

ECN0009

European Community

No. 8

October 1977

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Energy from the sun

European Community Contents



European Community is published on behalf of the Commission of the European Communities.

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Printed by Edwin Snell printers, Yeovil, England

European Community also appears in the following editions:

30 Jours d'Europe, 61 rue des Belles Feuilles, 75782 Paris Cedex 16.
Tel. 553 5326

Comunita Europea, Via Poli 29, 00187 Rome. Tel. 68 97 22

Europa Gammel Torv 4, Post Box 144, 1004 København K.
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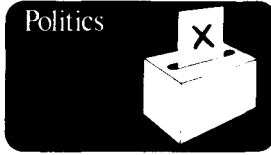
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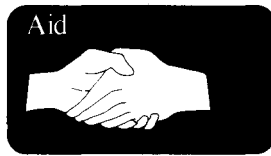
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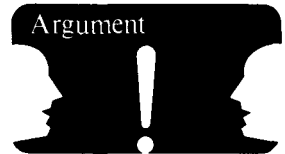
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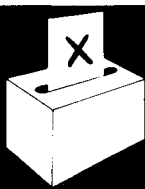
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UK firms back Europe

92% in favour of membership

British industry is overwhelmingly in favour of remaining in the Common Market, says a special survey of large manufacturing companies carried out for *The Daily Telegraph*.

The survey found that 92 per cent of the 217 companies questioned were in favour of continued membership. Only 1 per cent were opposed, and 7 per cent were not sure.

The survey also provides evidence that exports would suffer and unemployment rise if Britain withdrew from the EEC. The probable decline in British employment is put at 2 per cent.

More competitive

The Daily Telegraph commissioned Research Services to conduct the survey in August 1977.

Companies also provided figures and comments on their sales performance, investment plans and employment prospects.

They were asked whether their products had become more competitive in European markets over the past five years. Of the 199 companies answering the question, 77 per cent stated that their products had become more competitive since entry.

The effect of tariff reductions in increasing competitiveness were regarded as 'significant' by 54 per cent of the respondents while a further 8½ per cent felt this effect had been 'very significant.'

However, in many cases the decline in the value of sterling during the period was thought to have been more important. Of the companies whose products had increased in competitiveness, 66 per cent felt that the decline in the value of sterling had been more important than the cut in tariffs.

The question was raised whether imports from other EEC countries had damaged the home market for British companies. Most companies have suffered little or no impact. Only 14 per cent said that they had lost market share to EEC competitors. Seven per cent of the respondents actually increased their home market share.

Exports trebled

Companies were asked a series of questions concerning capital investment. Nearly 60 per cent of the sample had significant direct investments in other EEC countries, and of these 16 per cent had investments currently valued at £10 million or more.

Of the 34 companies with EEC investments exceeding £10 million, 38 per cent have more than trebled their exports to the EEC since 1972. This suggests that substantial EEC investments tend to stimulate exports from Britain rather than to displace them.

Comments by business

Sir Peter Matthews of Vickers: 'all sorts of statistics, helpful and unhelpful, can be produced to explain why we should or should not have joined the EEC and why we should or should not now attempt to withdraw.'

'All this seems a total diversion from the simple fact that reconsidering yesterday's decisions may be a political game but it is not a business activity.'

Peter Balfour of Scottish & Newcastle Breweries: 'Cannot conceive that it is possible to consider withdrawal from the Market.'

Lucas Industries: withdrawal would make it 'not impossible, but that much harder to sell in what is clearly our nearest and most important market.'

But the Common Agricultural Policy draws criticism.

Nicholas Horsley, chairman of

Northern Foods: 'The British policy of cheap food to the consumer is better for the country as a whole, and for our industry, and for our company.'

Ralph Ehrmann, of Airfix Industries: 'We have orientated our trading increasingly towards working in the Common Market and would find it very difficult to continue exporting to many of our markets there if tariffs were re-imposed.'

Norman Gidney, of Gidney Securities: 'All we need is a period of stability. The only problem industry cannot handle is continuous interference from Government.'

Peter Fisher, group managing director of Avon Rubber: 'The combination of the much larger market sector . . . and the absence of a tariff will give British manufacturers a very real opportunity to increase the volume throughput of their factories.'

