

ECONOMIC AND SOCIAL COMMITTEE
OF THE EUROPEAN COMMUNITIES

BULLETIN



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I

199th PLENARY SESSION

The 199th Plenary Session of the Economic and Social Committee of the European Communities was held in the Committee building in Brussels on 30 June and 1 July 1982. The Chairman, Mr Tomás Roseingrave, presided.

Mr Ortoli, Vice-President of the Commission, took part in the debate on the economic situation in the Community in mid 1982.

EXTRACT FROM Mr ROSEINGRAVE'S SPEECH

Speaking at the Plenary Session to members of the Economic and Social Committee, whose mandate expires on 18 September 1982, Mr Roseingrave said:

"An assessment of the activities of the Economic and Social Committee can, of course, not be made without having regard to the general context of the situation in which the Community finds itself. This situation is very serious indeed. The most striking phenomenon during these last two years has been an evergrowing unemployment inside the Community, with all the hardship it means for the people concerned.

Many plans have been put forward, many words have been said in this respect and, yet, we are faced with a figure of unemployment which now goes beyond 10 million and there are no indications that any appreciable change is going to take place in the foreseeable future. We must be aware of the fact that unemployment at this scale produces social dislocation and poses a serious threat to the whole democratic basis and balance of society.

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governments and even major countries are not any longer able to cope with the crisis on their own. This is a global problem for which only a global solution will suffice. Is there any better proof in this respect than the example of one of the major Member States having a Government which was elected democratically by the people of that country which endowed it with a mandate for a given policy and, yet, in spite of all this,

just after the Versailles Summit, has had to alter the course it was taking as regards its set economic policy. This experience raises the question of whether even a much greater economic entity like the European Community would be able to implement a genuine economic policy. But, as we all know, we are far from having such a joint approach. The absence of Community policies outside the Common Agricultural Policy and the present inadequacy of the Community Institutions are severely felt.

As far as the common complementary policies are concerned, our Committee has stressed, time and again, that there must be a qualitative change. We said particularly in our Opinion on the Prospects for the '80s that the following policies must be emphasized:

- the stimulation of the economy and the re-establishment of full employment;
- the need for a common industrial policy;
- social policy;
- energy policy;
- regional and transport policies;
- the strengthening of the Common Agricultural Policy;
- the improvement of the quality of life.

The feeling of the present inadequacy of Community policies and institutions also refers, of course, to the financial basis of the Community. It seems obvious indeed that there is no possibility to implement these complementary policies without additional resources and we have stated on many occasions that the 1% VAT ceiling is too low. It is a road-block which must be removed if the European Community is to be enabled to emerge from the present impasse and to make further progress.

It is also important that the decisions taken in the above-mentioned areas have to be conveyed to the citizens of Europe through an efficient Community information policy. The Community institutions and bodies must therefore provide the different media with a constant supply of information so that radio and television programmes can reproduce the viewpoints of the Community as such along with the opinions of political, economic and social groups. This is very necessary, I believe, in order to correct the image currently projected by the mass media, which is too often inadequate, sometimes inaccurate, and may make a misleading impact on the general public."

ADOPTION OF OPINIONS

1. ECONOMIC SITUATION IN THE COMMUNITY (MID 1982) (own-initiative Opinion)

Background to the Opinion

According to established practice, the Committee gives two Opinions a year on the Economic Situation in the Community. This, the first Opinion, is an own-initiative Opinion, whilst the second is in response to a Council referral of a specific Commission document, namely the Commission's Annual Economic Report (October of each year).

The Bureau of the Section for Economic and Financial Questions considers this first Opinion to be the Committee's major statement on economic policy.

The purpose of this mid-year Opinion is:

- as in the past, to help inform the Council about the budget and short-term economic measures which the economic and social interests recommend and believe to be appropriate. By giving its Opinion mid-year, the Committee also provides the Economic Policy Committee and the Council Co-ordinating Group with the Committee's views on economic policy matters in time for their final deliberations on the preliminary economic budget for the following year. Council Decision 74/120/EEC states that at the end of the second quarter "the Council lays down appropriate guidelines for the main elements of the preliminary economic budgets. Within this framework, quantitative guidelines for the draft public budgets for the following year are fixed before the national budgets are finally adopted. These guidelines will cover developments in government expenditure and revenue, the nature and extent of budget surpluses and deficits, and the way the latter are to be financed or used. The guideline figures for the draft public budgets are not published at this juncture."
- to serve as a guide to the Commission as to the balance of views on economic questions held by the social partners when the Commission comes to draw up its Annual Economic Report (September).
- to brief the national Economic and Social Councils and professional organisations via their representatives on the Committee concerning the Committee's assessment of economic trends in the Community as a whole. It is hoped that dissemination of the Committee's Opinion to Member States' consultative bodies in this way will permit a European perspective with respect to economic situation and policy to be taken into account when these bodies discuss their

respective national budget proposals with their respective governments.

It is also customary for the Committee to produce a brief Report at the same time on the economic situation in an individual Member State — this being the Member State currently holding the Council presidency: in the present case, Belgium.

Resumé of speech by Mr Ortoli, Vice-President of the Commission

Mr Ortoli recalled the four objectives which the Commission had outlined in its recent communications on investment and the economic situation, namely: a more stable world economic climate, the modernization of structures, greater economic convergence and an improvement in the employment situation.

