## ECONOMIC AND SOCIAL COMMITTEE OF THE EUROPEAN COMMUNITIES

## BULLETIN

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### 213th PLENARY SESSION

The European Communities' Economic and Social Committee held its 213th Plenary Session at its headquarters in Brussels on 14 and 15 December 1983. The Committee Chairman, Mr François Ceyrac, presided.

#### Statement by the ESC Chairman on the Athens Summit

Mr François Ceyrac opened the Session by deploring the failure of the Athens Summit, which had in his view revealed the serious crisis now affecting the European Community. The Chairman of the ESC went on to say that this failure involved considerable dangers: "First and foremost it undermines confidence. How are the millions of unemployed in Europe likely to judge a meeting where discussion revolved solely around the defence of immediate national interests, and where the question of employment, despite its importance, seems to have been entirely ignored? How many investment projects are likely to be postponed or discouraged by the present crisis? And what credibility can our institutions now have in the eyes of our trading partners, such as the United States and Japan? At a time when the worldwide trade war is hotting up, what influence is likely to be exerted by Community negotiators seeking to defend our interests?"

The Athens setback, continued Mr Ceyrac, also introduced much uncertainty into the actual running of the Community — for example in the Common Agricultural Policy, industrial policy projects, the "ESPRIT" programme, regional policy, social policy and efforts to unify the internal market. "Faced with this situation, we have a role to play. As representatives of social and occupational groups, we must stress the continuing value of the Community and our determination to help it progress".

Mr Ceyrac then announced that the Committee would implement an action programme in the months leading up to the European Parliament elections. He said that he intended to send a letter to the organizations represented in the Committee, asking them to use their influence with their national governments in favour of Community solutions to current problems. In January 1984, the Committee would publish a formal declaration which would appeal to social and occupational groups to take part and encourage participation in the European elections next June. "The great danger with these elections is that indifference will lead to widespread abstentions".

Finally, announced Mr Ceyrac, the Committee intended to organize a conference next April on the theme "the Community on the threshold of the third millennium". This conference should stimulate thorough consideration of new technologies, their economic and social effects and the conditions for their harmonious development.

#### Statement by the Chairman of Group III (Various Interests)

The Chairman of the Various Interests Group, Mrs Käte Strobel, stressed her Group's support for Mr Ceyrac's statement. She appealed to all concerned to make every effort to overcome the crisis in the Community, and asked the members to ensure that their organizations urge their national governments to work towards this aim. She observed that farmers were right to object about the Common Agricultural Policy being the only one to suffer in the search for solutions. She urged the Commission to become once more the driving force in European integration.

#### Statement by the Chairman of Group I (Employers)

Mr Hans Werner Staratzke, Chairman of the Employers' Group, said that his Group supported the statements made by the previous two speakers. The social and occupational groups could not abandon the European idea, he said. "For us, the point of no return has been reached. We must go forward and prevent nationalism from holding up European integration. Otherwise all of us, workers, employers and self-employed, will be the losers. After the Athens setback we must call for greater efforts, and every Committee member should use his or her influence in a positive way".

#### Statement by the Vice-Chairman of Group II (Workers)

Speaking for the Workers' Group, Mr Enrico Vercellino expressed the trade union movement's disappointment over the failure of the Athens Summit. Workers had placed particularly high hopes on the rebirth of the Community as a stimulus to job creation, economic growth, investment and a new social policy. The trade unions eagerly awaited the completion of the process of European integration, with Community institutions that functioned effectively.

### **Adoption of Opinions**

#### 1. EQUAL TREATMENT — SOCIAL SECURITY

"Proposal for a Council Directive on the implementation of the principle of equal treatment for men and women in occupational social security schemes"

#### Gist of the Commission proposal

The Proposal is a follow-up to the 1978 Directive on equality of treatment between men and women in statutory social insurance schemes, extending the principle of equality to occupational schemes.

Occupational schemes, which fall between statutory social insurance and purely private insurance contracts between individuals and insurance companies, include:

- schemes based on collective agreements between employers' and workers' representatives;
- company schemes, set up or planned unilaterally by the employer;
- schemes set up by the representatives of a self-employed occupation.

The Directive would apply to all such schemes providing protection in areas like sickness, invalidity, old age, unemployment, industrial accidents and diseases, and also to schemes providing for other social benefits, e.g. family allowances and related benefits. It would apply to all workers, whether employees or self-employed.

It proposes that Member States take all necessary measures to ensure that provisions contrary to the principle of equal treatment are, or may be declared, null and void or amended, and are revised by 1 January 1986. The principle of equal treatment, meaning no discrimination whatsoever on the basis of sex, would especially concern:

- the scope and conditions of the schemes;
- the obligation to contribute and the calculation of contributions;
- the calculation of benefits...

