

ECONOMIC AND SOCIAL COMMITTEE
OF THE EUROPEAN COMMUNITIES

BULLETIN

October 1975

N° 10

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I

134th PLENARY SESSION

The Economic and Social Committee of the European Communities held its 134th Plenary Session in Brussels on 29 and 30 October 1975. The Committee's Chairman, Mr Henri CANONGE, presided.

Opinions delivered

1. Annual Report on the Economic Situation of the Community

Some of the principal elements contained in the Commission's Annual Report on the Economic Situation of the Community.

The Report contains four sections :

a) The scale of the recession in 1975

The Commission's 1974 Annual Report underestimated the recessionary trends. It considers, however, that the Community has passed the lowest point on the curve, i.e. that the downswing has come to an end. The volume of world trade will fall in 1975 by 5% - 6% on 1974. The two positive elements are a slackening in the rate of inflation in most Member States (occurring at different times and with differing intensity according to country) and an improvement in the external balance of most Member States.

b) Economic policy in 1975

All Member States have gradually given up restrictive monetary policies and most of them have adopted budgetary policies

aimed at stimulating demand, thus initiating expansionary economic policies.

c) Outlook for the economic situation in 1976

Economic growth in the order of 3 - 3½% for the EEC as a whole, is forecast for 1976 (assuming it will have fallen by 2½% in 1975!). The turning point should come between now and early 1976.

The numbers of wholly unemployed will probably only decline from mid-1976 onwards, the average for 1976 possibly increasing by half a million compared with 1975 - to reach nearly 5 million.

A rate of inflation of 10% in the Community as a whole is achievable only through major efforts by Member States.

The current account of the Community is likely to worsen in 1976.

d) Guidelines for economic policy

Greater coordination of Member States' economic policies will have to be achieved, in view of the growing degree of interdependence. This is not a requirement for identical policies, since partially different but coordinated policies are now the order of the day.

Budgetary policy will have to support recovery, and taxation will have to be increased in some countries and reduced in others. Monetary policies will have to be flexible.

The closest cooperation between the various social groups is more vital than ever before. Cooperation between the two sides of industry and the authorities is the key to any revival of confidence in future economic growth.

The Economic and Social Committee adopted by 57 votes in favour, 24 against, and 15 abstentions, its Opinion on the

Annual Report on the Economic Situation in the Community.

Members of the workers' group said that the group as a whole would vote against the Opinion without submitting alternative amendments. They stated in the Plenary Session that at this stage their amendments would not be able to obtain the fundamental changes they hoped for and announced that they would make their proposals on the Community's economic situation at the Tripartite Conference on employment, planned for next month.

Remembering how the Commission in 1974 underestimated the gravity and likely duration of the recession, the Committee's Opinion considers that this year again the Commission's Annual Report has painted too optimistic a picture of the economic situation in the world at large, and in the Community in particular.

The Committee warns, however, against reacting to the seriousness of the economic situation in a manner which could appear to the public fatalistic or, indeed, bordering on panic.

In assessing future economic prospects, the Committee suggests that the Commission attaches too little importance on the one hand to the economic recovery of the major non-EEC industrialized countries, primarily the United States and Japan, and on the other

it overlooks the improvement of the financial situation of the non-commodity-producing developing countries. It regrets very much that the Annual Report does not go more deeply into this. However, the state of the world economy being as unstable as it is, the Committee says the Community must see to it that it assumes full responsibility for its actions vis-à-vis the new problems facing the industrialized countries.

The Committee seizes upon the view expressed in the Annual Report that coordination of economic policies by Member States should no longer be but piously expressed hopes, but become a matter of fact. Synchronization, says the Committee - referring to similarly-timed announcements about reflation programmes - is not the same as thorough-going coordination? The aim of each Member State should not only be to improve its individual situation, but also to prevent the economic disparities between Member States from increasing. Furthermore, the Committee supports the Annual Report's plea that it is incumbent upon the social partners to work together with the authorities in an attempt to bring about a revival of confidence in future economic growth.

Since structural problems play such an important role in current economic trends, short-term economic policy must not be divorced from medium-term policy. The Committee states that temporary measures, introduced as a part of short-term economic policy, have usually proved ineffective. Such temporary measures, says the Committee, in its Opinion, create uncertainty and fail to resolve the fundamental problems.

The Opinion then addresses itself to the three fundamental questions of employment policy, anti-inflationary policy, and the need for firms to have the requisite capital to make the investments needed for creating new jobs.

Anti-inflationary policy must deal firmly with such domestic factors as money supply, public expenditure, costs and prices.