Referring to the conclusions of the European Council, he maintained that a strong dollar coupled with US interest rates were a significant obstacle to the recovery of the American economy and were also slowing down the advent of an upturn in Europe.

He also voiced serious concern over the decisions which had been adopted by some of Europe's trading partners independently of GATT rules.

On the subject of the modernization of economic structures in Europe, Mr Ortoli said that this would entail far heavier investment. Now more than ever there was a need for close co-ordination of short and medium term economic policies, in that short-term policies should further medium and long-term policies. Furthermore, an increasing amount of national public expenditure would have to be earmarked for investment in infrastructure and the promotion of economic expansion.

He acknowledged that the evidence is that the economic recovery will be less marked than had been hoped at the beginning of the year. The 1982 growth rate would not be more than 1.5%, which was very slightly below the figure forecast by the Commission in January.

The main growth factors in 1982 would be the continuing slight expansion of public consumption and, more particularly, the replenishment of stocks, whereas any expansion in 1983 was likely to be the result of a degree of recovery in consumer spending and higher investment.

On the subject of convergence, Mr Ortoli stressed that this could only be ensured if the objectives which Member States set themselves were consistent with each other and if their attempts to stabilize public

finances, improve the balance of payments and increase the growth rate produced results which were as far as possible compatible, since this would make for greater stability and further permanent growth.

As to unemployment, Mr Ortoli predicted that although the number of jobless might well increase less rapidly, it would not actually fall. An unemployment rate of 9.2% was forecast for 1982, and a figure of 9.4% for 1983, although a slight slowdown might be recorded in most of the Member States in 1983.

Gist of the Opinion⁽¹⁾

In its Opinion, adopted by 74 votes to 8, with 18 abstentions, the Economic and Social Committee considers that European economic policy should basically seek to gradually reduce inflation, revive demand and investment and prevent competitive reductions in real incomes.

It also stresses the particular role of the Community, which should ensure coordination of the Ten's economic and social policies.

The Commission forecasts a modest economic upturn in 1982. The growth anticipated will not, however, be enough to check the continuous rise in unemployment, and a further increase in the number of jobless must be expected in 1983.

Against this background the Committee's Opinion describes the problems besetting economic policy-making, viz. only moderate economic growth, sluggish structural change, balance-of-payments deficits and high public debts.

It is observed that certain Member States have introduced measures to improve the employment situation. These measures have of course budget implications, but account must be taken here of the cost of the unemployment benefit that would otherwise have to be paid indefinitely and the loss of revenue to the State.

The Committee is in favour of encouraging investment, with particular emphasis on job-creating investment in growth sectors. It is necessary to promote programmes of fundamental and applied research and provide for the training of manpower, if new technologies are to be introduced.

Before turning to the various sectors of Community economic policy, the ESC points out that the individual Member States cannot solve their problems in isolation. The Community's special role is therefore to coordinate and align the Member States' economic and social policies.

⁽¹⁾ CES 555/82.



From left to right: Mr Loccufer and Mrs Engelen-Kefer, members of the ESC, Mr Louet, Secretary-General, and Mr Roseingrave, President of the ESC, Mr Ortoli, Vice-President of the Commission, and Mr Laval, Vice-President of the ESC.

More use should be made of the opportunities offered by the Community's extensive domestic market rather than trying to tackle the problems with protectionist measures.

The Committee urges that the subsidization policies of the Member States be coordinated by the Community so that the subsidies granted by one country do not jeopardize jobs in other Member States.

Small and medium-sized enterprises are particularly hard hit by the recession and the high level of interest rates. The Community should help these firms in a number of ways.

The Community's top priority should be to combat unemployment. A number of specific measures to be adopted as part of an active employment policy are listed.

The ESC attaches particular importance to the revival of investment. Efforts should be focussed on the following areas: energy conservation, short-haul public transport, housing, protection of the environment and new technologies. Use should be made of the New Community Instrument to help finance these investments.

This Opinion was based on material prepared by the Section for Economic and Financial Questions under the chairmanship of Mr Rollinger (Luxembourg - Various Interests). The rapporteur was Mr Loccufier (Belgium - Various Interests).

2. SOCIAL DEVELOPMENTS 1981

"Social developments in the Community in 1981"

Gist of the Commission document

As in previous years, the Commission has asked the Committee for an Opinion on social developments in the Community in 1981, which should take the Commission's own Report on the subject as its basis.

Gist of the Opinion⁽¹⁾

The deterioration in the economic and employment situation in the countries of the European Community is very worrying, says the Economic and Social Committee in an Opinion, adopted by 45 votes to 11, with 15 abstentions. To remedy this, the Committee suggests the introduction of a "phased" employment strategy.

The rise in unemployment must not threaten basic social welfare provisions, while the savings to be made must be based on the principle of social justice.

The ESC also stressed the need for an active labour market and employment policy in order that unemployment can be combatted effectively. (Cutbacks in labour market policy result in increased public spending on unemployment benefit). Particularly worrying is the increase in structural unemployment, which is causing more and more sectors of the population to be out of work for long periods of time. The ESC advises the Commission to carry out a comparative analysis whose results would enable the Governments to take specific action to help the long-term unemployed.

Since there is no simple solution to the unemployment problem, it will be important to coordinate the deployment of all the measures which have some effect in this field. On top of short-term programmes for reviving the economy, there should also be a graduated employment strategy.

⁽¹⁾ CES 556/82.

