

ECONOMIC AND SOCIAL COMMITTEE
OF THE EUROPEAN COMMUNITIES

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I

206th PLENARY SESSION

The 206th Plenary Session of the Economic and Social Committee was held at the Committee building in Brussels on 23 and 24 March 1983. The Committee Chairman, Mr François Ceyrac, presided.

ADOPTION OF OPINIONS

1. FARM PRICES 1983/84 (Supplementary Opinion)

“Commission proposals on the fixing of prices for certain agricultural products and on certain related measures (1983/84)”

Gist of the Commission proposals

Prices and aids

The normal price increase for the 1983/84 marketing year is 5.5%. This will apply to:

- all livestock products (milk, beef and veal, pigmeat and sheepmeat)
- wine and full fruit and vegetables (except tomatoes)
- colza (rapeseed), olive oil and rice as well as the production aid for durum wheat and the premium for bread-making rye.

However, the intervention prices for milk and colza will be adjusted downwards since production in 1982 has exceeded the guarantee threshold fixed in the 1982/83 prices package.

For certain commodities, the Commission is proposing a rather lower price increase, for instance for cereals and sugar.

Finally, the basic price for tomatoes should be increased by only 3.5%. This is because of the risk of surpluses due to the short growing cycle and the availability of processing aids.

For certain other products, mainly produced in the southern regions of the Community or in which the Community is deficient, the Commis-

sion considers it feasible to propose higher increases for the relevant support prices and aids.

This is the case for oil products, protein products, fibre products and tobacco.

The other measures proposed by the Commission mainly concern quality controls and direct aids.

Gist of the Opinion⁽¹⁾

This Opinion was adopted by 53 votes to 25 with 39 abstentions.

The ESC noted that its Opinion on the general Commission proposals, adopted on 23 February 1983 (CES 201/83), was mainly concerned with the average farm price rise. Its comments on the individual products also need to be considered, it being understood that:

- the average rise proposed by the Commission for farm products as a whole should be adhered to;
- insofar as possible the price ratios between the various farm products should be improved, but with the proviso that the price increases proposed by the Commission for products in surplus are not to be exceeded.

The ESC then commented on the various agricultural products.

ESC members representing the farming lobby then issued a minority declaration. These members opposed the additional Opinion on the Commission proposals on the various agricultural products. As it stood the additional Opinion contradicted the stance taken by them in the minority Opinion submitted to the Session on 23/24 February. These members then made comments on the products.

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)

2. REFORM OF THE EUROPEAN SOCIAL FUND

“Commission opinion on the review of the European Social Fund

⁽¹⁾ Doc. CES 322/83

Proposal for a Council Regulation to implement a Council Decision on the tasks of the European Social Fund

Opinion of the Commission on the rules of the Committee of the European Social Fund

Gist of the Commission document

The Commission has proposed a number of changes to the basic legal instruments governing the operation of the Fund, to enable it to play a more efficient and creative role in improving employment opportunities. The Commission Opinion confirms that the Fund should continue to concentrate its resources in areas of greatest need, taking account of the persistently high level of unemployment in the less-developed regions and in those areas now experiencing a marked decline of traditional industries which were a major source of employment. The Social Fund will also need to adjust to the more recent emphasis given by the Community to measures designed to stimulate job creation, thereby complementing more general action to promote economic growth and to encourage a more equitable distribution of employment opportunities.

Special measures are envisaged in the following areas:

- a simpler structure with wider scope, and
- young people.

In addition to the broad area of Fund activity referred to above, the Commission proposes that the Fund should develop its role in support of innovatory training and employment policy in Member States, closely linked to the Community's own action programmes in these areas. A special smaller section of the Fund, with its own chapter in the budget should, therefore, be created to enable the Fund to expand its support for experimental projects, paying special attention to their comparative evaluation, the exchange of experience between promoters and the dissemination of information both of policy-makers and practitioners.

Gist of the Opinion⁽¹⁾

The Reform of the European Social Fund should lead to the establishment of a Community employment policy, committed to greater solidarity, in which national priorities can find a place.

⁽¹⁾ Doc. CES 317/83

It is no longer enough to press in general terms — as has been done on several occasions, with little result — for an increase in the ESF resources. The ESF should be allotted 10% of the Community's budgetary resources. This is the main demand made by the Economic and Social Committee in an Opinion which was adopted unanimously with 2 abstentions.

