### ECONOMIC AND SOCIAL COMMITTEE OF THE EUROPEAN COMMUNITIES

# ANNUAL REPORT 1977



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ECONOMIC AND SOCIAL COMMITTEE OF THE EUROPEAN COMMUNITIES

## Annual report 1977

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#### PREFACE

For the European Community, it may be said that the year 1977 started on an expectant note. After a period in which progress on the Community front had been extremely slow, the setting up of a new Commission in January brought hopes of energetic action to those who felt that only European common solutions could tackle the fundamental problems. As so often is the case, idealistic aspirations have had to be tempered by political realities—many proposals made with Europe in mind had to be tailored to fit with the needs of national policies. We are only only too familiar with this process, and in the period under review we have witnessed on several occasions high hopes reduced to more sedate achievements.

Nonetheless, these achievements, unspectacular or belated as they may seem, form an unquestioned addition to the whole entity which is the European Community, an entity which steadily gains in weight and influence every year. They range from such matters as the agreement on the new European unit of account to the decision to proceed with the Joint European Torus, but the most significant is without doubt the relaunching of the debate on Economic and monetary union.

In this general context, the Economic and Social Committee has usefully contributed to the work of the Community: on the one hand in revising and refining the Commission proposals on which it had been consulted, and on the other in stimulating action by submitting opinions on its own initiative. As a typical instance of the latter, I would quote the Opinions on the Common Agricultural Policy in the International Context, that on the Code on Nuclear Safety, or that on East-West Transport—each of which made an excellent impact on the Council, governments and the Commission.

The recent practice of complementing the routine dispatch of our opinions and studies through official channels by drawing attention to them in personal letters from the President has also had useful results in increasing the interest in the Committee's activity at the highest levels in the Community.

Another aspect of our tasks this year has been the awareness of our members that we must fit our institution to the scale of an evolving Community. Next year the Economic and Social Committee will celebrate the twentieth anniversary of its foundation. In that period, its circumstances have changed and it has developed steadily into an economic and social consultative assembly with more widely recognized responsibilites and with a work-load that is growing year by year. It is the only major European institution whose members must give up their own time and sacrifice many days each month of their own work in their national fields for the tasks they have shouldered on the European level. To keep the representation of national organizations at a high level and to adapt the Committee's rules and procedures so as to allow members an effective participation in Community legislation without inflicting impossible demands on their time must be the object of our proposed reform.

The most pressing problem of the Community, that of unemployment, has appropriately been the major concern of the Economic and Social Committee. This concern was expressed in several opinions adopted this year, perhaps most emphatically in the debate held on the economic and social situation in the Community, held preparatory to the Tripartite Conference in June.

In my view, the Economic and Social Committee and the Tripartite Conference are not competitive but complementary. But the Community needs to take more advantage of the Committee's full-time staff, its elaborate contacts throughout the Member States, and its formal establishment under the Treaty. All this is essentially a question of attitudes and of making it possible for members at the highest level to continue their attendance—if necessary, only occasionally. With a directly elected Parliament it becomes even more important to ensure support at all levels, especially at the top, for European solutions where these are relevant.

It is only through our institutions that we can maintain our Community or indeed any Community on a democratic basis. They are precious—as precious as our hopes and aspirations are precious. The myriad of personal relationships that they represent must be preserved and fostered and extended wherever possible.

The Economic and Social Committee is such an institution. A society, which, while politically democratically based, wishes to cope with the social consequences of technology, and enable people in organizations great or small to fulfil themselves without fear of unemployment or of inflation, needs such an institution. A society where people are organized, not only on the basis of geographical distribution, but also organized according to skills, sectors and professions, must have a way of reflecting these divisions in its constitution. In the Community we have such a way and we must foster it.

> Basil Z. DE FERRANTI President

#### CHAPTER I

#### ROLE AND INFLUENCE OF THE ECONOMIC AND SOCIAL COMMITTEE

The Committee has repeatedly considered its position in the Community's institutional machinery, and its future prospects. It suffices to mention the Opinions on the Situation of the Community (July 1974), the Place and Role of the Economic and Social Committee in the Institutional Machinery of the Community in the Context of a Possible Evolution Thereof (March 1974) and the European Union (July 1975).

Now that the European Parliament is going to be elected directly, and the 1974-78 term is drawing to an end, the Committee has taken the matter up again. A specially established subcommittee has already held a number of meeings, and is due to submit its findings early in 1978.

Quite apart from this, the Committee has endeavoured to establish even closer links with the Commission and the Council.

The latter two bodies are evincing increasing interest in the documents produced by the Committee. There were many signs of his. For instance, a large number of Commission members attended plenary meetings of the Committee. In chronological order: Mr Gundelach attended the debate on CAP in the international context, Mr Ortoli the debate on the economic situation, Mr Vredeling the debate on the Social Fund, Mr Brunner the debate on the nuclear safety code, Mr Burke the debate on the action programme for consumer production, Mr Jenkins and Mr Vredeling (together with the Council President-in-office, Mr Grant) the debate on the economic situation and social trends, Mr Giolitti the debate on regional policy, Mr Ortoli the debate on the annual report on the economic situation of the Community, and Mr Jenkins the debate on economic and monetary union.

Mr Jenkins said that there were three political arguments moving towards EMU.

- First, our employment problem is, I am afraid, now a medium term rather than an ordinary cyclical matter. Moreover, beyond the  $6\frac{1}{2}$  million unemployed of today, there are 9 million more young people who between now and 1985 are going to be added to the Community labour force looking for new extra jobs. Thus we have to think in terms of new medium-term stimulus for the European economy—a stimulus which will have to be of a dimension in a historic context to meet the extent of our present and prospective employment problem.
- Second, while monetary union is clearly not for the very short-run, I would not wish to push it over the horizon. We should be prepared to take pre-

paratory decisions and proceed as fast as those who want to succeed together can be convinced of the arguments. To those who would prefer to fail separately, I have nothing to say. To those who wish to succeed together but need to be convinced, there is a great deal to say.

If a new design for the Community's monetary union and economic integration gains support in the debate that we are now initiating in all the Community's institutions and in the public at large—then we should look very seriously again at the length of the time-horizon.

— Third, and for the short run, I would by no means underestimate the favourable effect on business confidence in Europe of the Community deciding to embark again seriously on a renewed and intensified approach to economic and monetary union.

In conclusion, Mr Jenkins summarized the contribution which the Economic and Social Committee could make to the debate on economic and monetary union:

- '- On the one hand try and deepen understanding and consensus as to why, how and in what conditions monetary union would change so much for the better, our prospects for employment and stable monetary conditions.
- On the other hand try and clarify the kind of model for the Community is monetary, financial and institutional organization that would enable the union to function, while respecting the political objective of only a minimum centralization.'

Finally, I now ask you of the Economic and Social Committee to deliberate in such a way as to reawaken interest outside the Community institutions in this project—in political, academic, business and trade union circles. The issues at stake are so great and so difficult that we can only benefit from a period of renewed debate and analysis across the whole of the Community. I believe the fundamental proposition is robust enough to derive increased vigour and support from such a process. Economic and monetary union will in any case have to come to be seen as a compelling necessity by a wide range of public opinion before it can happen. But without the will to make it happen and to direct our intermediate policies, we should be without a lodestar in an increasingly discouraging world.

In a properly designed European monetary union the outlook could, I believe, be radically different. The result would be single, homogeneous monetary policy, setting and indeed maintaining, a common high standard of price stability. It would have to be based on a well-prepared currency reform. This reform would have produced a decisive brake on inflationary expections, and on the inflationary impulses from exchange rate changes within Europe. The international (but not the domestic) monetary constraint on economic policy would also have been removed between Member States, and greatly diminished as regards our monetary relations with the rest of the world. This would be a new economic environment, of stronger internal monetary disciplines, but more relaxed external financial constraints. To work it would have to be coupled to important Community budgetary and financial powers aimed at assuring better geographical balance in cyclical conditions in the structural reconversion of declining industries, and in the smoother development of demand. These are the conditions in which we would have a right to expect business and labour again to look forward to a sustainable and broadly-based economic expansion.

The debate on EMU was a high point in the Committee's work and its relations with the Commission. But these relations still seem to need a number of practical reforms. In the past, for instance, the Committee has urged the Commission to provide details on its general policy without necessarily asking for a formal Opinion.

The Committee could work more effectively if it could advise the Commission right from the start of the proposal-formulation process. It could do so by producing a study or by holding a debate at section or plenary-session level. Such an arrangement would help the Commission to decide on the final wording of its proposals, enable the Committee to prepare its Opinions better, and save precious time.

