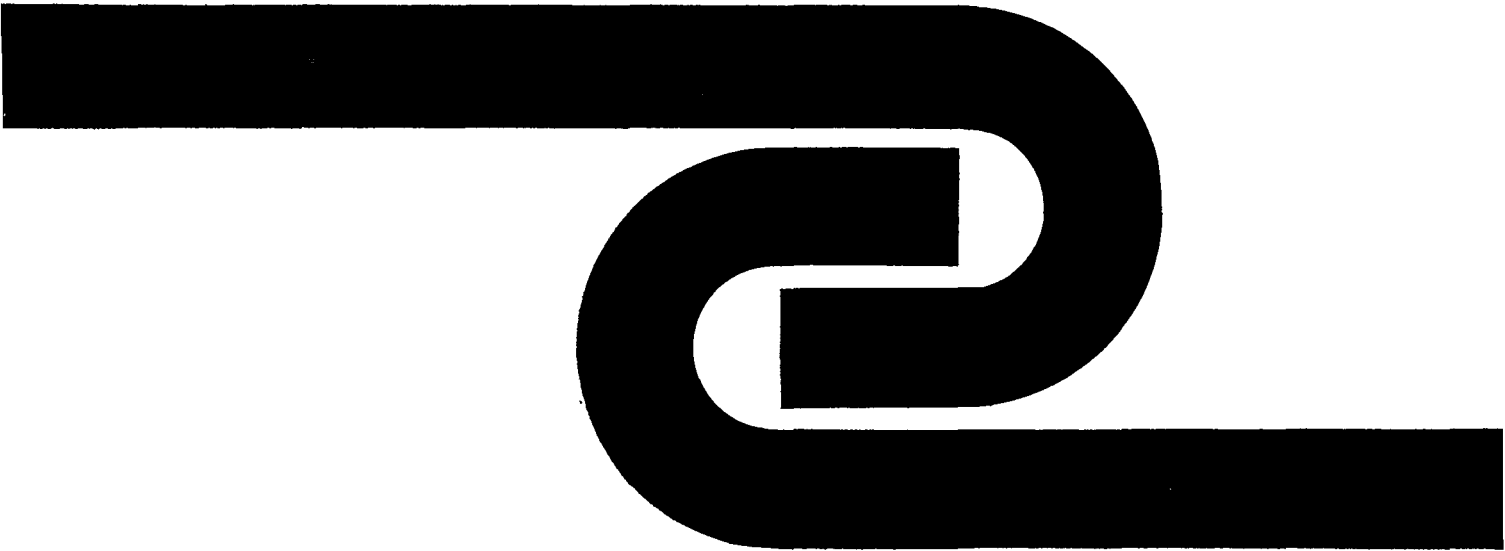


ECONOMIC AND SOCIAL COMMITTEE  
OF THE EUROPEAN COMMUNITIES

**BULLETIN**

N° 4.5/1974 April - May



## INTRODUCTION

The quarterly bulletin now gives way to the twice-monthly edition. We have every expectation that we can keep to our word and very soon produce a monthly bulletin.

This edition covers April-May 1974, a period in which there was only one plenary session. This respite was turned to good account by the Chairman, who paid official visits to Italy, the Netherlands, Tokyo and Singapore.

The Section for the Protection of the Environment, Public Health and Consumer Affairs held a meeting in Venice at the beginning of May.

On several occasions in the first quarter the Chairman and Committee members expressed their anxiety about the European Community's present crisis. As a result, the Committee has decided to look into procedures by which public opinion could be made aware of the crisis - see the statement by the Chairman at the opening of the section on the 120th plenary session.

At the May plenary session, the Committee adopted twenty-one opinions and one study on energy policy, which was the subject of a wide-ranging debate in the presence of Mr SIMONET, Vice-Chairman of the Commission. As can be seen, the number of opinions adopted at plenary sessions is on an upward trend. As a reference point, the total number of opinions delivered in 1973 was seventy.

Apart from Committee activities as such, our readers will perhaps be interested to read information about the life and activities of members of the Economic and Social Committee. This edition contains news which has come to our ears, but we would ask everybody to assist in finding similar information.

CONTENTSPages

I.	<u>Statement by the Chairman on official visits to Rome, The Hague, Tokyo and Singapore, Relations with the European Parliament .....</u>	1
II.	<u>Venice Meeting of the Section for the Protection for the Environment .....</u>	3
III.	<u>120th plenary session .....</u>	5
A.	<u>Statement by the Chairman .....</u>	5
	- Using the Economic and Social Committee to reinforce common willingness for joint action .....	5
	- Portugal .....	6
	- Difficulties in Italy .....	6
	- The Committee envisages launching a campaign to mobilize public opinion .....	6
B.	<u>Opinions delivered.....</u>	7
	1. Employment and the changed situation in the Community .....	7
	2. Harmonization of the structure of the organs of public limited companies .....	9
	3. Direct life assurance .....	10
	4. Making up by weight or by volume of prepackaged products .....	12
	5. Dangerous substances .....	13
	6. Lighting on motor vehicles .....	14
	7. Fog lights .....	15
	8. External projections of motor vehicles ..	15
	9. Reflex reflecting devices .....	16
	10. Duty-free import of educational, scientific and cultural materials .....	16
	11. Import system for carp and trout .....	17
	12. Financing of food aid .....	17

