# ECONOMIC AND SOCIAL COMMITTEE OF THE EUROPEAN COMMUNITIES

## BULLETIN



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#### 177th PLENARY SESSION

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On 26 and 27 March 1980, the 177th Plenary Session of the Economic and Social Committee of the European Communities was held at the Committee, Brussels. The Session was presided over by the Chairman, Mr R. VANNI.

The Session was attended by Mr Roy JENKINS, President of the Commission, who spoke on the present problems of the Community.

### SUMMARY OF MR JENKINS' SPEECH

Mr JENKINS stressed that in 1980 and in the decade to come, the Community would be confronted by the need to transform its energy requirements and would face unprecedented changes in the structure of work and employment from the introduction of advanced technology. At the same time, the immediate economic outlook was bad, with unemployment and inflation rising and the prospects for growth being at the lowest levels this past generation.

Concerning energy policy, Mr JENKINS said that in the short term, energy conservation had to be the cornerstone of the Community's policy, since it formed the quickest and cheapest way of contributing to restoring the balance between supply and demand. The Community should also rapidly raise the levels of investment in new ways of saving energy, in exploiting its native resources and in developing new sources. He mentioned four measures which should be taken. First, the downward trend experienced through the seventies in the consumption and production of coal should be reversed. Second, the Commission believed that the delays which had occurred in the development of nuclear energy in different parts of the Community should be made up as soon as possible. Third, more time and attention should be devoted to the development of other sources of energy and, fourth, greater efforts should be put into

research and development. Rapid progress should be made towards the establishment of a common energy policy, as this was so important an element in the management of the economy of the Community that there could scarcely be a true Common Market without common policies in this field.

Turning to the introduction of a new advance technology, Mr JENKINS said he was convinced that the major test in the next decade would be the Community's attitude towards the challenge of the new electronic technologies. The first effect of these developments could already be seen reflected in the loss of jobs in traditional industries but these dramatic effects tended to hide the advantages to be gained from the same technologies, such as the demand for the new products available, or from the spin-off effects of increased demand for the products of existing technology. Mr JENKINS said that he would be glad to have the Commitee's view on this subject.

Turning to economic prospects and employment policy, Mr JENKINS said that growth in 1980 was not expected to exceed 1.2 % and unemployment was likely to rise to 6.4 %, with very strong regional variations. Inflation estimates for 1980 now stood at 11.3 % and the Community's balance of payments on current account would deteriorate by some 10 billion ECU's. With this background, the Commission must aim at pursuing an active employment policy both in 1980 and in the long term.

It is essential that people be well informed about the changes that were occurring; they should be encouraged to develop greater mobility and willingness to change jobs and the average period of unemployment must be reduced. The Community would try to help in the re-organization of industrial sectors in particular difficulty and would look again at its policies for young people and women. The problem of young people entering the labour market was particularly dramatic.

After a few observations about the current budget situation and particularly the role of the CAP in this context, Mr JENKINS said in conclusion: "1980 will not be an easy year for the Community. The economic and social policies it will adopt for 1980 will remain with it throughout the next decade. This year will see the laying of the foundation for the future construction of the Community: what kind of building it will be rests upon its own endeavours and imagination."



From right to left: Mr. LOUET, Secretary-General, Mr. VANNI, Chairman of the ESC, Mr. JENKINS, President of the Commission and Mr. ROSEINGRAVE, Vice-Chairman of the ESC.

#### DEBATE

Mr. STARATZKE (Germany), speaking in the debate on behalf of Group I (Employers), agreed that the coming period was going to be a difficult one. The European Monetary System had attained a measure of stability in a modest way, though no final judgement could be passed at this stage. What had not been achieved was a greater convergence in the economies of the Member States, but rather greater disparities, as witnessed by the different inflation rates. He agreed that greater efforts would have to be made by the Commission for achieving economic convergence, efforts which would be supported by economic and social circles. He welcomed Mr. JENKINS' announcement that the Commission was preparing programmes to help various industrial sectors. Without national growth we could not resolve our problems; he said, only in an expanding economy could structural changes be made without disturbances. The Commission's task was to create the right framework by measures such as furthering technical innovation and research and the removal of trade barriers inside the Community as well as with third countries. Community competition policy should be applied both to public and private enterprise to allow better transparency of state enterprises competing with private industry and a greater transparency of national aids and subsidies. We would be glad to work closer with the Commission and the Council of Ministers in this field, he concluded.

Mr. DEBUNNE (Belgium), speaking on behalf of Group II (Workers), painted a frightening picture of the crisis facing the confused masses: unemployment was rising, balance-of-payments were deteriorating, interest rates were running high, economic growth was slowing down and in some cases had come to a halt and the world was in a precarious situation. The Community and Europe should be one of the great hopes, but the institutions had not produced the results that everybody had been hoping for. The Treaty of Rome did nothing to help the workers' lot. Europe had no positive policy towards employment or social progress. And in the field of employment, there was a lot of talk about training, mobility and recycling, whereas worksharing was what everybody should be discussing. Unemployment was rising higher and higher, especially amongst the young and women, and purchasing power and social gains were being made the targets for attacks. When growth had come to a standstill it was necessary to have the courage to eliminate blatant inequalities, otherwise there was a danger of feelings exploding. This was the moment when the Commission should have the courage to fight for a Europe in which the workers felt they had a part.

