

ECONOMIC AND SOCIAL COMMITTEE  
OF THE EUROPEAN COMMUNITIES

# BULLETIN

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## INTRODUCTION

At its November plenary session, the Committee adopted ten Opinions. But the mainspring of the debates was the study, Progress Report on the Common Agricultural Policy, which the Committee began on its own initiative more than a year ago. Mr LARDINOIS, member of the Commission, attended the debate. As press reports show, it pays the Committee to issue a piece of quality work which puts forward original views, although it has little time to do so. Unfortunately, the institutions that the Committee advises often set excessively short deadlines and this forces the groups represented on the Committee to express agreement in broad general terms, without going to the bottom of the matter in hand.

In late November the Committee, wishing to publicize its anxieties and hopes on the occasion of the Conference of Heads of State or of Government, wrote to the President of the French Republic on 9 and 10 December 1974.

The mid-December plenary session, during which eleven Opinions were adopted, was preceded by a joint meeting of the Bureau, and the Section and Group Chairmen. This joint meeting was designed to settle various issues connected with the working methods of the Section, their terms of reference and certain public relations questions. The Committee must not be hidebound by immutable rules. It must be dynamic and ever willing to improve its working methods and thus its contribution to uniting Europe.

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I

125th PLENARY SESSION

The 125th plenary session of the Economic and Social Committee was held in Brussels on 28 November 1974, under the chairmanship of Mr Henri CANONGE.

One study and 10 Opinions were adopted.

1. Study - Progress Report on the Common Agricultural Policy  
(Rapporteur : Mr BOUREL - France - Employers)

The Committee surveyed achievements with respect to the five fundamental objectives of the common agricultural policy, as they are defined in the Treaty of Rome (to increase agricultural productivity, to ensure a fair standard of living, to stabilize markets, to ensure the availability of supplies, to ensure that supplies reach consumers at reasonable prices). The following conclusions were reached :

- The international context makes it necessary to introduce a genuine stock-piling policy.
- The Community has never made a clear choice between the "economic" price concept and the "social" price concept. If the aim is to make modern agriculture an integral part of the modern economy, then price policy must provide an incentive to efficient, rationally-structured farms.

- The price policy must be backed up by selective, tapering aids which cater for the various needs.
- Production targets are not intended to deprive producers of their freedom of choice, but to provide general guidelines, geared to the main factors to be taken into account, which will make producers' decisions more effective in both economic and social terms.
- If the other facets of the common agricultural policy are to be successful, a structural policy must be drawn up and implemented at Community level. A good, albeit late, start was made with the socio-structural directives of 1972. However, these directives must now be supplemented in the light of past experience, which has shown that certain Member States have not taken them seriously. One way of avoiding such difficulties in future would be for the Council to issue regulations, which would be more binding than directives. This is a question of political will.

Finally, the Economic and Social Committee endeavours to answer several questions :

- What is the point of a common price policy when divergent monetary and economic policies lead, for example, to radically different inflation curves?
- The sums made available were supposed to serve as buffers. They should neither encourage deflections of trade nor become permanent subsidies. In both cases, an artificial market situation

would be created. Under these circumstances, how is it possible to improve the market organization rules?

- How can a rational system of direct aids be developed and how can progress be made with structural policy, unless both of these issues are seen in the context of a diversified regional policy which is linked to an industrial policy and a social policy? How can basic and advanced vocational training for farmers and farmworkers be improved without a social policy to provide the Social Fund with the necessary financial resources?

Past experience has shown the hazards of accepting the existence of only one common policy, the agricultural policy. What is more, this policy itself will collapse unless there is a firm resolution to continue with the work of building the Community. And, if the agricultural policy goes, the Community itself will quickly follow.

In his speech to the Economic and Social Committee, Mr LARDINOIS, the Commissioner responsible for agriculture, thanked the Committee for its particularly apposite initiative, coming as it did at a time when the Commission was itself taking stock of the common agricultural policy in accordance with the wishes of the Council.

Mr LARDINOIS then informed the Committee of the decision which the Commission had just taken regarding farm prices for the coming marketing year. The Commission had thought it necessary first of all to recommend a higher average increase than in the past which, depending on the country concerned, would be between 9 and 11%. The proposed increases for crop products were greater than those for animal products.

The Commission's second initiative concerned the compensatory amounts which would enable adjustments to be made to the abovementioned increases in the light of the different situations in the beneficiary countries. The three new Member States of the Community have a special status in view of the period of adaptation provided for in the Treaty of Accession. However, the increases in these countries would be around 10%, although they would differ considerably from one country to another.

Next, Mr LARDINOIS said that in addition to its proposals for farm prices, the Commission had draft documents for several other fields, notably special arrangements for problem areas and mountainous regions and a proposal to grant aid to young farmers who had begun running a farm during the previous five years.

