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NOTICE TO READERS

Number 2.3.4/1973 of the Bulletin of the Economic and Social Committee is the last in the present form. In response to numerous readers' requests the Committee intends to replace the quarterly Bulletin by a monthly publication from 1974.

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I

111th PLENARY SESSION OF THE ECONOMIC AND SOCIAL COMMITTEE HELD
ON 23 AND 24 MAY 1973

The Economic and Social Committee held its 111th Plenary Session at the Palais d'Egmont, Brussels, on 23 and 24 May 1973, under the chairmanship of Mr A. LAPPAS, its Chairman, and in the presence of Sir Christopher SOAMES, Vice-President of the Commission.

The agenda for this session included in particular the preparation of the Committee's Opinions on the

1. 'Memorandum from the Commission to the Council concerning the development of an overall approach to trade, in view of the coming multilateral negotiations in GATT'.

The Economic and Social Committee prepared its Opinion on the basis of the work carried out by the Section for External Relations, chaired by Mr de PRECIGOUT - France - Employers.

This Opinion was prepared in the presence of Sir Christopher SOAMES, Vice-President of the Commission and adopted by 103 votes to 9.

Without being able to go into the questions raised by the GATT negotiations in detail, the Economic and Social Committee considers that the Community must be a demandant

In view of the economic development and social progress that can be expected from the progressive liberalization of trade, the Committee considers it essential not to forget the objectives of the negotiations and the spirit in which they were conceived, namely to increase living standards and to ensure a high and stable level of employment.

The Community, in confirming its intention to reduce the principal barriers to trade, and especially those affecting its own exports, should also not overlook the possible social repercussions of such liberalization.

The Committee is not unaware that certain American spokesmen see a link between the trade negotiations and monetary and defence problems. Although the latter cannot be ignored, the Committee is restricting its Opinion to the trade negotiations, which are the subject of the Memorandum of the Commission to the Council. However, the Committee entirely supports the view of the Commission that the application of the results of the negotiations would be jeopardized if a stable monetary system was not established to free the world from the monetary shocks and imbalances that have occurred in recent months. In addition, the Committee does not believe the United States balance of payments problem can be solved within the framework of trade negotiations.

The Committee considers it necessary that all the negotiators possess powers which are the same in scope and equally well defined. In view of the experience of the Kennedy Round, the mandate to be given the Commission should take into account the institutional differences between the Community and its partners, and provide that concessions by the Community will not be applied unilaterally if the reciprocal concessions agreed upon are not implemented in full. Furthermore, in view of the differences in decision making procedure between a single country and a Community of several countries it appears essential that the power to react to action that might be taken unilaterally by some partners be conferred in advance on the Commission.

As some of the Community's trading partners have put their case before world opinion, the Committee considers it of the greatest importance that the same should be done for the position of the Community and that those negotiating on behalf of the Community should be able to count on the support of European public opinion.

With regard to industrial tariffs, the Committee supports the aim of the Commission, within the overall objective of lowering tariffs, to level off differences caused by peaks and troughs, and generally approves the proposals contained in the Memorandum of the Commission.

The Committee draws the attention of the Commission to the fact that as tariffs are reduced, the effects of non-tariff barriers will be increasingly felt, and therefore urges that a strict link be established between tariffs and non-tariff barriers in the negotiations. The Committee supports the proposal of the Commission that agreements on non-tariff barriers should include machinery for consultation and the settlement of disputes.

With respect to agriculture, the Committee feels it indispensable to state firmly that the principles of the Common Agricultural Policy are an essential element of the Common Market and, therefore, not a subject for negotiation. Insofar as products from the agricultural and food industries are concerned, the Committee draws attention to the need to take into account the decisions which will be taken on agricultural products. Negotiations on the former, in its opinion, will not be able to begin before the latter are known.

With regard to the developing countries, the Committee feels that the objectives proposed are praiseworthy, but is doubtful whether they can all be achieved at the same time. For example, since tariff reductions negotiated between the industrialized countries would reduce the advantages guaranteed to the developing countries through generalized preferences, the Commission's intention of seeing that the developing countries do not lose any advantages during the negotiations might be compromised unless the products covered by system of generalized preferences were excluded from tariff reductions.

The Committee supports the view of the Commission that safeguard clauses should, in principle, be used to overcome difficulties that are only temporary, and that Article 19 of the GATT should be supplemented for the reasons given by the Commission. However, the Committee wishes to point out that this will leave certain problems without a solution. The most important is 'social dumping', caused by profound differences in labour costs. In this case, the most desirable solution seems to be a certain 'organization of trade'.

In his speech to the Economic and Social Committee, Sir Christopher SOAMES, Vice-President of the Commission, first of all congratulated the Commission on taking up on its own initiative the question of the multilateral negotiations, which were of great importance to the future of the Community.

He thanked the Committee for having given valuable support to the Commission before its mandate had been laid down and before the beginning of the negotiations.

In theory, the Commission had sufficient powers, bearing in mind the Communities' responsibility for the Common Customs Tariff. The Commission was not on the defensive vis-à-vis its partners in the negotiations. Sir Christopher SOAMES did not wish to go into details, but he said that the results would have to be based on reciprocity.

Sir Christopher SOAMES endorsed the point made in the Committee's opinion that there was a link between trade and monetary matters and that one of the preconditions for the success of the negotiations was monetary stability and the existence of a durable monetary system.

As regards the abolition of non-tariff barriers, there might be some problems arising from the fact that these matters were the responsibility of the Member States. As for the common agricultural policy, Sir Christopher SOAMES repeated his belief that the negotiations should aim at increasing trade in agricultural products but should not impinge on the principles of the common agricultural policy.

Finally Sir Christopher SOAMES mentioned the specific problems with which the developing countries might be faced. The Community had to remain conscious of its responsibility for these countries. Any lowering of customs tariffs would automatically reduce the advantages resulting from the generalised preferences scheme. However, a qualitative and quantitative expansion of this scheme should compensate the developing countries to a certain extent.

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2. 'Proposal for a Council directive amending the first Council Directive on the establishment of certain common rules for international transport (carriage of goods by road for hire or reward)'.

The rules applying to the international carriage of goods by road between EEC Member States are based on the First Council Directive on the establishment of certain common rules for international transport (carriage of goods by road for hire or reward) of 23 July 1962. As its title indicates, this Directive does not apply to transport on own account. In concluding bilateral conventions on the international carriage of goods by road, most Member States have therefore excluded - i.e. liberalized - transport on own account from the scope of such conventions.

The same applies to the administrative agreements concluded between certain Member States. Bilateral conventions concluded between a number of Member States by which transport on own account and for hire or reward are jointly subjected to a quota and compulsory authorization system, have so far been excluded from this practice. Exempted from quota requirements but still subject to authorization are, for instance, the carriage of goods in motor vehicles whose laden weight (including trailer) does not exceed 6000 kg.

This restriction (compulsory authorization) to an overall weight of 6000 kg should be lifted.

The Commission's proposal furthermore provides for a new point permitting the carriage of goods in motor vehicles with a maximum permissible all-up weight (including trailer) not exceeding 3.5 metric tons without quota requirements or compulsory authorization.

The Committee approved its opinion by 45 votes to 37, with 9 abstentions.

The Economic and Social Committee based its Opinion on the work done by its Section for Transport and Communications under the chairmanship of Mr HOFFMANN - Germany - Workers.

Rapporteur: Mr ILLERHAUS - Germany - Various Interests

The Committee considers that the proposed directive is intended to eliminate certain unjustified hindrances and restrictions which affect the free movement of goods in frontier regions.

It also considers that market equilibrium will hardly be affected by the proposed exemption from the quota and authorization system of light vehicle used for carriage for reward or hire, for own account or for private purposes.

Finally, the Committee finds that the proposed directive can help promote the economic integration of frontier regions.

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3. 'Proposal for a Council regulation amending Council Regulation No 2829/72/EEC on the Community quota for the carriage of goods by road between Member States'

By amending Article 3 and Article 4 (1) and (2) of Regulation No 2829/72, the regulation under discussion aims at increasing the Community quota for 1973 and 1974 for the new Member States only.

The number of quotas will be raised from 1584 to 1728 in 1973 - which represents a 9.1% increase - and from 1792 to 1970 in 1974.

The new Member States are allocated the following quotas:

	1973	1974
Denmark	120	141
Ireland	36	42
United Kingdom	193	227

The above amendments have been proposed in pursuance of Article 4 (3) of Regulation No 2829/72 of 28 December 1973, which provides that the Council should, before 31 March 1973, acting on a proposal from the Commission and in accordance with the procedure laid down in Article 75 of the Treaty, decide on the adaptation of the number of authorizations allocated to the new Member States insofar as any adaptation is justified, account being taken of traffic between these States and the original Member States since 1969.

The Committee adopted its Opinion with 13 votes against and 15 abstentions.

The Economic and Social Committee based its Opinion on the work done by its Section for Transport and Communications, under the chairmanship of Mr HOFFMANN - Germany - Workers.

Rapporteur: Mr RENAUD - France - Employers

The Economic and Social Committee approves the proposal for a regulation in principle.

The Committee considers that the substantially greater number of authorizations allocated to the new Member States should also benefit the original Member States, for transport requirements in a enlarged Community will be of the same proportions in all the Member States.

As a compromise, the Committee suggests that the number of Community authorizations allotted to the original Member States for 1973 and 1974 be increased, on average, in the same proportion as the Commission proposes for the new Member States.

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4. 'Proposal for Council directives on

- the harmonization of legislation on licenses for driving a road vehicle
- the approximation of the laws of the Member States on the technical control of motor vehicles and their trailers'

The common transport policy should, among other things, aim at ensuring the best possible conditions for goods and other vehicular traffic over the whole of Community. Consequently, it cannot disregard any measures which might improve the conditions of traffic dispersal, safety, ensure greater fluidity and regularity of traffic, and, at the same time, eliminate the ever-increasing costs to society and human life caused by road accidents.

This is the framework for the proposals, which aim at the greatest possible degree of harmonization of the conditions under which a driving licence should be granted and of the conditions under which technical control should be carried out.

In this connection, the aims of the first proposal (on driving licences) are a uniform procedure for granting licences, an improvement in the training of the driver, a proper control of the physical aptitudes of licence-holders and the swift notification of other Member States when a licence is suspended or withdrawn.

Similarly, the aims of the second proposal (on technical control) are the harmonization of the frequency and scope of technical controls, so as to eliminate distortions caused by competition, the harmonization of the conditions under which technical controls are carried out, and the appointment of control organizations.

The Committee adopted its Opinion with 20 abstentions.

The opinion on the matter was prepared on the bases of material prepared by its Section for Transport and Communications, whose Chairman is Mr HOFFMANN - Germany - Workers.

Rapporteur: Mr BODART - Belgium - Various Interests

The Committee approved the proposals for directives subject to some proposals for modification on the following points: driving licences for various categories of vehicles, validity of driving licences, age requirements, medical examinations, and the system applicable to learner drivers.

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5. a) 'Proposal for a Council regulation supplementing Council Regulation (EEC) No 1191/69 of 26 June 1969 on the obligations inherent in the concept of a public service in transport by rail, road and inland waterway', and

b) 'Proposal for a Council regulation supplementing Council Regulation (EEC) No 1192/69 of 26 June 1969 on the common rules for the normalization of the accounts of railway undertakings'

a) This proposal has been prepared by the Commission pursuant to Article 19 (3) of Regulation (EEC) No 1191/69 of the Council, which provides that, within three years of the entry into force of the said Regulation, the Council should, on the basis of the principles and objectives set out in Section II of its decision of 13 May 1965, decide on the action to be taken with regard to obligations inherent in the concept of a public service affecting transport operations which are not covered by Regulation (EEC) No 1191/69.

The purpose of the present proposal is first of all to extend the scope of Regulation (EEC) No 1191/69.

The proposed extension applies to:

- railway undertakings not run by the State which either:

1. have a network connected to that of the national railway undertakings and carry out transport operations for hire or reward on an exchange traffic basis with such undertakings;
2. are in competition with the national railway undertakings;

- undertakings in other modes of transport providing:

1. transport services;
2. certain transport operations of a local or regional character.

The proposal also aims at achieving more harmonization by extending the scope of Regulation (ECC) No 1191/69 to transport undertakings and operations whose position is comparable to that of the undertakings and operations already covered by it.

- b) The purpose of this proposal is first of all to extend the scope of Regulation (EEC) No 1192/69.

The proposal is further designed to extend the common rules for the normalization of accounts to railway undertakings other than national undertakings, subject to certain conditions to take account of the objectives of harmonization and of the principle of treatment underlying the common transport policy. The railway undertakings in question wishing to benefit from the provisions of the regulation should either have a network connected to the national network or be in competition with national railway undertakings.

This Opinion was adopted unanimously, with 2 abstentions.

The opinion on the matter was based on material prepared by its Section for Transport and Communications, under the Chairmanship of Mr HOFFMANN - Germany - Workers.

Rapporteur: Mr HENNING - Germany - Various Interests

The Economic and Social Committee approves the proposed modifications to Regulations 1191/69 and 1192/69 in principle.

Whereas Regulation 1191/69 and 1192/69 constitute a first step to giving compensation for the obligations inherent in the concept of public service in the field of transport, the Committee feels that the proposed modifications under discussion which provide for extending the scope of the above mentioned regulations, constitute a second step towards greater harmonization of the normalization of the accounts of railway undertakings and the payment of compensation for operations connected with the obligations of public service.

The Committee considers that the concept of railway undertakings should be more clearly defined by the Commission so that the proposals under discussion can be applied to all rail transport undertakings regardless of how they are called.

Moreover attention was drawn to the special position of railways in Corsica which cannot benefit from the proposed regulations at the moment.

The Committee notes that the proposals do not provide completely satisfactory arrangements for all aspects of operations connected with the concept of public service. A considerable gap still remains for all transport undertakings of a local and regional character which do not satisfy the conditions laid down in the supplementary proposals.

The Committee urges the Commission to consider the remaining questions without delay.

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6. 'Proposal for a Council regulation amending Regulation No 803/68 on the valuation of goods for customs purposes'

The purpose of the proposed regulation is to amend Regulation No 803/68 of the Council of 27 June 1968 on the valuation of goods for customs purposes.

It is now nearly 4 years since this regulation came into effect and experience has been that there are differences still remaining between the Member States regarding the assessment of imported goods. These differences are mostly due to variety of elements taken into account by Member States when determining the valuation for customs purposes.

The proposed amendments concern the following points in particular:

- adaptation of Regulation No 803/68 at the recommendation of the Council for customs cooperation on 11 June 1968;
- simplification of procedures so as to permit the use of automatic systems (computers);
- fixing the exchange rate application in special cases;
- procedure in certain cases for fixing valuations for customs purposes or adjustments to be applied at Community level.

This opinion was adopted unanimously.

The Economic and Social Committee based its opinion on the work done by its Section for Industry, Commerce, Crafts and Services under the chairmanship of Mr HIPP - Germany - Employers.

Rapporteur: Mr De GRAVE - Belgium - Workers

The Committee approved the proposal for a regulation subject to the following few comments.

In view of the variable nature in each separate operation, of the factors to be taken into account when determining customs valuation, the Committee feels it would be advisable to provide for consultation of those concerned.

The Committee emphasizes the anachronism of a situation where Community receipts made in appliance of a Community regulation are taken without the Community's intervention or without it having direct right to inspect. This problem should be solved on a medium term basis. Although this proposal defines the limits of the Community's right of intervention in conformity with Article 213 of the Treaty, it does not completely solve the problem of conflicts of powers which may arise between the Community and the Member States. In many cases two systems would be superimposed, which should be avoided at all costs.

Given the difficulties presented by the Commission's proposed solution and the good results already obtained in the Valuation Committee, it seems advisable to reinforce its powers in cases where it is necessary to fix a customs value, to prescribe its adjustment, or to fix fines.

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7. 'Proposal for a Council Regulation on the coordination of agricultural research'.

The Commission proposal aims, on the one hand, at coordinating agricultural research in the Member States so as to avoid duplication and, on the other hand, at orienting agricultural research so as to ensure maximum yield in European agriculture.

The proposal envisages communication to the Commission by Member States of all research programmes by national institutes, the setting up of a coordination Committee and certain coordinating activities.

The Committee approved unanimously its opinion, with 2 abstentions.

This Opinion was based on material provided by the Section for Agriculture chaired by Mr VISOCCHI - Italy - Various interests.

Rapporteur: Mr de CAFFARELLI - France - Various interests

The Economic and Social Committee adopted unanimously, with two abstentions, its opinion on the draft regulation on the 'Coordination of agricultural research'.

Whilst approving the proposal, this Opinion notes that the regulation covers the agricultural and food industries and research on industrial products used in agriculture.

It requests that provision be made in the regulation for the consultation of representatives of trade associations both for establishing priorities and for the general course of activities.

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8. 'Proposal for a directive on the approximation of the laws of Member States on cosmetics'

The purpose is to eliminate the divergencies found to exist between various national laws on cosmetics. In particular the proposal contains technical provisions on the composition of cosmetics. The following lists can be found in the appropriate technical annexes:

- indicative list by category of cosmetics (annex I);
- list of substances which cosmetics may not contain (Annex II);
- list of substances which cosmetics may contain, subject to certain restrictions (Annex III, part I);
- list of provisionally permitted substances and colorants (Annex IV);
- list of substances falling outside the scope of the directive.

The proposal for a directive is based on the principle of total harmonization, i.e. replacement of national provisions by Community rules.

This Opinion was adopted unanimously with 6 abstentions

The Economic and Social Committee based its Opinion on the work done by its Section for Industry, Commerce, Crafts and Services under the chairmanship of Mr HIPPEL - Germany - Employers.

Rapporteur: Mr LECUYER - France - Various Interests

The Committee approves the proposed directive, and, in particular, the Commission viewpoint consisting of laying down a negative list of substances which cosmetics may not contain. However the Committee stresses the need for the Commission to make an immediate start on the gradual compilation of positive lists, beginning with the cosmetics which it deems the most important from the health point of view.

So as to ensure that cosmetics are correctly used the Committee believes that it should be stipulated that people handling certain products daily, in the course of their work, in particular dyes and beauty products, must prove they have sufficient knowledge of the requisite precautions: such proof could take the form of a proficiency test - those who pass being authorized to store and use the products on their own responsibility.

The Committee feels that the definition of cosmetics is too vague and therefore requests that it be reconsidered.

The marketing of cosmetics should be subject to special precautions. In particular, Member States should make access to activities connected with the production of cosmetics contingent on certain precautionary measures such as a declaration to the appropriate national authorities on the location of plants and the appointment of a qualified person responsible mainly for checking raw materials, manufacture and finished products.

With regard to the procedure planned for adjusting the directive in the light of technical progress, the Committee hopes that a consultative committee will be set up comprising, in particular, of representatives of the producers, distributors, users and consumers concerned.

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9. 'Proposal for a Council regulation on the implementation of Community contracts'

The purpose is to encourage industry in the Community to develop new products or processes inasmuch as they are of substantial benefit to the economic and social development of the Community. Concurrently, the proposal should promote an intra-Community technological and industrial cooperation which transcends national frontiers. When certain public needs cannot be satisfied, the Community contracts should help to fill the gaps.

The development contracts concerned are valid for contracts of medium importance and presuppose the existence of partners who are established in different Member States. With the exception of those covering public needs, the conclusion of community contracts is left to the initiative of the interested industrial undertakings.

In order to draw up contracts as rapidly as possible and to safeguard the business secrets of the undertakings concerned in the proper manner, the European Investment Bank is directly concerned in the investigation of projects and in the granting of loans. The decision on the requests submitted is left to the Commission whose duty it is to assess whether the Community contracts requested are in conformity with the objectives of the general economic policy and the policy for specific sectors as well as Community competition rules and principles.

The encouragement given to Community development contracts consists in granting loans at a low rate of interest (3% per annum), the repayment of which is linked with the commercial success of the projects in question.

The financial costs to the Community will be included in the budget of the European Communities under the item 'overall expenditure', whereas the sums recovered as amortization and interest will be considered as the Community's resources.

The proposal for a regulation provides that the Investment Bank will supply the Commission with information on the carrying out of contracts and the use of aid at the end of a financial year. The Commission must also present the Council of Ministers and the European Parliament with an annual report on the results and implementation of Community contracts for industrial development.

This opinion was adopted unanimously with 4 abstentions.