Statistic of the Month

A week's work

According to the latest figures available to the Community's Statistical Office, the average week's work in various member States at the end of 1975 was as follows:

Germany	40 hrs 50 mins
France	42 hrs 24 mins
Italy	41 hrs 30 mins
Netherlands	40 hrs 48 mins
Belgium	37 hrs 56 mins
Luxembourg	40 hrs 54 mins
United Kingdom	41 hrs 48 mins

Quotation of the Month

'A recent comprehensive survey of the world commodity scene and the CAP indicates that, despite its originally protectionist nature, the CAP has displayed considerable flexibility in recent years . . . As a result the Community has been reminded of its dependence on Third World suppliers and has thus been ready to make agricultural concessions in return for trade agreements with many LDCs.'

Adrian Walker, *One Crust of Bread*, Oxfam Public Affairs Report No. 4, pages 10-11.



The month in Europe

Patent convention

The European Patent Convention, signed by all nine Community countries and seven others, came into force on October 7, 1977. Under it, patent protection can be obtained in all sixteen countries by a single application in one language — English, French or German. The Convention will be run from the European Patent Office in Munich, with a branch in The Hague: applications should be able to be received from June 1, 1978 onwards. For a 15-year transition period, some of the work will be entrusted to the British Patent Office in London.

Motor men back EEC

Despite the resurgence of anti-EEC feeling in Britain, membership has been 'more help than harm' to the motor industry, according to Mr David Plastow, President of the Society of Motor Manufacturers and Traders, speaking before the opening of the Frankfurt Motor Show on September 13, 1977.

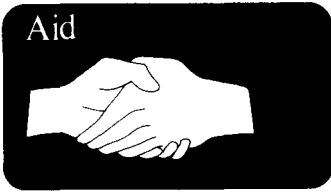
Shipbuilding aid

The Commission has told the British Government that it agrees to a £65 million programme of aid to make UK shipyards more competitive.

More cash for Britain

Recent loans and grants for the UK include:

- An ECSC loan of £1,086,000 to Natural Gas Tubes Ltd., for their new welded steel tube plant at Tafarnaubach, South Wales;
- A loan of £6,200,000 from the European Investment Bank (EIB) to the National Water Council, for projects in Wales;
- A £75,420 contribution to two research projects in Newcastle and Leicester;
- A loan of £28 million to the North Sea Iron Co., for work at Jarrow;
- An EIB loan of £4,100,000 to improve electricity supplies in the North and North-West of Scotland;
- An EIB loan of £6,900,000 for a chemicals plant on Teesside;
- An ECSC loan of £53 million to help finance ten NCB projects;
- A further £23,400,000 from the European Regional Development Fund, the biggest slice of which is to go to the Northern Region;
- £23,400,000 from the European Social Fund, for vocational training;
- Two EIB loans for the British Steel Corporation, totalling £11,400,000, for projects in Workington and near Motherwell;
- Research grants totalling £341,230, for steel projects on noise, fume control, and waste recycling.



The Community aids development

A new report

The total volume of official and private resources transferred to the developing countries by the member States of the Community increased from \$6,756 million in 1971 to \$15,242 million in 1975. Official Development Assistance (ODA), i.e. through bilateral, Community and other multilateral official channels, rose from \$2,991 m. to \$6,012 m.

UN target

Thus, in 1975, total flows represented 1.14 per cent of the combined GNP of the member States and ODA 0.45 per cent. The first slightly exceeded the UN target; the second fell short of the 0.7 per cent urged for the UN Second Development Decade, although the Community achievement was considerably above the average of official assistance (0.36 per cent of GNP) for industrialized countries. Within the Community in 1975 development aid, as a proportion of GNP, varied from 0.75 per cent in the Netherlands, 0.62 per cent in France to 0.37 per cent in the UK and 0.11 per cent in Italy. The Council of Ministers, however, agreed to make further efforts.

Within the Community most aid is undertaken by the member States on a bilateral basis with the developing countries concerned. But in 1975 about 28 per cent of disbursements were made through multi-lateral

channels, of which 17 per cent were handled by the Commission on behalf of the Community.

Strengthening

In 1971, the Community of the Six was the first of the industrialized countries to adopt the Generalized System of Preferences (GSP).

