

ECONOMIC AND SOCIAL CONSULTATIVE ASSEMBLY

BULLETIN

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ECONOMIC AND SOCIAL COMMITTEE

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Contents

	<i>Page</i>
257th PLENARY SESSION	3
Résumé of the speech given by Mr Bangemann, the Federal Republic of Germany's Minister for Economic Affairs	3
Résumé of the speech given by Mr Yennimatas, Greek Minister for Labour and President-in-office of the Council	6
Adoption of Opinions	9
1. Approximation of tax rates and harmonization of indirect tax structures	9
2. Approximation of VAT rates	11
3. Convergence of rates of VAT and excise duties	12
4. VAT clearing mechanism for intra-Community sales	14
5. Removal of fiscal frontiers	15
6. Excise duty on cigarettes/tobacco	17
7. Excise duty on mineral oils	20
8. Excise duty on alcohol	21
9. Tobacco/tar	23
10. Tobacco/labelling	24
11. Air transport — ground handling services (Additional Opinion)	26
12. Air transport — computer reservation systems	28
13. Air transport — revenue sharing, tariffs, slot allocation	30
14. Social aspects of sea-fishing (Own-initiative Opinion)	32
15. Combined nomenclature — Eggs	33
16. Eurotra	33

EXTERNAL RELATIONS	37
Official visit to Germany	37
Joint ESC/EFTA meeting	37
ESC participation in 'European festivities' in Hanover	37
Other activities	40
NEW CONSULTATIONS	41
PROVISIONAL FUTURE WORK PRO- GRAMME	43
NEWS OF MEMBERS	47

257th plenary session

The 257th plenary session of the Economic and Social Committee of the European Communities was held in Brussels on 6 and 7 July 1988. The Committee Chairman, Mr Fons Margot, presided.

This session was attended by Mr Bangemann, Minister for Economic Affairs of the Federal Republic of Germany, who reported on the European Summit in Hanover, and Mr Georgios Yennimatas, Greek Minister for Labour, who presented the programme of the Greek Presidency of the Council.

Résumé of the speech given by Mr Bangemann, the Federal Republic of Germany's Minister for Economic Affairs

After having thanked the members of the Committee for their contribution to European integration and to the recent successes in this area, Mr Bangemann called for better cooperation between the Committee, the Council and the Commission. He reported briefly on the achievements of the last six months and on the European Summit in Hanover.

He stated in particular:

'The results may be summarized as follows: firstly: numerous practical steps forward have brought the objectives of the Single European Act a good deal closer. Secondly: in other key areas it has been possible to map out the course to be followed in future. Thirdly: the new decision-making procedures have proved their worth. Above all, majority voting has speeded up integration ...

The completion of the internal market has made progress on all fronts. Roughly one third of the current programme for the internal market has been completed, including a number of very important projects. Take, for example,

- (i) the liberalization of capital flows;
- (ii) the mutual recognition of diplomas;
- (iii) the adoption of the Directive on public supply contracts;



Mr Margot, President of the ESC, welcomes Mr Bangemann, Minister for Economic Affairs of the Federal Republic of Germany, on his arrival at the Committee's headquarters to attend its plenary session.

- (iv) the liberalization of indemnity insurance services;
- (v) the liberalization of the road haulage industry by 1 January 1993...

All in all, we can report with satisfaction that the timetable for a barrier-free market has been adhered to so far. And, what is perhaps even more important, there is a feeling throughout Europe that the internal market represents a new dawn, something which we could scarcely have expected before agreement was reached on the Delors package ...

During our presidency monetary discussions have developed a considerable momentum of their own, to the surprise of many people ... The European Council in Hanover set up a committee of seven to be chaired by the Commission President which has been given slightly less than one year to examine and propose practical steps for achieving monetary union. I regard this decision as a firm declaration of intent in support of European monetary union.

Our next target is to map out the path towards monetary union at the European Summit in Madrid; as we see it, there should be an independent central bank which is committed to stability. For the internal market — and for monetary union — we need the support of all social groups.

The “social dimension” of the internal market has therefore come more to the fore — and rightly so. It was to your Committee’s credit that it drew attention to this link at a particularly early stage ... In Hanover the “social dimension” of the internal market was at the centre of a European Council’s discussions for the first time. The decisions taken in this connection contain important declarations of intent, such as:

- (i) the social partners to be informed and consulted at every stage on the road to the internal market;
- (ii) existing levels of protection to be diminished by new measures; and
- (iii) better access to be provided to basic and advanced vocational training.

Realistically speaking, no more could have been achieved at the present stage. None the less, social policy measures in support of the internal market have been recognized as a key topic and have been put high on the agenda. In an address to the German Parliament, Federal Chancellor Kohl declared that the internal market “should not lead to the undermining of German legislation for the protection of workers or the representation of their interests”.

This is the way I see it, too.

On the other hand, we cannot impose our social standards on our partners in the Community and naturally do not wish to do so either.

Thus, the differences will remain for the time being. However, these differences may well further the integration process, for Community countries with less developed social systems have cost advantages which will attract investment which they can use to boost growth and gradually extend these social systems.'

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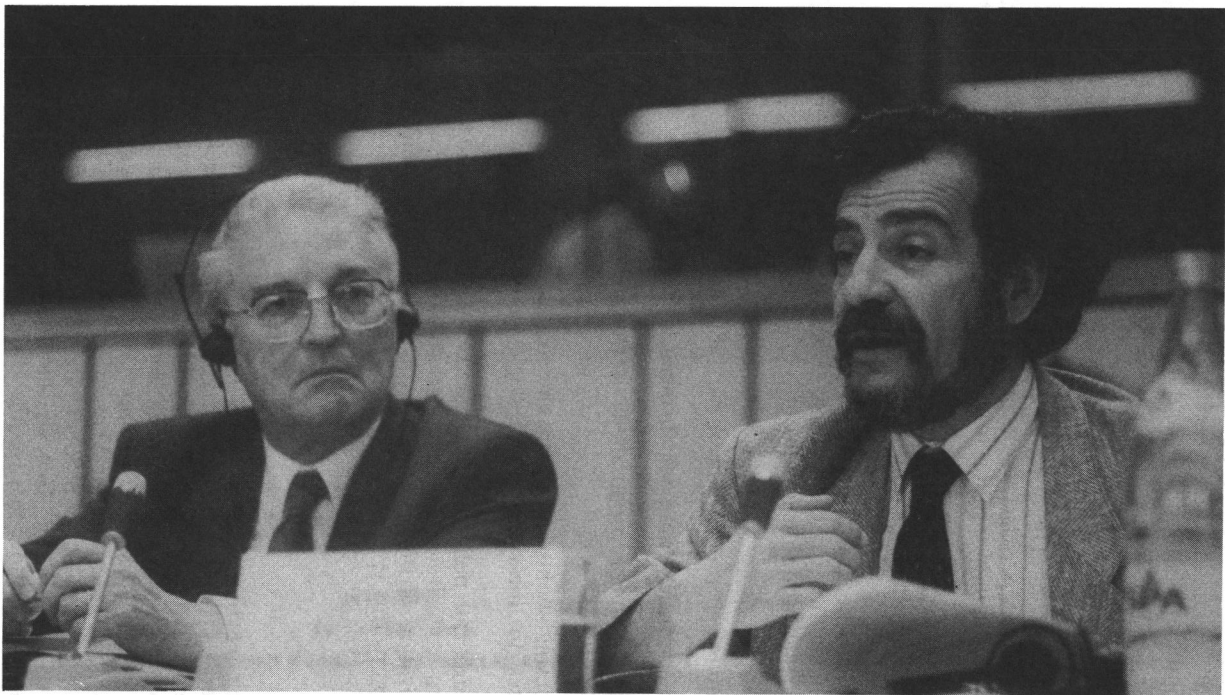
Several members expressed their satisfaction with the German Presidency's achievements. They trusted that the German Government would continue to support the same policies at the Council. Mention was made of the fact that the liberalization of capital movements should not become a means of evading taxes. The potential cost of establishing a single currency was also referred to.