As regards the aggregate cost of all these proposals, the Commission had complied with its undertakings. There were some shifts within the EAGGF - for instance, a reduction in expenditure on grain and a marked increase in that on beef and veal.

It had been impossible to achieve a substantial cut-back in expenditure on dairy produce, which still accounted for 45% of EAGGF expenditure. Mr LARDINOIS stressed that in order to achieve the Commission's objectives it was necessary to appeal to the co-responsibility of the various economic groups involved.

As regards the problem of surpluses, Mr LARDINOIS stressed the need to find additional outlets within the Community, thus serving the interests of consumers.

Mr LARDINOIS went on to say that it was impossible to evaluate the CAP without any reference to the world context - which was marked by the fact that few developing countries had attained an adequate degree of self-sufficiency. Agricultural production was also insufficient in the USSR and China, despite everything that had been done in those countries.

Agricultural commodities thus posed a problem, and a shortage was looming on the horizon.

In conclusion, Mr LARDINOIS said that the strength of the CAP lay essentially in the fact that it was based on private enterprise farming, even though the efficiency of many farms could be increased. The CAP was certainly not perfect, and relations with consumers had to be improved. The fact remained that the purpose of the work undertaken by the Committee and the Commission was to strengthen the CAP, not to dismantle it.

2. Generalized preferences for developing countries in 1975

(Rapporteur : Mr EVAIN - France - Employers)

The Committee unanimously adopted its Opinion on the

Proposals and communications concerning the grant of generalized tariff preferences for 1975 on semi-manufactured products falling within Chapters 1-24 of the CCT and manufactured and semi-manufactured products falling within Chapters 25-99 originating in developing countries.

The Committee approved the Commission's 1975 proposals and described them as a key element in the Community's policy of assistance for developing countries.

Basically, the Commission proposed improvements in the tariffs on processed agricultural products and readjustments of the balance between beneficiary countries.

In view of the changes that have taken place over the past year in the economic and financial situations of certain beneficiary countries and of the Community itself, the Committee called for a close study of the impact of generalized preferences on economic activity and employment in the Community, particularly in certain industries.

The financial burden and responsibility towards developing countries was still not shared fairly between donor countries.

A better distribution of advantages to beneficiary countries was needed to ensure that in future the poorest developing countries draw the full benefit of the preferences.

Fresh thought ought to be given to the criteria for choosing beneficiary countries, and the possibility should be considered regarding beneficiary countries in future as genuine partners, with preferences granted in accordance with certain economic, commercial and social rules.

Special attention should be devoted to processed agricultural products, textiles, tobacco and other products

regarded as sensitive.

The detailed rules for application of the preferences and the operation of the regulatory mechanisms should be simplified and expedited as far as is compatible with efficiency, in the interests both of the developing countries' exporters and the Community importers applying the preferences. To mitigate the effects of inflation and price instability it was recommended that wherever possible the regulators be based on specific data (e.g. weight or quantity) rather than on value..

The Committee also proposed supervision of the application of the system of generalized preferences by a political body at European level and introduction of procedures for consultation between the various interests concerned so as to allow a regular systematic check on the impact of the system.

### 3. Revision of the multiannual research programme

(Rapporteur : Mr SCHLITT - Germany - Various Interests)

By a unanimous vote, the Economic and Social Committee approved its Opinion on the

Proposal for Revision of the Multiannual Research Programme

The Committee broadly supports the suggested changes in the programme subject to a number of comments and approves the Commission's proposal to raise maximum expenditure by 41 million u.a. in order to meet the increased costs over the four-year period between 1973 and 1976.

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The Committee considers that the present multi-annual programme of the Community's Joint Research Centre is a modest one by comparison with the efforts of individual Member States and the size of the research problems to be solved. It holds that future work should be increasingly carried out on a Community-wide basis in order to ensure optimum rationalization.

In particular, the Committee believes that work on energy conservation should have been already included in the revised programme. Future programmes must concentrate both on this field and the particularly critical aspects of nuclear energy.

It welcomes the increased attention given to reactor safety, while at the same time questioning the adequacy of this effort.

The Committee accepts the changes in the programme concerning radioactive waste. It regrets the cutback in staff members, in view of the importance of the problems to be solved. In particular, the Committee believes that the Community programme should concentrate on the development of a concept for high- and medium-level waste disposal.

In its Opinion, the Committee also approves the proposed changes dealing with hydrogen production, fusion reactors and the remote-sensing of earth resources, as well as the new activities proposed for the Community's research establishment at Petten.