	<u>Pages</u>
13. Harmonization of excise duties on mineral oils .....	18
14. Indirect taxes on the raising of capital ..	19
15. Taxes affecting the consumption of manufactured tobacco .....	20
16. European Foundation for the Improvement of Living and Working Conditions .....	20
17. Quality of drinking water .....	21
18. Adaptation of directives on the environment	23
19. Bracket tariffs for carriage of goods by road (Amendment to preceding regulation)...	23
20. Bracket tariffs for carriage of goods by road (Extension of preceding regulation)...	25
21. Forty-hour week .....	26
22. Study on the objectives of a common energy policy .....	27
IV. <u>Programme of future work</u> .....	33
V. <u>Members' news</u> .....	35
1. Re-election of Mr GERMOZZI .....	35
2. Award to Mr KUIPERS .....	35
3. Appointment of new members .....	35

STATEMENT BY THE CHAIRMAN ON OFFICIAL VISITS TO

(Rome, The Hague, Tokyo and Singapore)

"In the two months since the last plenary session, I have continued our project, begun in January, to strengthen the links between the Economic and Social Committee and the older member countries by carrying out visits to the capitals concerned. After Luxembourg in January and Paris in March, I had the honour of leading delegations consisting of our two Vice Presidents, Mr CANONGE and Mr MASPRONE, the Secretary-General, Mr DELFINI and my Chef de Cabinet, Mr RIES, to Rome and the Hague.

In Rome, where we stayed from 9 to 11 April, we had extremely fruitful talks with government representatives, namely the Minister of Labour, Mr BERTOLDI, the Secretary for Foreign Affairs, Mr PEDINI, the Minister for the South, Mr MANCINI, and the Minister for Planning, Mr GIOLITTI. The outcome of these conversations was most positive in meeting the Committee's urgent wish for greater European cohesion - which, admittedly has not been translated into action - and in promising the Government's support for the Committee's ideas for its own role. Indeed, I would like to mention here that two Ministers envisaged the future role of the Committee as a second chamber.

We were also received extremely cordially by the National Council of Economy and Labour (CNEL) and by all the professional, social and economic associations in Italy whose representatives are members of this Committee and I would like to express here my gratitude for their hospitable welcome. In particular, I would like to give my thanks to Mr DALLA CHIESA who took it upon himself to organize the visit.

At the Hague, where we stayed from 22 to 24 April, Mr MASPRONE and I had the honour of being received by her Majesty, Queen Juliana, and our entire delegation by the Prime Minister, Mr den UYL. Here too, the response was highly positive. Mr den UYL not only voiced his conviction in the Committee's influence, he also expressed the hope that it would take up initiatives to help the Community to regain impetus for a resumption of progress. In addition, he assured me of his support in the Council for the Committee's view on its future role. This attitude was shared by the Minister for the Economy, Mr LUBBERS, the Finance Minister, Mr DUISENBERG, and Mr BOERSMA, Minister for Social Affairs, whom we also met.

The Economic and Social Council of the Netherlands met our delegation for an exchange of views and gave a reception in our honour. To this it also invited the members of the Committee's Section on Transport which held a session in the Hague at the same time. Further, we had the opportunity to meet there the representatives of the professional and trade union organizations and thus strengthen the relations which we maintain with them. For the success of this visit, let me express here my thanks to the members from the Netherlands who contributed towards it.

In addition to these visits in Europe, I also undertook on your behalf a visit to Tokyo and Singapore at the beginning of May. In Tokyo I met the Secretary of State for Foreign Affairs, Mr YAMADA, the Minister of Labour, Mr HASEGAWA and the Secretaries of State for Finance and for Public Health. In addition, I had extremely interesting conversations on the economic and social situation of the Community and Japan as well as the question of improving trade relations between them, with the representatives of professional associations and trade union organizations. They were extremely gratified by our visit and expressed the specific wish to have regular contacts with the Economic and Social Committee.

In Singapore, I was received by Prime Minister, Mr LEE KUAN YEW, the Finance Minister, Mr HON SUI SEN, and the Minister of Labour Mr ONG PANG BOON. Leading representatives of the Economic Development Board and of the National Trades Union Congress also welcomed me most cordially. In both countries, the wish for extending trade relations with the Community was underlined by all parties and I plan to submit to the Bureau a proposal for the Committee to study this possibility.

On the question of improving the relations between the Economic and Social Committee and the European Parliament, I am pleased to report that an informal meeting took place during the "Symposium on European Integration and the Future of Parliaments in Europe", held on 2 and 3 May in Luxembourg between Mr MASPRONE and Mr BERKHOUWER, President of the European Parliament. The purpose of this meeting, which was entirely achieved, was to lay the groundwork for official contacts on presidential level.

## II

### ECONOMIC AND SOCIAL COMMITTEE - MEETING IN VENICE

Several pressing environmental, public health and consumer affairs issues were discussed at Palazzo Labia in Venice on 13 and 14 May at a meeting of the competent section of the Economic and Social Committee. The theme of the meeting was draft Community legislation on the creation of a European Foundation for the Improvement of Living and Working Conditions, the quality of drinking water and the harmonization of Member State legislation on standards and publicity in respect of proprietary medicinal products.

As far as the Foundation was concerned, the Committee had already repeatedly voiced its concern about technological change in industry. Such change often gave rise to improvement in the setting and conditions of work (by lightening work, by making jobs cleaner and more attractive and by enabling working hours to be made more flexible). But in other sectors technological change could dehumanize work (repetitive tasks, fast work rates, noisy, smokey or chemically-polluted environment, mental stress).

In addition, although the overall frequency of industrial accidents in the Member States was showing a downward trend and preventive medicine had definitely reduced the incidence of occupational diseases, the human and social impact of accidents and their cost, together with the production losses and delays which they entailed, the control of both old and new dangerous substances and pollutants and the eradication of occupational diseases were still major concerns for the two sides of industry, and thus the Economic and Social Committee.