A greater boost should also be given to private and public investment, especially in those sectors where employment is directly affected. Coordinated action between Member States would be easier if Governments exchanged more information about individual measures taken.

In addition, the Commission should consider how the European Social Fund could be put to more effective use. Resources should be concentrated more on regions and sections of the population with employment problems. However, it should be borne in mind that the European Social Fund can, because of its small budget, make only a limited contribution in the field of employment.

In its Opinion the ESC also draws attention to two specific problems: youth unemployment and the problems of migrant workers.

With regard to the problems of young people and youth unemployment, the scale and special nature of unemployment amongst this section of the population calls for special action in the Member States and at Community level to back up general economic and employment policy. Special attention should be paid to preparing school-leavers for working life. Young workers of both sexes should be able to acquire occupational skills either at their place of work or during their period of unemployment. The special measures taken to help young people must form part of the Community's overall strategy on employment.

More or less the same problems face migrant workers in all Member States. The deteriorating economic situation and the rise in unemployment in the Community is influencing the current policy towards migrant workers. All available means should be employed to combat the spread of xenophobic tendencies. A further rise in the migrant population from non-Community countries must be stopped by making all-out efforts to stamp out illegal immigration and illegal labour sub-contracting.

Workers wanting to return home to their native countries should be given a vocational training which will further the economic development of their native countries. On the other hand, if workers have been employed in the Community for a certain length of time and wish to stay here, they should in the long term be put on an equal footing with nationals.

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

3. RATIONAL USE OF ENERGY

“Commission communication to the Council concerning investment in the rational use of energy”

Gist of the Commission’s document

In the Foreword to the Fifth Medium-Term Economic Policy Programme⁽¹⁾ and in its recent Communications on the development of strategies for energy and industry in the Community⁽²⁾, the Commission stresses the need for the Community and the Member States to ensure that investment in energy, and in particular investment in the rational use of energy⁽³⁾, proceeds at a fast pace and a high level.

This Communication, which is the end-product of a detailed study by the Commission’s departments in the Member States of policies in this sphere, and follows on from a number of studies⁽⁴⁾ and Communications⁽⁵⁾:

- (I) stresses the key role of investment in the rational use of energy in a strategy for energy and industry;
- (II) provides information on the Member States’ policies in this sphere;
- (III) analyses the difficulties and obstacles encountered in implementing these policies;
- (IV) proposes a series of measures likely to increase the effectiveness of the resources deployed by the Member States to encourage this type of investment by exploiting the advantages and facilities which the scale of the Community can provide.

(1) Draft of the 5th Medium-Term Economic Policy Programme (doc. COM(81) 344 final)

(2) The Development of an Energy Strategy for the Community (doc. COM(81) 540 final; A Community Strategy to Develop Europe’s Industry (doc. COM(81) 639 final/2)

(3) “Investment in the rational use of energy” means investment which makes it possible to save energy in such a way as to obtain the highest possible efficiency in the use of all forms of energy, and/or to use primary sources more effectively, and to encourage the process of substituting other forms of energy for oil under satisfactory economic conditions.

(4) In particular, Investment and Employment in an Energy-Efficient Society, April 1981

(5) Energy Pricing — Policy and Transparency (COM(81) 539 final)
Taxation of Petroleum Products (COM(81) 511 final)

Gist of the Opinion⁽¹⁾

In its Opinion, adopted with 110 votes in favour and one abstention, the ESC welcomes the Commission communication. It is, however, a trifle scathing about the fact that nine years have already gone by since the onset of the energy crisis, and only now is the Commission able to come out with an analysis of the problems encountered in fostering investment in the rational use of energy. It hopes that the communication will quickly lead to Directives laying down a comprehensive set of measures.

The Committee, whilst anxious to encourage the Community's endeavours with respect to investment in rational use of energy, is a little critical of the half-measures enunciated in the Communication. It considers it essential to expand projects and programmes aimed at promoting the rational use of energy. It sees such a policy as having the potential for providing the much-needed positive impact on the economy as a whole, especially as regards employment. It looks at Member States' policies, and urges them to adopt specific concrete measures particularly in the sectors offering the most potential for rational use of energy.

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).

4. ENERGY STRATEGY/NUCLEAR ASPECTS

“Communication from the Commission to the Council concerning an energy strategy for the Community: the nuclear aspects”

Gist of the Commission's document

This Communication follows on from the Commission's 1981 Communication to the Council on the Development of an Energy Strategy for the Community (doc. COM(81) 540 final). In brief, the strategy it proposed then was to reduce dependence on oil by means of a more rational use of energy and a greater diversification of supplies.

The aim of this Communication is to examine the conditions for a more widespread recourse to nuclear power and to outline the action to be taken at Community level in order to tackle the specific problems posed by this energy source: supply of fuels; safeguarding of nuclear

⁽¹⁾ CES 549/82.

materials; protection of the health and safety of workers and the general public; the protection of the environment; information to the public.

The Commission hopes that the Council will, on the basis of this Communication, approve the broad lines of the approach envisaged by the Commission in this document with regard to the Community's role in this field.

Gist of the Opinion⁽¹⁾

In an Opinion, adopted by 95 votes to 7, with 3 abstentions, the Committee welcomes the fact that the present communication from the Commission on the Community's energy strategy gives an overall view of the nuclear aspects and announces a series of concrete measures.