Mr. GERMOZZI (Italy), taking the floor for Group III (Various Interests), declared that the categories of economic and social activity represented within his Group - crafts, small industrial and commercial enterprises, farmers, the professions, cooperatives and consumers - gave society that pluralism which was the special mark of the Western world. The representatives of these categories were determined to contribute towards the balanced and harmonious development of the Europe of today and, more especially, of tomorrow. They represented the living forces not of a "submerged economy" but of an active, tenacious and irreplaceable economy, who had shown their ability to survive in these difficult crisis-ridden times. Mr. GERMOZZI called on the Commission and the other Community Institutions to upgrade the role and importance of his Group and to ensure that they were adequately consulted on all Community projects and programmes.

#### Adoption of Opinions

#### 1. FARM PRICES

"Commission proposals on the fixing of prices for certain agricultural products and on certain related measures"

#### Gist of the Commission's proposal

The Commission of the European Communities has just proposed to the Council of Ministers a 2-3.5 % increase in

farm prices for the 1980/81 marketing year, while allowing for exceptions for surpluses (dairy products, sugar), for which it proposes a 1.5 % increase. The same increase is proposed for beef and veal, but this is supplemented by a proposal to introduce a premium for producers specializing in quality beef. This will entail an overall increase in consumer prices of 0.1 % and a 0.8 % increase in food prices.

The Commission also proposes taking a further step towards abolishing monetary compensatory amounts by reducing the amount applicable to Germany by 1 point (currently 9.8%) and that applicable to the Benelux countries by 0.5 points (currently 1.9%).

It has also supplemented, particularly with regard to dairy products, its proposals of last November designed to help balance the markets in milk, sugar, beef and veal, processed fruit and vegetables, rye and starch.

The adaption of all these proposals (prices, monetary compensatory amounts and balancing the markets) will entail a slight drop in Community agricultural expenditure in 1980 as compared with 1979 (-14 million European units of account) and a reduction of 823 million EUA in the draft budget for 1980 (adopted by the Council in October 1979 but rejected by the European Parliament).

#### Gist of the Opinion (\*)

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The Economic and Social Committee adopted its Opinion by 55 votes to 14 with 13 abstentions.

Eager to secure a balance between the supply of and demand for farm produce, the Economic and Social Committee of the European Communities proposes new guidelines for the policy to be adopted, particularly in the milk sector. The guidelines should, by paving the way for budgetary savings make it possible to increase the farm prices proposed by the Commission within the limits of the present budget.

(\*) Opinion no. CE\$ 350/80

The increased farm prices would then be nearer the figure that would have obtained had the "objective method" for calculating prices been used.

It is interesting to note that in spite of the polemics about the budget and the CAP within the Community an acceptable compromise has now been reached in the ESC between interest groups as varied as farmers, consumers, employers and workers.

The Committee is aware that this year the Commission needed to present proposals based on a political compromise linked to the budgetary question, but draws attention to the fact that the final abandonment of the "objective method" would be seen as a threat to the CAP itself.

The Committee notes that farmers' incomes have fallen by 1.5 % to 2 % in real terms and that income gaps between farmers are still far too big. The Committee therefore calls for farm prices higher than the levels proposed by the Commission, insofar as the budgetary situation permits and also asks the Commission to examine in what ways the problem of income disparities in the agricultural sector can be resolved more satisfactorily.

In order to preserve reasonable consumer prices, the Committee also considers that the Community should provide itself with the means of monitoring retail prices and the distribution structure. This would mean that consumers and farmer's interests would no longer clash each time farm prices are discussed. It would also show that other components in the retail price of foodstuffs rise more quickly than basic products and do not themselves help to secure reasonable consumer prices.

It would therefore be wrong to ask farmers to make an extra effort unless their own sacrifices are reflected in retail prices.

 As far as the reorganization of CAP is concerned, the Committee draws attention to the following points:

#### Milk Sector:

The Committee is convinced that a solution to the milk problem is closely bound up with the need for an overall policy in the fats sector - a policy that would improve the competitive position of oils and fats produced or processed in the Community.

The Committee draws attention to the proposals it made in February on ways of toning down the supplementary levy: exempting small undertakings from having to pay the supplementary levy and varying payment of the supplementary levy as a function of a) the growth in deliveries and b) the size of the stocks going into intervention in relation to a given reference period (e.g. the last three years). The Committee urges that the non-marketing and conversion premiums be raised and extended for two years.

. Beef and Veal: The Committee considers that the supplementary premium paid to meat producers is too low, as is the limit of 15 cows. The Committee urges that the number of cows be raised to 40 and the amount to 100 ECU.

. The reference prices for **fruits and vegetables**, should be increased to harmonize their levels with income targets.

. Finally, the Committee fully endorses the views it expressed in February on ways of restoring balance to the sugar market.

This Opinion was based on material prepared by the Section for Agriculture under the chairmanship of M. EMO CAPODILISTA - Italy - Various Interests. The rapporteur was Mr. SCHNIEDERS - Germany - Employers.

