. The Commission will make every effort to secure adoption by the Council of its farm price proposals for 1980/81 and other proposals concerning the milk products, sugar, beef and veal, cereals and processed fruit and vegetables sectors. Its action will be guided by the following basic principles:

- (i) top priority must be given to securing a better balance on agricultural markets, with the milk and sugar markets as the most urgent;

¹ Points 142 to 156.

² Thirteenth General Report, point 415.

³ Thirteenth General Report, point 533.

- (ii) where products are in structural surplus the cost of disposal of any future increase in production must be borne by the producers themselves;
- (iii) the socio-structural policy must be intensified and the available resources concentrated on the most indigent farmers and the least-developed regions.

102. Furthermore, the Commission will take all necessary steps to secure adoption by the Council of its proposals concerning the common organization of markets for sheepmeat, alcohol and potatoes, and its proposals concerning the socio-structural policy.

103. In respect of harmonization of legislation, the Commission will put forward proposals for directives with regard to:

- (i) residues in meat, especially antibiotics and oestrogen (first half of the year);
- (ii) medicated feedingstuffs employed in animal feed (second half of the year);
- (iii) the coordination of measures to be taken in respect of animal diseases which still create significant barriers to trade, in particular foot-and-mouth disease (second half of the year).

Common fisheries policy

104. *The Commission's prime objective is to see a common fisheries policy, adapted to the new international context of exclusive 200-mile zones, introduced at last in 1980. This is all the more urgent as there is also the problem to be tackled of the grave difficulties experienced by the fishing industry because of the diminution of stocks. Also, the lack of any common arrangements for stock conservation might well lead to a conflict situation which could affect relations between Member States. This hiatus is already damaging the Community's relations with other countries.*

105. Within the first six months the Commission will be approaching the Council with a view to the adoption of the following measures:

- (i) the establishment of the Community system for the conservation and management of fishery resources and for controlling exploitation (the proposals, which the Commission may yet amend or supplement, have been before the Council since 1978¹);
- (ii) the implementation of bilateral agreements with outside countries, the adjustment of international fishery agreements (the proposals are also before the Council¹);

¹ Twelfth General Report, points 338 to 349; Thirteenth General Report, points 347 to 359.

- (iii) further action to adjust and modernize structures (the proposals already drafted by the Commission¹ will be revised in the light of the stock conservation arrangements to be introduced);
- (iv) a review of the common organization of the market² (proposals to be prepared taking into account the future stock conservation arrangements).

Transport policy

106. Commission activities in 1980 will give priority to the development of infrastructures. They will also extend to developing productivity in order to improve the services offered and use energy more rationally. Special importance will also be attached to the measures required as a result of enlargement and to promote the Community's interests in relations with non-member countries.

Transport infrastructure

107. The Commission will endeavour to get the Council to adopt the proposal on Community financial support for projects of general Community interest.³ This will enable Community action to begin in this field, as provided in the memorandum on the Community's role in the development of transport infrastructures.⁴

Rail, road and inland waterways

108. In the first half of the year, the Commission will transmit a communication on the problems of transit, in particular through Austria and Yugoslavia, and proposals:

- (i) to promote the use of combined road and rail transport;
- (ii) to deal with the practices of certain Eastern bloc countries in the markets for the carriage of goods by road and inland waterway.

109. In the second half of the year the Commission will transmit:

- (i) a proposal aimed at extending the consultation procedure established in 1962⁵ to the Member States' activities in the field of external relations where these involve the railways, roads and inland waterways;

¹ Twelfth General Report, points 338 to 349; Thirteenth General Report, points 347 to 359.

² Council Regulations of 20.10.1970: OJL236 of 27.10.1970, and 19.1.1976: OJL20 of 28.2.1976.

³ OJ C 207 of 2.9.1976.

⁴ Supplement 8/79 — Bull. EC.

⁵ OJ 23 of 3.4.1962.

- (ii) a memorandum on the railways, consisting of a critical analysis of policy to date and an examination of the measures required to enable the railways to meet the new passenger and freight transport requirements;
- (iii) proposals to make the railways more efficient and financially independent by applying the Council Decision of 20 May 1975;¹
- (iv) a proposal to modify existing Regulations so that Community and bilateral authorizations can also be issued for road tractors;²
- (v) a proposal to deal with the practices of certain Eastern bloc countries in the market for the carriage of goods by road;
- (vi) a proposal on the structural improvement of the carriage of goods by inland waterway.

