

EUROPEAN COMMUNITIES

# BULLETIN

2

---

ECONOMIC AND  
S O C I A L  
C O M M I T T E E





EUROPEAN COMMUNITIES

BULLETIN

94

2

---

ECONOMIC AND  
S O C I A L  
C O M M I T T E E



This Bulletin reports on the activities of the Economic and Social Committee, a consultative body of the European Communities. It is published by the ESC's General Secretariat (2, rue Ravenstein, B-1000 Brussels) in the official Community languages (10 editions per annum)

## ECONOMIC AND SOCIAL COMMITTEE

Directorate for Communications  
Public Relations Division  
2, rue Ravenstein, B-1000 Brussels

Tel.: 519 90 11  
Fax: 519 98 22

Telegram: ECOSEUR  
Telex: 25 983 CESEUR

Catalogue number: ESC-94-004-EN

Brussels: General Secretariat of the Economic and Social Committee, 1994

Reproduction is authorized, except for commercial purposes, provided the source is acknowledged.

*Printed in Belgium*

## **SUMMARY**

### **I. 313th PLENARY SESSION OF 23 AND 24 FEBRUARY 1994**

1. Role of the EIB (Own-initiative Opinion)
2. Green Paper - remedying environmental damage
3. Dangerous substances (inflammable aerosols)
4. Europe against aids
5. Dangerous substances
6. Extraction solvents
7. Wine market - organization reform
8. Conservation and management of fishery resources
9. Fisheries - Azores, Madeira, Canaries, Guiana
10. Animal Health - trade in bovine animals and swine
11. Fiscal Marking of Gas Oil
12. The use of the ECU (Own-initiative Opinion)
13. Cohesion Fund

### **II. OUTSIDE PRESENCE AND INFLUENCE OF THE ECONOMIC AND SOCIAL COMMITTEE**

### **III. APPOINTMENT OF NEW COMMITTEE MEMBERS**

### **IV. FACT-FINDING VISITS**

\*

\*       \*



## **I. 313th PLENARY SESSION - 23 AND 24 FEBRUARY 1994**

### **Regional Policy - A key issue in the debates**

The President of the European Investment Bank, Sir Brian Unwin, and the EC Commissioner responsible for the Cohesion Fund, Mr Peter Schmidhuber, addressed members of the Committee at the Plenary Session held on 23 and 24 February 1994. Major debates were also held on the subjects of remedying environmental damage and wine sector policy.

### **ESC-EIB symposium**

The Committee drew up an Own-initiative Opinion on the role of the EIB in regional development. In its Opinion the Committee called for more effective linkage between grants provided by the Structural Funds and loans made available by the EIB with a view to improving the impact of these two forms of finance on economic and social cohesion. The Committee also considered the issue of promoting investment by SMEs with the aid of global loans provided by the EIB. The Committee proposed that a symposium be organized with the EIB with a view to intensifying the dialogue between the two institutions.

Sir Brian Unwin welcomed the proposal to hold a symposium and pointed out that he was a strong advocate of transparency. The sum of ECU 1,000 million in EIB loans, together with interest rate subsidies, agreed upon at the Copenhagen Summit with a view to financing investment by SMEs, would be made available in the most straightforward and decentralized manner possible as soon as the decision-making process at EU level had been completed.

As regards the intermediary bodies, Sir Brian was of the opinion that their number should be increased as much as possible but they had to be given the freedom to operate in accordance with prevailing local economic conditions. The area of intervention of the EIB was being broadened but it was not possible for that institution to take responsibility for coordinating all the areas in which it operated. Sir Brian pointed out that as a bank, the EIB was governed by market constraints in its borrowing and lending operations. Although it was the largest international financing institution in the world, the EIB had a staff of only 800 persons.

Mr Peter Schmidhuber, Member of the EC Commission, addressed members on the second day of the Session in the course of the debate on two proposals for Regulations, namely the Regulation establishing the Cohesion Fund and the implementing Regulation in respect of the Cohesion Fund Regulation.

In its Opinion, which was adopted unanimously, the Committee called for the Regulation establishing the Cohesion Fund to define in broad terms procedures for consulting the

regional authorities and the economic and social partners on the selection of projects. There should be a direct link between the total annual budgetary commitments for the projects and the indicative allocation of commitments between the Member States.

The Regulation should provide for the possibility of assisting eligible projects in exceptional cases, when overall expenditure was less than ECU 10 million. The Committee also called for the Regulation establishing the Cohesion Fund to be re-examined in 1996.

In reply the Commissioner pointed out that it was the *national* authorities which acted as the Commission's partners with regard to the Cohesion Fund. The Commission was, however, going to consider how it could consult the social partners at *Community* level. The threshold of ECU 10 million was only an *indicative figure*. In his view more precise rules were not required with regard to the indicative allocation of the annual budgetary commitments between the Member States. In conclusion, he pointed out that it would not be possible to re-examine the Regulation before the end of the financial period.

#### **Need for a uniform definition of the term "environment"**

The Committee adopted, by 75 votes to 38, with 11 abstentions, its Opinion on the Green Paper on remedying environmental damage. The Committee supported the Commission's proposals and drew attention to the need to fulfil, in the immediate future, a number of the commitments set out in the Commission's Communication to the Council. The Committee also underlined the need for a uniform definition of the term "environment" and a legal definition of the term "damage to the environment". Civil liability had to be retained.