#### 2. MONETARY COMPENSATORY AMOUNTS

"Proposal for a Council Regulation (EEC) fixing the agricultural conversion rates to be applied in agriculture"

"Proposal for a Council regulation (EEC) on monetary compensatory amounts"

"Proposal for a Council Regulation (EEC) on the value of the unit of account and the conversion rates to be applied for the purposes of the Common Agricultural Policy"

#### Gist of the Commission proposal

The Draft Regulations codify the waivers to the agromonetary arrangements adopted in 1968, which are now seriously out of date. These waivers cover the whole agromonetary sector, in particular MCAs and green rates.

The new codification is based on an approach which, though formally new, has in fact been followed for several years.

#### Gist of the Opinion (\*)

The Economic and Social Committee adopted with no votes against and one abstention its Opinion approving the Commission's proposal.

This Opinion was based on material prepared by the Section for Agriculture under the chairmanship of Mr. EMO CAPODILISTA - Italy - Various Interests. The rapporteur was Mr. SCHNIEDERS - Germany - Employers.

#### 3. MAJOR ACCIDENT HAZARDS OF INDUSTRIAL ACTIVITIES

"Proposal for a Council Directive on the major accident hazards of certain industrial activities"

#### Gist of the draft directive

The Draft Directive is based on EEC Treaty Articles 100 and 235. It is proposed pursuant to the action programmes on the environment and health and safety at work.

(\*) Opinion no. 351/80

Industrial activities entail two types of risks for man and the environment, namely routine risks in normal operating conditions and exceptional risks in abnormal operating conditions (explosions, fires, massive emissions of dangerous substances when an activity gets out of control).

The Draft Directive is concerned to eliminate exceptional hazards and limit the consequences of major accidents.

There are two sections, with different target areas.

The first section constitutes an outline Directive covering all industrial activities (including storage) involving dangerous substances as defined in general terms by Council Directive 67/548/EEC. This section provides for adoption of measures to prevent accidents and minimize their consequences for man and the environment. It also requires a safety report to be made available to the appropriate authorities and provides for informing workers and the public in the neighbouring areas.

The second section relates to industrial activities involving particularly dangerous substances in excess of a particular quantity. These substances are listed, and criteria are laid down.

The procedure chosen for monitoring these activities is that of notification, the manufacturer being required to send the appropriate authorities a detailed safety report on the substances, installations and points which are major accident hazards.

In order to improve safety, the appropriate authorities are to be notified of major accidents and the Commission is to establish a data bank on accident hazards and major accidents.

#### Gist of the Opinion (\*)

The Economic and Social Committee adopted its Opinion by a large majority with 3 abstentions. It stresses that the

(\*) Opinion no. CES 348/80

harmonization measures to prevent major accidents caused by industrial activities involving toxic, explosive or highly flammable substances must lead to real progress in limiting major accidents of the kind that have occurred in the past decade.

Disasters like that caused by the escape of toxic gas from a chemical plant in Seveso, Italy, call for preventive measures at European level.

The links between the protection of workers in industrial establishments and the protection of the environment outside those establishments must be made particularly clear.

Preventive measures can entail a heavy financial burden on both manufacturers and the economies of the Member States. Community action is therefore necessary to avoid possible distortions of competition, and preventive measures should be adopted only if they will really enhance protection.

Aware that accidents cannot be completely ruled out in industrial activities, the Committee considers that it is a question of doing everything humanly possible to prevent them.

To facilitate prevention it is essential that all parties concerned be properly informed of the hazards and the action to be taken. The Committee therefore welcomes the fact that firms are to be obliged to provide information to their workers and the authorities.

While the information provided to the public and the neighbouring population on the dangers must be as complete as possible, account should be taken of the need to protect firms' legitimate interests (secrecy of production processes), without impeding accident prevention.

The Committee notes that the Directive is confined to industrial activities and asks the Commission to consider how accidents can be prevented in other spheres (transport, laboratory activities,...). The Committee regrets that terms such as "industrial activity" and "dangerous substances", which are of fundamental importance for the application of the Directive, have not been defined more clearly.

In the Committee's view the list of substances proposed by the Commission is incomplete and the toxicity criteria adopted are inadequate and impracticable.

This opinion was based on material prepared by the Section for Social Affairs under the chairmanship of Mr. HOUTHUYS - Belgium - Workers. The rapporteur was Mr. BLASIG - Germany - Employers.

#### 4. DANGEROUS SUBSTANCES (Fourth Amendment)

"Proposal for a Council Directive amending, for the fourth time, Council Directive No. 76/769/EEC on the approximation of the laws, regulations and administrative provisions of the Member States relating to restrictions on the marketing and use of certain dangerous substances and preparations"

#### Gist of the proposal

This fourth amendment to the basic directive relating to restrictions on the marketing and use of certain dangerous substances and preparations allows polychlorinated terphenyls (PCT) to be used, subject to certain conditions and for certain limited applications, in special, approved premises.

This authorization extends only until 31 December 1985.

#### Gist of the Opinion (\*)

The Economic and Social Committee unanimously adopted its Opinion approving the proposal for a Directive.