The Council's failure to reach a decision on the control of mergers, to which the Committee had lent its support, was deplored. Governments made grandiose remarks about economic convergence and the cooperative growth strategy for more employment, but they did not translate these words into deeds.

Finally, all the speakers mentioned the importance of the social aspects of the internal market's completion. The trade union representatives voiced their satisfaction at the priorities laid down in Hanover. They pointed out, however, that there were still 16 million people out of work in the Community and that it was necessary to tackle this social evil. It was necessary to consolidate, and not dismantle, social legislation. The Commission had to build up a solid foundation of social legislation for, even if inflation was mastered, there would still be high unemployment.

Résumé of the speech given by Mr Yennimatas, Greek Minister for Labour and President-in-office of the Council

In presenting the programme of the Greek Presidency to the Economic and Social Committee on 6 July, Mr Georgios Yennimatas wished to convey a message of 'optimism and hope'.



Mr Yennimatas, Greek Minister for Labour (right), addressing the plenary session, and Mr Margot (left), President of the ESC.

A White Paper was to be drawn up by the Commission 'to eliminate inequalities and safeguard the minimum rights of workers and consumers' both at work and in their day-to-day lives. It would include a multiannual plan encompassing health, safety, social benefits, etc.

The Greek Presidency intended to give priority to the adoption of a whole set of Directives concerning the workplace (use of machines and personal protective equipment) and would try to achieve a common position on a 'framework Directive'.

On social issues, the Greek Presidency wished to embark on negotiations aimed at drafting Directives on the information and consultation of workers in undertakings, in-service training for adults and the drawing up of a standard work contract within a single Community area. Internal development of the Community would concentrate on four fronts:

- (1) negotiation of the regulations implementing the structural Funds and preparation of the 1989 budget;
- (2) creation of a European financial area;
- (3) promotion of proposals concerning transport, environment, research, etc.; and
- (4) consolidation of economic and social unity by setting 'prerequisites' for the creation of a single Community area.

On European political cooperation, the Greek Presidency would take an extensive set of initiatives *vis-à-vis* non-member countries (reactivation of the 'Mediterranean' group, steps towards political dialogue with Cyprus and Malta ...).

*
* *

In their reactions and questions to Mr Yennimatas, ESC Members stressed the priority importance attached by the Greek Presidency to the social dimension of the Community area. This approach won support but was accompanied in some cases by warnings about certain aspects (institutionalization of social dialogue) and the magnitude of the task. Mr Yennimatas' attention was also drawn to specific issues such as product safety. Winding up the discussion, the President of the Council said: 'Our aim is that the social partners should feel that we know where we are going.'

ADOPTION OF OPINIONS

1. APPROXIMATION OF TAX RATES AND HARMONIZATION OF INDIRECT TAX STRUCTURES

**Completion of the internal market: Approximation of
indirect tax rates and harmonization of indirect tax
structures**

[COM(87) 320 final/2]

Gist of the Commission proposal

The package proposed by the Commission is not an attempt to design an ideal fiscal system for the Community but merely a blueprint for the abolition of fiscal frontiers. The abolition of fiscal frontiers will mean the abolition, in intra-Community trade, of the existing system of relieving goods from tax at export and of imposing tax at import, as has been the case ever since the first VAT Directive was adopted 20 years ago.

In addition, the removal of fiscal frontiers necessitates approximation of VAT and the main excise duties (on tobacco, mineral oils and alcoholic beverages) if unacceptable levels of distortion of competition, diversion of trade, and tax fraud are to be avoided.

The Commission is also proposing a VAT clearing mechanism to ensure that, after frontier controls have been abolished, the Member States continue to receive the revenue to which they are entitled. This will ensure that tax collected on export sales in one Member State is passed on to the Member States in which the supplies are finally consumed.

There are, of course, other indirect taxes within the Community, such as taxes on vehicles, and on the purchase of houses, which vary considerably from Member State to Member State. Those variations can be such as to cause distortions of competition and deflection of trade. But they do not impede the free movement of goods in the sense that the differences between them do not give rise to controls or formalities at frontiers.

It is intended that Community rates for VAT and excise duties should enter into force no later than 31 December 1992. It will be the responsibility of the individual Member States to work towards these rates in the intervening period. The Commission is however

putting forward a Convergence Proposal which aims to ensure that Member States do not diverge from the overall objective in the meantime.

Gist of the Committee Opinion¹

In its Opinion, adopted by 112 votes for, 8 votes against and 11 abstentions, the Committee fully endorses the aim of removing tax frontiers and border checks by 1 January 1993. It accepts that it may be desirable to create some sort of compensation system, such as a clearing house, to assign VAT revenues to Member States. It considers that this proposal requires further study, as it raises complex problems which are not adequately solved by the Commission proposals in their present form.

The Committee regrets that the Commission has not found a solution to a whole array of technical problems (supervision of the actual collection of VAT in trade, budget and social problems, clearing system, etc.) which give rise to concern about whether the planned abolition of tax frontiers would actually be an improvement on the present situation, which is one of rigorous observance of equal competition in Community trade.

In the Committee's view, whatever decisions are finally made should permit as much flexibility to the Member States (to reflect their revenue, social and economic objectives) as is compatible with the attainment of free competition in the internal market.

Finally, the Committee considers that the planned White Paper on direct taxation should be published as rapidly as possible and should be the subject of a specific Committee Opinion.

This Opinion was drawn up in the light of the paper produced by the Section for Economic, Financial and Monetary Questions, chaired by Mr Goris (The Netherlands — Various Interests). The rapporteur was Mrs Robinson (United Kingdom — Various Interests).

¹ CES 739/88.

2. APPROXIMATION OF VAT RATES

Proposal for a Council Directive supplementing the common system of value-added tax and amending Directive 77/388/EEC — Approximation of VAT rates [COM(87) 321 final/2]

Gist of the Commission proposal

The approximation of VAT rates — a key stage in the tax harmonization necessary for achieving the internal market — poses three technical problems, namely the number of rates to be applied, their level and the allocation of products to the rates.

A dual rate VAT system has been chosen. It is true that, in theory, a single VAT rate system is the most simple but since all the Member States (with the exception of Denmark and the United Kingdom) apply at least two VAT rates, a reduced rate and a standard rate, it would seem desirable not to upset the tax structure of the majority of Member States.

The standard rate in each Member State can vary between 14% and 20% and the reduced rate between 4% and 9%.

The reduced rate is to be applied to transactions relating to the following goods and services:

- (i) foodstuffs, excluding alcoholic beverages;
- (ii) energy products for heating and lighting;
- (iii) water supplies;
- (iv) pharmaceutical products;
- (v) books, newspapers and periodicals;
- (vi) passenger transport.

Gist of the Committee Opinion ¹

The Economic and Social Committee adopted its Opinion by a large majority in favour, 8 votes against and 3 abstentions.

The approximation of VAT rates can have profound repercussions on economic and social policy. The proposed restriction of the number of rates to two meets with very wide approval. However, attention is drawn to practical problems.

¹ CES 741/88.

The ending of the present tax gradations will have an undeniable effect, *inter alia*, on Member States' wage, price and social policies. However, it would seem right to opt for two rates on administrative grounds, too (and especially with a view to the clearing procedure).

None the less, the proposed five and six percentage point bands appear to be too wide for goods and services supplied to final customers.

Since after the abolition of intra-Community frontiers final customers will be able to purchase goods freely in any Member State, competition may be seriously distorted by such differences in rates.