Examples of discrimination the Commission seeks to outlaw include those which:

- a) specify those persons who may participate in an occupational scheme:
- b) fix the compulsory or optional nature of participation;

- c) lay down different rules as regards the age of entry into the scheme or the minimum period of employment or affiliation to the scheme required to obtain benefits;
- d) lay down different rules for the reimbursement of contributions where a worker leaves a scheme without having fulfilled the conditions guaranteeing him a deferred right to long-term benefits;
- e) set different conditions for the granting of benefits or restrict such benefits to workers of one sex only;
- f) fix different retirement ages;
- g) suspend the retention or acquisition of rights during periods of maternity leave or family leave granted by law or collective agreement;
- h) provide for benefits whose level or amount differ and, in particular, set the level of benefits by taking into account different factors of calculation, with regard to the phenomena of ill health, mortality or life expectancy;
- i) set contributions at different rates, in particular by taking into account the factors of calculation mentioned under (h);
- j) lay down different standard or standards applicable only to workers of a given sex as regards the guarantee or retention of entitlement to deferred benefits where a worker leaves a scheme or as regards the transfer of such entitlement to another scheme.

The proposal also sets down two exceptional cases: determination of the retirement age for the granting of old age and retirement pensions; and pensions granted to the surviving spouse, where regulations in the statutory social security schemes are first required.

#### Gist of the Committee's Opinion(1)

The Economic and Social Committee broadly approves the EC Commission's proposal for a Council Directive in its Opinion, adopted by a large majority, with 15 votes against and 4 abstentions. The Committee also supports the idea that affiliation to occupational insurance schemes forms part of the conditions of employment, in the sense that it derives directly or indirectly, from the contract of employment or from the exercising of an occupation.

The principle of providing equal treatment is interpreted in terms of the day-to-day living standards of individual men and women, according to equal periodic benefits and contributions, as opposed, for example, to average total life-time benefits based on unequal contributions.

<sup>(1)</sup> Doc CES 1196/83

While firmly sticking to this point, the Committee nonetheless draws attention to various practical problems of application, including:

- the need for some form of supplementary funding in order to equalise contributions in view of differing actuarial risk calculations;
- the needs to ensure that low-paid employees would not be adversely affected in terms of new contributions;
- difficulties in preventing a disintegration into a number of individual schemes were the Directives to apply to small firms;
- the need to examine more closely the status of self-employed persons affected by the Directive;
- difficulties and anomalies concerning flexible and early retirement and pension conversions;
- the need for a realistic deadline for the implementation of the Directive.

This Opinion was based on material prepared by the Section for Social Questions, under the chairmanship of Mr Houthuys (Belgium - Workers). The Rapporteur was Mr Roycroft (United Kingdom - Various Interests).

#### 2. SAFETY OF TOYS

"Proposal for a Council Directive on the approximation of the laws of the Member States concerning the safety of toys", the

"Proposal for a Council Directive on common technical safety standards concerning the physical and mechanical properties of toys", and the

"Proposal for a Council Directive on common technical safety standards concerning the flammability of toys"

#### Gist of the Commission proposal

On 3 July 1980 the Commission tabled a draft Directive on toy safety which aimed to remove technical barriers to trade in this field and to protect the health and safety of the consumer. The proposal was criticized on points of detail, but also with regard to certain basic aspects, by the Economic and Social Committee and by the relevant European Parliament committees. The Commission has therefore now submitted new proposals which seek to take account of most of the suggested amendments. The ESC and the Parliamentary committees diverged on a number of points and as a result, certain sections of the proposal are an attempt at compromise.

#### Major amendments:

- 1. The proposal has now been divided into three parts: a framework Directive and two implementing Directives on certain technical standards which were originally covered in the annexes (physical and mechanical properties, flammability). Further directives on chemical properties and electrical risks are to be submitted later.
- 2. The technical standards referred to above are covered by a reference to the international standards in this field (CEN/EN 71/1(1) and CEN/EN 71/2(2) these have since been adjusted to the new safety requirements) insofar as these standards are consistent with the principles of the Directive. Some minor divergences from these standards are provided for in the Directive; however, these will probably be superfluous by the time the two implementing Directives are adopted, since the changes will have been taken over by CEN.
- 3. The following amendments have been made to take account of the critical and to some extent divergent views expressed by the Economic and Social Committee and the two relevant Parliamentary Committees:
- the provisions concerning manufacturers', importers' or vendors' declarations on conformity to EC standards has been deleted;
- the right to require safety tests, previously confined to consumers' associations, has been extended to all interested persons and organizations; safety tests can, however, be requested only where a toy has caused accidents or proved dangerous to users (in the original proposal a detailed statement of grounds was a sufficient motive);
- the rules on advertising have been simplified and condensed;
- the provision on suitable legal redress has been deleted;
- the list of products regarded as toys (Annex I in the original Commission proposal) has been deleted;
- the list of excluded products has been shortened.
- 4. In order to condense and simplify the proposal (without impeding the Directive's aims), the wording has been simplified and individual provisions have been deleted.