(\*) Opinion no. CES 343/80

It does, however, wonder whether it is necessary to allow such a long period (12 months) for Member State Governments to introduce the necessary provisions after the Directive has been notified, bearing in mind that the number of industrial undertakings affected by this measure is extremely small and they are already subject to safety inspections at national level.

The Committee welcomes the fact that authorization to use PCT is to be granted only until 31 December 1985. This will make it possible to review the authorization in the light of the progress made prior to that date.

This Opinion was based on material prepared by the Section for Protection of the Environment, Public Health and Consumer Affairs under the chairmanship of Miss ROBERTS - United Kingdom - Various Interest, The rapporteur was Mr. HATRY - Belgium - Employers.

#### 5. INFORMATION ON DANGEROUS PRODUCTS

"Proposal for a Council Decision introducing a Community system for the rapid exchange of information on dangers arising from the use of consumer products"

#### Gist of the draft decision

As part and parcel of its Programme for a Consumer Protection and Information Policy, the Commission is now proposing to introduce a Community system for the rapid exchange of information on dangerous products.

The system would enter into force when a product poses an immediate and acute danger to the public and when it is marketed in one or more Member States of the Community.

The products in question would be for private consumption. Products used for professional purposes would be included. Through such an exchange of information, Member States and the Community would be able to effectively tackle problems at both national and Community level.

#### Gist of the Opinion (\*)

In an Opinion, adopted by a large majority with 2 abstentions, the Committee approves the Commission's proposals for an intra-Community information system.

Such a system must be established so that Member States can inform each other about dangerous, defective and damaged goods immediately after their discovery on the Community market.

It should also make sure that a product withdrawn from the market in one Member State cannot be sold in another or exported to a country outside the Community.

The Committee also points out that apart from being important for consumers, such an information system would also make it easier for the manufacturers of defective products to be protected from widespread claims for compensation under the product liability laws that are to be adopted at Community level.

The Committee also considers that products for both private and professional usage should fall within the scope of the Directive.

Finally, such an information system will not be fully effective unless steps are taken immediately to counteract the dangers posed by the products and unless Member States notify each other about these steps.

This Opinion was based on material prepared by the Section for the Protection of the Environment, Public Health and Consumer Affairs under the chairmanship of Miss ROBERTS - United Kingdom - Various Interests. The rapporteur was Mr. JASCHICK - Germany - Various Interests.

(\*) Opinion no. CES 344/80

## 6. MOTOR VEHICLE CONSUMPTION AND POWER

"Two Proposals for Council Directives on the Approximation of the Laws of the Member States relating to the Fuel Consumption and the Engine Power of Motor Vehicles"

#### Gist of the proposals

The two proposals come under Council Directive 70/156/EEC of 6 February 1970, which laid down an EEC type-approval procedure for motor vehicles and their trailers. The Commission has based its proposals on work done by the Economic Commission for Europe in Geneva, which will be an additional advantage when it comes to trade. The aim of the proposals is to lay down a standard Community-wide method for measuring vehicles' fuel consumption and engine power in the light of each type of vehicle's characteristics. The two proposals are also part of the Commission's plan for new Community-wide energy-saving measures. The fuel consumption proposal describes the method to be used for measuring consumption and the conditions under which tests are to be carried out and also obliges manufacturers to indicate in owners' manuals the results of the fuel consumption tests carried out at various speeds. The engine power proposal contains in its annex a detailed description of the method to be used for measuring engine power. This method enables graphs to be plotted for an engine's power in relation to its speed in rev/min.

#### Gist of the Opinion (\*)

The Economic and Social Committee adopted its Opinion unanimously. It approves the aims of the Draft Directives insofar as they form part of the overall Community policy on energy savings and they are an essential prerequisite to the introduction of measures to publicize fuel consumption data. The Draft Directives will form a necessary part of the measures to improve consumer infor mation and they will provide an instrument of competition policy in the field of motor vehicle manufacture.

Since manufacturers can only obtain precise information after making tests on several vehicles assembled before series production gets underway, the Committee considers that manufacturers must be entitled to modify the fuel consumption data given on the data sheet required for type approval without affecting this procedure.

This Opinion was based on material prepared by the Section for Industry, Commerce, Crafts and Services under the chairmanship of Mr. van CAMPEN - Netherlands -Employers. The Rapporteur was Mr. MASPRONE - Italy -Employers.

#### 7. REAR-VIEW MIRRORS FOR TWO- OR THREE-WHEELED MOTOR VEHICLES

"Proposal for a Council Directive on the Approximation of the Laws of the Member States relating to Rear-View Mirrors for Two- or Three-Wheeled Motor Vehicles"

#### Gist of the Commission's proposal

In July 1979 the French Government informed the Commission pursuant to the agreement of 28 May 1969, providing for standstill and notification to the Commission, of its intention to require a rear-view mirror to be fitted to mopeds sold new as from 1 October 1980.

Since other Member States also had regulations in force or in prospect, and the differences between them are likely to create barriers to trade, the Commission, pursuant to Article 100 of the Treaty, is proposing Community arrangements to harmonize the national provisions. The aim of this proposal is not only to remove barriers to intra-Community trade but also and above all greatly to increase road safety. According to the Commission the obligation to fit one or two rear-view mirrors to these vehicles will increase the cost of the vehicle by around 1% which, in view of the consequent reduction in accidents, is an insignificant capital sum.