It must not be forgotten here that final consumers include not only private individuals but also public authorities and other organizations not entitled to deduct input tax.

The bands should be gradually reduced by laying down a schedule for their further phased approximation, which would force Member States to act by a certain deadline without depriving them of the chance to adjust beforehand.

The obligation to align tax rates should also not apply to the sale of goods and services which are not likely to distort competition.

This Opinion was drawn up in the light of the paper produced by the Section for Economic, Financial and Monetary Questions, chaired by Mr Goris (The Netherlands — Various Interests). The rapporteur was Mr Broicher (Germany — Employers).

3. CONVERGENCE OF RATES OF VAT AND EXCISE DUTIES

Proposal for a Council Directive instituting a process of convergence of rates of value-added tax and excise duties

[COM(87) 324 final/2]

Gist of the Commission document

Now that the Commission has presented its detailed proposals in the field of indirect taxation described in the Global Communication, the proposed standstill Directive as at present drafted is no longer appropriate. Instead, the Commission proposes a new Draft Directive which would prohibit any divergence in the number and level of VAT rates at present applied by the Member States whilst

at the same time allowing, and indeed encouraging, convergence towards the number and level of VAT rates which the Commission proposes should apply by 31 December 1992 at the latest.

Similarly, for excise duties on alcoholic drinks, tobacco products and mineral oils, only changes which converge towards the rates of duty proposed by the Commission would be allowed. The introduction of new excise duties which give rise to controls at internal frontiers would be prohibited.

Gist of the Committee Opinion ¹

The CES adopted its Opinion on this subject by a large majority in favour, 4 votes against and 3 abstentions.

By 1992, all Member States should have two VAT rates, varying within precise limits, and should set single excise duty rates. It therefore seems ill-judged simply to formalize the obligation not to widen existing divergences and to 'allow' movement towards the rates scheduled for 1992.

There is a danger of arriving at 1992 with the present situation virtually unaltered. This would pose a serious threat to harmonization, as it would mean carrying out a complex and onerous operation in one fell swoop.

It would seem more sensible to propose a Directive which formally obliges all Member States to move gradually towards the final goal.

Achievement of the final goal could even be scheduled for a date after 1992, as this would seem unlikely seriously to hinder the removal of tax frontiers and the completion of the single market.

This Opinion was drawn up in the light of the paper produced by the Section for Economic, Financial and Monetary Questions, chaired by Mr Goris (The Netherlands — Various Interests). The rapporteur was Mr Della Croce (Italy — Workers).

¹ CES 743/88.

4. VAT CLEARING MECHANISM FOR INTRA-COMMUNITY SALES

**Completing the internal market — the introduction of
a VAT clearing mechanism for intra-Community sales
[COM(87) 323 final/2]**

The primary objective is the creation of a soundly based and reliable system to attribute to the appropriate Member State VAT collected on intra-Community sales, after the abolition of fiscal frontiers. The system must provide broadly speaking for a transfer of VAT collected in a Member State of sale to a Member State of consumption.

A further important objective must be to propose a system which imposes the minimum additional burden on traders. A certain degree of additional administrative control would be acceptable in return for the advantages to be gained by abolition of frontier controls including the abolition of formalities concerning zero-rating on export, but it is important not to upset the balance of advantage.

Another objective should be to ensure that the clearing mechanism fits into the existing VAT administrative structure of Member States with the minimum of disruption. A corollary of this is that the clearing mechanisms must be grafted onto existing national tax collection systems, based on self-assessed periodical declarations of the tax payable. The aim here also must be to impose the minimum additional burden on national fiscal administrations.

While a clearing mechanism which is not based on the matching of individual transactions cannot be completely accurate, a system based on a purely macro-economic approach is unlikely to provide an acceptable level of accuracy as it would not be based on actual tax revenue flow figures. Credible control and verification procedures would be very difficult to establish under such a system.

Finally, any clearing system which is proposed must be self-financing, that is to say, over time and allowing for leads and lags in the system, the reimbursement of claims must not be allowed to exceed the flow of funds into the system.

Gist of the Committee Opinion ¹

This Opinion was adopted by a large majority, with 2 votes against and 8 abstentions.

The elimination of tax barriers and introduction of rules to ensure that VAT is collected as if the Community were one and the same country are scheduled for 1992; it might therefore seem that definition of a clearing system is not an urgent matter.

However, there are two reasons for making an immediate start on laying down the details of the clearing system:

- (a) it is a key component of the overall blueprint; and
- (b) Member States need to be given specific assurances that the new system will not place VAT revenue from imported goods in jeopardy and that VAT will continue to be charged on final consumption.

The proposed system is straightforward in appearance only. In practice it will require extremely strict checks by national governments and the setting up of a sizeable Community administration.

This Opinion was drawn up in the light of the paper produced by the Section for Economic, Financial and Monetary Questions, chaired by Mr Goris (The Netherlands — Various Interests). The rapporteur was Mr Della Croce (Italy — Workers).

5. REMOVAL OF FISCAL FRONTIERS

Proposal for a Council Directive completing and amending Directive 77/388/EEC — Removal of fiscal frontiers

[COM(87) 322 final/2]

Gist of the Commission proposal

The removal of fiscal frontiers means that intra-Community sales and purchases of goods and services will be treated in the same way as those transacted within Member States so that frontier controls on taxable persons as well as on private individuals can be discontinued.

¹ CES 742/88.

This new situation, which was envisaged from the outset and clearly foreshadowed in the Sixth Directive on the common system of value-added tax (Directive 77/388/EEC), necessarily involves the abolition of VAT exemption at export and taxation at import within the Community, plus the adaptation of certain 'territorial application rules' relating to supplies of services. Consequently, several provisions of the Sixth Directive have to be amended or supplemented and certain Directives which were adopted to offset the disadvantages caused by the existence of fiscal frontiers have to be either amended or repealed.

The abolition of the remission of taxation on exports and of the charging of tax on imports must not, in respect of Community trade between taxable persons, interfere with the principle that the tax revenue arising from the application of the tax at the final consumption stage should be assigned to the Member State where that final consumption occurs. This question is dealt with in a separate communication to the Council; nevertheless, certain amendments to the existing VAT system, required as a consequence of the introduction of the clearing mechanism, are included in this proposal.

Gist of the Committee Opinion ¹

The Opinion was adopted by a large majority in favour, with 3 votes against and 9 abstentions.

The Commission proposal seeks to amend and clarify the wording of Directive 77/388/EEC, which will be necessary in the event of the completion of the internal market. The removal of internal frontiers will, in particular, require a new definition of the terms 'importation' and 'exportation', since import and export procedures will no longer apply within the Community, but only in relation to third countries.

The Commission proposal introduces some new rulings with certain material consequences. These primarily affect provisions which the removal of internal fiscal frontiers will render obsolete or which, if retained, would have undesirable results.

The provisions concerning banking and credit transactions [Article 1(9)] are particularly important in this connection.

This Opinion was drawn up in the light of the paper produced by the Section for Economic, Financial and Monetary Questions, chaired by

¹ CES 740/88.

Mr Goris (The Netherlands — Various Interests). The rapporteur was Mr Broicher (Germany — Employers).

6. EXCISE DUTY ON CIGARETTES/TOBACCO

Proposal for a Council Directive on the approximation of taxes on cigarettes, and the

Proposal for a Council Directive on the approximation of taxes on manufactured tobacco other than cigarettes
[COM(87) 325 final/2] [COM(87) 326 final/2]

Approximation of taxes on cigarettes
[COM(87) 325 final/2]

The taxes levied on cigarettes under Directive 72/464/EEC comprise:

- (a) a specific excise duty per unit of the product;
- (b) a proportional excise duty calculated on the basis of the maximum retail selling price; and
- (c) a VAT proportional to the retail selling price.