Enlargement of the Community in 1973 broadened Community concern for the developing world as negotiations proceeded on how to protect Commonwealth interests.

In 1974, the Council of Ministers adopted two Resolutions (i) urging close coordination between the member States in promoting policies in international fora concerned with development cooperation, and (ii) concerning the principle of Community aid to non-associated developing countries.

Negotiations also started with the African, Caribbean and Pacific (ACP) States associated with the Community, which led in 1975 to the signing of the Lomé Convention. This came into force in 1976.

The Convention applied to 46 (now 52) countries and, in the words of its Preamble, was designed to provide 'a new model for mutual relations.

In 1976, the Community also concluded cooperation agreements with the Maghreb countries (Algeria, Morocco and Tunisia) and

with the three Mashrak states of Egypt, Jordan and Syria. The Community and the member States also acted as a single unit at the Conference on International Economic Cooperation (CIEC) in Paris, and took a common stand on development cooperation.

In addition, the Community has concluded trade cooperation agreements with a number of Asian and Latin American developing countries and extended its food aid.

STABEX, the scheme for the stabilization of export earnings introduced under the Lomé Convention, was an innovation in relations with developing countries that has already proved its value to lesser or least developed countries.

Trade trends

In 1975, total trade between the Community and the developing countries was worth 93,000 million EUA (US \$115,000 million).

The Community is the largest market for the developing countries.

Between 1971 and 1975 these imports rose from 23,000 million EUA to 55,000 million EUA, an annual increase of 24 per cent (or 15 per cent without oil and oil products). Excluding non-ferrous metals, imported manufactured products increased at a rate of 25 per cent a year, due in particular to imports of textiles and clothing products.

These results were against a backdrop of recession in the Community in 1974-5 and were, therefore, part of a deliberate policy to encourage exports from developing countries, partly under the GSP and partly under the Multifibre Arrangement. Ironically, the latter opened the Community market to foreign textiles and clothing to such an extent that the Community is seeking to put a global ceiling on these imports in

current negotiations on the MFA.

Non-preferential

In addition to the special agreements mentioned above, the Community concluded non-preferential trade cooperation agreements with India (April 1974), Brazil (August 1974), Mexico (November 1975), Sri Lanka (Dec 1975), Pakistan (July 1976) and Bangladesh (Dec 1976).

The Commission also established working relations with several Latin American countries involving technical assistance.

Cooperation

Industrial development in developing countries and the opening of the Community market to their products already affects native industries and the impact is likely to increase. This makes it all the more important to pursue, within the Community, determined policies for the restructuring of industry.

Under Lomé, current projects cover development of infrastructures linked with industrialization; help with setting up manufacturing firms which process raw materials; industrial training in Europe and the ACP states; industrial information, promotion and studies; back-up trade promotion measures, as well as the transfer of appropriate technologies.

The agreements with the Maghreb and Mashrak countries provide for similar measures of industrial and technological cooperation.

Least developed

In 1975, 54.3 per cent of Community aid went to developing countries in Sub-Saharan Africa; 33.3 per cent to developing countries in Asia and 5.2 per cent in Latin America.

Three-quarters (75 per cent) of this went to countries whose *per capita* GNP was \$200 or less.



Solar energy

The Commission backs research

In answer to a European Parliamentary question, the Commission has given details of its solar energy work.

The Energy Research and Development Programme, in the section on 'Solar Energy', calls for action to develop power production (electrical or mechanical) by means of the thermodynamic cycle.

Accordingly, the Commission had a feasibility study carried out in 1976 on a 1 MW heliothermal power plant.

On the basis of the findings of this study the Advisory Committee on Programme Management responsible for solar energy recommended to the Commission at its meeting on January 20 and 21, 1977, that construction details be worked out (including component testing) and a 1MW solar power plant built, based on the concept of a central steam-raising system supported by a column and surrounded by several hundred mirrors (heliostats). The feasibility study makes reference to 727 such heliostats.

Cost

The initial cost of this power plant is put at seven million u.a. and the ACPM is proposing that the Commission make a 50 per cent contribution.

The Commission departments concerned are currently holding

negotiations with industry and governments likely to be interested so that the Commission is in a position to decide on the implementation of the project.

The Italian Government has offered the Commission a suitable site for the location of this power plant.