The situation in this sector is that mopeds and motor cycles included respectively in the "General programme for the removal of technical barriers to trade which result from disparities between the provision laid down by law, regulation or administrative action in Member States" of 28 May 1969 and the supplement to it dated 21 May 1973, have been the subject of three proposals for Directives on EEC type approval procedures for mopeds and for motor cycles, and on the permissible sound level and exhaust system of motor cycles.

In connection with the two proposals for Directives on EEC type approval for mopeds and for motor cycles the Council has encountered political and administrative difficulties owing to the wide differences between the definitions of mopeds and motor cycles in force in the Member States and consequently it has not yet been able to adopt these new proposals. However, in 1978 it adopted the Directive on the permissible sound level and the exhaust system of motor cycles.

#### Gist of the Opinion (\*)

The Economic and Social Committee unanimously adopted its Opinion generally approving the Commission's proposal.

This Opinion was based on material prepared by the Section for Industry, Commerce, Crafts and Services under the chairmanship of Mr. van CAMPEN - Netherlands -Employers. The Rapporteur was Mr. MASPRONE - Italy -Employers.

## 8. NOISE EMISSION OF CONSTRUCTION PLANT AND EQUIPMENT (AMENDMENT)

'Proposal for a Council Directive amending Directive 79/113/EEC on the approximation of the laws of the Member States relating to the determination of the noise emission of construction plant and equipment"

#### Gist of the Commission's proposal

The aim of this proposal is to amend Directive 79/113/ EEC on the Approximation of the Laws of the Member States relating to the Determination of the Noise Emission of Construction Plant and Equipment, on which the Committee gave its Opinion on 17 November 1975 (OJ No. C 263).

The Annex to Directive 79/113/EEC lays down the technical methods of determining the sound power level of construction equipment, which is essential for assessing the accoustic impact of a machine on the environment. The proposal under discussion adds a second Annex to the Directive laying down the method of determining the noise level of machines at the operator's position. Noise-induced hearing loss is a major problem in our industrialized society. The probability of permanent hearing damage caused by noise is directly related to the noise level and length of exposure of the person concerned. It is hence essential, in order to protect the hearing of operators of construction plant and equipment, to know the value of the parameters for measuring their exposure to noise.

#### Gist of the Opinion (\*)

The Economic and Social Committee adopted its Opinion unanimously. It approves the Commission's proposal; however, it regrets that the new proposal fails to introduce "total" harmonization into the 1979 Directive with a

(\*) Opinion no. CES 341/80

view to ensuring better environmental and worker protection. In any event, the Committee urges that, when it comes to setting the noise level at the operator's position, the relevant implementing Directives be based on the principle of "total" harmonization.

The Committee also draws the Commission's attention to a number of technical points.

This Opinion was based on material prepared by the Section for Industry, Commerce, Crafts and Services under the chairmanship of Mr. van CAMPEN - Netherlands -Employers. The Rapporteur was Mr. MARVIER - France -Various Interests.

#### 9. INDUSTRIAL TRUCKS

"Proposal for a Council Directive (EEC) on the approximation of the laws of the Member States relating to powered industrial trucks"

#### Gist of the Proposal

The Community market in powered industrial trucks, lifting and mechanical handling devices, is considerable. The EEC accounts for one third of world production and is now the largest producer, immediately followed by the USA and Japan. The EC trade balance in this industry is still very positive although competition on the world market is severe.

In terms of intra-Community trade, however, the position is deteriorating. The measures taken by one Member State on 2 June 1978 have considerably strengthened the technical barriers to trade which already existed.

This situation compels manufacturers to adapt their production and their stocks of spares and equipment to the varying technical requirements laid down by the laws of the Member States for which these appliances are intended. Furthermore, it appears that certain Member States, are also preparing amendments to their laws in this field. The national laws are justified to the extent that Member States are responsible for protecting users of powered industrial trucks. Consequently, approximation of the laws seems to be the most suitable means of eliminating the harmful effects of the differences noted.

#### Gist of the Opinion (\*)

The Economic and Social Committee adopted its Opinion by a large majority with 3 votes against and 13 abstentions. It approves the Draft Directive as it will make it possible to bring about a reduction in the number of industrial accidents. The Committee is, however, of the Opinion that "total" rather than "optional" harmonization should be prescribed so as to guarantee the safety of workers and remove barriers to trade.

This Opinion was based on material prepared by the Section for Industry, Commerce, Crafts and Services under the chairmanship of Mr. van CAMPEN - Netherlands -Employers. The Rapporteur was Mr. WYLIE - United Kingdom - Employers.

## **10. PUBLIC SUPPLY CONTRACTS**

"Proposal for a Council Directive Amending Directive 77/62/EEC coordinating procedures for the award of public supply contracts"

#### Gist of the Proposal

The objective of Council Directive 77/62/EEC of 21 December 1976 coordinating procedures for the award of public supply contracts is to ensure a greater degree of transparency, by introducing equal conditions of competition for public contracts of the Member States, in order to improve the functioning of the common market. The Directive applies to public supply contracts of a certain

(\*) Opinion no. CES 347/80

value awarded by States, public bodies and local authorities and makes them subject to Community procedures designed, inter alia, to ensure more extensive advertising and to fix objective criteria as to entitlement to compete for, and the award of, public contracts.