The Economic and Social Committee based its Opinion on work done by its Section for Industry, Commerce, Crafts and Services under the chairmanship of Mr HIPPEL - Germany - Employers.

Rapporteur: Mr BOUREL - France - Employers

The Committee considered it important that by increasing its capacity for innovation and by developing its technology the Community should be in a position to better ensure economic growth and social progress. The Community could not be satisfied with the present situation, characterized by the purely national framework of the mechanisms, procedures and financings which no longer permitted attaining these objectives, because this national framework had its own limits; indeed, the systems existing in each Member State included methods of granting aid, priorities and possibilities of control which were incompatible and caused artificial situations leading the undertakings to distortions and waste.

To allow the proposed regulation to fully play its role, taking into particular consideration the limited results observed in the sector of international cooperation in technological matters, it was imperative for the Community to draw the outline of a European scientific and technological policy including at the same time directions to follow and instruments for implementing this policy. The latter should naturally be the subject of extensive consultation.

Finally, concerning the projects which would come under the Council's definition of 'areas of public interest' - and therefore would qualify for financing at 100% - the Committee thought it necessary to point out that in this instance the absolute priority of the public interest should be better emphasized. But especially the Committee saw no reason for preventing projects of the type from being taken into consideration under the criterion of cooperation amongst the undertakings established in the different States'.

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10. 'Proposal for a directive (Euratom) by the Commission to the Council amending the Directives laying down the basic safety standards for the protection of the health of workers and of the general public against the dangers arising from ionizing radiation'

In accordance with Article 30 of the Treaty establishing the EAEC basic standards for the protection of the health of workers and of the general public against the dangers resulting from ionizing radiation are laid down in the Community.

These basic standards must be fixed so that each Member State can establish, in accordance with Article 33 of the Euratom Treaty, laws, regulations and administrative provisions insuring that they are observed, can take the necessary steps in the sphere of teaching and harmonize these provisions with those in force in the other Member States.

The first directives relating to the basic standards, drawn up in accordance with the provisions of Article 31 of the EAEC Treaty, were adopted by the Council on 2 February 1959 and partially revised on 5 March 1962 and 27 October 1966. These standards were essentially based on the recommendations of the International Commission on Radiological Protection.

The development of scientific knowledge in the field of radioprotection and the experience acquired by the Member States in applying the basic standards in practice have prompted the Committee to revise these standards.

The Opinion was adopted unanimously

The Economic and Social Committee prepared its opinion on the basis of the work carried out by the Section for Nuclear Questions and Energy, chaired by Mr KUIPERS - Netherlands - Employers.

Rapporteur: Mrs HEUSER - Germany - Various Interests

The Committee approves the proposal for a directive and stresses how appropriate it is at a time when ionizing radiation is used to an increasing extent in all fields of research, medicine and technology and when the Second Illustrative Nuclear Programme published by the Commission foresees a faster massive swing to nuclear energy to cover the energy needs of the Community.

The Committee also emphasizes the very particular importance it attaches to the Governments of the Member States taking the necessary measures as rapidly as possible for the application of the provisions of the proposal by their respective laws.

Without calling into question the main points concerning these matters adopted by the Commission, the Committee has made certain specific observations on the chapters devoted to definitions, exposures from controllable sources, especially with regard to the protection of pregnant women and workers between 16 and 18 years of age, and on the methods of carrying out the health surveillance of workers.

In these observations, the Committee has declared itself in favour of strengthening some of the protective measures envisaged and has proposed simplifying the provisions on controlled and supervised areas and on the classification of workers.

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II

112th PLENARY SESSION OF THE ECONOMIC AND SOCIAL COMMITTEE HELD
ON 26 AND 27 JUNE 1973

The Economic and Social Committee held its 112th Plenary Session in the Grande Salle of the Palais d'Egmont, in Brussels, on 26 and 27 June 1973. As Mr LAPPAS, its Chairman was absent, Mr MASPRONE, Vice-Chairman, chaired the meeting. This meeting took place in the presence of Mr SCARASCIA MUGNOZZA, Vice-President of the Commission.

The agenda of this session provided for the drafting of the Committee's Opinions on the

1. 'Draft Council resolution on a Community environmental programme'.

This draft is accompanied by a programme.

'Proposal for a Council decision on information of the Commission on environmental matters'

This draft proposes changing the Agreement adopted on 6 March 1973 by the representatives of the Member States meeting in the Council into a Council decision.

1. On 26 April 1972, the Economic and Social Committee adopted a study on a 'First communication from the Commission on the Community environmental policy', but it should be stressed that for several years now the Committee has on various occasions given opinions on matters closely linked with environmental problems, especially as the Commission itself has defined the environment as being 'all those elements which through their complex interaction, form the setting, surroundings and living conditions of man and society'.

In this study the Committee stressed the need to work out a systematic Community information procedure for all questions directly or indirectly concerned with the improvement of the environment within the Community.

2. An Agreement was reached between the representatives of the Governments of the Member States meeting in Council on 5 March 1973 on information for the Commission and for the Member States with a view to possible harmonization throughout the Communities of urgent measures concerning the protection of the environment.
3. When consulted on the draft agreement the Committee expressed some concern as to the legal form envisaged. In the opinion of the Committee it was unsure whether the commitments made by the representatives of the Member States in an agreement would give the same assurances, guarantees and opportunities for control as they would if made by the Council in its capacity as a Community body.
4. On this same occasion the Committee had stressed that it was imperative for the Member States to be prepared to supply the Commission on a continuing basis with information on their national legislation and on their intention to make any changes to such legislation.

In order to give substance to this Community political will the Committee felt that it would have been preferable to issue a Council instrument, either a resolution or a decision as this seemed the most appropriate both as regards the responsibilities which the Commission should rightly have and as regards the objectives aimed at by the Commission which should indeed be attained as swiftly as possible.

The Economic and Social Committee unanimously adopted the above opinion.

The Economic and Social Committee based its opinion on the matter on work carried out by the Section for the Protection of the Environment, Public Health and Consumer Affairs, chaired by Mr RAMAEKERS Belgium - Various Activities.

Rapporteur: Mr MERLI BRANDINI Italy - Workers

The Committee has reiterated the need to forge very close links between the aims of the regional policy and the implementation of the environmental policy: it believes that action will have to be carried out at all levels by Community, national, regional and local authorities to create awareness of the environment and encourage every citizen to assume his own responsibilities. The Committee also believes that it must be involved in the implementation of all the steps taken to carry through the programme and especially in the implementation of the plans of operation which will be drawn up by the Community information centre.

With regard to the draft resolution submitted to the Council by the Commission, the Committee has pointed out that it is not enough just to adopt the aims and principles of an environmental policy and approve the broad lines of the projects under the programme proposed by the Commission. The Community must also make a definite decision to use all the legal instruments at its disposal to achieve the priorities which have been laid down.

In this context the Committee has found that the draft Council resolution simply gives an undertaking to give a ruling on the Commission proposals. Such an undertaking does not give adequate assurance that the aims and priorities set out will really be implemented. The Committee attaches supreme importance to this matter and reiterates that the lack of suitable legal instruments must be compensated for by systematically referring to Article 235 of the EEC Treaty.

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In a short speech, Mr SCARASCIA MUGNOZZA, Vice-President of the Commission and responsible for the Environment, first of all thanked the Committee for the speed with which it had prepared its opinion and stressed the importance of the Committee's support for action undertaken by the Commission.

This action was being taken as a follow-up to the decisions taken by the Paris conference of Heads of State or Government which had laid particular emphasis on improving the living and working conditions of the Community population.

It had been possible to complete the Commission's work in time for the Council to take a decision on the matter at its meeting on 19 and 20 July, and so the deadlines set by the Paris conference had been met so far.

The speaker asserted that the programme as such contained priority objectives and action to be taken within the next two years, the appropriate legal instruments being either regulations or directives, depending on the circumstances. In view of the vested interest of all sectors of economic and social life, it went without saying that during this period the dialogue with the Economic and Social Committee would continue. The Commission for its part, bearing in mind the importance of this matter, had meanwhile taken a series of administrative steps, creating at the highest level a coordination group comprising all the commissioners concerned. In the opinion of Vice-President SCARASCIA MUGNOZZA, the political significance of the programme lay, among other things, in the fact that the Community would be involved at international level in all measures aimed at improving the population's living conditions.

Whilst adhering to the 'polluter pays' principle, the Commission was aware of certain difficulties which could arise for the economic and competitive position of certain branches of activity as a result of measures for protecting the environment.

A distinction should moreover be made between new installations and those existing already.

It was to be hoped that agreements between Member States and third countries would take Community guidelines and provisions into account. In this matter, the speaker stressed the desirability of a concerted exchange of information and an evaluation of the training needs of the technicians who had to carry out the necessary controls.

With regard to using Article 235 of the EEC Treaty, as the Committee opinion hoped for, Mr SCARASCIA MUGNOZZA welcomed this viewpoint but while pointing out that the Treaties provided other legal means for ensuring the implementation of the Commission's programme.

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2. 'Communication on Energy Policy: Problems and Resources 1975-1985'

'Communication on Necessary progress in Community Energy Policy'

The documents communicated to the Council by the Commission are a continuation of 'First Guidelines for a Community Energy Policy' on which the Economic and Social Committee gave its opinion in 1969.

The framework of action formed by the 'First Guidelines' was later supplemented by various concrete measures which were also referred to the Economic and Social Committee.

The two new communications from the Commission to the Council must be seen as forming a whole; 'Energy policy: Problems and Resources 1975-1985' lays out the foundations and reasons for the guidelines proposed in the communication on 'Necessary Progress in Community Energy policy'.

In the latter document, the Commission while confirming the fundamental theses contained in the 'First guidelines', brings them up to date, supplements them and modifies certain principles in the light of experience since acquired and shifts in the trend of the energy economy.

1. 'Energy policy: Problems and Resources 1975-1985'

In this document the Commission successively examines the prospects for supply and demand of energy, the central problems of energy policy and in a very general way the means of action to be considered in the light of options to be taken and the order of priorities to be established.

In its analysis, the Commission has considered factors external to the energy economy - the overriding requirements of economic and financial equilibrium, foreign or domestic social policy etc. - and to various constraints which are specific to the energy sector - trend of demand, availability of the various types of energy, economic and political conditions affecting the supply of energy from various sources.

The Commission draws particular attention to the following matters, inter alia:

- The changes which have taken place in the world energy market. From 1960 to 1970 its main characteristics were ample availabilities and relatively low prices. Since 1970 the structure of the market has tended to change, under the influence of a number of factors, such as the increased importance of the United States as a buyer on the world market and the changes in relationships between oil-producing and oil-importing countries;

- The foreseeable increasing dependence of the Community until 1980 on imported sources of energy, mainly oil. A reversal of this trend cannot be reckoned with till 1985 or thereabouts, when the targets fixed by the Second Illustrative Nuclear Programme have been achieved;
- The foreseeable impact of this situation on the Community policy of security and cheapness of supply;
- The means to be used to maintain a rate of economic growth in the Community comparable to the average growth rate in the last 20 years;
- The prime relevance of oil policy to the Community's energy policy.

2. 'Necessary progress in Community energy policy'

Starting from the analysis of the situation in the document on the problems and resources of the energy policy, the Commission has set out in practical terms, in the world energy market context, the Community's preoccupations with regard to its medium- and long-term energy needs.

The Commission's proposals in this document deals on one hand with general problems and on the other with problems in individual sectors.

Most of these proposals aim at providing the relevant bodies with instruments allowing them, depending on the potential contribution of each available energy source, to take steps to meet the central question of Community energy policy: how to ensure a stable regular supply - particularly of hydrocarbons in both the medium and the long term given, in particular, the increased dependence of the Community on energy imports, the changes in trend on the world energy market and various restrictions in the energy sector.

In this regard the Commission lays particular emphasis on the following factors:

- The changing attitudes of the energy exporting countries (the Teheran and Tripoli agreement of 1971);
- The increasing importance given to protection of the environment;
- The emergence of a real sellers' market for most energy products;
- The enlargement of the Community;
- The working out and rapid implementation in major extra-Community consumer regions of a supply strategy closely related to the foreign policies of the countries concerned.

This opinion was adopted unanimously, less 4 abstentions.

This opinion on the matter was prepared on the basis of work done by its Section for Nuclear Questions and Energy, chaired by Mr KUIPERS - Netherlands - Employers.

Rapporteur : Mr HOFFMANN - Germany - Workers

The Economic and Social Committee notes with satisfaction that at the Paris Summit Conference in October 1972, the Heads of State or Government unequivocally stated that the Community institutions would formulate as soon as possible, an energy policy which would guarantee certain and lasting supplies under satisfactory economic conditions.

On this matter the Committee stresses the significance of some decisions taken at the Council meeting of 22 May 1973 on energy policy, particularly those regarding steps taken in the event of supply difficulties and the establishment of a Community uranium enrichment capacity.

The Committee regrets that on that occasion the Council was unable to adopt a positive attitude on the general guidelines submitted by the Commission. This despite the fact that the Community must act quickly on some of these, such as those covering relations between oil importing countries - particularly Japan, United States and Europe - and between the latter and oil producing countries.

The Committee therefore considers that the intentions expressed at the Paris conference of Heads of State or Government in October 1972, have not yet been translated into concrete terms in a genuine Community energy policy.

The Committee calls upon the Council to adopt, at last, concrete decisions on Community energy policy at its next meeting. Only in this way can future supplies be guaranteed.

The Committee records its interest in the way the Commission documents analyses the characteristics and likely consequences of the changes, in a world context and present a set of proposals which clarify and update the objectives and instruments of Community energy policy.

The Committee feels that this initiative is particularly well timed since present trends in the energy market are increasing the Community's dependence on imported energy. This applies especially to oil whose supply structure has changed considerably in recent years.

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3. 'The social situation in the Community'

The Economic and Social Committee based this opinion on work carried out by its Section for Social Questions chaired by Mr BOULADOUX - France - Workers.

Rapporteur: Mr DE BRUYN - Belgium - Various activities

The Committee once again stressed the need to institute a permanent dialogue at Community level with the representatives of economic and social activities. So, with regard to the achievement of the action programme, the Commission should consider without delay what procedures must be adopted for the purposes of a dialogue with the Economic and Social Committee.

Moreover, by reason of the very existence of sustained Community action in the social field, it seems more necessary than in the past to coordinate the measures taken by each of the Member States: without such coordination it would be pointless to call for the harmonization of social policies - the *sine qua non* for the construction of a Community which has a more human face and is consequently more of a reality to the man in the street.

In view of the social situation the Committee paid special attention to the employment policy, the situation of migrant workers, the family policy and social guarantees for self-employed workers.

The problem of the transparency of the employment market has been tackled by putting the emphasis on improved statistics which should, in the next few years, permit the development of the Community sample manpower survey, the harmonized statistics for industrial wage earners and the harmonization of unemployment definitions.

With regard to migrant workers, the Committee has requested that the inquiry into living and working conditions be carried out without delay and that its scope be expanded to include the newly acceded countries. The Committee also requested the Commission to set up in the short term a mobile committee to supervise the survey. This committee should be composed of representatives of European employers' and workers' organizations and representatives of the specialist services responsible for the implementation of Article 14 (3) of Regulation No 1612/68. The participation of migrant workers in local political life was also urged.

The Committee has devoted a whole chapter of its opinion to the subject of family policy, the main problem dealt with in this chapter being housing problems, community facilities, the situation of the 'full-time housewife with children' whose social status the Commission has been asked to study, part-time work and the continuation of a certain amount of work after retirement so as to avoid the psycho-physical degradation which an abrupt change from working to retired life can cause.

The Committee similarly examined the social guarantees for self-employed workers and stressed in this context that the status of self-employed workers raises a certain number of specific problems in the social field which must be resolved not by parity but by granting equivalent guarantees giving them that degree of security to which everyone in our society has a right.

Finally, the Committee requests that the representatives of the various categories of economic and social activities be involved in preparing drafts for the social budget. To the extent that social indicators represent attempts to quantify qualitative concepts they should be democratically controlled.

The Committee adopted its Opinion, with 3 votes against and 8 abstentions.

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4. 'Proposal for a Council directive on the approximation of the legislation of the Member States relating to redundancies'

In view of the terms of Articles 117 of the EEC Treaty and 30 of the ECSC Treaty, the Commission considers that, in this field, the working and living conditions of workers can only be improved and aligned upwards by reaching an acceptable compromise between the need to protect workers and the need for undertakings to have sufficient room for manoeuvre when taking decisions.

It is precisely the legal stipulations governing the termination of workers' contract and by the same token the dismissal of workers - particularly from the angle of mass redundancies - which are at the interface between opposing interests. On the one hand, we have the fundamental interest of workers in retaining their jobs; on the other hand the need, in a market economy to adapt the output of an undertaking to market conditions as promptly as possible.

The relevant situations are being made comparable by the gradually increasing interdependence of the various labour markets and changes in the structure of undertakings caused by the integration of the common market. A harmonization of the divergent protective provisions is therefore justified.

The Commission takes the collective bargaining autonomy of the two sides of industry as the starting point of its proposal for a directive, which is intended to do no more than lay down a set of outline rules which specify clearly the objectives to be pursued in concrete negotiations.

The proposal only deals with a number of key points:

- Mandatory notification by employers;
- Consultation of competent workers' representatives in order to achieve an agreement;
- Scope for intervention by public authorities.

This Opinion was adopted by 57 votes in favour, 10 against and 2 abstentions.

This Opinion on the matter was prepared on the basis of work carried out by its Section for Social Questions. Chairman: Mr BOULADOUX - France - Workers.

Rapporteur: Mr MUHR - Germany - Workers

In its Opinion the Committee was guided by the necessity of finding a balanced compromise which took account both of the needs of employers to take the measures required to adjust to changed economic circumstances and also the basic interest of workers affected by mass dismissals in keeping their job. In view of the fundamental split it was not always easy to reach a consensus.

As regards the principle of a Community directive on the harmonization of the legislation of the Member States relating to redundancies the Section feels that the Commission's proposals should be welcomed as a first step, but that it is essential that it be followed by a genuine common policy on the matter.

The Committee considers that mass redundancies are a significant phenomenon, as seen from the angle of both the proportion of the total labour force in employment which is affected and of the opportunities for re-employment in the regions where such redundancies occur.

Similarly, the Committee attaches special importance to the function of the public authorities in attempts to resolve the problems, particularly those of new opportunities for employment in respect of redundant workers. At the same time it considers it necessary to specify as far as possible the conditions under which intervention by public authorities, in particular, can be envisaged in each Member State. At the same time it believes that it should be laid down as thoroughly as possible in the individual Member States when exactly the public authorities should intervene.

The Committee takes it as its premise that common measures are not possible in this field unless agreement is first reached on a standard definition of 'mass redundancy', which up to now has been defined differently in the Member States. Unlike the position of the drafters of the proposed directive, however, the Committee considers that it is not logical simply to base the definition on a rigid minimum number of redundancies. Instead the Committee is in favour of an arrangement which is based on a combination of a minimum number of redundancies and the percentage of the total labour force made redundant. The Committee also proposes that the number of redundancies be taken over a certain period, without which the concept of mass redundancy would have no significance. It also wishes that it be made clear that the redundancies concerned must be those which occur in an employer's 'establishment', that is to say a local employment unit.

As far as grounds for dismissal are concerned, the Committee does not consider it justifiable for the directive to apply solely to dismissals which occur for economic or technical reasons. Instead it believes that the concept of 'mass redundancy' should include all dismissals, as long as they are not based on grounds inherent in the person of the workers themselves.

The Committee considers that workers who are liable to be made redundant must be informed as completely and as promptly as possible. It also feels that allowance should be made for meeting the greater need for protection of Community migrant workers.

The Committee is further of the opinion that for each case of mass redundancy, no matter how many workers are to be dismissed, not only notification of the appropriate authority but also prior consultation with the workers' representatives should be mandatory. In cases where the result of the consultation is not yet known at the time of notification of the impending mass redundancy, the employer should be compelled to inform the authorities that a consultation has been initiated and what position has been reached, and to notify them of the results within a certain period of time. In each case the validity of the notification of a mass redundancy should depend on its meeting this requirement.