In addition, it was time to recognize that there was a right to meaningful work, just as there was a right to adequate pay and security of employment. This right was of considerable economic and social importance - even influencing economic growth in industrialized countries. Consequently, the Economic and Social Committee considered that in-depth studies should be carried out in the Community without delay into all the conditions for and implications of a general improvement in working conditions, and appropriate legislation should be developed. The European Foundation for the Improvement of Living and Working Conditions - which it had been decided to set up within the framework of the Community's social action programme - should play an active part in such studies.

On the subject of the quality of drinking water, the Section pointed out that in some Member States new high quality water sources such as deep aquifers and upland isolated storage sites were becoming difficult to secure and exploit, and recourse had to be made to an increasing extent to abstractions from the middle and lower reaches of rivers. In some cases the quality of water abstracted did not even comply with the requirements of the draft directive in question. Despite the potential costs entailed the Section came out in favour of stringent rules.

On the subject of proprietary medicinal products, it was stressed that there was a need to protect the public from the possible harmful effects of self-medication with products not requiring medical prescriptions. Concern was also expressed about the possibility of commercial abuses in advertising proprietary medicinal products for common ailments.

III

120th PLENARY SESSION OF 29 AND 30 MAY 1974

A. STATEMENT BY THE CHAIRMAN OF THE ECONOMIC AND SOCIAL COMMITTEE  
TO THE 120TH PLENARY SESSION : "TO ADD WEIGHT TO THESE REACTIONS  
WOULD IT NOT BE A GOOD IDEA TO USE THE ECONOMIC AND SOCIAL  
COMMITTEE?"

It is now two months since we last met in plenary session, but there has been no let up in Committee activity over this period, as witness the impressive number of topics on our agenda.

I have to admit that I am at a loss when I think of all the efforts you and the Secretariat have made, despite the possibility that no action will be taken on most, if not all, of the opinions we are about to adopt. I imagine that you, like me, do not like to see your work wasted. But that is not all, our self-respect is involved.

This brings me back once more, I very much regret to say, to the crisis in which the European venture finds itself - a crisis which has just been further exacerbated by the protectionist measures adopted by two Member States in defiance of Community rules. Have we reached the point where even the free-trade area is doomed? We cannot remain indifferent to the tragedy of this situation. What is the point of delivering numerous opinions if Council meetings fail to produce decisions?

Far from being assuaged, the disquiet I voiced at previous meetings has increased. Crucial political changes have, admittedly, just taken place in some of our countries. I hope they presage a revitalization of European policy. But there is still no evidence that revitalization will ensue, let alone any indication as to what it will be based on. At all events, we, as the spokesmen of the economic and social partners, should speak up without waiting for a possible invitation to do so.

How can we get our governments back on to the straight and narrow path? Without a doubt pressure should be brought to bear on them by public opinion, but how can we mobilize public opinion? All the organizations represented on this Committee have reacted to the crisis, but these have been individual and isolated reactions. To add weight to these reactions, would it not be a good idea to use the Economic and Social Committee to voice a common will? That should, of course, not preclude differences of opinion as to the future shape of Europe. But, for the present, our main concern must be to safeguard the principles and past achievements of the European Community.

A further communiqué from the Economic and Social Committee, reiterating our previous declaration, would carry little weight and its impact would be insignificant. However, we would be acting in accordance with the expectations of the great majority of our fellow citizens if we decided to draw up an opinion or other document outlining the benefits the Community has brought our States and peoples, the ills from which it has spared us and the adverse consequences if it were finally to break up. Such a document should be written for a public which is more often than not badly informed, and sometimes completely unaware of the facts. It should be intended for a wide audience, but at the same time serve as a warning to our governments. In addition, it would be a basis for the discussions which we are to have during the July plenary session with the President of the Council, whose attendance has been arranged by the Committee of Permanent Representatives. I would ask you to think about this suggestion, ladies and gentlemen, and let me know your comments and ideas. We could then come to a decision before the end of this plenary session.

Before concluding my statement, I cannot remain silent about the recent important events in Portugal. A long period of dictatorship seems to be drawing to a close. Radical changes are taking place, and we hope they will allow Portugal to establish relations with the European Community. I hope, and I think you do too, that Portugal will take its place among democracies and set up freely-elected political institutions and democratic and free professional associations and trade unions, and that one day we will be able to welcome the representatives of these bodies in our midst.

How could we not fail to be moved at the bloody incidents which took place yesterday in Italy during an anti-fascist demonstration? I hope that the democratic order will not be upset and on behalf of the Economic and Social Committee I send my deepest sympathy to the families involved.

\*

\*

\*

After this statement by the Chairman, the Committee set up a drafting group consisting of one representative from each of the three groups which forms its membership - representatives of the employers, the trade unions and different interest groups - for working out a paper with this aim. Its purpose would be to show to the man in the street what advantages the Communities' existence had brought to him in the past, what dangers it had avoided and what its disappearance might imply.

.../...

The Committee's paper is intended to serve as a basis for discussions at the July plenary session which the President of the Council of Ministers is scheduled to attend.

\*

\*

\*

## B. OPINIONS DELIVERED

### 1. Employment and the changed situation in the Community

Rapporteur : Mr DEBUNNE (Belgium - Workers)

The Committee adopted its Opinion unanimously less 2 abstentions on the

"Employment and the changed situation in the Community"

The changed situation in the Community caused both by the energy crisis and spiralling inflation, has led the Committee - on its own initiative - to take a stand on the major issue of employment.