The social partners have an important role to play since, in the Committee's view, the economic and social aspects of the present situation are indivisible; the aims of any reflation policy must be to eradicate unemployment and to improve living standards in general.

Statement by Mr HAFERKAMP, Vice-President of the Commission

In a short speech at the Plenary Session, Mr HAFERKAMP, first of all thanked the Committee for the contribution it had made to an evaluation of the current economic situation. He said that the factors which should form the basis of an assessment were at present uncertain, which was why the Commission had deferred submitting its Annual Report until November. In this connection, Mr HAFERKAMP called for recurrent discussion of the economic situation. What the Commission said in the Annual Report about a depression being avoided should not be interpreted as minimizing the seriousness of the economic crisis - the gravest since the war. The remarks were merely intended to underline the fact that, in spite of all the difficulties, the economic and social order had stood firm.

Even if the future was uncertain, the first positive signs of an economic revival had already appeared, according to the latest surveys. The increase in exports and production in certain specific sectors suggested that the recession had bottomed out and that a modest upturn could be hoped for. There was uncertainty, however, about how vigorous this upturn would be and how long it would last.

Confidence in the future was particularly important at the present time, and there should therefore be no pessimism about growth. Confidence was also needed in the Community's relations with the rest of the world. It had therefore been very important to avoid taking protectionist measures after the oil crisis. Further liberalization and the dismantling of trade barriers in the framework of GATT were amongst the most urgent objectives of the Commission. A satisfactory functioning of the international currency system was also needed. Mr HAFERKAMP referred to the two fields where progress had been made on the basis of Commission proposals : (a) gold transactions between Central Banks and (b) new rules on quotas in the International Monetary Fund. Of late the Community's voice had been more and more united in the international arena, but more solidarity was still needed within the Community itself.

The reason why no uniform EEC economic policy was possible at the present time was the differences in the economic situations of the respective Member States, especially where varying rates of inflation and different balance-of-payment situations were concerned. After the oil crisis it had not been possible for the Commission to pursue its previous economic policies. What mattered more than anything else now was to prevent contradictions in the economic policy objectives of individual Member States.

The complementary economic policy of the Commission made a considerable contribution in this respect. As regards the pursuit of the Commission's objectives, less emphasis was being put on the codified decisions of the Council of Ministers and more on substantially intensifying contacts at Council level. In spite of

having inadequate powers, the Institutions of the Community had had their successes, e.g. the preservation of the common market and the restoration of the snake. These successes should be used as a springboard for introducing similar kinds of measures to reflate the economies of individual Member States. A coordinated Community programme with measures to stimulate both investments and private consumption had been introduced in August.

Measures to combat recessions and unemployment were matters of high priority at the present time. Particular attention would have to be paid to dealing with the unemployment of young people. At the same time a new surge in rates of inflation could not be allowed. To achieve these aims the support of the Member States and the various sections of society was needed, as was international solidarity. In that connection the Commission was highly optimistic about the outcome of the tripartite conference between the Council, the Commission and the two sides of industry. In conclusion Mr HAFERKAMP underlined the usefulness of such mutual exchanges of experience and emphasized the importance of assessing the economic situation from a practical point of view, which was the vantage point of the members of the Economic and Social Committee.

The Economic and Social Committee based its Opinion on material prepared by the Section for Economic and Financial Questions, chaired by Mr CHARBO - Netherlands - Miscellaneous Activities. The Rapporteur was Mr MARGOT - Belgium - Various Interests.

2. New Energy Policy Strategy

On 29 May 1974, the Commission issued a Communication to the Council entitled "Towards a New Energy Policy Strategy for the European Community" (Doc. COM(74) 550 final) redefining the Community's objectives in response to the changes in its energy supply situation which were highlighted by the crisis of October 1973.

The objectives, which were designed to reduce the Community's overall external energy dependence from 63% in 1973 to 40% in 1985 comprised :

- a reduction in the share of oil in total energy consumption from 61% to 41%;
- an increase in the share of nuclear energy from 1% to 17% by ensuring that half of the Community's electricity needs are met from this source in 1985;
- a continuation of coal production at its present level of output;
- an increase in the share of natural gas from 12% to 25% of total energy consumption;
- a reduction in the previously forecast level of consumption for 1985 through a programme of rational energy use.

Within the framework of this new strategy, the Commission subsequently prepared a series of Communications and Proposals which, with one exception, were issued on 27 November 1974. These documents revised the original targets and set out detailed policy guidelines for the individual sectors.

The Committee limited itself within the short time available for study to a number of preliminary remarks and reserved the right to deliver an additional Opinion at a later date.