The harmonization, provided for in this Directive, of the ratio between the specific excise duty and the sum of the proportional excise duty and VAT does not make it possible to harmonize the rates of taxation. Having reviewed the progress made to date in harmonizing the structure of cigarette taxation, the Commission has come to the inescapable conclusion that a different approach from that pursued so far is essential if the necessary degree of tax approximation is to be achieved.

The Commission proposes to lay down a combined rate for *ad valorem* excise duty plus VAT and a common rate at Community level for the specific excise duty. It has taken the arithmetic average of existing cigarette duties as the basis for the calculation of the proposal.

This gives:

- (a) a specific excise duty whose basic amount is fixed at 19.5 ECU per 1 000 cigarettes and which is to be adjusted in line with the general consumer price index in the Community, taking 1987 as the reference year;
- (b) a proportional excise duty whose rate is to be fixed in such a way that the combined incidence of this rate and the VAT rate

lies between 52% and 54% of the retail selling price inclusive of all taxes.

The result of this combination of elements is to produce a level of taxation which will be higher for nine Member States and practically the same for two others (UK, Ireland). It entails a significant fall in the level of taxation in one Member State (Denmark), where the current level of taxation is extremely high.

Approximation of taxes on manufactured tobacco other than cigarettes

[COM(87) 326 final/2]

The Council has so far not adopted any specific provisions for harmonizing the structure of excise duties on manufactured tobacco other than cigarettes. The purpose of this proposal is not only to establish a common structure and basis of assessment for the excise duty, but at the same time to determine the rates.

The Commission feels that the best choice for a Community scheme would be a purely *ad valorem* system based on retail selling prices freely determined by manufacturers or importers pursuant to Article 5 of Council Directive 72/464/EEC, especially as such a system is already applied in nine Member States for cigars and cigarillos and in seven Member States for smoking tobacco, snuff and chewing tobacco.

The Commission proposes that an *ad valorem* rate of excise duty be applied in such a way that the total tax burden resulting from the combination of the excise duty and VAT would be:

- | | |
|--------------------------------------|---------------------|
| (i) for cigars and cigarillos: | between 34% and 36% |
| (ii) for smoking tobacco: | between 54% and 56% |
| (iii) for snuff and chewing tobacco: | between 41% and 43% |
- of the retail selling price inclusive of all taxes.

In the case of cigars and cigarillos, taxes and prices will rise in Belgium, Luxembourg, the Netherlands, Germany, Greece and Spain but fall in the other Member States.

In the case of smoking tobacco, little change is expected in the Netherlands and Germany, while taxes and prices will rise in Belgium, Luxembourg, Spain and Portugal and fall in the other Member States.

Gist of the Committee Opinion ¹

The Economic and Social Committee adopted its Opinion by a large majority in favour, with 3 votes against and 9 abstentions.

In the context of the removal of border controls in 1992 the approximation of taxation on tobacco products is particularly important because of their special characteristics: they are goods of high value, low bulk, and widespread consumption, and can be transported across borders with ease.

The Committee appreciates the desire of the Commission to present a pragmatic set of proposals for the harmonization of tobacco excise duties so as to cause the least possible changes for Member States when the Community moves from a customs union to an internal market. The Commission's proposals are based on a harmonization of the existing structures and rates of tobacco excise duties which were established to lay the foundation for the progressive movement, in stages, towards a tax regime which would ensure free competition in a customs union in which border checks were maintained. The existing structures and rates which reflect the needs and circumstances of a customs union do not necessarily provide a sound basis for tobacco duties in a single, border-free, internal market. The circumstances of an internal market without border checks are so different and give rise to such different problems of collecting and controlling excise duties that a more radical approach might have been more appropriate. The approximation of rates, as proposed by the Commission, is not so important for registered traders (whichever method of collection and control is adopted) since they will sell their products at the rates of tax prevailing in the country of consumption. The nature and value of tobacco products, and the fact that excise duty represents a high proportion of their price, means that cross-border shopping by individuals will be encouraged by the absence of border controls. Thus a new problem of control is created. Neither alternative systems of excise duty for tobacco products, nor alternative methods of tax collection have been put forward by the Commission.

Finally, the Committee considers that in view of the lack of firm proposals on the methods of assessment and collection and in view of the lack of evidence from the Commission on the effects of their proposals on the structure of the tobacco industry, on employment in that industry, on agriculture and on Government budgets and

¹ CES 744/88.

personal expenditure, it is unable to come to a firm opinion on the proposals now before it, which merely deal with the basic structure and rates of tobacco excise duties.

This Opinion was drawn up in the light of the paper produced by the Section for Economic, Financial and Monetary Questions, chaired by Mr Goris (The Netherlands — Various Interests). The rapporteur was Mrs Robinson (United Kingdom — Various Interests).

7. EXCISE DUTY ON MINERAL OILS

**Proposal for a Council Directive on the approximation
of the rates of excise duties on mineral oils**
[COM(87) 327 final]

Gist of the Commission proposal

In view of the diversity of taxation in Member States and the wide range of uses to which mineral oils are put, the Commission has examined each category of products individually and proposed a rate of taxation which is particularly suited to the product sector concerned and is as consistent as possible with current practice in the Member States.

The respective average rates (in ECU per 1 000 litres) for each product and the proposed rate are shown in the following table:

<i>Product</i>	<i>Arithmetic average</i>	<i>Weighted average</i>	<i>Proposed rate</i>
Petrol — leaded	340	336	340
— unleaded	—	—	310
Diesel	153	177	177
Heating gas oil	62	50	50
Heavy fuel oil (per 1 000 kg)	26	17	17
Gases:			
— LPG and methane	85	61	85
Kerosene:			
— as propellant	340	336	340
— other uses	62	50	50

It is expected that, on the basis of these rates and assuming unchanged demand, five Member States (DK, F, GR, IRL, I) will lose revenue, six (B, D, L, NL, UK, E) will gain revenue and one (P) will be virtually unaffected.

Gist of the Committee Opinion ¹

The Opinion was adopted by the Committee with no votes against and 4 abstentions.

The Commission's proposal for the harmonization of rates of excise duty on mineral oil is part of the overall plan for the harmonization of indirect taxes, the removal of tax frontiers and the setting-up of the internal market. Removal of tax frontiers will require the approximation not only of turnover taxes but also of special excise duties. The aims of the Commission's proposal are therefore welcomed. But the practical achievement of these objectives raises problems which the proposal for a Directive fails to solve or which could be solved differently.

The Commission is proposing rates of duty which, if adopted, would lead to a higher overall burden of taxation on mineral oil products in the EC. Rather than levying excise duty at the top rate, it would seem more appropriate to harmonize down to the lowest possible level in the light of the budgetary situations of the Member States. Products subject to mineral oil excise duty are generally used as inputs for other products or services. Increased costs attributable to mineral oil duty would therefore affect prices across the board. In this sense mineral oil duty is different from other types of excise duty which are generally levied directly on the consumer good.

This Opinion was drawn up in the light of the paper produced by the Section for Economic, Financial and Monetary Questions, chaired by Mr Goris (The Netherlands — Various Interests). The rapporteur was Mr Broicher (Germany — Employers).

8. EXCISE DUTY ON ALCOHOL

Proposal for a Council Directive on the approximation of the rates of excise duty on alcoholic beverages and on the alcohol contained in other products
[COM(87) 328 final/2]

Gist of the Commission document

The Commission proposes the following rates of duty:

(1) Potable alcohol: 1 271 ECU per hl of pure alcohol

¹ CES 745/88.