110. Subject to the decisions expected from the Council, in 1980 the negotiations with non-Community European countries on the occasional transport of passengers by road should be completed and others on combined goods transport should be opened.

Shipping

111. The Commission intends:³

- (i) to make proposals, if necessary in view of international developments, for an approach to bulk transport and the fleets used for this purpose;
- (ii) depending on the examination currently in progress, to make proposals to the Council for Member States to introduce countermeasures to the disruptive practices of certain non-member countries;
- (iii) to make proposals to harmonize inspections of vessels in Community ports (first half of the year).

Air transport

112. In pursuance of the programme of priorities adopted by the Council on 12 June 1978,⁴ and after considering the memorandum on air transport,⁵ the Commission will make proposals on the following subjects in the second half of the year:

- (i) scope for innovation in operating air services, particularly interregional services;
- (ii) the simplification of formalities (facilitation) for cargo.

¹ OJ L 152 of 12.6.1975.

² A secondary effect of these measures will be to aid the Community's energy-saving activities; points 85 to 88.

³ Point 32.

⁴ Bull. EC 6-1978, point 2.1.109.

⁵ Bull. EC 6-1979, points 1.4.1 to 1.4.6.

Medium-term objectives

113. In the second half of the year the Commission will send the Council a communication setting out the programme of priority items for the period 1981-83 (as a follow-up to the 1977 communication covering the period up to the end of 1980).¹

Science and research policy

114. *The main objective is to prepare and define general guidelines for the gradual development of a Community policy on science and technology for the period 1980-90.*

115. Following the discussions in the Council on 22 October,² the Commission will take steps to supplement the guidelines pursued during the period 1977-80³ on the following topics:

- (i) *new activities*: during the second half of the year the Commission will assess and report to the Council on the ways in which Community research could contribute to:
 - (a) regional policy,
 - (b) future structural, economic and industrial policies, with special reference to small and medium-sized firms,
 - (c) the policy of aid to developing countries;
- (ii) *organization*: the Commission will submit proposals aimed at:
 - (a) grouping together and consolidating programmes on priority topics (first half of the year),
 - (b) drawing up a multiannual planning schedule (first half of the year),
 - (c) rationalizing the organization of Community research (first half of the year),
 - (d) improving the assessment and utilization of the results of Community research (second half of the year);
- (iii) *improvement of efficiency*: the Commission will take steps to stimulate the mobility of research workers and to set up European cooperation networks (second half of the year).

Research projects

116. The Commission will propose to the Council:

¹ Bull. EC 11-1977, point 2.1.85.

² Thirteenth General Report, point 435.

³ Supplement 3/77 — Bull. EC.

- (i) during the first half of the year, an outline programme covering Community indirect-action projects (implemented by the Member States and partly financed by the Community) or concerted-action projects (merely coordinated by the Community) on environmental research;
- (ii) during the second half of the year, an outline programme on Community indirect-action projects concerning raw materials. This programme will contain proposals for new projects on substitutes for certain metals the supply of which may give rise to problems (e.g., silver, tin) and on the optimization of the Community's wood resources.

These proposals will constitute the first practical examples of the objectives of consolidating sectoral programmes and rationalizing organization of the advisory committees which deal with this sector.

117. In addition, the Commission will propose:¹

- (i) during the first half of the year, extension of the current programme on technical education and scientific training;
- (ii) during the second half of the year, a Community research programme aimed at enhancing and supplementing the Member States' projects in aid of developing countries;
- (iii) during the second half of the year, joint research projects in the social sciences.

Nuclear Fuel Cycle Evaluation

118. Following the INFCE (International Nuclear Fuel Cycle Evaluation) studies,² the Commission will participate in the preparation of new international measures, particularly as regards plutonium management and storage.

Industrial innovation

119. The Commission will, during the first half of the year, propose that the Council adopt a resolution to develop joint Community-Member State projects in this sector.³

¹ Point 136.

² Thirteenth General Report, point 415.

³ Point 29.

