

ECONOMIC AND SOCIAL COMMITTEE  
OF THE EUROPEAN COMMUNITIES

# BULLETIN

N° 10/1974 October





## INTRODUCTION

During October, the Committee held two plenary sessions, which was highly exceptional. The first was the inaugural session, at which the 133 members who were newly elected chose their Chairman, the members of the Bureau and their representatives on the Committee's various internal working bodies.

This session was attended by Mrs Françoise GIROUD, French Secretary of State for Women's Affairs, who was the President in office of the Council, and Dr Patrick HILLERY, Vice-President of the European Commission.

The second session was an extraordinary session, held because of an urgent consultation on the Commission's annual report on the economic situation of the Community. Work will assume its normal pace in November.

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I

ELECTIONS WITHIN THE NEW COMMITTEE

The inaugural session of the fifth four-year period of office of the Committee was held on 7 and 8 October 1974.

1. At this session, the members elected their new Chairman, who will serve for a period of two years. He is Mr Henri CANONGE (France - Group III - Various Interests), Director-General of the National Agricultural Confederation for Mutual Assistance Cooperation and Credit and a member of the Economic and Social Committee since 1958.

The two Vice-Chairmen are Mr Louis AMEYE (Belgium - Group I - Employers), Chairman of the Belgian Federation of the Glass Industry, and Mr John CARROLL (Ireland - Group II - Workers), Vice-President of the Irish Transport and General Workers' Union.

2. The Bureau of the Economic and Social Committee consists of twenty-one members, including the Chairman and the two Vice-Chairmen. The other eighteen members are :

Mrs	BADUEL GLORIOSO	(Italy - Group II)
Mr	BERNS	(Luxembourg - Group III)
Mr	DE BRUYN	(Belgium - Group III)
Mr	DELOURME	(Belgium - Group II)
Mrs	EVANS	(United Kingdom - Group III)
Mr	FRIEDRICHS	(Germany - Group II)
Mr	van GREUNSVEN	(Netherlands - Group II)
Mr	HENNIG	(Germany - Group III)

Mr	HENNIKER-HEATON	(United Kingdom - Group I)
Mr	HIPP	(Germany - Group I)
Mr	JONKER	(Netherlands - Group I)
Mr	MASPRONE	(Italy - Group I)
Mr	NIELSEN T.	(Denmark - Group II)
Mr	O'KEEFFE	(Ireland - Group III)
Mr	PURPURA	(Italy - Group III)
Mr	RENAUD	(France - Group I)
Mr	RØMER	(Denmark - Group I)
Mr	SOULAT	(France - Group II)

3. The three Groups which have existed within the Committee since its inception also elected their Chairmen :

- for Group I (Employers), Mr Jean de PRECIGOUT, Vice-Chairman of the National Council of French Employers and member of the Committee since 1958;
- for Group II (Workers), Mr Georges DEBUNNE, Secretary-General of the Belgian General Federation of Labour and member of the Committee since 1968;
- for Group III (Various Interests), Sir John PEEL, surgeon and professor at the Faculty of Medicine, member of the British Medical Council and member of the Committee since 1973.

4. The Chairmen of the nine Sections, among which work within the Committee is divided, are :

Industry, Commerce, Crafts  
and Services ..... Mr HEMMER (Luxembourg - Group I)

Energy and Nuclear Questions .... Mr de FERRANTI (United Kingdom -  
Group I)

External Relations ..... Mr CARSTENS (Denmark - Group I)

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Transport and Communications .... Mr HOFFMANN (Germany - Group II)

Social Questions ..... Mr HOUTHUYS (Belgium - Group II)

Regional Development ..... Mr VENTEJOL (France - Group II)

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Economic and Financial  
Questions ..... Mr CHARBO (Netherlands - Group III)

Agriculture ..... Mr EMO (Italy - Group III)

Protection of the Environment,  
Public Health and Consumer  
Affairs ..... Mr ROSEINGRAVE (Ireland - Group III)

III

EXTRACTS FROM SPEECHES MADE AT THE INAUGURAL

SESSION

1. Mr Henri CANONGE, the newly-elected Chairman who succeeds Mr Alfons LAPPAS, made a speech at his installation in office. We provide the following extracts from this speech :

"The first thing I would like to do at this the start of my term of office as Chairman of the Economic and Social Committee is to express, on behalf of myself, the Vice-Chairmen and the Bureau as a whole, my deep and sincere thanks for the confidence you have placed in me and in my fellow Officers in electing us to these posts.

(.....)