#### 4. Sulphur content of liquid fuels

(Rapporteur : Mr DE BIEVRE - Belgium - Employers)

The Committee adopted, with 63 votes for and 18 abstentions, its Opinion on the

Proposal for a Council Directive on the approximation of the laws of the Member States relating to the sulphur content of certain liquid fuels.

The proposal defines two types of gas oil (A and B). The maximum permissible sulphur content of type A gas oil, defined as any gas oil with a low sulphur content the use of which is not subject to restrictions within the Member States, is not to exceed 0.5% in weight as from 1 October 1976 and 0.3% in weight as from 1 October 1980. The maximum permissible sulphur content of type B gas oil intended mainly for use in regions where the recorded levels of sulphur dioxide atmospheric pollution are sufficiently low, is not to exceed 0.8% and 0.5% as from the same dates.

"Total" harmonization is proposed.

The Committee approves the Commission proposal, inter alia with regard to : the timetable for the reduction in the sulphur content of the different types of gas oil (type A and type B); the freedom given to the Member States to determine the regions and zones where type B gas oil may be used; and even suggest special cases, and the provisions relating to information and supervision of the measures taken by the States.

The Committee considers that the introduction on the market of the grades of gas oil recommended by the directive does not present any technical problems with regard to production. Furthermore, implementation of the directive should not entail any appreciable increase in the present production costs of the fuels in question for the refining industry, since the Commission has deliberately limited its proposal to those products which will involve no serious technical difficulties and whose price will rise only slightly.

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5. Textile Research Programme

(Rapporteur : Mr de PRECIGOUT - France - Employers)

The Economic and Social Committee adopted its Opinion on the

Proposal for a Council decision establishing a programme of technological research in the textile sector

unanimously, with 11 abstentions.

The proposal is an important phase in the development of a sector of the Community's economy like the textile industry. It puts forward a technological research programme, which is limited to the following topics :

- heat treatment of man-made fibres
- treatment of textiles in organic solvent media
- fireproofing of textile fibres by radiation-grafting.

The programme would be spread over a period of three years, one-third of the cost being borne by the Community, and the rest by the industry itself. Its purpose would be to optimize manufacturing processes so as to improve output and quality, to reduce water pollution and energy consumption by modifying these processes, and to protect consumers by improving the fireproofing of textiles.

The Opinion approves the proposal and makes a number of comments on the research to which it relates.

It is recommended that it be made clear in the Decision that the Community's contribution will be conditional on Member States' undertakings and collective research bodies paying two-thirds of the research costs.

In addition, the expectation is voiced that the research - shared amongst the most appropriate research organizations - will also cover the possible effects of the processes studied on workers' health.

#### 6. Waste Disposal

(Rapporteur : Mr DE GRAVE - Belgium - Workers)

The Committee has unanimously adopted its Opinion on the above proposal, two members abstaining from the vote, on the

Proposal for a Council Directive on waste disposal.

It should be pointed out that this directive does not concern radio-active waste. The directive is based on the polluter-pays principle.

The proposal is approved by the Committee since, in it the Commission has moved towards the approach put forward in the Committee's Opinion on the disposal of waste oils.

There the Committee had stressed the need to pursue the twin objectives of control of pollution and conservation of resources.

In tackling the problem of wastes, encouragement should be given not only to recycle and recover wastes, be they household refuse or industrial waste, but also to use at the production stage materials which can be recovered or recycled in the most economical way possible.

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The consumer is obliged, one way or another, to use products which end up as waste which is difficult to recycle. The specific cost of disposing of waste from such products should be covered by including a charge in the price of the product. This would at one and the same time achieve a more precise application of the "polluter-pays" principle (those who choose products which give rise to less pollution or none at all would pay less), would steer producers and consumers to products which were less damaging to the environment and would make producers alive to the problem of the disposal of the wastes for which they are responsible.

7. Additives in feedingstuffs

(Rapporteur : Mr WICK - Germany -- Employers)

At its plenary session in November the Committee ~~unani-~~mously adopted an Opinion on the

Proposal for a Second Council Directive amending the Directive of 23 November 1970, concerning additives in feedingstuffs.

The Commission proposes a number of technical changes to the Council Directive of 23 November 1970 on additives in feedingstuffs which corrections are linked to the amendments which have already been made to Annexes I and II of this Council Directive. The corrections include :

- Extending for a further three years the period during which the Member States can allow substances belonging to groups other than those in Annex I to be used on their territory;
- Defining the Directive's field of application;

- Making subject to Standing Committee procedure the determining of the purity criteria, the composition and the nature of permitted substances.

The main provisions of the Directive are to be incorporated in the laws of the Member States by 1 July 1975.

The Committee approves the Commission's proposal, although it deplors the tardiness of Council work in this field and the often imprecise wording of the proposal.

The Committee makes a number of comments on technical matters and on the drafting of the proposal.