The Committee has repeatedly complained about the lack of information on action taken on its Opinions. The Commission should at least state, how far it plans to adjust, in the light of Committee Opinions, proposals on major issues and matters which have to be referred to the Committee. The same goes for the Council. Furthermore, in certain cases Committee rapporteurs should be able to defend Committee Opinions before COREPER's panels of experts.

Whenever a new country takes over the Council chair, the Committee should be provided with the work schedule for the next six months and the probable agendas of Council meetings. Despite these criticisms it must be said that the Council has displayed keen interest in the Committee's work—as witness the fact that its President has attended a number of plenary sessions.

While the UK in the chair (first half of 1977), Committee debates were attended by Mr Frank Judd, Minister of State in the Foreign and Commonwealth Office, and by Mr Grant, Under-Secretary of State in the Ministry of Employment. In the second half of the year, when Belgium was in the chair, the debate on East-West transport issues was attended by Mr Jos Chabert, Belgian Minister for Communications. There were also contacts with the Council at permanent representative level.

As regards the European Parliament, the Committee has pointed out in past years that democratically elected parliaments are the crucial and most comprehensive vehicle of the aspirations and wishes of society. However, trade associations and organizations representing the various sectors of society can legitimately claim to express the anxieties, needs and proposals of economic and social interest groups. The links between the European Parliament and the Committee have been established in the light of these two facts. For instance, the Parliament's Bureau has agreed that Parliament committees should be able to take evidence from Committee rapporteurs. Several such hearings were heard in the period under review. For instance, Mr De Grave, Mr De Caffarelli, Mr Berns and Mr Bourel made statements on precious metals, product liability, farm prices and ethyl alcohol respectively.

#### **External relations**

The Committee's Chairman and Vice-Chairman kept up links with non-Community bodies. For instance, official visits were paid to France, Germany, Italy and Denmark. During these visits, discussions were held with the Prime Ministers of the respective countries, or members of their governments, and with trade associations, unions and employers' organizations.

There were also detailed discussions with the chairmen of national Economic and Social Councils.

The Committee has not neglected links with the countries which have applied for Community membership. The former Prime Minister of Portugal, Mr Soares, came in person to the Committee's Brussels headquarters in March, as a follow up to the visit paid to his country in the previous year by a Committee Study Group. Another Study Group made a fact-finding tour of Greece in September, and there are plans for a similar visit to Spain.

Notes were compared with ACP representatives (Consultative Assembly), and with members of the EFTA Consultative Committee.

As regards contacts with non-governmental organizations, reference should be made to the annual conference of the ILO.

Finally, the Committee got through an enormous amount of work in the year under review. In the course of its ten plenary meetings, it adopted 104 Opinions and Studies, ten of which it had decided to produce on its own initiative. This work is dealt with in the next section.

#### CHAPTER II

#### WORK OF THE COMMITTEE

#### 1. Agricultural policy

At the beginning of the year, the Committee issued an Opinion entitled 'The Common Agricultural Policy in the International Context (Possible Consequences and Improvements)', to which we referred in last year's Annual Report. Because of its importance, this subject was discussed in great detail within the Committee. In the first part of the Opinion, the Committee analysed the international context, which more or less directly influenced the development of the CAP, and listed factors which could or could not be controlled by the Community. In the second, the Committee tried to show how the CAP could help bring about an economic and social balance within the Community and on the world food market. The third and final part put forward a number of improvements which could be made to the CAP and the Community's external policy, particularly with regard to the food sector, in the light of the Community's internal and external requirements listed in the first two parts of the Opinion. The proposed improvements fell into two categories: firstly, improvements to the CAP itself and, secondly, improvements to the Community's external policy and the way in which world economic problems were being tackled.

The Committee considered that the Community represented a unique example of a vast and free domestic market being created by the association of countries with widely differing economic structures and traditions. The CAP was the most elaborate, and therefore the most fragile, instrument of integration. Because the Community, through the CAP, had already advanced a long way towards unifying the economies of its Member States, while respecting and basically preserving the freedom of individuals and business organizations, it offered a practical example of the gradual establishment of an economic order whose importance was recognized by non-member countries. The agreements and conventions that the Community had signed with a large number of non-member countries were in some way an extension and an enlargement of the difficult experiment going on within the Community.

The attraction exerted by the Community and the power it could have as a political arbitrator at international level lay in the economic potential of its members, and especially in the principles on which their cooperation rested. It therefore followed, the Committee concluded, that the Community had to complete its internal unification on the basis of these principles, in order to play the international role expected of it.

The Committee's Opinion had a very great impact at the Commission and the European Parliament.

The adoption of the Committee's Opinion on the farm price proposals for the 1977/1978 marketing year did not cause the same division between farmers and consumers that had occurred in previous years, though to be fair the Commission's request for a 3% increase did not encourage complaints. The Committee approved the Commission's proposals, saying that basically they had been justified by the particularly difficult economic and social climate, which had been overshadowed by the need to improve the employment situation and damp down inflation in the Member States. But the Committee also pointed out that farmers had been asked to make a considerable contribution to the drive against inflation, and care should be taken to ensure that the efforts demanded from them were not rendered pointless by a failure to take anti-inflation measures in other economic and social sectors. The Committee realized how difficult it was in such circumstances to justify applying the 'objective method', which it had always supported.

As far as the monetary measures in the Commission's proposals were concerned, the Committee was pleased to note that, in spite of the difficulties involved, the Commission had not abandoned its efforts to re-establish Community-wide markets. The Committee felt that the MCA's should have been reduced by a greater amount and the 'green currencies' adjusted accordingly, given the need to re-establish normal terms of competition in production and trade and avoid placing an excessive financial burden on the EAGGF. The Commission's proposals at the end of the year to step up the phasing-out of the MCA's were a step in the right direction.

To round off its work on farm prices, the Committee issued an Opinion on farmers' incomes in the Community. After welcoming the fact that information was more up-to-date and of higher quality than ever before, the Committee expressed is regret that the documents provided by the Commission, especially its Annual Report on the Agricultural Situation in the Community, did not include particulars enabling farm and non-farm incomes in the various regions to be compared. The Committee thought that priority should be given to standardizing methods, concepts and statistics on farm incomes in the Member States, and therefore supported the Commission's efforts to expand the Farm Accountancy Data Network (FADN).

On several occasions, the Committee has drawn attention to the lack of accurate statistics on the employment situation and employment prospects in agriculture. This year it decided to draw up a Study on the whole question. After listing Community measures and decisions concerning jobs in farming, the Committee attempted a statistical analysis, whose aims were to:

- (a) ascertain whether the objectives for employment in agriculture matched up with the trend in practice between 1960 and 1974 (paid workers and the selfemployed being considered separately), and
- (b) pinpoint the positive and negative aspects of this trend, with reference to both specifically agricultural and general requirements.

On the basis of this analysis, the Committee then assessed how employment in agriculture had been influenced by (i) the common agricultural policy, (ii) other EEC policies and measures, (iii) the actions of the Member States and the two sides of industry, (iv) technological advance and (v) other factors. In the final part of the Study, the Committee attempted to indicate (a) what quantitative and qualitative changes were desirable in agricultural employment and rural employment in general, and (b) what measures should be taken under the common agricultural policy and other Community policies to bring the trend in agricultural employment closer to what was acceptable bearing in mind the current socio-economic situation and the medium and long-term outlook in the Community. The goal of full employment in the fourth medium-term economic policy programme, was analysed in detail.

One of the things which particularly attracted the Committee's attention during the year was the Commission's proposal concerning agricultural producers' groups and associations of such groups. The Committee first of all deplored the Council's slowness to act in this field, pointing out that more than ten years had elapsed since the Commission had first made a proposal. The Committee by and large stood by what it said in its previous Opinions, notably that of 25 March 1971, since the comments it made then still applied. However, the Commission had taken up one of the Committee's requests by considering producers' groups as a key element in organizing agriculture at regional level, rather than merely as a means of improving the machinery for marketing agricultural produce. The Committee once again echoed its support for regionalizing measures reparding producers' groups, provided that such action did not conflict with the principle of encouraging producers' groups throughout the Community. The proposed regulation ought to apply to the whole Community, although it could have a marked bias towards those regions with the most serious structural difficulties. The Committee had reservations about the territorial scope of the regulation as proposed by the Commission, but it agreed that products for which producer groups had been provided in existing organized common markets should be excluded. The Committee also said it should be made clear that the clause allowing persons other than producers to belong to producer groups was optional. The funds earmarked for implementing the proposed measures should be increased.