It will come as no surprise when I tell you that I do not intend, as Chairman, to renounce my agricultural background, my strong allegiance to Group III, or the belief, which I have always voiced, in gradual but genuine progress towards European integration. Nevertheless I will endeavour as Chairman to represent you all, whatever your country of origin, your group or your views may be.

(.....)

Some of you, like myself, came here to undertake this pioneering work as long ago as 1958. Since then we have spared no effort to make a success of it. Perhaps we were a little naive at the time but what we did have was faith, an ardent faith. You, Mr GIUSTINIANI, have always had this faith and are still fired by it today.

(.....)

To the new members of the Committee, in particular, I should like to say that the Chairman, the Vice-Chairman, the Bureau and all the old members will not only extend them a warm welcome but will be anxious to fully inform them about all aspects of our Institution.



(.....)

It is no doubt the duty of a new Chairman to let you into his plans.

Judging from the experience of the previous Bureau, I would say that there are basically two types of questions : (a) the internal questions of the Committee and (b) everything that concerns the Committee's influence and prestige.

Our Committee mainly works through its plenary sessions. These must be held as regularly as possible and, if necessary, there have to be extraordinary sessions. Between plenary sessions responsibility lies with the Bureau, the Chairman and the two Vice-Chairmen. As was the case with my predecessor, it is my intention to keep the Bureau fully informed of what is happening so that it can work properly; I also intend to maintain close, continuous contact with the two Vice-Chairmen. I wish to enjoy their full confidence and derive full advantage from their collaboration.

The basis for our work must clearly be the new Rules of Procedure. These Rules recognize - though for some people they do so in too informal a way - the existence of the Groups.

The Groups make a useful contribution to the proper functioning of the Committee. They also enable us to do our job properly, that is each member finds an initial source of information and a channel for expression in his Group whilst at the same time there is a certain tendency for the formation of a collective will, which is of especial value to our Opinions.

My intention, as far as the Groups are concerned, is quite clear. I shall shun everything that gives the impression that the Chairman favours this or that set of ideas, this or that point of view, though I shall not fail to assume the responsibilities you entrusted me with.

I have already had occasion to emphasize that the inflexibility of our Rules of Procedure derives, to a large extent, from the procedure whereby approval by the Council is required. This is why we have supplemented the Rules with Instructions of the Bureau which will need to be adapted in accordance with needs and changes.

.../...

I believe that the Sections are one of the pillars of our edifice. Because of this the Chairmen of the various sections carry a heavy responsibility for seeing that Committee work is done smoothly and is of high quality. As allowed by the Rules of Procedure, I shall try to ensure that Chairmen of Sections are involved in the organization of work and the preparation of Committee decisions as often as possible. Work done in the various sections should also be coordinated more closely.

Generally speaking, the work done by our Committee falls into three categories :

- Technical questions, i.e. Opinions requiring special knowledge;
- More general questions of an economic and social kind (questions regarding companies, foreign trade, associated countries, etc.);
- Major topics of the day (e.g. inflation which at the present time is exercising us all).

Referrals from the Commission and the Council account for the first two of these groups. Since its foundation the Committee has steadily improved its work in these fields.

On the other hand, the major topics of the day and the big crucial issues of current concern in the Community can be dealt with by own-initiative Opinions, a procedure started in the previous term of office.

Without false modesty we can say that to date the Committee has made good use of this new right. The discussions we have held and the documents we have published have been appreciated by the Commission and the Council.

There is no disputing that we must continue on this course, given that our right to publish our work in the Official Journal brings it to the public eye - a fact which must prompt us to enhance its quality.

This brings me to stress all the importance which attaches to the running of our new press and information and external relations services.

What action is taken on our Opinions depends to a large extent on our relations with the Council, the Committee of Permanent Representatives, the Commissioners and the Commission's administrative services. Such relations must be cultivated and improved without let up.

Until recently the only regular visitor to the Committee was the President of the Commission. But at the last plenary session, in July, we were pleased to have the President of the Council in attendance. We were told that other visits would follow and we are highly gratified that the Council as witness the presence today of Mrs Françoise GIROUD, Secretary of State, has confirmed its desire to maintain a genuine dialogue with the Committee.

I, for my part, in liaison with the Vice-Chairmen, will contact the various levels of the institutions, the Council, COREPER and the Commission whenever necessary. Mr LAPPAS managed to obtain significant improvements in these areas, although he was unable to achieve the same progress as regards our relations with the European Parliament.