Time to start

In fact, if solar energy is to cover even as little as 5-10 per cent of Europe's energy requirements by the beginning of the next century — when, according to current estimates, oil will have become scarce — then it is high time to make a start on the necessary development work, with a budget commensurate with the importance of the objective. It still takes an average of ten to fifteen years for major inventions and developments to reach the stage of large-scale industrial application.

Technically speaking, the exploitation of solar energy still stands on the first rung of its evolutionary ladder. The objection that the use of direct solar radiation can be of significance only in southerly latitudes is refuted by the results of more recent studies. These show that on average central Europe receives half as much energy in a year, in the form of radiation per unit of surface area, as the desert belt of the Sahara. Since, however, large

areas of Europe are frequently overcast, the potential for the technical exploitation of solar energy will differ according to climatic conditions and geographic situation.

Apart from the solar heating of water, for which the outlook is promising even in northerly latitudes, the most hopeful techniques in this context are probably the direct conversion of radiation into electricity by means of solar batteries and, in the longer term, bioconversion or photochemistry.

South of the Alps, solar power stations with mirrors as concentrators are feasible and, given intensive research aimed at increasing their efficiency conversion, should be capable of competing economically with conventional forms of energy.

Hardly begun

The total output of all the solar collectors at present installed in Europe does not amount even to one megawatt. Such a figure is negligible in the overall energy balance. It can be assumed, that the development work now getting under way in Europe will, in ten to fifteen years, result in a more mature technology and therefore to output figures that will be more perceptible. The market shows that there is already considerable public interest in solar water heaters and in houses heated by solar energy. Many of the developing countries in particular, with their tropical climates, offer suitable locations for experiments and trials systems developed in Europe. Owing to the different structure of the energy market in these countries — a corollary of the more favourable climatic conditions — it can already be said that solar energy should be commercially competitive there in

the near future. A market already exists in such places for technical developments to which a European research programme may give rise; this makes it all the easier for European industry to adopt a long-term objective, since in the short term there is an outlet in these regions for its products.

Since the energy crisis the various member countries of the Community have intensified their research into the use of solar energy. Here there is an opportunity for cooperation extending beyond national frontiers, since on the one hand all the Community countries have an interest in the development of solar energy, and on the other hand industry and research in this field are still seeking to establish proper structures and are receptive to the idea of concerted action.

Since taking up his post, Dr Guido Brunner, the member of the Commission with special responsibility for research, has stressed the need for alternative sources of energy. The European Community research and development programme in this field of solar energy, submitted by Dr Brunner, was adopted in mid-1975. In the course of the four-year programme, the sum of 17.5 million units of account (DM 63 million) is to be spent in support of projects aimed at making solar energy competitive with 'conventional' sources of energy. This programme is divided into six main areas.

Buildings

A considerable amount of work is already being carried out in the member countries on the development of solar heating systems. To some extent such systems are already commercially available. Consequently, as far as solar heating is con-

cerned, the European Community supports primarily those projects which are of benefit to all manufacturers or research institutes working in this field, e.g. the computer-programmed search for the optimum working conditions for solar heating systems, or the development of new types of heat accumulator for the sunless hours, days or even weeks (the problem of economical long-term storage of solar heat remains unsolved).

Power stations

Solar energy can also be used indirectly — via the generation of steam and the driving of steam turbines — to operate quite large solar power stations. For this purpose, a whole field of reflectors is oriented towards the sun in such a way that the concentrated sunlight strikes a central 'boiler' and heats it. A European group of companies recently concluded a project-definition study, commissioned by the European Community, for a 1MW solar power station. It is intended that development of the components for such a power station should be put in hand forthwith and that a start should then be made on the construction of the station, probably in Italy.

Photovoltaic conversion

With the aid of semiconductor cells, familiar from the technology of space-travel, sunlight can be converted directly into electricity. These cells, however, are still far too costly to compete with normal electricity production. Since the use of such solar cells would be particularly advantageous in Europe (they function even when the sky is overcast) the European Community is spending nearly half of its solar

energy research budget in this field. Some thirty contracts with important industrial firms and research laboratories in the Community are at present being prepared or have already been concluded. Both the further development of known methods based on silicon and cadmium sulphide and completely new methods involving special materials and techniques are being studied.