<sup>(1)</sup> European Standard EN 71, Part 1, Edition 2 of June 1982 (Mechanical and Physical Properties of Toys)

<sup>(2)</sup> European Standard EN 71, Part 2, Edition 2 of June 1982 (Flammability of Toys)

#### Gist of the Committee's Opinion(1)

The Economic and Social Committee approved the amended draft of Commission Directives on toy safety by a large majority with one abstention. It noted that the new version incorporates the main improvements suggested by the Committee in April 1981.

It welcomed the extensive agreement between the Commission draft directives and the Standards of the European Committee for Standardization (CEN). It accepted the procedure by which they are declared binding in the implementing directives and published in the EC Official Journal.

The educational and psychological aspects of toys cannot be completely divorced from the safety aspects. The impression should not be given that safety provisions could discharge parents and teachers from their general responsibility for children using toys.

The bulk of the Committee's proposals were stylistic. The substantive amendments were designed to take account of:

- new technological developments;
- the need for clarity in the information to be given on the toy, its packaging and enclosed leaflets;
- the need to ban advertising which refers to the toy's conformity with the directives;
- the need to provide manufacturers with certainty as to the law;
- the need for more effective, broader CEN Standards.

This Opinion was based on material prepared by the Section for Protection of the Environment, Public Health and Consumer Affairs, under the chairmanship of Mrs Heuser (Germany - Various Interests). The Rapporteur was Mrs Strobel (Germany - Various Interests).

#### 3. HIRED VEHICLES

"Proposal for a Council Directive on the use of hired vehicles for the carriage of goods by road"

"Amendment of the proposal for a Council Directive on own-account carriage of goods by road between Member States (VII/COM(78) 772 of 31 January 1979)"

"Proposal for a Council Regulation amending Regulation No. 11 concerning the abolition of discrimination in

<sup>(1)</sup> Doc. CES 1199/83

transport rates and conditions, in implementation of Article 79(3) of the Treaty establishing the European Economic Community"

#### Gist of the Draft Directive

At present there is little alignment of the rules governing vehicle hire in the Community. The use of hired vehicles for the carriage of goods in and between the Member States is currently governed by national regulations which run the whole gamut between liberalism and restrictionism. The rules governing access to the occupation of vehicle hirer also vary.

The aim of the Commission's present proposal is to make it possible to use hired vehicles throughout the Community, thereby further rationalizing the use of transport equipment, improving vehicle and personnel productivity and reducing operating costs. According to the Commission the use of hired vehicles is advantageous in the following cases in particular:

- short-term or peak business requirements,
- seasonal demands,
- short-term demand for specialized vehicles,
- replacement of vehicles off the road for technical reasons, and
- experimentation with different vehicles.

Besides a definition of the term "hired vehicle" the Draft Directive sets out the conditions under which such vehicles can be used by professional and own-account operators for the carriage of goods. For example, no time or territorial limitation is placed on the use of hired vehicles (i.e. they may be used for the carriage of goods within and between Member States). It is further stipulated that the vehicles may only be driven by the staff of professional and own-account hauliers and that the vehicles are for the exclusive use of such carriers.

At the same time, and as a consequence of the above-mentioned Draft Directive, the Commission is submitting amendments to its proposal of 1979 for a Council Directive on own-account carriage of goods by road between Member States and to Regulation No. 11 on the abolition of discrimination in transport rates and conditions, pursuant to Article 79(3) of the EEC Treaty.

The Commission proposal fits in with a liberal trend which has recently become clearly discernible in the Commission's approach to transport policy (cf for instance the proposal to permit "cabotage" on national road haulage markets, which led to differences of opinion within the Committee).

#### Gist of the Committee's Opinion(1)

In an Opinion, adopted by 64 votes in favour, 50 against and 11 abstentions, the Committee approves the Commission's efforts to harmonize vehicle hire conditions in the Community and considers that the proposal is a further step towards the establishment of a common transport policy. The Committee considers, however, that the Commission document could be improved in some respects and cover also aspects connected with the use of hired vehicles (legal, economic, social and environmental aspects):

- the introduction, as a transitional measure, of a minimum rental period of not less than 6 months for hired vehicles, particularly those used by own-account carriers;
- the definition of types of firms entitled to conclude hire contracts;
- the introduction of a provision on the mutual recognition of the conditions governing the authorization of hired vehicles.

The ESC draws attention to the fact that the right to conclude hire contracts for remuneration should be reserved solely for own-account and professional operators.