It welcomed the objectives for energy policy set out in the Communication and, in particular, approved their purposeful and ambitious character. These, it was pointed out, re-echoed many of

the ideas put forward by the Committee on 29 May 1974 in its Study on the Objectives and Content of a Common Energy Policy. However, it regretted that the detail with which the energy policy objectives had been defined was not reflected in the means for implementation which, the Committee believed, the Commission should set out in greater detail.

The Economic and Social Committee, adopted by 64 votes in favour, 19 against and 17 abstentions its Additional Opinion on the Communication and Proposals from the Commission to the Council entitled "Towards a new energy policy strategy for the European Community".

Rational Energy Use

The Committee supports the fundamental objective of the Commission's programme, believing it can do much to reduce its dependence on imported energy and improve its balance-of-payments. However, it warns that the energy conservation measures adopted must not have adverse effects on employment or other social conditions.

While it recognizes that energy-conservation programmes should operate both through the price mechanism and intervention by public authorities, it believes that future policy must, for a number of reasons, rely basically on public intervention. The Committee considers that it is unrealistic to lay down objectives for rational energy use and then rely on the goodwill of private operators or national authorities to achieve them.

In particular, steps must be taken to ensure : (a) that once savings have been achieved they are maintained, even if the cost of energy decreases; (b) that consumers do not gradually revert to their old habits of excessive and often irrational energy consumption (wastage), regardless of the price level.

The Committee stresses the need for public authorities to set a good example in energy conservation and to ensure administrative simplicity in the application of measures. The public should be provided with a regionally-based specialized information service. Both industrial and household energy-consuming appliances should be accompanied by adequate instructions for optimal use.

Hydrocarbons Policy

The Committee considers that the means by which the policy is to be implemented are insufficient, both in scope and in effectiveness, to give the Community the minimum authority necessary to implement a common policy which would ensure secure supplies of energy under satisfactory economic conditions.

The Member States should, as a step towards establishment of a common policy, equip themselves with the intervention powers needed for the simultaneous implementation of coordinated energy policies. This coordination will be essential during the transitional period prior to the introduction of effective machinery for regulating the Community oil market. Such machinery is the only way to resolve the long-term problems.

As regards cooperation with the major importers (Japan) the major consumer and producer countries (USA, USSR), the major exporting countries (OPEC) and the developing countries. It is essential for the Community to adopt a coherent, unified approach and thus be able to defend its interests.

The Committee believes that any reference price (minimum safeguard price) designed to protect investment in alternative energy sources must be fixed at a level markedly below the current price of imported energy.

Measures in the Event of Oil Supply Difficulties

While the Committee recognizes that the prime responsibility for measures to be taken in the event of oil supply difficulties has, to a certain extent and for the time being, passed to the International Energy Agency (IEA), it believes that, such primary responsibility must lie with the Community, and that any action within the Agency framework should be marginal and complementary to Community measures.

The Committee approves the principle that, in times of a supply **crisis**, the Community should set itself targets to reduce its energy consumption. However, this should apply to all forms of energy consumption and not just to petroleum products, even where the supply shortfall is slight.

A system of automatic authorization on oil movements is also needed in normal times, so that the Community will have an information tool which will enable it to implement specific controls when supply difficulties arise.

Guidelines for the Electricity Sector

The Committee notes that electricity production offers considerable possibilities for the substitution of secure conventional sources for oil and for the development of nuclear energy. Accordingly, it believes that electricity producers should be encouraged to maximise the use of hard coal, lignite and peat. The limited oil and natural gas resources should be reserved where possible for other applications which give a better efficiency.

The Committee considers that nuclear energy is more than an alternative. While the development of nuclear energy will have to be re-assessed around 1980, its use would make it possible to stabilize to some extent the share of fossil fuels in energy consumption, pending the introduction of new energy sources. The public should be fully informed about the programme for locating future power stations. Before any power station is built in a frontier area, there must be Community-level consultations between the nations and regions concerned.

On the consumption side, the Committee supports a policy which would dovetail with the production objectives. No incentives should be given to increase consumption of electricity based on imported energy, but at the same time the market must be left sufficient flexibility to enable it to absorb nuclear-based electricity as it becomes available.

The Committee endorses the Commission's proposals on manpower policy. In particular, it believes measures are necessary to recruit a young labour force, to secure good conditions for migrant workers, to continue research on health improvement and to step up housing aids.

Coordination of policies

All Community energy guidelines, recommendations and decisions will have to be re-considered when the Fourth Medium-Term Policy Programme is drawn up. Future development possibilities, as laid down in this Programme, will call for a common energy policy that is consistent with the economic and social objectives proposed.