The appropriate authority's possibility of delaying the mass dismissal if the prescribed consultation of the worker's representatives has been fruitless and an official mediation process has therefore been applied for should, in the Committee's opinion be restricted to a maximum of one more month. But in cases where one party requests the public authorities to mediate the Committee therefore considers it expedient for the other party to be compelled to accept the procedure at the same time. This does not seem unreasonable if only because no party is under any obligation to accept the authority's conciliation proposal.

Since the labour laws of the separate Member States contain rules on mass redundancies which in some cases go further than the proposal for a directive, the Committee feels it necessary to specify clearly in the text of the directive that it only lays down minimum stipulations.

In so far as the proposed Community rules in some respects go further than those currently obtaining in certain Member States. This is the inevitable consequence of any approximation of the different legal systems. In the Committee's view it cannot be the aim of a common European policy always to seek the lowest common denominator since an improvement of working and living conditions cannot be achieved in this way.

The Committee believes, particularly in view of the special conditions in the building trade in various Member States, that dismissals of workers employed under short-term work contracts and under contracts entered into for a set task should not be covered by the proposed directive.

Interruption of work due to climatic conditions or disasters should not be covered either. The Committee therefore proposes that the explanatory memorandum of the proposed directive be amplified accordingly.

Finally the Committee recommends that a study of the situation in the new Member States be undertaken as soon as possible.

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5. 'Draft Council regulation on the common organization of the market for ethyl alcohol of agricultural origin and supplementary provisions on ethyl alcohol of non-agricultural origin and on certain alcoholic products'

The Commission proposes to organize the common market for alcohol in accordance with the classical outline which has already been used for a great many agricultural products: free movement in the Community, a protection system at the frontiers, a common price system etc. Although the financial responsibility is in the hands of the Community, almost all the responsibility for the purchase and sale of alcohol of agricultural origin in accordance with the common price system lies with the national intervention centres.

Another special aspect of this Regulation is the distribution of the markets between alcohol of agricultural origin and alcohol of industrial origin. Alcohol of agricultural origin will have to be reserved for consumption by mouth, for the manufacture of vinegar and pharmaceutical uses, while synthetic alcohol will be reserved for use as 'reactionals' and 'carburants'.

The perfume-cosmetic sector, household uses and solvents are considered to make up a 'mixed sector' which is provided with alcohol of agricultural origin and synthesis alcohol. Through this common organization of the markets, the Commission proposes to limit Community production to a quantity of 5.5 million hectolitres per marketing year. Special arrangements are provided for spirits.

This Opinion was adopted by 65 votes in favour, 7 against and 21 abstentions.

The Economic and Social Committee based its opinion on material provided by the opinion of the Section for Agriculture, chairman: Mr VISOCCHI - Italy - Various activities.

Rapporteur: Mr EMO - Italy - Employers

The Committee raised two preliminary questions: whether the 'Alcohol' regulation was sufficiently adapted to the regulations bringing about a common organization of the markets for wines and fruit and vegetables and furthermore whether, after the enlargement of the Communities, the proposal might not seem to have been overtaken by events in certain respects.

The Committee's Opinion then proposed amendments to the proposal submitted by the Commission.

The proposals were as follows:

- the request that the production quota be replaced by a marketing guarantee and that, at the same time, steps be taken to prevent structural surpluses from building up and to compensate for economic surpluses;
- the request that the connection which exists between the Regulation on alcohol and the Directives on harmonization of excise duties be taken into account;
- the proposal that within a given period (1 year) the Commission should state the future prospects of the market for alcohols, study to what extent alcohols can be economically substituted for each other in the mixed sector, depending on their origin and, if they can be substituted, indicate what would be the consequences of an adjustment of the system;
- the opinion that the entry of the new Member States could make it desirable to modify the allocation of the market insofar as such modification will not affect production and marketing guarantees for alcohol of agricultural origin the Committee hopes to allow the entire supply of the mixed sector by synthesis alcohol to continue in the United Kingdom, and to allow Denmark the possibility of increasing its agricultural alcohol quota by the quantity of synthesis alcohol consumed in that country by the mixed and reserved sector;
- it was noted that it would be fruitless to hope to reach the objective envisaged of a balanced absorption by the market without having means of exercising a certain influence on the consumption of all alcoholic drinks, whether they be called spirits, liqueurs or anything else;
- the assertion that the principle of the levy for 'eaux-de-vie' was accepted, accompanied by a request that it be calculated in a different manner and that the possibility be offered of increasing or reducing it by 25 %;
- the proposal to provide for the possibility of paying aid to producers of spirits if the difference used as the basis for calculation were of a negative value;
- the proposal to set up a special tax for 'eaux-de-vie', double the normal levy for spirits, the manufacture of which scarcely differs from that of alcohols if they are not marketed under one of the names 'whisky', 'korn', 'genievre', 'korn-genievre', 'rum', or 'tafia';

- the request that provision be made for a more precise definition of the concept of 'eaux-de-vie' (the Committee in fact proposes such a definition);
- the proposal to extend Article 26 so as to apply it, if necessary, to give protection, similar to that proposed for korn, to any other form of 'eaux-de-vie' which may suffer substantial disruption or loss in its market;
- the specification that in countries where the introduction of a market organization involves the abolition of a national monopoly, equivalent safeguards for employment and living standards should be offered to the producers concerned, as is laid down in Article 37 of the Treaty.

The Committee further suggested two alternative solutions for the whole, or at least for most, of the regulation.

The first is to consider as alcohol of agricultural origin any product resulting from the distillation of alcohol-producing raw materials of agricultural origin.

This would imply that all the artificial building up of the distinction between 'eaux-de-vie' and alcohols could be dropped; that the question of the quota and its distribution would have to be fundamentally reviewed, etc.

The alternative solution would be to adopt a policy of low prices for alcohol for reserved sectors, the costs being met by society as a whole and not just consumers. Such a solution would imply alcohol being sold by intervention organisms at a price as near as possible to the cost of the cheapest form of agricultural alcohol. In practice this would make the levy system superfluous and also it would become necessary to generalize the possibility of granting producers aids if the difference which is the basis for calculating the levy were negative.

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6. 'Second Illustrative Nuclear Programme for the Community'

In July last year the Commission drew up a Second Illustrative Programme for the European Atomic Energy Community, approximately seven years after the First Illustrative Programme. The Section feels that like the First Illustrative Programme, the second document is an important contribution to the guidance of all organizations, associations and undertakings responsible for nuclear development in the Community. Even more than the first, the Second Illustrative Programme is situated in the overall context of the Community energy policy. Therefore it may serve, even more, as one of the guidelines for measures taken by the Community in this matter.

This Opinion was adopted unanimously, less 5 abstentions.

This opinion was prepared on the basis of work done by its Section for Nuclear Questions and Energy, chaired by Mr KUIPERS - Netherlands - Employers.

Rapporteur: Mr SCHLITT - Germany - Various Interests

The Economic and Social Committee approves the Second Illustrative Programme for Nuclear Energy subject to certain comments.

The Committee notes that the Second Illustrative Programme has appeared at a particularly important period in both the general and the nuclear development of the Community. After many years' work by the Community of Six on different reactor types, light water reactors have won the day for the foreseeable future, at least in the Community to date. The move towards reducing the number of reactor types being exploited to one, is in the Committee's opinion, an important step towards the opening up of the markets and to increased integration of the European nuclear industry.

All in all, the Second Illustrative Programme draws a positive picture of the future position of nuclear energy in the Community. It corrects some over-optimistic target dates of the First Programme. This clearly illustrates that many past forecasts overestimated the speed of nuclear development and underestimated the difficulties. Now that most of the teething troubles have been overcome in the nuclear industry, this new form of energy will provide a definite proportion of new electrical generating capacity. The Committee feels that to this extent the Second Illustrative Programme has set more realistic goals than the First.

The Second Illustrative Programme, like the First, deals almost exclusively with the use of nuclear energy for generating electricity. The Programme does not deal with other possible applications of nuclear energy. It merely points out that it is premature to make predictions about the use - which is possible - of nuclear energy for marine propulsion, desalinization of sea water and industrial heating. The Committee regrets that other uses are not discussed in the programme. It would have welcomed at least rough outline predictions for use in these more uncertain areas.

The Committee considers that the economics of nuclear energy are a vital factor in its future use and in particular as regards its share in the supply of energy. As the Second Illustrative Programme rightly points out, the building of the biggest possible plants with the resulting decrease in cost of each KW installed, plus the stability of the price of nuclear fuel, has meant that the disparity between production costs of conventional and nuclear electricity has been narrowed and finally reversed.

In conclusion, the Committee agrees with the Commission that if power plants are large the use of nuclear energy can already provide cheaper current than conventional power stations at high load factors - disregarding current generated from brown coal in certain areas of the Community. This trend is likely to become still more marked in the future.

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7. 'Proposal for a Council directive concerning measures to attenuate the effects of the difficulties inherent in hydrocarbon supplies'

The proposed directive requires the Member State to introduce laws and regulations empowering them to take action when necessary regarding supply conditions on the market. Such action must not cause discrimination nor go beyond what is strictly necessary to achieve the particular objectives. So as to ensure coordination at Community level of the measures to be taken, consultations will be organized in the Community framework.

This Opinion was adopted unanimously, less 3 abstentions.

The Economic and Social Committee prepared its opinion on the matter on the basis of work done by its Section for Nuclear Questions and Energy chaired by Mr KUIPERS - Netherlands - Employers.

Rapporteur: Mr BONOMI - Italy - Employers

The Committee approves the Commission's proposal for a directive subject to certain comments.

It considers that the Member State should equip themselves with the appropriate powers to cope with any hydrocarbon supply difficulties by taking pre-determined, coordinated intervention measures.

To this end the proposed directive defines the type of intervention measures to be taken and provides for an advisory body which is to ensure that their implementation by the various Member States is coordinated.

The Committee feels that the proposal as it stands will be of limited effectiveness, but accepts that while there is no common energy policy and national economic policies are not harmonized it would be difficult to go beyond a general directive. However, the Committee feels that the proposal could be improved, at least with regard to the procedure for coordinating powers and measures.

The Committee feels that the directive is thus halfway between a simple organization of powers, which is the aim of the proposal, and a uniform determination of the type of measures to be adopted; however, it only provides for coordination of their implementation at a time of crisis.

Finally the Committee feels that an EEC Council directive cannot ignore the fact that the Member States have already accepted various specific criteria regarding measures to be taken in the event of crisis. Thus, while the OECD Council decision recommends the governments of the European member countries to draw up in advance a plan enabling them to rapidly and effectively reduce their consumption of petroleum products if they are in short supply, the directive proposed by the Commission merely requests that powers to reduce consumption be given to the competent authorities in the Member States.

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8. 'Proposal for a Council regulation setting up a common system for imports of hydrocarbons from third countries'

The setting-up of a common system for hydrocarbons is an important part of a supply policy, since in terms of value, hydrocarbon imports into the Community represent approximately 20 % of all imports of industrial products.

The regulation proposed by the Commission on this matter provides for the liberalization of hydrocarbon imports in order to facilitate reliable Community supply at relatively stable prices and as cheaply as possible. It also makes provisions for surveillance and safeguard measures where the safety of supplies to the Community warrants it.

The Committee approved its opinion unanimously with one abstention.

The Committee prepared its opinion on the basis of work done by its Section for Nuclear Questions and Energy, chaired by Mr KUIPERS - Netherlands - Employers.

Rapporteur: Mr BONOMI - Italy - Employers

The Economic and Social Committee believes that the extension of Regulation (EEC) No 1025/70 to cover hydrocarbons is inappropriate without the scope and detailed rules of a common supply policy having previously been specified. In any case, it feels that the system for imports from third countries, established under Regulation No 1025/70, does not adequately meet the circumstances and problems of hydrocarbon imports, especially if it is applied indiscriminately to crude as well as refined products.

Furthermore the Committee feels that events since the second half of 1970 have substantially altered the situation in the hydrocarbon sector and that this can justify Community decisions or, in the absence of national decisions, which do not necessarily conform to the principle of liberalization of imports.

Finally the Committee feels that whether for crude oil or natural gas, security of supply should be sought by means of an appropriate hydrocarbon policy to which instruments like Regulations Nos 1055/72 and 1025/70 cannot make substantial contribution.

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9. 'Proposal for a Council directive on agriculture in mountain areas and in certain other poorer farming areas'

Gist of this proposal for a directive:

A direct aid system for assisting farmers to continue or to set up in handicapped areas:

- an annual premium of 20-50 u.a. per head of cattle owned;
- greater aid to modernization than in other regions;
- an installation premium of between 3 000 to 5 000 u.a.;
- aid for joint investment schemes improving pasture land and mountain grazing.

The draft also lays down a procedure for delineating handicapped areas (Member States -Commission -Council) and the characteristics which areas must possess in order to qualify for classification as handicapped farming areas in mountainous or hilly countryside or handicapped farming areas threatened with depopulation.

Finally, the proposal provides for partial financing of the envisaged measures by the EAGGF. Total expenditure for a five-year period is estimated at 1 577 million u.a. with a EAGGF contribution of 461 million u.a.

This Opinion was adopted by 73 votes in favour, 9 against and 8 abstentions.

The Economic and Social Committee prepared its opinion on the basis of work carried out by the Section for Agriculture, chaired by Mr VISOCCHI - various activities - Italy.

Rapporteur: Mr EMO - Employers - Italy

In its opinion the Committee stresses above all that Community measures for naturally handicapped areas will have to be sufficiently diversified to meet the specific nature of problems in the individual regions of the Community, thereby enabling the agriculture needed for the conservation of the natural environment to be maintained. In the opinion of the Committee, Community measures will have to go hand in hand with and form the necessary supplement to national and Community measures taken in the context of the regional policy.

In this context, the Committee stressed the need to ensure that the compensatory aid represented a valid and adequate incentive for achieving the aims pursued by the directive itself for small farmers also, and similarly the need to include in the aid system the typical quality products peculiar to hill and mountain farming areas, including daily products and fruit.

The Committee also expresses the fear that the criteria proposed by the Commission for delineating the farming areas covered by the directive, and in particular the ratio between the average farm income in the area and the national average farm income, not to mention the conditions regarding adequate infrastructure, these could give rise to difficulties when applying the measures aimed at improving farm incomes. Finally, the Committee expressly asks the Commission, within the framework of a Community environmental programme, to propose as soon as possible a directive on measures for forestry. In examining the individual Articles, the main amendments suggested by the Committee are the following:

- an increase in the ratio of two thirds between the average farm income in handicapped areas and the national average income from farming proposed by the Commission as a prerequisite for the granting of aid;
- the supplementary nature of the income criterion, purely to establish a scale of priorities for the handicapped areas concerned;

- inclusion of enquiries in the list of livestock taken into consideration when calculating compensation;
- inclusion of woodland areas (scrubland) used for livestock grazing in the utilized agricultural area;
- elimination of the maximum guidance premium per farm laid down in Article 10 of Directive No 72/159/EEC and lowering of the minimum i.u. per hectare of grazing land required for grant of the increased guidance premium.

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10. 'Proposal for a Council directive on the approximation of the laws of the Member States on the type approval of mopeds'

The purpose is to eliminate technical barriers resulting from the disparities between the laws, regulations and administrative provisions of the Member States in the moped sector. Like the directive on motor vehicles, this a general directive specifying an EEC type-approval procedure.

The proposed directive defines the Community moped and distinguishes in particular mopeds with and without pedals.

This Opinion was adopted unanimously.

The Economic and Social Committee's opinion on this matter was based on work prepared by its Section for Industry, Commerce, Crafts and Services, chaired by Mr HIPP - Germany - Employers.

Rapporteur: Mr MASPRONE - Italy - Employers

The Committee approved the proposed directive.

The Committee noted that the proposed directive opted for 'optional' harmonization, under which undertakings whose business is limited to domestic markets can continue production on the basis of the provisions in force in the Member State in which they operate. While acknowledging the advantages that such a solution brings to undertakings, especially to small undertakings, the Committee pointed out that it has frequently come out in favour of 'total' harmonization. The Section requested a transmission from the 'optional' harmonization solution to 'total' harmonization.

Specific directives should supplement the proposed directive as soon as possible. Such directives should relate first and foremost to safety devices (brakes), audible warning devices, atmospheric pollution and exhaust systems; the Commission should also also propose an analogous and coherent harmonization of the administrative provisions in force in the Member States.

The Committee finally requested that the authorized maximum weight for vehicles with three wheels be raised to 300 kg.

III

113th PLENARY SESSION OF THE ECONOMIC AND SOCIAL COMMITTEE HELD
ON 26 AND 27 SEPTEMBER 1973

The Economic and Social Committee held its 113th Plenary Session at the Palais d'Egmont Brussels on 26 and 27 September 1973. The meeting was chaired respectively by Mr A. LAPPAS, Chairman, and Mr A. MASPRONE, Vice-Chairman.

The agenda of this Session included the adoption of Committee Opinions on the

1. 'Proposal for a Council directive relating to the approximation of legislations of the Member States concerning bread'

The proposal for a directive relating to the approximation of legislations of the Member States concerning bread falls within the 'General Programme to eliminate technical barriers to trade', which was the subject of a Council decision on 25 March 1969.

'Optional' harmonization is proposed, i.e. if the proposal is adopted the national legislations of the Member States will be completely retained but products which satisfy the stipulations of the directive and bear the distinctive sign laid down may circulate without hindrance in the Community.

The structure of the proposed directive is of the standard type. Overall, the topics it touches on may be summarized as follows:

- scope: this is laid down by Appendix I, which includes a definition and a classification, and by Appendix IV which deals with extended descriptions and descriptions reserved for certain types of 'EUR' bread,
- raw materials used in the manufacture of the products covered by the proposed directive,
- authorised additives and the conditions for the use of these additives (Appendix III),
- technical auxiliary agents (Appendix II),
- provisions relating to labelling, including the distinctive mark (EUR designation) of products which conform with the provisions of the directive and which, in consequence, are permitted to circulate freely,
- general provisions, particularly the role of the Standing Committee on Foodstuffs.

This Opinion was adopted by the Committee, 10 Members voting against it.

The Committee drew up its Opinion on the basis of material produced by its Section for Agriculture. Chairman: Mr VISOCCHI - Italy - Various Interests.

Rapporteur: Mr BOUREL - France - Employers

In formulating its Opinion, the Committee has, in the first place, endeavoured to analyse the situation relative to the trading and manufacture of bread, and among its conclusions were that :

- bread is traditionally one of the most widely consumed foodstuffs but there is no universal concept of 'normal' bread common to all Community consumers or producers;
- conditions for the manufacture of bread are fundamentally different and manufacturing habits most often determine the concept of bread and its composition;

- trade in bread within the Community only accounts for a very small proportion of production;
- there is not yet a regulation on flour in the Community.

These findings lead the Committee to the conclusion that there is a need for a limited harmonization of rules on the manufacture and marketing of bread in order to eliminate, on the one hand, certain distortions of competition arising for the types of bread which are commercially traded, and on the other hand, to normalize and improve such trade.

The Economic and Social Committee, which, generally speaking, has always stated itself to be in favour of total harmonization accepts, in this case, the optional harmonization proposed by the Commission, while not rejecting the possibility of a progressive, more or less long term changeover to total harmonization. Preparation should be made for this carrying out detailed studies on the development of trade and a scrupulous analysis of consumption habits in the Community.

The Committee also points out the continuing lack of a horizontal directive on hygiene requirements for food manufacture. It deplores this shortcoming and stresses that national provisions on this matter must remain strictly in force until a common regulation is available. Similarly the Committee considers that as soon as possible quality standards should be laid down for the fats used in the manufacture of foodstuffs, especially of bread.

The designation 'EUR BREAD' proposed by the Commission was unanimously rejected by the Committee since in no way must the impression be given that a new type of bread is being created in the Community.

The Committee considers, on the other hand, that it is logical that bread conforming to the conditions stipulated in the Directive should bear the designation EUR - as the Commission stipulated in Article 6 of its Proposal - but that this should not be compulsory for bread which conforms to both the conditions of the Directive and the relevant national legislation and which is intended to be sold in the State where it was made.

Furthermore, the Committee formulates a series of explanatory details intended to increase the amount of information available to the consumer, these intend to:

- add a new description to the categories of wheaten bread:
'wheated bread not containing any added fat or sugar';
- stipulate that the Commission re-examine the scale of weights after the Directive has been in application for two years;
- mention the name and address of the manufacturer, possibly in coded form, in order that controlling authorities may easily identify him;
- provide detailed information to the controlling authorities on the preservatives contained in the different types of bread since real consumer protection consists in enabling the controlling authorities to carry out effective checks with ease.