The very close vote was due largely to the fact that a great number of amendments were adopted by a narrow margin.

This Opinion was based on material prepared by the Section for Transport and Communications, under the chairmanship of Mrs Weber (Germany - Workers). The Rapporteur was Mr Masprone (Italy - Employers).

#### 4. 15th VAT DIRECTIVE

"Proposal for a Fifteenth Council Directive on the harmonization of the laws of the Member States relating to turnover taxes — deferment of the introduction of the Common system of value added tax in the Hellenic Republic"

#### Gist of the Commission's Proposal

Under the terms of Article 145 in conjunction with part II of Annex XII of the Act concerning the conditions of accession of the Hellenic Republic to the EEC, Greece should introduce the common system of value added tax with effect from 1 January 1984.

<sup>(1)</sup> Doc. CES 1200/83

In its letter of 20 July 1983 the Greek Permanent Representation informed the Commission that introduction of the common system of VAT by the date set would cause technical difficulties both for the Greek authorities and for taxable persons and would also create economic problems.

The Greek Government has therefore requested that the time limit for the introduction of value added tax laid down in the Act of Accession be extended until 31 December 1985.

At the same time, the Greek Government has requested a corresponding extension of the present system for establishing Greece's contribution to the third component of own resources, which is calculated on the basis of gross national product.

The technical reasons put forward by the Greek Government appear to be valid. Despite active preparation over the last two years for the introduction of value added tax, there is still a long way to go. This applies to both the tax authorities, who have been hampered in their task by shortages of staff and equipment, and to enterprises, with a large number of small businesses in all sectors which have information and organization problems which are proving difficult to solve.

Furthermore, the introduction of VAT could present particularly awkward problems for an economy which is currently suffering severe strains, notably in respect of prices — despite the freedom of the Greek Government to set the level of VAT rates.

Extension of the time limit for the introduction of VAT in Greece would entail a fall in Community budget revenue, estimated at 105 million ECU for 1984 and 131 million ECU for 1985.

It should be pointed out that when the VAT system was introduced in the Community similar concessions were granted to certain Member States at that time.

#### Gist of the Committee's Opinion(1)

In a unanimous Opinion, the Committee approves the proposed twoyear extension of the deadline.

Whilst appreciating that it is now impossible for technical reasons for the Hellenic Republic to introduce VAT by 1 January 1984, the Committee expresses the hope that no extension beyond 31 December 1985 will be asked for.

<sup>(1)</sup> Doc. CES 1201/83

The Rapporteur-General for this Opinion was Mr Dassoulas (Greece-Various Interests).

#### 5. VOCATIONAL TRAINING QUALIFICATIONS

"Proposal for a Council Decision on the Comparability of Vocational Training Qualifications between Member States of the European Community"

#### Gist of the Commission proposal

The initiative seeks to contribute towards the progressive achievement of one of the basic aims of the Treaty — full freedom of movement for workers. The primary purpose is to enable workers, and especially skilled workers in the first instance, to use the qualifications obtained in one Member State for the purposes of access to employment in another Member State. It is unlikely however to lead to a sudden and dramatic increase in the number of workers moving from one Member State to another: its immediate impact will rather be to make it possible for Community nationals already living and working in other Member States to be informed about the acceptability of their qualifications in the host Member State.

Work has been carried out by the Commission with the assistance of its Advisory Committee for Vocational Training, and of the European Centre for the Development of Vocational Training (CEDEFOP), Berlin, over a long period, to establish a basic methodology for tackling the problem of comparing the multiplicity of vocational training qualifications in the Community.

The Commission is now asking the Council to endorse the tried and tested procedures for establishing the comparability of vocational training qualifications, and the results of the work thus far carried out for specific groups of occupations. It also proposes the setting up in each Member State of a national coordination office which would be responsible for acting as a focal point for information and for the issue of certificates attesting the comparability of vocational training qualifications.

The initiatives proposed represent a step towards implementing one of the long established principles for a common vocational training policy in the Community. This provides for the progressive harmonization of levels of training between the Member States, the drawing up of standardized descriptions of job requirements for occupations which call for specific vocational training, and the drawing up of comparative tables of the various diplomas, certificates and other evidence of formal qualifications which meet those requirements.

#### Gist of the Committee's Opinion(1)

The Economic and Social Committee adopted its Opinion by a large majority, with 5 abstentions.

While recognizing the long-term difficulties involved in achieving comparability and transparency of qualification systems and training levels in the Member States, the Committee welcomes the Commission's limited initiative and endorses the procedure proposed. Particular attention should be focussed on occupations or groups of occupations specializing in technological change. At the same time, regular progress checks, especially concerning certificate registrations, need to be implemented through a better defined evaluation method of the reports to be submitted by the Member States.