The Economic and Social Committee based its Additional Opinion on material prepared by its Section for Energy and Nuclear Questions under the chairmanship of Mr de FERRANTI - United Kingdom - Employers. The Rapporteur was Mr DELOURME - Belgium - Workers.

3. New timetable - for Annual Report

The explanatory memorandum on the first page of the Commission's proposal for a Council Decision is very explicit. It simply says that there is insufficient new data available in early September for the Commission to be able to formulate useful economic policy guidelines, either generally for the Community, or for individual Member States. These are an important part of its Annual Report on the Economic Situation of the Community.

The Council is currently obliged to hold its third examination of the Economic Situation in the 3rd quarter of each year. The Proposal - simply to put back this examination to the 4th quarter - will, it is hoped, allow the Commission adequate time to obtain the necessary data for the Annual Report, whilst at the same time making sure that it be examined in time to be taken into account by the national Parliaments.

The timetable the Commission recommends is that the draft Annual Report go to the Assembly and to the Economic and Social Committee on 15 October and, having obtained the required Opinions by about 15 November, the Council adopt the Report at its session held on the third Monday of November.

The Economic and Social Committee adopted by a large majority of votes in favour, - 6 votes against and 4 abstentions, its Opinion on the

Proposal for a Decision of the Council on a Change in the Timetable for the Preparation of the Annual Report on the Economic Situation in the Community

The Committee, in this Opinion, approves the Commission's proposal. The principal reason for doing so is the reason given by the Commission - namely that there is insufficient new data available by early September for the Commission to be able to formulate useful economic policy guidelines, either generally for the Community, or for individual Member States.

The Committee, however, adds a request that the Council ensure in future that the Committee is given the necessary time in which to prepare an Opinion on the Annual Report.

The Committee stressed the lack of coordination between the economic policies of the Member States, and called on the Council to remedy this. At all events Community work should be timed so as to encourage such coordination.

The Economic and Social Committee based its Opinion on material prepared by the Section for Economic and Financial Questions under the chairmanship of Mr CHARBO (Netherlands - Miscellaneous Interests). The Rapporteur was Mr DE BIEVRE (Belgium - Employers).

4. Biology and Health Protection

As a follow-up to three earlier programmes of which the current one expires at the end of 1975, the Commission is proposing a fourth research programme for the European Atomic Energy Community in the field of biology and health protection.

The programme consists of two parts. The first seeks to determine and update the permissible radiation levels in man and environment contamination levels and to improve the practical organization of radiation protection by the Member States. The second focuses on the development and adaptation of nuclear techniques to applications in agricultural research.

It takes the form of "indirect action" under which the national research activities in the field concerned are coordinated by the Community, which gives financial and staff support.

The programme, which is to run from 1976 to 1980, will cost the Community a total of 66.52 million u.a. and will have a Community staff of 30 assigned to it.

The Economic and Social Committee adopted unanimously its Opinion on the

Proposal from the Commission to the Council entitled
Biology and Health Protection Programme - Research
Programme 1976/1980.

The Committee welcomes and supports the Commission's proposal for a fourth research programme for the European Atomic Energy Community (EURATOM) in the field of biology and health

protection. The programme which concentrate on coordinating national research activity in this field is to run from 1976 to 1980 at a total cost to the Community of 66.52 m u.a.

The Committee believes that the continuation of research work on the effects of ionising radiation on man and in environment, involving constant review of protection standards, is absolutely vital if nuclear energy is to be used on an increasingly commercial basis. Accordingly, it warns that there must be no weakening in the Community's financial commitment to the joint study of the very important issues in this field.

The Committee considers that the main individual research areas on which the programme concentrates are, broadly speaking, those which respond closest to the requirements and preoccupations of both those who are working in the nuclear industry and the general public. At the same time, it considers that the study of the effects of speeding-up the nuclear development programme should be assigned the highest priority, with particular attention being given to the health and ecological problems associated with the use and processing of transuranium elements (i.e. plutonium, americium, curium) and to research on tritium, krypton and iodine.

The significance of the Community safety standards should be brought home to the general public by the wide dissemination of results achieved to date in a suitably condensed and comprehensible form.

The Committee also believes that the Community must continue to play an active part in international cooperation at all levels through the various international organizations.

Finally, the Committee endorses the part of the programme dealing with the possible use of nuclear techniques in agriculture. It believes that realization of these techniques would offer significant benefits in the agricultural sector in controlling noxious insects, in improving crop species, in optimizing crop yields and quality, and in raising efficiency in beef production.