Scientific and technical information and information management

120. The Commission will propose to the Council:

- (i) a programme for cooperative development of advanced systems of machine translation (first half of the year);
- (ii) a third Community programme for scientific and technical information designed to foster a Community-wide market and information-supply industry (first half of the year).¹

Consumer protection and information

121. *The objectives for 1980 are the adoption by the Council of the new Community action programme with regard to consumers² proposed in June 1979, and the continuation of the work of implementing the preliminary programme.*

Consumers' economic interests

122. The Commission will take the steps necessary to obtain the adoption by the Council of several proposals for Directives which it put forward in 1977 and 1978; they concern consumers' economic interests, particularly as regards false or misleading advertising, consumer credit and doorstep selling.

123. During the second half of the year, the Commission will lay before the Council and Parliament, for general policy debates, memorandums on access to the courts and unfair clauses in contracts.

Consumer health and safety

124. *Cosmetic products:* During the first half of the year, the Commission, using the procedure for adaptation to technical progress, will adopt two Directives on the criteria and methods of checking microbiological purity.

During the second half of the year, it will send the Council proposals for Directives:

- (i) containing a positive list of ultraviolet filters;
- (ii) on certain methods of analysis necessary for checking composition.

¹ Point 29.

² Thirteenth General Report, point 263.

125. *Toy safety*: The Commission will transmit a proposal for a Directive containing outline provisions and specific provisions relating to mechanical safety and inflammability (first half of the year). In addition, and subject to the outcome of work being carried out by a standards organization at European level, a proposal will be put forward for a Directive on the electrical safety of toys (second half of the year).

Consumer information

126. *Labelling of foodstuffs*: During the second half of the year the Commission will forward to the Council a proposal for a Directive laying down a non-exhaustive list of the claims which must be prohibited or restricted.

127. *Standard consumer products other than foodstuffs*: During the second half of the year, in accordance with the Council Resolution of 19 June 1979¹ the Commission will issue a proposal for a Directive on the indication of unit prices.

Environment policy

128. *The Commission will continue to implement the programme of action on the environment adopted by the Council on 22 November 1973.*² Particular emphasis will be placed in 1980 on the protection of waters and on the control of new chemical substances.

Water pollution

129. *Control of the discharge of dangerous substances into the aquatic environment*: The Commission will place four proposals for Directives before the Council relating to:

- (i) cadmium³ and lindane (first half of the year);
- (ii) DDT and mercury discharged by certain industries (second half of the year).

It will also draw up and transmit to the Council a detailed list of dangerous substances which it is proposing to study as a matter of priority pursuant to the Directive on pollution caused by certain dangerous substances discharged into the aquatic environment⁴ (second half of the year).

¹ Bull. EC 6-1979, point 2.1.69.

² Seventh General Report, points 259 to 264.

³ Point 77.

⁴ OJ L 129 of 18.5.1976.

130. *Marine pollution*:¹ The Commission will transmit to the Council during the second half of the year:

- (i) a communication accompanied by firm proposals regarding the control and reduction of pollution caused by the discharge of hydrocarbons at sea;
- (ii) a proposal for a Directive establishing a system for monitoring and controlling waste from the titanium dioxide industry.

Atmospheric pollution

131. The Commission will propose a continuation of the exchange of information between Member State networks engaged in the surveillance and monitoring of atmospheric pollution caused by sulphur dioxide and suspended particulates (second half of the year).

Noise

132. *Domestic appliances*: The Commission will transmit to the Council a proposal for a Directive on the measurement of noise emitted by domestic appliances (first half of the year).

133. *Construction plant and equipment*: The Commission will transmit three proposals for Directives concerning the limitation of noise emissions from dozers, loaders and shovels (first half of the year). It will continue its discussions with the United States administration with a view to harmonizing methods of measuring the noise levels of compressor sets and pneumatic picks.

Waste

134. The Commission will continue its efforts to promote the economic re-use of secondary raw materials while at the same time safeguarding the environment. To this end it will present to the Council:

- (i) a draft recommendation with a view to promoting the use of recycled paper in the public services (first half of the year);
- (ii) a communication accompanied by proposals on the use of certain types of packaging for beverages (second half of the year);
- (iii) a proposal for a Directive on the burning of waste oils without pretreatment (second half of the year).

¹ Point 111.

Chemicals

135. The Commission will continue to collaborate with the American authorities with a view to reaching agreement on the application of:

- (i) the Toxic Substances Control Act to new chemicals originating in the Community;
- (ii) the new Community rules to new American chemicals.

It will send the Council a communication on the effect of fluorocarbons on the ozone layer with a view to tightening up the relevant Community rules (second half of the year) and will carry out an initial series of measures relating to the asbestos and fluorocarbon industries to reduce the pollution caused by these sectors.