This is a major problem, a problem rooted in misunderstanding and fears which, in our view, are groundless. In various contexts the Committee has formally declared that the parliamentary assembly is the highest form of expression of any democratic system. The Committee has also stated that this body, which directly represents the public at large, must be granted its full responsibilities. In seeking to establish contacts with the European Parliament it is not our desire to impinge in any way whatsoever on its prestige and its eminent vocation, quite the contrary. We feel, however, that given the complexity of modern economic, social and even technical problems, and in view of the aspirations of the occupational groups and social partners, the viewpoints and opinions of the institution that represents these sectors of the population should be voiced and taken into account.

Consequently, as far as this subject is concerned, I intend to resume contacts and keep a close watch on this question, together with the Bureau.

The visits by the Chairman and the Vice-Chairmen to the Member States provide an opportunity to maintain a vital contact. They will continue along the lines established by Mr LAPPAS. Each visit is to be an

opportunity for contacts but also for discussion and the study of certain important issues either of a general nature or of specific interest to the host country. I also feel that something is to be gained from working meetings of the Sections and the Groups in the Member States, on the proviso that the relevant programmes are organized on a rational basis."

(.....)

The Chairman then made a personal appraisal of the internal operation of the Economic and Social Committee, and concluded by saying :

"As I have stressed from the outset, we are going through a particularly bad patch which is threatening the world's equilibria. Naturally it is up to the political authorities fully to shoulder their responsibilities at this critical juncture, and the Committee in no way intends to arrogate their role. All the same, the Committee can and must play its part in helping Europe to recover its coherence and dynamism -- a vital force for world balance and the well-being of nations."

2. Mrs Françoise GIROUD, Secretary of State for Women's Affairs in the French Government, attended the inaugural plenary session of the Economic and Social Committee in the capacity of President of the Council of Ministers. Here are some extracts from her speech :

"Today, for the fifth time since its foundation, the Economic and Social Committee is holding the inaugural meeting of a new four-year term. The Committee's composition bears the hallmark of great continuity, ten of you have been members since 1958. It also shows an ability to keep abreast of the times.

Today, alongside the employers' spokesmen can be seen representatives of almost all trade unions, thanks to the regrouping of their central organizations at European level.

There is also a small, but important, group of consumers' representatives and I am pleased to see that their number includes several women. I feel that it is their place to make a new voice heard which is sorely needed at the present juncture, whose gravity there is no need for me to recall.

(.....)

May I at this juncture break with tradition for a moment and digress onto the subject of women as economic operators? Woman's role as an economic operator is no mean one and the French Government has decided, as you know, to make serious efforts to have this role fully recognized and more fairly rewarded.

In France eight million women workers - 54% of whom are married - account for 37% of the labour force. I believe these figures to be some of the highest in Europe, although the number of working women is on the increase in all the Member States.

In point of fact, women have always been in gainful employment. But thanks to technical advance the home is no longer a production centre. Soap, candles, wool, bread and jams are now all bought at the supermarket.

(.....)

Nowadays, we no longer produce at home, we consume.

(.....)

But at the same time children are still produced in the same manner and half the population continues to bring the whole population into the world. So the burden imposed on women workers has increased very greatly.

(.....)

Longevity has increased significantly.

(.....)

The time required to have three viable children has been cut back by a significant amount, thanks to the drop in infant mortality. As a result, the European family is more or less complete by the time the mother celebrates her twenty-ninth birthday.

The consequence of all this is that all - or almost all - girls are in gainful employment, continuing with their job after marriage.

(.....)

After the second child it is more difficult and there is a fall-off in the female employment rate. Subsequently, when their children have grown up, mothers re-enter the labour market.

(.....)

The average gap between women's and men's earnings is shrinking, but only gradually. Women's labour is poorly paid because they often lack equivalent qualifications due to inadequate or non-existent vocational training, or because they are mainly employed in certain branches of economic activity.

(.....)

At the other end of the scale - medium-grade and, above all, senior staff - women have achieved a breakthrough. But here again they are handicapped in comparison with men. Few have really penetrated the decision-making centres.

(.....)

But the fact is that the decision-taking bodies, the political and business authorities, the trade unions and the employers' associations, indeed bodies of every order, are almost exclusively masculine. Although women's organizations do useful work and conduct useful campaigns, they cannot change decisions which have been made by groups of men.

(.....)

But the inclusion of relatively large numbers of women can bring to such groups of men a fresh, constructive, realistic and conciliatory spirit, capable of triggering the cultural change that our era needs.

(.....)

There is no question of their taking up arms against men, but they do want to share power and exercise power with men. In order to reach this stage, it is clear that women have to be equal to men in the eyes of the law.

(.....)

This issue affects everyone. I will close this aside by asking you to bear these few facts in mind when you draw up future Opinions, as it is conceivable that women the world over will not allow men to remain indifferent for very long.

