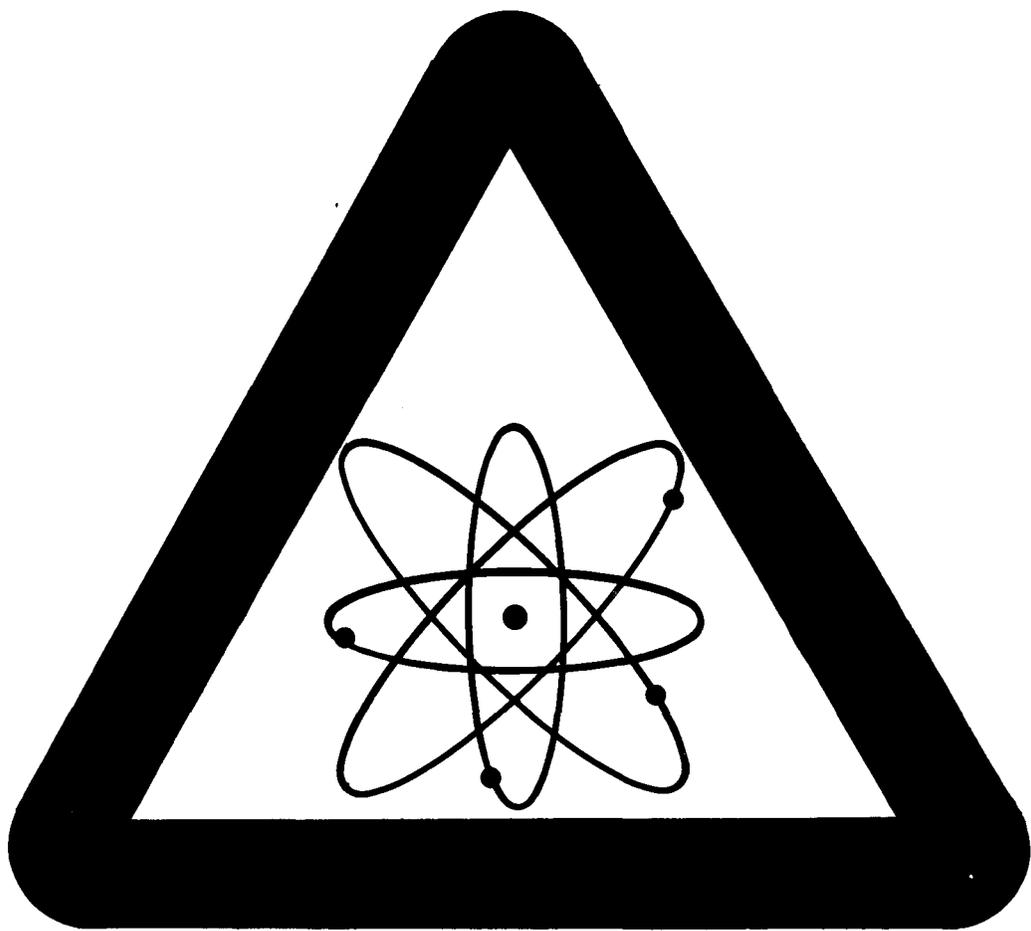


# European Community

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## The safer atom





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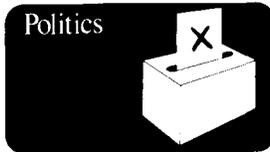
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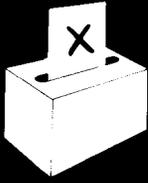
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European Parliament	July 3-7
European Council	July 6 & 7
Industrial World Economic Summit	July 16 & 17
Budget Council	July 18
Financial Council	July 24
ACP/EEC Council	July 24
Foreign Affairs Council	July 25
Agriculture Council	July 24 & 25



# Putting the CAP straight

## Roy Jenkins gives the facts

The popular belief is still that the CAP has caused food prices to soar in Britain. Now there certainly are products where it has increased prices — for example butter, although even here the increase has been partially offset by the EEC consumer subsidy. But I want to look at the whole range of foods and prices, and get an overall figure; and I want to mention two groups of statistics:

First, the price of food in the shops increased by 6.4 per cent over the last twelve months, a figure which is too high but still much lower than for non-food prices which went up by 10 per cent. So food prices are reducing, not increasing, the rate of inflation.