Photochemistry

Solar energy is captured and converted into chemical energy by the process known as photosynthesis, which occurs naturally in plants. Knowledge of the complex processes involved in photosynthesis could lead to the development of new artificial photochemical systems. Although the necessary basic research is hardly likely to open up an important new source of energy in the near future, the European Community has concluded contracts with nineteen institutes well known for their work in this field, with a view to promoting their current research projects, coordinating the work and making the knowledge thereby acquired as widely available as possible.

Bioconversion

Certain plants convert solar energy into organic matter with remarkable efficiency and therefore constitute a possible means of energy storage, i.e. as 'biomasses'. The Commission is currently supporting research into the cultivation and selection of particularly fast-growing tree species (poplars, etc.), which should later be able to ensure the fuel supply for power stations in Ireland previously fired by peat. In Germany, France and Denmark, the use of straw for

the direct production of thermal energy is also being studied, and the Commission is participating in the research.

These studies are concerned not only with the purely scientific aspects and the resulting technical processes but also with the economic and environmental facets of the subject.

Data collection

In order to make the best use of solar energy it will in future be necessary to have more accurate information on the intensity, duration and type of insolation in the various parts of Europe and also to have access to reliable meteorological data.

To this end, methods of measurement and measuring instruments must be standardized and the requirements of the solar-energy industry, architects and users ascertained. The Commission has several projects in course of preparation. However, before the measurement values can be ascertained and collated in data banks, there is need for further work by groups of experts and harmonization with various other organizations already working on certain aspects of the problems to be solved. Only on the basis of data ascertained through these investigations will it be possible to make a reliable economic evaluation of the various ways of utilizing solar energy.

Organization of research

Research into solar energy is interdisciplinary. Physicists, biologists, engineers and agronomists — to mention but a few of the disciplines involved — must all contribute their experience to the common goal of harnessing solar radiation in the service of man. The projects to be

carried out must be selected, supervised and aligned. To this end, the Community calls upon the services both of researchers from its own research centres in Italy, Germany, Belgium and the Netherlands and of numerous specialists from national research institutes, universities and private industry. The Community is linked by contracts to nearly one hundred research establishments in the nine member countries. The programme advisory committee composed of members from the various member countries is responsible for the continuous adaptation of the programme to the latest developments.



Energy imports

In 1977, the Community is expected to have imported some 55 per cent of its energy supplies, as compared with 58 per cent in 1976, 57 per cent in 1975, and 61 per cent in both 1973 and 1974. In 1958, the Community of the Six depended on imports for only 29 per cent of its energy needs.

In a review of the latest forecasts of member States the Commission has recommended to the Council a reaffirmation of the target of reducing the Community's energy dependence to 50 per cent by 1985.

The objective for 1985 is to set a platform for petrol imports of a maximum of 500 Mtep (million tonnes equivalent petrol), or ten million barrels a day, and to make this a basis for the general policy.



Housing for the disabled

Pilot scheme to improve home conditions

The Commission has approved a grant of £100,000 towards a three-year programme in Britain aimed at removing difficulties in the way of disabled people in their homes.

The EEC funds will be paid to the Housing Development Directorate of the Department of the Environment, which will channel the money to the Crossroads Trust, Rugby.

The Director of the Trust, Mrs Pat Osborne, will head a team working in cooperation with six selected local authorities in the United Kingdom.

House adaptation

About £30,000 of the Commission funds will be used to carry out structural adaptations to housing.

For each participating local authority the Department of Health and Social Security (or the Scottish and Welsh Offices) will boost the local Crossroads scheme by matching the funds put into each project by the local social services departments, up to £5,000 for each authority each year.

The programme is expected to begin this autumn and to be completed in June 1980.

The EEC contribution is provided to cover additional and identifiable costs arising from the pilot nature of the study.

Following a resolution by the Council of Ministers of the EEC in

January 1974, the Commission financed four pilot schemes and five studies in 1976 to test housing standards for the disabled. The Community hopes to continue to learn from experiences in the UK.

How it began

The Crossroads Attendant Care Scheme Trust was set up in Rugby in 1974 with Mrs Osborne, a local district nurse, as Director.