It warns against being taken in by "average" Community energy figures, saying that they too often obscure the fact that the Community does not at present have any common nuclear energy policy and that the national policies in this sphere diverge rather than converge. The Opinion goes on to identify some of the reasons for the divergence among national nuclear energy policies.

The ESC calls for reliable data on which to make a valid judgement on the economic aspects of nuclear energy.

It deals with the problem of spent nuclear fuel in particular and the question of the acceptability of nuclear energy in general by the public at large.

The Committee places considerable store by the illustrative programmes, hoping that they will be used by the Commission in an analysis of which Member States' nuclear energy policies diverge as they do.

The Committee's Opinion also looks at the Community's 3 main suppliers of nuclear fuels, hinting at the repercussions that a change in the supply Agency's role could have on current and future raw material supply agreements.

Finally, it looks at the question of reactor safety/ radiation protection, etc., referring to what the Committee said in its Study on a Community Nuclear Safety Code, urging that a start be made soon with an effective drive to inform and educate the public concerning the development of the energy situation and associated questions.

⁽¹⁾ C.E.S 550/82.

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 von der Decken (Germany - Various Interests).

5. PERIODIC REPORT ON THE SITUATION IN THE REGIONS

“The regions of Europe — first periodic report on the economic and social situation of the regions of the Community”

Gist of the Commission document

Following a Council resolution adopted on 6 February 1979, the Commission was instructed to cooperate closely with the Regional Policy Committee on the drafting of a periodic report on the situation and socio-political trends in the regions of the Community. This report should provide a blueprint for analysing and planning regional policy to supplement the regional policy programmes of the Member States and, at two-and-a-half yearly intervals, to influence the guidelines and priorities to be adopted for the subsequent period.

The Commission submitted its first periodic report in January 1981.

Now that it is proposed to concentrate spending by the European Regional Development Fund, decisions as to whether or not a given region is to receive Community aid can be based on the information contained in this report.

Gist of the Opinion⁽¹⁾

In this Opinion, which was adopted by a large majority, 4 votes against and 7 abstentions, the Committee attempts to assess the reliability and effectiveness of the periodic report both as a means of analysing the relative prosperity of the regions and as a working tool of future regional policy. The Opinion is primarily concerned with three questions:

— The definition of the word “regions”, in the sense of geographical units used for the purposes of data-collection.

The Committee is in favour of using a more functional type of region for analytical purposes, since it is more likely to reflect economic patterns than administrative units. At the same time the Committee acknowledges that this will create difficulties — for instance with

⁽¹⁾ CES 553/82.

data available only by administrative units. The Committee urges that wherever possible administrative units be grouped together to form more extensive functional areas. It is confident that the collection and use of statistics is likely to become more reliable and flexible with modern data-processing methods.

- The nature of the indicators used to assess the relative prosperity of a region. The Commission opted for gross domestic product and unemployment. The Committee queries the relevance of GDP which it claims is not calculated by uniform, hard-and-fast methods in all Member States, and calls for the adoption of standard procedures. As to unemployment, the Committee feels that the significance of this very important indicator would be further enhanced if it were weighted to allow for the overall rate of economic activity, coupled with population and migration trends.

The Committee also stresses the need to select indicators which would afford a dynamic rather than a static view of the situation in the regions.

- Once a definition and reliable indicators have been chosen, the results of the analysis will be used to determine a "Community average". The Committee believes that this Community average alone should not determine inclusion or exclusion in the Quota Section of the ERDF. Additional criteria must be developed.

Useful information can be obtained, for example, from rates of change of dynamic information, regional structure and percentage changes in growth and income.

This Opinion was based on material prepared by the Section for Regional Development, under the chairmanship of Mr Milne (United Kingdom - Workers). The rapporteur was Mr Loebel (United Kingdom - Employers).

6. AGRICULTURAL DEVELOPMENT IN GREECE

"Proposal for a Council Regulation on the acceleration of agricultural development in certain regions of Greece"

Gist of the Commission's document

Given the structural situation in the mountainous and underprivileged regions in Greece, the Commission has proposed a programme containing measures designed to satisfy the major needs of agriculture in these regions.

These measures relate to:

- rural infrastructures, and in particular public services such as electricity, drinking water, farm roads and local roads;
- small-scale irrigation networks using the water supplies available to improve the conditions for agricultural production;
- the improvement of pastures and protection against soil erosion;
- the development of cattle, sheep and goat farming;
- the improvement of facilities for agricultural training by the establishment of training centres or by enlargement and modernization of existing centres;
- soil and water conservation, afforestation and the improvement of degraded forests, including measures to safeguard and maintain the woodland required for the protection of agricultural land.

Gist of the Opinion⁽¹⁾

The amount of EEC aid designated for the acceleration of agricultural development in certain regions of Greece is acceptable, but should be increased if the need arises. This is the gist of the Economic and Social Committee's unanimously adopted Opinion.

The proposed Regulation, which embodies a set of measures aiming to accelerate agricultural development in 22 regions of mainland Greece should be seen as an adjunct to the common structural policy.

Although the ESC approved the proposed Regulation, it wonders whether the 197.9 m ECUS is enough to achieve the Commission's aims in view of the scale of requirements and the number of regions concerned.

Since the proposed common measure is to span five years, it also feels that it should be possible, if necessary to step up the amount envisaged.