### Prices

Second, the price of food in the shops will go up by only  $\frac{1}{2}$  per cent over the next year as a result of the EEC Commission's farm price proposals. Added to that will be another  $1\frac{1}{2}$  per cent on food prices resulting from the devaluation of the green pound for which the House of Commons voted in January. Those figures ought to give the lie once and for all to the myth that Brussels is forcing up food prices in Britain. The increases due to the CAP will be minimal, while those due to higher costs of packaging, transport, wages and so on will be much greater.

### Stability

Agricultural policies are of fundamental importance. All governments have them because, throughout the world, farm production is subject to the chances of weather, disease and yield, which means that each year's food output is variable and cannot be determined in advance. At the same time man's demand for most types of food is relatively inflexible. The result is a classic example of instability of price. But agricultural prices are vital for farmers' incomes, particularly for small family farmers, and great instability of income is itself a social evil. Erratic cycles of price also lead to erratic changes in farm production, which in turn is bad for consumers. All these are reasons why governments intervene in agriculture to stabilize prices to farmers and supplies to consumers. The question is not whether to have an agricultural policy, but how to intervene. With the CAP, as with other agricultural policies, it is not so much a question of the fundamental objectives as of the practical methods employed and their successful management.

### Improvements

There is no doubt that we still have a serious problem with farm surpluses in the EEC, with our well-advertised

mountains and lakes. Of course, it is easy to exaggerate their size, which in many cases is no more than a few weeks' or even days' supply. But there is no getting away from their cost, which is increasing, and the fact that the only available methods of disposal are often expensive and unpopular.

## **Control**

That is why the European Commission has embarked on a policy of annual price-fixing which should bring these surpluses under control. We are tackling the problem at its root by trying to fix farm support prices at a level which will result in a proper balance between supply and demand. Our aim is all the more difficult to achieve at a time when economic growth is low, because behind the problem of excess production is a problem of too many people on too many farms, for whom it is not easy to find other jobs or incomes. But we began last year by proposing an increase of only 3 per cent in the common agricultural prices at the European level, and we continued this year with a proposal of only 2 per cent.

## **Mutton and lamb**

The Commission recently made a modest proposal to abolish the barriers to trade in mutton and lamb — modest because it includes no intervention buying and no increase in protection against imports. If our proposals are adopted, the price of meat in British shops will go up by very little — in fact, only to the extent that there are improved export opportunities for British lamb. I do not see why our sheep industry, any more than our best manufacturing industries, should be denied the

opportunities of the Common Market. If we do not export the products which our trading partners want to buy, heaven help our economy.

## **New Zealand**

As for EEC imports of New Zealand lamb, there is no reason why they should be reduced below their normal level; there is no proposal to make them more expensive by increasing the charges on imports — indeed, these could even be reduced; and there is no question of the EEC Commission taking any action against them contrary to international agreements. There has been, and will continue to be, the fullest consultation between the Commission and New Zealand on all these questions.

## **Milk Marketing Boards**

Another favourite story is that we in the Commission want to kill the long-standing British system of milk marketing, and end the doorstep deliveries which have done so much to maintain a high milk consumption in this country. Such stories are not merely alarmist, they are entirely false. Those who foster them do a disservice to public understanding of the issues involved. Europe, with its high level of milk production, obviously has a vested interest in maintaining the daily milk delivery, and it would make no sense for us to do anything to discourage British families from drinking milk. On the contrary, the Commission proposed four months ago not only that the essential functions of the milk boards should be retained, but that the system should be made available in the other member States. In the simplest terms: the Commission has never threatened the daily pinta and does not intend to do so.



# The month in Europe

## More cash for Britain

Recent loans include:

- an ECSC loan of £31 million to the National Coal Board for fourteen investment projects;
- two European Investment Bank loans totalling £31 million to the National Water Council for water supply and sewerage plans in the North of England;
- a Bank loan of £13.5 million for road, water supply, sewerage, and sewage disposal plans in Scotland;
- a £2-million Bank loan to D. J. B. Engineering Ltd., of Peterlee, Co. Durham, under HMG's new exchange guarantee system.