In 1977, the Committee produced several Opinions on individual agricultural sectors, particularly the *wine* sector. To a large extent, it approved the Commission's proposals concerning maximum sulphur dioxide levels in wine and checks to verify compliance with Community and national wine laws. The new Commission proposal on setting up a common alcohol market took up a lot of the Section for Agriculture's time in 1977 and the Committee's work will not be finished until early 1978, but the Commission's proposed new measures for the beef and veal market were, on the whole, approved by the Committee, although the Committee did say it would adopt a clearer position when it received the formal proposals announced by the Commission.

#### 2. Transport policy

A comprehensive Study and Opinion on Transport Problems in Relations with Eastern Bloc Countries was the centrepiece of the Committee's work in the field of transport and communications.

The Committee also dealt with the questions of Community road haulage licences and railways' annual accounts.

The conclusions reached in the Opinion on Transport Problems in Relations with Eastern Bloc Countries may be summarized as follows:

The steadily mounting competition from the Eastern Bloc has been a source of concern to politicians and representatives of the two sides of industry in the European Communities for some considerable time. By virtue of their centrally controlled economies, Eastern Bloc countries are succeeding to an increasing degree in changing the pattern of East-West goods traffic in their own favour.

For a number of reasons (systematic expansion of fleets, chronic shortage of foreign exchange, etc.), the Eastern Bloc is doing its utmost to have its imports and exports carried fob/cif by Eastern Bloc operators. The Eastern Bloc partners normally succeed in having fob and cif clauses inserted in trade agreements and supply contracts, especially as the countries of the Community have so far shown more interest in increasing their volume of foreign trade than in acquiring a larger share of traffic.

In some transport sectors Eastern Bloc countries are pursuing a policy of low freight rates which does not accord with customary practice in the West.

Even though threats are already looming over sea transport, waterway shipping and road haulage, Eastern Bloc countries are still establishing and expanding their own networks of representatives and cargo-handling agencies, and are causing growing concern amongst transport users and port services as a result.

Intent on acquiring regular cargoes, Eastern Bloc shipping lines, and especially those from the Soviet Union, are offering freight rates that are not in keeping with normal commercial principles. Fleet expansion plans have developed a momentum of their own not dictated by economic or commercial considerations. Once the new container tonnage appears on the market, competition in sea transport will most likely be stepped up further and could very soon threaten the existence of Western liner companies.

To a large extent, Eastern Bloc transport organizations have already gained a stranglehold on road haulage between the Community and Eastern Europe. In this sector, just as in sea transport, competition problems are being posed by the sustained expansion of Eastern Bloc transport capacity in bilateral traffic between Eastern Bloc and Community countries and in third-country traffic.

Similar problems exist in inland waterway shipping. On the waterways covered by the Act of Mannheim (Rhine Shipping Act), passenger and cargo vessels have complete freedom regardless of the flags they fly. In cross-frontier traffic there are neither Government regulations on rates nor restrictions on access. Thus, shipping lines from Comecon countries are still allowed by the Rhine riparian States free market economies to freely canvass for cargoes and push their way into traffic with the Rhine riparian States. Once the Main-Danube Canal has been completed, this problem will grow worse, since Eastern Bloc vessels, which have so far operated only on the Danube, will then be able to penetrate West European markets unimpeded unless measures are taken in good time.

Another disquieting aspect is the fact that Eastern Bloc firms are freely able to set up offices in the Community and, in the field of maritime shipping, fly the flags of the Member States of the Community under the guise of Western-based companies.

Finally, employment in transport may be threatened by Eastern Bloc operators' penetration of the markets—a factor which is already causing workers' representatives some concern.

In the long run these developments will probably have serious drawbacks for industry in the Community as a whole, at the very latest when the Eastern Bloc has succeeded, thanks to a deliberate market policy and a certain amount of negligence on the part of the West, in building up monopolies in the various transport sectors. This not only may mean total economic dependence but also seems undesirable on general political grounds.

The Committee asked all the institutions with responsibilities in the field of East-West transport to tackle this matter with the utmost vigour in order to ward off developments that would be disastrous for the economy and have grave social consequences.

At the Plenary Session at which the Opinion was adopted, the President of the Council of Ministers, Mr Jos Chabert, thanked the Committee for is excellent work. Included in his address was the following passage: 'This question has been examined and discussed by a good many other international organizations, but this is the first time that such a well-documented report has been devoted to the special difficulties facing the Community. These difficulties occur in all fields of transport—in maritime shipping, in road transport, in transport by rail and inland waterway and in air transport, not forgetting the competition emerging in the field of port services. Your documents are objective and we appreciate in particular the soundness of, firstly, your analysis of the situation at present and, secondly, your detailed account of possible remedies.'

The Commission representative was also extremely positive in his assessment of the Committee's investigation, adding that it had already been able to help the Commission in its work.

In its Opinion on Community road haulage permits, the Committee came out in favour of the Commission's proposal to double the 1977 total of 2 363 permits to 4 726 in 1978. The Committee also favoured a progressive increase in the quotas to match actual needs. However, it queried the distribution of the total quota between the individual Member States.

In its Opinion on the Commission's proposal regarding the comparability of railways' accounting systems and annual accounts, the Committee made a number of suggestions, which were accepted by and large by the Council of Ministers when it adopted the Regulation at its October meeting.

This Regulation lays down a uniform framework for annual accounts (both balance sheets and profit-and-loss accounts), within which the railways must transpose their annual returns with the aid of nomenclature which define the separate items.

#### 3. Social policy

Employment policy has never ceased to be at the forefront of the Economic and Social Committee's attention and the deterioration in the economic and social situation of the Community over the last few years prompted the Committee to make a special study of changes in the employment situation.

The various aspects of that situation were examined by most sections of the Committee, as well as by a number of *ad-hoc* subcommittees. Looking at the conclusions drawn by these bodies certain common threats become discernible:

- (i) There needs to be a Community approach to employment problems, involving greater coordination between national policies.
- (ii) The planning and implementation of a common employment policy must be closely coordinated with other Community policies and actions.
- (iii) A vigourous, concerned employment policy needs to be mapped out; such a policy will have a built-in forecasting apparatus and aim for full and better employment.

At a more general level the Committee looked at the institutional aspects of the Community's social policy, and discussed how it could further achievement of a social consensus. In the light of the Commission's Annual Report on the Social Situation, the Committee then identified what should be the key goals of that policy in 1977. At the top of its list it put a more determined drive against unemployment.

Tackling the unemployment problem more successfully called for a policy that would actively seek to bring about full employment. Proper machinery was also needed to implement that policy. The Committee also referred to the principles adopted by the Luxembourg Tripartite Conference on 24 June 1976, namely that there was a correlation between the re-establishment of full and better employment on the one hand and stability and growth in the Community on the other.

The Committee also delivered an Opinion on the communication from the Commission to the Council concerning the review of the rules governing the tasks and operations of the European Social Fund. The Committee commended the Commission on its proposals but doubted whether they would be adequate to cope with the social repercussions of an economic situation that had deteriorated considerably since the Fund was first reformed in 1971. The Committee has always maintained that the Fund should be assigned a more important role in employment policy, and argued that its activities should be dovetailed more closely with the Community's structural policies. It was therefore only logical for the Committee to endorse the Commission's proposals on operations qualifying for a higher-than-normal rate of ESF intervention and on greater ESF assistance for women even though these proposals did not go as far as the Committee's own recommendations in the field.

The Committee also produced an Opinion on a specific aspect of the employment question, namely illegal migration. According to the Commission there were 600 000 illegal immigrants in the Community and that excluded families. In its Opinion the Committee stated that the main objectives of the Community's recommendations should be the prevention of illegal migration, the penalization of those who profited from that fringe labour market, and protection for migrant workers who found themselves the victims of such practices.

On the question of social security for employed workers and their families who move from one Member State to another, the Committee reaffirmed the need to remove the remaining obstacles to freedom of movement and to provide migrant workers from other Member States with the same social security cover as nationals.

The recommendation on vocational training for young people who were unemployed or threatened by unemployment was of particular interest to the Committee, although it would have preferred to see a Directive on the matter. The Committee also attached special importance to early vocational guidance by properly qualified staff.

The Committee also decided to take up, of its own accord, both educational issues and questions relating to working hours. It was thereby hoped to obtain a fully rounded picture of the social scene and to be able to lay down guidelines that would be of help when it came to deciding on practical measures at Community level.