Cooperative-type agricultural organizations or associations are a particularly suitable means of boosting agricultural development in regions with major structural difficulties. It therefore feels that the proposed action programme should encourage the setting-up of agricultural cooperatives or associations where such bodies do not exist, besides furthering the development and activities of existing cooperatives and associations.

Finally, the Regulation should require the Greek Government to take appropriate measures to draw the attention of the general public to Community-funded projects, so as to bring home to less favoured

⁽¹⁾ CES 546/82.

regions the benefits to disadvantaged regions of membership of a Community which expresses its solidarity in practice as well as theory.

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 Dassis (Greece - Workers).

7. FINANCIAL AND TECHNICAL COOPERATION (own-initiative Opinion)

“Commission report to the ACP-EEC Council of Ministers on the administration of financial and technical cooperation in 1980, under the Lomé Convention”

Gist of the Commission report

This Report consists of a financial review of the administration of the EDF (European Development Fund) covering the last years in which the first Lomé Convention was in force.

The Report also discusses the contribution of the EIB (European Investment Bank), providing a detailed break-down, by sector and purpose, of Community aid distributed under the 1980 financial and technical cooperation programme.

Finally, the Report offers a tentative survey of aid given, by assessing the extent to which the projects financed have actively contributed to development in the recipient countries.

Gist of the Opinion⁽¹⁾

In its unanimously adopted Opinion, the Committee expressed regret at the excessively “accountancy” character of the Commission report. Moreover, the fact that the report shows that a good atmosphere of cooperation generally exists between the Community and the ACP States leads the Committee to regret all the more that each ACP State has not drawn up individual observations and proposals for the implementation of financial and technical cooperation in that particular country.

The Committee notes that during 1980 there was a speeding up of commitments and disbursements — especially the latter — in connection with financial and technical cooperation. The fact that the

⁽¹⁾ C.I.S 567/82.

greatest delays occur in the administrative machinery of the least developed countries makes this speeding up particularly desirable.

As regards the selection of projects and the cost of financing them, the Committee hopes that the Community will give the greatest possible support to small-scale projects, in which the initiative is taken by the local population rather than the State, and in which implementation and results are achieved more quickly. However, certain large scale projects should not be overlooked, and should be considered mainly in terms of their regional implications (impact on more than one country).

Two aspects of financial and technical cooperation deserve ever greater attention from Community and ACP authorities, in view of their long-term effect on real ACP development: "follow-up" to investment, and vocational training. The Committee endorses the Commission's assessment of the value of promoting small-scale projects, and of the importance of training and information.

Stressing the value of the activity of the Joint Committee of the ACP-EEC Consultative Assembly, which regularly organizes contact with ESC members' opposite numbers in the ACP States, the Committee hopes that the representation of the social and economic groups of the ACP States will be expanded in order to allow real discussions between the parties.

Lastly, the Committee stresses that it has restricted its examination to a limited number of questions, on the understanding that it is to make a detailed study of the guidelines to be given for relations between the Community and the ACP States.

This Opinion was based on material prepared by the Section for External Relations, under the chairmanship of Mr de Précigout (France - Employers). The rapporteur was Mr Cremer (Germany - Workers).

8. CONTROL OF CONCENTRATIONS BETWEEN UNDERTAKINGS

"Amended proposal for a Council Regulation on the control of concentrations between undertakings"

Gist of the proposal for a regulation

In February 1974 the ESC backed by a large majority a proposal for a Council regulation on merger control. Since then no final Council decision has been taken because of major differences of opinion on the two following points:

- the scope of the regulation: the Commission originally proposed that the regulation should not apply to any operation concerning firms with a total turnover of less than 200 m EUA and a market share in a Member State of less than 25%;
- the respective powers of decision of the Commission and Council: the proposal gives investigatory and decision-making powers to the Commission, subject to monitoring by the Court of Justice.

In its Opinion the Committee by and large agreed with the Commission proposal on these points.

The present amendment was drafted to try and find a way out of the deadlock. Its main aims are:

- to raise the turnover threshold to 500 m ECU;
- to change the market share criterion to 20% of the entire common market;
- to give the Council more influence in decision-making, although without jeopardizing the Commission's right of final decision.

Gist of the Opinion⁽¹⁾

In its Opinion, which it adopted by 115 votes in favour and 17 abstentions, the Committee agrees with the Commission proposal that the future regulation should apply only to mergers with a Community dimension and that the effects of international competition should also be taken into account in deciding whether a merger is incompatible or not with the common market.

The Committee also agrees with the Commission proposal that the criterion for bringing a merger within the scope of the Regulation should be a minimum turnover of 350 million ECU, provided this figure is reviewed periodically, and insofar as it does not apply to finance and trade firms.

It insists that the new Commission proposal must not result in a lengthening of the period between the commencement of investigations and the final decisions of the Commission.

Lastly, the Committee recalls its Opinion of February 1974 on the original Commission proposal. In this Opinion it agreed with the Commission that the Community needed to control certain concentrations of enterprises in order "to preserve the competitive system", with all the benefits such a system brought in terms of efficiency and freedom of choice.

⁽¹⁾ CES 551/82.

Whilst supporting the original Commission proposals, the Committee nevertheless expressed reservations and submitted amendments on certain points. The Committee regrets that the Commission has failed to incorporate these proposed amendments in its present proposal but trusts that such proposals and other suggestions put forward in the Committee's 1974 Opinion will be given proper consideration during subsequent discussions of the Commission's present proposals.

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 Friedrichs (Germany - Workers).