#### 8. Delivery periods of imported goods

(Rapporteur : Mr DE GRAVE - Belgium - Workers)

The Economic and Social Committee unanimously adopted an Opinion on the

Proposal for a Regulation (EEC) of the Council amending Regulation (EEC) No. 803/68 concerning delivery periods of imported goods.

The general time limit allowed will be extended from 6 months to 24 months.

The Committee approved the proposal but pointed out that, if the Regulation is adopted, customs departments will levy duties on the basis of invoice prices and not on the "value for customs purposes" at the time of importing.

9. Goods imported for testing

(Rapporteur : Mr DE GRAVE - Belgium - Workers)

The Committee unanimously adopted an Opinion on the

Proposal for a regulation of the Council on the customs treatment of goods imported for testing.

The proposal is considered by the Committee to be well suited to goods imported for testing by industry, but not to goods imported for comparative testing by consumer organizations, because such organizations need to purchase goods anonymously. It would therefore be preferable, despite the administrative difficulties involved, to enable goods to be purchased anonymously and to provide for subsequent refunding of customs duties.

10. Customs valuation of goods

(Rapporteur : Mr RØMER - Denmark - Employers)

The Committee unanimously adopted an Opinion on the

Proposal for a Council Regulation amending Regulation (EEC) No. 803/68 concerning the value of goods for customs purposes.

In practice the purpose of the proposal is to subject trade between Federal Germany and the German Democratic Republic to general Community rules.

The Committee approved the proposal for a regulation but recommended that care be taken to see that the city of (West) Berlin was in no way placed at a disadvantage as a result of the proposal.

11. Dangerous substances

(Rapporteur : Miss ROBERTS - United Kingdom - Various interests)

The Committee adopted its Opinion unanimously on the

Proposal for a Council Directive on the approximation of the laws of the Member States restricting the marketing and use of certain dangerous substances and preparations.

The Economic and Social Committee approves the proposal for a directive, which, despite its general scope, lays down restrictions solely for the marketing and use of polychlorinated biphenyls (PCBs).

The Committee strongly urges the Commission to continue its investigations in this area with a view to rounding off the list of dangerous substances and preparations as soon as possible.

The Committee stresses the fragmentary nature of the proposals, and points out that the Commission, acting under the information agreement on environmental matters at the instigation of a Member State, is drafting a directive on the collection, recycling and destruction of PCBs.

At international level, the OECD Council has recommended a set of measures concerning the manufacture, utilization, recovery, regeneration and destruction of PCBs, whereas no such measures are provided for in the Commission's proposal.

II

"WE CANNOT SAFEGUARD PAST COMMUNITY ACHIEVEMENTS  
UNLESS ADDITIONAL PROGRESS IS MADE"

(Text of the letter addressed by the Chairman of the Economic and Social Committee to the conference of Heads of State or of Government, held in Paris on 9 and 10 December 1974)

Your Excellency,

The Economic and Social Committee is required under the Treaty of Rome to advise the Council and the Commission in the performance of their tasks. I therefore feel it my duty to write to you on the eve of a summit conference which you, as the President of the country now holding the chair of the Council of Ministers, have proposed. I do so after consulting the two Vice-Chairmen of the Committee and the Chairmen of its three Groups. Annexed to this letter are copies of the Committee's unanimously-adopted Opinions on questions concerning the institutions and the future of the European Community (\*).

The supreme authorities in the Community must now take the decisions and agree on the measures on which the future of the citizens of our nine countries, linked by the Treaties, depends.

The members of the Economic and Social Committee, which represent all the main sections of economic and social activity in the Member States, stressed at their plenary session of 18 October 1974 that the crisis in the Community

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(\* ) Opinions : CES 331/74 of 28 March 1974  
CES 774/74 of 17 July 1974

is all the more disquieting because its extremely grave economic and social manifestations are coupled with a crisis of public confidence in the Community's ability to cope with problems which are, to a large extent, typical of the modern world.

The ideas which emerge from our discussions are simple and I hope you will bear with me if I summarize them.

The European Community must not feel impotent in the face of external developments. On the contrary, solidarity between the members of the Community and the partnership to be established with non-member countries - and particularly the Third World - are more essential than ever if we are to cope with the situation brought about by the upsurge of energy and commodity prices.

As the Group Chairmen said on 18 October, the situation calls for political will and the courage to define clearly the ways and means of facing up to harsh realities.

The Economic and Social Committee considers that the Summit Conference should not confine itself to generalities, or draw up a sort of catalogue which would remain a dead letter. The various economic interests and social groups in the Community find it hard to understand why fundamental questions like energy or regional policy have so far led to nothing but statements of intent. They would also fail to understand if it, at a time when men and their families **throughout** the Community, are threatened with the spectre of unemployment, the Summit Conference were to close without making it clear that concrete measures will be taken to combat and begin to remedy this grave situation.