The Committee welcomed the new guidelines for the European Social Fund (ESF). However, it deplored the fact that the Council did not succeed in defining the norms and procedures for the review by 31 December 1982 as scheduled.

The Committee also regretted that no analysis had been made of the impact of ESF Grants on the Community to date. This would have made for a more informed assessment of the Fund review.

The Committee noted that the lack of a social policy founded on solidarity between the Member States created the risk that ESF resources would in practice be concentrated on cosmetic measures, or on schemes designed simply to ensure that national "quotas" were taken up.

Measures which would ensure rational coordination of the various Community support instruments had to be adopted as soon as possible, and their funding guaranteed. This again raised the need to increase the Community's resources.

Given the nature of the Reform's aims, it was necessary to ensure involvement of the two sides of industry in the ESF Committee and in the preparation of programmes at national and local level.

Level III regions were to be defined by a statistical index drawn up by the Commission. The Committee stressed the difficulty of defining sub-regions, and the lack of adequate statistics at this level. The Commission had to ensure that the data used for calculating the components of the new index were comparable, to ensure equal access to Fund support. In the meantime, the Committee felt that transitional measures were needed to allow the Fund to act quickly and effectively in tackling training requirements and the serious unemployment situation.

Specific measures concentrated on:

- wage support schemes: aid should only go to those providing genuine vocational training;
- aid for training for school-leavers: this should be linked to specific training programmes, and be reviewed periodically;
- measures to encourage innovation: up to 20% of the Fund budget should be earmarked for this area;

- measures to help employees of smaller firms: these should be extended to cooperatives, owner-managers of small firms, and training centres run jointly by several companies.

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 Beretta (Italy - Workers).

3. QUOTA-FREE SECTION

“The second series of specific Community regional development measures under Article 13 of the Fund Regulation (Non-Quota Section)”

Gist of the Commission’s proposal

The Commission is submitting a second series of specific regional development measures under Article 13 of the ERDF Regulation. The first series of these so-called “quota-free” measures was launched in 1980. The second series continues and reinforces four of the earlier measures:

- French and Italian regions affected by enlargement;
- regions affected by the restructuring of the steel industry;
- regions affected by the restructuring of the shipbuilding industry;
- regions requiring assistance with regard to hydro-electrical power and alternative energy sources.

In 1982 the Commission is adding two new measures to benefit

- certain less-favoured regions in Greece (“enlargement” and “energy” measures)
- regions affected by the restructuring of the textile industry.

The last item is particularly welcome and was recommended by the ESC in its Opinion on the first series of measures.

These proposals must also be regarded in the context of the revision of the ERDF Regulation which provided for a substantial increase in the quota-free section at the expense of the quota section. Hence the considerable amount (710 million units of account) allocated to this second series of measures (compared with \pm 200 million units of account in 1980).

Gist of the Opinion⁽¹⁾

In its Opinion, adopted unanimously, the Committee points out that the figure allocated for quota-free measures (which it considers should

⁽¹⁾ Doc. C.L.S 316/83

be the maximum possible), will depend upon the revision of the ERDF Regulation, which is still pending before the Council. The Committee feels that the public should be informed about the Council's procrastination.

The Committee also feels that a proportion of the quota-free funds should be kept in reserve for prompt use when emergency measures are needed.

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 Pearson (Ireland - Employers).

4. VOCATIONAL TRAINING POLICY

"Draft Resolution of the Council concerning vocational training policies in the European Communities in the 1980's"

Gist of the Commission document

In its Communication to the Council the Commission seeks to respond to the new challenges facing vocational training in the coming years.

These challenges, rendered more acute by the grim statistic of the Community's 11 million jobless, include:

- the impact on vocational training of the pace and scale of economic and technological change;
- the need to mobilize local job potential, particularly in certain black spots, rather than relying on new industrial investments from external sources;
- greater flexibility in working time and career structures;
- adapting vocational training programmes to the needs of persistent high unemployment — not merely as an investment to be made when job prospects are promising;
- the consequences of the recession for the transition of young people to adult and working life.