9. COSMETICS

“Proposal for a Council Directive amending for the fifth time Directive 76/768/EEC on the approximation of the laws of the Member States relating to cosmetic products”

Gist of the Commission proposal

In its Opinion of 10 December 1980, the Scientific Committee on Cosmetology concluded that the use of the substance p-phenylenediamine (which was not included in the basic directive on cosmetics) could be authorized in hair dyes. However, the substances 1,4-diamino-2-nitrobenzene, 2,4-diaminotoluene and o-phenylenediamine should no longer be used.

Now, although the industry can easily do without the last two substances, it would find it difficult for technical and economic reasons to stop using 1,4-diamino-2-nitrobenzene.

The Commission proposal therefore seeks to:

- Ban the use of 2,4-diaminotoluene and o-phenylenediamine in cosmetics,
- allow hair dyes containing p-phenylenediamine to circulate freely in the Community; and
- await the results of the research currently being carried out by the industry on 1,4-diamino-2-nitrobenzene, in short, not to ban the use of this substance for the moment.

Gist of the Opinion⁽¹⁾

In an Opinion, adopted by 85 votes in favour and 6 abstentions, the Committee welcomes the proposed directive, but feels that the protection of human health would be better ensured by the compilation of an approved list of colouring materials for hair dyes. Given the increased health protection which this approved list would ensure, Member States would in principle be less inclined to use the safeguard clause, as they have in the case of the ten hair dyes currently authorized subject to certain conditions.

The Scientific Committee on Cosmetology initially advised against the use of 1,4-diamino-2-nitrobenzene. The Committee urges an early decision on the banning or authorization of this substance.

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 Ramaekers (Belgium - Various Interests).

10. FARM PRODUCTS CONTROLS

“Proposal for a Council Regulation (EEC) on the strengthening of controls on the application of Community rules on agricultural products”

Gist of the Commission proposal

It is proposed that officials appointed by the Commission may carry out on-the-spot checks in the Member States on the application of Community provisions concerning the common agricultural policy not covered by the checks applicable to expenditure financed by the EAGGF.

The Member State on whose territory controls are carried out is to give the officials appointed all necessary assistance in the carrying out of their duties.

Gist of the Opinion⁽²⁾

In a unanimously adopted Opinion, the Economic and Social Committee approves the Commission proposal. It observes, however, that this extremely brief draft instrument gives the Commission extensive powers with wide scope for interpretation. For this reason, the

(1) CES 554/82.

(2) CES 547/82.

Committee indicates the essential aspects which the general rules of application (not yet decided) should cover:

- the range and limits of the powers and responsibilities of the officials appointed by the Commission to carry out the checks;
- the conditions of access to documents belonging to the bodies and undertakings to be monitored;
- the precise role of Member States during the checks;
- the methods of cooperation between national officials and inspectors appointed by the Commission.

The rules should also guarantee equality of treatment with respect to monitoring, for both the products and the Member States concerned.

The effects of the proposal will vary greatly. It hopes that the rules to be adopted on the basis of this instrument will not lead to an excessive increase in the size and activity of the Community authority responsible for watching over the implementation of the Common Agricultural Policy.

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 Clavel (France - Various Interests).

11. PRESERVED MILK

“Proposal for a Council Directive amending for the second time Directive 76/118/EEC on the approximation of the laws of the Member States relating to certain partly or wholly dehydrated preserved milk for human consumption”

Gist of the Commission’s proposal

The aims of this proposal for a Directive are as follows:

- to bring the requirements governing the labelling of preserved milk into line with the rules on the labelling of foodstuffs in general;
- to extend the period of application of Article 14 concerning indications of quality for the products in question;
- to include the following, in the case of certain Member States, in the provisions of Article 3(2) on the designations of these products: “condensed semi-skimmed milk” and “semi-skimmed milk powder”.

Gist of the Opinion⁽¹⁾

In an Opinion, adopted by a large majority with one abstention, the Committee approves the Commission's proposal. It feels that the proposed measures regarding labelling may be considered a step towards more satisfactory consumer information and improved terms of competition within the Community.

The Committee agrees with the Commission that minimum quality criteria should be drawn up. It would urge that these criteria be made speedily available.

With respect to the designations, the Committee approves the Commission's proposed changes. It would also draw the attention of the relevant Community authorities to the following facts:

- powdered milk produced as an animal feedingstuff is sometimes fraudulently used for human consumption;
- the Community market is frequently disrupted by uncontrolled quantities of imported preserved milk.

The Commission is urged to study these questions carefully, and to present proposals to remedy the situation and to prevent such misuse.

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 Berns (Luxembourg - Various Interests).

12. HOPS

“Proposal for a Council Regulation (EEC) laying down, in respect of hops, the amount of aid to producers for the 1981 harvest”

Gist of the Commission proposal

The Commission proposal concerning aid in respect of the 1981 harvest aims to:

- continue to encourage a concentration of supply, normal marketing of production and an adequate quality level;
- continue to foster the production of Community hop varieties for which there are better prospects outside the Community, by varying aid according to type;

⁽¹⁾ CES 557/82.

- allocate a sufficient amount of aid to offset the inadequate returns earned by some growers in 1981.