The Community has stated within the context of the GATT Multilateral Trade Negotiations that it is prepared to negotiate increased access to public contracts at international level on the basis of effective reciprocity.

Implementation of the MTN agreement on Government Procurement, scheduled for 1 January 1981, will not, as such, amend Community legislation, which solely governs access to public contracts within the Community, the Commission's concern is not to relinquish, even in part, what has been achieved in this field under Community legislation and, secondly, to retain the Directive as the sole instrument for extending access to contracts within the Community. For this reason the Commission is in favour of aligning the provisions of Directive 77/62/EEC on those of the MTN agreement insofar as the latter are more favourable to suppliers.

#### Gist of the Opinion (\*)

In its Opinion, adopted unanimously, the Economic and Social Committee by and large approves the Commission proposal on coordinating procedures for the award of public supply contracts but nevertheless considers that the new negotiations provided for in the Agreement can only take place if the Commission is certain that third countries are genuinely observing the principle of reciprocity.

The Committee also draws the attention of the Commission to a series of specific comments, one of the most important being the obligation laid down in Article 1(9) which stipulates that the contracting authorities covered by the Agreement shall authorize any candidate, who so requests, to submit a tender; this obligation flies in the face of the restricted procedure.

This Opinion was based on material prepared by the Section for Industry, Commerce, Crafts and Services under the chairmanship of Mr. van CAMPEN - Netherlands -Employers. The Rapporteur was M. DE BIEVRE - Belgium -Employers.

#### **11. RIGHT OF RESIDENCE**

"Proposal for a Council Directive on a right of residence for nationals of Member States in the territory of another Member State"

#### Gist of the Commission document

With its proposal, the Commission is meeting the request of the European Parliament made in its Resolution of 16 November 1977 on the granting of special rights to the citizens of the European Community in implementing the Paris Summit of December 1974 (point 11 of the final communiqué).

At present, nationals of Member States who wish to reside permanently in another Member State without pursuing any economic activity there, come under the general rules applicable to foreign nationals and are treated, as regards the conditions of their residence, as nationals of non-member countries and subject to the discretionary power of the host Member States.

This proposal for a Directive is aimed at partially filling this gap in Community law by laying down the rules under which this right of residence may be exercised by certain non-working persons.

It was not considered possible at the present time to propose the recognition of a right of residence for all citizens of all Member States, particularly because of the periods of transition applicable to acceding Member States for the purposes of establishing the free movement of workers.

The principle on which the proposal is based is the recognition of an inherent right of residence in the Member States for Community citizens above 18 years of age.

Children under 18 years old and spouses without independent means have no direct rights, but one derived from the person on whom they are economically dependent, provided they reside with that person in the host country. Children over 18 years who have no individual means and are dependent on a citizen of a Member State are recognized as having a personal right if they are students in the wide sense of the term. In other cases, their right of residence derives from that of the citizen on whom they are dependent.

#### Gist of the Opinion (\*)

The Economic and Social Committee adopted its Opinion unanimously. It welcomes the proposal for a Council Directive on a right of residence for nationals of Member States in the territory of another Member State since such a proposal is long overdue. The right of residence for all Community citizens should be among the rights to be granted as a matter of priority to Community citizens. However, the Committee would like to point to several difficulties of definition which occur in the proposed Directive, such as the definition "minimum subsistence level", "spouse" or the "proof" to be presented at the point of applying for residence in the host country.

The Committee drew attention to some of the problems inherent in future migration movements which stem, among other matters, from the grave inadequacies within European regional policy. But at the same time the Committee stated that being part of the European Community must mean also an increase of solidarity with citizens of other Member States who have contributed to the economic, social and cultural development of the Community as a whole.

Furthermore, it understands that the Directive establishes a simple right of residence and that it will be the task of individual Member States to decide what rights and liabilities attach to residence.

The Committee desires that the Directive be implemented as soon as possible but believes at the same time that a period of 18 months would be a more realistic period for implementation, bearing in mind the timespan needed to process necessary legislation.

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. ROSEINGRAVE - Ireland - Various Interests.

#### **12. PEAS AND FIELD BEANS**

"Proposal for a Council Regulation (EEC) Amending Regulation (EEC) No 1119/78 laying down special measures for peas and field beans used in the feeding of animals"

#### Gist of the Commission's proposal

The Commission proposes granting the aid referred to in Regulation (EEC) No 1119/78 to undertakings which use peas and field beans harvested in the Community for the extraction of a protein concentrate intended for human consumption; the aid is to be granted in proportion to the quantities of peas and field beans intended for the manufacture of animal feedingstuffs, on condition that the products in question have a certain protein content.

## Gist of the Opinion (\*)

In its Opinion, adopted unanimously, the Economic and Social Committee approves the Commission's proposal.

This Opinion was based on material prepared by the Section for Agriculture under the chairmanship of Mr. EMO CAPODILISTA - Italy - Various Interests. The Rapporteur was Mr. ZINKIN - United Kingdom - Employers.