## Food import costs

The share of imports from the rest of the EEC in Britain's total imported food costs appears to be falling. In 1975 it was 48 per cent, in 1976 43.5 per cent, and in 1977 41 per cent, according to recent figures from the Ministry of Agriculture.

## Scampi sizes

In response to press reports on 'the harmonization of scampi sizes', the Commission has pointed out that all that is happening is that the Community countries are conserving fish stocks by banning the catching of young, undeveloped fish. The UK, where the press criticism arose, is actually urging more stringent conservation measures.

## School milk

The European Community will bear between £3½ million and £5 million of the cost of supplying free milk to schoolchildren in the UK, HMG has announced.

## Saving whales

The Commission is thinking of proposing restrictions on imports of certain products derived from whales, it has announced. This is in its preparatory work for applying the Convention on International Trade in Endangered Species, covering over one thousand species of wild fauna and flora.

## Energy consumption slows

Demand for energy in the Community in 1977 rose by only 1.1 per cent. Although mainly due to slow economic growth (GNP up only 2 per cent), the low rise in energy consumption is thought also to reflect energy savings.

## New BEUC Briton

Mr Tony Venables, a 32-year-old Englishman formerly on the staff of the Council Secretariat in Brussels, has been appointed Director of the European Bureau of Consumer Unions (BEUC) in succession to Ms Eirlys Roberts.



# Equal pay

## The Commission on the warpath

Equal pay for men and women is written into the founding Treaty and has been formalized in a European directive.

How far member States have applied the principle is another matter. To find out, the European Commission has sent a questionnaire to national Governments, who will be drawing up their replies in collaboration with national women's organizations and European employers and trade unions.

The Commission will be publishing a report based on the replies and will then see what can be done.

### Air hostess

One telling example is the case of the air hostess Gabrielle Defrenne, who persevered with her case against the Belgian national airline Sabena. Her battle against discrimination began in 1968, when she was automatically retired from her job at age 40. Male stewards are allowed to continue working beyond 40 years, so Mlle Defrenne took her case to the courts.

1968: Mlle Defrenne filed a complaint against Sabena at the Brussels work tribunal and requested compensation for: loss of wages and retirement pension rights, and unequal treatment of air hostesses and stewards doing identical work.

She asked for damages because:

her salary as an air hostess was less than that of a steward;

as a hostess she was obliged to retire at 40, at which point she received no retirement remuneration or pension, whereas stewards work until 55, can choose to go on flying if they are physically able, and can draw a pension at 55 instead of waiting until they are 65. In addition, the hostess who loses her job at 40 has to await the legal age of retirement before she can draw a State pension.

1970: the Brussels Work Tribunal decided there was no basis to her complaints.

1971: Mlle Defrenne appealed and the Belgian Labour Court took up the case.

1975: The Belgian Labour Court referred the issue to the European Court of Justice on the basis of one of the complaints: that of equal pay.

In fact, Mlle Defrenne had set in motion a procedure in the Belgian Appeal Court to abolish national law dealing with pension rights for civil aircraft personnel. She argued that the law discriminated against women and was therefore in contradiction to Article 119 of the Treaty of Rome.

The basic question, however, was whether retirement pensions (and social security systems) are covered by Article 119 of the Treaty.

### Court of Justice

1971: The ruling of the European Court of Justice, on May 25, 1971, stated that a retirement pension resulting from the legal social security

system does not constitute an indirect benefit paid by the employer to the employee in the sense of Article 119.

Basing itself on this interpretation, the Belgian Appeal Court rejected Mlle Defrenne's claim.

The Court of Justice was obliged to make a second ruling on the Defrenne case since in 1975 the Belgian Labour Court had lodged a complaint on the question of Mlle Defrenne's remuneration which it regarded as discriminatory. Two questions were put:

- (1) Was Article 119 directly applicable or not to the domestic national law of each Community member State? If so, from when was it valid?
- (2) What was the power of the national legislation in this field?