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The Economic and Social Committee considers that only decisions which lead to concrete action will receive the consensus support of the economic and social forces which it represents. These economic and social forces will certainly make a close scrutiny of the conclusions reached at the Summit Conference.

The Economic and Social Committee, conscious of the role with which it has been entrusted by the Treaties and anxious to show itself worthy of the confidence of the occupational and social groups, sincerely trusts that the Summit Conference will call on it to play an increasingly effective and active part in the development of the Community.

We cannot safeguard past Community achievements unless additional progress is made. It is my hope that the forthcoming Summit Conference may further this aim. Accept, Excellency, the assurance of my highest consideration.

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III

126th PLENARY SESSION

The 126th plenary session of the Economic and Social Committee was held in Brussels on 19 December 1974 under the chairmanship of Mr Henri CANONGE.

Here are some highlights from the Chairman's opening speech, which dealt in the main with the outcome of the Summit Conference of 9 and 10 December and the conclusions reached at the tripartite social conference held in Brussels at Committee headquarters on 16 December 1974.

THE PARIS SUMMIT CONFERENCE IS A RAY OF HOPE

The answers the Summit Conference put forward to the issues of inflation, unemployment and the energy crisis do not satisfy all of us completely. But although it is still necessary to wait some time before forming a judgement, the Summit conference was a ray of hope.

Firstly we feel that it is reasonable to assume that the United Kingdom will want to play a full part in the building of Europe.

Secondly we feel that the Paris Summit Conference will be the last to be held in an extra-Community context. Henceforth the Heads of Government will regularly participate in meetings of the Council, whose terms of reference now cover international political affairs.

Particular stress must be laid on the fact that the Nine's determination to implement genuine common policies has found concrete expression in the case of the energy issues. This determination allows Europe to speak with one voice in this area.

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The Paris Summit decided to put an end to the lamentable practice of making agreement on all questions conditional on the unanimous consent of the Member States. This should make the Institutions' deliberations effective and rapid.

On the institutional plane, the Summit Conference has made a change that the Committee was anxious to see brought about. It has sanctioned democratization of political power, and issued a timetable for the election by universal suffrage of the European Parliament.

We should now work wholeheartedly - in particular within the framework of Mr TINDEMAN's mission - in order to democratize economic power.

The Committee has often pointed out that the nature of Community discussions and negotiations is not geared to the anxieties and opinions of the citizens of the Member States. In this respect, the Summit Conference has not satisfied all our hopes, but it has, in addition to its decisions in the institutional field, had other practical benefits.

We are pleased that the Nine has finally taken the long-awaited regional policy out of cold storage. It should now become a reality. The Regional Fund which has been set-up is modest (1,300 million units of account of which 150 million will be supplied by the EAGGF), but leaving aside its size, there remains the question of the spirit behind the setting up of the Fund. Adopted after large concessions it bears witness to that authentic Community solidarity, which we had lacked for a long time.

Another good thing that came out of the Summit is that the Nine have agreed to increase the convergence of their economic policies in order to tackle the threat of recession and unemployment, and combat inflation. They were also good enough to stress once again the role that the Economic and Social Committee ought to play in this area.

We should now decide on what we should do in the Committee in order to respond, not only to this appeal, but also to that which was said on the prospects for European social policy at the tripartite conference.

Tripartite Conference on the outlook for European Social Policy

This Conference, which was held at the Committee on 16 December 1974, brought together employers' and workers' representatives and, more generally, spokesmen from all the socio-professional groups present on this Committee. Mr ORTOLI, the President of the Commission, spoke and Dr. HILLERY, Commission Vice-President, took part in all the discussions.

The Economic and Social Committee and the European Parliament had observer status. The Committee's delegation comprised Sir John PEEL, Mr de VRIES REILINGH, Mr HENNIKER-HEATON and myself.

At the beginning of the meeting, the Chairman, the French Minister of Labour, Mr DURAFOUR, re-echoed the letter and spirit of the final communiqué from the Summit Conference of 9 and 10 December. He stressed that the forces of production and labour needed to take a hand in building a United Europe, in order that the Community would emerge strengthened by the triple ordeal of inflation, the energy crisis and the monetary problems.

In the course of discussions the Economic and Social Committee was mentioned on several occasions, both by the Chairman of the Conference and from the floor. In fact, the speakers included some of our members. The Chairman, Mr DURAFOUR, stated

that he would read with the utmost attention the Committee proposals in respect of the social field, which would follow on from its original approval of the framing and implementation of a Community social policy.