This Opinion was based on material prepared by the Section for Social Questions, under the chairmanship of Mr Houthuys (Belgium - Workers). The Rapporteur was Mr Nierhaus (Germany - Workers).

#### 6. PROTECTION OF DIALYSIS PATIENTS

"Proposal for a Council Directive relating to the protection of dialysis patients by minimizing the exposure to aluminium"

#### Gist of the Draft Directive

The Draft Directive seeks to protect renal dialysis patients from the toxic effects of aluminium absorption. This is to be achieved by reducing aluminium levels and monitoring plasma and dialysis liquids.

The Draft Directive specifically:

- stresses the need for regular monitoring of dialysis patients;
- sets a mandatory limit and a recommended value for aluminium in the haemodialysis fluid;
- establishes the quality standards for diluting water;
- specifies arrangements for close cooperation between renal dialysis units and water distribution authorities;
- sets limits for aluminium in dialysis concentrates and peritoneal dialysis and haemofiltration solutions compatible with the current state of technology;

<sup>(1)</sup> Doc. CES 1198/83

 sets up a committee to work out reference methods and adjust them to technical and scientific progress and to implement the water quality programme.

#### Gist of the Committee's Opinion(1)

In its Opinion, adopted unanimously, the Committee supports the Commission proposal, since treatment of dialysis patients and new categories of persons suffering from renal insufficiency could only be improved if more attention is paid to this area of health care.

In this connection, the Committee noted that failure to adopt the measures recommended would considerably increase the risk of encephalopathy and osteomalacia among dialysis patients. This in turn would entail considerable expenditure on in-patient care.

The Committee also emphasized yet again that preventive medicine both benefited patients and cut social security costs.

This Opinion was based on material prepared by the Section for Protection of the Environment, Public Health and Consumer Affairs, under the chairmanship of Mrs Heuser (Germany - Various Interests). The Rapporteur was Mr Monier (France - Various Interests).

#### 7. FRONTIER CONTROLS OF GOODS

"Recommendation for a Council Regulation (EEC) concluding the International Convention on the Harmonization of Frontier Controls of Goods of 21 October 1982"

#### Gist of the Commission's Recommendation

Between 20 October 1980 and 21 October 1982 an international Convention on the harmonization of frontier controls of goods was negotiated in Geneva under the auspices of the United Nations Economic Commission for Europe.

The Council, acknowledging the interest of the Convention to the Community, authorized the Commission to conduct negotiations on behalf of the Community.

The Convention, adopted on 21 October 1982, is designed to improve the international movement of goods and, in particular, to facilitate their passage at frontiers by rationalizing and harmonizing the formalities and controls to which such goods are subject.

<sup>(1)</sup> Doc. CES 1193/83

The Convention hinges on the following principles:

- coordination between the services responsible for carrying out controls, whether customs or other;
- the introduction of the infrastructures needed for and suited to carrying out such controls and consistent with traffic requirements;
- international cooperation in this field, both between governments and between control services;
- the provision of extensive information on the rules in force;
- harmonization of the documents used for control purposes.

#### Gist of the Committee's Opinion(1)

In a unanimous Opinion the Committee approves the Commission's Recommendation.

This Opinion was based on material prepared by the Section for Industry, Commerce, Crafts and Services under the chairmanship of Mr De Wit (Netherlands - Employers). The Rapporteur was Mr Broicher (Germany - Employers).

#### 8. RESEARCH IN LESS-DEVELOPED COUNTRIES

"Proposal for a Council Decision on the adoption of a programme for the development of indigenous scientific and technical research capacities in the developing countries (1984-1987)"

#### Gist of the Commission's proposal

The proposed programme concerns the Community's contribution towards creating and extending scientific research capacities in the developing countries so that the necessary foundations are laid for the establishment of a genuine research and development policy of their own. It is for this reason that the programme is aimed in particular at strengthening the developing countries' research institutions; as such, it is complementary to the programme adopted by the Council on 3 December 1982, which is aimed at increasing the stock of knowledge of the Member States and the developing countries in a number of areas of particular interest to developing countries. The two programme form part of the fifth option of the Community's Framework Programme — undertaking scientific and technical activities for the benefit of the developing countries.

<sup>(1)</sup> Doc. CES 1194/83

The Community action will concern mainly the operation and equipping of research centres, the training of technicians and research workers, access to scientific information and the dissemination of the results.

Initially the emphasis is to be placed on agriculture, food and health. The amount estimated to be necessary for carrying out this initial phase is 60 MECU, comprising 40 MECU for agriculture and food and 20 MECU for health.

#### Gist of the Committee's Opinion(1)

The Economic and Social Committee adopted its Opinion unanimously. It considers the programme as being both necessary and timely. Subject to certain comments, it gave its approval to the Commission's proposal.