Firstly, the Committee lays down the guidelines for employment policy. Employment policy cannot endorse unemployment as an incapable aspect of the economic situation. The right to work must be safeguarded. Preconditions for satisfactory results from the quantitative and qualitative changes taking place in the employment field are the creation of sufficient jobs in all the Community's regions, better matching of supply and demand on the labour market by strengthening of public employment services and using the most advanced techniques, and special attention being given to education and training.

The Committee stresses that full and better employment must be one of the essential factors in all decisions on technological and structural changes. All economic development must take account of the aspirations of workers and the issues facing them.

The Committee urges that machinery be set up to cushion future shocks. It also holds that certain Community policies should be revised where appropriate. Monetary, commercial, technological and investment policies and policy on association with non-member countries, in conjunction with population trends, have a direct impact on the employment of all workers.

The Committee also puts forward short-term measures which are vital for safeguarding employment in the Community. It is relevant here that the Commission's estimates suggest a reduction in hours worked as a result of the new situation. Such a reduction would be bound to entail losses of jobs and partial unemployment and the automobile, chemical and textile industries could be the worst hit. The flow of information to workers must be improved and the most vulnerable workers (for instance migrant workers) must be protected. The sums made available to existing and future European funds must be increased.

Lastly, the Committee appeals to the responsible authorities not to take isolated measures whose effects could not but run counter to Community objectives and be detrimental to employment. The economic and social interests represented on the Economic and Social Committee must also work together in the fields which concern them directly.

\*

\*

\*

.../...

## 2. Fifth Company Law Directive

Rapporteur : Mr FRIEDRICHS - Germany - Workers

Co-Rapporteur : Mr DE BIEVRE - Belgium - Employers

The Economic and Social Committee has adopted unanimously, less 16 abstentions, its Opinion on the

"Proposal for a fifth directive to coordinate the safeguards which, for the protection of the interests of members and others, are required by Member States of companies within the meaning of the second paragraph of Article 58 of the Treaty, as regards the structure of sociétés anonymes and the powers and obligations of their organs".

In its carefully worded opinion on the proposal for a directive, the Committee lays stress on the relationships between Member States' systems of law concerning public limited companies, which are to be coordinated, and the Statute for the European Company. The Committee points out that it is important for the Community to avoid totally different developments in the two sources of law.

The Committee considers, among other things, that the introduction of the structure proposed by the Commission for all national public limited companies would be attended with practical and psychological difficulties in some Member States. It therefore has its doubts whether such a radical coordination would be a responsible move at this juncture, especially in view of the new situation which has arisen since new Member States joined the Community.

It suggests that the two-tier system be made available to companies in Member States which at present only have the single-tier system, in other words that the two-tier system be provided for in the company law of all the Member States, but that Member States at present employing the traditional system be allowed to keep it alongside the two-tier system. In this way companies in these countries would have a choice between the two systems.

.../...

Moreover, the Committee's opinion does not approve the alternatives proposed by the Commission regarding worker participation.

The Committee remains convinced that "workers must be allowed collective representation of their interests in the firm and must be afforded a say in certain of the firm's decisions, but without detriment to the responsibility and effectiveness of the firm's management". Under the present circumstances, however, the Committee is not able to give a final opinion on worker participation.

The Committee calls upon the Commission to supplement and adapt its proposal for a directive insofar as its provisions cannot be applied to public limited companies with the single-tier structure.

\*

\*

\*

3. Direct life assurance : Coordination of taking-up and pursuit, freedom of establishment

Rapporteur : Mr DE BRUYN - Belgium - Various interests

Co-Rapporteur : Mr PEYROMAURE-DEBORD-BROCA - France - Employers

The Committee adopted its Opinion by 66 votes to nine, with seven abstentions on the

"Proposal for a first Council Directive on the coordination of laws, regulations and administrative provisions relating to the taking-up and pursuit of the business of direct life assurance"

"Proposal for a Council (EEC) Directive abolishing restrictions of freedom of establishment in the business of direct life assurance"

.../...

The Committee broadly approves the aims of the proposed directives and notes that two awkward problems arise from these directives :

- the first relates to specialization and non-specialization of life assurance undertakings;
- the second relates to the financial guarantees required, that is to say the provisions on the "solvency margin".

As to the first point, the Committee feels that it should not make any substantive comments on the compromise proposed by the Commission, namely that new undertakings set up after the entry into force of the directive must specialize and that existing undertakings dealing in both life assurance and indemnity insurance may continue to do so on certain conditions (separate management).

As to the second point, the Committee considers that the first result specified in Article 19 (a) must be calculated in all Member States on the basis of mathematical reserves net of reinsurance.

Certain Member States require undertakings to reinsure part of their business with agencies determined by national regulations. The Committee notes that this obligation may be a barrier, and that it would be advisable for the Member States progressively to reduce the percentage laid down for such transfers.

As it acknowledges that such a reduction in the immediate future may give rise to serious difficulties for certain Member States, the Committee proposes that this provision should be replaced by a standstill clause preventing Member States from increasing the scope of the obligation at present imposed on undertakings in this field.

\*

\*

\*

.../...

4. Making up by weight or by volume of pre-packaged products

Rapporteur: Mr LECUYER - France - Various Interests

The Committee adopted its Opinion unanimously, with 3 abstentions on the

"Proposal for a Council Directive on the approximation of the laws of the Member States relating to the making-up by weight or by volume of certain pre-packaged products".

The Committee approves the Commission proposal. It points out that the question of the relation between stated and actual amounts contained in prepackages can be dealt with according to two different principles :

- in some countries, the actual quantity must not be less than the stated quantity ("minimum" method);
- in others, the actual quantity must on average be at least equal to the stated quantity ("average" method).