## Decision

On April 8, 1976, the European Court of Justice gave its verdict. It affirmed basically that the equal pay principle fixed by Article 119 of the Treaty of Rome be invoked in national law. This implies that the national judge should apply the ruling, and the application of the ruling should have been undertaken by founder member States from January 1, 1962, onwards, and by the three new members from January 1, 1973, onwards.

The Court, however, added one reservation: given the economic consequences of the decision, the full impact of Article 119 could not be invoked in law except from the date of the ruling, unless the employee had already lodged a complaint with the courts. Though women who have suffered discrimination might find they were in the right, they could not claim backpay from the employer if their complaint had not been filed before the ruling.

In 1966, Sabena introduced equal

pay between male and female flight personnel. Following this, the 40 year barrier was raised to 45 and then to 50 years. This still leaves a five-year discrimination period. But when hostesses are grounded at 50 they are given a choice of retiring or working on the ground.

The Court also expanded the field of application of Article 119 and ruled that in areas where Article 119 does not have direct effect the implementation of the equal pay principle can result in a conflict between Community and national law.

## Back to Court

By stressing the extension of the scope of Article 119, Mlle Defrenne was able to reactivate her cause and she complained to the Belgian Appeal Court that the Labour Court had not taken her other complaints to the European Court of Justice: her pay complaint and that concerning her pension and contract termination indemnity.

In 1976, the Appeal Court put the case to the European Court of Justice which should give its judgement in the coming months.

In August 1978 a Community directive is due to come into force, implementing the principle of equal treatment for men and women in jobs, vocational training, and promotion and working conditions.

This directive embodies many of the arguments put forward by Mlle Defrenne's lawyers: that the only way that Article 119 will have any useful effect is if it establishes equality of working conditions, without which equal pay is but an abstract principle. Grounding an air hostess while male stewards can go on working is, according to Gabrielle Defrenne, a particularly striking example of discrimination.



# The nuclear hearings

## The Commission responds

The conditions in which the public debates on nuclear energy in November 1977 and January 1978 took place make it difficult to draw unanimously acceptable conclusions. Most participants probably returned home holding the same convictions as when they set out. Nevertheless, it seems possible, with a maximum of impartiality, to pinpoint some of the governing ideas.

The development of nuclear energy from fission appears to be an inescapable necessity, if we adopt the hypothesis of moderate growth in a society of a type similar to that in which we live at present and if we consider the probable trend of world energy demand over the coming decades. Certainly, such development must be subject to a number of conditions:

Nuclear energy must be considered as one among various forms of energy, i.e. a form of energy to which an excessive role should not be assigned pending the development and possible use of energy sources of another type, like renewable and environmentally acceptable energy sources. It must therefore be developed in line with the needs created by reasonable economic growth.

Safety requirements must continue to be subjected to attentive and constant scrutiny.

Decisions on the use and siting of

nuclear installations should be taken in accordance with democratic rules, i.e. the Parliaments and elected assemblies in general — and the European Parliament in particular — should play an important part in the decision-making process.

In order to limit the use of non-renewable sources of energy, in particular hydrocarbons, without allowing the nuclear sector to occupy a position out of proportion to its importance, we must step up research and financially encourage practical applications involving new forms of energy and help the old-established sources of energy — coal, in particular — to hold their own.

Without creating upheavals in our present-day society, we must nevertheless redirect our activities and the habits of our citizens towards a new conception of the role of energy, and in particular towards conservation and energy-saving.

Lastly, the problems of energy in general (and not only nuclear energy) have assumed such significance where future generations are concerned that public opinion should be informed on the subject as fully and as objectively as possible, so that it can, with a full knowledge of the facts, judge as to the desirability and advisability of the options adopted.

These conclusions prompt the Commission to:

Restate its main activities in the field of safety, radiation protection and new energy sources.

Give fresh impetus to energy-saving, alternative sources, waste, siting of power stations and physical protection.

Prepare new proposals on: carriage of radioactive substances, low-growth scenarios, information and participation.

## Existing work

A very large proportion of the Commission's research budget (some 30 per cent) is devoted to the improvement of safety and radiation protection. (See page 11.)

On the other hand, expenditure in respect of new sources of energy, including thermonuclear fusion, accounts for about 45 per cent.