With due respect for the "polluter-pays" principle, the Committee was in favour of the establishment of funds based on shared liability for the risk. Such a measure would make it possible to advance part-payments pending assignment of liability and to compensate injured parties in cases where full costs could not be recovered. Collective funds should be divided into two categories: general funds (aimed at restoring past damage) and sector-based funds (for high-risk sectors). Organizations representing broad interests, such as consumers, workers and NGOs should be involved in the management of the general funds.

The Committee also held a very lively debate on its Opinion on the common organization of the wine markets. The Opinion was adopted by 87 votes to 16, with 6 abstentions. The Committee reached a compromise over the question of chaptalization (the process of adding sugar to increase alcoholic strength). The Committee called for the procedure to continue to be permitted only in wine-growing areas where it was traditionally practised before the establishment of the European wine market organization. The Committee was, however, formally opposed to the quota system proposed by the Commission.



A total of 13 Opinions were adopted at this Plenary Session.

**The next Plenary Session will be held on 23 and 24 March 1994.**

1. **ROLE OF THE EIB (Own-initiative Opinion)**

**Opinion of the Economic and Social Committee on the Role of the European Investment Bank in regional development**  
(CES 225/94)

Rapporteur: Eugène Müller (Luxembourg - Various Interests)

**Gist of the Own-initiative Opinion**

The main aim of the Committee in deciding, in March 1993, to draw up an Information Report on the role played by the European Investment Bank (EIB) in the European venture in general, and in the development of its regions in particular, was to make this EC Institution better known. The emergence of new roles for the EIB, in particular as a result of the Treaty of Maastricht and the European Summits in Edinburgh, Copenhagen and, more recently, Brussels, did, however, bring home the need to go beyond a purely descriptive report and carry out an appraisal of the EIB, with conclusions being set out in an Own-initiative Opinion on the matter. The Committee's Bureau had authorized an Own-initiative Opinion in November 1993.

The Report which now accompanies the Own-initiative Opinion thus comprises a structured description of the EIB, looking at the institutional aspects of the Bank, the operational aspects and the Bank's activities, particularly in the field of regional development. The Report contains a description of the various stages in the development of the EIB since its inception and concludes with a description of the new roles entrusted to the EIB in the context of the new policy guidelines for the Community and, in particular, the new regional policy priorities for the Community.

After drawing attention to the new situation created by the introduction of the European Union, the Opinion looks at the possibilities for improving cooperation between the EIB and the other Community Institutions by endeavouring to bring about a more effective linkage between grants from the structural funds (which follow a programme-based approach) and loans from the EIB (which employs a project-based approach).

The Opinion also examines the problems which have occurred in connection with the provision of loans by the EIB and the EIB's role in regional development. The issues considered in

the Opinion include the role of the "intermediary bodies" and the promotion of investments by SMEs, given the acknowledged importance of SMEs to the Internal Market.

In the conclusions to its Opinion the Committee calls for:

- the provision of better information on the EIB and its work;
- improved cooperation between the EIB and the ESC, in particular by means of the proposed organization of a symposium with a view to bringing about the necessary dialogue to enable solutions to be found to the problems with regard to the EIB's work noted in the Opinion, and
- improved cooperation with the Commission in regard to regional development.

*This Opinion was adopted by a majority with one abstention.*

## 2. GREEN PAPER - REMEDYING ENVIRONMENTAL DAMAGE

**Opinion of the Economic and Social Committee on the Communication from the Commission to the Council and Parliament and the Economic and Social Committee: Green Paper on Remedying Environmental Damage (COM(93) 47 final) (CES 226/94)**

Rapporteur: Giampaolo Pellarini (Italy - Workers)

### **Gist of the Commission proposal**

In issuing its Green Paper, the Commission seeks to stimulate a wide-ranging debate on this matter, both within the EC Institutions and throughout the sectors involved, with a view to providing guidelines for the measures to be taken.

Such an initiative has been requested for some time. In the Opinion which it adopted on 28 February 1990 on the Proposal for a Council Directive on civil liability for damage caused by waste<sup>1</sup>, the Committee expressed its surprise that the Commission had not yet completed its work on that subject and had held back the specific Draft Directive until all the issues involved had been clarified. The complex nature of this matter in general is part of the reason why consideration of the Draft Directive is still at the Council stage.

A further incentive for the Community to take action in this field is the fact that efforts are being made at international level to reach agreement on rules governing responsibility for

---

<sup>1</sup>

OJ No. C 112 of 7 May 1990.

environmental damage. Particular mention should be made here of the imminent adoption by the Council of Europe of a Convention on damage resulting from activities dangerous to the environment.

The Green Paper considers first the usefulness of civil liability as a means of allocating responsibility for the costs of environmental restoration. Civil liability is a legal and financial tool used to make those responsible for causing damage pay compensation for the costs of remedying that damage. Civil liability also has the important secondary function of enforcing standards of behaviour and preventing people from causing damage in the future.

A Community-wide system of civil liability for environmental damage would draw on a basic and universal principle of civil law, the concept that a person should rectify damage that he causes. This legal principle is strongly related to two basic principles of Community environmental policy, namely the principle of prevention and the "polluter pays" principle.