The Commission accordingly proposes the following amounts:

<i>types</i>	<i>aid in ECU per hectare</i>
Aromatic varieties	200
Bitter varieties	180
Other varieties	200

Gist of the Opinion⁽¹⁾

In its Opinion, adopted unanimously, the Committee approves the Commission proposal. It believes that although the average level of aid for the 1981 harvest (191 ECU per hectare) is less than that granted for the 1980 crop, it will be adequate to maintain growers' incomes. The Committee also hopes that in most cases it will suffice to maintain Community production at an appropriate level.

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 Bernaert (Belgium - Employers).

13. SOYA

“Proposal for a Council Regulation (EEC) amending Regulation (EEC) No. 1614/79 laying down special measures in respect of soya beans”

Gist of the Commission proposal

In view of the special production conditions in the French overseas departments and the marketing structures for soya beans, it has proved necessary to introduce rules adapted to these departments which simplify management and control.

Gist of the Opinion⁽²⁾

The Committee adopted unanimously its Opinion approving the proposal, which is in line with recommendations made by it, especially in its Opinion on the Prospects for agriculture in French Guiana and the French Antilles within the framework of the EEC.

⁽¹⁾ CES 548/82.

⁽²⁾ CES 558/82.

In view of the special production conditions in the French overseas departments and the marketing structures for soya beans, it is necessary to introduce rules adapted to these departments which simplify management and control.

The Rapporteur-General for this Opinion was Mr De Grave (Belgium - Workers).

II

EXTERNAL RELATIONS

THE PRESIDENT'S ACTIVITIES

President's official visit to Portugal

Mr Tomás Roseingrave, President of the Economic and Social Committee paid an official visit to Portugal on 7, 8 and 9 June 1982. Mr Roseingrave was received by the President of the Republic, General Ramalho Eanes.

He also met Mr Pinto Balsemao, Prime Minister, Mr Gonçalves Pereira, Minister for Foreign Affairs, Mr Salgueiro, Minister of Finance, Mr Cruz Vilaça, Secretary of State for European Integration, and Mr Queiros Martins, Minister of Labour.

Other meetings took place with the Farmers' Confederation, the Trade Unions (both UGT and Intersyndical), the Confederation of Portuguese Industries and the Confederation of Trade.

Mr Roseingrave, who was accompanied by the two Vice-Presidents of the Committee, Mr Norman Miller and Mr Antoine Laval, and by its General Secretary, Mr Roger Louet, also had talks with Mr Mario Soares, General Secretary of the Socialist Party.

Other Activities

Furthermore, Mr Roseingrave

- had a working lunch on 27 May with the **Permanent Representatives of the Member States accredited to the European Communities**;
- travelled to Geneva on 5 June to attend the **meeting between representatives of ACP and EEC socio-economic interest groups**. He also took part in the **ILO annual conference** and had talks with Mr Blanchard, ILO's Director-General;
- had a working lunch on 18 June with **Mr Andriessen, Member of the Commission**, and several members of the ESC, to exchange views on current competition problems;
- made a statement on 22 June on the position of the ESC regarding institutional issues in the course of a hearing before the **European Parliament's committee on institutional questions**;

- addressed on 23 June the Ireland-Japan Economic Association;
- attended on 27 and 28 June the **Miljö (environment) 82** Congress in Stockholm organized by the Swedish Ministry of Agriculture;
- on 29 June received a Portuguese parliamentary delegation.

Award of ESC commemorative medals

ESC commemorative medals were awarded by the Chairman of the Economic and Social Committee, Mr Tomás Roseingrave, in a ceremony held on 30 June 1982 in Brussels.

Mr Roseingrave himself received a bronze medal from the Committee's oldest member, Mr Chabrol, for his services as Committee Chairman.

Silver medals were awarded to members having served more than 20 years on the Committee, viz.

Mr De Bièvre (Belgium), Mr Piga (Italy) and Mr Renaud (France).

Bronze medals were also awarded to members with more than 10 years service, viz.:

- Mr Arena (Italy)
- Bernaert (Belgium)
- Bornard (France)
- Cammann (Germany)
- van Campen (Netherlands)
- Chabrol (France)
- Clavel (France)
- De Bruyn (Belgium)
- Debunne (Belgium)
- De Grave (Belgium)
- Delourme (Belgium)
- Emo Capodilista (Italy)
- Fredersdorf (Germany)
- Friedrichs (Germany)
- Hemmer (Luxembourg)
- Hennig (Germany)
- Mrs Heuser (Germany)
- Mr Houthuys (Belgium)
- Kolbenschlag (Germany)
- Margot (Belgium)
- Muhr (Germany)
- Ramaekers (Belgium)
- Scalia (Italy)
- Schnieders (Luxembourg)



Mr Hennig (left) receiving his commemorative medal from Mr Roseingrave, E.S.C. President.

Mr Soulat (France)
Ventejol (France)
Wick (Germany)

to a number of past and present Chairmen and Vice-Chairmen, viz.:

Mr Vanni (Italy)
Laval (France)
Masprone (Italy)
van Greunsven (Netherlands)
Miller (United Kingdom)

and to officials with more than 20 years' service with the Communities,
viz.:

Mrs Bovagnet, Mrs Michez and Mr Clavel.