## **13. BREEDING PIGS**

"Proposal for Council Regulation (EEC) relating to the zootechnical standards applicable to breeding animals of the porcine species"

#### Gist of the Commission document

The proposal was drawn up with the aim of gradually liberalizing intra-Community trade in all breeders and include provisions allowing for the adoption of purely technical but necessary measures of application.

#### Gist of the Opinion (\*)

In an Opinion, adopted unanimously, the Economic and Social Committee points out that legislation on stockbreeding differs greatly from one Member State to another and that the Commission's proposal should therefore take the form of a Directive and not a Regulation.

Nevertheless, the Committee approves the Commission's aims, viz the removal of barriers to intra-Community trade in breeding pigs, although it points out that the obstacles are no longer very serious in this sector.

(\*) Opinion no. CES 339/80 (\*\*) Opinion no. CES 340/80 This Opinion was based on material prepared by the Section for Agriculture under the chairmanship of Mr. EMO CAPODILISTA - Italy - Various Interests. The Rapporteur was Mr. WICK - Germany - Employers.

#### **14. FRUIT JUICES**

"Proposal for a Council Directive amending, for the second time, Directive 75/726/EEC on the approximation of the laws of the Member States concerning fruit juices and certain similar products"

## Gist of the Commission proposal

The aim of the proposal is:

- to resolve once and for all the problem of the acidification of certain fruit juices and nectars,
- to bring the labelling provisions for fruit juices and similar products into line with the labelling provisions for foodstuffs in general,
- to correct certain errors noted during the implementation of the Directive now being amended.

#### Gist of the Opinion (\*\*)

In its Opinion, adopted unanimously, the Economic and Social Committee approves the Commission's proposal.

The Committee notes that barriers to trade could arise in respect of certain products, such as reconstituted fruit juices, as there are no EC methods of analysis. The Committee calls upon the Commission to prepare a Directive on this subject. The Committee also urges that:

- standards to be determined regarding the quality of the water used in re-constituted fruit juices and nectars;
- if it is essential to correct the natural acidity of fruit juices by adding lemon juice, the percentage of lemon juice in the drink should be indicated in the list of ingredients.

This Opinion was based on material prepared by the Section for Agriculture, under the chairmanship of Mr. EMO CAPODILISTA - Italy - Various Interests. The Rapporteur was Mr. DE GRAVE - Belgium - Workers.

#### 15. TECHNICAL REQUIREMENTS FOR INLAND WATERWAY VESSELS

"Proposal for a Council Directive laying down technical requirements for inland waterway vessels"

#### Gist of the Commission's proposal

This proposal is the result of measures initiated in 1973, at the request of the Member States, with the aim of improving the safety of passengers, crews and vessels operating on Community inland waterways.

In 1976, as a first stage in this work, the Council adopted Directive 76/135/EEC, which provided for reciprocal recognition of national certificates of navigability and which, in its Article 5 required the Council, acting on a proposal from the Commission, to adopt the technical requirements for vessels before 1 January 1980.

Such recognition was the necessary preliminary to the introduction of a Community system of technical inspection, since the drawing-up of common technical requirements necessitated work over a long period.

The present proposal for a Directive, which incorporates the results of this work, contains:

- common provisions relating to the technical requirements for inland waterway vessels, and a Community inland navigation certificate;
- in Annex I, a list of Community inland waterways, devided into three categories A, B and C (Article 2 of the proposed Directive);
- in Annex II, the minimum technical requirements for vessels operating on waterways of categories A, B and C (Article 3 of the proposed Directive);
- in Annex III, a model of the Community inland navigation certificate (Article 5 of the proposed Directive);
- in Annex IV, a model of the supplementary Community inland navigation certificate provided for in Article 10 of the proposed Directive.

#### Gist of the Opinion (\*)

The Economic and Social Committee adopted its Opinion by a large majority with 2 abstentions. It reiterates its views that harmonization of minimum technical standards for inland waterway vessels is to be welcomed, since it will make for more equal terms of competition and safer working conditions.

It has examined thoroughly the Commission's proposal for a Council Directive laying down technical requirements for inland waterway vessels, and is satisfied that a comprehensive and detailed regulatory instrument in keeping with technical and social progress has been produced, with the Regulation on inspection of shipping on the Rhine serving as model. It notes, however, that various special features and developments in the construction and operation of inland waterway vessels have not been taken sufficiently into account, and refers in this connection to the detailed comments in the Report of the Section for Transport and Communications.

Finally, it considers that provisions diverging from the Regulation on the inspection of shipping on the Rhine or from the ECE requirements based thereon should be avoided as far as possible.

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. ZÜNKLER - Germany - Employers.

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## **EXTERNAL RELATIONS**

#### **Chairman's statement**

Since the last Session the Committee Chairman has had the following contacts:

#### Mr. JUDITH, President of the ECSC Consultative Committee, on 19 March in Düsseldorf

Mr. VANNI emphasized that the ESC set great store by cooperation with the ECSC Consultative Committee. Such cooperation - in particular that between the Consultative Committee and the ESC's Section for Industry, Commerce, Crafts and Services - had already been of significant value, for example in connection with the drafting of both bodies' opinions on industrial restructuring.