Last but not least, the protection of workers was dealt with in a draft Directive on the exposure of workers to vinyl chloride monomer. The Committee proposed *inter alia*, the setting up of a European agency to investigate dangers associated with industrial materials prior to their use in industry, as well as a data bank designed to record the effects of dangerous materials.

For their part the Commission and Council took note of the Committee's general comments on social matters but rejected specific proposals on fundamental issues such as the equal treatment of men and women (proposals on education, dismissals, etc.) and the call for immigrant workers to be allowed to participate in the management of bodies governed by public law and hold offices governed by public law.

There was nevertheless one notable exception to this tendency, namely the Opinion on the right of employees in the case of mergers and amalgamations. Here the Commission accepted the Committee's proposals on civil liability, the automatic transfer of the 'employment relationship' and movement from one establishment to another; the Commission's draft Directive was amended accordingly.

Since the Committee has secured the right to be involved in the Commission's preparation of the Tripartite Conference, the Section for Social Questions will discuss the subjects selected by the Commission for debate at the Conference, with particular stress being laid on the question of working hours.

#### 4. Economic and financial policy

The Committee gave two major Opinions on the economic situation in the Community in 1977. Both of them focused attention on the continuing high levels of unemployment and high rates of inflation in the Community.

In October, the Committee gave its Opinion on the Commission's Annual Report on the Economic Situation, including policy guidelines for 1978. In this Opinion the Committee stressed yet again that the Community's economic performance is failing to match, in almost every respect, the short-term targets set in the 1976 Annual Report. It believes it is now impossible to achieve the medium-term targets agreed on at the 1976 Tripartite Conference, and confirmed by the Council in March 1977 in the Community's fourth medium-term economic policy programme.

The Committee held that the Commission's forecast of a Community growth rate of  $3\frac{1}{2}\%$  for 1978 is completely unsatisfactory, since this would not even stop the increase in the number of the Community's unemployed. The Commission's 'scenario' laying down economic objectives for 1978 was also said by the Committee to be too cautious, especially as regards the target growth rate of  $4-4\frac{1}{2}\%$ .

The Committee recommended a more reflationary strategy, saying there was more scope for more expansionary policies in the surplus countries than have so far been implemented, and that in the deficit countries there is a case for a relatively greater shift of emphasis in policy.

This Opinion was given in conformity with the requirements of the Council Decision of February 1974 on the attainment of a high degree of convergence of the economic policies of the Member States, and the spirit of the declaration following the Paris 'Summit' meeting of October 1972, which said that economic expansion in the Community needs the full participation of the social partners.

The same Council Decision requires that the Council review the economic situation again in the spring in order to adjust the economic policy guidelines for the current year. In recognition of this, the Committee gave an Opinion in June. It was prepared with the June 1976 Tripartite Conference in mind and was, in fact, given a few days before the Conference took place. The Report of the Committee's Section for Economic and Financial Questions, which accompanied the Committee's Opinion, was circulated amongst delegates to the Tripartite Conference beforehand. The particular interest of this Report lies in the fact that it contains a résumé of answers to a questionnaire. These answers reflect the standpoint of the various national employers' and trade union organizations in the Member States on the principal economic and social issues. By means of this Report the views of representatives of these organizations on these key issues, and their priorities for action, were made available to the public and in particular to the Commission and to the Governments.

The Committee's view was that the economic situation in the Community had basically not changed since the last Opinion was given, and that the prospects for improvement were more or less the same as then. Attention was focussed on policy measures actually taken at Community level and at national level since October 1976. It assessed the degree of coordination of national economic policies that occurs in the implementation of the Social and Regional Funds, the EIB and common agricultural policy, the degree of coordination of Member States' trade policies.

It assessed the measures taken at national level to stimulate the economy through public expenditure, to promote job-creating private investment, and it assessed the special action taken by Member States to safeguard employment.

The Committee concluded in June that since October 1976 measures had been taken, either at Community level or at Member State level, which corresponded directly or indirectly to the recommendations made by the Committee. It emphasized, however, that given the consistently high levels of unemployment and inflation obtaining in the Community, the Community and Member States must intensify and expand their efforts. It repeated its previously expressed view that the objectives could not be achieved unless new economic measures were taken and a disciplined attack made on the root causes of unemployment.

On fiscal matters, the Committee gave an Opinion on the Commission's proposal for a directive on the arbitration procedure to be adopted when companies operating in more than one Member State believe they are victims of double taxation. This was seen by the Committee largely as a technical proposal, not touching the more vital question of double taxation arising through transfer pricing.

On the general question of the harmonization of taxes in the Community, the Committee continued its wide-ranging study on the subject.

#### 5. Regional Policy

The publication in June of the Commission's 'Guidelines for Community Regional Policy' with appended legislative proposals marked a new stage in the work that has been going on over the past few years on a common policy to bring about a fairer distribution of economic and social advantages between the Community's various regions. Hitherto, the Community's regional policy had been largely confined to financial support for regional development undertaken by the Member States in their most backward areas. The new document lays the foundations for a genuine common regional policy cutting across the traditional sectoral divisions and based on common principles and criteria. This policy could do much to realize that harmonious economic and social development in the Community which is one of the objectives of the Treaty of Rome. The Economic and Social Committee was involved throughout in the preparation of the final proposals, through meetings it has with the Commissioner responsible for regional development and through contacts with the Chairman of the Regional Policy Committee, and this enabled it to keep in very close touch with the discussions and exert influence on what was decided.

Earlier in the year the Economic and Social Committee issued an Opinion relating to regional development, unemployment and inflation; an attempt to explain and recommend solutions to the twin scourges of unemployment and inflation which are among the most serious of the problems now facing the Community. In it the Committee said that regional policy had a key role to play in maintaining and creating stable, permanent employment in backward regions and at the same time reducing the many disparities between highly developed and backward regions which must be regarded as one of the main causes of inflation. The Committee also stressed the need to develop clear-cut and easy-to-apply criteria for the common regional policy and made practical suggestions to this effect.

In the same Opinion the Committee also stressed the importance of close coordination between the various Community funds providing money for regional development and between all national measures of interest to regional policy.

The Committee was pleased to find on reading the Commission's June document that on a whole series of points the proposals answered demands and recommendations it had made in previous Opinions and Studies. The Committee's Opinion on the 'Guidelines' issued in September, was therefore for the most part one of unqualified approval for what the Commission was seeking to do. It did insist, however, on the need for regional policy to be a structural, medium-term policy, and not saddled with work which was properly the task of a short-term economic policy or sectoral policy. The Committee again drew attention to the need for the Fund to be big enough to cope with the immense tasks it was supposed to help carry out, and to the need to spend the money first and foremost on creating permanent jobs.

The Committee also issued in September an Opinion on the Commission's 'Second Annual Report (1976) on the European Regional Development Fund and Summary of the Annual Information for 1977'. The Committee approved the Report, deploring, however, the Member States' failure to utilize the loan interest rebate facilities for infrastructure projects, but welcoming the proposed continuation and extension of this scheme.

The Committee also called for the Member States to be made to provide more information about regional development in their countries and thought that the checking of how Community money was spent should be intensified.

Finally, the Committee adopted an Opinion on a Proposal for a Council Decision 'adopting a concerted research action on the growth of large urban concentrations'. The Committee said that, in its view, the growth of large urban conurbations often

gave rise to serious economic and social problems. It was the responsibility of the Community to coordinate research and ensure the exchange of information on the causes and effects of such urban expansion. The Community should also use its position to stimulate measures which took the urgency of the situation into account.

#### 6. Industrial policy

The Committee's work in 1977 on industrial policy was highlighted by the delivery of an own-initiative Opinion entitled 'Industrial Change and Employment—A Review of the Community's Industrial Policy and Future Prospects'.

In this Opinion, the Committee started by taking a look at the changes that had taken place in the industrial environment (e.g. the gradual industrialization of the LDCs and growing pace of technological advancement) and pointed out that even though the Member States had their own means for intervening in their own economies (e.g. four-year plans and vetting of investments), the Community was not yet properly equipped to take European-wide action.

The Committee emphasized in particular the need to create and maintain in the Community the conditions that would allow new industries to be born and existing industries to prosper and develop as they adjusted to change.

Accordingly, the Committee thought that an industrial policy had to establish a framework within which the market forces should balance supply and demand and make the necessary adjustments to change possible. It should also embrace measures for helping ailing firms since such problems could not be solved satisfactorily by the market forces.

The Committee likewise discussed industrial change's impact on employment. It underlined the fact that it was impossible to imagine an industrial policy that was not accompanied by measures for ensuring that workers could find jobs.