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2. 'Proposal for a Council decision relating to the opening of negotiations for an agreement between the European Economic Community and certain third countries on the rules to be applied to the international carriage of passengers by coach and bus'

In Regulation No 117/66/EEC of 28 July 1966 the Council established common

rules for the international carriage of passengers by coach and bus.

Acting in accordance with Articles 7 and 8 of this Regulation, it laid down the rules which are a prerequisite for negotiations with third countries.

The proposed Council decision authorizes the Commission on the basis of Council directives, to enter into negotiations with Austria, Spain, Greece, Norway, Portugal, Sweden, Switzerland, Turkey and Yugoslavia with a view to the conclusion of an agreement between the European Economic Community and these countries on the establishment of uniform rules applicable to the international carriage of passengers by road to or from one of these third countries or between two Member States and passing through one of these third countries in transit.

The negotiations which may be found necessary for the purposes of implementing Article 4 (2) of Regulation No 117/66/EEC should, in the main, relate to the problem arising from the transit of occasional services through third-country territory.

This Opinion was adopted unanimously.

The Committee drew up its Opinion on the basis of material produced by its Section for Transport and Communications. Chairman: Mr Hoffmann - Germany - Workers.

Rapporteur: Mr Bodart - Belgium - Various Interests

The Committee approves the Commission's draft decision and unreservedly endorses its point of view.

It feels, in fact, that as soon as possible the Commission should be authorized by the Council to enter into the necessary negotiations with the nine countries in question, bearing in mind the harmonization of conditions applicable to the carriers of each country concerned.

The Committee also feels that transport between third countries crossing one or more Member States in transit should also be covered by the proposal under discussion.

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3. 'Proposal directive of the Council concerning the harmonization of legislation in the Member States relating to electrical energy meters'

The proposed directive is intended to eliminate the differences existing between the laws of the Member States and thereby improve trade in meters within the Community.

As was the case for most of the directives concerning measuring instruments, the harmonization principle adopted is that of 'optional' harmonization.

The proposed directive gives the basic definitions and the principles which must be applied in respect of the production of EEC approved electricity meters and also lays down the technical specifications to be respected and the maximum permissible margins of error.

This Opinion was adopted unanimously.

The Committee drew up its Opinion on the basis of material produced by its Section for Industry, Commerce, Crafts and Services. Chairman: Mr Hipp - Germany - Employers.

Rapporteur: Mr Lecuyer - France - Various Interests

The Committee first of all draws the attention of the Community authorities to

the problems posed by the checking of electrical energy meters in service. It suggests that a group of experts should study the technical problems of this type of checking.

As regards the conditions of the acceptance tests the proposed directive ought to provide for the possibility of using a statistical sampling control as an alternative to checking each meter.

The Committee also considers that, bearing in mind the structure of the electrical meters industry in the Community, total harmonization should be introduced as soon as possible.

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4. 'Proposal for a regulation (EEC) of the Council supplementing Regulation (EEC) No 816/70 by introducing new provisions relating to oenological practices'

In order to facilitate the free circulation of wines in the Community, whether such wines originate in the Community or in third countries, it is vital to lay down additional common rules, especially with regard to the composition and treatment of wines. The Commission therefore proposes to supplement the basic Regulation No 816/70.

This Opinion was adopted by 50 votes in favour, 3 against and 9 abstentions.

The Committee drew up its Opinion on the basis of material produced by its Section for Agriculture. Chairman: Mr Visocchi - Italy - Various Interests.

Rapporteur: Mr De Grave - Belgium - Workers

In its Opinion, the Committee agrees entirely with the reasons put forward in the Commission's explanatory memorandum and feels too that the Community provisions should regulate certain connected problems as soon as possible, such as:

- the maximum amount of certain constituents of wine
- treatments authorized for containers
- criteria for the purity of products.

With this in mind, the Committee hopes that the proposed regulation on the description and presentation of wines and musts, on which it delivered an Opinion on 27 September 1972, will be rapidly adopted.

Finally, the Committee asks the Commission to make its proposal more specific as regards the application of certain processes and oenological practices and to consider the advisability of authorizing the colouring of quality red wines by means of oenocyanin.

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5. 'Directive proposed by the Council with a view to harmonizing the legislation of common measures of the Member States with regard to pressure vessels and methods of control of vessels' and

'Proposal for a Council directive on the approximation of the laws of the Member States relating to seamless gas cylinders'.

The purpose of the proposed directives is to eliminate the technical barriers to trade in pressure vessels within the Community.

One proposal is for an outline directive on common measures with regard to pressure vessels, which basically sets out the fundamental principles which will be followed in the special directives on the various types of vessel.

The aim of the first of the proposals for special directives is to harmonize the laws of the Member States in the field of seamless steel gas cylinders.

The so-called 'optional' harmonization is the system proposed. It allows manufacturers who are not interested in the wider Community market to continue production according to the laws in force in their own country.

This Opinion was adopted unanimously.

This Opinion was drawn up on the basis of material produced by the Section for Industry, Commerce, Crafts and Services, chaired by Mr Hipp - Germany - Employers.

Rapporteur: Mr Lecuyer - France - Various Interests

The Committee considered the field of application of the proposal for a directive and holds the view that it applies to vessels made in production runs. It notes, however, that Article 22 provides for conditional recognition of control for categories of vessel which are not yet covered by special directives. The Committee considers that conditional recognition of control will be permanent and not transitional for all vessels built to special order - and these represent a very large part of the market; the proposal should be changed accordingly.

In particular, the proposal for a directive should be divided into:

- a 1st title dealing with serially produced, EEC-type vessels, which are or will be the subject of special directives, being defined as 'vessels produced to identical design and of the same size and finish, for similar end use. They may be produced in large continuous production runs or small batches to suit the demands of the customer' (examples are air receivers, gas bottles);
- a second title, dealing with vessels of special 'one off' nature not of the EEC type and which will be the subject of a special directive, defined as 'those vessels produced to individual designs for a specific or unique application. They are normally produced to meet specified process criteria and are structurally designed to national or international design codes to suit the customer requirements'. (Examples: refinery columns, heat exchangers and chemical process vessels).

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6. 'Proposal for a Council directive on the approximation of the laws of the Member States relating to aerosols'

This proposal for a directive is based on 'optional' harmonization.

The Section points out that the Committee has always declared that it supports total harmonization; optional harmonization is only acceptable as a means of facilitating the adjustment of industry in as short a period as possible.

The Section therefore hopes that failing a proposal for total harmonization, the directive will specify the time when national provisions have to be aligned with Community legislation.

This Opinion was adopted unanimously.

The Committee drew up its Opinion on the basis of material produced by its Section for Industry, Commerce, Crafts and Services.

Chairman: Mr Hipp - Germany - Employers.

Rapporteur: Mr Lecuyer - France - Various Interests

The Committee draws attention to the increasing number of symbols on products conforming to the standards laid down by the various directives concerning them; a single symbol should be devised for all products satisfying EEC requirements.

The Committee also draws attention to the difficulties which manufacturers will encounter in trying to place all the required particulars in visible characters on certain relatively small aerosols, particularly those made of glass.

The term 'luxury product' should be removed from the proposal as it could entail tax consequences.

As regards Article 8(2), the Committee considers that the Member States should make the marketing of aerosols subject to the use of either their national language or languages or of symbols laid down at Community level for the wording on the label.

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7. 'Proposal for a Directive concerning the harmonization of legislation in Member States in respect of radio interference caused by sound and vision TV receivers'

This proposal for a directive is part of the General Programme to eliminate technical barriers to trade. It is based on the solution of 'total' harmonization. After the end of the transitional period, which is necessary to allow industries to adapt, it will only be possible to market products complying with common standards.

The technical annex to the proposal for a directive will be published in accordance with the procedure laid down in Article 8 of the Directive concerning the approximation of Member States' legislation on radio interference caused by electrical household appliances, portable tools and similar equipment.

This Opinion was adopted unanimously.

The Opinion was drawn up on the basis of material produced by its Section for Industry, Commerce, Crafts and Services.

Chairman: Mr Hipp - Germany - Employers

The Committee approves the proposal for a directive. However it points out that the words 'reduction' and 'reducing' in Articles 2 and 5 are inappropriate and trusts that they will be replaced by the words 'limitation' and 'limiting' respectively.

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8. 'Proposal for a Council regulation relating to the control of capacity in road haulage between Member States'

The present proposal for a regulation provides for the establishment of a capacity control system which should lead to the generalization of a Community quota

authorization allowing goods to be transported on a multilateral as well as bilateral and transit basis. The Commission feels its proposal must take account, on one hand of the development of the joint transport policy, namely progress already made towards harmonizing competition conditions and future prospects (e.g. charging for the use of infrastructure, reorganization of railways) and on the other hand, of experience acquired. The Commission feels that this experience has revealed that Community authorization which has been used intensively is an indispensable instrument for ensuring maximum use of capacity and for meeting transport needs which are appearing in an enlarged economic area.

This Opinion was adopted by 55 votes to 16 with 11 abstentions.

The Committee drew up its supplementary Opinion on the basis of material produced by its Section for Transport and Communications.
Chairman Mr Hoffmann - Germany - Workers.

Rapporteur: Mr Renaud - France - Employers

This opinion supplements the one delivered by the Economic and Social Committee on the same subject during the Plenary Session of 26 October 1972.

Since the Council was obliged to take a decision on the volume and allocation of quotas by the end of 1972, the Committee was obliged to limit its October opinion to the three following points:

- temporary and experimental Community quota system for a two-year period;
- fixing the level of the said quota, and
- distribution of the quota among the Member States.

The Opinion under discussion deals with the problems as to methods of capacity control and the system laid down for transport on own account.

The Committee believes that a control of capacity is an indispensable element for a rational market organization and for the common transport policy.

However, it considers that the dismantling of bilateral quotas must be hedged around with precaution, so as to take account of progress in the common transport policy and to ensure that the possibilities of road transport between the Member States now affected under bilateral authorizations are not reduced. It believes, therefore, that it must be made possible to revise the rate of dismantling proposed by the Commission.

On the matter of transport for own account, the Committee is aware that as long as transport operations for hire or reward remain subject to quota requirements, the administrative authorities have the right to ensure that irregular transport operations for hire or reward are not affected under the guise of transport on own account. For this reason, it accepts the principle of issuing Community certificates - even though these transport operations are largely liberalized at national level in all Member States - and the establishment of a system to check the actual purpose for which vehicles are used, carrying with it heavy penalties for cases of fraud.

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9. 'Draft decision (EEC) of the Council on the first measures of a common approach to air transport'

Gist of the draft decision

The present decision aims at:

- (a) determining the appropriate provisions which the Community should take in the field of aviation in order to improve, by adopting a joint outlook, the

conditions under which air-line services are run, taking account of the opportunities provided within the Community by closer cooperation between the Member States and their respective airlines.

- (b) achieving prior consultation of public and private organizations operating in the aviation sector.

This Opinion was adopted by the Committee, 20 members voting against it and 14 abstaining.

The Opinion was drawn up on the basis of material produced by its Section for Transport and Communications. Chairman: Mr Hoffmann - Germany - Workers.

Rapporteur: Mr De Grave - Belgium - Workers

The Committee agrees in principle with the proposed decision subject to a certain number of comments and proposed changes.

The Committee feels that the Commission, in agreement with the Council and within a reasonable period of time, should develop as part of the common transport policy, an overall coherent approach to air transport. Such an overall approach could among other things permit the development of a coherent intra-Community air transport network, the opening up of developing regions and their integration into the economic and social life of the Community, improvement of the profitability of regular airlines and the encouragement of cooperation between airline companies. Such cooperation should be concerned mainly with technical and commercial matters and should not necessarily mean that the number of airlines will remain at the present level.

In order to assist the achievement of these objectives, the approach in question should be based on the following principles: regulation at Community level of the right to take up an occupation in the common air market, harmonization of the provisions in force in the Member States relating to technical control, overhaul and general work on aeronautical equipment; freedom of choice for users, neutrality of the Member States regarding competition on the market.

Moreover, it should be stressed that the Section for Transport and Communications has prepared a detailed report on the present situation of airline policy in the various Member States, on the sector of European Airline Companies and on the changes necessary in this field as a result of new European dimensions.

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10. 'Proposal for a Council Regulation amending regulation (EEC) No 827/68 and Regulations No 1009/67 EEC, (EEC) No 950/68 and EEC No 2358/71'

In 1968 the Committee was consulted on a proposal for a regulation applying certain rules on the common organization of the market for a whole series of products grouped together under the designation 'remaining balance of Annex II'. These were products contained in Annex II of the Treaty for which it had not been considered necessary to prepare a common organization of the market proper.

This Opinion was adopted unanimously.

The Committee drew up its Opinion on the basis of material produced by its Section for Agriculture. Chairman: Mr Visocchi - Italy - Various interests.

Rapporteur: Mr Wick - Germany - Employers

In its Opinion the Committee considers that honey should not be included in this proposed regulation. It suggests establishing a special common organization of

the market in this product. This organization would have to guarantee sufficient protection for Community honey-producers.

It also proposes that pure-bred breeding animals should not be covered by the regulation under discussion but by a special arrangement in which the expression 'pure-bred breeding animal' should be clearly defined and refund criteria laid down. The Committee therefore requests that it be consulted over the Commission's proposal.

The Committee does not deal in detail with the purely technical amendments of the Annex to the proposal under discussion but does ask that the proposed changes in the Common Customs Tariff be re-examined in their entirety.

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IV

114th PLENARY SESSION OF THE ECONOMIC AND SOCIAL COMMITTEE HELD
ON 24 AND 25 OCTOBER 1973

The Economic and Social Committee held its 114th plenary session at the Palais d'Egmont, Brussels on 24 and 25 October 1973. The meeting was chaired by Mr A. Lappas, Chairman in the presence of Mr Thomson, Member of the Commission.

The main item on the agenda was the preparation of the Committee's Opinions on the

1. 'Draft decision by the Council on the creation of a Committee for Regional Policy'

'Proposed financial regulation to special provisions to be applied to the European Regional Development Fund'

'Proposal for a Council Regulation establishing a Regional Development Fund'

There are three proposals concerning the establishment of a Regional Development Fund, its working procedure, and the creation of a Committee for Regional Policy respectively.

The Fund can give aid in the form of non-returnable subsidies or interest rebate on investments in underdeveloped regions. Aid out of the Fund can only complement national aid. It is only granted for investments above 50 000 u.a. and can cover 15% of the investment. It cannot however, be more than 50% of national aid.

For infrastructure investments it can be a maximum of 30% of the expenditure of national public authorities. The Fund's contribution is fixed by the Commission according to the relative magnitude of the particular region's economic imbalance.

The regions for which aid from the Fund can be granted are designated by a unanimous decision of the Council in the light of the following Community criteria:

- heavy dependance on agricultural employment;
- heavy dependance on employment in declining industrial activities;
- a persistently high rate of unemployment or a high rate of net outward migration.

The Committee for Regional Policy shall play a part in the coordinating of the regional policies of the Member States and shall have as its task the examination of problems relating to regional development. It shall report to the Council and to the Commission

The Committee shall consist of two senior officials from each Member State and from the Commission.

This Opinion was adopted unanimously, less 2 abstentions.

The Committee drew up its Opinion on the basis of material produced by its Section for Regional Development. Chairman: Mr Dalla Chiesa - Italy - Workers.

Rapporteur: Mr Ventejol - France - Workers

In its Opinion on the regional development fund, the Committee states its unanimous opposition to the Commission's view that virtually a third of the Community's population is to be covered by regional development fund operations.

In the place of this policy of 'diversion', the Committee proposes a concentration of aid (500 million u.a. in 1974, 750 million in 1975, and 1000 million in 1976) in Community regions with living standards considerably lower than the Community average.

Only those regions with a per capita gross domestic production considerably lower than the Community average should receive assistance from a Community aid scheme.

The Committee moreover believes that a Community regional policy should not be drawn up and put into action by public authorities alone.

It considers that first and foremost the regions themselves, and in particular trade circles in the regions, should take pride of place in the working out of such a policy. It also considers that a procedure should be devised whereby the regions themselves can participate in an advisory capacity in the presenting of selected projects to the Community authorities.

The Committee also considers that socio-professional circles at Community level should be allowed to take part in drawing up and implementing this policy.

As regards the working out of broad guidelines and the search for possible instruments, this consultation should take place in the Economic and Social Committee without this preventing the Commission from engaging in direct consultation with trade organizations at Community level.

As for the technical problems of implementing the regional development policy, and in particular its direct effect on the population of underdeveloped regions, the Committee has looked for a method whereby socio-professional organizations could be associated with the work of the regional development fund and the Committee for regional policy.

With regard to regional development fund actions, the Committee considers that this should not be confined to supplementing national measures. The Committee believes that the Committee for Regional Development should also carry out large-scale Community projects financed completely out of the regional development fund.

The Committee specifies, however, that these projects should meet the real needs of underdeveloped regions and stresses that prestige projects should be avoided.

As far as the choice of regions is concerned, the Committee will state its views on this question on the basis of proposals for a list of regions that could benefit from aid under the EGGF and the regional development fund, proposals which have just been submitted to the Economic and Social Committee for an opinion.

Noting that the Commission proposes to limit aid to investments over 50 000 u.a., the Committee states that it can accept this limit insofar as Member States continue to consider aid to investments below this amount to be their own task.

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2. 'Proposal for a directive on the coordination of certain laws, regulations and administrative provisions concerning the retail sale of medicinal products by self-employed persons'

'Proposal for a directive concerning the attainment of freedom of establishment and freedom to provide services in respect of the retail sale of medicinal products by self-employed persons'

The two proposed directives supplement a series of proposals submitted by the Commission to ensure the free movement of pharmaceutical products

The purpose of the 'Proposal for a directive on the coordination of certain laws, regulations and administrative provisions concerning the retail sale of medicinal products by self-employed persons' is to achieve a certain coordination of the national provisions regarding the geographical distribution of dispensaries.

Access to and the carrying out of self-employed activity as a dispensing chemist is authorized by previous proposals for directives.

The present proposal adds a supplementary provision for obtaining authorization: namely the location where the dispensary is to be operated must comply with the provisions governing the geographical distribution of dispensaries.

The minimum content of these provisions, which can only be introduced by the Member States for reasons of public health, is set out in the proposal for a directive.

The proposal also requires that authorization be made in the applicants' names and be non-transferable.

The purpose of the 'Proposal for a directive on the attainment of freedom of establishment and freedom to provide services in respect of the retail sale of medicinal products by self-employed persons' is to remove the restrictions on the right of establishment in respect of the retail sale of medicinal products.

This Opinion was adopted with 6 votes against and 8 abstentions.

The Committee drew up its Opinion on the basis of material produced by its Section for Industry, Commerce, Crafts and Services. Chairman: Mr Hipp - Germany - Employers.

Rapporteur: Mr Ramaekers - Belgium - Various Interests

In general terms, the Committee wonders whether the proposals are appropriate to the situation in the new Member States of the Community.

In addition, The Committee draws attention to the great diversity of the provisions governing the location of dispensaries in the various Member States. These provisions seem to be considered satisfactory in the countries where they apply. Any harmonization undertaken should take place gradually to avoid psychological or sociological difficulties.

Thus, according to the Committee, the Commission was wrong to base its proposals solely on natural persons. In several States of the Community, dispensaries are in fact, operated by public limited liability companies, cooperative societies or friendly societies. The Committee proposes that a system be set up which guarantees the existence of these different legal forms in those States where they already exist.

In addition, at economic level, the distribution measures, taken for reasons of public health, can have repercussions on access to the profession.

The solution proposed by the Commission consists of requiring non-transferability of authorizations. The Committee points out that this measure - without providing any quid pro quo - is injurious to the interests of chemists established in States where

freedom of establishment exists and where, as a result, the rules of competition have not been changed.

Thus, the Committee proposes the following solutions: that an authorization to open a dispensary should not be transferable - except in cases of force majeure - till at least five years after it is granted. The Committee stresses that this authorization cannot be sold on its own and cannot be separated from the intangible assets of the dispensary to which it relates.

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3. 'Annual Report on the Economic Situation in the Community'

This Opinion was adopted unanimously, but with 10 abstentions.

The Economic and Social Committee prepared its opinion on the basis of work carried out by its Section for Economic and Financial Questions under the Chairmanship of Mr Rollinger - Luxembourg - Various Interests.