The Conference further agreed to ask the Council to associate the Committee with the work of the working group which is to prepare the agenda for the next meeting of the Standing Committee on Employment.

The spectre of unemployment hung heavily over the discussions of the Conference, prompting speakers from the economic and social fields to seek out practical measures to get the economy moving, and effective social policy measures.

The main conclusions of the Conference were that the Standing Committee on Employment should be reactivated, joint meetings promoted and encouraged in the industries worst hit by the crisis, a European Conference of Ministers of Economic, Financial and Social Affairs convened and lastly Community financial intervention in the social sphere coordinated.

Furthermore the Economic and Social Committee, together with the European Parliament, will henceforth be represented on the Standing Committee on Employment, where the next meeting could be held at our headquarters. Similarly, sectoral joint meetings could be held at the instigation of the interested parties at our Committee.

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Colleagues, I feel that you will appreciate these developments at the Summit and at the Standing Committee on Employment. Now is the time to respond to the appeals that have been pouring in from different quarters, namely:

- The Conference of Heads of Government in Paris, which emphasized that the Economic and Social Committee could play an important role in "associating both sides of industry in the definition of the Community's economic and social aims";
- The Social Conference which I have just reported on;
- The letter of 27 November from Mr HAFERKAMP, Vice-President of the Commission, in which he invites us to hold a series of discussions on the need for a restructuring of the economies in the Member States and on the form this restructuring could take. He states that the Commission is of the belief that the Economic and Social Committee would be an appropriate body for bringing together both sides of industry and for working out structural policies at Community level.

Consequently, the Section for Economic and Financial Questions, which is currently rounding off its Study on inflation due to be submitted to the January plenary session, as well as preparing an Opinion on the economic situation for the February session, should be asked to draw up an Opinion on the restructuring of the economies.

Moreover, Dr HILLERY, Vice-President of the Commission, laid stress in an address to the Section for Social Questions on 12 December on the importance of gearing the implementation of the Social Action Programme of 21 January 1974 to the new structural objectives of the economic policy. In doing so he was following the lead set by the Heads of Government.

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In addition the Section for Social Questions would, by virtue of the third paragraph of Article 20 of the Rules of Procedure, like to prepare an additional Opinion on the Action Programme.

The work of the Section for Economic and Financial Questions will obviously have a great deal in common with the work of the Section for Social Questions, and there will therefore need to be regular cooperation and a mutual exchange of information.

Conclusions could be drawn about this work during the debate on the economic and social situation at forthcoming plenary sessions when the various Opinions could be discussed in the presence of the President of the Council and the Commissioners responsible for the particular fields being discussed.

Finally, I believe we should take a close interest in the work assigned to Prime Minister TINDERMANS. The Committee considered its March Opinion on its place and future role to be an initial contribution to the debate on European Union. I propose to make the necessary contacts so that we can play a part in the consultation and work that Mr TINDERMANS is about to engage in.

After the opening speech, the Committee discussed and adopted the following Opinions :

1. Agricultural Prices

(Rapporteur : Mr RAINERO - Italy - Various Interests)

At its 126th plenary session the Committee adopted by 41 votes to 22 with 5 abstentions its Opinion on the

Commission proposal to the Council on the fixing of prices for certain agricultural products and connected measures.

The price increases proposed by the Commission varied according to the monetary situation of the Member States, but averaged out at 10%. The Commission also proposed special aids for young farmers.

The time limit within which the Committee had to deliver its Opinion was too short given the importance of the matter and the Opinion therefore covers only the essential aspects of the Commission proposals. The Committee took as its starting point the data provided in the Commission report on the situation of agriculture in the Community. The Committee stresses the particular importance of agriculture in the present economic and social situation, and in the light of the signs of food shortages in a number of major sectors.

In view of the divergent trend of input costs (which have risen sharply) and farmgate prices (which dropped in a number of sectors in 1974), and having regard to the possible impact of the prices proposed by the Commission in this context, the Committee refers to the need to ensure that farmers do not become discouraged.

The Opinion asks whether it is appropriate to propose an average increase of only 9%. It should, however, be noted that members were deeply divided on this point.

The Committee examined the method used by the Commission for calculating the proposed prices, turned to the links between farmgate prices and consumer prices, and finally tackled monetary problems of agriculture. Here the Committee endorsed the concept behind the Commission's proposals, but stressed that at all events agricultural producers must be protected against any risk of competition distortions or decreases in their incomes caused by the absence of a common monetary policy.

## 2. Organization of the market in rice

(Rapporteur : Mr RAINERO - Italy - Various interests)

The Economic and Social Committee has adopted, by a unanimous vote but with 11 abstentions its Opinion on the

Proposal for a Regulation (EEC) of the Council amending Regulation No 359/67/EEC on the common organization of the market in rice.