The Committee based its Opinion on material prepared by its Section for Energy and Nuclear Questions under the chairmanship of Mr de FERRANTI - United Kingdom - Employers. The Rapporteur was Mr NOORDWAL - Netherland - Employers.

5. Taxes on manufactured tobacco

The purpose of this "fourth" Directive is merely to authorize the further prolongation of the first stage of the harmonization of taxes other than turnover taxes on the consumption of manufactured tobacco. In its Opinion (Doc. CES 564/74 of 29 May 1974), the Committee formally approved the Commission's proposal at that time to extend the first stage by one year to 30 June 1976, in order to permit further consideration of the conditions in the market in manufactured tobaccos in the enlarged Community.

The original Council Directive on this kind of tobacco tax, dated 19 December 1972, provided that the Council should, before 1 July 1974, adopt a Directive laying down special criteria applicable during the following stage. These criteria would have come into force on 1 July 1975. However, in the course of preparatory work it was found that, for technical reasons, and before

proposals on the harmonization of excise structures could be prepared, the Council should first be presented with a proposal for a Directive defining the different groups of manufactured tobacco.

This proposal, entitled "The Second Council Directive on taxes other than turnover taxes which affect the consumption of manufactured tobacco", being also based on the Council Directive of 19 December 1972, has not yet been approved by the Council, although the Committee and the Parliament have already given their views on it (Doc. CES 788/74).

For these reasons, the Commission again finds it necessary to extend the first stage of harmonization by one year to 30 June 1977.

The Economic and Social Committee adopted unanimously its Opinion on the

Taxes other than Turnover Taxes which affect the Consumption
of Manufactured Tobacco

The Committee accepts the Commission's proposal to extend by yet a further 12 months the first stage of fiscal harmonization in respect of manufactured tobacco products, recognizing the extent of the difficulties the Council has encountered in determining the precise details of the second stage.

However, the Committee urges that any further consultations and studies that are necessary be made without delay. It urges that the Second Directive currently before the Council be adopted, and that the proposals for the second stage of harmonization of taxes on tobacco be drawn up promptly, so that the Committee and the Assembly can prepare their Opinions in good time, and the Council take the final decision before 1 July 1976.

The Economic and Social Committee based its Opinion on material prepared by its Section for Economic and Financial Questions under the chairmanship of Mr CHARBO (Netherlands - Miscellaneous Interests). The Rapporteur was Mr O'CEALLAIGH (Ireland - Employers).

6. Cocoa - Chocolate

The Commission proposes that when cocoa powder products are packed in units whose individual net weight is equal to or more than 100 g but not more than 1 kg, they are to be marketed in the following individual net weights only : 100 g, 200 g, 250 g, 400 g, 500 g, 750 g and 1 kg.

The Economic and Social Committee adopted unanimously the

Proposal for a Council Directive amending for the fourth 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 Committee agrees that a scale of weights should be laid down for the marketing of cocoa powder products, but would prefer a scale that conforms more closely to customary practice in the majority of the Member States.

The Committee also recommends that at least five years should elapse before enforcement of the ban on marketing cocoa powder products which do not conform to the Directive.

The Economic and Social Committee based its Opinion on material prepared by its Section for Agriculture under the chairmanship of Mr EMO CAPODILISTA - Italy - Various Interests. The Rapporteur was Miss MACKIE - United Kingdom - Employers.

7. Silkworms

The Commission wants to allocate Community aid to organizations of silkworm rearers. The object is to encourage the formation of such groupings, and make it easier for them to operate.

The aid is to be for a period of three years and will be degressive. The amount is to be calculated on the basis of cocoon production. The basic rules proposed by the Commission are as follows :

- in order for producers' organizations to qualify for recognition, their membership must be confined to silkworm rearers and their activities must not extend beyond first-stage marketing (sale to wholesalers and users);
- in the first year, the aid is to be at the most 9% of the value of the cocoons marketed, in the second year 6% and in the third year 3%. Thereafter, the groupings will have to operate with their own resources.

The Economic and Social Committee adopted unanimously its Opinion on the

Proposal for a Regulation (EEC) of the Council establishing a System of Aid to Organizations of Silkworm Rearers.

The Committee approves the Commission's proposal, but stresses that the current modernization drive should be supplemented by an increase in the aid granted per box of silkworm eggs, and the introduction of a stockpiling premium.

The Economic and Social Committee based its Opinion on material prepared by its Section for Agriculture under the chairmanship of Mr EMO CAPODILISTA - Italy - Various Interests. The Rapporteur was Mr RAINERO - Italy - Various Interests.