III

NEW CONSULTATIONS

In the course of the month of June, the Council asked the Economic and Social Committee to deliver an Opinion on the following subjects:

“Proposal for a Council Regulation (EEC) amending Regulation (EEC) No. 355/77 on Common Measures to Improve the Conditions under which Agricultural Products are Processed and Marketed” (COM82) 168 final)

“Vocational Training and New Information Technologies: New Community Initiatives during the Period 1983-1987” (COM82) 296 final)

“Draft Council Decision concerning a plan for the transnational development of the supporting infrastructure for innovation and technology transfer (1983-1985)” (COM82) 251 final)

IV

PROVISIONAL FUTURE WORK PROGRAMME

SEPTEMBER 1982 PLENARY SESSION

Opinion

- XIth report on competition

Own-initiative Opinion

- Common transport policy

Information Report

- Fats and oils

OCTOBER 1982 PLENARY SESSION

Opinion

- Air pollution by gases from motor vehicles
- Competition in air transport sector
- Competition in maritime transport sector
- Air transport tariffs
- Facilitation of border formalities and inspections

Information Report

- Environment and employment

SUBSEQUENT PLENARY SESSIONS

Opinion

- Temporary work
- Technological and industrial innovation (request for Opinion anticipated)
- Improving the conditions under which agricultural products are processed and marketed
- New ACP/EEC cooperation guidelines

Own-initiative Opinions

- Education and teaching
- Problems of border regions in Ireland
- 7th annual European Regional Development Fund Report

Study

- Turkey

Information Report

- Relations between the Community and the USA

V

MEMBERS' NEWS

APPOINTMENTS

The Council of Ministers has just appointed four new members to the Economic and Social Committee: Mr Ceyrac (France), Honorary Chairman of the Conseil national du Patronat français (French national employer's council), who replaces Mr Renaud; Mr Jacques van Melckenbeke (Belgium), Vice-President of the Small- and Medium-Sized Enterprises Commission of the UNICE, who replaces Mr Hatry; Mr Poul Antonsen (Denmark), Danish Breweries Union, who replaces Mr Ammundsen; and Mr J. Carroll (Ireland), President of the Irish Transport and General Workers' Union, who has been reappointed.

RENEWAL OF THE COMMITTEE

The term of office of the ESC President and of the current members expires on 18 September 1982. The members appointed for the next four-year term, will take their seats at the September Plenary Session, when the new President will be elected.

PUBLICATIONS OBTAINABLE FROM THE ECONOMIC AND SOCIAL COMMITTEE

Periodical

- Bulletin (monthly publication)

General Documentation

- The Economic and Social Committee (leaflet) (January 1980)
- The Economic and Social Committee (April 1981) (A descriptive brochure) 16 p.
- Annual Report (1981) 96 p. (Ex-33-81)
- Directory — List of Members (January 1981) (CES-81-001)
- The Right of Initiative of the Economic and Social Committee (October 1977) 124 p.

Opinions and Studies

- Aims and Priorities of a Common Research and Development Policy (Study) (January 1982) 59 p. (ESC-82-001)
- Agricultural Aspects of Spain's Entry into the E.C. (Opinion) (February 1982) 107 p. (ESC-81-017)
- The EEC's External Relations — Stocktaking and Consistency of Action (Study) (January 1982) 139 p.
- Genetic Engineering (Colloquy) (October 1981) 120 p. (ESC 81-014)
- Prospects for the '80s (Opinion) (Dec. 1981) (ESC 81-018)
- Economic Pointers for 1982 (Opinion) (August 1981) 32 p. (ESC 81-010)
- Problems of the Handicapped (Opinion) (September 1981) ± 46 p. (ESC 81-013)
- Present situation in the Community's Building Sector (Opinion) (September 1981) ± 24 p. (ESC 81-011)
- Community Competition Policy (Opinion) (ESC 81-008)
- Prevention of Marine Pollution (2 Opinions) (ESC-81-004)
- Working Conditions (September 1980) (Opinion) 61 p. (ESC-80-012)
- Conference on the Enlargement of the European Community — 26 and 27 June 1980 (September 1980) (Extracts) ± 150 p. (ESC-80-009)
- The Organisation and Management of Community R & D (February 1980) (Study) 168 p. (ESC-80-001)
- Agricultural Structures Policy (November 1979) (Opinion) 90 p. (ESC-79-003)
- Enlargement of the European Community Greece-Spain-Portugal (September 1979) (Study) 75 p. (ESC-79-002)
- The Community's Relations with Spain (June 1979) (Study) 112 p. (ESC-79-001)
- Community Shipping Policy Flags of Convenience (April 1979) (Opinion) 170 p.
- Youth Unemployment — Education and Training (November 1978) (5 Opinions) 97 p.
- The Stage reached in aligning labour legislation in the European Community (June 1978) (Documentation) 60 p.
- Employment in Agriculture (June 1978) (Study) 135 p.
- Monetary Disorder (June 1978) (Opinion) 98 p.
- Small and Medium-sized Enterprises in the Community Context (April 1978) (Opinion) 29 p.
- Industrial Change and Employment (November 1977) (Opinion) 98 p.
- EEC's Transport Problems with East European Countries (December 1977) (Opinion) 164 p.
- Community Nuclear Safety Code (July 1977) (Study) 50 p.
- Research and Development (November 1976) (Study) 35 p.
- Systems of Education and Vocational training (August 1976) (Study) 114 p.
- Regional Policy (March 1976) (Opinion) 11 p.
- European Union (July 1975) (Opinion) 33 p.
- Progress Report on the Common Agricultural Policy (February 1975) (Study) 52 p.
- The Situation of Small and Medium-sized Undertakings in the European Community (March 1975) (Study) 69 p.



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