The Green Paper seeks secondly to investigate the possibility of remedying environmental damage in cases where there can be no recourse to civil liability. Joint compensation schemes, their problems and limitations are therefore examined.

## **Gist of the Committee Opinion**

### ***Foreword***

The Committee has debated at some length the issues raised by the Commission Communication, sounded out all relevant parties and obtained oral evidence. The Committee's findings are put forward as a constructive contribution towards the drafting of Community legislation on the prevention and remedying of environmental damage.

The purpose of the Green Paper is to provoke a wide debate which will help the Commission decide how best to tackle the problem.

The Green Paper begins by assessing the usefulness of civil liability as a means of allocating the costs of environmental restoration and of discouraging pollution. It goes on to consider the case for establishing joint compensation schemes for remedying environmental damage in instances where use of the civil liability instrument is not possible.

### ***The reasons for Community action***

An environmental policy which seeks to prevent the causes of damage at source must necessarily take account of the considerable ongoing costs to the Member States, the Community, the economy and consumers, of repairing the environmental damage caused by human activity, quite apart

from that caused by natural occurrences. A mechanism which provides compensation arrangements can help to alleviate these costs.

Assigning possible liability with greater certainty would have a preventive effect because it would spur those who take the risk of conducting a potentially hazardous activity to take steps to minimize the possibility of damage and hence of liability. This would in turn go some way towards internalizing costs wherever possible. The civil liability system can thus become an important economic instrument for environmental protection.

A further reason for Community action laying down reliable and uniform standards and procedures, in addition to settling problems arising from cross-border damage, is the need to remedy the lack of legislative harmonization which can foster distortions of competition and impede the operation of the internal market.

Environmental protection can be looked on as an opportunity to boost the competitiveness of the economy and to create jobs. This is the view of the Commission's White Paper on Growth, Competitiveness and Employment which forms the basis for the action plan adopted by the EU Council of Ministers in December 1993.

Such is the background to the discussion of the use of civil liability as an instrument for preventing and redressing environmental damage.

The Committee realizes that tackling environmental damage solely from the legal angle is no longer enough, especially in the absence of a uniform, long-standing body of Community legislation. Action is also needed in such spheres as: official checks on compliance with the regulations in force, the provision of detailed objective information, affirmation of new ethical principles, upgrading of production, prior scientific identification of possible risks and related remedies, and the consolidation of environmental awareness.

For the moment a few basic principles should be laid down, taking account of the need for gradual, congruent action, with the short-term aim of devising a coherent system of civil and, more especially, strict liability for remedying environmental damage. These principles should cover the following concepts:

- environment and environmental damage;
- restoration and compensation;
- activities subject to a strict liability regime;
- the right to bring a legal action;
- burden of proof, causal link, and possibility for the person accused of causing the damage to defend himself;
- possible role of insurance and banks;

.../...

- joint compensation systems.

The initiative could take the form of a framework Directive, on the basis of Treaty Articles 130r and 130s, bearing in mind the problem of ratification of the Council of Europe Convention, which is not supported by all Member States.

### *Specific comments*

#### *Environment and environmental damage*

The legal definition of "environmental damage" should derive from a general premise covering all physical, chemical or biological deterioration of the environment and which can be graded:

a) according to type:

- biological and health damage caused by environmental pollution
- material damage (more or less serious)

and effects:

- acute (direct, immediate damage)
- chronic (long-term consequences)
- latent (damage revealed over a period of time);

b) according to site value:

- biological quality of ecosystems;
- vulnerable areas (nature parks, ground water of drinking quality, etc.)
- priority uses (tourism, landscape, cultural and artistic traditions, etc.)
- high economic and productive quality.

Furthermore, a non-exhaustive list of the activities covered must be drawn up. It should not be restricted to high-risk individual activities, but should also cover processes, activities and options which could cause environmental damage. The aim would be to avoid arbitrary exclusions, so that the cost of insurance arrangements, funds or taxation would not be confined to a small number of traditionally prominent sectors.

#### *The right to bring a legal action*

In addition to preventive intervention by the appropriate public authorities, and the right of the direct victims to seek compensation, the following parties should - provided that national legislation and case law to not dictate otherwise - be entitled to seek legal redress in cases where there are not identifiable injured parties:

- national and Community public authorities;
- national non-profit making environmental protection and consumer groups, recognized by the EC or a Member State;
- trade unions and professional associations, for problems related to health or biological damage;
- local ecological and consumer groups, for local issues.

#### *Burden of proof and causal link*

It is often difficult to establish a strict causal link in the case of environmental damage because of the multiplicity of sources of pollution and because damage may be spread over both space and time. Pollution of ground water and acid rain are two cases in point.

There might therefore be a case for easing the burden of proof by some form of presumption of causation along the lines of that used in Article 10 of the Council of Europe Convention, which instructs the court to take due account of the fact that certain dangerous activities carry an inherently greater risk of causing damage. Of course, the defendant must be given the chance to provide vindication or evidence of contributory negligence by the injured or other parties.

#### *Joint compensation systems*

The Committee believes that no collective fund can be expected to replace civil liability which must in any case be retained, whatever the form.

With due respect for the "polluter pays" principle, the Committee would support the establishment, as a back-up measure, of funds based on shared liability for the risk, as these allow any costs to be shouldered jointly, provide contingency reserves which can quickly be used in emergencies, can make advance part-payments pending assignment of liability, and can compensate injured parties in cases where full costs cannot be recovered.