Conservation and rational management of the environment

136. The Commission will send the Council proposals on:

- (i) the signature and conclusion by the Community of the Convention on the Conservation of Migratory Species of Wild Animals¹ (first half of the year);
- (ii) rules to govern trade in whale products (first half of the year);
- (iii) the launching of a second research programme on town planning; this will take the form of a concerted action (second half of the year).

Education

137. *The aim of the Commission in 1980 is to develop European cooperation in education in the framework of the current action programmes.*²

138. To do this, the Commission intends to implement measures in the following areas:

- (i) the teaching of foreign languages;
- (ii) the study of the Community and Europe in schools;
- (iii) access to establishments of higher education for students from other Member States;
- (iv) equal opportunities for girls in the field of education and transition to working life.

¹ Bull. EC 6-1979, point 2.1.66.

² OJ C 38 of 19.2.1976; OJ C 308 of 30.12.1976.

139. In addition, the Commission will take the following new measures aimed at achieving greater equality of opportunity:

- (i) special education for handicapped persons. A proposal will be drafted for action in this sphere with a view to improving the integration of young handicapped persons into the social and working environment (second half of the year);
- (ii) adult education and continuous training. In conjunction with the European Centre for the Development of Vocational Training, the Commission will draw up reports on problems of the transition to retirement and the social and economic integration of the educationally disadvantaged (second half of the year);
- (iii) the education of migrant workers and their families. Two new measures are being prepared on pre-school education for children and the potential use of the mass media (first half of the year).

Cultural sector

140. *The Commission's aim is to ensure the application of certain provisions of the EEC Treaty in this sector with a view to removing barriers to freedom of trade in cultural goods and improving the social situation of cultural workers.*

141. With this in mind, the Commission will make the following proposals for Directives, as announced in its communication on Community action in the cultural sector,¹ which aim at the harmonization of laws on:

- (i) the duration of copyright, which at present varies from 50 to 70 years (with five different systems in the nine member countries of the Community) (second half of the year);
- (ii) resale rights, which would ensure the payment to creative artists in the plastic arts (or their heirs) of a percentage of the capital gain realized on successive sales of their works (first half of the year).

¹ Supplement 6/77 — Bull. EC.

External policy

Europe in the world

142. *The aims of Community action in 1980 are to be:*

(i) *the reactivation of the North-South Dialogue;*

(ii) *preparation of the new generalized system of preferences to come into effect after 1980.*

143. *Implementation of the results of the Multilateral Trade Negotiations:* The Commission will be rigorously monitoring the implementation of the various measures, in particular the new codes, by the contracting parties, to ensure that the commitments entered into are honoured. In this connection the various panels of signatories to be set up within GATT to administer the codes will have a vital role to play.

144. *UNCTAD:* The Commission will continue to participate fully in the work following on the fifth Conference in connection with the resolutions and decisions adopted in Manila.

145. *Commodities:* Following the conclusion of the negotiations on rubber, under UNCTAD's Integrated Programme, the Commission will do its best to secure progress in the other negotiations.

146. *North-South Dialogue:* This year will see the resumption of global negotiations within the framework of the United Nations, and the Commission will participate fully. It will present appropriate proposals in the light of the outcome of the preparatory work.

147. *Generalized tariff preferences:* The Commission, on the basis of an evaluation of the first 10 years' experience, will make proposals concerning changes to be made in the system for the 1980s.

148. *Common export policy:* The Commission will put forward proposals designed to improve ways of promoting the formation of European consortia to finance major export projects (second half of the year).

149. *Commercial policy on textiles*: The Commission will present to the Council its guidelines concerning trade in textile products from 1982 onwards when the Multifibre Arrangement has expired (second half of the year).

150. *Food aid*: The Commission will endeavour to ensure maximum effectiveness of the food aid programme in the campaign against hunger, through its direct impact and also through its indirect effects, namely the use of counterpart funds in order to improve food production. The Commission will play an active part, on behalf of the Community, in the negotiations on a new food aid agreement: this agreement will mean a substantial increase in the levels of aid in the form of cereals from all donors. Lastly, the Commission will press the Council to accept its proposals on multiannual programming of aid and diversification of the products supplied.

151. *Mediterranean countries*: The Commission will take the necessary steps to renew the financial protocols with the southern Mediterranean countries, which expire at the end of 1981, and will examine the repercussions of the enlargement of the Community on the agreements with those countries.