The Committee approves the Commission's proposal but wonders whether it might not exacerbate the plight of producers without bringing any tangible benefits for consumers, since it has been prompted by the same problems as previous legislation.

In order not to jeopardize rice-growing in the Community, the Committee requests that the Commission be authorized to impose more flexible controls on the importing and exporting of rice, in the light of a survey of available resources and export programmes.

## 3. Co-insurance

(Rapporteur : Mr DE BRUYN - Belgium - Various interests)

The Committee adopted its Opinion by a large majority, with one dissenting vote and one abstention on the

Proposal for a Council Directive on the liberalization of co-insurance operations and the coordination of laws, regulations and administrative provisions relating to co-insurance.

The Commission's proposal aims to introduce Community rules on co-insurance under which a risk can be insured by two or more "co-insurers" acting at the instigation of one of them, under a single contract at an overall premium and for the same period.

The proposal does not require joint and several liability between the insurance undertakings as far as coverage of the risk is concerned.

The Community nature of the rules stems from the fact that at least one of the co-insurers has to be established in a Member State other than that of the undertaking which concludes the insurance contract with the insured.

The Committee approves the draft directive and expresses satisfaction that this initial step is being made towards liberalizing the provision of direct insurance services other than life assurance.

If finds that the definition given to the term "co-insurance" is not entirely satisfactory and asks that it be amended as appropriate.

As to an industrial or commercial undertaking operating in two or more Member States being able to take out a single co-insurance policy to cover all its assets, the Committee agrees that this is one of the goals of the common market, but considers that it can only be attained by liberalizing the provision of direct insurance services. The Committee urges the Commission to speed up its work in this area.

In addition, the Committee considers that the second sentence of Article 7, which deals with matters concerning intermediaries and commission, is not directly connected with co-insurance contracts. It therefore asks that this sentence be deleted.

4. Information and documentation in science and technology  
(Rapporteur : Mr DE RIDDER - Belgium - Various Interests)

By a unanimous vote, the Economic and Social Committee approved its Opinion on the

Proposal for a Council Decision adopting a first three-year plan of action in the field of information and documentation in science and technology.

The Commission considers that, after several years of activity in the field of information and documentation in science and technology (IDST), the Community is now ready to proceed from the exploratory to the experimental stage, and has therefore proposed a three-year plan of action. This programme, which it is proposed should be allocated 1.84 million u.a. in 1975 (and around 6.6. million u.a. over its full duration), would have the following objectives :

- i) the development of information systems in individual sectors and their integration into a European network;
- ii) the establishment of a European information network (EURONET);
- iii) the promotion of information technology and methodology in Europe.

The Committee approves the Commission's proposal and supports its initiative.

It believes that there is an urgent need for an action programme in the field of information and documentation in science and technology which, by means of appropriate measures, would enable existing divergencies to be reduced and would culminate in an efficient Community information network to which users from all Member States would have equal access under appropriate safeguards within a realistic common pricing system.

The Commission considers that, in addition, it is necessary to draw up a structured overall plan for Community action

into which the various objectives could, on the basis of suitable cost-benefit evaluations, be slotted in a rational manner according to their utility, urgency and technical and financial feasibility.

Given the limited budgetary resources available, it is necessary to concentrate on a few areas which are considered critical for economic and social progress. Sectors which have a public service character, in particular public health, education and the environment should receive special attention. Similarly, the Committee proposes that as a matter of priority a special effort be devoted to the entire energy sector.

Finally, the Committee requests that the Commission give greater coverage to information in the economic and social field.

#### 5. Organization of the market in sugar

(Rapporteur : Mr CLAVEL - France - Various Interests)

At its December plenary session, the Economic and Social Committee unanimously adopted its Opinion on the

Proposal for a Regulation (EEC) of the Council on the common organization of the market in sugar,

and the

Proposal for a Regulation (EEC) of the Council on the fixing and alteration of the basic quotas for sugar.

The Committee notes that the final form of the system of quotas adopted by the Council entails little change in the present arrangements. As the present system has been working effectively for most of the regions of the Community since its introduction in 1968, the Committee thus endorses the proposals

for the next five years. In view of the long-term nature of the world sugar deficit, the Committee would emphasize the need for the Community to move resolutely towards a policy which will ensure security of supplies for consumers and give satisfactory guarantees to producers.

In this context, the Committee draws attention to the absolute necessity of a stockpiling policy as a means of creating a balanced market and ensuring security of supply.

The Committee is of the opinion that the duration of the quota system should be extended, as a period of five years is too short to ensure a high level of transparency and free inter-play between supply and demand in the market for sugar.

The Committee also stresses the desirability of apportioning national quotas among undertakings in the Member States on the basis of Community criteria.