Gist of the Opinion⁽¹⁾

The Economic and Social Committee has come out in favour of an improvement in vocational training, in view of the alarming employment

(1) Doc. CES 318/83

situation in the Community. Action should be concentrated on three priority areas:

- the social and vocational preparation of young people for working life;
- training programmes aimed at ensuring greater equality of opportunity for women on the Community labour market;
- training measures in support of social and economic change, in particular to overcome the problem of job creation.

In an Opinion adopted unanimously the Committee basically welcomes a five-year vocational training action programme proposed by the Commission. The programme will cost 140 million ECU.

The Committee thinks that moves to improve vocational training are extremely important, because of the rapid changes in labour market structures connected with the introduction of new technologies and because of the present high unemployment in the Community. At the same time it stresses, however, that a Community vocational training policy for the 1980s must not be based merely on short and medium-term labour market considerations; rather, it must also seek to enhance the personal and social skills of workers.

As regards the flow of new skilled manpower onto the labour market, vocational training policy must not simply react to demographic fluctuations. When there is a decline in the number of young people, it must concentrate on solving problems of quality and ensure that the supply of skilled manpower is maintained.

The Committee endorses the proposed regionalization of training and job-creation measures, as well as the systems of support for training infrastructures and the ideas concerning the decentralization of jobs, the boosting of small and medium-sized enterprises and cooperation and the setting-up of group training facilities. It also supports greater use of the European Social Fund for vocational training.

The Committee considers that minimum standards should be laid down for vocational training for young people. It is also in favour of greater concentration of resources, since there is a risk of dissipation of effort given the wide range of target groups proposed by the Commission (extending from pupils in the final classes in schools to workers who have reached retirement age). The link-up between Community initiatives and national programmes and responsibilities should also be made clearer. While the Committee agrees with the Commission that problem groups should be given special attention, it stresses the need to improve vocational training policy for all workers and all people undergoing training.

In general, the Committee considers that the Commission should give more precise indications as to how the proposed programme is to be carried out. This applies not only to the laying down of minimum standards and priorities but also to the use of the funds. Insofar as the Commission document gives information on the appropriations for the execution and evaluation of pilot projects, the sums are too small in the Committee's view, given the importance of vocational training. While basically endorsing the general line of approach in the Commission proposal, the Committee wishes to dispel the widespread illusion that the central problems connected with the introduction and application of new technologies and their repercussions on the labour market can be solved by vocational training measures.

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

5. EXCLUSIVE DISTRIBUTION AND PURCHASING AGREEMENTS

"Draft Commission Regulations on exemption for certain categories of exclusive distribution agreements and exclusive purchasing agreements"

Gist of the Commission document

Commission Regulation No. 67/67/EEC concerning the application of Article 85(3) of the Treaty to certain categories of exclusive distribution agreements and exclusive purchasing agreements will cease to be valid as from 30 June next.

The Commission has indicated that it intends to replace the aforementioned Regulation with two separate regulations, covering exclusive distribution agreements and exclusive purchasing agreements respectively. On 10 July 1982 it published the draft Regulations in OJ No. C 172 in order to give all the parties concerned an opportunity to submit any comments they might have on the subject.

In this connection, it is to be noted that in a reference to the renewal and the amendment of Regulation No. 67/67/EEC in its recent Opinion on the Eleventh Report on Competition Policy, the ESC questioned whether the distinction drawn between exclusive distribution and exclusive supply was warranted. Whilst it was true that a special regulation on exclusive supply could be introduced, distribution agreements could not be dealt with in isolation from purchasing obligations which might be the *quid pro quo* for the exclusive sales rights granted by the manufacturer.

Gist of the Opinion⁽¹⁾

Unhindered distribution of goods is an essential part of the drive towards greater integration of the Common Market via boosting inter-Member State trade and presenting the consumer with the resultant fruits of greater choice and increased competition.

This highlights the philosophy behind an Economic and Social Committee Opinion on the Draft Commission Regulation covering certain categories of exclusive distribution and purchasing agreements. Such agreements are exceptions to the general Community rules of free competition.

The Committee's Opinion, adopted by a large majority, one vote against and 3 abstentions, reports that the proposed regulation has come as a great surprise in some business quarters which view amendments of the now expired previous regulation as unnecessary and therefore support its extension.