8. Deferred payment of import and export duties

The object of the Commission's proposal is to extend the scope of the Council Directive of 4 March 1969 fixing the conditions which enable Member States to defer payment of amounts due in respect of customs duties, charges having equivalent effect, or agricultural levies on goods which have been the subject of a customs declaration.

The proposal is designed to make the said Directive applicable to :

- monetary compensatory amounts applicable when certain agricultural products or certain goods resulting from their processing are imported, and
- levies, charges and monetary compensatory amounts applicable when certain agricultural products or certain goods resulting from their processing are exported.

In the interests of clarity, the new proposed Directive brings together in a single text all the measures which are henceforth applicable with regard to the deferred payment of the customs debt at importation and at exportation. In consequence, the Directive of 4 March 1969 is repealed.

The Economic and Social Committee adopted unanimously its Opinion on the

Proposal for a Council Directive on the Harmonization of Provisions laid down by Law, Regulation or Administrative Action concerning Deferred Payment of Duties at Importation or at Exportation.

Article 6 of the proposal allows Member States to grant further facilities, in addition to the harmonized arrangements for 30-day deferral. Member States are perfectly free to fix whatever time-limit they think fit for such further facilities. The rate of interest has to be based on the rate prevailing on the money and capital market of the State concerned. This means that rates will be allowed to vary quite considerably from one Member State to another.

The Committee believes that the conditions governing collection should be fully harmonized, that is to say there should be a single time-limit for payment and a single interest rate. This interest rate could be reviewed periodically.

The Economic and Social Committee based its Opinion on material prepared by its Section for Industry, Commerce, Crafts and Services under the chairmanship of Mr HEMMER (Luxembourg - Employers). The Rapporteur was Mr DE GRAVE (Belgium - Workers).

9. Action Programme - Migrant Workers

The Commission's action programme aims progressively to secure equal opportunities for all workers in the Community.

The programme is in four parts : improvement of living and working conditions (free movement, social security, vocational training, social services, housing, education of children, health, information and statistics); civic and political rights; immigration; and the coordination of migration policies.

The Economic and Social Committee adopted by a large majority with 2 abstentions, its Opinion on the

Action Programme in favour of Migrant Workers and their Families.

Basically, the Committee approves the Action Programme. Both the general approach and the specific measures suggested are broadly consonant with the wishes expressed by it in the past.

The Committee feels that the programme should be seen against the general background of the Community's social policy, and that it links up with other EEC policies, such as the regional policy. The Opinion re-iterates the oft-expressed Committee call for new jobs where there is labour available, and regrets that the Community let the best years of economic growth slip by without tackling the overall problem of migrants.

In examining the main chapters of the Commission document, the Committee distinguishes between migrants from EEC States (who make up about 1/3 of the total) and those from non-member countries. The former are covered by certain legal provisions in the EEC Treaty, but the ultimate aim is to eradicate all discrimination between the two categories, particularly as regards living and working conditions.

The Committee approves most of the Commission's proposals for improving the lot of migrant workers and their families, but asks that some measures be stepped up, broadened in scope or brought into effect more rapidly. For instance :

- the back-up measures necessary to bring about effective freedom of movement for EEC workers should be adopted without delay, especially those to do with information on vacancies, job qualifications, and trade union rights;
- Community social security regulations should be improved. Certain advantages already enjoyed by EEC migrants should gradually be extended to migrant workers from outside the EEC;
- measures to promote vocational guidance and training and access to jobs should be stepped up;
- living conditions should be quickly improved. In this connection special emphasis should be placed on information for migrant workers and the citizens of the host country, the social services, housing, education for migrants' children, health questions and preparations for migrants' return to their countries of origin;
- civic and political rights should gradually be granted;
- more information should be gathered about the type of people who migrate and the numbers involved;

- the fight against illegal immigration should be stepped up and better coordinated;
- policies on migration should be more closely coordinated.

The Committee concludes by asking that the measures suggested in the Action Programme be submitted to the Council as soon as possible in the shape of formal proposals. The Committee also sets certain priorities, suggests deadlines, and indicates what legal instruments could be used.

The Economic and Social Committee based its Opinion on material prepared by its Section for Social Questions under the chairmanship of Mr HOUTHUYS (Belgium - Workers). The Rapporteur was Mr PURPURA (Italy - Various Interests).

10. Trade Union Rights

The proposed regulation from the Commission seeks to amend Article 8 of Regulation No. 1612/68, concerning the free movement of workers, and formally allow immigrant workers from other EEC States to be eligible for management and administration posts in trade unions in the Member State where they are working. This would merely be giving Community endorsement to the current practice in the Member States.