## Fresh impetus

The Commission feels that the consensus expressed during the debates constrains it to urge the Council to adopt a number of proposals on topics which the Community has a duty to deal with as a matter of priority and which are still being examined. These include:

**Energy saving:** A proposal for a Regulation on the granting of financial aids to demonstration projects in the field of energy saving; a Communication regarding energy savings through the modernization of existing buildings.

**Alternative energy sources:** A proposal for a Regulation on financial support for projects to exploit alternative energy sources.

**Radioactive waste and reprocessing:** A Community approach to the treatment of waste is vital — and, indeed, the only conceivable approach if we wish to avoid the dispersal of storage

dumps for radioactive materials, facilitate supervision of the network of storage sites, and cut down costs.

The aim of Community strategy is twofold:

to ensure that reprocessing is compatible with the aims of safeguarding Community citizens and protecting the environment and also with the use of nuclear materials for exclusively peaceful purposes;

to coordinate the development of the reprocessing industries.

**The siting of power stations:** The choice and approval of power station sites are matters for the member States, but the environment, regional planning, and public health and safety, are matters which first and foremost affect the public at large, and call for consultations at Community level.

**Physical protection:** The Commission wants the Council:

to obtain a harmonized level of protection in all member States in accordance with international requirements;

to preclude any disparities or gaps in certain member States from creating barriers to free movement or supply.

## New proposals

New measures or proposals in response to the hearings concerning the problems of transporting radioactive substances, the study of links between economic growth and energy growth, the periodic supply of information to the European Environmental Bureau and the inclusion of specialists on environmental questions in the Economic and Social Committee.

**Transport:** The Commission intends to go ahead as swiftly as possible with a study of the problem of radioactive

waste transport and to put forward proposals in this connection.

Like the physical protection sector, this too is an area where there is a danger that differences in the national provisions may hamper free movement. Harmonization is therefore necessary, having regard to the following risks:

- health risks facing employees of transport undertakings and the public at large as a result of radioactive contamination under customary carriage conditions;
- risks of serious accidents caused by a fissile or radioactive substance.

**Growth:** The Commission intends to embark on a study of the relationship between economic growth in general and energy demand with particular reference to the possibility of divorcing energy demand from economic growth.

**Information:** The essence of the malaise which preceded the opening of the first session derived from the notion that this was not an exercise in impartial information and free discussion but merely communication to those present of ideas adopted in advance. Irrespective of any basic differences that may persist, there can be no doubt whatever that the principal call emerging from the debates and re-echoed by the European Environmental Bureau after their conclusion was for a better information procedure and a greater degree of participation.

Without prejudice to the outcome of the forthcoming examination of this demand, the Commission intends to inform the European Environmental Bureau of its thoughts on the subject of and the broad lines of its energy policy — as is already the case for environmental policy.

**Representation:** As regards participation by and representation of environmental specialists' interests, the Economic and Social Committee, the membership of which is due to be renewed this year, would appear to provide an appropriate platform.

The inclusion of representatives from associations for the protection of the environment and the 'quality of life' seems, moreover, to be in keeping with the public opinion trends observed for some time.

## Conclusions

As far as the future is concerned, the Commission will stress the dual aspects of its proposals in its communications on energy problems. In particular, each time it introduces a measure aimed at developing nuclear energy or any other source of energy it will simultaneously present the measures which it has taken or intends to take, with special reference to the research sector.

The Commission is calling on the Council to re-examine, in the light of the recent debates, its proposals on energy saving (demonstration projects, modernization of existing buildings), alternative energy sources, waste treatment, consultations on the siting of power stations and physical protection. In addition, it intends to forward to the Council proposals on the carriage of nuclear materials.

The Commission will set up a periodic information procedure for energy policy in conjunction with the European Environmental Bureau.

Lastly, the Commission will draw the Council's attention to the potential advantages of better representation of the specialists on environmental questions in the Economic and Social Committee.



# Safer nuclear energy

## The Community's research programme

Community energy policy envisages increased reliance on nuclear power from the present on to the end of the century to replace declining natural resources such as oil.

The potential environmental dangers of the policy are well known and need not be detailed. Yet hitherto the nuclear industry has had a remarkable safety record. Obviously, however, there is never room for complacency. For this reason 30 per cent of the work of the Community's Joint Research Centre (JRC) is devoted to problems concerned with nuclear safety.