However, the Committee does not consider a single European fund to be appropriate, since it would be unable to react flexibly to specific circumstances; indirectly it could weaken the concept of individual liability, or be looked on as simply a further form of general taxation.

European and national collective funds should in principle be divided into two categories: general funds, aimed at restoring past damage, and sector-based funds for high-risk sectors.

The Committee is aware that these general funds will be financed not only by the most directly involved sectors but also by ordinary citizens through consumer prices or taxation.

The possibility must therefore be provided of involving organizations representing broad interests such as consumers, workers and environmentalists, as well as employers' organizations, in the management of such funds.

### *Conclusion*

In conclusion, the Committee hopes to see the Council of Environment Ministers make an explicit commitment to the matters raised in the Green Paper by instructing the Commission to draft a proposal forthwith.

*This Opinion was adopted by 75 votes to 38, with 11 abstentions.*

### 3. DANGEROUS SUBSTANCES (INFLAMMABLE AEROSOLS)

**Opinion of the Economic and Social Committee on the Proposal for a Council Directive amending for the fifteenth time Directive 76/769/EEC on the approximation of the laws, regulations and administrative provisions of the Member States relating to restrictions on the marketing and use of certain dangerous substances and preparations (COM(93) 499 final - SYN 473)  
(CES 227/94)**

Rapporteur: Georges Proumens (Belgium - Workers); Co-Rapporteurs: Johannes Jaschick (Germany - Various Interests) and Kommer de Knegt (The Netherlands - Workers)

#### **Gist of the Commission proposal**

Implementation of the Montreal Protocol on the ozone layer has led to the replacement of inflammable CFC's in aerosols by flammable substitutes, particularly in aerosols used for entertainment and decorative purposes. This has caused accidents, particularly to children.

The present proposal is to amend the basic Directive 75/324 on aerosols to provide harmonized limitations on the new flammable products.

#### **Gist of the Committee Opinion**

.../...

The Committee approved the Commission's proposal but drew attention to the necessity to reformulate certain products which are now sold in aerosols containing a propellant which presents no flammability risk but which will nevertheless be banned under the Montreal Protocol.

*This Opinion was adopted unanimously.*

#### 4. EUROPE AGAINST AIDS

**Opinion of the Economic and Social Committee on the Proposal for a Decision of the Council and the Ministers for Health of the Member States, meeting within the Council, concerning the extension to the end of 1994 of the 1991-1993 plan of action in the framework of the "Europe against AIDS" programme (COM(93) 453 final) (CES 228/94)**

Rapporteur: Sergio Colombo (Italy - Workers)

#### **Gist of the Commission proposal**

The proposal, based on the conclusions of the Council of Health Ministers meeting of 27 May 1993, aims to ensure that the "Europe against AIDS" programme is continued in 1994.

The overall approach remains the same but, on the basis of the experience gained, some of the objectives have been changed, new areas of activities have been introduced and other areas of activities have been discontinued.

For example, action 6 (evaluation of the costs of HIV infection), which was conceived at a time of great concern about the probable economic impact of the disease, has been discontinued, whilst new actions (a campaign of information and awareness for specific target groups, particularly migrants) have been introduced.

#### **Gist of the Committee Opinion**

The Committee welcomes the proposal to extend the Europe against AIDS plan of action to the end of 1994.

Given the serious spread of AIDS and the disturbing increase in the number of HIV carriers, as evidenced in the latest WHO figures, the ESC considers that very great efforts need to be made at Community level in terms of information, prevention and preservation of the quality of life of people with AIDS and those infected with the HIV virus; this requires the close coordination of current initiatives in individual Member States and the adoption of an integrated, multi-sector approach. Coordination is all the more necessary as people are now moving about more and more

.../...



freely as a result of the opening up of frontiers and European citizens consequently require equal protection.

The Committee is pleased that some switches of emphasis in the current plan of action are consistent with the suggestions made in its earlier Opinion, and particularly the emphasis on epidemiological monitoring systems (an area where the ESC has called for the allotment of greater resources) and better targeted information campaigns.

One area, however, which continues to be neglected in the programme is the need for AIDS prevention and information at the workplace with the participation of the social partners. The Committee notes that this aspect has been covered in the Community Directives on health and safety at the workplace, and particularly the Directive on biological agents. The Committee nevertheless feels that initiatives in this specific area should fall within the compass of the "Europe against AIDS" programme.

In this connection the Committee would reiterate its desire to be actively involved in the programme and to be sent the report provided for in Article 3 of the Decision; this already happens in the Europe against Cancer programme.

After putting forward a number of suggestions to complement specific actions, the Committee said that it would like to see greater coordination between a) prevention and information, b) research and c) assistance to developing countries.

The Committee also stressed that Community research programmes, drawing on the experience of European laboratories, should be encouraged to develop vaccines against AIDS.

*This Opinion was adopted unanimously.*

## 5. DANGEROUS SUBSTANCES

**Opinion of the Economic and Social Committee on the Proposal for a European Parliament and Council Directive relating to the classification, packaging and labelling of dangerous substances - Consolidated Text (COM(93) 638 final - COD 480)**  
CES 229/94 fin

Sole Rapporteur: G.H.E. Hilkens (The Netherlands - Various Interests)

### **Gist of the Commission proposal**

This is a proposal to consolidate into one document 28 previous amendments to the Basic Directive 67/548 on the classification, packaging and labelling of dangerous substances.