The Committee points out that the antithesis between the two methods is not as clear-cut as appears at first sight. It considers that the method chosen must also allow individual consumers, and consumers organized in groups, to carry out checks without excessive expenditure. In other words checks can also be carried out at retail trade level.

As regards checks that might possibly be carried out at the final point of sale, without prejudging the issue of responsibility the Committee proposes that the Commission - in a directive for the harmonization of commercial practice - should study a solution based, for example, on a system which stipulates that the average weight of 36 packets, selected at random at three or more retail selling points, must be not less than the weight stated on the packet.

For certain products, including strongly foaming liquids and products whose density cannot be kept constant, the Committee proposes the creation of a third class with tolerances three times those of Class A.

\*

\*

\*

## 5. Dangerous substances

Rapporteur : Mr KRAMER - Germany - Employers

The Committee adopted its Opinion unanimously on the

"Proposal for a Directive (EEC) of the Council amending for the fifth time the Council Directive of 27 June 1967 concerning the approximation of the laws, regulations and administrative provisions relating to the classification, packaging and labelling of dangerous substances".

The Committee underlines the importance of the basic directive of 27 June 1967 on the free movement of goods in the field of dangerous substances, and of the proposed amendments, which are based on the "complete harmonization" solution. The harmonization aims at ensuring effective health protection to workers and consumers handling these goods in Member States.

The Committee approves the proposed amendment in principle, especially since it aims to align certain provisions and expressions in the basic directive on those of the more recent solvents directive; the terminology of the solvents directive was decided upon after thorough discussions, and in the light of practical experience in the implementation of the basic directive and the recommendations of the Economic and Social Committee in its opinion on the solvents directive.

.../...

The specific comments of the Opinion recommend various additions and further steps towards complete harmonization.

The Committee proposes, among other things, a minimum size for danger symbols, and asks the Commission and the Member States - to press - in an appropriate manner, the relevant UN authorities to improve the impact of certain transport symbols.

\*

\*

\*

## 6 Lighting on motor vehicles

Rapporteur : Mr MASPRONE - Italy - Employers

The Economic and Social Committee has adopted unanimously its Opinion on the

"Proposal for a Council Directive on the approximation of the laws of the Member States relating to the installation of lighting and light signalling devices on motor vehicles and trailers".

The Committee approves the proposal for a directive, including the decision to allow users the possibility of choosing between white and selective yellow as the colour for main-beam and dipped-beam headlights.

The Committee also makes a number of remarks on the provisions governing the initial alignment of the dipper beam and the position of the rear fog light. It does not consider that the passage in the proposed directive which requires that in all cases the distance between the rear fog light and the stop light must be greater than 100 mm is necessary.

\*

\*

\*

.../...

7. Fog lights

Rapporteur : Mr MASPRONE - Italy - Employers

The Committee has unanimously adopted its Opinion on the

"Proposal for a Council Directive concerning the approximation of the laws of the Member States relating to fog lights for motor vehicles".

The Committee approves the proposal for a directive but points out that the procedure referred to in Article 5 could be used by the Member States in a manner contrary to the spirit of the directive, since no specification is made as to the number of fog lights which have to be unsuitable before the Member States can adopt the withdrawal measures provided for in this article.

\*

\*

\*

8. External projections of motor vehicles

Rapporteur : Mr MASPRONE - Italy - Employers

The Committee has unanimously adopted its opinion on the

"Proposal for a Council Directive on the approximation of the laws of the Member States relating to the external projections of motor vehicles".

The Committee approves the Council's proposal for a directive without change.

\*

\*

\*

.../...

9. Reflex reflecting devices

Rapporteur : Mr MASPRONE - Italy - Employers

The Economic and Social Committee has unanimously adopted its opinion on the

"Proposal for a Council directive concerning the approximation of the laws of the Member States relating to reflex reflecting devices for motor vehicles and their trailers".

The Committee approves the proposal for a directive but points out that the procedure referred to in Article 5 could be used by the Member States in a manner contrary to the spirit of the directive, since no mention is made as to the number of reflex reflecting devices which have to be unsuitable before the Member States can adopt the withdrawal measures provided for in this article.

\*

\*

\*

10. Duty-free import of educational, scientific and cultural materials

Rapporteur : Mr DE GRAVE - Belgium - Workers

The Committee adopted its opinion unanimously on the

"Proposal for a Regulation (EEC) of the Council on the importation free of Common Customs Tariff duties of educational, scientific and cultural materials".

The Committee approves the proposed regulation. However the General Customs Procedures Committee provided for in Article 6 ff. should have been the subject of a special regulation.

The Committee would like the exemption from customs duties to be extended, by a regulation similar to the one currently being proposed, to cover artificial aids such as **wheelchairs**; it also

.../...

wonders whether it would not be desirable to exempt all articles for handicapped persons, irrespective of the recipient.

\*

\*

\*

11. Import system for carp and trout

Rapporteur : Mr CLAVEL - France - Various Interests

The Committee adopted its Opinion by a large majority on the

"Proposal for a Regulation (EEC) of the Council supplementing Regulation (EEC) No. 2142/70 as regards the import system for carp and trout"  
(Doc. COM(74) 80 final).

The Opinion approves the Commission proposal without amendment. After a difficult debate the Economic and Social Committee finally rejected by the very small margin of two votes the Section for Agriculture's suggestion that the Commission proposal should be amended so as to provide trout with a protection system similar to that proposed for carp.

\*

\*

\*

12. Financing of food aid

Rapporteur : Mr ZIJLSTRA - Netherlands - Various Interests

During its plenary session held at the end of May, the Committee unanimously adopted its Opinion less one abstention on the

"Proposal for a Regulation (EEC) of the Council concerning Community financing of expenditure incurred in respect of the supply of agricultural products as food aid".