On behalf of the Council I would thank those of you who are returning for a further term of office for having accepted this task once again as its responsibilities are numerous".

3. Dr Patrick HILLERY, Vice-President of the Commission of the European Communities, also addressed the members of the Committee at the inaugural session. We reproduce here the most important passages from his speech.

"The present phase in the development of the European Communities should be seen as a time of opportunity - not crisis.

The threat to living standards presented by the twin pressures of inflation and the rising cost of energy will, I believe, accelerate a number of important developments in the political evolution of Europe. Chief among these is likely to be a wider appreciation that none of our major social and economic ills can be solved by national governments acting on their own.

This new awareness can have two important effects. First, to give a new impetus to the work of Community Institutions. Secondly, to promote the greater involvement of the social partners in the progressive development of the Community and its member States. In short, the art of politics will become less and less about the exercise of power, and more and more about the capacity of institutions to bend conflicting interests towards a sense of common purpose.

Granted this perspective, I am particularly glad that it has fallen to me to address this fifth inaugural session of the Economic and Social Committee on behalf of the Commission of the European Communities.

A number of changes which took place during the last four-year term of the Committee will, I believe, help to enhance the effectiveness of your work in this present term. I note, for example, that a large majority of the members for this session carry the confidence and experience of service during the last session.

Continuity of this kind is important in any organization and it is particularly useful that a number of the members who were first appointed two years ago on the enlargement of the Community have been reappointed. Because of their recently-acquired mastery of the working of the Committee, I am sure their advice and encouragement will be extremely valuable to those of you who find yourselves new members on this occasion.

I hope too that by the end of this present session we will see the Committee working with a full complement of members so that its role of representing, as an advisory body, the various categories of economic and social activity throughout the Community may be fulfilled - as intended under the Treaties.

At times of anxious political debate on specific issues - such as inflation and energy - it is easy to forget the importance of the Communities' detailed Treaty framework and that its full potential is still far from realization.

(.....)

During the last session, in embarking on a review of its role, organization and influence, the Economic and Social Committee lead the way for the Communities. By winning, for example, the right of initiative in the expression of opinions and in meeting the President of the Council and the President of the Commission in plenary session the Committee has become much more closely integrated into the Community framework.

The Commission welcomed these changes and has valued the Committee's opinions. In assuring you of the closest possible cooperation and interest during the session ahead I know I am speaking for the Commission as a whole".

(.....)



III

124TH PLENARY SESSION

The 124th plenary session of the Economic and Social Committee of the European Communities was held in Brussels on 18 October 1974. Mr Henri CANONGE, Chairman of the Committee, presided. As the Committee had been given a very tight deadline within which to state its view on the Commission's fourth annual report on the economic situation of the Community, a wide-ranging debate on the matter was held, an account of which can be found below. However, the session was also devoted to the adoption of two Opinions, the preparatory work for which had been begun during the Committee's previous term of office.

1. Debate on the economic situation in the Community

The main point made was that the fight against inflation must be the number one priority of economic policy in the Community. On this point the Committee endorsed the Commission's Annual Report on the economic situation.

It was pointed out, however, that in deciding what action to take the Member States must attempt to ensure that the level of employment was maintained and at all events take steps to cushion the social effects of unemployment.

The majority of the speakers considered the Commission's forecasts for 1975 of approximately 3.5% growth in real gross domestic product and stable employment levels to be over-optimistic. Some felt that given the recent radical changes in the terms of trade in the world, the Commission's proposals were based too much on traditional economic theories and did not refer to the fundamental

choices with which the countries of the Community were now faced. Priorities had to be decided on the basis of a new approach.

Community contingency plans had to be prepared in case the economic and employment situation did not develop in accordance with the Commission's forecasts.

It appeared that stabilization and continued growth of the world economy could only be achieved on the basis of close international cooperation. Measures taken in isolation by individual States would merely complicate the situation.

Some members of the Committee criticized the Commission for simply calling on the Member States to show solidarity, without indicating the areas where it was vital for the Community to act in concert. It was stressed that the European Community should, as a matter of urgency, act together in order to work out a strategy on energy, define in greater detail the energy savings that could be made, arrange mutual financial assistance at Community level on the basis of a medium-term loan, and achieve closer coordination of credit policies and interest rates.

Lastly, regret was expressed that the Commission had too little to say in its Report on the relationship between employment and the structure of prices and incomes.

All these points needed to be discussed in depth by the representatives of the various economic and social interests.

The Committee felt that the tight deadline set by the Council made it impossible to deliver a comprehensive Opinion on the economic situation in the Community. The Committee, therefore, decided to continue its examination of this matter and reserved the right to send a detailed Opinion to the Commission and the Council in the near future.