- (2) Alcohol in perfume, etc.: 424 ECU per hl of pure alcohol
- (3) Intermediate products: 85 ECU per hl
- (4) Still wine: 17 ECU per hl
- (5) Sparkling wine: 30 ECU per hl
- (6) Beer: 1.32 ECU per hl degree Plato

In the Commission's view, the rates which it proposes represent a reasonable and even-handed solution when set against the complexity and diversity of Member States' current treatment of alcohol products.

Assuming unchanged consumption, the rates proposed by the Commission are expected to produce significant increases in revenue in four Member States (GR, I, E, P) because they do not at present tax wine and their current systems of spirits taxation apply very low rates to certain popular products. More moderate increases in revenue are to be expected in four Member States (B, D, F, L). In three Member States, (DK, IRL, UK), where current rates of tax on all alcoholic beverages are very high, significant reductions in revenue are forecast. A moderate reduction is to be expected in one Member State (NL).

Gist of the Committee Opinion ¹

In the Committee's view, in an Opinion adopted by 80 votes to 13 with 6 abstentions, adoption of the proposal would result in the abolition of border controls, although a number of significant barriers would still remain. Since products would, as now, be taxed at the place of consumption, a system of customs depots, national identification tab procedures and special way-bills would still be needed.

Needless to say, procedures and regulations should also be standardized in such a way that they are not dissimilar to arrangements already in force in each Member State.

In this connection the Committee regrets the failure of the Commission to propose rules and regulations on customs depots or free warehouses.

Like the proposed arrangements for VAT, common rates of excise duties would have to take effect no later than 31 December 1992. All Member States would be at liberty to make full or partial

¹ CES 746/88.

adjustments before this deadline. A more satisfactory solution would be to prescribe full alignment in stages.

It is particularly worth considering the impact of the proposal on Member States' tax revenue and attempting to forecast how trade will change as a result of the completion of the single European market.

This Opinion was drawn up in the light of the paper produced by the Section for Economic, Financial and Monetary Questions, chaired by Mr Goris (The Netherlands — Various Interests). The rapporteur was Mr Della Croce (Italy — Workers).

9. TOBACCO/TAR

Proposal for a Council Directive on the approximation of the laws, regulations and administrative provisions of the Member States concerning the maximum tar yield of cigarettes

[COM(87) 720 final]

Gist of the Commission proposal

The proposal is for a Directive to harmonize the tar yield in cigarettes throughout the Community in the context of completion of the internal market by 1992, taking into account the need for a high level of health protection under the fifth action within the 1987/89 programme 'Europe against cancer', endorsed by the Committee in its Opinion of 26 February 1987.

The Directive proposes that the tar yield of cigarettes marketed in the Member States shall not be greater than 15 mg on 31 December 1992 and 12 mg on 31 December 1995, with the laws being brought into force within 18 months of the Directive's notification to the Member States and a supplementary period of two years allowed for the sale of existing stocks which do not comply with the limits.

Gist of the Committee Opinion ¹

The Economic and Social Committee adopted its Opinion by 48 votes for, 19 against and 5 abstentions.

¹ CES 750/88.

The Committee supports the Draft Directive, which is part of the 'Europe against cancer' programme. The Committee is, however, concerned about the economic and social consequences which implementation of the Directive will have for a number of countries, in particular Mediterranean countries, where it will be necessary to redirect production with the possible attendant loss of jobs.

It is suggested that a Commission inter-departmental group be established to look into the problems attendant upon the implementation of the Directive and that a report be sent to the Council, the European Parliament and the Economic and Social Committee. Above all, there is a need to implement the Directive in a flexible way so as to alleviate the burden of having to switch to new products.

An effort should be made to inform and educate smokers as to the risks to their health, especially in the case of high-tar cigarettes. A campaign of preventive action directed at young people is also essential.

The aids provided for under the common agricultural policy to promote the growing of low-tar varieties of tobacco should also be allocated to R&D, to the social conversion of growers and workers and to consumer information.

This Opinion was drawn up in the light of the paper produced by the Section for the Environment, Public Health and Consumer Affairs, chaired by Mr Jaschick (Germany — Various Interests). The rapporteur was Mr Aspinall (United Kingdom — Various Interests).

10. TOBACCO/LABELLING

Harmonization of the laws, regulations and administrative provisions of the Member States concerning *medical warnings* on the unit packet of tobacco products and the indication of the *tar* and nicotine yield on cigarette packets, taking as a base a high level of health protection
[COM(87) 719]

Gist of the Commission proposal

The purpose of the Commission proposal is to ensure that when all barriers to trade are removed in 1992 the remaining differences in the labelling of tobacco products are also eliminated.

The Commission is also seeking to meet the requirements of Article 100 A (3) of the Single Act which stipulates that 'The Commission, in its proposal ... concerning health, safety, environmental protection and consumer protection, will take as a base a high level of protection.'

Gist of the Committee Opinion ¹

In its Opinion, adopted by 42 votes to 20, with 14 abstentions, the Committee has reservations about:

- (a) the need to extend harmonized labelling to tobacco products other than cigarettes and rolling tobacco; and
- (b) the method of introducing harmonization itself, since the proposed labels will take up too much of the packet's two main surface areas.

The Committee criticizes the Commission for its cursory assessment of the possible economic and social consequences of its proposals for SMEs and tobacco sector workers.

The Committee calls for a more consistent tobacco policy which would attempt to reconcile the need to protect health with the need to find ways of supporting tobacco sector workers and producers.

To resolve the problem of too much surface area being taken up on the packet and to facilitate free circulation, it is suggested that a pictogram be used or a warning card which would be inserted in the packet rather like the instructions accompanying photographic film.

Finally, the Committee questions the Commission's legal powers regarding adjustments to technical progress, pointing out that such powers rest with the Council.

This Opinion was drawn up in the light of the paper produced by the Section for the Environment, Public Health and Consumer Affairs, chaired by Mr Jaschick (Germany — Various Interests). The rapporteur was Mr Noordwal (The Netherlands — Employers).

¹ CES 749/88.

11. AIR TRANSPORT — GROUND HANDLING SERVICES (Additional Opinion)

Draft Commission Regulation (EEC) on the application of Article 85(3) of the Treaty to certain categories of agreements, decisions and concerted practices concerning ground handling services

The purpose of the Draft Regulation

The air transport legislation adopted by the Council at the end of last year (OJ 1987 L 374) includes Regulation No 3976/87 of 14 December 1987 on the application of Article 85(3) of the Treaty to certain categories of agreements and concerted practices in the air transport sector. (The Committee Opinion — with Mr Velasco Mancebo as rapporteur — on this subject was published in OJ 1986 C 333).

Regulation No 3976/87 applies to international air transport between Community airports and authorizes the Commission to declare by Regulation that Article 85(1) of the Treaty is not applicable to certain categories of agreements between undertakings.

The procedure envisaged for the adoption of the present Draft Regulation is as follows: initial consultation of the Advisory Committee on Agreements and Dominant Positions in Air Transport, publication of the Draft Regulation in the *Official Journal of the EC*, second consultation of the Advisory Committee and adoption of the regulation by the Commission.

The present Draft Regulation, lays down the conditions under which Article 85(1) of the Treaty may be declared inapplicable to agreements, decisions or concerted practices to which only two undertakings are party and under which one party, a supplier of ground handling services, agrees to supply the other party, an air carrier, with such services at an airport in the Community.

The services in question include technical and operational ground handling, handling of passengers, mail, freight and baggage, and services for the provision of in-flight catering.

The exemption proposed by the Commission will apply only if, among other things:

- (1) the agreements, decisions or concerted practices do not oblige the air carrier to make use of a particular supplier;

- (2) the supply of the ground handling services is not tied to the conclusion of contracts for or acceptance of other goods or services unconnected with the services referred to in the Draft Regulation;
- (3) the air carrier is free to choose from the range of services offered by a particular supplier those it wants to take from that supplier and is not denied the right to procure the other services it needs from another supplier or to provide them itself.