The four JRC establishments at ISPRA (Italy), Geel (Belgium), Karlsruhe (West Germany) and Petten (the Netherlands) carry out within the framework of the 1977-80 research programme approved by the Council of Ministers, the Commission's own 'direct action' scientific research. Other research activities are undertaken through Commission 'indirect action' in cooperation with public and private research organizations.

Both 'direct' and 'indirect' research is designed to meet the special needs of the Community, and the Commission is aided in this field by Advisory Committees composed of national experts. Current research is directed at three areas: reactor safety, plutonium fuels and actinides, and

management of nuclear materials and radioactive waste.

### Reactors

The main aim of the JRC research programme on reactor safety is the study of the probability, the sequence and the consequences of hypothetical reactor accidents.

The programme — most of which is carried out at the Ispra Establishment — is concerned both with light water reactors (LWRs) and liquid metal (usually sodium) cooled fast breeder reactors (LMFBRs).

With LWRs, theoretically the worst possible accident would be the rupture of the primary cooling loops followed by a rapid loss of the cooling water which assures the controlled removal of the heat generated in the reactor core. The JRC studies, therefore, are particularly concerned with such matters as ensuring the necessary margins of tolerance for reduced cooling in the reactor core and behaviour of fuel cladding temperature; reliability of emergency core cooling systems (ECCS); consequences of reactor core melting, in case of ECCS failure; and the relevance of rupture size and position.

The studies are centred around an experimental facility, the largest of its kind in Europe, which simulates circuit rupture in a 4-loop primary

cooling system of a 1,300 electrical megawatt pressurized water reactor and subsequent 'blow-down' conditions. These are caused by a sudden and total loss of the cooling water from the primary circuit which may lead to melt-down in the reactor core.

The Centre is also examining fuel-coolant interactions which may occur as a result of a hypothetical accident, and is seeking to set up a *European Reliability Data System*.

As far as LMFBRs are concerned, the programme provides for both theoretical and experimental studies on sodium thermohydraulics, fuel coolant interaction and associated problems, and dynamic loading and response of reactor structures (primary containment and core internals) following a hypothetical explosive accident. The tests will be used to validate mathematical models and codes developed in structural materials and components. The Commission is also planning, in consultation with an Expert Group, a European fast reactor accident code. The final goal is the setting up of a modular code including the most advanced modules describing the sequences of whole core accidents.

The Centre's safety programme is also concerned with the *prevention* of accidents and early detection of possible failures. Matters under investigation include fracture mechanics in stainless steel structures; fatigue and creep crack growth in the same structures; the applicability of ultrasonic emission techniques for early failure detection; and the reliability of these techniques for the surveillance of operating reactors.

## **Plutonium**

The major safety problems in the use of plutonium fuel in reactors stems from the alpha radioactivity

and the toxicity of plutonium and the other elements forming the 14-member group called the 'actinides' because of their common atomic properties. The safe handling of increasing quantities of these elements up to and including the final disposal of radioactive wastes is an absolute necessity and specialized installations have been constructed at the Karlsruhe Establishment to concentrate Community research.

## **Materials and waste**

The industrial exploitation of nuclear energy involves the production of substantial quantities of radioactive wastes which differ considerably in chemical composition and radioactive toxicity. Transuranium elements (those heavier than uranium) are the major cause of concern because they couple very long radioactive lives — up to millions of years — with very high radioactive toxicity.

Research in this field is carried out at the Ispra and Karlsruhe Establishments. There are two different approaches to this problem:

- (i) the permanent disposal of wastes in well chosen geological sites which cannot be affected by disrupting factors affecting the long term safe containment of the wastes, and
- (ii) the development of new techniques by which the hazardous toxic elements could be eliminated.

The research programmes take account of both of these possible solutions.

The Centre is also concerned with other safety problems arising from the accumulation of radioactive corrosion products in components of water cooled reactors, which may be carried away by cooling water and gradually accumulate in primary circuit sections outside the reactor core.