For its first two years the trust was funded by Associated Television, Birmingham. The financial backing arose from the portrayal in the Crossroads serial of a paraplegic person in a wheelchair.

A young man, Noel Crane, who lived near Rugby and was almost totally paralysed after breaking his neck in a diving accident, contacted Crossroads to offer practical advice for the programme.

Help

The Crossroads producer who visited Mr Crane realized that it was his mother who most needed help in her daily, single-handed struggle to get her son out to work and keep him going. ATV offered £10,000 to set up the Trust; after two years the D.H.S.S. made a grant to continue it for a year and since then the Warwickshire social services authorities have taken on the cost.



UK capital

The United Kingdom has once again been authorized to retain controls on the outflow of capital, except those connected with the free movement of workpeople. The Commission is to review the British economic situation before the end of 1977 to assess the need for continuing this special exception from the terms of the British Act of Accession to the Community.

Giolitti on Tyneside

Antonio Giolitti, Commissioner for regional development, told an audience in Newcastle on September 9, 1977, that grants for investment in the Northern region of England had totalled almost £42 million — substantially more than any other region anywhere in the Community.

Workers' handbook

The Commission has agreed to put together in a 'Migrant Workers' Handbook' for employment offices all the legal text covering their rights.

Kentish Town cash

Inter-Action, the local community arts group based in Kentish Town, has won a grant of nearly £100,000 from the European Social Fund to launch a job-training programme.

Parliament backs fish ban

The European Parliament has given broad backing to the Commission's plans to ban herring fishing in the North Sea in order to conserve stocks.

Bird protection

The Commission has contacted the authorities in Italy in the hope of changing a draft law now before the Italian Parliament which threatens to diverge from the strict Community rules proposed to prevent bird slaughter.

Consumer Council applauds

The Consumer Council has welcomed Community plans to ban unfair and misleading advertisements. But it stresses that any UK legislation must also preserve existing consumer safeguards.

Regional Fund clean

Spot checks on use of the Regional Fund have revealed no misuses, the Commission has announced in answer to a question in the European Parliament.



Protecting cosmetics consumers

New Community directive

Spurred by the death in 1972 of 22 children in France who had been powdered with talcum containing dangerous levels of hexachlorophane, the European Community has issued a directive to its nine member States that will ban unsafe substances from cosmetics and harmonize the national safety regulations pertaining to the cosmetics industry.

The cosmetics industry is flourishing in the Community — it has an average volume increase of about 10 per cent per year — and its products affect all Europeans as well as travellers who purchase soap, toothpaste, shampoo or other essentials. Anything that is not designed to heal and that is applied to the hair, skin, nails and lips is generally regarded as cosmetics. Yet the nine member States — Belgium, Britain, Denmark, Ireland, Italy, France, Germany, Luxembourg, the Netherlands — had widely varying rules concerning the chemical components of cosmetic products, a situation that was both a barrier to free trade and a safety hazard.

Deaths

The tragic deaths in France that were caused by talcum powder — some samples showed 6 per cent hexachlorophane — aroused suspicion about the chemicals used in cosmetics and demonstrated the need

for more effective safety measures. In 1973, the Belgian consumer magazine, *Test Achats* (Test Products), analyzed nine vaginal deodorants that were on the market and found that five of them contained hexachlorophane, the same chemical that caused the babies' deaths in France. All the deodorants were found to be expensive, dangerous and totally ineffective.

First step

The European Commission first submitted proposals for a directive that would harmonize cosmetics laws in member States in October 1972. Proposed modifications to the draft represented the first major victory for consumer groups who, until the Community's enlargement by Britain, Ireland and Denmark in 1973, had taken little direct interest in Community affairs. The directive was adopted by the nine member States in July 1976.

With the new directive, which will come into force in Community countries at the beginning of 1978, the use of hexachlorophane in cosmetics will be severely restricted. It is an efficient and powerful antiseptic and has been used successfully for a long time to combat bacteria, but only in very small doses is it harmless.

The cosmetics industry at first resisted attempts to legislate new restrictions on hygiene and beauty

products. But the free movement of goods among Community countries is a cardinal principle of the common market, and public pressure on a national government to close its frontiers for fear of suspect products from other countries could have threatened that principle. It was necessary, therefore, to provide the same protection for consumers throughout the Community.