.../...

The Committee expresses the view that the proposed re-apportionment of expenditure arising from the Community policy on food aid will improve costing of this policy and of the common policy for the agricultural products concerned.

In addition, the Committee considers it desirable to institute a system of advance payments for food aid, similar to the existing EAGGF system. In conclusion, the Committee states the importance which it attaches to this issue and requests the Council to consult it on future work concerning the supply of agricultural products as food aid.

\*

\*

\*

13. Harmonization of excise duties on mineral oils

Rapporteur : Mr DE BIEVRE - Belgium - Employers

The Economic and Social Committee adopted its Opinion, there were 20 votes against and six abstentions.

The Committee approved the draft directive, stating that it was a useful - but limited - step towards Community tax harmonization. It regretted that progress in this area had been slow and limited.

In its general comments, the Committee stressed the need not to increase the differences between the rates applied in the Member States, and the desirability of dealing with the funding of measures to protect the environment in general rules rather than in a draft directive on taxation.

.../...

The Committee's specific remarks covered the need to clarify the draft directive's scope, conditions for altering rates of excise duty in the Member States and the arrangements for gas oils used for railway engines running on public railway networks.

\*

\*

\*

14. Indirect taxes on the raising of capital

Rapporteur : Mr DE BLEVRE - Belgium - Employers

The Committee adopted its Opinion unanimously on the

"Proposal for a Directive of the Council amending Article 5 (2) of the Directive of 17 July 1969 concerning indirect taxes on the raising of capital".

The Committee approves the amendment proposed by the Commission, which is in line with the wish the Committee expressed in its 1965 Opinion on the Proposal for a Council Directive concerning indirect taxes on the raising of capital. In the Committee's view, the tax should only be chargeable on operations which genuinely help to increase the company's economic potential.

The Committee also points out that in its earlier Opinion it advocated the abolition of indirect taxes on the raising of capital on the grounds ~~that~~ such taxes were no longer justifiable in a rational tax system.

\*

\*

\*

15. Taxes affecting the consumption of manufactured tobacco

Rapporteur : Mr FRIEDRICHS - Germany - Workers

The Committee adopted its Opinion unanimously less one abstention on the

"Proposal for a third Council Directive on Taxes other than turnover taxes which affect the consumption of manufactured tobacco".

The Committee approves the Commission's proposal for a directive extending by one year, to 30 June 1976, the first stage in the harmonization of taxes on manufactured tobacco, in order to permit further consideration of the conditions on the market in manufactured tobaccos in the enlarged Community.

\*

\*

\*

16. European foundation for the improvement of living and working conditions

Rapporteur : Mr DE GRAVE - Belgium - Workers

The Committee adopted its Opinion on the

"Communication from the Commission to the Council on the creation of a European Foundation for the Improvement of Living and Working Conditions and the accompanying proposal for a Council Regulation",

there were four votes against and three abstentions.

The Economic and Social Committee approves the Commission proposal on the setting up of a "European Foundation for the Improvement of Working and Living Conditions", to promote long-term research in line with the aims of the Community's social and environmental policies.

.../...

Although it considers that there will be problems as regards the division of tasks in the Foundation, the Committee agrees with the Commission's proposal that both living and working conditions should be dealt with by a single Foundation.

With regard to the administrative function of the Foundation, the Committee is concerned to find that there is an imbalance between the powers vested in the Director and the powers of the other two organs of the Foundation, viz. the Administrative Board and the Scientific and Technical Committee.

The Committee considers that the Administrative Board should be the principal organ and that the Director should exercise his managerial powers under the authority of this Board. On the other hand, the Scientific and Technical Committee ought to have a say in the appointment of the Director and be able to influence the broad guidelines of the Foundation's annual programme.

The Committee stresses that a more important role should be given to the two sides of industry represented in the Scientific and Technical Committee so that a close link can be created with the real requirements of the working world.

\*

\*

\*

#### 17. Quality of drinking water

Rapporteur : Mr GAILLEY - United Kingdom - Employers

The Committee has adopted unanimously its opinion on the

"Proposal for a Council Directive concerning the quality required of surface water intended for the abstraction of drinking water in the Member States".

.../...

The Committee welcomes the Commission's proposal for a Council directive concerning the quality of surface water from which drinking water is abstracted in the Member States. It notes, however, that the quantitative availability of water per head of the population varies considerably from Member State to Member State, and that a wide range of factors determine what measures are necessary to ensure that water supplies remain adequate to allow desired economic and social development. Where more and more water has to be abstracted from middle and lower reaches of rivers, the quality of the water abstracted may not even comply with the requirements of Article 5 of the proposed directive or meet the standards of category 3. The Committee recognizes that achievement of the standards specified in the proposal could well entail very heavy expenditure for certain Member States.

The Committee stresses that sampling techniques used and the frequency of sampling are of great importance, and feels that the Commission should provide fuller guidance on these points.

The Committee also notes that while the directive refers to the maximum permissible occurrence of pollutants considered unnecessary or undesirable, it makes no reference to substances whose presence is considered to be advantageous. In view of the correlation ascertained between the hardness of water and the incidence of cardio-vascular disease, the Committee feels that is further scope for investigation on this particular aspect of water quality.

\*

\*

\*

.../...

18. Adaptation of directives on the environment

Rapporteur : Mr RAMAËKERS - Belgium - Various Interests

The Committee adopted its Opinion unanimously on the

"Draft Council resolution on the adaptation to technical progress of directives on the protection and improvement of the environment"

The Committee approves the draft Council resolution since it considers that it is extremely important to introduce a procedure that will make it possible to keep up with developments in research on improvement of the environment; the Section refers in particular to the studies that could be entrusted to the European Foundation for the Improvement of Living and Working Conditions.