Rapporteur: Mr Malterre - France - Various Interests

The Committee in general approves the analysis of the economic situation in the Community at the end of Summer 1973 and the economic outlook for 1974. In particular, it shares the view of the Commission that the top-priority aim of economic policy measures must be to reduce inflationary pressures.

The Committee agrees with the Commission's analysis that a number of economic, social and political dangers are inherent in inflation, including misallocation of resources and structural distortions between regions and industries; outbidding by the various groups in society in their demands, often to the detriment of the least protected sections of the population; and the creation of serious difficulties for the achievement of economic and monetary union. The Committee considers it vital and urgent for public opinion to be made more aware of the dangers posed by inflation.

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4. 'Proposal for a Council regulation concerning trans-frontier oil and gas pipelines'

In the framework of its hydrocarbon supplies policy, the Community feels that trans-frontier oil and gas pipelines should be increasingly integrated into a Community network ensuring more economical delivery conditions to Community consumers and increasing solidarity between Member States as regards their energy supply.

The proposal for a regulation states that the Council acting on a proposal from the Commission, can, on a case by case basis, declare that certain pipelines are of common interest. Operators of these pipelines will have to provide transport facilities for outsiders at prices and on terms which are non-discriminatory if the pipeline capacity and the nature of the products transported are such as to allow it.

This Opinion was adopted unanimously.

The Committee drew up its opinion on the basis of material produced by its Section for Energy and Nuclear Questions. Chairman: Mr Kuipers - Netherlands - Employers and also by its Section for Transport and Communications, Chairman: Mr Hoffmann - Germany - Workers.

Rapporteur: Mr Bonomi - Italy - Employers

The Committee considers that the proposal, which is only sketched in broad outline, has not been elaborated in sufficient detail to permit its application to an area of considerable legal, economic and technical complexity.

Furthermore, it also expresses a number of reservations about the Commission's proposal to have oil and gas pipelines which are passing through at least two Member States and which are declared of 'common European interest', opened up for use by third parties as a means of transport coming under Article 75 of the Treaty of Rome.

The Committee foresees major administrative difficulties, on a practical level, in the implementation of any such proposal and, accordingly, suggests that Community involvement in oil and gas pipelines should be limited to the regulation of future installations.

The Committee believes that the idea of permitting outsiders to use oil and gas pipelines has, in any case, little practical relevance at present. It holds that the connection between the Commission's proposal and its stated objectives of improving international transport, regional development and security of supplies is weak for a number of reasons.

Firstly, transport by pipeline of oil and natural gas is, at present, not an autonomous operation but an integral part of the refining process. Since they are built to meet individual requirements, existing pipelines cannot suitably be adapted for general third party use.

Similarly, a common hydrocarbon policy cannot be based on a pipeline network which has evolved under the greatly varying laws, regulations and administrative provisions of the different Member States.

Finally, the basic objectives of the Community's energy policy would not be furthered by opening up oil and gas pipelines to third party use, when, according to the Committee, what is required is the integration of future oil and gas pipelines into an organic Community framework which takes account of market location, infrastructure and town and country planning considerations.

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5. 'Proposal for a Council Directive modifying the Directive of 14 June 1966 concerning the marketing of beet seed, of seed of fodder plants, of cereal seed and of seed potatoes, the Directive of 30 June 1969 concerning the marketing of seed of oil and fibre plants and the Directive of 29 September 1970 concerning the marketing of vegetable seed and the common catalogue of varieties of species of agricultural plants'

'Proposal for a Council Directive modifying the Directive of 9 April 1968 concerning the marketing of vegetative propagation material of the vine'

'Proposal for a Second Council Directive amending the Council Directive of 14 June 1966 on the marketing of forest reproductive material'

The modifications proposed essentially aim at clarifying the texts of the existing directives, in particular as regards:

- the sealing of packages containing seeds of fodder plants;
- establishing stricter standards as regards the levels of seeds of other cultivated plants and of weed seeds;
- the introduction of other species;

- less strict requirements for the certification of autogamous species of cereals and mixtures of standard seeds of some vegetable species in small packages;
- the common catalogue of species of agricultural plants.

Furthermore the modifying directives provide for radical simplification of the procedure for modifying the annexes.

As regards the Directive of 14 June 1966 on the marketing of forest reproductive material, a certain number of modifications has proved necessary, particularly in view of the development of forestry, the introduction of a new category of reproductive material.

This Opinion was adopted unanimously.

The Committee drew up its Opinion on the basis of material produced by its Section for Agriculture. Chairman: Mr Visocchi - Italy - Various Interests.

Rapporteur: Mr Wick - Germany - Employers

In its opinion the Committee welcomes the Commission's proposals, which are designed to supplement and simplify previous Community provisions on these matters.

In noting the development of Community rules on seeds and reproductive materials, the Committee calls upon the Commission to publish a single text containing the basic Directives and the successive amendments made to them so as to make it easier for those interested to consult the legislation in force.

At the same time the Committee is worried that, in its desire to arrive at the harmonization of national laws, the Commission will fall prey to a perfectionism which would complicate trade in the sector alarmingly.

In examining the Commission's proposals, the Committee considers in particular that the maximum weights laid down by the Commission for small packages for seeds of fodder plants does not meet the real requirements of users and regrets that the period of time in which the Member States may establish the equivalence of seeds produced in third countries has been changed too frequently and without sufficient notice.

As regards the problems concerning the marketing of vegetative propagation material of the vine, the Committee feels that the Member States should ensure a mutual exchange of information on national catalogues so as to make the supply of varieties within the Community sufficiently clear.

Finally, as regards the marketing of forest reproductive material, the Committee proposes simplifying the procedures prohibiting the marketing in a Member State of reproductive material derived from specific basic material, in order to avoid complications in intra-Community trade.

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6. 'Proposal for a Council Directive on the approximation of the laws of the Member States relating to continuous totalizing weighing machines'

The purpose of this proposal for a directive is to eliminate the technical barriers to trade in continuous totalizing weighing machines due to the disparities between the laws governing such weighing machines in the Member States.

In line with most of the special directives on measuring instruments, it is proposed that 'optional' harmonization be introduced.

The Annex to the proposed directive principally gives the definition of continuous totalizing weighing machines, their metrological characteristics and the maximum permissible errors.

This Opinion was adopted unanimously.

The Committee drew up its Opinion on the basis of material produced by its Section for Industry, Commerce, Crafts and Services. Chairman: Mr Hipp - Germany - Employers.

Rapporteur: Mr Lecuyer - France - Various Interests.

The Committee has adopted its Opinion.

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7. 'Proposal for a Council Directive on the approximation of Member States' laws on the interior fittings of motor vehicles (Strength of seats and their anchorages)'

The proposed directive forms part of the Community's measures to abolish technical barriers in the motor vehicles sector. It is applicable to motor vehicles which have at least 4 wheels and a maximum design speed exceeding 25 km/h.

If the prototype is modified, the Member State which has approved it is to decide whether new tests must be carried out.

The proposal includes 4 annexes concerned with, among other things:

- definitions, application for EEC type-approval, general specifications and tests;
- the procedure for determining the actual seat-back angle;
- generalities and general specifications;
- the annex to the type-approval form.

The Economic and Social Committee has adopted unanimously its Opinion.

The Committee drew up its Opinion on the basis of material produced by its Section for Industry, Commerce, Crafts and Services. Chairman: Mr Hipp - Germany - Employers.

Rapporteur: Mr Masprone - Italy - Employers

The Committee considers that the various aspects of the safety problem (seat belts, their anchorages and the anchorages of seats) should be solved on an overall basis. In this context, with special reference to point 5.2. of Annex I, the Section considers that the unlocking control for the seat displacement device must be situated on the outside of the seat itself, i.e. on the edge of the seat nearest to the door.

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8. 'Proposal for a Council Directive on the approximation of the laws of the Member States relating to cold-water meters'

The aim of the proposal for a directive is to remove the technical barriers to trade in cold-water meters caused by disparities in the laws governing such meters in the Member States.

The solution adopted is that of 'optional' harmonization as has been the case for most of the special Directives relating to measuring instruments.

The Annex to the proposal for a directive deals with terminology and definitions, metrological and technological characteristics of cold-water meters, marks and inscriptions, pattern approval and initial verification.

This Opinion was adopted unanimously.

The Committee drew up its Opinion on the basis of material produced by its Section for Industry, Commerce, Crafts and Services.
Chairman: Mr Hipp - Germany - Employers.

Rapporteur: Mr Lecuyer - France - Various Interests

The Committee considers among other things that the removal of technical barriers to trade in cold-water meters also calls for the harmonization of test equipment and procedures, both with regard to EEC pattern approval and to EEC initial verification. A subsequent directive should fix the requirements relating to test equipment and procedures and the dimensions of meter connections.

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9. Study on the 'Implementation of a common regional policy'

The study, which is the result of about 15 months work, touches on all the problems arising and which will arise from the Community regional policy and it deals with the following questions in particular:

- the regional policy in the context of economic, social, monetary and political union;
- the need for a long-term concept of the objective of the regional policy as a basis for immediate action;
- the objectives and instruments of a Community regional policy:
 - . the need for coordinated structural action;
 - . the opportunities and obstacles of a Community regional policy;
 - . the impact of the objectives of the Community regional policy;
 - . determining the criteria for choosing the regions;
 - . regional planning for the Community territory;
 - . practical plans for creating infrastructures which must be dependent on regional development;
 - . sector by sector action for coping with the problems of undertakings or industries with a rapid cycle of creation, development, stagnation, decline or even disappearance;
- and finances.

Furthermore the study analyses the first Community regional policy programme and makes some comments on it.

In this context it dealt in depth with the problems of choosing exemplary regions by implementing objective criteria previously established in the five types of regions analysed and with the problems of:

- the instruments (Regional Development Fund: creation, financing, methods of intervention, EAGGF, EIB, European Social Fund, ECSC);
- aid systems;
- public undertakings;
- regional development of the Community's territory;
- complementarity;
- study and research instruments.

This Opinion was adopted unanimously.

The Economic and Social Committee drew up its Study on the basis of material produced by its Section for Regional Development.
Chairman: Mr Dalla Chiesa - Italy - Workers.

Rapporteur: Mr Ventejol - France - Workers

This study is a general review of the problem of the Community regional policy and its significance in the context of economic, social, monetary and political union. The Committee stressed the need for a long-term concept of regional policy guidelines as the basis for immediate action.

Furthermore, the study analysed the first programme for a Community regional policy and, more specifically, the problem of selecting model regions by applying objective criteria which have been established in advance.

In a second chapter he deals in particular with determining the criteria for choosing regions and the instruments available to the regional policy.

The study then examines and analyses the first Community regional policy programme drawn up by the Commission. In this context the Committee again goes into detail about the problem of choosing model regions for implementing the previously established objective criteria in the five following types of regions: outlying regions, frontier regions, predominantly agricultural under-developed regions, regions with 'old-established industry' and ill-adjusted structures, and over-concentrated centres.

The study finally deals with the instruments of the regional policy such as the Regional Development Fund (a problem on which the Economic and Social Committee will shortly be delivering a formal Opinion), the European Investment Bank and the instruments issuing from the ECSC Treaty.

The study finally reaches the following conclusions.

It is no longer a matter of taking measures piecemeal, but of taking radical action so as to develop, remodel, convert, equip, conserve and master the present disorderly changes so as to use them to further individual advancement and professional promotion.

It also means directing and orientating development in such a way that people will have other prospects than crowding into congested and insufficiently equipped centres or living in regions where there is no employment, no infrastructures and no social and collective facilities.

In a Community which claims to be democratic a person must be able to choose his trade and his profession freely with the help of objective information directed towards rational job orientation.

Free circulation must mean voluntary mobility. Diversified choice of activities also gives the worker the freedom to choose and enables him to realize his permanent wish for advancement, provided that he is granted educational, general training and vocational guidance facilities.

Thus it is necessary to reconcile the voluntary movement of people with the priority need to offer them on the regional level the environment and kind of life without which they would often be compelled to leave their region of origin. Any other policy would irreparably ruin regions drained of the youngest and most active sections of their population and would further aggravate living conditions in centres which are already too concentrated.

But there is no doubt that it will be a long and exacting task. In order to carry it out successfully, it is indispensable for the Community to have a clear view of the tasks to be accomplished and of the objectives to be aimed at. The size and the duration of the task, which is in any case never completed, necessitates an immediate start.

New Community instruments have now been proposed: the Regional Development Fund and the Regional Development Committee. On 1 January 1974, they must be in a position to operate.

The desired search for criteria and definition, even limits of regions, should not constitute an obstacle to immediate action. There are cases of such obvious and known under-development that there is no need to go into long scientific research which is, only too often, an excuse for not doing anything.

The Committee is convinced that a first programme can be thus prepared and financed. It is bound to be successful if there is a combined effort by the regions themselves, by the countries who must not relax, but intensify their own efforts, and by the Community, towards giving complementary help according to the situation.

Thus, if the task is well carried out, the contribution of one and all can have the notable merit, over and above that of achieving material objectives:

- of democratizing community life;
- of making people aware of the joint interests of all the inhabitants of the Community, whether they be in prosperous or poor regions;
- of bringing the decision closer to the citizen concerned, showing him the role which he can or could play in a balanced, decentralized and therefore human development.

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115th PLENARY SESSION OF THE ECONOMIC AND SOCIAL COMMITTEE HELD
ON 29 NOVEMBER 1973

The Economic and Social Committee held its 115th plenary session at the Maison de l'Europe in Strasbourg on 29 November 1973, in the presence of Dr Hillery, Vice-President of the Commission. The session was chaired by Mr A. Lappas, Chairman, and Mr H. Canonge, Vice-Chairman.

The main item on the agenda was the preparation of the Committee's opinions on the

1. 'Draft Council resolution on a social action programme'

- (a) According to the draft social action programme, during a first stage covering the period from 1974 to 1976 initial necessary measures should be adopted to achieve the following objectives: achieving full and better employment; improvement of living and working conditions, and the upward equalization, increasing the involvement of the social partners in the economic and social decisions of the Community.

In addition the Council should undertake to rule, before 1 April 1974, on a series of concrete proposals from the Commission (European Social Fund, handicapped workers, protection of labour, 40-hour week and 4 weeks annual paid holiday, etc.).

(b) The action programme proper can be subdivided into:

- immediate actions (proposals by the Commission to the Council before 1974 on the points mentioned in paragraph 1)
- other priority actions from 1974 to 1976 (employment and working conditions)
- supporting actions (employment and working conditions, participation and industrial democracy)
- actions on which proposals are already being discussed (comparable statistics on migrant workers, the Statute of the European Company, company law).

This Opinion was adopted unanimously with 9 abstentions.

The Committee drew up its Opinion on the basis of material produced by its Section for Social Questions. Chairman: Mr Houthuys - Belgium - Workers.

Rapporteur: Mr Muhr - Germany - Workers

According to the Committee Community social policy should not only be interlocked with policies in other sectors, especially regional policy, but its goals should be considered as compulsory guidelines for all Community decisions. Full and guaranteed employment and improved working conditions should be the prime objectives of Community policies. Job security was threatened not only by cyclical fluctuations, but also by industrial, technical and organizational change.

The Committee therefore insisted that workers had to be protected against the social ill-effects of mergers, rationalization measures and closures. It also demanded protection in the case of mass dismissals and called in particular for uniform regulations concerning the obligation of employers to give advance notice.

Effective employment policy implied coordinating the activities of the European Social Fund and the European Regional Development Fund. Regional imbalances clearly

threatened full employment, the Economic and Social Committee declared. A Community employment policy must therefore aim at removing these structural imbalances between supply and demand in the regional labour markets in order to eliminate as far as possible the need to emigrate. Migrant workers, however, should have greater protection, enjoy equality of rights under all labour legislation and better social services. Above all, they should have decent housing at reasonable rents.

On industrial democracy, the Committee's views were divided; certain members demanded for workers' representatives the right to control economic and social decisions at all levels: at the workshop, in the factory, in the company, and at regional, national and European level. This democratization process calls for early harmonization of company law in the Community. Other members considered that workers' participation in management did not correspond to the present state of industrial relations in certain Member States.

The Committee stated emphatically: 'If industrial democracy is not to remain a hollow phrase, representatives of economic and social interests must be effectively involved in decision-making in all sectors and at all levels'.

The Committee's opinion also proposes the improvement and harmonization of vocational training, of social security and better protection against disease and accidents at work. It deals with trade union rights, wages, environmental problems and family protection

There is also a special section on the specific problems of the self-employed.

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2. 'Memorandum from the Commission on the Technological and Industrial Policy Programme'

In view of the stage reached in building the Community, the achievement of the industrial objectives adopted by the Heads of State or of Government in Paris is dependent initially on the Council adopting concrete measures. For this reason the European Commission sent to the Community's Council of Ministers a memorandum on an industrial policy action programme and a proposal for a resolution on 25 October 1973. These supplemented and updated the timetable for carrying out the programme and were to be adopted before 1 January 1974.

The Commission limited its proposals to a number of particularly urgent problems, while indicating that its basic concept of industrial policy remained that espoused in the 'Colonna' memorandum. Among the action proposed by the Commission was:

- the removal of technical barriers to trade;
- the gradual extension of the right to tender for public supply contracts;
- the removal of legal and fiscal barriers to company groupings;
- the promotion of advanced technology undertakings on a European scale;
- the conversion of industries in crisis;
- the maintenance of fair competition.

This Opinion was adopted by 45 votes to 8 with 9 abstentions.

The Committee drew up its Opinion on the basis of material produced by its Section for Industry, Commerce, Crafts and Services.
Chairman: Mr Hipp - Germany - Employers.

The Committee had decided at its Plenary Session on 24 October 1973 to use

its right of initiative to deliver an opinion on this document.

Rapporteur: Mr Kley - Germany - Employers

The above memorandum, which the Commission has supplemented by a draft resolution dated 24 October 1973 adapting the time-table for future action, gave the Committee the opportunity of pointing out that the Council has not yet taken a decision on a whole series of concrete measures constituting the Community's industrial policy. The Committee believes that these measures, as well as a number of new ones being planned by the Commission, are vital to the development of the Community's Industry.

While agreeing with the Commission that such a development must be part of an overall Community policy to improve the quality of life, working conditions and the environment, the Committee stresses that the achievement of these objectives is largely dependent on economic progress. For this reason the object of industrial policy must be to create optimum conditions for qualitative economic growth, among them the promotion of an industry stimulating technological advance, the transformation of industrial structures in sectors in difficulties and the maintenance of a balance in the growth of the various regions. Another condition is the retention, both inside and outside the Community, of a system of competition, which allows industrial structures to be adapted.

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3. 'Communication from the Commission to the Council on initial implementation of the 'Guidelines and Priorities for a Common Energy Policy' and the six proposals annexed to it'

In accordance with the decision taken by the Bureau of the Committee at its meeting on 26 September 1973, the Chairman of the Economic and Social Committee entrusted the Section for Nuclear Questions and Energy with the preparation of a report and an opinion on this communication and the proposals annexed to it.

In its Communication to the Council, the Commission puts the emphasis on the definition of a supply policy. This policy presupposes the three following types of measures:

- accurate and comprehensive information on all hydrocarbon movements to or from the Community. Furthermore, the Commission underlines that full knowledge on the part of the national and Community public authorities of the normal costs of crude oil supplies to the Community is essential. In this connection price indexes will be established for crude oil on entry into the Community.
- a dialogue between the Commission and the Member States to which oil companies would contribute and which should take place in a Hydrocarbons Supply Committee chaired by the Commission and comprising representatives of each Member State.

To this end the Commission proposes that in an initial stage the aim and conditions of the relations to be established with the energy-importing and energy-exporting countries should be defined, and that the first instruments for the organization of a Community oil market should be set up.

The first and second proposals for regulations specify the procedure to be followed by the Member States for notifying the Commission of imports and exports of hydrocarbons.

The third proposal is for a consultative committee comprising one representative from each Member State and chaired by the Commission. The fourth is concerned with procedures for the application of Regulation (EEC) No 2603/69 to exports of hydrocarbons to third countries.

This Opinion was adopted by 45 votes to 8 with 9 abstentions.

The Committee drew up its opinion on the basis of material produced by its Section for Energy and Nuclear Questions.

Chairman: Mr Kuipers - Netherlands - Employers.