2. Opinion on the Community quota for road haulage

a) The Commission's proposal

Under the proposal the Community quotas laid down for the carriage of goods by road between Member States are to be increased in 1975 and 1976. The quotas allocated to the Six are to be increased in both years by 15%, and there is to be a 20% annual increase in the quotas allocated to the three new Member States. The Commission still considers that quotas should be abolished and total liberalization introduced under Community supervision. But this liberalization will not be possible until the conditions of competition between carriers have been harmonized. The Commission has no hope of achieving this before 1977.

The 20% increase for the United Kingdom, Denmark and Ireland relate to the quotas which the Commission proposed on 13 March 1973 for 1974, but which had not been approved by the Council. The proposal in question was referred to the Committee, which delivered an Opinion on 24 May 1973.

b) Opinion of the Economic and Social Committee on the

"Proposal for a Regulation (EEC) of the Council extending and modifying Regulation (EEC) No. 2829/72 of the Council, of 28 December 1972, regarding the Community quota for the carriage of goods by road between Member States".

Rapporteur : Mr RENAUD - France - Employers

The Economic and Social Committee adopted, by a large majority, eight members voting against and five abstaining, its Opinion on the :

"Proposal for a Regulation (EEC) of the Council extending and modifying Regulation (EEC) No. 2829/72 of the Council, of 28 December 1972, regarding the Community quota for the carriage of goods by road between Member States",

Under the proposal the Community quotas laid down in Regulation No. 2063/74 of 1 August 1974, for the carriage of goods by road between Member States are to be increased in both 1975 and 1976. The quotas allocated to the Six are to be increased in both years by 15%, and there is to be a 20% annual increase in the quotas allocated to the three new Member States.

### 3. Opinion on duty-free admission of fuel

#### a) The Commission's proposal

The purpose is to increase, to 100 litres, with effect from 1 January 1975 at the latest, the amount of fuel admitted duty-free.

Article 3 (1) of Council Directive No. EEC/68/297 (19 July 1968) fixed the amount in question at 50 litres, with effect from 1 February 1969.

After an examination, the Commission has found that in view of the substantial reduction in the differences between national taxes on petrol, it is now possible to act under Article 3 (2) of the aforementioned Directive and increase the amount of fuel admitted duty-free.

The Commission has also found that all Member States allow duty-free admission of at least 100 litres.

b) Opinion of the Economic and Social Committee on the

"Proposal for a Council Directive amending Council Directive (EEC) No. 68/297 on the standardization of provisions regarding the duty-free admission of fuel in the fuel tanks of commercial motor vehicles".

Rapporteur : Mr HEIMES - Germany - Employers

The Economic and Social Committee unanimously adopted its Opinion on the

"Proposal for a Council Directive amending Council Directive (EEC) No. 68/297 on the standardization of provisions regarding the duty-free admission of fuel in the fuel tanks of commercial motor vehicles",

under which the duty-free allowance for fuel in the fuel tanks of commercial motor vehicles is to be increased from 50 to 100 litres with effect from 1 January 1975.

OTHER NEWS

1. Decoration of Mr Camille MOURGUES

Camille MOURGUES, member of the Economic and Social Committee from 1959 to August 1974 and National Secretary of the French General Confederation of Labour - Force Ouvrière since 1956, was made an Officer of the Order of Merit of the Federal Republic of Germany on 8 October 1974, in recognition of his efforts over many years in the cause of rapprochement and friendship between France and West Germany. He received his decoration today in Brussels from the West German Permanent Representative. Mr Henri CANONGE, the new Chairman of the Economic and Social Committee of the European Communities, attended the ceremony.

2. Mr Gabriel VENTEJOL, National Secretary of the French General Confederation of Labour - Force Ouvrière (CGT-FO) and member of the Committee since 1969 (France - Group II), was elected Chairman of the French Economic and Social Council on 15 October 1974. He had previously been Vice-Chairman for seven years.

3. Reception for representatives of the African, Caribbean and Pacific States

On 28 October, Mr Henri CANONGE, Chairman of the Economic and Social Committee, gave a reception in honour of the States negotiating with the European Community with a view to concluding a new Association Agreement. Also present were the two Vice-Chairmen, members of the Committee Bureau, and representatives of the Commission and Council of the European Communities.

On this occasion, views were exchanged on the role which the Economic and Social Committee could play with regard to relations with trade unions, employers' associations, professional and social organizations in the Associated States.

4. The annual congress of the FNTR (the French National Road Transport Federation) was held in Paris on 10 October 1974. Mr Edmond RENAUD (France - Group I) presided.

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