So that industry could help to create jobs—the Committee went on to say—there was a particular need for reasonable rates of growth both in quantitative and qualitative terms, for adequate purchasing power and for reasonably stable economic and monetary conditions in the Community and the world at large.

Finally, the Committee discussed the criteria for the granting of public aid, which it thought should be as follows:

- (a) Aid should only be granted if the market forces by themselves were not able to bring about the necessary adjustments.
- (b) No aid should be granted for keeping lame-ducks going.
- (c) Aid should be temporary, additional and on a diminishing scale.
- (d) Priority should be given to R & D aid.

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A number of Commission proposals dealing with specific industrial sectors (e.g. the proposals relating to R & D work in the food industry, in aeronautics and on the recycling of paper and board) were also dealt with in Committee Opinions.

In an Opinion on the Communication from the Commission to the Council concerning Community Policies for the Electronic Information Industries, the Committee discussed the underlying question of what was meant by a 'Communitybased company', which the Commission considered to be the only category of company eligible for Community aid. Here, the Committee endorsed the line taken in the Council Resolution of 20 July 1974, namely that such a company was one which was controlled from within the Community.

The Committee also used its right to take up matters on its own initiative to deliver an Opinion on small- and medium-sized enterprises. This Opinion, which was a follow-up to the Committee's 1974 Study, proposed that a programme for helping smaller businesses should be introduced. This programme should cover:

- (a) financial aid in the form of soft loans;
- (b) help to attend trade fairs and exhibitions both inside and outside the Community;
- (c) support for market research;
- (d) help in the procurement of information about foreign markets.

The Committee's work on the freedom of establishment and the freedom to provide services was highlighted by an Opinion on commercial agents.

The Committee also discussed several proposals relating to customs harmonization such as:

- the standard exchange of goods for repair, and
- the post-clearance collection of import and export duties.

The Committee decided furthermore to deliver an own-initiative Opinion on the state of the customs union.

#### 7. Technical barriers

The Committee's work in this sector was centred on the Commission's endeavours to round off its work on the EEC type approval procedure for category M1 motor vehicles.

In response to the wish expressed by the Council's President, the Committee discussed these matters with particular haste and the Council ought to have been able to adopt all the directives in question during the first half of the year.

#### 8. External relations

In external relations the Committee continued to keep a close eye on all the Community's dealings with the developing countries, the Mediterranean countries, the State-trading countries and the countries applying to join the Community. The Committee issued Opinions on the GATT multilateral negotiations and the development of the generalized tariff preferences scheme.

In its Opinion on the GATT talks, adopted in April, the Committee took a pragmatic line based on an analysis of the real state of the world economy following the energy crisis. It concluded that bearing in mind the Community's trade deficit, especially with the United States and Japan, which had led to a deterioration in its competitive position, and the need to give greater priority to combatting unemployment, the principle of free trade should be supplemented by some form of machinery to organize international trade.

In particular, the Committee recommended laying down a number of monetary rules for world trade and beefing up the GATT's role as a conciliator and arbiter on trade matters, so as to ensure that these rules were applied.

With this in mind, the Committee went into specific issues such as how to treat the developing countries, how to standardize definitions of dutiable value and certain customs procedures, and how to resolve the problems of subsidies, countervailing duties and the agricultural policy.

Finally, the Committee said that it thought the safeguard clause provided for in GATT Article XIX should be used selectively and that the Community should have a procedure for vetting the results of negotiations before putting them into effect. Such a procedure would include consulting the European Parliament and the Economic and Social Committee.

In addition to its work on this Opinion, the Committee used its Section for External Relations to exchange views regularly with the Commission on how the GATT talks were progressing.

In a Study on relations between the Community and Portugal, the Committee analysed the economic and social situation of Portugal in detail. The contacts which the Committee had with various representatives of economic and social life in Portugal enabled it to get a good picture of the needs and wants of the various sectors in that country and make a number of suggestions.

Above all, the Committee stressed the importance of greater collaboration between Portuguese and Community businessmen, which meant first of all a greater exchange of information. The Committee proposed the setting-up of a permanent liaison committee made up of Portuguese and delegates from the EEC Member States and Institutions and recommended the launching of comprehensive information campaigns designed to encourage a natural complementarity of Portuguese and EEC production and compatibility of their policies in all fields.

The Committee is aware of the concern felt by economic and social interest groups in the Community at the prospect of enlargement and so, after completing its work on Portugal, it began similar studies on relations between the Community and Greece and, more recently, Spain. By doing this the Committee hopes it can make known the concerns and aspirations of economic and social interest groups in both the Community and in the countries applying for EEC membership. One very important aspect of the Community's external relations which the Committee wanted to go into in depth was relations between the industrialized and developing countries. The Committee brough out a Study which analysed the gap between the rich and the poor countries, the crucial question of LDC indebtedness and all the forms of cooperation and aid at present in operation.

The Committee stressed the importance of the role played by multinational companies in the development of LDCs. It also advocated (a) an increase in government development aid, (b) a concentration of efforts in the rural areas of the developing countries and (c) far-reaching measures designed to reduce LDC indebtedness.

Aid, the Committee emphasized, had to be more selective, and one of the ways of bringing this about would be to define concepts such as 'poverty' and 'need' more clearly. The aim should be to achieve a new balance in trade.

Another topic on which the Committee issued an Opinion was the Commission's proposals concerning the European Community's generalized tariff preferences scheme for 1978. The Committee approved the Commission's caution and said that as long as the economic recovery remained hesitant in the Community the EEC should take care not to enter into any commitments liable to endanger the bases of the equilibrium on which an effective policy towards the Third World depended.

The Committee once again emphasized the need to ensure that the scheme first and foremost helped the countries in greatest need and argued in favour of all the tariff preference schemes applied by the industrialized countries being coordinated.

The Committee urged that in future the Community's trade commitments should form part of an overall common commercial policy. Such a policy should be effective and reflect the essential requirements of internal economic and social policy, particularly with regard to employment, the reasonable utilization of resources and production capacity and, on a more general level, economic growth.

In its Study on Community policy towards southern and eastern Mediterranean countries, the Committee looked at the association agreements concluded with these countries and voiced the concern felt by economic and social groups in the Community at the impact these agreements would have on certain economic sectors.

In another Study, which is not yet completed, the Committee has begun to examine the problems arising in relations with the State-trading countries.

As regards implementing the Convention of Lomé, and bearing in mind that a new convention is to be negotiated, the Committee would like economic and social interest groups in the Community and the ACP countries to be involved more closely in the institutional system, so that they can make their views heard on issues which directly concern them. On 9 June a meeting was held in Luxembourg between a delegation from the Economic and Social Committee and leading figures from economic and social interest groups in the ACP States. This meeting was the first of its kind to be held under the auspices of the Joint Committee of the ACP/EEC Consultative Assembly. The ESC hopes that such contacts will be continued and stepped up, both at this level and as a part of industrial cooperation.

Finally, the Committee strengthened its links with representatives of economic and social groups in the EFTA countries, using its Section for External Relations as an intermediary.

A meeting was held in Geneva on 8 June at which the main topics discussed were the economic and social situation, trade problems and non-tariff matters.

To ensure that the best possible preparations were made for future meetings, it was decided to set up a select working party consisting of three representatives from each of the delegations.

This working party held an initial meeting and made a number of suggestions on procedures for organizing future meetings and on informing national and Community authorities about the common positions adopted by the representatives of the sixteen countries present at the talks.

The working party also proposed that the next meeting should be devoted to the problems posed by the trend in the economy and the employment situation, the development of world trade (particularly the GATT talks), non-tariff barriers and agriculture.

#### 9. Energy policy

Nuclear power dominated the energy debate during the year. In a Study on a 'Community Nuclear Safety Code' on 28 April, the Committee called for the application of uniform safety standards binding on all Member States. This set of minimum rules, which gives top priority to the safety of nuclear workers and the general public, would cover all activities in the nuclear sector:

- uranium mining and fuel preparation;
- present and future reactor types;
- nuclear research installations;
- storage and transport of irradiated fuel and waste;
- reprocessing of irradiated fuel;
- radioactive waste disposal;
- the decommissioning of nuclear plants.

The Study recommended that the Code should deal with problems such as criteria for site selection, licensing procedures, reactor safety, the discharge of radioactive effluents, safeguards against thermal pollution and standards for the safety and protection of workers. It called for the establishment of a central body for nuclear safety in each Member State. The issue was taken up by the Council on 14 June 1977, when it held a debate on the specific problems facing the Community on uranium supply, the reprocessing of nuclear fuel and waste management, including the implications for the environment and in particular problems relating to safety and supervision. The Council expressed its appreciation of the Committee's Study which it welcomed as an important contribution to the discussion on these problems.