# Help for small businesses

## A Parliament report

Four out of five people in Europe, according to a European Parliament Report, prefer to work in small or medium-sized firms — with a maximum of 500 employees. Apart from those working in agriculture or public administration, between a half and two-thirds of working people are employed in these smaller firms in the Community today.

### Action

Both the European Parliament and the Economic and Social Committee have urged Community action in favour of small businesses. They cover such a wide variety of structure and product, however, that the Commission has found difficulty in categorizing them or devising a common approach to help them.

Now the European Parliament is again pressing for action. A report from the Parliament's Committee on Economic and Monetary Affairs not only examines the role of small businesses in the Community's economy, but proposes some radical changes in tax and social security contributions to help the small businessman survive. The Commission has also recently introduced changes in Community competition law designed to extend the scope for close cooperation between small or medium-sized firms.

It is now working on other measures to benefit the small business in connection with sub-contracting, block

exemption of certain patent-licensing and mergers.

Although West Germany, France, Italy and Belgium have an official definition of an 'artisanat' or small business, the Commission considers any undertaking with a maximum of 500 employees as a small or medium-sized undertaking (SMU). SMUs have four other general characteristics in common:

- They are often run by independent entrepreneurs, who are usually personally involved in the various stages of production;
- they tend to serve small markets and supply a specialized product, particularly in the distribution sector at the end of the economic chain;
- they are mostly labour-intensive, with few opportunities of raising productivity by mass production and machines;
- they do not usually have direct access to the capital market.

The Parliament report sees the great strength of SMUs in their servicing and adaptability to local markets and consumer interest, particularly in sub-contracting and repairs and maintenance for consumer durables.

### Costs

In a period of inflation, however, labour costs rise faster than the other elements of the cost price. Between 1973 and 1975 labour costs per unit

product rose sharply in some Community countries — from 25 per cent in Germany to 83 per cent in Italy. This has particularly hit SMUs engaged in the retail trade. They have also been affected by the deliberate policy of member Governments to raise the incomes of the low-paid, particularly of women and young people.

The report notes that SMUs have relatively little influence on central wage negotiations or on government wage policy. One of the consequences is that rises in productivity are usually taken as the starting point in industry for negotiations for wage increases. This is unfavourable to the small business because often the nature of its work makes productivity an unrealistic criterion. The EP Committee suggests that in future the labour-intensive SMU should have more say in wage negotiations so that better account can be taken of the needs of this sector. Government pricing policies should also differentiate between labour-intensive and other sectors of trade.

While SMUs can offer job satisfaction and adaptability, the administrative echelons may be weak; they have no easy access to capital, and banks may be chary of lending to them; training opportunities are limited, and there can be a tendency to stick to old ways.

The report suggests that while SMUs do not wish to be given preferential treatment, they want their special characteristics to be taken into account. Though many governments, as in Britain, are now beginning to do this, in the past government policy has been focussed mainly on large undertakings, because of the size of their workforce.

## **Social security**

Both the Economic and Social

Committee in 1974 and the European Parliament report refer to the burden of social security contributions on labour-intensive enterprises and the need to introduce a basic package of social security provisions for the self-employed.

As labour costs rise, there is the greater incentive to replace men by machines. Where this is not possible in small labour-intensive industries, the small man has to reduce his staff or go out of business, thus adding yet further to unemployment.

The Parliamentary Committee suggests that reform is needed to shift the basis of assessment for social security contributions from labour to added value, so as to achieve a more balanced spread among companies. While admitting the disadvantages of the scheme — notably that it could provide less incentive to modernize and increase productivity — the Committee suggests that, in the present climate, this may be less important than retaining jobs.

## **Community action**

The Commission believes that help for small businesses is essentially a matter for national governments, but in the last few months it has taken specific action to try and help them at Community level by expanding the scope of the Business Cooperation Centre and relaxing certain restrictions affecting competition policy.

## **Cooperation Centre**

The Centre — or 'marriage bureau', was set up in 1973 to help small and medium-sized companies cooperate to their mutual profit across national boundaries inside the Community.

Last year the Commission decided to give the Centre a more active role (see *European Community*, March 1978, pp. 8-9). In future it will con-

centrate on special sectors for 'matching' companies, depending on growth and advantages to competition and, instead of waiting for enquiries from firms, may initiate discussion where cooperation agreements appear to be of mutual advantage. In addition, subject to certain conditions, the Centre can now put Community firms in touch with non-Community ones, and vice-versa.