This topic will certainly attract considerable interest when the ESC Opinion on the economic situation in the Community in mid 1980 is discussed. Mr. VANNI therefore invited Mr. JUDITH to attend the May Session.

#### - Mr. FAIST, Director of the European Vocational Training Centre, on 18 March in Berlin

Mr. VANNI said that the ESC's keen interest in vocational training, was borne out by its numerous Opinions on the matter. Mr. FAIST outlined the Centre's principal activities.

#### Mr. LUDLER, representing the Mayor of West Berlin

Mr. VANNI met Mr. LUDLER during his visit to the European Vocational Training Centre on 18 March. Mr. VANNI expressed the ESC's keen awareness of the problems facing West Berlin, with particular emphasis on the economic and social aspects.

#### H.E. Ambassador RESKIN, Head of the Turkish Mission to the E.C. on 20 March in Brussels

Ambassador RESKIN called for closer contacts between the ESC and Turkish economic and social circles, in accordance with the terms of the Association Agreement.

Mr. VANNI said that the ESC Bureau would examine this matter in the near future. He expressed his own keen interest in closer contacts between the Committee and representatives of economic and social activity in Turkey.

#### - Visit to Strasbourg

Mr. VANNI addressed the 10th Congress of the Union of European Federalists, held in Strasbourg on 14 March. In the course of his address Mr. VANNI stressed the Committee's contribution to building Europe.

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#### **NEW CONSULTATIONS**

During the month of March the Council requested the Committee to deliver Opinions on:

"Proposal for a Council Directive on the approximation of the laws of the Member States relating to methods of testing the biodegradability of nonionic surfactants and amending Directive 73/404/ EEC"

(doc. COM(80) 40 final)

- "Communication from the Commission to the Council concerning food aid programmes for 1980" (doc. COM(80) 57 final)
- "Proposal for a Council Regulation (EEC) amending Regulation No. 136/66/EEC on the establishment of a common organization of the market in oils and fats and supplementing Regulation (EEC) No. 1360/78 on producer groups and associations thereof"

(doc. COM(80) 60 final)

- "Proposal for a Council Directive amending Council Directive 77/541/EEC on the approximation of the laws of the Member States relating to safety belts and restraint systems of motor vehicles"
- "Proposal for a Council Directive amending Council Directive 76/115/EEC on the approximation of the laws of the Member States relating to anchorages for motor-vehicle safety belts"
- "Proposal for a Council Directive amending Council Directive 74/408/EEC on the approximation of the laws of the Member States relating to the interior fittings of motor-vehicles (strength of seats and of their anchorages)" (doc. COM(80) 84 final)

"Amendment to the Proposal for a Council Regulation on support for projects of Community interest in transport infrastructure" (doc. COM(80) 58 final)

"Proposal for a Council Directive amending for the fifth time Directive 76/769/EEC on the approximation of the laws, regulations and administrative provisions of the Member States relating to restrictions on the marketing and use of certain dangerous substances and preparations" (doc. COM(79) 419 final)

## IV

## PROVISIONAL PROGRAMME OF FUTURE WORK

## **APRIL 1980 PLENARY SESSION**

## **Opinions requested**

- Generalized tariff preferences scheme
- Food aid
- Certificates of origin

## **Own-initiative Opinions**

- Use of medicines
- Regional development programme

## Study

- Regional policy - Lorraine integrated operation

## **Information Report**

Human rights

## MAY 1980 PLENARY SESSION

## **Opinions requested**

- Legal expenses insurance
- Radiation protection
- VAT on the stores of vessels, etc.
- Social situation in 1979
- Protective structures for construction plant
- Organization of the market in oils and fats

## **Own-initiative Opinions**

- International standards working conditions
- Economic situation in mid-1980

## JULY 1980 PLENARY SESSION

## **Opinions requested**

- Electrical equipment for use in mines susceptible to firedamp
- Income tax provisions with respect to freedom of movement for workers
- Protection of workers against lead
- Textile names
- Pesticide residues in cereals
- R & D biomolecular engineering
- Air transport (Additional Opinion)
- Transport infrastructure support
- Development of transport infrastructure
- ERDF quota-free aid (Additional Opinion)
- Biodegradability of non-ionic surfactants
- Seat belts

## **Own-initiative Opinion**

- Competition policy

## SUBSEQUENT SESSIONS

#### **Opinions requested**

- Saint-Geours report (long-term consumption of energy)
- Regional transport statistics

### **Own-initiative Opinion**

Investment guarantees (LDCs)

#### **Studies**

- DNA conjectural risks
- Consistency of external policies

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## MEMBERS' NEWS

## Appointment

The Council has appointed as a new member Mr. L. LAUGA, Deputy Secretary of the National Federation of French Farmers' Unions (FNSEA). He replaces Mr. GUIL-LAUME who resigned.

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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 1975)
- The Economic and Social Committee (April 1979) (A descriptive brochure) 16 p.
- --- Annual Report (1978) 115 p. (1976) 80 p.
- Directory (January 1980) (List of Members)
- The Right of initiative of the Economic and Social Committee (October 1977) 124 p.
- 20th Anniversary of the Economic and Social Committee (May 1978) 19 p.

#### **Opinions and Studies**

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