Gist of the Committee Opinion ¹

In its Opinion, adopted, unanimously, the Committee endorses the general objective of the proposal, but thinks that the following aspects should be taken into account:

Safety

This aspect should be given priority in deciding what services are best suited to a particular airport; it is also necessary to bear in mind that the operational safety of aircraft depends on the provision of adequate services in such areas as aircraft maintenance, load distribution, adequate technical flight information, etc.

Airport infrastructure

Most Community countries have designed their own airport infrastructure with certain ideas as to such services as passenger, freight and mail handling. This limitation on space should be borne in mind when fixing the most suitable number of service undertakings.

Seasonal traffic

The indiscriminate proliferation of service undertakings would exacerbate the serious congestion problems currently encountered at many airports at peak periods, while there would be more unused capacity during periods of low activity.

Heavy investment in services

The provision of ground handling services entails complex organization of personnel and equipment. Staff training, wages and the necessary technical equipment require a considerable outlay, which has to be taken into account. The Committee is concerned

¹ CES 737/88.

that a disorderly proliferation of service undertakings may give rise to problems at airports; for this reason some local control, as is customary throughout the world, will always be necessary to avoid potentially highly serious risks.

The rapporteur-general for this Opinion was Mr Javier Velasco Mancebo (Spain — Workers).

12. AIR TRANSPORT — COMPUTER RESERVATION SYSTEMS

Draft Commission Regulation (EEC) on the application of Article 85(3) to certain categories of agreements between undertakings relating to computer reservation systems for air transport services

Aim of the draft Regulation

The air transport legislation adopted by the Council at the end of last year (OJ 1987 L 374) included Regulation No 3976/87 of 14 December 1987 on the application of Article 85(3) of the EEC Treaty to certain categories of agreements and concerted practices in the air transport sector. (The Committee Opinion — rapporteur: Mr Velasco Mancebo — on this subject was published in OJ 1986 C 333).

Regulation No 3976/87 applies to international air transport between Community airports and authorizes the Commission to declare, by way of Regulation, that Article 85(1) of the Treaty is not applicable in the case of certain categories of agreements between undertakings.

The procedure to be followed for adopting the present Regulation is as follows: initial consultation of the Advisory Committee on Agreements and Dominant Positions in Air Transport; publication of the draft Regulation in the Official Journal; second consultation of the abovementioned Advisory Committee; adoption of the Regulation by the Commission.

The draft Regulation sets out the conditions for making agreements for the common purchase, development and operation of computerized reservation systems (CRS) not subject to Article 85(1) of the Treaty.

'CRS' means a computerized reservation system offering to the user, *inter alia*, data relating to air carrier schedules, fares and seat

availability and able to make reservations, which is made available to users within the Community.

Under the draft Regulation the system vendor must, within the available capacity, grant access to the system to any air carrier wishing to participate and willing to pay the non-discriminatory charge, provided that the candidate carrier grants parent carriers access to any CRS of which it may be parent carrier. No other conditions unrelated to the nature of the contract may be attached to participation. All services offered by a system are to be made available to all participating carriers without discrimination.

A user is to have a right to terminate without penalty his contract with a system vendor on giving notice not exceeding three months. A system vendor may not require a user to sign an exclusive contract, nor directly or indirectly prevent a user from obtaining or using another system.

Gist of the Committee Opinion ¹

The Committee's Opinion, adopted unanimously, says that airline computer reservation systems can have many advantages for the traveller and can make booking for airlines, hotels etc. very much easier. But the Committee is concerned that such reservation systems, through the way airline schedules are displayed, can give the traveller incomplete and misleading information and that some regulation is required.

The immediate interest is the establishment of two systems by European airlines: 'Galileo' (owned by British Airways, Alitalia, KLM, Swissair, Sabena, Olympic and Aer Lingus) and 'Amadeus' (owned by Lufthansa, Air France, SAS and Iberia).

The European Commission has proposed rules to make sure other airlines can have access to their system and that computers should display schedules fairly.

The Committee also believes that 'Amadeus' and 'Galileo' should publish their fees and that there should be proper data protection for all airlines participating in the scheme.

The Committee is also anxious not to place 'Amadeus' and 'Galileo' at a disadvantage in relation to its competitors, particularly from the US systems operated by the US airlines, and

¹ CES 738/88.

believes reciprocal rights should be given to 'Amadeus' and 'Galileo'.

The rapporteur-general for this Opinion was Mr Moreland (United Kingdom — Various Interests).

13. AIR TRANSPORT — REVENUE SHARING, TARIFFS, SLOT ALLOCATION

Draft Commission Regulation applying Article 85(3) of the EEC Treaty to certain categories of agreements, decisions and concerted practices concerning joint planning and coordination of capacity, sharing of revenue and consultations on tariffs in scheduled air services and slot allocation at airports

Purpose of the Draft Regulation

Among the legislative proposals adopted by the Council at the end of last year as part of the air transport package (OJ 1987 L 374) was Regulation No 3976/87 of 14 December 1987 on the application of Article 85(3) to certain categories of agreements, decisions and concerted practices in the air transport sector. (The Committee Opinion on this subject appears in OJ 1986 C 333 — rapporteur: Mr Velasco Mancebo).

Regulation No 3976 applies to international air transport between Community airports and enables the Commission to rule, by means of a Regulation, that Article 85(1) of the Treaty does not apply to certain categories of agreement between enterprises.

The procedure for the adoption of the current Regulation requires preliminary consultation of the ESC on agreements and dominant positions in the air transport sector, publication of the draft Regulation in the Official Journal, a second consultation of the ESC, and finally adoption of the Regulation by the Commission.

The current proposal for a Regulation lays down the conditions under which Article 85(1) of the Treaty can be declared inapplicable to agreements on:

- (a) joint planning and coordination of the capacity to be provided on scheduled air services;
- (b) sharing of revenue from scheduled air services;

- (c) the holding of consultations for the joint preparation of proposals on tariffs, fares and conditions for the carriage of passengers and baggage on scheduled air services; or
- (d) slot allocation at airports and airport scheduling.

Gist of the Committee Opinion ¹

In an Opinion, adopted with no votes against and three abstentions, the Committee observes that the group exemptions are designed to continue the advantages of the integrated air transport system.

The maintenance of a competitive system is of particular interest to small airlines which tend to exist on the periphery of the Community, whereas the larger ones are mostly located in central States. It is necessary for the integration of the Community that the smaller airlines in the peripheral States, which do not have the benefit of high volume, cooperate with the larger operators. The integration of the air transport system is of particular importance to the development of the regional areas of the Community so as to give access to central markets for trade and encourage tourism, greater mobility of people and integration in general.

The Committee agrees with the principle that the transfer of revenue should be predetermined. However, there is some residual doubt that an overly strict application of the Regulation by the Commission could inhibit airlines from providing a satisfactory spread of services in the public interest.

Finally, the Committee recommends that the criteria laid down should include the rights which a carrier has acquired and ensure that in circumstances where services have been disrupted in a particular season, this should not prevent a carrier from obtaining an appropriate slot allocation for the following seasons.

The rapporteur-general for this Opinion was Mr Kenna (Ireland — Employers).

¹ CES 736/88.

14. SOCIAL ASPECTS OF SEA-FISHING (Own-initiative Opinion)

Gist of the Committee Opinion¹

In an Opinion adopted unanimously, (2 abstentions), the Committee notes with regret that the measures adopted by the Community to cover the deficit in certain fish products sometimes give rise to real problems in some sectors of the industry. Thus in some cases heavy imports from third countries with much lower operating costs than the Community are in direct competition with Community fisheries products and disrupt the market, threatening both employment and the existence of the fleet by making it unprofitable.