On 29, 30 November and 1 December, the Commission organized a first series of public debates in Brussels on nuclear energy. Mr Bonety, the Committee's Rapporteur on the Code Study, and Mr Miller, Chairman of the Section for Energy and Nuclear Questions, formed part of the 9-man panel which guided the discussions. The latter incidentally also included another Committee Member, Mrs Bennedsen, representing consumer interests. A further 12 members of the Committee attended as observers.

The urgency of the problems facing the Community was confirmed by the decision to initiate the International Nuclear Fuel Cycle Evaluation (INFCE). The Committee welcomed the Community's participation. At the close of the year, it was preparing three opinions on fuel reprocessing, fast breeder reactors and radioactive waste. As part of this work, the Committee sent its Study Group on 'Nuclear Questions' on a fact-finding visit to Windscale and Dounreay on 19 and 20 December.

The Committee also gave an opinion on a proposed consultation procedure on power station siting. It supported the need for common criteria and methodologies. At the same time, it believed that the task of selecting and approving individual sites should remain the responsibility of national Governments. Only the latter would be in a position to weigh up all the different technical, economic, environmental and land-use factors involved in each specific instance.

There were few new developments in the hydrocarbons sector. However, on 7 November, the Council finally completed arrangements for reducing energy consumption in the event of oil supply difficulties. This met the Committee's 1975 recommendation for Community adoption of measures drawn up within the International Energy Agency (IEA). The Commission substantially amended a proposal on hydrocarbons exploration approved by the Committee in 1977 but rejected by the Council. However, the Community scheme for support for technological development in the hydrocarbons sector which had be approved by the Committee, continued to operate in 1977, with 53 million u.a. being granted to 40 projects. The Commission also issued a paper on problems in the refining sector, on which the Committee did not give an opinion.

There were two proposals on coal. Firstly, the Committee approved the aim of a plan to promote the use of coal for electricity generation. The Committee believed that the objective of the proposal should be simply to reduce dependence on oil, i.e. maximize the use of coal irrespective of origin. At the same time, it agreed that a priority should be given to projects using principally Community coal. This compromise view was shared by the Commission which subsequently amended its proposal, setting aside 20% of the aid for projects consuming principally (i.e. 90%) Community coal. The Committee also called for greater flexibility in the rate of aid, so as to strengthen the influence of the scheme on investment decisions. A second proposal concerning Community aid for financing cyclical coal stocks was approved by the Committee. The scheme was designed to alleviate the burden of holding high levels or pithead stocks. It would cost the Community a total of 150 million u.a. over a three-year period from 1 January 1978. The Council's reaction to this second scheme was negative but, the Commission was still hoping for the adoption of the first scheme in 1978.

In the field of energy conservation, the Committee issued three opinions. While suggesting a number of technical improvements, the Committee broadly supported the proposals which covered:

- the performance, maintenance and regulation of heat generators and the insulation of distribution systems in new buildings;
- the regulation of space heating, the production of domestic hot water and the metering of heat in new buildings;
- the rational utilization of energy in industrial undertakings;
- the creation of advisory bodies on combined heat and power production in the industrial sector and for district heating;
- energy saving from the modernization of existing buildings (insulation of walls and roofs, double glazing, improved heating systems, use of thermostats etc.);
- demonstration projects on energy saving (financial assistance of 144 million u.a. over three years).

The Council adopted several of these measures on 25 October.

Turning to alternative energy sources, the Committee approved a Commission plan to encourage geothermal exploration (83 million u.a. over 5 years) and gasification and liquefaction of coal (65 million u.a. over 5 years). Noting the vital importance of developing alternative energies, the Committee believed that the scheme would, provided it was carefully managed, facilitate the transition of new technologies from the R & D stage to that of practical application. It insisted that Community aid should complement national support and not replace it.

In the R & D sector, the Committee approved the Commission's overall guidelines for the period 1977-1980 for a common policy in the field of science and technology. As a result of the Committee's 1976 Study on the 'Objectives and Priorities for a Community R & D policy', these guidelines already incorporated much of the Committee's thinking. The Committee nonetheless recognized the need for a pragmatic Community approach to R & D, concentrating on coordination measures and indirect action programmes in suitable areas. It called for the development of a long-term concept for the Community's Joint Research Centre (JRC) before completion of the current programme in 1980. Special emphasis was placed on the dissemination and use of R & D results and on the need for periodic, systematic evaluation of work being done.

More specifically, the Committee examined a number of proposed R & D programmes. Firstly, it approved a pilot scheme to assist industrial research projects.

But it considered the total budget of 13 million u.a. for three years inadequate. In granting assistance, it felt that emphasis should be placed less on trans-frontier cooperation and more on Community-wide availability of results. Secondly, the Committee approved a research programme costing 4.4 million u.a. on forecasting and assessment in the field of science and technology. While it recognized that the Community needed an institute for long-term planning, the Committee agreed that it would be premature to set up such a body as recommended in the Europe+30 Report. Thirdly, the Committee gave its backing to an indirect action programme in the field of primary raw materials which would provide 23 million u.a. on the Community budget over four years for research on exploration, ore processing and mining technology. The Committee regarded the proposal as a first step in a whole series of long-term measures to develop Community deposits of non-ferrous metals, currently imported. Fourthly, the Committee approved a 'programme on the exploration and extraction of uranium', costing the Community 4.65 million u.a. over three years. While not in the position to pass judgment on the technical details, the Committee endorsed the Commission's thinking from an overall policy viewpoint. It asked the latter to review progress after three years with a view to strengthening this Community activity. Fifthly, it endorsed a concerted project on sewage sludge. The programme was adopted by the Council on 27 September. Lastly, the Committee approved the Second Threeyear Plan of Action in the Field of Information and Documentation in Science and Technology. It called for standardization of charges made by national PTTs for connection to the Community information system, Euronet, and requested inclusion of more economic, financial and social data in the network.

#### 10. Protection of the environment-consumption-public health

#### Protection of the environment

The Committee was appreciative of the work done by the Commission in implementing the measures set out in the Community's action programme on the environment. Nevertheless, the Council did not always accept proposals and this slowed down Community action.

The Committee delivered an Opinion on bird protection. The Opinion stated that the Commission's proposal to establish common rules for the protection of birds would do much to safeguard the common heritage represented by the birds of Europe. The Committee also drew attention to a possible conflict between bird protection and economic developments such as urbanization, industrialization, tourism, recreation, agricultural progress and rural development.

The Committee saw the proposal on the quality requirements for waters capable of supporting fish in the same light and suggested that—in order to define realistic, updated standards as soon as possible—information on fish stocks needed to be collated, water quality monitored and the findings critically appraised and published.

In its Opinion on toxic waste, the Committee considered that (a) the proper application of the directive depended on the establishment of suitable sites for the processing and storage of waste, and (b) waste disposal processes should be selected not on the basis of their cost or economic viability alone, but also in the light of social costs.

Finally, the Committee emphasized the great importance of preventing accidents and pollution arising from the use of new chemical substances. The Committee recommended that a national notification system be introduced and that, in the case of highly toxic substances, proper licensing be brought in.

The same held for the Opinion on the marketing and use of plant protection products. In that Opinion the Committee argued that a number of products whose use was authorized in certain Member States should be added to the list of approved products. Such a measure, however, should not set back the date on which the Directive came into force.

#### Consumption

In the sphere of consumer protection, the Committee held comprehensive discussions on the implementation and future development of the Community's Consumer Protection and Information Programme.

Although it was too early to assess properly how the programme adopted by the Council on 14 April 1975 was being given concrete form in Community and national law, the Committee drew attention to the dynamic role played by the Commission's Environment and Consumer Protection Service.

The Committee said that it would be useful to try and draw some conclusions from the experience gained in implementing the first Programme and to list the points which might be embodied in the Community's next Programme on consumers and consumer (and consumption) issues.

The Committee pointed out that consumer organizations and the Commission had too often adopted a piecemeal approach when dealing with consumer problems. It was necessary to adopt an overall approach based on extensive consultations, at all levels, of the parties involved.

That approach should also involve effective consumer participation in the working out of measures to improve living conditions and the environment, particularly with regard to energy options, measures to combat wastage, product safety and nature conservancy.

It was against this background that other more specific Opinions were delivered. The Committee gave full support to the Commission proposal to provide consumers with adequate protection in the case of doorstep contracts. The Committee also urged that mail-order selling be dealt with as soon as possible in a special Directive.