The Economic and Social Committee adopted unanimously its Opinion on the

Proposal for a Council Regulation((EEC) amending Council Regulation (EEC) No. 1612/68 as regards the Extension of Trade Union Rights in favour of Workers who move within the Community.

The Committee approves the Commission's proposal to allow immigrant workers from other EEC States to hold management and administration posts in trade unions in the Member States where they are working.

It calls upon the Commission to submit at an early date measures enabling such workers to take part, as trade union representatives, in the management of bodies governed by public law and hold offices governed by public law. This should be done by amending the appropriate Regulation.

Referring to its Opinion on the Action Programme in favour of Migrant Workers and their Families, the Committee calls for the extension of trade union rights to immigrant workers from countries outside the EEC.

The Economic and Social Committee based its Opinion on material prepared by its Section for Social Questions under the chairmanship of Mr HOUTHUYS (Belgium - Workers). The Rapporteur was Mr van RENS (Netherlands - Workers).

11. Wine Sector

The proposal seeks to grant a "conversion premium" with the aim of encouraging the grubbing-up of certain poor quality varieties of vine. The Commission proposes that the premium should be 1,500 u.a. per hectare in the 1975/76 marketing year, 1,400 u.a. per hectare in 1976/77 and 1,300 u.a. per hectare in 1977/78. These amounts are to cover grubbing costs and loss of earnings. The Guidance Section of the European Agricultural Guidance and Guarantee Fund (EAGGF) is to reimburse 50% of the expenditure incurred by the Member States. The premium is to be granted only to wine growers undertaking not to

replant for at least ten years.

The Economic and Social Committee adopted by 20 votes in favour, 14 against, and 8 abstentions its Opinion on the

Proposal for a Regulation of the Council on the Granting of a Conversion Premium in the Wine Sector.

The Committee is pleased to see that the Commission's proposal follows up a request which it has made several times before, most recently in its Opinion of 17 July 1975.

It therefore approves the proposal, generally speaking, but wants it to be stressed that the ban on new plantings applies to all types of vine, unless Community waivers are granted in the light of market trends.

The Committee also makes a number of suggestions designed to make the measures proposed more effective, and proposes granting a premium of 2,000 units of account to vine-growers who grub up all their vineyards, provided that the vineyard is at least 3 hectares in area and the grower undertakes not to replant for 10 years.

The Economic and Social Committee based its Opinion on material prepared by its Section for Agriculture under the chairmanship of Mr EMO CAPODILISTA (Italy - Various Interests). The Rapporteur was Mr DE GRAVE (Belgium - Workers).

II

OUTSIDE ACTIVITIES

1. Chairman makes Official Visit to Rome

The Chairman of the Economic and Social Committee, Mr Henri CANONGE, paid an official visit to Rome on 15-18 October 1975. He was accompanied by the two Vice-Chairmen, Mr Louis AMEYE and Mr Johannes van GREUNSVEN, and the Secretary General, Mr Delfo DELFINI.

On 16 October, Mr CANONGE was received by the following ministers: Mr MARCORA, Minister for Forests and Agriculture, Mr BISAGLIA, Minister responsible for State participation in Industry, Mr BATTAGLIA, Secretary of State in the Ministry for Foreign Affairs, and Mr DEL NERO, Secretary of State in the Ministry of Labour.

The Economic and Social Committee delegation visited the Consiglio Nazionale dell'Economia e del Lavoro (CNEL) and discussed how relations between the CNEL and the Economic and Social Committee could be put on a firmer footing.

While he was in Rome, Mr CANONGE also saw the heads of the Italian organizations represented on the Committee, including Confindustria, the Confederation of Italian Farmers, the Confederation of small business, cooperatives and the joint front of unions (CGIL, CISL, UIC).

On 17 October, Mr CANONGE and the two Vice-Chairmen, together with the members of the Section for Social Questions, were given an audience by the Pope.

2. Meeting of the Social Section in Rome

The Committee's Section for Social Questions held a meeting at the Consiglio Nazionale dell'Economia e del Lavoro (CNEL) in Rome on 16 and 17 October 1975. It was chaired by Mr HOUTHUYS and attended by the Italian Under-Secretary of State responsible for Emigration, Mr GRANELLI. Two Opinions were issued, one on migrant workers and one on migrant workers' trade union rights.