The discussion of the cosmetics directive at the Community level also made possible a sharing of scientific information from various national sources, resulting in an improved overall level of protection. From the commercial point of view, the directive enables manufacturers to offer a wider choice to the consumer while simultaneously eliminating unnecessary and costly differences between products marketed in various countries.

Legal maze

A decade ago the regulations concerning cosmetics in the Community were scattered in a variety of legal texts dealing with food and tobacco. Since then several countries have been working on legal proposals; Belgium introducing a royal decree in May 1973 that was modified in March 1974. Other countries are still drafting their legislation. The Community directive allows the member States to coordinate and harmonize their legislation.

The Commission's biggest job was defining what is meant by a cosmetic product, listing substances that may never be used in production, those that are definitely permitted and those substances subject to severe restrictions. The conditions of use and in some cases a warning must be printed on the label in the last classi-

fication. A list of provisionally allowed substances — those on which toxicological tests are still being carried out — will be revised after three years, at which time the substance will be definitely permitted or definitely prohibited or retained for a further period of three years for further tests. The directive makes it possible to add permitted substances as soon as test results are out.

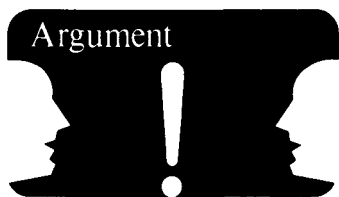
Three hundred and sixty-one substances are listed on the prohibited list — including all the major allergy-provoking substances and several poisons that would be extremely dangerous if they were used in cosmetics, such as alkyne alcohol, aniline, benzidine and benzene.

More pressure

The Economic and Social Committee, together with the European Parliament, urged the inclusion of provisions regarding labelling, sales and presentation of cosmetics. The cosmetics and perfume manufacturers have opposed the initiative, saying that the directive will retard expansion without bringing any guaranteed safety to the consumer. They also say that revealing ingredients means giving away trade secrets.

Two years' grace

The Community has given the manufacturers a two-year period for adaptation to the directive. Although it will come into force in 1978, cosmetic products that do not conform to its requirements may still be marketed in the Community until 1980. The Community directive is broadly similar to legislation in the United States, an important consideration since so many American cosmetic products are available in Europe.



No backsliding on liberal trade

Haferkamp's warning

Speaking in Brussels on July 25, 1977, Commission Vice-President Wilhelm Haferkamp declared: 'The world is nearer sliding back into the protectionism of the 1930's than at any time for the last thirty years. Unemployment is high and is likely to continue high well into the 1980's. Industries in crisis — on both sides of the Atlantic — are pressing governments to restrain imports, and the protectionism which stifled trade and kept millions on the dole forty years ago is now being presented in a new guise, with seductive modern rational sounding slogans.

Two-way trade

'So I think that this is the moment when we should stand up and be counted. We are foursquare behind the one world trading system which has over the last twenty years provided the base for the biggest increase in world trade and world prosperity in recorded history.

'An open and liberal trade policy is in the interest of the Community.

'Trade is not a one-way street. The standard of living of the Community countries depends on the competitive edge of their industries on world markets. The attention focussed on imports and unemployment tends to make us forget this.

'Take iron and steel. Imports into the Community rose in 1976 by 19 per cent over 1975 to total 4.2 billion dollars. But Community exports in

1976 were more than double — 9.5 billion dollars.

'Take shoes, imports in 1976 totalled 695 million dollars. But exports were 985 million.

'Even in textiles imports in 1976 at nine billion dollars were nearly balanced by Community exports of 7.6 billion dollars.

Structural change

'Indeed, the increasing specialization necessary if Europe is to compete successfully on world markets implies major structural changes both in world trade and in European industries. But the first can be accommodated within the GATT. The multifibre arrangement and the arrangement on cotton textiles which preceded it have successfully maintained a delicate balance between the developed and developing countries for 15 years, and show that industrial sectoral problems can be dealt with in the GATT framework quite apart from the existence of GATT instruments such as the safeguard clause and anti-dumping rules. Equally a major effort will be needed to restructure European industries to meet a changing pattern of trade.

'But these problems can be dealt with without recourse to doctrines which under different but plausible names would return us to the chaos of restrictions and beggar-my-neighbour policies of the 1930's.'