The Commission feels that the new regulation will provide for the necessary updating of the expired regulation through taking into account the changing economic climate, Court of Justice judgements and the Economic and Social Committee's call in April 1981 for a streamlined marketing system coupled with safeguards to preserve a varied marketing sector and small and medium-sized businesses. The Committee extends this in its present opinion by emphasizing the need for the Commission to consider carefully the regulation's effect upon small firms. It stresses the need to allow appropriate time for businesses as well as the Commission to iron out all creases in the wake of the new regulation.

Overall the main crux of the Committee's Opinion is that it would be inadvisable to treat the two types of exclusive agreements (i.e. purchasing and distribution) separately and the Commission should shape the regulation of categories of agreement on a broad level.

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

6. FOODSTUFF LABELLING

“Proposal for a Council Directive amending Directive 79/112/EEC on the approximation of the laws of the Member States relating to the labelling, presentation and advertising of foodstuffs for sale to the ultimate consumer”

⁽¹⁾ Doc. C1:S 319/83

Gist of the proposal

The basic labelling Directive on Foodstuffs, 79/112/EEC, dated 18 December 1978, provides that within a 4-year period the Commission will submit a proposal to the Council for a Directive to determine the rules for the labelling of beverages containing more than 1.2% of alcohol.

Four categories of beverages are included:

- 1) still wines and grape musts;
- 2) special wines (e.g. sparkling);
- 3) spirituous beverages and aromatized wines;
- 4) other beverages (beer, ciders, perry, etc.).

Proposals for the rules on the first three categories are already under examination or are in preparation, and the present proposal lays down the rules for the fourth category, "other" beverages.

The principal objective of the present proposal is to provide for rules to cover "other" beverages such as beer, cider and perry; but the proposal also provides for the general co-ordination of labelling rules for all the alcoholic beverages mentioned above.

Gist of the Opinion⁽¹⁾

In its Opinion, adopted by 80 votes to 14 with 4 abstentions, the Committee approves the Commission's proposal. It considers it essential, however, that the provisions for all alcoholic beverages be brought into force at the same time.

While the present proposal covers beverages with an alcohol strength of more than 1.2%, the Committee feels that it should also cover products containing less than 1.2%, or that the minimum percentage should be lowered to 0.5%.

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

7. SPIRITUOUS BEVERAGES

"Proposal for a Council Regulation (EEC) laying down general rules on the definition, description and presentation of spirituous beverages and of vermouths and other wines of fresh grapes flavoured with plants or other aromatic substances"

⁽¹⁾ Doc. CES 321/83

Gist of the Commission proposal

The aim of the proposal is to remedy the lack of Community provisions on the definition, description and presentation of spirituous beverages, and of vermouths and other aromatized wines so as to ensure high-quality products. It is on quality that the reputation such products have on the Community and world markets is based. The Commission proposes to define the products in question, taking into account traditional practices and restricting the use of the terms thus defined to products of the same quality as traditional products.

As far as presentation is concerned, the Commission proposes that provisions additional to those laid down in Directive 79/112/EEC of 18 December 1978 (together with any necessary derogations) be adopted. This is to give the consumer fuller information.

The Commission also proposes that the œnological practices and processes referred to in Article 46 of Council Regulation (EEC) No. 337/79 be extended to cover the production of aromatized wines.

Gist of the Opinion⁽¹⁾

In view of the new legal situation resulting from the judgment in the *Cassis de Dijon* case, the Economic and Social Committee feels that specific Community rules concerning the definition description and presentation of spirituous beverages, vermouths and aromatized wines are essential to prevent a levelling-down of quality standards and distortions of competition between producers in the various Member States, especially since some Members States have no regulations in this matter.

In an Opinion adopted with no dissenting votes but with two abstentions, the Committee considers it essential that certain generic names be reserved for products which meet the quality standards traditionally expected by the consumer as regards the raw materials used, manufacturing processes, minimum ageing and alcohol content.

Some beverages which owe their specific characteristics to the geographical origin of the raw materials used or to local and traditional production practices should qualify for a registered designation of origin or a geographical ascription and the Community should provide these ascriptions with appropriate protection.

Making all spirituous beverages and aromatized wines subject to a single regulation does not, in the Committee's view, seem the only

⁽¹⁾ Doc. CES 320/83

solution. Two regulations adopted simultaneously, one for spirituous beverages with an alcohol or spirit base and the other for wine-based aperitifs, would be just as logical.