The Committee would like to be consulted on the proposals to be made under the planned procedure.

\*

\*

\*

19. Bracket tariffs for carriage of goods by road (amendment to preceding regulation)

Rapporteur : Mr FREDERSDORF - Germany - Various Interests

The Committee adopted its opinion unanimously less twelve abstentions on the

"Proposal for a Council Regulation amending Regulation (EEC) N° 1174/68 on the introduction of a system of bracket tariffs for the carriage of goods by road between Member States".

.../...

The aim of the regulation proposed by the Commission is to amend Regulation (EEC) No. 1174/68 on the introduction of a system of bracket tariffs on mainly three points. Firstly the Commission believes that special contracts which contain tariffs below the official bracket should only be allowed if a tonnage of 500 t is carried or a work output of 250,000 t/km is performed. Secondly, the system used for publishing contracts must be improved and simplified. And finally, the carriage of live animals, which is priced according to special rules and which is of little economic importance in relation to international road haulage as a whole, should not be covered by the system of bracket tariffs in the future.

Whilst the Economic and Social Committee fully accepts the simplification of the publication procedures, which mainly involves the abolition of monthly returns for special contracts, it cannot agree with the Commission on the other two points.

Thus, it thinks that a work output of 250,000 t/km should be the sole criterion for concluding special contracts below the bracket. Otherwise the bracket tariff system would be deprived of its effect, because special contracts could also be concluded if only 500 t were carried over a three-month period.

The Committee also rejects the idea that the carriage of live animals should be excluded from the scope of the Regulation, for it fears that such preferential treatment could pave the way for applications for further exceptions.

\*

\*

\*

.../...

20. Bracket tariffs for carriage of goods by road (extension of preceding regulation)

Rapporteur : Mr FREDERSDORF - Germany - Various Interests

The Committee adopted its opinion unanimously less eight abstentions and largely approved the Commission's proposal on the

"Proposal for a Regulation (EEC) extending Regulation (EEC) No. 1174/68 of the Council of 30 July 1968 on the introduction of a system of bracket tariffs for the carriage of goods by road between Member States",

and largely approves the Commission proposal.

The Committee is aware that the transition to a definite organization of the transport market cannot only cover international road haulage. Rather, it is an overall task which can only be realized by a coherent and harmonious organization in which all relevant economic factors are taken into account.

It thinks that not enough progress has been made in the harmonization of competitive conditions and that, due to the lack of adequate checks, the existing rules are not being applied strictly enough for some Member States to be in a position to accept a certain degree of liberalization of the market.

The Committee therefore calls on the Commission to take all necessary steps to this end and recommends that the Council should provisionally extend Regulation No. 1174/68 by two years, taking into account the Committee's opinion of May 1974 on the "Proposal for a Council Regulation amending Regulation (EEC) No. 1174/68 on the introduction of a system of bracket tariffs for the carriage of goods by road between Member States".

\*

\*

\*

.../...

21. Forty-hour week - paid holidays

Rapporteur : Miss MACKIE ~ United Kingdom - Employers

The Economic and Social Committee has unanimously adopted less 5 abstentions its opinion on the

"Proposal for a Recommendation of the Council addressed to the Member States regarding the application of the principle of the 40 hour week and 4 weeks' annual paid holidays".

Welcoming the proposed Recommendation, the Committee expresses the hope that the choice of this particular instrument, rather than a directive, will not mean that positive action is postponed in this important field.

It acknowledges the complexity of the problem, for practices with regard to working hours vary very widely in the nine countries, and there is no standardized definition of a "normal working week". The Committee feels that the intended effect of the Commission's proposal on shift work - a practice subject to an almost infinite number of variations in the various countries - is not clear. The Committee suggests that it is not realistic to require that working hours are in principle spread over five working days, as this ignores the need in certain industries to define an acceptable and practicable pattern of work over a seven-day cycle.

With regard to paid holidays, the Committee notes that a major obstacle to harmonized progress is the wide variation in the number of public holidays and feast days in the Member States. This factor also hampers the achievement of equal conditions of competition. The Commission should revise the proposal to allow national and religious holidays to be taken into account by Member States when implementing the recommendation.

The recommendation does not cover the self-employed - in particular, farmers and their families - or housewives. The Committee feels that these categories should not be neglected.

\*

\*

\*

22 Study on the objectives of a common energy policy

Rapporteur : Mr DELOURME - Belgium - Workers

The Economic and Social Committee approved its Study on

"The Objectives and Content of a Common Energy Policy"

by a large majority, with 6 votes against and 10 abstentions. Mr SIMONET, Vice-President of the Commission was present for part of the debate and spoke about the Commission's intentions regarding the putting into effect of a global energy policy.

The study, which was carried out in response to the energy problems created for the Community by the events of October 1973, was undertaken by the Committee, which exercised its right of initiative on 29 November 1973.

On that occasion, the Committee called for the implementation of a "coherent and effective common energy policy" for the Community, and undertook to study the "objectives and content" of such a policy in order to contribute towards its realization.

Having analyzed the Community's current energy position in relation to the world market, the Committee concludes that the principal objective for the Community must be the reduction of its overall external energy dependence.