It is further pointed out that the conservation measures are clearly affecting fishermen's incomes. There is no social policy covering the risks posed by such measures and fishermen are being obliged to restrict their activities, with a consequent loss of earning power.

Once again the Committee can only deplore the lack of a social component in the CFP, something which those working in the sector and the Committee have been calling for for many years.

With this in mind the Committee recommends the setting-up of a European organization to improve living and working conditions; this organization would coordinate the measures adopted in this sector, encourage exchanges, review didactic material and launch information campaigns.

The Committee considers that the 1992 deadline for the completion of the internal market calls for the creation of an adequate and harmonized social framework within which the fishing sector can adapt to changing circumstances.

The Committee puts forward specific proposals in, among others, the following areas:

- (i) vocational training;
- (ii) employment;
- (iii) working conditions in respect of:
 - crew safety
 - the various systems of remuneration
 - retirement rights
 - holiday entitlement

¹ CES 735/88.

- improvements in living conditions.

This Opinion was drawn up in the light of the paper produced by the Section for Agriculture, Fisheries, chaired by Mr Laur (France — Various Interests). The rapporteur was Mr Muñiz Guardado (Spain — Various Interests).

15. COMBINED NOMENCLATURE — EGGS

Proposal for a Council Regulation (EEC) amending Regulation (EEC) No 2771/75 on the common organization of the market in eggs
[COM(88) 313 final]

Gist of the Commission proposal

The Commission proposal adapts Article 1 and the annex of Regulation (EEC) No 2771/75 to the Combined Nomenclature, as from 1 January 1988. Commission Regulation (EEC) No 4000/87 which provisionally enacted this amendment is repealed.

Gist of the Committee Opinion ¹

In an Opinion, adopted unanimously, the Committee endorses the Commission proposal.

The rapporteur-general for this Opinion was Mr Wick (Germany — Employers).

16. EUROTRA

Proposal for a Council Decision on the transition of the Eurotra programme to the third phase

Gist of the Commission proposal

Communication COM(88) 270 final, which the Commission has submitted to the Council, contains the following two proposals:

- (a) a proposal for a Council decision on the transition of the Eurotra programme to the third phase, and

¹ CES 748/88.

- (b) a proposal for a Council decision concerning a specific programme for the completion of a machine translation system of advanced design (Eurotra).

The aim of the Eurotra programme, which was the subject of a Council decision in November 1982,¹ is to establish a common translation system for all of the Community's official languages.

Following Spain's and Portugal's accession, the Eurotra programme was amended by a Council decision of November 1986² so as to include Spanish and Portuguese and make major changes in the timetable, the budgetary allocation and the procedures for implementing the programme.

The three-phase programme, which was initially scheduled to last five and a half years, was thus extended to a total of seven years and the total appropriations considered to be necessary for the programme's implementation were increased from 16 to 20.5 million ECU, broken down as follows:

Phase 1: preparatory phase — 2 years — 2 million ECU

Phase 2: phase of basic and applied linguistics research — 3 years — 13 million ECU

Phase 3: phase of stabilization of the linguistic model and evaluation of results — 2 years — 5.5 million ECU.

A further amendment in 1986 to the 1982 decision stipulated that the move to the third stage was to be made conditional on a new Council decision, to be based on a report from the Commission and the opinion of the Management and Coordination Advisory Committee 'Linguistic problems'. This is the purpose of proposal (a) on which the Committee has now been asked for its Opinion.

This decision will also release the 5.5 million ECU set aside for the implementation of the third phase by the Council's decision of November 1982.

The Committee will be asked later to deliver its Opinion on proposal (b), which allocates an extra 6.5 million ECU to this third phase.

¹ OJ L 317, 13 November 1982, p. 19.

² OJ L 341, 4 December 1986, p. 39.

Gist of the Committee Opinion ¹

In an Opinion, adopted unanimously, the Committee approves the Commission's proposal.

In so doing, it reaffirms its support for the Eurotra programme, which it has already expressed twice. The deadline set by the Council prevented the Committee from examining in substance whether the conditions for moving on to the third phase have been met.

The rapporteur-general for this Opinion was Mr Romoli (Italy — Workers).

Committee deplores North Sea Disaster

On behalf of all the members of the Economic and Social Committee, the President, Mr Fons Margot, expressed deep grief and sympathy to the families of those struck by the disaster which hit the Piper Alpha oil rig in the North Sea.

¹ CES 747/88.

External relations

Official visit to Germany

On 23 and 24 June 1988 the Committee Chairman, Mr Margot, accompanied by the Vice-Chairmen, Mr Poeton and Mr Zufiaur Narvaiza, and the Committee's Secretary-General, Mr Moreau, paid an official visit to the Federal Republic of Germany.

During the visit the party had talks with Dr Hans Tietmeier, State Secretary for Finance, Dr Werner Tegtmeier, State Secretary for Labour, and Dr Otto Schlecht, State Secretary for the Economy.

The Committee delegation was also received at the Christian Social Foundation for Education and Politics.

Joint ESC/EFTA meeting

The 16th Joint Meeting of the Consultative Committee of the European Free Trade Association and the Economic and Social Committee was held in Tampere, Finland, on 13 June. The meeting was jointly chaired by Mr Margot, President of the ESC, and Mr Spånt (Sweden), Chairman of the Agenda Committee of the EFTA Consultative Committee. A press conference was held on 13 June on the final results of this meeting.

ESC participation in 'European festivities' in Hanover

On the occasion of the European Summit meeting in Hanover, the city also organized 'European festivities' which were held from 25 to 28 June. One of the aims of the festivities was to publicize the work of the European Communities and its institutions. The ESC had a stand at this event at which a video film of the Committee was shown and publications on its activities were distributed. A gratifying degree of interest was displayed by the public.

Other activities

On 2 June Mr Vidal, a member of the Committee, took part in the European Forum on the Combating of Poverty, organized in Brussels by the Institute for Social Research and Social Policy (ISG).

On 6 June the Committee Chairman, Mr Margot, and the Secretary-General Mr Moreau, met a delegation from the Economic and Social Council of Brittany, which was visiting Brussels. On the same day Mr Moreau attended the annual congress of the Confederation of German Industry (BDI) in Bonn.

On 6 June Mr Margot also attended the events organized in Luxembourg to mark the 30th anniversary of the establishment of the European Investment Bank.

Mr Clavel, a member of the Committee, and Mr Bourel, an expert, held a meeting with Mr Tran van Thinh at the GATT Secretariat in Geneva on 6 June in connection with the work of the Study Group on GATT-agricultural products.

On 7 June a meeting of the ACP/EC Contact Group was held in Geneva.

From 8 to 10 June Mr Murphy and Mr Roseingrave, both members of the Committee, took part in a round table discussion on the 'Role of the social partners in improving the environment' organized in Dublin by the European Foundation for the Improvement of Living and Working Conditions.

On 9 June the Committee Chairman, Mr Margot, and Mr Laur, a member of the Committee, gave a lunch in honour of Mr Cardoso E Cunha, Member of the Commission.

On 10 June Mr de Clercq, Member of the Commission, and Mr Dunkel, Director-General of GATT, attended a meeting of the Committee's Section for External Relations. The Section Chairman, Mr Kenna, gave a lunch in honour of Mr Dunkel which was also attended by Mr Margot and Mr Moreau.

On 16 June Mr Moreau took the chair at a meeting of the Social Attachés to the Permanent Representations to the European Communities in Brussels.

On 18 June Mr Margot addressed the Congress of the Union of German Employers (DAG) held at Kiel in Germany. On the following day he attended the opening ceremony of the Kiel festivities (Kieler Woche).