.../...

### **Gist of the Committee Opinion**

The Committee approved the Commission proposal.

*This Opinion was adopted unanimously.*

### **6. EXTRACTION SOLVENTS**

**Opinion of the Economic and Social Committee on the Proposal for a European Parliament and Council Directive amending for the second time Council Directive 88/344 of 13 June 1988 on the approximation of the laws of the Member States relating to extraction solvents used in the production of foodstuffs and food ingredients (COM(93) 659 final - COD 484) (CES 230/94 fin)**

Sole Rapporteur: Kenneth J. Gardner (United Kingdom - Workers)

### **Gist of the Commission Document**

This is a proposal to amend Directive 88/344 re-installing cyclohexane as a temporarily acceptable extraction solvent.

### **Gist of the Committee Opinion**

The Committee approves the Commission's proposal, giving cyclohexane temporary approval but wants the further tests required by the Scientific Committee for Food (SCF) carried out as soon as possible.

*This Opinion was adopted unanimously.*

### **7. WINE MARKET - ORGANIZATION REFORM**

**Opinion of the Economic and Social Committee on the Commission Communication to the Council - Development and future of wine sector policy (COM(93) 380 final) (CES 231/94)**

Rapporteur: Adalbert Kienle (Germany - Workers)

### **Gist of the Commission proposal**

The Commission is not at this point submitting detailed proposals, but merely indicates the measures it proposes to adopt gradually to restore balance in the wine sector. It proposes to adopt a mainly structural approach by adjusting wine growing capacity on a regional basis, whilst applying a policy of penalizing compulsory distillation designed to eliminate surpluses in winegrowing years which upset the balance of the market.

The new approach proposed by the Commission would be based on multiannual regional viticultural adjustment programmes which would contain goals in terms of reducing areas under vines, controlling yields, restructuring, environmental impact and rural development. The first main part of these programmes would remain grubbing inducements. Premiums, wholly financed by the EC, would be raised substantially compared to current levels. Payments would be staggered over ten years. Complementary national and regional aid would be authorized. Prohibition of new plantings and verification of replanting rights would continue to apply temporarily, at least until elimination of the structural surpluses.

The second part of these programmes would be a set of aids promoting the adaptation of existing vineyards and marketing structures:

- aid for the restructuring of vineyards;
- aid for specific marketing measures designed in particular to facilitate closer contact with the market for growers who, having become accustomed to depend on distillation, must restructure their operations;
- direct aid per hectare of vines to compensate for serious structural handicaps (to maintain viticulture in certain sensitive areas, to back up efforts to reform the market by encouraging lower yields by the use of appropriate technologies so as to promote environment-friendly cultivation techniques);
- aid for research and the technical training of wine growers, particularly in the most sensitive areas.

Programmes will initially be established for the period to the end of the century. Payment of Community funds will be subject to satisfactory progress and will be renewed only for Member States or regions achieving the agreed objectives.

Compulsory distillation ought to remain the cornerstone of the distillation system. **Two main options are envisaged** for determining the quantity to be distilled and its allocation between Member States using objective and automatic criteria.

**The first** is based on reference quantities for national production, set in absolute figures and covering production of all wine (table wines, quality wines psr, "other" wines). All production of each wine year exceeding the national reference quantity would have to be distilled at a very low price in the Member State of production. The Commission would adopt production estimates and the quantities to be distilled by each Member State before 31 December of the wine year and a mechanism for correcting estimate errors in the following wine year would be set up. This option would enable each Member State to measure from the outset the scale of the structural adjustment of wine-growing capacity needed. However, where wine use forecasts are changed, the reference level would have to be adjusted, necessitating periodic renegotiations.

**The second option applies to production stocks:**

- elimination at the end of each wine year of a quantity of wine equivalent to production stocks of all wines exceeding the normal level; distribution of the costs between the Member States pro rata to the stocks held.

The inventory of production stocks would be carried out at the end of the winegrowing year, so as to free the market before the arrival of the following crop. It would affect all wines, but special arrangements could be made to take account of traditional stocks of quality wines psr. This option would avoid the need to freeze the respective situations of the various Member States and would in the medium term have the advantage of orientating production towards those market segments with more consumer demand. The carrying out of inventories of production stocks would however have the disadvantage of requiring the full cooperation of the Member States and their acceptance of strict Commission monitoring.

**Rules common to the two options.** The division of costs between producers would be left entirely up to the Member States which could use a separate key for different stocks or a key based on yields as at present, or any other objective criterion.

Quality wines psr would be included, because of the risk of wines being transferred from one category to another solely in order to circumvent obligatory distillation. But the Member States could continue to exempt them from the new obligatory distillation arrangements, within the framework of their responsibilities (without prejudice to measures to limit yields).

After a transitional period of three to four years the purchase price for wine sent for compulsory distillation would have to be set at an extremely low level in order to make distillation more discouraging, reduce the cost of public intervention and offer a budgetary margin of manoeuvre for adjustment of production potential.

However, whichever option is chosen, a single, voluntary distillation, not deductible from compulsory distillation, and replacing the present preventive and support distillations, would be

retained. Normally effected at the beginning of the wine year, it would, after a transitional period, be intended to regulate isolated surpluses only and would be degressive as to both quantity and price.