The Committee goes on to propose the adoption of a common energy policy based on the following lines :

1. Reduction of the Community's dependence on imported energy

- increasing the diversification of sources of supply;
- coordinated build up at Community level of appropriate standby stocks;
- reviewing the current level of coal production in the Community and if possible raising it, while intensifying research and development work in order to improve extraction processes and reduce labour intensity;
- substituting coal for heavy fuel oil and natural gas in dual-fired thermal power stations;
- encouraging expansion of Community production of lignite;
- increasing the output of synthetic natural gas;
- maximizing production from Community oil and natural gas fields;
- swifter tapping of known oil and natural gas fields.

2. More rational use of energy

- increasing public awareness, for the purpose of encouraging more rational consumption;

- introducing common standards for the thermal insulation of buildings;
- setting up an official system for checking the energy efficiency of large industrial and commercial installations in the private and public sector;
- reducing fuel consumption both by giving priority to the development of public transport and by investments designed to ensure optimum utilization of private transport;
- encouraging the recycling of raw materials and the use of organic wastes to provide energy, as well as investments designed to promote "total energy" systems (recovery of heat losses in thermal power stations, etc.);
- setting up communal heating plants;
- increasing generating capacity at peak periods by the introduction of pumped storage systems.

### 3. Development of Nuclear Energy

- further research on safety, public health and environmental protection with a view to laying down Community standards;
- accelerating the programme for building nuclear power stations;
- educating public opinion on nuclear energy;
- striving to eliminate financial, technical, administrative and research constraints;
- coordinating medium and long term planning;

- harmonizing orders in order to standardize equipment;
- initiatives in respect of natural uranium exploration and production and supply guarantees from third countries;
- construction of uranium enrichment plant;
- reviewing the powers of the Euratom supply agency with a view to their enlargement for the management of nuclear fuels, including storage;
- coordinating measures in order to ensure that advanced reactors are developed, built in Europe and introduced into the European energy system;
- encouraging use of nuclear energy for industrial heat and production of hydrogen.

#### 4. Development of other new sources and forms of energy

- implementing a Community research and development programme;
- promoting the marketing of more efficient equipment and the industrial application of new techniques;
- continuing research on liquefaction and gasification, on the surface and below ground, of known coal and lignite resources;
- making a vigorous research and development effort as regards oil shales and tar sands;
- promoting the use of solar energy, particularly for space heating and air conditioning;

- encouraging the decentralized use of geothermal energy for needs of medium importance;
- developing the production of hydrogen, using nuclear heat.

5. Cooperation with energy exporting countries

- concluding agreements between consumer and producer countries based on broad negotiations;
- promoting the setting-up of the infrastructures necessary for the development and diversification of the economies of the energy-exporting countries;
- setting up an organization to associate the Community closely with the preparation and execution of the investment programmes of the energy-exporting countries;
- opening up the Community market more to imports of industrial and agricultural products and services from the energy-exporting countries;
- encouraging the energy-exporting countries to invest in the Community so as to create a complementarity of interests;
- reaching agreement with the energy-exporting countries on the relaxation of controls on capital movements;
- creating an appropriate framework for triangular relations (Community, producer countries and developing countries).

6. Relations with other importing countries

- exchanging information on relations with the producer countries and the oil companies;

- exchanging information and experience on, inter alia, rational utilization, security, environmental protection, energy conservation and the search for new **deposits** and energy sources.

7. Cooperation with all third countries

- associating the developing countries as well as the energy producing countries with discussions between the industrialized countries;
- devising machinery to offset the balance of payments deficits which some consumer countries will inevitably run;
- reforming the international monetary system;
- renouncing competitive devaluations;
- implementing a programme of multilateral and reciprocal lowering of trade barriers.

\*

\*

\*

.../...

IV

PROGRAMME OF FUTURE WORK

For the plenary session of 26th and 27th June the Committee will prepare opinions on the following subjects :

1. Carnation leaf rollers  
Rapporteur : Mr CAPRIO
2. Priority measures for a Community energy policy  
Rapporteur : Mr SCHLITT
3. Multinational undertakings  
Rapporteur : Mr MARGOT
4. Yaoundé Convention  
Rapporteur : Mr BODART
5. Regional policy  
Rapporteur : Mr VENTEJOL
6. Development of the social situation  
Rapporteur : Mr DE BRUYN
7. Cost allocations on environmental matters  
Rapporteur : Mr VENTEJOL
8. Seafishing  
Rapporteur : Miss MACKIE
9. Lead content of petrol  
Rapporteur : Miss ROBERTS

10. Recognition of diplomas

Rapporteur : Mr SLOMAN

11. Fresh poultrymeat

Rapporteur : Mrs EVANS

12. Pharmaceutical products

Rapporteur : Mr CHABROL

13. Pure-bred breeding animals

Rapporteur : Mr WICK

14. Soya beans

Rapporteur : Mr EMO

The meeting will also consider a study on small and medium-sized undertakings of which the Rapporteur is Mr KOLBENSCHLAG.

\*

\*

\*

MEMBERS' NEWS

1. Mr Manlio GERMOZZI, member of Group III, has been re-elected Secretary-General of the International Federation of Mastercraftsmen, at the Athens Congress (8 May 1974).
  2. Mr J.D. KUIPERS, member of Group I and former Chairman of the Economic and Social Committee, has been made a Knight of the order of the Nederlandse Leeuw on 4 June 1974. He was also made an honorary professor of the University of Glasgow.
  3. Mr Svend Skovbro LARSEN, Secretary of the Danish Association of Civil Servants and Employees, has been appointed to the Economic and Social Committee (Group II) to replace Mr CHRISTENSEN, who has resigned.
  4. Mr Fritz SEYDAACK, Honorary President of the West German Association of Smaller Businesses, has been appointed to the Economic and Social Committee (Group III) to replace the late Mr ILLERHAUS.
-