With regard to the VCM content of materials which come into physical contact with food, the Committee stated that the proposed maximum levels were acceptable but were to be considered a temporary precautionary measure to be reviewed later in a wider context and in the light of new scientific and technical knowledge.

Generally speaking, the Committee was aware that each separate packaging had to be assessed from various angles, e.g. the toxicity of the constituents, hygiene, manufacturing cost, costs of disposal and recycling, and a raw material supplies' policy. The Commission should therefore examine those questions as a whole and not just in isolation.

In its Opinion on Consumer Protection in the Marking and Display of the Prices of Foodstuffs, the Committee hoped that the Member States would show the necessary degree of flexibility when introducing the proposed rules and heed experiences in the United States and elsewhere.

The Committee also felt that unit pricing could only be introduced if the Community laid down quantity ranges where the quantities specified were multiples or submultiples of each other.

#### Public health

The Committee supported the Commission's initiative to draw up an initial action programme for research in the medical and public health sector. Such a programme should overcome one of the shortcomings in the EEC Treaty and constitute a first step towards a Community public health policy.

However, the Committee regretted that the funds available for public health research were far from adequate and that the relevant programmes seemed to be ill-suited to real needs.

The Committee decided to use its discretionary powers and consider (i) the consumption of medicines and their effect on public health, and (ii) the health and environmental hazards stemming from the use of asbestos.

The Commission and the Council accepted a number of specific Committee proposals on matters relating to protection of the environment, public health and consumer affairs.

A few examples are the selection of a single method for determining the concentration of lead in the blood (directive on lead poisoning); extension of the deadlines for applying the directive on materials coming into contact with food; restrictions on the marketing and use of certain substances (which now include polychlorinated biphenyls and terphenyls, and vinyl chloride monomer).

In the light of the relevant Opinion of the Committee, the Commission changed its preliminary draft programme for a consumer protection and information policy. The changes entail:

- Encouraging consumer consultation, representation and even participation in the decision-making process.
- Listing top-priority measures in the fields of product labelling, misleading advertising, unfair trading practices, compensation for damages, consumer credit and consumer representation.

#### CHAPTER III

#### PRESS RELATIONS AND OUTSIDE ECHO

The basic objective of the press policy of the Economic and Social Committee is to make public opinion aware of the Committee's role and activities. What it has more specifically pursued in the course of the year is to show, now that the Economic and Social Committee is about to reach its twentieth anniversary year, that parallel to the development of the Community as a whole, it is evolving from a committee into a consultative assembly which is directly connected to the citizen at grass-root level and which is fully involved in the Community decision-making process. The Committee's awareness of the need for adapting its structures and methods of work, marked by the setting up of a special body for the purpose, has not gone unheaded in the press.

Fundamentally, however, the outside echo of the Economic and Social Committee is inevitably conditioned by the image of the Community as an entity. In examining the Community's real powers, the effect of its decisions on the citizens of the Member States and its influence on the rest of the world, a distinction has to be drawn between reality and the way it is presented to these citizens by the media. As in many other fields, facts and image do not always coincide.

A certain disappointment of expectations with the Community's rate of progress, raised by the new Commission early in the year, has left its mark on many observers and correspondents who in turn reflected it in their reporting. This handicap has also had its effect on news about the Economic and Social Committee which in any case has to fight for a place in newspaper columns.

In these circumstances, the upward trend in the number of newspaper clippings received in the Secretariat which give an echo to the Committee's acivities may be viewed as encouraging. Although the clippings received can only give a partial picture, they are indicative of the general trend. Their numbers are up by 25% on last year. It may be assumed that the major factor which contributed to a greater echo in the press for the Economic and Social Committee is the growing interest shown in its work by the Council and the Commission. In ten plenary sessions, we have had the President-in-Office of the Council addressing three, Members of the Commission taking part on ten occasions, and a special visit to the Committee by the Prime Minister of Portugal, Mr Soares.

An analysis of the press echo also gives a valuable indication of the methods employed in disseminating Committee information. These methods now include a wider use of advance material, such as section opinions, and the publicizing of the section meeting agendas. This helps to give journalists and also professional organizations advance notice of the Commission proposals or own-initiative opinions that will be submitted first to the section meeting and subsequently to the plenary session and encourages journalists to follow through a particular matter stage by stage.

Further, the specialized trade press and trade union press has been given greater attention by opinions being sent to their editors according to interest, though much still remains to be done in that field. More frequent recourse to the telex for disseminating press releases has also improved results.

Press conferences have been used sparingly, but with effect. One of them was held, with conspicuous success, by Mr de Ferranti in the Commission's press room on the occasion of the June plenary session, concerning the debate on the economic and social situation in the Community which was attended by the President of the Council and the President of the Commission. Shots of the plenary session were also shown on Belgian television. This debate, more spectacularly perhaps than several others which dealt with the same subject, highlighted the Committee's concern with the Community's fundamental problem, namely unemployment and unsatisfactory economic growth.

The opinions delivered by the Committee on its own initiative have in general received a good echo in the press. Their very purpose, to act as a stimulant to Community action, lends itself better to press treatment than opinions arising from consultation by Council or Commission. The former, being a new input, is more of a news story from an editor's viewpoint than the latter, which adds material to a subject which has already been dealt with by other institutions.

Thus, the Committee's study on the nuclear safety code was widely reported, both in the press and on the radio; so were the Committee's proposals on the common agricultural policy in the international context. Another own-initiative opinion which aroused press interest was that on East-West transport as it pointedly drew attention to a problem at the time of the Belgrade conference. Again, the Committee's views on industrial change and on regional development found a certain echo because they, like the economic and social debates, focussed on the present chief concern of the European Community. Specialized papers showed a readiness to report on the Committee's activities in the field of consumer protection, energy problems, transport and the removal of non-tariff barriers to trade.

The fact that the Economic and Social Committee had started procedures with the aim of reforming its working methods and structure aroused a certain echo in the press, especially as the question came up at several meetings held by European professional and trade-union organizations.

The President's visits to Paris, Germany, Rome and Copenhagen were well reported. The same is true for meetings of the Economic and Social Committee in the Member States, such as the meeting in Bavaria of the section for industry, commerce, crafts and services, which brought publicity for the Opinion on Small and Medium-sized enterprises, that of the section for economic and financial questions meeting in Berlin on the economic situation and the Bureau meeting in Manchester. The Committee's delegations to Greece, especially the visit to the Thessaloniki fair, deserves to be mentioned. This year, the European event at the fair centred on the Economic and Social Committee, its role and functions, and brought it wide coverage through television, radio and the press.

The number of people who came to visit the Economic and Social Committee in groups, or who heard lectures on its activities, has risen this year above the three thousand mark. (This compares with 1700 visitors last year.) More than one hundred groups of various categories were involved, including representatives of political groups, employers' federations, trade-union organizations, journalists, civil servants of the member countries, students, professional organizations, environmental and consumer groups and regional social and economic councils. Among the member countries, a much greater number of groups than hitherto came from France.

Also visitors from third countries continue to take an interest in the Economic and Social Committee. Among these groups should be mentioned one from Egypt, led by three Under Secretaries of State and consisting of high-level officials and journalists, a similar group from several Latin-American countries, a delegation of the Social and Economic Council of Japan, the President of the Economic and Social Council of Israel, Turkish journalists, Spanish industrialists, Indonesian students, and Canadian trade unionists.

The Committee has continued its practice of giving wider publicity to a few of its opinions and studies by having them printed and issued as brochures. In this form the opinion is given a brief introduction and accompanied by a report, and generally made more accessible to readers beyond the inner circle of experts in Community procedures. In the year under review, the Committee published the study on the 'Community Nuclear Safety Code', the opinion on 'Regional Development—Unemployment and Inflation' and documentation on 'The Right of Initiative of the Economic and Social Committee'. The latter, prepared by the Division for Research and Documentation of the Committee's Directorate-General, provides in 124 pages a full analysis of the background, juridical position, effective use and procedures, as well as political implications of this important extension of the Committee's powers.

The publication programme has now reached the stage where the Committee has readily available material for the public, consisting of the Yearbook, the monthly bulletin, three brochures and one leaflet giving general information about its functions and nine brochures of different opinions and studies. The monthly bulletin has improved its appearance; reports on the plenary session and of missions are often illustrated by photos.

For the use of members, to keep them informed about developments in the Community Institutions, of policy statements by European professional and tradeunion organizations and of European policy statements by national organizations, the Committee issued 'Information Briefs' at irregular intervals. This also carries a follow-up of the Committee's opinions. It may be said in conclusion that the outside echo in the press of the Economic and Social Committee is still very modest but nonetheless bigger than before. The main contributory factors to this progress are the growth of its influence and prestige among the Community institutions and signs of a greater willingness among Committee members to become its spokesmen in their respective home countries.