The Committee points out that presentation in the form of two separate regulations would not prevent them from being adopted and implemented simultaneously.

Certain spirituous beverages are, or have been, the speciality of a particular country. As these are industrial products it is not possible to reserve their manufacture for a particular Member State. On the other hand, it is perfectly justifiable to ensure that people can easily distinguish those products which come from a country where they are manufactured in the traditional manner and where the fraud prevention services are well equipped and capable of carrying out checks.

In conclusion, the Committee makes a number of comments on the definitions of certain products.

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).

8. RESTRUCTURING OF VINEYARDS

“Proposal for a Council Regulation (EEC) amending Regulation (EEC) No. 458/80 on collective projects for the restructuring of vineyards”

Gist of the Commission proposal

Under Regulation (EEC) No. 458/80 the same grant is paid for the replanting of table-wine and quality-wine-psr vineyards. Consequently there is no breakdown of surface area between the two categories of vineyard.

Priority must be given, however, to vineyards producing table-wine, and efforts must therefore be made to ensure that vineyards producing quality wine psr are not the main beneficiaries of the measure. The Commission proposes that Article 8 of Regulation (EEC) No. 458/80 provide for a breakdown between vineyards producing table-wine and vineyards producing quality wine psr in line with the object of the exercise, which is to improve the structure of the former while at the same time making adequate provision for the latter.

Gist of the Opinion⁽¹⁾

The Committee adopted this Opinion unanimously. It notes that the Commission now proposes a maximum area of 60,000 hectares for the collective restructuring of vineyards producing quality wines *psr*, regardless of the quota arrangements provided for in the Declaration appended to the Council minutes of 18 February 1980, and far in excess of the statutory 10% laid down for operations of this nature.

The Committee would therefore request that the Commission either modify its proposal so as to abide by all the stipulations contained in the above-mentioned Declaration, or, as it has done hitherto, allow Regulation (EEC) 458/80 to take free effect.

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 Paggi (Italy - Employers).

9. INTERVENTION PRICES — MILK

“Proposal for a Council Regulation (EEC) altering, with effect from 1 April 1983, the intervention prices for butter, skimmed-milk powder and Grana Padano and Parmigiano Reggiano cheeses”

Gist of the Commission proposal

Article 2 of Regulation (EEC) No. 1184/82 fixed the guarantee threshold for milk for the calendar year 1982 at 0.5% above the quantity of milk supplied to undertakings treating or processing milk in the calendar year 1981.

The quantity of milk supplied to undertakings treating or processing milk in the first eight months of 1982 was an estimated 2.6% up on the corresponding period of 1981. It can therefore be estimated that the deliveries in question during the calendar year 1982 will be at least 2.7% up on the figure for the 1981 calendar year.

The additional expenditure should be at least partially offset by reducing the intervention prices by the percentage by which the guarantee threshold is exceeded. As the guarantee threshold has been exceeded by 2.2%, the intervention prices for dairy products will accordingly have to be reduced by 2.2%.

⁽¹⁾ Doc. CES 315/83

Gist of the Opinion⁽¹⁾

This Opinion was adopted by 37 votes to 15 with 27 abstentions.

Regarding milk and dairy products, the Committee refers to its comments in its Opinion on Farm Prices for 1983/84.

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).

10. SEEDS

“Proposal for a Council Regulation (EEC) fixing the amounts of aid granted for seeds for the 1984/85 and 1985/86 marketing years”

Gist of the draft Regulation

In contrast to production of other agricultural products, production of seeds is for most species characterized by a multi-annual cycle. It is for this reason that a production aid for basic and certified seeds is fixed every two years before 1 August for the marketing year beginning the following year and the marketing year following that. Aid is granted if the situation on the Community market in seeds and its foreseeable development is such that a fair income cannot be ensured to producers.

For the 1984/85 and 1985/86 marketing years it is proposed to make a general increase of 10% in the aid to take account of increased production costs.

Exceptions are proposed however for a number of species for which the aid will be withdrawn, frozen or increased by more than 10%. It is proposed to withdraw aid for *Pisum sativum* and *Vicia faba*. A freeze on the aid for the species *Dactylis glomerata* and *Phleum pratense* is proposed.

Increases of 15% are proposed for *Trifolium repens*, *Trifolium repens giganteum* and *Medicago sativa* (ecotypes).