These comments related both to the management of the programme and to the improvement of extension services in general. On this second point, the Committee warned against merely equipping and improving laboratory facilities in the poorest countries: extension services were essential.

In its view the funds proposed for this programme were as much as the staff complement envisaged could effectively administer, and the proposed staff complement was as much as the Council could reasonably be expected to approve.

The Committee was particularly concerned about the programme's impact in development terms and called for a set of criteria by which the programme could be evaluated.

As regards the actual programme management, the Committee asked that attention be given to checking not only that funds were spent appropriately and that research projects were properly planned but that scientific standards were maintained throughout the implementation of each programme. With this in mind, the Committee recommended that the Commission staff responsible for managing these funds should themselves be scientifically trained and have experience of research in the LDCs

This Opinion was based on material prepared by the Section for Energy and Nuclear Questions, under the chairmanship of Mr Romoli (Italy - Employers). The Rapporteur was Mr Beretta (Italy - Workers).

<sup>(1)</sup> Doc CES 1195/83

#### 9. BALANCED SOLID FUELS POLICY

## Gist of the Communication from the Commission to the Council on Proposals for a Balanced Solid Fuels Policy

The Ministers of Energy noted at their informal meeting in Copenhagen in December 1982, that a balanced solid fuels policy would be a major step towards the 1990 energy objectives.

In this context the Energy Council on 21 April 1983 concluded that future discussions on solid fuel should concentrate on four questions:

- What are the obstacles to greater use of solid fuels?
- In what way can R & D help to increase consumption of solid fuels?
- What influence will Community production (under satisfactory economic conditions) have on the security of energy supplies?
- What can the Community do to help overcome the social problems?

The Commission Communication therefore examines each of these areas as follows:

#### a) Obstacles to greater use of solid fuels

The main obstacles are security of supply in the medium to long term as reliance on imports increases, provision of an adequate infrastructure for increased imports, environmental problems and a number of specific problems (increased use in power stations is dependent on general economic recovery, the cost of conversion to coal in other industry is high).

#### b) The role of research, development and demonstration

The Commission emphasizes:

- Improving existing processes for using solid fuels and marketing new technologies.
- In the long term opening up new markets for liquefaction and gasification of solid fuels.
- The importance of demonstration projects.

#### c) The importance of satisfactory Community production

A high level of Community production will ensure security of supply and moderate prices charged for imported coal. The 15% of Community production which is very unprofitable is likely to cease within a period which depends largely on how the social problems are solved, whilst investment and the resultant increase in productivity should allow the 60-65% of Community production which is marginally

unprofitable to become more competitive. Aid for reducing the Community's high level of stocks and for lignite and peat production is also proposed. A degressive system of Community aid for coking coal (on which the ESC has given its Opinion) is proposed.

#### d) Social measures

The Commission foresees the need to increase aid for retraining and to take responsibility for workers who cannot be re-employed in the coal industry at an earlier age. It is also essential to instigate activities which through the creation of jobs will combat socio-economic disintegration in the areas concerned. New expenditure linked to coal policy should be financed from the EC general budget rather than the ECSC budget.

# Gist of Proposal for a Council Regulation (EEC) concerning Financial Support of the Community in favour of Industries producing Solid Fuels

This proposal is essentially the giving of a legal form to the major part of the proposed Balanced Solid Fuels Policy. It contains proposals for financial support for both the modernization of coal production, the reduction of stocks held by enterprises producing coal and the production of peat and brown coal.

#### Gist of the Committee's Opinion(1)

The Economic and Social Committee adopted its Opinion by 62 votes to 2. It felt that there was a vital need for a balanced solid fuels policy and therefore approved the Commission's communication subject to a number of specific comments.

The Committee agreed with the Commission that expenditure in this area should be concentrated on the most efficient producers. It supported the Commission's R & D proposals but wished the maximum EC contribution rate of 30% to be reviewed.

The Committee supported investments aimed at encouraging solid fuels consumption. It also supported investment subsidies and the proposed stock reduction scheme. It approved proposals to subsidize lignite and peat production up to 25% of the cost of investment schemes.

The Committee saw social measures as a logical counterpart to rationalization measures. The two aspects had to be seen as one, especially from the budgetary viewpoint.

<sup>(1)</sup> Doc CES 1203/83

As regards financial support of the Community in favour of industries producing solid fuels, whilst approving the Commission's general approach, the Committee did not approve the eligibility criteria for financial support for modernization projects and destocking. It proposed radically different criteria.

This Opinion was based on material prepared by the Section for Energy and Nuclear Questions, under the chairmanship of Mr Romoli (Italy - Employers). The Rapporteur was Mr Delourme (Belgium - Workers).