On 20 June Mr Moreau met a delegation from Cedefop (European Centre for the Development of Vocational Training) in Brussels. On the same day he also held talks with Mr Varfis, Member of the Commission.

From 20 to 21 June Mr Hancock, Mr Wick and Mr Fischer, members of the Committee, visited Ireland and Denmark in connection with their work as members of the Drafting Group on Fisheries.

Mr De Normann and Mr Flum, both members of the Committee and rapporteurs for two important Opinions on 'Technical barriers — a new approach' attended a symposium in Brussels from 21 to 23 June on the organization of European certification and testing.

On 21 June the Chairman, Mr Margot, and the Secretary-General, Mr Moreau, held talks in Brussels with Ambassador Lyberopoulos, Permanent Representative of Greece to the EC.

On 22 June Mr Romoli, a member of the Committee, and the Secretary-General, Mr Moreau, held a meeting with the Chairman of the European Parliament's Energy Committee, Mr Poniatowski, in Brussels.

On 23 June Mrs Rangoni Machiavelli, Mr Drago and Mr Beretta, members of the Committee, met a delegation from CNEL in Rome in connection with the work of the Study Group on the economic situation.

Mr Vassilaras, a member of the Committee, took part from 23 to 25 June in the conference on outlying maritime regions of the EC in Brussels.

Mr Murphy, a member of the Committee, took part in the seminar on Community water policy organized by the Commission in Frankfurt, Germany on 27 and 28 June.

On 5 July the Secretary-General, Mr Moreau, held a meeting in Brussels with Spain's Permanent Representative to the EC, Mr Westendorf Y Cabeza.

On 7 July Mr Poeton, Vice-Chairman of the Committee, and the Secretary-General, Mr Moreau, held talks in Brussels with Mrs Mallet, an expert attached to the steering committee of the European Cinema and Television Year.

On 7 July a press conference was held after the Plenary Session to present the eight Opinions on fiscal frontiers adopted by the Committee. The three rapporteurs involved, Mrs Williams, Mr Broicher and Mr Della Croce, took part in the press conference.

New consultations

The Council has referred the following subjects to the Committee or will shortly do so:

Proposal for a Council Directive amending Directive 79/373/EEC on the marketing of compound feedingstuffs
[COM(88) 303 final]

Proposal for a Council Decision on a contribution from the general budget of the Communities to the ECSC to finance social measures connected with the restructuring of the steel industry
[COM(88) 343 final]

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
[COM(88) 324 final — SYN 139]

Proposal for a Council Directive amending for the fifth time Directive 74/329/EEC on the approximation of the laws of the Member States relating to emulsifiers, stabilizers, thickeners and gelling agents for use in foodstuffs
[COM(88) 322 final — SYN 138]

Proposal for a Council Regulation for an action programme in the field of transport infrastructure with a view to the completion of an integrated transport market in 1992
[COM(88) 340 final]

Proposal for a Council Directive on vocational training for certain drivers of vehicles carrying dangerous goods by road
[COM(88) 339 final]

Amended proposal for a Council Decision on a Community action in the field of information technology and telecommunications applied to health care (AIM)
[COM(88) 315 final — SYN 95]

The Commission should soon consult the Committee on:

A proposal for a Council Directive on information of the general public on health protection measures and behaviour in the event of a radiological emergency.

Provisional future work programme

September 1988 plenary session

Opinions

Minimum safety and health requirements for work with visual display units

[COM(88) 77 final — SYN 127]

Minimum health and safety requirements for handling heavy loads

[COM(88) 78 final — SYN 128]

Package travel

[COM(88) 41 final — SYN 122]

Credit costs to the consumer

[COM(88) 201 final — SYN 132]

Municipal waste incineration

[COM(88) 71 final]

Preventing environmental damage by the implementation of education and training measures

[COM(88) 202 final]

Access to credit institutions

[COM(87) 715 final — SYN 120]

One-man companies

[COM(88) 101 final — SYN 135]

Admission to the occupation of transport operator

[COM(88) 95 final]

Inland waterway transport

[COM(88) 111 final]

Aids for combined transport

[COM(88) 117 final]

Recognition of national boatmasters' certificates

[COM(88) 171 final]

SPES programme

[COM(88) 98 final — SYN 121]

GSP 1989

Equality man/woman: change in burden of proof

[COM(88) 269 final]

Protection of workers against biological agents

[COM(88) 165 final — SYN 129]

Minimum health and safety requirements for the use of machines

[COM(88) 75 final — SYN 125]

Use of personal protective equipment

[COM(88) 76 final — SYN 126]

Education in the Community

[COM(88) 280 final]

Genetically modified micro-organisms

[COM(88) 160 final — SYN 131]

Approximation of legislation — machinery

[COM(87) 564 final — SYN 107]

Approximation of legislation on equipment for individual protection

[COM(88) 157 final — SYN 134]

17th Competition Policy Report

[COM(88) 232 final]

Solvency ratio for credit institutions

[COM(88) 194 final — SYN 133]

Social provisions — road transport

[COM(88) 21 final]

Weights and dimensions of motor vehicles (maximum length)

[COM(88) 287 final]

Combined transport agreement with EFTA/Yugoslavia

[COM(88) 247 final]

Electricity self-producers

[COM(88) 225 final]

Annual report on the economic situation

Spear programme

Dissemination of technological R&D findings

[COM(88) 260 final — SYN 136]

Information reports

Poverty

Employment and training of researchers

Energy policy and completion of the internal market

GATT/Uruguay Round

Assessment and follow-up to IMPs

EEC/Mediterranean relations

Own-initiative work

Sardines and herrings

[COM(87) 219 and 542 final]

Contribution of the cooperative sector to regional development

National aids for regional purposes

Demarcation of wine-growing areas in the Community

GATT/Uruguay Round: Relations with industrialized, developing and State-trading countries

GATT/Uruguay Round: Agricultural aspects

Utilization of agricultural and forestry resources

News of members

Appointments

The Council of Ministers has appointed two new members of the Committee. Mr Fernando Panizo Arcos (Spain) takes the place of Mrs Isabelle Martin Castella, who has resigned. Mr Panizo Arcos is Planning Director at the Instituto Nacional de la Industria.

Dr José Telles (Portugal) has been appointed in place of Dr De Lancastre, who has resigned. Dr Telles works for the Portuguese Hoteliers' Association.

New COPA Chairman

Mr Joseph Yverneau, a member of the Committee, has been elected Chairman of the Committee of Agricultural Organizations in the European Community (COPA) for a two-year term of office.

Honour for Mr Tomás Roseingrave

Mr Tomás Roseingrave, member and former President of the Economic and Social Committee, has been honoured by the Institute of Diplomatic Relations with the Order of Merit in recognition of his work in the European Community.

Deaths

The Economic and Social Committee has learned with deep sorrow of the death on 14 June 1988 of Mr Henry Curlis (Ireland). Mr Curlis was a Committee member since September 1977.

Mr Piero Giustiniani (Italy), a former member of the Committee and its President from 1964 to 1966 died on 4 June 1988.

PUBLICATIONS OBTAINABLE FROM THE ECONOMIC AND SOCIAL COMMITTEE

General documentation

The other European Assembly, (CES 88-006)

Opinions and studies

National regional development aid (Opinion) (Brussels 1986)
Demographic situation in the Community (Information report) Brussels (1986)
Consumer-producer dialogue (Opinion) (January 1985) (ESC 84-011)
Irish border areas (Information report) (February 1984) (ESC 84-002)
Transport policy in the 1980s (Opinion) (March 1983) 99 pp. (ESC 83-003)

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

Community Advisory Committee for the Representation of Socio-Economic Interests (UKL 8.50)
European interest groups and their relationship to the Economic and Social Committee (UKL 25)

Obtainable from Editions Delta, 92-94 Square Plasky, 1040 Brussels:

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