## Competition

Article 85 of the EEC Treaty prohibits agreements or concerted practices between firms that result in restriction or distortion of competition within the Common Market. In 1970, however, the Community of the Six agreed to exclude small business agreements from the general provisions of the Treaty, subject to ceilings on turnover. Many small businesses also benefit by block exemptions allowed under the Article for specialized agreements relating to a particular product.

The Commission has recently taken two important measures designed to extend scope for co-operation between small firms.

The qualifying aggregate annual turnover relating to minor agreements has been raised from 15 million units of account to 50 *mua* (£10m to £34m) provided, as before, that the combined market share does not exceed 5 per cent. This is not only to take account of inflation, but because experience shows that the aggregate turnover of small and medium-sized firms taking part in agreements of minor importance does not, in fact, exceed this new limit.

The second of the Commission's measures widens the scope of block exemptions for specialization agreements, as from January 1, 1978 for five years. The largest aggregate

market share which may be held by firms qualifying for exemption is increased from 10 to 15 per cent, and their maximum aggregate annual turnover is increased from 150 *mua* to 300 *mua* (£100m to £200m). The Commission believes that these changes should be of particular benefit to medium-sized firms which are not members of large corporate groups.

## The Bank

The Community makes funds available to industry through its various Funds and the European Investment Bank. Some of these benefit SMUs, but in general too little use is made of these opportunities.

To try and remedy this the European Council last March asked the EIB to examine ways of expanding its operations to counter Community economic problems; and in December 1977 the Bank agreed to lend £20 million (30.6 million units of account) to Britain to help finance small and medium industrial ventures in UK development areas.

Loans will amount to between £30,000 and £2.6 million and may cover up to 50 per cent of the fixed asset costs involved in a project. The terms agreed by the Bank will be for seven years; after two years' deferment, repayment will be by equal six-monthly instalments of capital and interest. The interest rate has been fixed at 7.5 per cent.

Though the loans will be disbursed in foreign currencies, the Government will safeguard borrowers from the effects of any fluctuations in exchange rates; it will also provide the EIB with the necessary security, in the form of a guarantee for each loan. The Government will make a charge of 1 per cent for this service.



## Medical help

Self-employed people resident in the UK who have in the past paid contributions as employed persons are now entitled to free or reduced-cost urgent medical treatment in other Community countries while on holiday or business trips. The Commission has proposed that at length all self-employed should enjoy the same rights. Meanwhile, those who believe they qualify should ask their Social Security office for leaflet SA28.

## Disability Conference

The Royal Association for Disability and Rehabilitation is organizing a European Conference on 'Disability in the Family' in Brighton from September 18 to 21, 1978. Details from the Association at 25 Mortimer Street, London, W1N 8AB.

## Stroud Festival

June 30 is the closing date for entries to the International Poetry and International Script Competitions, to be sent to the respective organizers, Stroud.

## Units of account

A French shipping company, SIMACOREN, has decided to quote its freight rates in European Units of Account, instead of the pound sterling or the dollar. The move is reported as having had a warm welcome in shipping circles.

## Children of Migrants

*The Children of Migrant Workers* is a 53-page study published by the Commission in its 'Education' series. It is available from HMSO at £1.25.

## Europe Today and Tomorrow

This is the title of a symposium edited by the late Peggotty Freeman and published by Longman at £3.95. Contributors include Robert Birley, Roy Pryce, Michael Lipton, and Asa Briggs.

## German prize

John Dexter, the British theatrical director and producer, has been awarded the 1978 Shakespeare Prize offered annually by the F.V.S. Foundation of Hamburg. Previous winners include Dame Margot Fonteyn and Graham Sutherland.

## Statistic of the month

In 1977, the Commission put forward 609 proposals to the Council, and answered 1,013 written and 59 oral questions from members of the European Parliament. The Council held 64 meetings. The Parliament held 13 plenary sessions, examined 252 session documents and voted 256 resolutions. The Court of Justice dealt with 162 cases and made 118 rulings.