## 10. COOPERATION OF RAILWAYS/PASSENGER AND GOODS TRANSPORT

"Proposal for a Council Recommendation to the National Railway Companies of the Member States on strengthening their cooperation in the commercial management of international passenger and goods transport by rail"

#### Gist of the Commission's proposal

In its Action Programme on the International Cooperation of Railways of 7 May 1982, the Commission suggests measures that could be taken by both governments and railways in the field of commercial management.

Council Decision 82/529/EEC of 19 July 1982 (OJ No. L 234 of 9.8.1982, p. 5) on goods transport and a Commission proposal of 20 December 1982 on passenger transport (OJ No. C 23 of 28 January 1983, p. 12) concern action governments could take to ensure the adequate commercial independence of railways in passenger and goods traffic.

The present proposal covers measures which could be taken by national railway companies to strengthen cooperation in the commercial management of international passenger and goods transport. To this end, railways must first and foremost resist fragmentation and must as far as possible present themselves on the international transport market as a singler carrier. The Commission thereby hopes that railways will secure a larger market share and will strengthen their position vis-à-vis other carriers.

Cooperation between railway companies in the commercial management of international passenger and goods transport should, according to the Commission, be strengthened in the following fields:

- Marketing. Here the railway companies should carry out, among other things, joint market studies and a joint analysis of the specific requirement of customers; appropriate instruments should be provided to this effect.
- Sales and transport rates. The railway companies should pursue their efforts to establish bilateral or multilateral through-tariffs separate from domestic tariff systems. To ensure the flexibility and rapidity of decision-making, adequate powers should be granted for the supply and sale of international services and new systems should be created for the sharing out of revenues (e.g. revenue pools).
- Information. Cooperation between the railways is inconceivable without an adequate exchange of information, e.g. on the profitability of individual routes, cost components, etc. The provision of such information should help to improve the productivity of transport services.

#### Gist of the Committee's Opinion(1)

In its Opinion, adopted unanimously, the Committee generally approves the draft recommendation, regarding it as a useful contribution to strengthening commercial cooperation between railway companies in a specific field.

It considered that the choice of a recommendation as the legal instrument for embodying the proposed provisions should serve to encourage the railway companies to continue their efforts in the areas under consideration.

Although it recognized that this issue did not come within the precise scope of the draft recommendation, the Committee considered that the railway companies could experience difficulties in carrying out commercial cooperation on a broader scale until such time as effective measures were taken to harmonize the terms of competition between the various modes of transport (especially as regards social provisions, charges for the use of infrastructure, etc.).

This Opinion was based on material prepared by the Section for Transport and Communications under the chairmanship of Mrs Weber (Germany - Workers). The Rapporteur was Mr Querleux (France - Employers).

<sup>(1)</sup> Doc CES 1202/83

#### 11. IRISH BORDER AREA (Information report)

#### Gist of the Information report(1)

The Report seeks to identify ways of furthering the economic development of the Irish Border region which is one of the most deprived areas in the European Community.

The Study Group which drafted the Report toured the Border area and noted the requirements and suggestions put forward by the local authorities in the eleven counties and district council areas straddling the frontier. The following top priorities were identified: development of communication infrastructure; modernization of agriculture and industrial expansion; and promotion of tourism.

Three major groups of cross-Border projects were singled out as deserving Community aid:

- in the East, improvement of rail and road communications and energy networks;
- in the Centre, drainage and development of the Erne Catchment area:
- in the North-West, promotion of an industrial development triangle.

The Report advocates financial assistance for the development and renovation of towns throughout the Border area. It also lists approximately ten smaller-scale projects which it feels have a claim on Community assistance.

In its final recommendations, the Report calls for the establishment of a specific Community financial instrument. Failing this, it advocates that the percentage aid granted under existing instruments should be stepped up. The Reports recommends that the various schemes should be incorporated in a development programme along the lines of an Integrated Development Operation. These programmes should be spread over several years and their progress should be monitored by an ad hoc Group.

The Committee decided to send this Report to the Council and the Commission.

This Information Report was based on material prepared by the Section for Regional Development, under the chairmanship of Mr Milne (United Kingdom - Workers). The Rapporteur was Mr Bornard (France - Workers).

<sup>(1)</sup> Doc. CES 1197/83

### EXTERNAL RELATIONS

#### Chairman's activities

Mr François Ceyrac, Chairman of the Economic and Social Committee, made a speech on 24 November at a Symposium organized by the Management Centre Europe in Brussels on the subject of labour relations in Europe.

Furthermore, he took part in the closing Conference of the Year of Small and Medium-Sized Enterprises in Strasbourg on 8 and 9 December, and a meeting held in Brussels on 1 December by the American-European Community Association dealing with relations between the United States and the European Community.