152. *ACP countries*: The major task in the development cooperation field will be the implementation of the new ACP-EEC Convention, signed on 31 October between 58 African, Caribbean and Pacific States and the Community. Programming missions will be undertaken during the year in order to set up the programme of financial and technical cooperation for the five years of the Convention.

153. *Non-associated developing countries*: The Commission will be endeavouring to see that the negotiations with Brazil and India for new economic and commercial cooperation agreements can be completed in 1980. In the light of the interest shown by the countries of the Andean Pact in an agreement with the Community, the Commission has started exploratory talks and will report to the Council at the beginning of 1980 with a view to opening negotiations.

154. *European countries*: The Commission has two main areas of concern:

- (i) Turkey. The Commission will be looking for a solution which will both enable Turkey to cope with its economic problems and make it possible to reactivate the Association on a broader basis;
- (ii) Yugoslavia. The Commission hopes for the early conclusion of the negotiations for a new, wider trade agreement.

155. *State-trading countries*: The Commission intends to carry forward, and if possible conclude, the negotiations with Romania for agreements on industrial products and on the

establishment of a joint committee. The Commission will continue negotiations with the CMEA with a view to concluding an agreement between that organization and the Community.

156. Industrialized countries: The Commission will persist in its efforts to improve the balance of trade with Japan. It also intends to introduce a system of annual consultations with Australia on topics of mutual interest, similar to the arrangements with other countries. To safeguard Community uranium supplies, the Commission will be negotiating with Australia and Canada.¹ The Commission also intends to open negotiations with New Zealand to work out arrangements for butter imports after 1980.

Enlargement

157. By the end of the year solutions need to be found to the main issues in the negotiations with Portugal and Spain. With regard to Portugal, it will also be necessary to determine the financial support measures required to adapt the country's economy for accession. As regards Greece, the aim is to take the practical steps necessary to pave the way for accession on 1 January 1981.

Greek accession: the interim period

158. The Commission intends to help see that the information and consultation procedures laid down by the Council operate smoothly. It will also be taking all necessary steps to prepare efficiently for Greece's participation in Community institutions.

Portugal

159. Once the current stage of the accession negotiations is complete, the Commission will be making any sector-by-sector proposals required to deal with the various problems which emerge during the negotiations.

Spain

160. Both during the current stage of identification of problems, and in the course of the search for solutions, the Commission will continue to take any steps necessary for a successful completion of the negotiations.

¹ Point 98.

Budgetary and financial policy

161. The Commission thinks it essential for the Community that the 1980 budget be adopted as soon as possible. The main objective of the Commission's budgetary policy is to obtain a better balance in budgetary expenditure and move towards the creation of new own resources.

1980 budget

162. The Commission will make a budget proposal in the second week of February.

New budgetary resources

163. New own resources may be required as early as 1981, but certainly no later than 1982. The Commission will be making a proposal on this matter in the first half of the year in the light of the budgetary situation and the timetable for adopting such a proposal.

Convergence/budget

164. In the light of the European Council meeting in Dublin¹ the Commission will be making new proposals, for the next European Council meeting, concerning greater convergence of economic performance.

Own resources system

165. The Commission will work towards the correct implementation of the own resources system by stepping up inspections. To this end, it is important that the Council adopt the proposal for a regulation put forward in March 1979.¹

¹ Bull. EC 11-1979, points 1.1.7 and 1.1.8.

² Thirteenth General Report, point 48.

Borrowing and lending activities

166. The Commission will continue with its attempts to give all borrowing and lending operations clearer expression in the budget. Accordingly, it will revive its proposal for the creation of a Part II to the budget which would contain the entries relating to these operations.

167. The Commission intends to make a contribution towards the attainment of the Community's economic targets by making active use of the various instruments for which it is responsible: ECSC borrowing and lending, Euratom borrowing and lending, and the new Community borrowing and lending instrument for the promotion of investment in the Community. As regards the new Community borrowing and lending instrument, the first tranche of which has been virtually used up, the Commission will urge the Council to take a decision during the first half of the year on the recent proposal for a second tranche of 500 million EUA.

European Communities — Commission

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This booklet contains the annual programme address delivered by the President of the Commission and the memorandum annexed to it. The address and memorandum relate to the Commission's programme for the year ahead. They are presented to Parliament at the same time as the General Report on the past year.