Rapporteur: Mr Bonomi - Italy - Employers

While noting the continued absence of proposals for a common energy policy, the Committee broadly agrees with the analysis of Community energy problems contained in this Communication from the Commission to the Council. However, it expresses important reservations on the specific measures put forward to deal with (i) the Community's relations with oil-importing countries, (ii) its relations with oil-exporting countries, (iii) the organization of the Community energy market.

It is pointed out that the conclusion of agreements with the other oil-importing countries would not solve the problem of 'overbidding', unless it were somehow possible to remove the problem of excess demand or to enforce a policy of strict market regulation. It is felt that neither of these solutions is realistic in the present situation. In any case the Committee believes that the Community should place greater emphasis on relations with the oil producing countries but on account of the difficulties in the implementation by the Community of an effective policy for economic cooperation with these countries, the Committee fears that the initiatives taken in this direction would be isolated, uncoordinated and not far-reaching enough to assure the desired effect, desired security of supplies.

On the organization of the Community market, the Committee believes that the recent events affecting the oil supplies emphasize the need to create a genuine common energy policy for the Community which would allow the introduction of measures aimed at diversifying energy supply sources and reducing dependence on oil. The series of measures put forward by the Commission being confined to the application of commercial policy rules on hydrocarbons, falls short of such a common energy policy.

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4. 'Proposal for a Council Regulation on the list of priority agricultural regions and areas referred to in the Regulation (EEC) on finance from the Guidance Section of the European Agricultural Guidance and Guarantee Fund for projects falling within development programmes in priority agricultural regions'

'Proposal for a Council Regulation on the list of regions and areas referred to in Regulation (EEC) establishing a European Regional Development Fund'

The proposals in question summarize the lists of regions which are eligible for aids from the EAGGF and the Regional Development Fund respectively. These lists have been drawn up by the Commission using the criteria already contained in the proposals for the creation of the Regional Development Fund and the proposal on the priority agricultural regions (EAGGF).

This opinion was adopted unanimously.

The Economic and Social Committee prepared its opinion on the basis of the work carried out by its Section for Regional Development under the chairmanship of Mr Dalla Chiesa - Italy - Workers.

Rapporteur: Mr Ventejol - France - Workers

In the first place this opinion spells out the relevance of a regional policy at Community level to the implementation of social and monetary union.

The Committee then goes on to state that the sums which will be placed at the disposal of the regional policy are very modest; it thinks that this state of affairs is a very important supplementary argument in favour of a greater concentration of the aids in the regions and areas where the most serious features of underdevelopment are to be found.

It thinks that the lists include too many regions - which could be detrimental to the requisite concentration of funds. Although the Committee does not request that the criteria and lists be revised, this is because it is convinced that a revision would take up too much time and might jeopardize the introduction by 1 January 1974 of the machinery for the actual granting of the aids.

This is why the Committee wants aids to be concentrated and intensified by applying priorities which must be adhered to strictly; aids must therefore be granted solely in regions and areas which display the most serious features of underdevelopment. This should be done by applying the criteria proposed by the Commission at more selective rates.

Thus, for the granting of the aids, the Committee proposes that the priority regions be determined according to whether they have a gross domestic product per head of 10%, 20%, 30% or more below the Community average.

It also requests that a similar gradation be applied to the other criteria, e.g. the percentages of the working populations in agriculture or in industry.

The Committee requests, moreover, that mountainous regions and other less favoured regions for which a proposal for a regulation has been submitted to the Council, should not be prevented from qualifying for grants under the two regulations under discussion at the moment.

Whilst accepting the fact that in determining the declining regions undergoing industrial change, the Community will limit itself for the time being to the coal and textile sectors, the Committee - being concerned about the often rapid structural changes in certain sectors of activity - calls for a study of the situations in other declining sectors.

The Committee regrets that the criterion of a gross domestic product of 50% below the Community average will be only used for determining regions with structural underemployment. The application of this criterion to other categories of regions would have allowed a greater intensity of action in the initial stage.

Finally, in realizing that the Community regional aids cannot by themselves eliminate underdevelopment, the Committee recalls that it is the Community's duty to carry out large-scale projects by itself within the context of Community regional development.

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5. 'Proposal for a Council directive on a ninth amendment to the Directive on the approximation of the laws of the Member States concerning the preservatives authorized for use in foodstuffs intended for human consumption'

The object of this proposal for a directive is to add certain products to the Community list of preservatives authorized for use in foodstuffs intended for human consumption, which is contained in the Directive of 5 November 1963.

In particular, three groups of products are involved, viz

- (a) formic acid and its salts (sodium formate, calcium formate, which are listed under EEC numbers E 236, E 237 and E 238);
- (b) hexamethylene-tetramine (No E 239);
- (c) boric acid and its salts (sodium tetraborate, Nos E 240 and E 241).

According to the Commission various analyses and research have been carried out on product groups (a) and (b) by the Joint FAO/WHO Committee of Experts on Food Additives.

As regards group (c), since research in a number of countries has not yet been entirely conclusive, the Commission stresses that this group is only being authorized on a temporary basis and therefore proposes that a review clause be inserted in the Directive.

The Commission considers that these preservatives could be used in foodstuffs intended for human consumption without any danger to human health, provided they are correctly used and the limits laid down in the Directive are observed.

Furthermore, in view of the differences between the various national laws at present in force, certain uses of these, three groups of preservatives are not at this stage to be envisaged for the Community as a whole; the Commission therefore proposes a three-year transitional period during which these uses will be authorized where they already exist.

This Opinion was adopted unanimously.

The Committee drew up its opinion on the basis of material produced by its Section for Protection of the Environment, Public Health and Consumer Affairs, Chairman: Mr Ramaekers - Belgium - Various Interests.

Rapporteur: Miss Roberts - United Kingdom - various interests

In its opinions the Committee has always stressed the importance which it attached to the problems of information on the correct use of these products, especially from the point of view of health protection.

The Committee therefore regrets that, in the interests of harmonization, certain Member States have to accept the use of additives which they consider unnecessary. However, it supports the Commission's proposal since it considers that it will help trade within the Community without detriment to consumers' health.

The Committee strongly recommends that the reports of the Scientific Committee on Foodstuffs, referred to in the proposal for a directive, be published in full.

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6. 'Proposal for a Regulation (EEC) of the Council on the tariff treatment applicable to agricultural products contained in travellers' personal luggage'

The draft regulation aims to extend exemption from the duties of the Common Customs Tariff, as defined in Regulation No 1544/69/EEC, to the levies, duties and other amounts imposed on crossing a frontier, on the grounds of the provisions made within the framework of the common agricultural policy and Council Regulation (EEC) No 1059/69 which sets out the rules relating to trade in certain goods which results from the processing of agricultural products.

This Opinion was adopted unanimously.

The Committee drew up its Opinion on the basis of material produced by its Section for Agriculture. Chairman: Mr Visocchi - Italy - Various Interests.

Rapporteur: Mr De Grave - Belgium - Workers

In its Opinion, the Committee approves the proposal for a Council regulation extending to charges imposed within the framework of the Common Agricultural Policy the exemption from Common Customs Tariff duties, for products contained in travellers' personal luggage.

The Committee stresses, however, that from the legal point of view it would have been better to have introduced these provisions by simply modifying the basic Regulation rather than by a new, separate regulation.

"Proposal for a Regulation (EEC) of the Council amending Council Regulation (EEC) No. 1496/68 of 27 September 1968 on the definition of the customs territory of the Community"

The aim of this proposal is to replace the date of 31 December 1973, laid down in Article 5 of Regulation (EEC) No. 1496/68 on the definition of customs territory of the Community, by 30 June 1977.

This Opinion was adopted unanimously.

The Economic and Social Committee drew up its Opinion on the basis of material produced by its Section for Industry, Commerce, Crafts and Services. Chairman: Mr Hipp - Germany - Employers.

Rapporteur: Mr De Grave - Belgium - Workers

The Committee wonders whether the time is not ripe for simplifying the whole definition of the customs territory of the Community. In fact, maintaining a certain number of particularities that have historical roots, and are moreover perfectly justifiable, gives rise to difficulties when the Community provisions are implemented that are out of all proportion to the interests these provisions are supposedly intended to respect.

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VI

116th PLENARY SESSION OF THE ECONOMIC AND SOCIAL COMMITTEE HELD
ON 12 AND 13 DECEMBER 1974

The Economic and Social Committee held its 116th plenary session (extraordinary session) at the Palais d'Egmont in Brussels on 12 and 13 December 1973, under the chairmanship of Mr A. Lappas, Chairman.

The main item on the agenda was the preparation of the Committee's opinions on the

1. (a) 'Commission proposals concerning work on economic and monetary union'
- (b) 'Communication from the Commission to the Council on the progress achieved in the first stage of economic and monetary union, on the allocation of powers and responsibilities among the Community institutions and the Member States essential to the proper functioning of economic and monetary union, and on the measures to be taken in the second stage of economic and monetary union'

The first opinion was adopted by 67 votes to 7 with 21 abstentions.

The second opinion was adopted by 73 votes to 14 with 14 abstentions.

The Economic and Social Committee prepared its Opinion on this subject on the basis of the work done by its Section for Economic and Financial Questions, chaired by Mr Rollinger - Luxembourg - Various Interests.

Rapporteur: Mr Mamert - France - Various Interests

In these two Opinions the Economic and Social Committee considered that the slowness of progress towards economic and monetary union was due in part to the monetary setbacks and reversals caused by a lack of political determination. One must not give everything priority in the construction of Europe. The Committee considers it essential to concentrate on monetary union, in order to safeguard the progress achieved so far.

The unifying force of a common currency would help to hasten the advent of a true economic union. The step-by-step alignment of Member States' currencies requires in particular a common front in the fight against inflation and its apparently advantageous, but in fact harmful and dangerous conveniences as well as convergence of short-term economic policies, harmonization of budgetary and monetary policies and creation of a fully-fledged European market for goods and capital.

Technical barriers should be eliminated, but it is also essential not to create new ones by abusing rules and procedures. Tax harmonization must only be strengthened in the areas where it serves to create the conditions of a unified market.

It would be unrealistic to work for prior standardization of economic, fiscal, social or financial structures. If new regional, sectoral or social imbalances occur they must be reduced or offset.

The Committee urged that not only the Member States but also the various groups of the population should accept certain constraints required by economic and monetary union. Objectives must be fixed at a Community level by a democratic process in which elected representatives and the representatives of economic and social forces have a say

in decisions, and the Member States must be allowed sufficient discretion when it comes to determining what means should be used.

The creation of the European Monetary Cooperation Fund and the existing machinery for short and medium-term monetary assistance are the first components of a monetary cooperation which must culminate in the pooling of foreign exchange reserves. This is a precondition for the establishment of a fully-fledged monetary union. Not only must the credits granted by the Fund be repayable, but repayments must be effected by transferring reserve assets whose real value cannot be disputed or changed unilaterally by one or more State.

The strengthening of monetary solidarity entails a transfer of responsibilities from national to Community level. The Committee accordingly considers that the European Parliament should be granted power to approve and vet the Community budget.

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2. Opinion of the Economic and Social Committee on the 'Proposal for a Regulation of the Council supplementing Regulation (EEC) No 543/69 of the Council of 25 March 1969, concerning certain social legislation relating to road transport'

The present proposal was drawn up with a view to implementing Decision No 65/271 (EEC) of 13 May 1965 'on the harmonization of certain provisions affecting competition in transport by rail, road and inland waterway'. This stated:

- in Article 10, laws, regulations and administrative provisions relating specifically to working conditions in transport by rail, road and inland waterways were, within each mode of transport, to be approximated so as to improve such provisions; this approximation was to be supplemented by like approximation of all laws, regulations and administrative provisions relating specifically to working conditions in the three modes of transport;
- in Article 12, provisions concerning working and rest periods in each mode of transport, and also overtime arrangements, were to be harmonized.

The problems raised in the field of road transport with regard to composition of crews, driving periods and daily rest periods were regulated initially by Regulation No 543/69 of 25 March 1969.

The purpose of the present proposal is to amend Regulation No 543/69 by supplementing it with measures aimed at harmonizing certain social legislation concerning, among other things, shifts, breaks, leave and public holidays and banning bonus payments for distance covered and tonnage transported.

The Committee has adopted its Opinion by 35 votes to 31 with 2 abstentions.

The Committee drew up its Opinion on the basis of material produced by its Section for Transport and Communications. Chairman: Mr Hoffmann - Germany - Workers.

Rapporteur: Mr de Vries Reilingh - Netherlands - Workers

The Committee is pleased that the Conference of Heads of State or Government held in October 1972 in Paris made social policy one of the Community's priority objectives.

This choice should now lead to harmonization of social provisions in the road transport sector, since European integration has particularly marked effects in this field and is stimulated by such harmonization.

For this reason the Committee approves, in principle, the Commission's proposal to supplement Regulation No 543/69 with certain other provisions of a social nature.

In view of the backwardness in social matters shown by road transport and the negative effects this has on road safety, the Committee calls upon the Council to take the steps necessary to adapt social legislation in road transport as rapidly as possible to that which is already customary in other sectors of the economy.

The Committee's most important suggestions are:

- extending the '2nd Social Regulation' to cover self-employed hauliers;
- reducing the maximum length of a daily shift for crew members (10 hours during a transitional period of two years, and 9 hours in the final stage). In this connection it was pointed out that the limitation of shifts, like the determination of a maximum driving period, is a fundamental element in the improvement of road safety and protection at work for crew members;
- limiting the total length of shift time in one week to 50 hours during the transitional period and 45 hours in the final stage.

The Committee also stressed that where the flexibility needed for transport operations requires an uneven distribution of working time, collective agreements between the two sides of industry in individual Member States could lay down shift durations differing from those prescribed in the proposal.

Moreover harmonization of the systems of annual leave and public holidays must be dealt with, if this is felt necessary, through the Community Social Policy on the basis of the whole economy and not for a single sector.

Finally, the Committee agreed to the principle of a ban on bonuses for tonnage carried and distance covered, but felt that the one proposed by the Commission was too broad and that a clause should be inserted to the effect that bonuses are permissible if they are not liable to affect the safety of goods haulage by road.

x
x x

3. 'Proposal for a directive of the Council concerning the harmonization of the laws of the Member States with regard to coffee and tea extracts and their substitutes, including chicory and blends based on these extracts'

The purpose of this proposal for a directive is to approximate the laws of the Member States on coffee and tea extracts and their substitutes, including chicory and blends based on these extracts.

In particular, the proposal for a directive lays down rules for additives, weight and the labelling of products. It contains two Annexes dealing respectively with definitions of extracts of coffee, tea, chicory, etc. and with the maximum authorized content of decaffeinating solvents and pH correctors.

This Opinion was adopted unanimously.

The Committee drew up its Opinion on the basis of material produced by its Section for Industry, Commerce, Crafts and Services. Chairman: - Mr Hipp - Germany - Employers.

Rapporteur: Mr Bourel - France - Employers

The Section proposes that a certain number of modifications be made to the proposal for a directive, in particular to the definitions of coffee extracts and tea extracts.

It also asks that Chapter 5 of the proposal's Annex be deleted. So as to make clearer the necessary demarcation between products possessing different characteristics, the new Chapters 5, 6 and 7 cover respectively extracts of coffee and/or chicory and/or their substitutes, tea mixes and preparations for beverages based on extracts of coffee and/or chicory.

The Committee agrees with the Commission's proposal that the ratio between the minimum quantity of green coffee originally used and the quantity of coffee extract obtained should be 2.3., and it feels that products whose rate of extraction is less than 2.3 cannot be presented to consumers with the designation 'soluble coffee'.

x
x x

4. Study on 'The Educational and Vocational Systems of the nine Member States of the European Community'.

This Opinion was adopted unanimously.

The Committee drew up its Study on the basis of material produced by its Section for Social Questions.

Rapporteur: Mrs Weber - German Federal Republic - Workers

The Economic and Social Committee noted with satisfaction the Council's Decisions which take account of the Committee's long-standing demand for the establishment of a European Institute for Vocational Training and Guidance. In its Study on education and vocational training which was unanimously adopted, the Committee considered inter alia that the conditions for the Community goals of the free movement of labour and the mutual recognition of diplomas, like the harmonization of educational courses and aims have not become a reality. Basic centralized research, the Committee believes, must therefore be undertaken without delay.

Although the European Institute would carry out independent research, its main task in the initial stages should be to coordinate research projects of various national and international institutions for educational and vocational training and to ensure that the results of such projects be disseminated throughout the Community. The Institute should have at its disposal a Committee, in which the two sides of industry would be represented, to consider the educational and vocational needs of young people and adults.

In addition the study gives a survey of the systems of general educational as well as of vocational training in the nine countries of the Community.

x
x x

VII

STATEMENT BY THE COMMITTEE'S GROUPS ON THE MEETING OF HEADS
OF STATE OR GOVERNMENT IN COPENHAGEN

The Groups of the Committee, in a special meeting at the 115th plenary session in November 1973, adopted the following declaration to show their concern for the situation within the Community.

'The Groups of the Economic and Social Committee of the European Communities representing the social and economic interests of workers, employers, artisans and professions in all industrial, agricultural and commercial sectors of the Member States of the European Community, meeting in Strasbourg on the occasion of the 115th plenary session of the Economic and Social Committee

- concerned by the grave slowing down of the process of the construction of Europe which has in particular become evident in the failure to act on even the timid and prudent proposals put forward by the Commission for the gradual introduction of common policies;
- noting that every delay in the progress of the construction of Europe can cause it irreparable harm and have extremely serious consequences for the future of Member States, consequences which may lead them towards an uncontrolled recession through the lack of common instruments capable of ensuring continued development;
- appeal to the Conference of Heads of State or Government of the European Community Member States, to be held in December in Copenhagen, to express in concrete terms the will to continue on the road towards the construction of Europe and solidarity among Member States by rapidly acting on the proposals made by the Commission in implementation of the decisions of the Paris Summit'.

This declaration was addressed to the summit meeting of the Heads of State or of Government held in December 1973 in Copenhagen.

VIII

ACTIVITIES OF THE SECTIONSA - SECTION FOR AGRICULTURE

Chairman: Mr Visocchi - Italy - Various Interests

The Section met on:

- | | |
|--------------------|------------------------------|
| - 17 May 1973 | - 135th meeting (at Palermo) |
| - 4 June 1973 | - 136th meeting |
| - 12 June 1973 | - 137th meeting |
| - 5 July 1973 | - 138th meeting |
| - 6 September 1973 | - 139th meeting |
| - 4 October 1973 | - 140th meeting |
| - 8 November 1973 | - 141st meeting |
| - 6 December 1973 | - 142nd meeting |

(a) Meeting of 17 May 1973 (held in Palermo)

The Section:

- Adopted its opinion on the common organization of the market for alcohol;
- Adopted its opinion on the 'Proposal for a Council regulation on the coordination of agricultural research'.

Following this meeting, a debate was held during which speeches were made by Mr Giummarra, President of the Region of Sicily, Mr Visocchi, Mr Masprone, Mr Bourel, Mr Friedrichs, Mrs Evans and Mr Rencki of the Commission of the European Communities.

(b) Meeting of 4 June 1973

The Section discussed the draft opinion on the 'Proposal for a directive on agriculture in mountain areas and in certain other poorer farming areas'.

(c) Meeting of 12 June 1973

1. The Section adopted its opinion on the 'Proposal for a directive on agriculture in mountain areas and in certain other poorer farming areas'.
2. The meeting then heard statements by Mr Pignot and Mr Jacquot on the basic approach for the agricultural sector in the coming multilateral negotiations.

(d) Meeting of 5 July 1973

The Section:

- Adopted unanimously its opinion on the 'Proposal for a Council regulation amending Regulation (EEC) No 827/68 and Regulations No 1009/67/EEC, (EEC) No 950/68 and (EEC) No 2358/71;
- Adopted by 18 votes in favour and four abstentions its opinion on the 'Proposal for a Council directive relating to the approximation of the legislations of the Member States concerning bread';

- Formed a Study Group of twelve, including a Chairman and a Rapporteur, to prepare an opinion on the 'Memorandum from the Commission to the Council on the development of an overall approach to trade in view of the coming multilateral negotiations in GATT';
- Appointed Mr Wick as Rapporteur to prepare an opinion on:
 - . beet seed, seed of fodder plants, etc.,
 - . vegetative propagation material of the vine,
 - . the marketing of forest reproductive material.