Lastly, for the new species inserted in the Annex of Regulation (EEC) No. 2358/71 for the 1983/84 marketing year, it is proposed to keep the aid for the next two marketing years at the level fixed at the moment as it is too early to assess how the situation will develop.

The cost to the budget of the sector will drop by approximately 8 Million ECU because of the withdrawal of *Vicia faba* and *Pisum sativum* from the list of species for which aid is given.

⁽¹⁾ Doc. CES 323/83

Gist of the Opinion⁽¹⁾

This Opinion was adopted by 58 votes to 0 with 26 abstentions.

The Committee notes that the proposed increases go some way towards guaranteeing producers a competitive price, made up of the market price plus aid.

The Committee does not however, endorse the cancellation of the aid for seeds of field peas and field beans. Such a measure could deprive the Community of species particularly suited to its weather conditions.

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).

11. REFERENCE PRICES FOR FRUIT AND VEGETABLES

“Proposal for a Council Regulation (EEC) amending Regulation (EEC) No. 1035/72 on the common organization of the market in fruit and vegetables”

Gist of the Commission document

The Commission proposes to lay down common standards of quality for melons, and accordingly to add them to the list in Annex I to Regulation (EEC) No. 1035/72. The introduction of standards of quality is an essential prerequisite for the determination of reference prices.

The Commission also proposes changes in the criteria for adjusting reference prices from year to year. In particular, it is proposed that increases in the costs of producing fruit and vegetables within the Community should be fully reflected in future increases in reference prices.

Gist of the Opinion⁽²⁾

The Committee endorses the Commission proposals. It feels that the amendment to the reference price adjustment criterion is a major first step towards a better assessment of the situation and needs of Community production of fruit and vegetables.

⁽¹⁾ Doc. CES 324/83

⁽²⁾ Doc. CES 325/83

The Opinion was adopted by a large majority. There were 8 votes against and 14 abstentions.

The Rapporteur-General was Mr Schnieders (Germany - Employers).

II

EXTERNAL RELATIONS

CHAIRMAN'S ACTIVITIES

Between the 204th and 206th Plenary Sessions, the Committee Chairman, Mr François Ceyrac, had talks with:

- Ambassador Ruggiero, Permanent Representative of Italy, on 2 February;
- Sir Michael Butler, Permanent Representative of the United Kingdom, on 3 February;
- Ambassador Noterdaeme, Permanent Representative of Belgium, on 2 March;
- Ambassador Ferran, Head of the Spanish Mission to the European Communities, on 9 February;
- Ambassador Vest, Head of the United States Mission to the European Communities, on 24 February;
- Mr Kontogeorgis, Member of the Commission of the European Communities, on 1 March;
- top officials of UNICE (Union of Industries of the European Community), on 23 February;
- the President and Secretary-General of ETUC (European Trade Union Confederation), on 17 February;
- the President and top officials of the European Investment Bank, Luxembourg, on 10 March;
- a delegation from the Catalan Government (Generalitat de Catalunya), on 2 March

and gave a speech on the Committee's work on 28 February 1983 at a dinner-debate held in Europe House in Paris. (The Secretary-General, Mr Louet, also spoke at this dinner).

MEETING OF ESC WITH EFTA's CONSULTATIVE COMMITTEE

Representatives of the EFTA Consultative Committee and the Economic and Social Committee held their ninth joint meeting in Geneva on 15 March. The meeting was co-chaired by Mr Erik Hoff, leading the Consultative Committee delegation, and Mr W.G.N. Miller, Chairman of the Economic and Social Committee's External Relations Section. Mr F. Ceyrac, President of the Economic and Social Committee, Mr Louet, its Secretary-General, and Mr P. Kleppe, the Secretary-General of EFTA, also attended the meeting. The Commission of the European Communities, the European Trade Union Confederation, and the Union of Industries of the European Communities were represented as observers.

The two delegations, which include representatives of socio-economic interest groups in the 17 countries participating in the West European free trade system, assessed the results of 10 years of co-operation between the EC and the EFTA countries under the Free Trade Agreements and reviewed prospects for future co-operation.