### **NEW CONSULTATIONS**

Since the last Plenary Session, the Council has asked the Economic and Social Committee to deliver Opinions on the following subjects:

"Proposal for a Council Regulation (EEC) amending Regulation (EEC) No. 724/75 establishing a European Regional Development Fund" (COM(83) 649 final)

"Community action to combat unemployment — the contribution of local Community initiatives" (COM(83) 662 final)

"Proposal for a Council Directive on parental leave and leave for family reasons" (COM(83) 686 final)

"Communication from the Commission to the Council on a Community programme for the development of the specialized information market in Europe" (COM(83) 661 final)

"Proposal for a Council Regulation amending Decision 79/783/EEC as regards General Action in the field of Data Processing" (COM(83) 658 final).

# PROVISIONAL FUTURE WORK PROGRAMME

#### **JANUARY 1984 PLENARY SESSION**

#### **Opinions on consultation**

- Limit values for lindane discharges
- Environment and climatology R & D programme
- Standard exchange arrangements
- 6th and 7th Directive on exemption from import taxes
- Outward processing
- Prepackaging of liquids

#### SUBSEQUENT PLENARY SESSIONS

#### **Opinions on consultation**

- 12th VAT Directive
- Amendment of European Regional Development Fund Regulation
- Nuclear plant safety and public health protection
- Acid rain (additional Opinion)
- Air quality standards for nitrogen dioxide
- Environmental information system
- Fuel rationing
- Internal barriers to frontier crossings
- Organization of dairy products market
- Intra-Community trade in cattle and pig sperm
- Butter
- Economic situation mid-1984
- Annual economic report 1984-1985
- Community action to combat unemployment
- Extraction solvents in food
- Accidental oil spills at sea
- 8th ERDF Annual Report

- Uniform application of CCT nomenclature
- Development of European market in specialist information
- Competition patents (additional Opinion)
- Competition R & D (additional Opinion)
- Tax on certain fats and oils
- Exemptions and dismantling of MCAs
- Agricultural structures

**ESC** 

- Organization of markets in cereals
- Organization of markets in fruit and vegetables
- Organization of markets in oils and fats
- Use of plant residues in animal feed
- Enlargement (additional Opinion)
- Integrated Mediterranean Programmes (additional Opinion)

#### **Own-initiative Opinions**

- Migrant workers
- Social security
- Industrial medicine
- Producers/consumers dialogue
- Waste management
- Yugoslavia

#### **Information Report**

- National regional development aids
- Community fisheries policy.

MEMBERS' NEWS ESC 29

### **MEMBERS' NEWS**

#### **Appointment**

The Council has appointed Mr Ian MacDonald Campbell (United Kingdom), a member of the Board of British Rail and Chairman of the Board of Scottish Rail, as a new member of the Economic and Social Committee to replace Mr Mills, who died.

# CALENDAR GIVING DATES OF PLENARY SESSIONS IN 1984



# MEETINGS ESC 1984

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## PUBLICATIONS OBTAINABLE FROM THE ECONOMIC AND SOCIAL COMMITTEE

#### Periodical

Bulletin (monthly publication)

#### General Documentation

- The Economic and Social Committee (leaflet) (January 1980)
- The Leonomic and Social Committee (December 1982) (A descriptive brochure) 16 p.
- The Other Luropean Asembly (May 1983) (LSC 83-007)
- Twenty-1ifth anniversary celebrations (September 1983) LSC-83-012)

#### **Opinions and Studies**

- The Leonomic and Social Situation in the Community (2 Opinions) (July 1983) (LSC-83-013)
- Youth I imployment (Opinion) (June 1983) (I SC-83-011)
- Transport policy in the 1980s (Opinion) (March 1983) 99 p. (ESC 83-003)
- Inaugural Conference 1983 The Luropean Year of SML (Lebruary 1983) 27 p (LSC 83-002)
- Guidelines for Mediterranean Agriculture (4 Opinions) (September 1982) 64 p (1 SC 82-010)
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- Research and Development (November 1976) (Study) 35 p.
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- Regional Policy (March 1976) (Opinion) 11 p
- Luropean Union (July 1975) (Opinion) 33 p
- The Situation of Small and Medium-sized Undertakings in the European Community (March 1975) (Study) 69 p

### Obtainable from GOWER Publishing Co. Ltd., 1 Westmead, Farnborough, Hants GU 147RU:

- Community Advisory Committee for the Representation of Socio-Leonomic Interests (£8 50)
- European Interest Groups and their relationship to the Leonomic and Social Committee (£25)

#### Obtainable from LDIHONS DLLLA, 92-94 Square Plasky, 1040 Brussels:

- Action by the Luropean Community through its financial instruments (Brussels 1979) (425 BL)
- The Leonomic and Social Interest Groups of Greece (350 BL)
- The Right of Initiative of the LSC (400 BL)

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