Downstream of distillation, there ought to be a review of the sharing of responsibility between the Member States and the Community in disposing of wine alcohol. This is not proving satisfactory at the moment and a move is needed to Community financial responsibility for disposal with part-financing by producer Member States.

The suggestions concerning **wine-growing practices** and, in particular, **enrichment**, are the following:

- wine-growing areas to be grouped into two large zones: A and B on the one hand, and C on the other;
- minimum natural alcoholic strength to be increased in northern regions;
- the Member States to be allowed to authorize sugaring at the rate of 1.5% vol in southern regions and 2% vol in northern regions;
- enrichment (additional or not) with concentrated must to be allowed, without aid.

#### **Gist of the Committee Opinion**

The Committee welcomes the Commission's analysis but deplores the fact that the political and social aspects and the sector's infrastructure have been given short shrift. The analysis is also deficient on marketing and consumption.

It thinks there is an urgent need to study the adoption of effective measures in these two areas, in order to achieve the desired market balance.

With regard to the situation on the world market, the Committee thinks that it is important for the analysis to also take into account the development in production potential (areas under vine, yields per hectare) in third countries. The Commission's market analysis must also take account of trends in consumption in third countries.

There is a danger in this context that the effects of the GATT agreement will to some extent nullify the EU's attempt to stabilize the market.

The EU's wine producers cannot be expected to accept a policy which requires a unilateral programme of adjustment by the European wine industry. The Commission is therefore

asked to enter into discussions with the non-Community wine-producing countries with a view to the gradual elimination of worldwide wine surpluses on the basis of international solidarity.

In particular, the Committee supports the Commission's proposals regarding:

- the introduction of multiannual regional adjustment programmes;
- the promotion of grubbing-up measures within the framework of regional land-use planning;
- the placing of a ceiling on EC funds and the use of national and regional aid to top up these funds;
- the preservation of wine-growing on hillsides.

In addition, the Committee thinks that the Commission's proposal for regulating the maximum yields per hectare for quality wines psr must be extended to all wines and the necessary checks carried out. The fixing of maximum yields for table wines would help to effectively combat the production of table wine surpluses.

The Committee agrees with the Commission's demand that the downgrading of quality wines psr to table wines must lead to these wines being excluded from all voluntary market support measures. This is necessary to ensure that the strict rules on yields applicable to quality wines psr are not circumvented and surplus quality wine does not benefit from the market-support measures. These measures should be reserved for table wines that have been properly produced.

The Committee calls for more precise criteria for determining whether table and quality wines are subject to the compulsory intervention measures of the market organization or exempt from them, and whether or not they may participate in voluntary measures.

On the other hand, the Committee does not agree with the Commission's view that the number of wine-growing zones can be reduced from seven to two or that there can be a levelling-out of natural minimum alcoholic strengths and oenological practices. Instead it advocates that consideration be given to the classification of wine-growing zones on the basis of objective criteria and that the use of oenological practices should be restricted to a minimum. Such practices should be permitted only when a vintage suffers from the weather.

Given the varying traditional practices and climatic and geographical conditions, the Committee does not advocate extending the use of chaptalization to the whole of the Community. The existing ban on chaptalization should remain in force as hitherto. The use of sucrose should continue to be permitted only in wine-growing areas which traditionally practised chaptalization before the establishment of the European wine market organization.

With regard to distillation, the Committee agrees with the Commission that until such a time as the market is brought into balance, distillation measures will be required to eliminate surpluses. However, the proposed policies, which are based on reference quantities for national production (quota scheme), are emphatically rejected.

This is because the Committee is convinced that experience with such quota systems in other market organizations argues against their use in the wine sector. The producer should be the direct target of the policy of intervention without the Community having to introduce a bureaucratic superstructure in the form of a quota scheme. The aim should be to make the adaptation of production to market openings a more attractive proposition than the production of surpluses.

*This Opinion was adopted by 87 votes for, 16 against and seven abstentions.*

8. CONSERVATION AND MANAGEMENT OF FISHERY RESOURCES

**Opinion of the Economic and Social Committee on the Proposal for a Council Decision amending Decision 89/631/EEC on a Community financial contribution towards expenditure incurred by the Member States for the purpose of ensuring compliance with the Community system for the conservation and management of fishery resources (COM(93) 546 final)  
(CES 232/94)**

Rapporteur: Augusto Gil Bensabat Ferraz da Silva (Portugal - Workers)

*This Opinion was adopted unanimously.*

9. FISHERIES - AZORES, MADEIRA, CANARIES, GUIANA

**Opinion of the Economic and Social Committee on the Proposal for a Council Regulation (EC) establishing a system of compensation for the additional costs incurred in the marketing of certain fishery products from the Azores, Madeira, the Canary Islands and the French department of Guiana as a result of their very remote location (COM(93) 630 final)  
(CES 233/94)**

Rapporteur: Augusto Gil Bensabat Ferraz da Silva (Portugal - Workers)

*This Opinion was adopted unanimously.*

10. ANIMAL HEALTH - TRADE IN BOVINE ANIMALS AND SWINE

**Opinion of the Economic and Social Committee on the Proposal for a Council Directive amending and updating Directive 64/432/EEC on health problems affecting intra-Community trade in bovine animals and swine (COM(93) 698 final)**  
(CES 234/94)

Rapporteur: Georges Proumens (Belgium - Workers)

*This Opinion was adopted unanimously.*

11. FISCAL MARKING OF GAS OIL

**Opinion of the Economic and Social Committee on the Proposal for a Council Directive on fiscal marking of gas oils (COM(93) 352 final)**  
(CES 235/94)

Rapporteur: José Ignacio Gafo Fernandez (Spain - Employers)

**Gist of the Committee Opinion**

The Committee approves the proposed Directive, which aims to facilitate the movement of petroleum products subject to varying rates of excise duty and to prevent improper use of such products.