Participants were encouraged by the achievements of ten years of cooperation between the EC and the EFTA countries under the Free Trade Agreements. The Agreements had worked satisfactorily despite the slower growth of world trade in these years. Co-operation had been extended to many other fields outside the Agreements, in line with the interests of individual countries. It was noted that both the EC Council and the EFTA Ministers had taken the occasion of the tenth anniversary to record, in separate declarations, their readiness to broaden and strengthen co-operation between the two groups, which are each other's most important trading partners. In this regard many members present considered that more can be achieved through continual concerted action in all international spheres.

The two delegations agreed that the EC and EFTA countries have a common interest in reinforcing the liberal multilateral trading system, with the GATT as its cornerstone, since the maintenance of open markets is a prerequisite for the overcoming of present economic difficulties. They identified several areas to which priority should be given within the action programme decided upon last November at the GATT Ministerial meeting and urged the EFTA countries and the EC to apply policies that would increase employment in the near future while also promoting the further liberalization of trade.

In the view of both delegations, volatile exchange rates and differing rates of inflation had adversely affected international trade over the past ten years by creating uncertainties and by increasing the costs of

competing internationally. National monetary authorities should refrain from supporting unrealistic exchange rates in order to achieve competitive advantages. The goal of national economic policies should be a return to stable and non-inflationary growth. This was also recognized as imperative for a return to higher employment levels.

In the framework of the OECD, internationally agreed instruments should be sought which would provide a co-ordinated stimulus to demand in general, whilst also paying attention to the needs of the developing countries. Unemployment should also be reduced through increased productive investment and, where appropriate, direct labour market measures.

On energy questions, the extra room for manoeuvre offered by the reduction in oil prices should be fully exploited as a means of stimulating economic activity, without losing sight of the long-term development of alternative energy resources. It was felt that the EC and EFTA countries had much to gain from collaborating in energy matters, for instance under the auspices of the International Energy Agency.

The meeting welcomed the resolution passed by the European Parliament on EC-EFTA relations, particularly the call for the removal of non-tariff barriers to trade, including any which might arise out of the strengthening of the EC's internal market, and for further steps to expand the co-operation between the EC and EFTA.

III

NEW CONSULTATIONS

Since the last Plenary Session, the Council has consulted the Economic and Social Committee on the following points:

“Proposal for a Council Decision implementing the Decision Empowering the Commission to Contract Loans under the New Community Instrument for the Purpose of Promoting Investment within the Community” (COM(83) 85 final)

“Proposal for a Council Decision concerning the Conclusion of the Agreement between the Swiss Confederation and the European Economic Community on Direct Insurance Other Than Life Assurance”; and a

“Proposal for a Council Directive relating to the Implementation of the Agreement between the Swiss Confederation and the European Economic Community on the Right to Take Up Activities in the field of Direct Insurance Other Than Life Assurance” (COM(83) 106 final).

IV

PROVISIONAL FUTURE WORK PROGRAMME

APRIL 1983 PLENARY SESSION

Opinions

- 13th VAT Directive
- New Community instrument (NCI) Loans
- Temporary Work
- Health and Safety at Work — 2nd Action Programme
- Community Environmental Measures
- Basic Standards for Ionizing Radiation

Own-initiative

- Education and Training

MAY 1983 PLENARY SESSION

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- Limit Values for Mercury Discharges
- Cross-Border Transfers of Dangerous Waste
- Origin of Textile Products
- Determination of Persons Liable for Payment of a Customs Debt
- Standardization and Simplification of Trade Statistics
- Pre- and After-Sales Distribution and Service Agreements for Motor Vehicles
- Declarations Forms
- Conditions under which non-Resident Carriers may Operate within a Member State
- International Traffic Management
- Common Transport Policy (Land Transport)
- FAST
- Outline Programme for Scientific and Technical Strategy

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JUNE/JULY PLENARY SESSION**Opinions**

- 12th Turnover Taxes Directive
- Noise at work
- Social Developments in 1982
- Tourism Policy
- Transport infrastructures

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- Economic Situation at Mid-1983
- Migrant Workers

Information Reports

- Problems of Frontier Regions in Ireland

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- Customs Debt Payment Guarantees
- Price Formation
- Chapter IV (supplies) of the Euratom Treaty
- Agricultural Research
- Memorandum, Development Policy (supplementary Opinion)

Own-initiative

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- Dialogue Producers/Consumers
- Fats and Oils
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