The Committee draws attention to the plight of sugar producers in Italy and the French Overseas Departments. At all events some sugar producers in the French Overseas Departments should not be placed in a less favourable position than their counterparts in the Associated States.

#### 6. Emergency measures in the field of animal health

(Rapporteur : Mr SCHNIEDERS - Germany - Employers)

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

Proposal for a Council Decision on the financing by the Community of certain emergency measures in the field of animal health.

The Committee welcomes the Commission's proposal but feels that action should initially be confined to dealing with the risk of outbreaks of "exotic diseases" within the territory of the Community.

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Before such Community action can be expanded, the Commission should speed up the harmonization of national measures in the field of animal health.

## 7. Cocoa

(Rapporteur : Mr BOUREL - France - Employers)

At its plenary session in December, the Committee unanimously adopted an Opinion on the

Proposal for a Council Directive amending for the second time Directive No. 73/241/EEC on the approximation of the laws of the Member States relating to cocoa and chocolate products intended for human consumption.

The Commission is proposing certain substantive and drafting changes to Directive No. 73/241/EEC of 24 July 1973. If the proposal is accepted in its present wording, the changes, except those concerning labelling, will have to be incorporated into municipal laws before 1 July 1975.

The Committee approves the Commission's proposal but asks the Commission to check whether the labelling provisions of the basic Directive suffice to obviate a certain danger of confusion at consumer level which could result from the proposed scale of weights.

## 8. Lighting of tractors

(Rapporteur : Mr MASPRONE - Italy - Employers)

The Committee adopted, by a unanimous vote, its Opinion on the :

.../...

Proposal for a Council Directive on the approximation of the laws of Member States relating to the installation of lighting and light-signalling devices on wheeled agricultural or forestry tractors.

The Committee approves the Commission proposal which is an updated version of the proposed directive which the Commission submitted to the Council in 1968, but which the Council has been unable to decide on. It covers only the requirements concerning the installation of lighting and light-signalling devices; other proposals will be submitted by the Commission for the design specifications of the various lighting devices.

9. Reverse and speedometer of motor vehicles

(Rapporteur : Mr MASPRONE - Italy - Employers)

The Committee unanimously adopted its Opinion on the

Proposal for a Council Directive on the approximation of Member States' laws on the reverse and the speedometer of motor vehicles.

The Committee approved the Commission's proposal.

The aim is to eliminate technical barriers to trade in motor vehicles which are due to the fact that the Member States have differing requirements as regards, in particular, speedometers.

The proposal covers motor vehicles having at least four wheels and a maximum design speed exceeding 25 kilometers per hour.

The proposed harmonization is of the "optional" type. Consequently, the Community requirements listed in the annex to the Directive will have the same validity as national requirements.

10. Safety belts

(Rapporteur : Mr MASPRONE - Italy - Employers)

The Committee adopted, by a unanimous vote, its Opinion on the

Proposal for a Council directive on the approximation of the laws of the Member States relating to anchorages for motor vehicle safety belts.

The Committee approved the Commission's proposals on the location, strength and testing of safety-belt anchorages. It trusts that the Commission will push ahead with its work on harmonization in areas which are of particular relevance to road safety. It considers that concrete proposals should be submitted with regard to children's safety seats as soon as possible.

11. Statutory plates of motor vehicles

(Rapporteur : Mr MASPRONE - Italy - Employers)

The Committee adopted, by a unanimous vote, its Opinion on the

Proposal for a Council Directive concerning the approximation of the laws of the Member States relating to statutory plates and inscriptions for motor vehicles and their trailers, and their location and method of fixing.

The Committee approved the proposed Directive.

As regards the particulars which are to appear on the plates, the Committee feels that it would be useful to refer as soon as possible to the standards currently being drawn up by the ISO.

GREEK VISIT TO THE ECONOMIC AND SOCIAL COMMITTEE

Mr PANAGOS, Chairman of the delegation from the Greek Chambers of Commerce and Industry, and Mr KOULOPOULOS, the representative at the European Communities of the Greek Chambers of Commerce, paid an official visit to the Economic and Social Committee on 13 November 1974.

They were received by the Committee Chairman, Mr CANONGE, the Secretary-General, Mr DELFINI, and the Director-General, Mr LOUET.

Discussions centered on future relations between the Greek Chambers of Commerce and the Economic and Social Committee, and the possible establishment of an Economic and Social Council in Greece.

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MEMBERS' NEWS

On 27 November 1974, Mrs Maria WEBER, Vice-President of the German Trade Union Federation (DGB) and member of the Economic and Social Committee, was appointed Vice-President of the Womens' Council of the Federal Republic of Germany. She was President for two years, but reappointment is not permitted by the rules of the Womens' Council.

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