3. Delegate Assembly of the Council of European Municipalities meeting at Avignon

The Delegate Assembly of the Council of European Municipalities met in Avignon on 23 and 24 October 1975. An appeal was addressed to the Parliaments of the Nine urging them immediately to enact laws which would enable the European Parliament to be elected by direct universal suffrage. The meeting was attended by Mr LOUET, Director-General.

III

NEW REQUESTS FOR OPINIONS

1. Proposal for a Council Regulation on the Harmonization of Certain Social Provisions relating to Goods Transport by Inland Waterway
2. Proposal for Council Regulation amending Article 8 of Regulation (EEC) No. 1612/68 on the Free Movement of Workers
3. Proposal for a Regulation (EEC) of the Council on the Transitional Common Organization of the Market in Sheepmeat.
4. Proposal for a Council Regulation amending Regulations (EEC) Nos. 1408/71 and 574/72 on the Application of Social Security Schemes to Employed Persons and their Families moving within the Community
5. Communication from the Commission to the Council on the Community Policy in the Field of Data-Processing
6. Proposal for a Directive amending the Council Directive of 24 July 1973 on the Coordination of Laws, Regulations and Administrative Provisions concerning the Taking-up and pursuit of activities in Direct Insurance other than Life Assurance
7. Communication from the Commission to the Council on the European Aircraft Construction Industry
8. Proposal for a Council Regulation on the Establishment of a Community Institute for Economic Research and Analysis
9. Proposal for a Council Regulation (EEC) on Community Transit
10. Communication from the Commission to the Council on the Operation of the Markets in Surface Goods Transport within the Community

11. Proposal for a Council Decision on European Social Fund Measures to aid Vocational Adaptation Operations
12. Proposal for a Council Decision with regard to the Intervention of the European Social Fund in favour of Persons occupied in the Textile and Clothing Sectors
13. Proposal for a Regulation of the Council on the Granting of a Conversion Premium in the Wine Sector
14. Communication on the establishment of a European Export Bank
15. The stage reached in applying the Action Programme for Consumer Information and Protection
16. Action Programme for Taxation
17. Proposal for a Regulation concerning Common Measures to improve the Conditions under which Agricultural Products are Marketed and Processed
18. Proposal for a Council directive on reciprocal recognition of navigation licences for inland waterway vessels

IV

PROVISIONAL PROGRAMME

135th Plenary Session - November 1975

- Mediterranean agricultural products (Study)
- Education of migrant workers' children
- Social security of migrant workers
- Lomé Convention
- Community transit procedures (2)
- Taximeters
- Preservatives
- Paints, varnishes and adhesives
- European Foundation for the improvement of working and living conditions
- European Social Fund measures (2)
- Environmental Research Programme
- Reference materials
- Thermonuclear fusion and plasma physics
- Insurance
- Inland waterway vessels (navigation licences)
- Community quotas
- Bracket tariffs
- Investment projects in energy sector
- Tachographs

136th Plenary Session - January 1976

- Oil prices
- Regional Policy (Study)
- Situation of women
- Jam
- Marketing and processing of agricultural products
- Sheepmeat

- Institute for Economic Analysis and Research
- Development aid
- Freedom to provide services (lawyers)
- Public purchasing
- Lifts
- Lead
- Titanium dioxide
- Drinking water
- Inland waterway transport (working conditions)
- Data-processing policy

137th Plenary Session - February 1976

- Corporate taxation
- Aeronautical policy
- Surface transport

138th Plenary Session - March 1976

- Coordination of employment policies (Information Report)
- CAP in its world-wide context
- Medium-term Economic Policy Programme
- Surface goods transport
- Consumer Action Programme
- Safety, hygiene and health protection

V

NEWS OF MEMBERS

Lord BRIGINSHAW, an Economic and Social Committee member since 15 September 1975, was elected to the Bureau on 29 October 1975 in place of Mr CARROLL.

**PUBLICATIONS OBTAINABLE FROM THE ECONOMIC
AND SOCIAL COMMITTEE**

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|---|------|
| 1. Bulletin (monthly publication) | Free |
| 2. The Economic and Social Committee (leaflet-January 1975) | Free |
| 3. The Economic and Social Committee (April 1975)
(A descriptive brochure) 16 p. | Free |
| 4. European Union (July 1975)
(Opinion) 33 p. | Free |
| 5. Progress Report on the Common Agricultural Policy
(February 1975) (Study) 52 p. | Free |
| 6. The Situation of Small and Medium-sized Undertakings in
the European Community (March 1975) (Study) 69 p. | Free |
| 7. Annual Report 1974
60 p. | Free |
| 8. Annual Report 1973
64 p. | Free |
| 9. Directory (November 1975)
32 p. (list of members) | Free |