(e) Meeting of 6 September 1973

The Section:

- Adopted by 25 votes in favour and five abstentions its opinion on the 'Proposal for a regulation (EEC) of the Council supplementing Regulation (EEC) No 816/70 by introducing new provisions relating to oenological practices';
- Formed a Study Group of twelve, including a Chairman and a Rapporteur, to draw up a balance sheet of the common agricultural policy;
- Instructed its Chairman to make an approach to the Chairman of the Committee so that:
 - . the Section could proceed with the preparation of an opinion on the agricultural aspects of the Community's Mediterranean policy,
 - . the Section could be consulted, either in the first instance or on a supplementary basis, on the part in the Commission's proposal for a 6th directive on VAT harmonization which dealt with the agricultural sector;
- Noted the resignation of two members of its Bureau, Mr Dohrendorf and Mr van der Ploeg, and decided to replace them shortly.

(f) Meeting of 4 October 1973

The Section:

- Adopted unanimously (apart from one abstention) its supplementary opinion on the 'Memorandum from the Commission to the Council on the development of an overall approach to trade in view of the coming multilateral negotiations in GATT'
- Adopted unanimously its opinion on the
 - 'Proposal for a Council Directive modifying the Directives of 14 June 1966 concerning the marketing of beet seed, of seed of fodder plants, of cereal seed and of seed potatoes, the Directive of 30 June 1969 concerning the marketing of seed of oil and fibre plants and the Directives of 29 September 1970 concerning the marketing of vegetable seed and the common catalogue of varieties of species of agricultural plants',
 - 'Proposal for a Council Directive modifying the Directive of 9 April 1968 concerning the Marketing of Vegetative Propagation Material of the Vine',
 - 'Proposal for a Second Council Directive amending the Council Directive of 14 June 1966 on the marketing of forest reproductive material'.
- Appointed a Study Group of nine to prepare a study on the agricultural aspects of the Community's Mediterranean Policy.
Chairman: Mr Berns; Rapporteur: Mr Caprio.

- Formed a Drafting Group consisting of one Rapporteur and two Co-Rapporteurs to prepare an opinion on the part relating to agriculture in the Commission's proposal for a 6th. directive on VAT harmonization.
Rapporteur: Mr Schnieders - Co-Rapporteurs: Mr de Caffarelli, Mr De Grave
- Nominated a Rapporteur, Mr De Grave for the preparation of an opinion on the 'Proposal for a regulation (EEC) of the Council on the tariff treatment applicable to agricultural products contained in travellers' personal luggage'.

(g) Meeting of 8 November 1973

The Section

- Adopted by 14 votes to seven with two abstentions, its opinion on the 'Proposal for a sixth Council directive on the harmonization of legislation of Member States concerning turnover taxes - common system of value added tax: uniform basis of assessment'.
- Adopted unanimously its opinion on the 'Proposal for a regulation (EEC) of the Council on the tariff treatment applicable to agricultural products contained in travellers' personal luggage'.
- Formed a Study Group of nine members plus four experts for preparing a study on the annual report on the wine sector.
Chairman: Mr Schnieders; Rapporteur: Mr Guillaume.
- Held a general discussion on the agricultural aspects of the Mediterranean policy of the Community on a basis of an introductory statement made by Mr Pizzuit, Director-General of DG VI.
- Took note of a letter from the Chairman which stated that Mr Lardinois, Member of the Commission, would present the Commission's Memorandum on the improvement of the common agricultural policy during the next meeting scheduled for 6 December 1973.

(h) Meeting of 6 December 1973

The Section

- Heard a statement by Mr Lardinois, Member of the Commission, on the memorandum on 'The improvement of the common agricultural policy'.
- Appointed a Study Group of twelve members plus four experts to prepare an opinion on the 'Commission proposal on agricultural prices for the 1974/1975 financial year'
Chairman: Mr De Bievre; Rapporteur: Mr de Caffarelli.
- Appointed a Study Group of six members plus four experts to prepare an opinion on the 'Commission proposal concerning the policy for seafishing'
Chairman: Mr Canonge; Rapporteur: Miss Mackie.

B - SECTION FOR ECONOMIC AND FINANCIAL QUESTIONS

Chairman: Mr Rollinger - Luxembourg - Various Interests

The Section met on

- | | |
|--------------------|---------------|
| - 15 June 1973 | - 4th meeting |
| - 4 September 1973 | - 5th meeting |
| - 2 October 1973 | - 6th meeting |
| - 6 November 1973 | - 7th meeting |
| - 4 December 1973 | - 8th meeting |

(a) Meeting of 15 June 1973

Mr Morel, Director at the Commission's D.G. for Economic and Financial Affairs, addressed the Section on the:

'Communication from the Commission to the Council on the progress achieved in the first stage of economic and monetary union, on the allocation of powers and responsibilities among the Community institutions and the Member States essential to the proper functioning of economic and monetary union, and on the measures to be taken in the second stage of economic and monetary union' (Doc. COM (73) 570 final),

which was followed by a fairly wide-ranging discussion.

The Section requested its Chairman to ask the Chairman of the Committee for permission to prepare an opinion on the matter by the end of November.

Mr Molitor, Director at the Commission's D.G. for Economic and Financial Affairs, then made a speech on the economic situation in the Community.

Following a decision taken by the Committee's Bureau on 23 May 1973, the Section decided to set up a Study Group of nine for the Commission's annual report on the economic situation in the Community.

(b) Meeting of 4 September 1973

The representative on the Commission, Mr Molitor, presented the Section with the broad outlines of the 3rd annual report on the economic situation in the Community.

Following this the Section heard a statement from Mr Goergen, Director at the Commission, on the 'Proposal for a sixth Council directive on the harmonization of legislation of Member States concerning turnover taxes - Common system of value added tax; uniform basis of assessment'.

The Section, which had been instructed to draw up an opinion and a report on this subject following a new request for an opinion from the Council on 25 July 1973, appointed the nine members of the Study Group on the 6th VAT directive.

(c) Meeting of 2 October 1973

The Section heard an introductory statement by the Rapporteur, Mr Malterre, and then prepared its opinion on the 'Annual Report on the Economic Situation in the Community'. This opinion was adopted by the Section by 13 votes to one with two abstentions.

(d) Meeting of 6 November 1973

The Section heard an introductory statement by a Commission representative on the

'Directive proposal on the harmonization of excise duties on mineral oils'.

After a general exchange of ideas, the Section organized its work on this proposal. In particular, it appointed a Rapporteur and a Study Group to draw up the draft opinion and report.

(e) Meeting of 4 December 1973

The Section discussed its draft opinion and report on the communication from the Council on transition to the 2nd stage of economic and monetary union. The preliminary discussion gave members the opportunity to put forward their viewpoints on this matter. Dutch members in particular criticized the opinion and report for giving priority to objectives in the monetary field and the opinion was then adopted by 17 votes to one with one abstention.

The Section then discussed the draft report on the five propositions submitted by the Commission to the Council on 14 November 1973, on which the Committee had been asked to deliver an opinion under the urgent procedure. The Committee decided to prepare only one report on economic and monetary union and adopted its opinion on work in this field by eight votes to one with one abstention.

C - SECTION FOR SOCIAL QUESTIONS

Chairman: Mr Bouladoux - France - Workers replaced by Mr Houthuys - Belgium-Workers

The Section met on:

- | | |
|---------------------|----------------|
| - 4 May 1973 | - 76th meeting |
| - 22 May 1973 | - 77th meeting |
| - 5 June 1973 | - 78th meeting |
| - 12 July 1973 | - 79th meeting |
| - 13 September 1973 | - 80th meeting |
| - 11 October 1973 | - 81st meeting |
| - 15 November 1973 | - 82nd meeting |

(a) Meeting of 4 May 1973

The Section prepared its study on 'The systems of education and vocational training in the Communities', which was approved by all the members.

(b) Meeting of 22 May 1973

The Section prepared its opinion and report on 'The proposal for a Council directive on the harmonization of the legislation of Member States relating to mass dismissals'.

The opinion was adopted by 20 votes to three with four abstentions.

(c) Meeting of 5 June 1973

The Section prepared its opinion and report on 'The social situation in the Community'.

The opinion was unanimously adopted apart from three abstentions.

(d) Meeting of 12 July 1973

1. Following Mr Bouladoux's resignation, the Section unanimously elected Mr Houthuys as Chairman.
2. The Section heard a statement by Mr Shanks, Director-General at the Commission, on the broad outlines of the Social Action Programme.

In addition, it organized its work on the drafting of an opinion and report on the 'Guidelines of the Social Action Programme'. With this in mind, Mr Muhr was appointed Rapporteur of a Study Group consisting of 12 members and chaired by Mr Kley.

3. The Section also heard a statement by a Commission representative on two recommendations for Council decisions setting up a Committee for Youth Questions and a Youth Advisory Committee.

The Section then appointed Mr van Rens as Rapporteur and Mr Bernaert and Mr Droulin as Co-Rapporteurs, for the preparation of an opinion and a report on these recommendations.

(e) Meeting of 13 September 1973

Mr Shanks, Director-General at the Commission informed the Section of progress made by the Commission in its work on a Social Action Programme.

(f) Meeting of 11 October 1973

1. Because of differing points of view, the Sections could not adopt its opinion and report on the two recommendations for Council decisions setting up a Committee for Youth Questions and a Youth Advisory Committee.

The Section therefore decided to change the Drafting Group into a Study Group of nine members, under the chairmanship of Mr Bernaert.

2. At the initiative of Mr Bernaert, certain members of the Section visited a vocational training centre run by the Belgian Employment Office in Brussels on 11 October 1973. This visit enabled the members to study crash training and readaptation methods.

(g) Meeting of 15 November 1973

In the presence of Mr Shanks, Director-General for Social Questions at the Commission, the Section adopted its opinion on the draft Social Action Programme by 18 votes to one with two abstentions.

D - SECTION FOR TRANSPORT AND COMMUNICATIONS

Chairman: Mr Hoffmann - Germany - Workers

The Section met on:

- | | |
|-----------------------|--------------------------------|
| - 16 May 1973 | - 82nd meeting |
| - 21 and 22 June 1973 | - 83rd meeting (at Manchester) |
| - 11 July 1973 | - 84th meeting |
| - 12 September 1973 | - 85th meeting |
| - 14 November 1973 | - 86th meeting |
| - 19 December 1973 | - 87th meeting |

(a) Meeting of 16 May 1973

The Section drafted its supplementary opinion and report on the proposal for a regulation on the control of capacity.

The opinion was adopted by 18 votes to four with three abstentions.

(b) Meeting of 21 and 22 June 1973 in Manchester

The Section prepared its opinion and report on the draft decision on aviation policy.

This Opinion was adopted by 13 votes to one with seven abstentions.

The Section heard a statement by Mr Le Goy, Director-General of the Directorate-General for Transport at the Commission, on the development of a common transport policy. As he stated that the Commission would like to hear the Committee's views on this matter, the Section decided to request the Bureau of the Committee for permission to begin work on a study.

(c) Meeting of 11 July 1973

The Section prepared its opinion and report on the proposal for a Council decision on the international carriage of passengers by coach or bus.

This opinion was adopted unanimously.

The Section heard a statement from the Commission representative, Mr Blonk, on 'Transport as an instrument of regional policy and area redevelopment in the Community' based on a Commission memorandum.

(d) Meeting of 12 September 1973

The Section exchanged views with Mr Le Goy on the development of a common transport policy. This exchange of views was based on the Commission's ad hoc working documents and on a memo drafted by the Secretariat of the Committee.

(e) Meeting of 14 November 1973

The Section:

1. Drew up its opinion and report on the 'Proposal for a Regulation of the Council supplementing Regulation (EEC) No 543/69 of the Council of 25 March 1969 concerning certain social legislation relating to road transport' (this opinion was adopted by 15 votes to 12):
2. Took note that it had been consulted with a request for an opinion on the 'Communication from the Commission to the Council on the development of the common transport policy', in view of which it had instructed a Drafting Group to draw up a study;
3. Instructed a Study Group, whose nine members still had to be nominated, to prepare the opinion of the Section also using the work of the Drafting Group as a basis. This meant that the Drafting Group had completed its task.

(f) Meeting of 19 December 1973

The Section:

1. Heard an introductory statement by Mr Wissels, Deputy Director-General in D.G. VII 'Transport', on the consequences of the energy crisis on the transport sector; a general discussion was held during which the Rapporteur, Mr Renaud, was able to

collect a number of comments for the report and opinion on the 'Communication from the Commission to the Council on the development of the common transport policy'.

2. Took note that it had been requested to prepare an opinion on the

- Report from the Commission to the Council on certain difficulties encountered in the operation of Council Regulation (EEC) No 1174/68 of 30 July 1968 on the introduction of a system of bracket tariffs for the carriage of goods by road between Member States;
- Proposal for a Council regulation amending Regulation (EEC) No 1174/68;

Instructed a Study Group of nine members to prepare the Sections's opinion on this matter.

Chairman: Sir Thomas Gailey; Rapporteur: Mr Fredersdorf.

E - SECTION FOR INDUSTRY, COMMERCE, CRAFTS AND SERVICES

Chairman: Mr Hipp - Germany - Employers

The Section met on:

- | | |
|--------------------|---------------|
| - 9 May 1973 | - 3rd meeting |
| - 13 June 1973 | - 4th meeting |
| - 4 July 1973 | - 5th meeting |
| - 5 September 1973 | - 6th meeting |
| - 3 October 1973 | - 7th meeting |
| - 8 November 1973 | - 8th meeting |
| - 5 December 1973 | - 9th meeting |

(a) Meeting of 9 May 1973

The Section:

1. Adopted its opinion and report on

- cosmetics (19 votes to seven with one abstention);
- GATT (unanimously).

2. Instructed the Study Group on Technical Barriers to prepare opinions on:

- yeasts
Chairman: Mr Chabrol - Rapporteur: Mr Bourel
- electrical energy meters
Chairman: Mr Chabrol - Rapporteur: Mr Lecuyer
- aerosols
Chairman: Mr Chabrol - Rapporteur: Mr Lecuyer
- coffee
Chairman: Mr Chabrol - Rapporteur: Mr Bourel.

(b) Meeting of 13 June 1973

The Section:

1. Discussed the 'Memorandum from the Commission on the Technological and Industrial policy programme' with the Commission, and

hoped that it could at least produce an information report on the problems raised by industrial policy in the Community, though the viewpoints which crystallized in the course of the work would decide whether it was appropriate to prepare an opinion or not.

2. Adopted its opinion and report on mopeds by 28 votes in favour and three abstentions.
3. Held a general discussion on the information report concerning concentration phenomena and started to examine the first few pages of the document.
4. Decided to continue the discussion on the problems raised by the coming multilateral trade negotiations in GATT and appointed Mr Romer as Rapporteur. Two Co-Rapporteurs would be appointed later.
5. Instructed the Study Group on Technical Barriers to prepare opinions on
 - radio interference
Chairman: Mr Chabrol - Rapporteur: Mr Lecuyer
 - cold-water meters
Chairman: Mr Chabrol - Rapporteur: Mr Lecuyer
 - continuous weighing machines
Chairman: Mr Chabrol - Rapporteur: Mr Lecuyer
6. Instructed the Study Group on Technical Barriers, in anticipation of a subsequent referral to the Committee, to prepare the opinion on
 - seat anchorages
Chairman: Mr Chabrol - Rapporteur: Mr Masprone

(c) Meeting of 4 July 1973

The Section:

- Continued its examination of the draft information report on the phenomena of concentration;
- Adopted unanimously less two abstentions its opinion on pressure vessels and seamless gas cylinders;
- Confirmed its nomination of Mr Rømer as Rapporteur and Mr Ventejol and Sir John Peel as Co-Rapporteurs for preparing work on problems raised by the coming GATT trade negotiations;
- Gave the Study Group on Industrial Policy - limited to nine persons - the task of preparing a study on problems raised by the industrial policy of the Community
Chairman: Mr Charbo - Rapporteur: Mr Kley;
- Confirmed the appointment of Mr Masprone as Rapporteur for preparing the draft opinion and report on the interior fittings of motor vehicles (anchorages).

(d) Meeting of 5 September 1973

The Section:

- Adopted its opinions and reports on
 - . electrical energy meters (27 votes to one)
 - . radio interference (unanimously)
 - . aerosols (23 votes in favour, two abstentions);
- Heard a statement from a Commission representative on the 'Proposal for a Regulation on the control of concentrations';

(e) Meeting of 3 October 1973

The Section:

- Heard a statement by Commission representatives on the 'Proposal for a regulation on the control of concentrations'
- Then organized its work programme and appointed a Study Group on the Control of Concentrations, consisting of 15 members
Chairman: Mr Charbo - Rapporteur: Mr Clark - Co-Rapporteur: Mr Friedrichs
- Adopted its opinions on:
 - cold-water meters
(unanimously)
 - seat anchorages
(unanimously)
 - seat anchorages
(unanimously)
 - continuous totalising weighing machines
(unanimously)
 - medicinal products
(16 votes in favour and three abstentions)
- Instructed Mr De Grave, the Rapporteur, to prepare a draft opinion and possible a draft report as well on the proposal for a regulation on customs territory
- Appointed a Drafting Group consisting of Mr Schrijvers as Rapporteur and of Mr Fassina and Mr Lecuyer to prepare the supplementary opinion on VAT.

(f) Meeting of 7 November 1973

The Section:

- Adopted its opinions on:
 - 'Communication from the Commission on the industrial and technological policy programme'
(21 votes to one with five abstentions)
 - 'Proposal for a directive of the Council concerning the harmonization of the laws of the Member States with regard to coffee and tea extracts and their substances, including chicory and blends based on these extracts'
(unanimously)
 - 'Proposal for a regulation (EEC) of the Council amending Council Regulation (EEC) No 1496/68 of 27 September 1968 on the definition of the customs territory of the Community'
(unanimously)
- Adopted its supplementary opinion on the
 - 'Proposal for a sixth Council directive on the harmonization of legislation of Member States concerning turnover taxes - assessment'
(nine votes to five with four abstentions)

(g) Meeting of 5 December 1973

The Section:

- Adopted unanimously its opinion on the
 - 'Council proposal for a directive relating to the harmonization of the laws of Member States concerning natural yeasts and yeast residues',

- Heard a statement by a Commission representative on the
 'Commission proposals to the Council on the shipbuilding industry'
 and set up a Study Group to prepare work on this matter.
- Heard a statement by a Commission representative and set up a Study Group on
 'Multinational undertakings and Community regulations'.
- Instructed the Study Group on Technical Barriers to prepare a draft opinion and
 report on the
 'Proposal for a Council directive on the approximation of the laws of
 the Member States on the making-up by weight or volume of certain
 pre-packed products'.

F - SECTION FOR ENERGY AND NUCLEAR QUESTIONS

Chairman: Mr Kuipers - Netherlands - Employers

The Section met on:

- | | |
|-------------------|---------------|
| - 7 June 1973 | - 3rd meeting |
| - 5 October 1973 | - 4th meeting |
| - 9 November 1973 | - 5th meeting |
| - 7 December 1973 | - 6th meeting |

(a) Meeting of 7 June 1973

The Section drafted its opinions and reports on the statements on energy policy, the second illustrative nuclear programme, hydrocarbon imports from third countries and difficulties inherent in the supply of hydrocarbons.

These opinions were adopted as follows:

- 'Energy policy': by nine votes with three abstentions
- 'Second illustrative nuclear programme': by eight votes with two abstentions
- 'Hydrocarbon imports from third countries': unanimously (seven votes)
- 'Hydrocarbon supply difficulties': unanimously (eight votes).

Furthermore, the Section instructed the Rapporteur to revise the draft report and opinion on oil and gas pipelines, since these documents did not take sufficiently into account the supplementary opinion drafted by the Section for Transport and Communications.