*This Opinion was adopted unanimously.*

12. THE USE OF THE ECU (Own-initiative Opinion)

**Opinion of the Economic and Social Committee on removing the legal obstacles to the use of the ecu (SEC(92) 2472 final)**  
(CES 236/94)

Rapporteur: Klaus Meyer-Horn (Germany - Workers)

**Gist of the Commission White Paper**

Wider use of the ecu during the EMU transitional phase will facilitate its introduction as an independent single currency in the Community in the third phase. In view of this and in response to the wish expressed by the European Council (Dublin, 25 and 26 June 1990), the Commission calls upon Member States to guarantee the legal status of the ecu as a foreign currency and take measures concerning:



- the use of the ecu in private contracts (e.g. ecu payment clauses);
- court decisions based on legal procedure;
- business management and organization (e.g. publication of prices and accounts); and
- customs and taxation (e.g. tax payments in ecus).

The White Paper, submitted to the Council on 23 December 1992, lists the obstacles to the use of the ecu, by country.

### **Gist of the Committee Opinion**

Although use of the ecu will not be encouraged merely by removing legal obstacles, since the ecu will remain a basket currency during the transition period, it is a step in the right direction. If, in a few years time, the ecu is introduced, one cannot very well shortly beforehand have legal constraints on the use of its precursor.

In view of the risks run by private households taking out mortgages and loans in ecus, it is only right that the Commission should not propose any measures to forcibly promote use of the ecu. That could only lead to disappointments which would be bad for the ecu's image.

The Committee recommends that the European citizen be informed about what will be going on during the phase of transition to economic and monetary union. This includes covering the possibilities of using the ecu basket currency during the transitional period with all the risks and advantages involved.

The Committee supports the Commission's recommendation that all Member States should grant the ecu legal status as a foreign currency. The removal of these legal obstacles would be a good reason for legislators to make payment by funds transfer generally equivalent to cash payments. Member States should allow their companies the possibility of constituting their capital in ecus.

Finally, it seems a good idea to refer to the ecu systematically and expressly in EU law.

***This Opinion was adopted unanimously.***

### 13. COHESION FUND

**Opinion of the Economic and Social Committee on the Proposal for a Council Regulation establishing a Cohesion Fund and a Council Regulation implementing the Cohesion Fund Regulation (COM(93) 699 final)  
(CES 237/94)**

Rapporteur: John Little (United Kingdom - Workers)

**Gist of the Committee Opinion**

Article 130d of the Treaty, as amended at Maastricht, provides for the establishment of a Cohesion Fund. The Committee has already issued an Opinion (Rapporteur: Mr GIESECKE)<sup>2</sup> on the proposal for a Regulation establishing an interim cohesion financial instrument. The Opinion strongly supported the objectives of the Fund, and the present Opinion reiterates this support and warmly welcomes the revised proposals.

The Committee urges the Commission and the other parties involved to act with urgency so as to ensure that the Cohesion Fund instrument is in place in time to avoid any interruption to the flow of Community assistance. The Committee makes specific comments on the selection of projects, the allocation of funds between beneficiary countries, preliminary studies, and the minimum threshold for projects.

The Committee repeats its contention that a re-examination of the Cohesion Fund Regulation should take place earlier than 1999 in the light of its innovative features. That re-examination could take place in conjunction with the review of beneficiary countries' eligibility in 1996.

*This Opinion was adopted unanimously.*

**II. OUTSIDE PRESENCE AND INFLUENCE OF THE ECONOMIC AND SOCIAL COMMITTEE**

**Activities of the Chairman**

***Official visit to Portugal***

On 16 and 17 February 1994, a delegation from the Committee, headed by its Chairman, Susanne Tiemann, made a visit to Portugal. The delegation held talks with Teresa Costa Macedo, Marie de Jesus Barroso (the wife of the President of the Portuguese Republic), Vitor Martins, the State Secretary for European Affairs, Mr Falcão e Cunha, Minister for

---

<sup>2</sup>

OJ C 108 of 19 April 1993, page 53.

Employment and Social Security, and Anibal Cavaco Silva, the Prime Minister of Portugal. On 17 February the Committee delegation held meetings with José Silveira, President of the Pharmaceutical Association, Mr Nascimento Rodrigues, President of the Economic and Social Council, and Luis Valente de Oliveira, Minister for Planning and Territorial Administration. The President of the Portuguese Bar, Mr Castro Caldas, held a lunch for members of the Committee's delegation.

**4 February - Brussels:** Meeting with Mrs Synnöve Amberla, a lawyer and representative of the Association of Finnish Local Authorities.

**7 and 8 February - Brussels** Attendance at the preparatory meeting and the subsequent inaugural meeting of the European Economic Area Consultative Committee (EEA-CC) which was attended by Greek and Finnish Ministers.

**10 February - Brussels** Meeting with Mr Evert, President of the Greek New Green Democracy Party.

**22 February - Brussels:** Meeting with members of the European Federation of Women Working in the home

**22 February - Brussels:** Participation in the "Stammtisch" organized by the Bavarian Information Office.

**23 February - Brussels:** Talks with Sir Brian Unwin, President of the European Investment Bank.

**23 February - Brussels:** Reception given by the Chairman of the Economic and Social Committee.

**24 February - Brussels:** Talks with Peter Schmidhuber, Member of the EC Commission.

**28 February - Bonn (Germany)** Meeting with Roland Issen, President of the DAG (German Union of Employees)

#### **Other activities**

**1 February:** Address by Mr Pedersen of the European Foundation for the Improvement of Living and Working Conditions, Dublin, to members of the Committee's Section for Protection of the Environment, Public Health and Consumer Affairs on prospects for the environment and the quality of life during the period 1994-2010.

**2 February - Brussels :** Members of the Section for Industry, Commerce, Crafts and Services were addressed by the Chairman of the European Parliament's Committee on Legal Affairs and Citizens'

Rights, Siegbert Alber, on the main subjects being considered by that Committee. The Section then heard a statement by François Lamoureux, Director, DG III/A of the EC Commission, on the industrial aspects of the White Paper on Growth, Competitiveness and Employment.

8 February : Inaugural meeting with the European Economic Area (EEA) partners.

9-11 February - Ljubljana (Slovenia) : visit by the Study Group on Relations between the EU and Slovenia (Section for External Relations, Trade and Development Policy).

10 February - Brussels : Members of the Section for Social, Family, Educational and Cultural Affairs heard a statement by Achilleas Mitsos, Commission Director, on the work of the Human Resources Task Force. Following the address by Mr Mitsos, members were addressed by Patrick Venturini, of the Private Office of Mr Delors, on the Commission's approach to the social aspects of the White Paper.

11 February - Brussels : Members of the Section for Transport and Communications heard a statement by Ioannis Haralambous, President-in-office of the Council of Transport Ministers, on the programme of the Greek presidency.

14-18 February - Libreville (Gabon) : Participation by a Committee delegation in the meeting of the ACP/EC Joint Assembly.

15 February - Brussels : Members of the Section for Regional Development and Town and Country Planning heard a statement by Mr Krebs, the German State Secretary for Economic Affairs, on the specific features of regionalized structural policies in North Rhine-Westphalia and the role of the social partners.

17-18 February - Edinburgh and Glasgow : Meeting of the Study Group on the Fourth Annual Report on the Implementation of the Reform of the Structural Funds (Section for Regional Development and Town and Country Planning).

28 February - Las Palmas (Canary Islands, Spain) : Meeting of the Study Group on Community Energy Policy (Section for Energy, Nuclear Questions and Research).

### **III. APPOINTMENT OF NEW COMMITTEE MEMBERS**

The Council appointed two new members of the Economic and Social Committee. Michael Lynch (Ireland - Various Activities) was appointed in place of the late Tomás Roseingrave and Juan Fernandez (Belgium - Workers) was appointed in place of Xavier Verboven, who has resigned.

#### **IV. FACT-FINDING VISITS**

During the period under review, the following fact-finding visits were made to the Committee :

- 2 February Brussels-Europe Liaison Office (group of students taking part in the operation entitled "The citizens and the capital of Europe: Young people play their part").
- 3 February ISOPLAN - Institut für Entwicklungsforschung, Wirtschafts- und Sozialplanung GmbH (Eurocounsellors Group), Saarbrücken (Germany)
- 3 February University of Central Lancashire (UK)
- 8 February Coleg Normal Bangor (UK)
- 8 February Telecommunications industry group (UK)
- 9 February Association of students of the Ecole Centrale Paris (France)
- 9 February Brussels-Europe Liaison Office (group of students taking part in the operation entitled "The citizens and the capital of Europe : Young people play their part").
- 10 February ISOPLAN - Institut für Entwicklungsforschung, Wirtschafts- und Sozialplanung GmbH (Eurocounsellors Group), Saarbrücken (Germany)
- 10 February HONIM - Hoger Onderwijs Imelda Instituut, Brussels (visiting exchange group from the Albert Schweitzer Lycée, Mulhouse)
- 10 February Stockport College of Further and Higher Education (UK)
- 10 February Centre Départemental des Jeunes Agriculteurs, Alençon Cedex (France)
- 14 February The American University, Washington D.C. (US)
- 15 February TESEO - Technical Support for European Organizations, Brussels (Group of Italian experts)
- 15 February University of Groningen (Netherlands)
- 15 February Petra Youth Bureau, Brussels (Group of Young Finnish Workers)

.../...

- 21 February Elsa - The European Law Students' Association, Belgium
- 22 February British group taking part in the programme entitled "Liberalization of European Energy Markets"
- 22 February Group from Sub-Committee A (Finance, Trade and External Relations) of the House of Lords, London
- 25 February University de Paris A Panthéon Sorbonne - Centre de Recherche en Gestion européenne et international (France)
- 28 February French Chambers of Agriculture/Standing Assembly (Sub-directorate for European and international affairs) Brussels Office.
-