(b) Meeting of 5 October 1973

The Section:

- Adopted unanimously its opinion and report on oil and gas pipelines subject to certain amendments, which were intended to take better account of the supplementary opinion prepared on this topic by the Section for Transport and Communications
- Heard an introductory statement by a Commission representative on the 'Priorities for a Community energy policy'
- Then organized its work programme and appointed a Drafting Group on Priorities for a Community Energy Policy consisting of three members
 Rapporteur: Mr Bonomi - Co-Rapporteurs: Mr Hoffmann and Mr Rees

- Organized its work programme on the preparation of a supplementary opinion and report on excise duties on mineral oils and appointed a Drafting Group on Mineral Oils consisting of three members
Rapporteur: Mrs Kutsch - Co-Rapporteurs: Mr De Bievre and Mr van Berk

(c) Meeting of 9 November 1973

The Section:

- Adopted unanimously its opinion on 'Priorities for a Community energy policy';
- Heard a statement from a Commission representative and had a general discussion on the 'Harmonization of excise duties on mineral oils';
- Confirmed that it would be useful to have a general discussion, in the presence of Mr Simonet, on the urgent actions proposed to the Council by the Commission. This discussion should take place within the framework of the plenary session to be held at the end of November when the opinion on priorities was to be adopted;
- Decided to request the Bureau of the Committee to make the Section for Energy and Nuclear Questions responsible for drawing up a study on the procedures and subjects which should be included in the common energy policy.

(d) Meeting of 7 December 1973

The Section:

- Organized its work for preparing a study on the procedures and subjects which should be included in the common energy policy.
- Formed the Study Group on the Common Energy Policy composed of 15 members and four experts (Chairman: Mr Renaud, Rapporteur: Mr Delourme).
- Held a general discussion on the layout of the study which was to be prepared,
- Instructed its Study Group to draw conclusions from this discussion and prepare a study based thereon.

G - SECTION FOR THE PROTECTION OF THE ENVIRONMENT, PUBLIC HEALTH AND CONSUMER AFFAIRS

Chairman: Mr Ramaekers - Belgium - Various Interests

The Section met on:

- | | |
|----------------------|---------------|
| - 14 and 15 May 1973 | - 3rd meeting |
| - 14 June 1973 | - 4th meeting |
| - 9 October 1973 | - 5th meeting |

(a) Meeting of 14 and 15 May 1973

1. The Section heard a statement by Mr Scarascia Mugnozza, Vice-President of the Commission of the European Communities, on the environmental programme.
2. The Section heard a statement by Mr Carpentier, Director of the Commission's Department for the Protection of the Environment and of Consumers, on the protection of consumers.
3. The Section unanimously adopted its supplementary opinion on the 'Proposal for a directive on agriculture in mountain areas and in certain other poorer farming areas'.

(b) Meeting of 14 June 1973

1. The Section drafted its opinion and report on a 'Draft Council resolution on a Community environmental programme' and a 'proposal for a Council decision on information of the Commission on environmental matters.

The opinion was adopted unanimously.

2. The Section unanimously adopted, except for one abstention, its supplementary opinion on the 'Proposal for a directive on the coordination of certain laws, regulations and administrative provisions concerning the retail sale of medicinal products by self-employed persons' and the 'Proposal for a directive concerning the attainment of freedom of establishment and freedom to provide services in respect of the retail sale of medicinal products by self-employed persons'.

(c) Meeting of 9 October 1973

1. Apart from two abstentions, the Section adopted unanimously its opinion on a 'Proposal for a Council directive on a ninth amendment to the Directive on the approximation of the laws of the Member States concerning the preservatives authorized for use in foodstuffs intended for human consumption'.
2. The Section heard a statement by a Commission representative on the implementation of the programme of environmental action.
3. It also organized its work programme for the preparation of a supplementary opinion on a 'Proposal for a Council directive on the approximation of the laws, regulations and administrative provisions relating to the classification, packaging and labelling of dangerous substances'. Miss Roberts was nominated as Rapporteur for this purpose.

H - SECTION FOR REGIONAL DEVELOPMENT

Chairman: Mr Dalla Chiesa - Italy - Workers

The Section met on:

- | | |
|---------------------|---------------|
| - 6 and 7 June 1973 | - 3rd meeting |
| - 13 July 1973 | - 4th meeting |
| - 14 September 1973 | - 5th meeting |
| - 12 October 1973 | - 6th meeting |
| - 16 November 1973 | - 7th meeting |

(a) Meeting of 6 and 7 June 1973

During this meeting the Section discussed the first part of the draft study on the implementation of a common regional policy.

(b) Meeting of 13 July 1973

This meeting was also devoted to discussing the draft study on the implementation of a common regional policy.

(c) Meeting of 14 September 1973

The Section:

- Adopted the draft study on the implementation of a common regional policy;
- Formed a Drafting Group consisting of three members to prepare an opinion on
 - a draft decision by the Council on the creation of a Committee for Regional Policy,
 - a proposed financial regulation to special provisions to be applied to the European Regional Development Fund,
 - a proposal for a Council regulation establishing a Regional Development Fund;
- Proceeded to hold a general discussion on these matters on the basis of a statement made by the Director-General at the Commission, Mr Ruggiero.

(d) Meeting of 12 October 1973

The Section:

- Adopted unanimously its opinion on:
 - a draft decision by the Council on the creation of a Committee for Regional Policy
 - a proposed financial regulation to special provisions to be applied to the European Regional Development Fund
 - a proposal for a Council regulation establishing a Regional Development Fund.

It must be noted, however, that in view of the absolute necessity to submit an opinion at the plenary session due for the end of October 1973, the adoption of this opinion was obtained by resorting to an uncommon procedure, viz. the Rapporteur was left to adapt the whole of the draft opinion to suit the numerous amendments decided upon at the meeting.

(e) Meeting of 16 November 1973

The Section unanimously adopted its opinion on the

'Proposal for a Council regulation on the list of priority regions and areas referred to in the Regulation (EEC) on finance from the Guidance Section of the European Agricultural Guidance and Guarantee Fund for projects falling within development programmes in priority agricultural regions'

'Proposal for a Council regulation on the list of regions and areas referred to in Regulation (EEC) establishing an European Regional Development Fund'.

I - SECTION FOR EXTERNAL RELATIONS

Chairman: Mr De Precigout - France - Employers

The Section met on:

- | | |
|--------------------|---------------|
| - 2 May 1973 | - 3rd meeting |
| - 21 May 1973 | - 4th meeting |
| - 10 July 1973 | - 5th meeting |
| - 9 October 1973 | - 6th meeting |
| - 13 November 1973 | - 7th meeting |
| - 11 December 1973 | - 8th meeting |

(a) Meeting of 2 May 1973

During this meeting the Section discussed the preliminary draft opinion prepared by Mr de Precigout, the Rapporteur, on the overall approach of the Commission to trade in view of the coming multilateral negotiations in GATT.

(b) Meeting of 21 May 1973

At this meeting the Section discussed the draft opinion prepared by Mr de Precigout, the Rapporteur, on the

'Memorandum from the Commission to the Council on the development of an overall approach to trade in view of the coming multilateral negotiations in GATT'.

The opinion was adopted unanimously by the Section following the discussion.

(c) Meeting of 10 July 1973

The Section heard a statement by Mr Cheysson, Member of the Commission, on the 'Memorandum of the Commission to the Council on the future relations between the Community, the present AASM and the countries of Africa, the Caribbean and the Indian and Pacific Oceans referred to in Protocol No 22 to the Act of Accession'.

At the conclusion of this statement, the Commission representative emphasized the Commission's interest in wishing to know the Economic and Social Committee's view on this matter.

The Section then appointed a Study Group of nine people to discuss further matters relating to the multilateral GATT negotiations.

The Section approved a proposal by the Chairman, Mr De Precigout, that each of the members of the Study Group should examine a specific question. These tasks would be shared out among the members and the Rapporteur in charge of coordinating the work would be appointed subsequently.

The Section finally appointed Sir John Carmichael as Rapporteur and instructed him to prepare the draft opinion and report on the 'Proposal for a Council regulation establishing a Community guarantee system for private investments in third countries'.

(d) Meeting of 9 October 1973

At this meeting, the Rapporteur, Sir John Carmichael, submitted the draft opinion and report on the

'Proposal for a Council regulation establishing a Community guarantee system for private investments in third countries'.

At the suggestion of the Rapporteur, the Section agreed to hold a general discussion and to postpone the approval of the opinion until its next meeting, in view of the fact that a number of comments had been submitted to the Rapporteur in writing.

The Section then heard a statement by Mr Phan Van Phi, Director at the Commission, on the work and conclusions of the ministers' conference which was held in Tokyo last September in connection with the Nixon Round.

The Section nominated the Chairman and Rapporteur for the Study Group entrusted with examining the questions raised by the multilateral negotiations in GATT.

Finally, the Section appointed Mr Tasker as a new member of its Bureau, Mr Dohrendorf having resigned from the Committee.

(e) Meeting of 13 November 1973

This meeting was preceded by a meeting of the Bureau of the Section which dealt with the organization of the Section's future work on

- the renewal of the Yaoundé Convention
- Mediterranean policy
- generalized preferences.

In addition, the Bureau decided to discuss trade relations with East bloc countries (cooperation agreements) at a subsequent meeting.

The Section discussed the draft opinion and report on the

'Proposal for a Council regulation establishing a Community guarantee system for private investments in third countries',

drawn up by the Rapporteur, Sir John Carmichael. After a general discussion, the Section adopted the draft opinion unanimously less five abstentions, subject to a certain number of amendments accepted by the Rapporteur.

The Section then instructed its Chairman to contact the Chairman of the Committee to ensure that the subject of EEC Mediterranean policy was referred to the Section.

(f) Meeting of 11 December 1973

At this meeting, the Section heard a statement by representatives of the Commission on

- Relations between the Community and the countries of the Mediterranean basin, and
- the establishment of a Community procedure for cooperation and information on cooperation agreements between a Member State and an East bloc country.

Since no decision had been taken on the referral of the subject of cooperation agreements to the Section, it was decided to let the Section's Bureau decide on future action on this matter, account being taken of members' comments during the meeting.

IX

OFFICIAL VISITS AND FACT-FINDING TOURS MADE BY THE
CHAIRMAN OF THE COMMITTEE

A - Official visits

1. Official visit to Denmark

Mr Alfons Lappas, the Chairman of the Economic and Social Committee, paid an official visit to Denmark on 3 and 4 May 1973, during which he met the Prime Minister, Mr Jørgensen, and the Minister of Labour, Mr Dinesen. The talks mainly dealt with the transition to the second stage of economic and monetary union, a Community industrial policy and the Community social action programme which was currently being prepared.

Furthermore, Mr Lappas had a series of talks with organizations representing various social and economic categories, in particular the employers' organization, the Danish Federation of Industries and Chamber of Commerce, the Danish Trade Union Confederation and agricultural and consumer associations. The discussions mainly concerned socio-economic problems, optional acquisition of company shares by workers and the possibilities of co-determination.

During this official visit the Bureau of the Committee held an extraordinary meeting on 3 May at Christiansborg Castle.

Mr Lappas was accompanied by the Vice-Chairmen of the Committee, Mr Canonge and Mr Masprone, and the Secretary-General, Mr Delfini.

2. Official visit to Ireland

The Chairman of the Economic and Social Committee of the European Communities paid an official visit to Ireland on 10 and 11 May 1973. During the visit Mr Lappas had talks with the Taoiseach, Mr Cosgrave, the Tanaiste, Mr Corish, the Minister for Foreign Affairs, Mr Fitzgerald, the Minister for Industry and Commerce, Mr Keating, the Minister for Transport and Power, Mr Barry, and the Minister for Agriculture, Mr Clinton.

He also met representatives of the main professional and trade union organizations, including the Confederation of Irish Industries, the Irish Congress of Trade Union and various agricultural organizations.

The main topics discussed were the effect of entry to the Community on Irish economic and social life, the necessity for faster economic growth and possible Community intervention in the field of regional and social policy.

The Social Action Programme currently being prepared by the Communities was also discussed. Particular attention was given to the three main points of the Programme: employment policy, improvement of living and working conditions and the democratization of economic structures.

During the visit Mr Lappas was accompanied by the Committee's two Vice-Chairmen, Mr H. Canonge and Mr A. Masprone, and the Secretary-General, Mr. D. Delfini.

3. Visit to the United States

The Chairman of the Economic and Social Committee made a fact-finding visit to the United States from 11 to 13 June 1973.

Whilst in Washington, Mr Lappas had talks with the Secretary of Commerce, Mr Frederick B. Dent, the Deputy Under Secretary for International Affairs, Department of Labour, Mr. Joel Segal, the Assistant Secretary of State for Economic and Business Affairs, State Department, Mr Willis C. Armstrong, the Deputy Assistant Secretary in the State Department, Mr Welles Stabler and with the Chairman of the Council of Economic Advisers to President Nixon, Mr Herbert Stein.

Mr Lappas' talks enabled him to clarify to those he met the Economic and Social Committee's role within the institutional machinery of the Community. Among other things, he discussed the coming multilateral negotiations in GATT and the progress of the Community's work, notably with regard to the implementation of a social programme.

The Chairman of the Committee also met representatives of the business world and social groups. In particular he spoke to the Chairman of the AFL/CLO, Mr George Meany, the Chairman of the National Association of Manufacturers, Mr E. Douglas Kenna, and with the Executive Director of the United States Chamber of Commerce, Mr William G. van Meter. There was unanimous agreement during these talks on the need to promote contact with the representatives of professional organizations with a view to more effective mutual information and greater understanding of present-day issues on both sides of the Atlantic.

B - Fact-finding visits

1. Visit by European youth representatives

The question of finding suitable methods for associating European youth organizations with the task of European integration was the subject of a meeting held in Brussels on 13 September 1973 between the representatives of these organizations and members of the Economic and Social Committee of the European Communities.

Proposals on this issue, made by the EC Commission, for setting up a Committee for Youth Questions and a Youth Advisory Committee, have met with a number of reservations on the part of youth organisations. That is why their representatives, grouped in the European Coordination Bureau of International Youth Organizations and the Council of European National Youth Committees, led respectively by Jean-Jacques Boelpaep and Otto Kauer, welcomes this, their first meeting with the Economic and Social Committee. They were greeted by its Chairman, Alfons Lappas, who pointed out that it was part of the Committee's policy to establish and maintain the closest contact with all important groupings in the Community, in particular with those representing young people. The Committee's Section for Social Questions - represented by Mr Van Rens, Mr Bernaert and Mr Droulin - which was preparing an opinion for the Commission on the subject, called for the meeting.

The youth representatives criticized the Commission's proposals which left the appointment of members of the envisaged Youth Advisory Committee in the hands of the governments, did not give this Committee a right of initiative, and created an expensive structure which would not be able to meet the fundamental aims. They put forward several counter-proposals, such as the establishment of an information service, meetings, seminars, youth exchange programmes and the setting up of a Community youth centre.

Mr Lappas said that their standpoint would receive the closest attention.

2. Meeting of the Secretaries-General of the Economic and Social Councils

The Secretaries-General of the Economic and Social Councils of the Member States of the European Communities, of the Economic and Social Committee and of certain associated States of the European Communities met in Brussels from 18 to 21 September 1973.

The Secretaries-General compared notes on experience in the various States of the activities of economic and social councils, and discussed the possibility of a mutual exchange of information on topics of joint interest. It was agreed to continue and intensify this exchange of views.

The Secretaries-General were received by Mr Rens, the President of the Belgian National Labour Council, Mr Stassart, the President of the Belgian Central Council of the Economy, Mr Scarascia-Mugnozza, Vice-President of the European Commission, and by Mr Masprone, Vice-Chairman of the Economic and Social Committee of the European Communities.

X

ATTENDANCE AT VARIOUS FUNCTIONS

During the period under review the Committee attended the following functions:

<u>Annual Congress of the 'Confédération nationale de la mutualité, de la coopération et du crédit agricoles' (National Confederation of Agricultural Friendly Societies, Cooperatives and Credit Banks)</u>	27 May 1973 in Deauville
<u>Environmental Congress organized by the 'Fondazione Giacomo Matteotti'</u>	18 and 19 May 1973 in Venice
<u>Seminar on the regional policy of the EEC organized by 'The International Union of Local Authorities'</u>	13 June 1973 in Luxembourg
<u>National Congress of the ICFTU (Italian Confederation of Free Trade Unions)</u>	18 - 21 June 1973 in Rome
<u>6th Conference of the European Federation of Agricultural Workers' Unions within the EEC</u>	5 and 6 July 1973 at The Hague
<u>Fact-Finding Session of the 'Confédération régionale de la mutualité, de la coopération et du crédit agricoles' (Regional Confederation of Agricultural Friendly Societies, Cooperatives and Credit Banks)</u>	6 and 7 July 1973 in Aix-en-Provence
<u>National Congress of the 'Confartigianato'</u>	8 July 1973 in Rome
<u>Stiftung Europa-Kolleg Kolloquium</u>	5 September 1973 in Hamburg
<u>Europmi Symposium on 'PME' (Small and Medium Sized Undertakings)</u>	4 and 5 October 1973 in Brussels
<u>Proprietary Association of Europe</u>	20 October 1973 in Cannes
<u>Europmi Autumn Meeting</u>	5 November in Geneva
<u>Study Commission of the 'Conseil des communes d'Europe'</u>	12 and 13 November in Edinburgh
<u>Congress organized by the 'International Institution of the Middle Classes'</u>	28, 29 and 30 November in Brussels
<u>European Communities' Committee of Family Organizations</u>	1 and 2 December 1973 in Strasbourg

One-Day Study Conference organized
by 'The Institute of European
Studies of the Free University of
Brussels'

8 December 1973 in Brussels

Seminar organized by the National
Coal Board

11 December 1973 in Brussels

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x x

XI

RESIGNATIONS AND APPOINTMENTS1. Resignations

During the period under review the membership of the Committee has undergone some changes. The following members of the Committee have resigned during the period covered by this bulletin:

Mr Calvetti	Mr Dohrendorf
Mr Grasman	Mr Rossi
Mr Bouladoux	Mr van der Ploeg
Mr Ebrill	

2. Appointments

The Council of the European Communities has appointed the following members to take their place:

Mr van Rens	Mr Bonety
Mr Droulin	Mr Menne
Mr de Caffarelli	Mr Nantke
Mr Heimes	Mr O'Ceallaigh
Mr Kley	Mr Luciani
Mr Croese	Mr Hubregtse
Mr Fijn van Draat	

3. Changes in the membership of the Sections

- (a) During the 111th plenary session, Mr Kley was appointed to the following sections:
 - Section for Industry, Commerce, Crafts and Services,
 - Section for Social Questions,
 - Section for Protection of the Environment, Public Health and Consumer Affairs.
- (b) The 113th plenary session ratified the appointment of Mr Houthuys as Chairman of the Section for Social Questions, replacing Mr Bouladoux, who has resigned.
- (c) In accordance with Article 12 of the Rules of Procedure, the 114th plenary session approved the following changes:
 - Mr Bonety was appointed to the following Sections:
 - Economic and Financial Questions, in place of Mr Soulat
 - External Relations
 - Regional Development, in place of Mr Bouladoux

- Mr Soulat replaced Mr Bouladoux in the Section for Social Questions
 - Mr Fijn van Draat was appointed to the following Sections in place of Mr Grasman:
 - Section for Energy and Nuclear Questions
 - Section for Economic and Financial Questions
 - Section for External Relations
 - Mr Croese was appointed to the following Sections in place of Mr Calvetti:
 - Section for Industry, Commerce, Crafts and Services
 - Section for Social Questions
 - Mr Menne was appointed to the following Sections:
 - Section for Financial Questions
 - External Relations
 - Mr Nantke was appointed to the following Sections in place of Mr Dohrendorf:
 - Agriculture
 - Economic and Financial Questions
 - External Relations
- (d) The 115th plenary session approved the following changes:
- Mr O'Ceallaigh to take the place of Mr Ebrill, who had resigned on the following Sections:
 - Section for Economic and Financial Questions
 - Section for Social Questions
 - Section for Regional Development;
 - Mr de Ferranti to take the place of the Marquess of Hamilton on the Section for Industry;
 - The Marquess of Hamilton to take the place of Mr de Ferranti on the Section for Transport and Communications.
- (e) The 116th plenary session approved the following appointments to the Sections:
- Mr Hubregtse to take the place of Mr van der Ploeg in the:
 - Section for Agriculture
 - Section for Social Questions
 - Section for the Protection of the Environment, Public Health and Consumer Affairs.
 - Mr Luciani to take the place of Mr Rossi in the:
 - Section for Agriculture
 - Section for Energy and Nuclear Questions
 - Section for Social Questions.

4. Change in the membership of the Bureau of the Committee

In accordance with Articles 5, 6 and 7 of the Rules of Procedure, the 114th plenary session approved the appointment of Mr Schmit as a member of the Bureau of the Committee in place of Mr Houthuys.