#### CHAPTER IV

#### THE GROUPS

In accordance with the Treaty of Rome, the Members of the Committee are personally appointed by the Council from the 'representatives of the various categories of economic and social activity; in particular, representatives of producers, farmers, carriers, workers, dealers, craftsmen, professional occupations and representatives of the general public'.

Article 19 of the Rules of Procedure of the Committee allows members of the Committee to form, on a voluntary basis, 'groups representing employers, workers and the other categories of economic and social activity'.

Group I is made up of representatives of private and public enterprises, commerce, transport, banks and insurance.

Group II comprises the representatives of the most important national tradeunion organizations.

Group III includes representatives of agriculture, small craft industries, small and medium-sized industrial and trading businesses, professional occupations, familywelfare and consumer associations, and bodies representing various interests.

#### Group I - Employers

The current Chairman of the Employers' Group is Mr Jean de Précigout. Three of its members are section chairmen: Mr Miller (Section for Energy and Nuclear Questions), Mr Hemmer (Section for Industry, Commerce, Crafts and Services), and Mr Carstens (Section for External Relations).

The Employers' Group liaises with four Community-wide industrial and commercial organizations: the Union of Industries of the European Community (UNICE); the European Centre for Public Enterprises (ECPE); the Permanent Conference of Chambers of Commerce and Industry of the EEC; the Committee of Commercial Organizations in the EEC. These organizations are represented in the Employers' Group, and hold a large number of meetings at the Committee's headquarters, including three general meetings.

Members of the Employers' Group have taken an active part in all Committee work; they have been particularly exercised by the following matters: the economic situation, the fight against inflation and unemployment, energy problems, industrial policy, ways and means of improving industrial relations, the application of the Lomé Convention, the enlargement of the Community, and trade relations with the rest of the world.

On a broader scale, members of the Employers' Group would generally like to see real progress made towards economic and monetary union. The pettifogging matters that frequently clog up the wheels of the Committee cannot conceal the fact that European unity will not be achieved till common policies are effectively implemented on vital issues.

#### Group II - The workers group

Group II, the 'Workers' Group (50 members strong, Chairman Mr Debunne, is represented on the Committee's Bureau by:

Mr van Greunsven (Netherlands-NKV-FNV) (Vice-Chairman of Committee)

Mr Delourme (Belgium—FGTB)

Mr Friedrichs (Germany-DGB)

Mr Jenkins (UK-TUC)

Mr Nyrup Rasmussen (Denmark-LO)

Mr Scalia (Italy-CGIL)

Mr Soulat (France-CFDT)

During the past year Group II members acted as Rapporteurs for a number of subjects of direct concern to trade-union membership, including:

- the economic situation in the Community;

- review of the rules of the European Social Fund;

- new guidelines in regional policy (with changes to Regional Fund);

- regional development, inflation and unemployment;

- job preparation schemes for young people;

- illegal immigration;

- work safety in vinyl chloride plants;

- nuclear safety code.

Members also frequently raised important issues, from the floor of the Committee or as official Group spokesmen, at Plenary Sessions and other meetings. The following are a selection:

- ways of halting the rise in unemployment (e.g. creating new jobs and sharing out the work available among more people by reductions in hours);
- the drive against inflation;
- maintenance of social standards whilst increasing purchasing power;

- the need for the Member States to act together in the monetary, energy and industrial fields, etc., and to strive for a democratic Community at all levels by increasing the public accountability of all its institutions.

On several occasions the Group also debated at length the question of reform and expansion of the influence of the Committee, coming to the following conclusions:

- the employers and the trade unions should have equal numbers of seats on the Committee;
- a change in the rules should be obtained to allow appointment of alternates or deputies for members, which would increase efficiency and take some of the pressure off the present membership;
- more careful use should be made of the freedom of initiative (whereby the Committee may undertake work not requested by the Council or the Commission);
- the Committee should be informed what happens to recommendations made in its Opinions and told the reasons if they are ignored.

The Group also turned its attention on several occasions to its own aims and working methods. One suggestion that was discussed was for more frequent Group meetings so as to achieve the widest possible unity of approach on important issues.

The Group's radical proposals for increasing the Committee's influence were largely responsible for the decision to set up a Subcommittee to study the question.

The Subcommittee is now engaged in studying ways of increasing the Committee's influence, within the terms of the Treaties and the present arrangements for the representation of sectional interests vis-d-vis the Community decision-makers.

#### Group III - Various interests

Group III is made up of two loose groupings. The first, numerically the larger of the two, is composed of representatives of occupational interests such as farming, small businesses in both industry and commerce, the craft occupations, the professions and executive and administrative staffs—i.e. the 'middle classes' in the sense in which the term is used in many European countries. The second grouping consists of members who fall into the category described in Article 193 of the EEC Treaty as 'representatives of the general public', and who in fact do represent various aspects of the interests of the general public such as consumer interests, environmental protection, the rights of the family, etc.

Chaired by Sir John Peel, a doctor, the Group has a membership of 53 and meets once a month just before the Committee's Plenary Sessions. The monthly meetings see interesting discussions about the Opinions to be debated at the Session, and have shown a tendency towards a convergence and growing solidarity among the occupational interests, with the representatives of the general public often taking an opposing line, particularly on agricultural matters. As their number and clarity of purpose has increased a number of the latter grouping, especially the consumer and family representatives, have also begun to concert their positions more on issues before the Committee.

However, the Group's unity reasserts itself when its existence seems to be called into question, all its members remembering on such occasions that they reprensent categories which, by virtue of their special features or separate structures, must voice their views as such.

It is incidentally this very position which often allows the Group to do valuable work in the role of mediator as Chairman or Rapporteur for particular subjets.

The Group's activities are also important for the Community-level organizations from which its members are drawn, thanks largely to the permanent liaison work carried on by the Group's Chairman and Secretary. A constant interchange of information has developed between the organizations and the Group, which works to their mutual advantage and, in the final analysis, benefits the Committee as well.

## CHAPTER V

# ATTENDANCE AT CONFERENCES, ETC.

In 1977, as in past years, the Committee maintained contact with representative bodies in Europe by sending delegates, wherever possible, to the various conferences, etc. to which it was invited. The meetings attended by Committee representatives were as follows:

11 January Brussels
25 January Dublin
26 and 27 January Berlin
27 January Avignon
28 February Davos
8 March Bischofsmais
17 March Brussels
20 to 23 March Geneva
26 March to 3 April Munich
26 April Charbonnières les Bains
5 May Rome

- · Congress of the Confédération Force Ouvrière
- XIIth meeting of the Conference of Local and Regional Authorities of Europe
- Meeting of the National Association of British Wine Producers
- Plenary Session of the Association of Cooperative Savings and Credits Institutions of the EEC
- Ninth Conference of women members of the German Trade-Union Federation
- International Labour Conference
- Seminar on small and medium-sized business arranged by the EC Information Office
- XIIth Conference of European Municipalities
- European debate organized by the DGB, in connection with the 'Ruhrfestspiele', on the subject of progress towards political union in Europe
- Seminar organized by the East Midlands Association on worker participation
- Seminar organized by the Royal Institute of International Affairs
- 109th Trades-Union Congress
- International symposium on development problems in Portugal
- XXth anniversary meeting of the Belgian Consumers' Association (theme: consumption and full employment)
- Seminar organized by the Committee of Family Organizations in the European Communities
- Seminar on the labour market organized by the German Federal Labour Office to mark its 25th anniversary
- Congress of the European Union of Christian Democrat Workers
- Inauguration of the Colmar Jeune Chambre Economique (introductory address given by the ESC's Chairman)

9 to 13 May Vichy

24 to 26 May Strasbourg

26 and 27 May Kingston-upon-Thames

31 May Brussels

2 and 3 June Saarbrücken

6 to 8 June Geneva

9 June Toulouse

8 to 11 June Lausanne

17 June Recklinghausen

29 June London

30 June London

7 September Blackpool

15 to 17 September Ghent

23 September Brussels

23 and 24 September Luxembourg

30 September Nuremberg

7 and 8 October Brussels

10 October Strasbourg

- Invitation to the 30th anniversary of the French Economic and Social Council
- International briefing organized by the 'Management Center Europe' on the subject of industrial relations in Europe—worker participation in corporate decision-making
- Meeting of the ESLLSP (European Secretariat of the Liberal, Learned and Social Professions)
- Convention for Europe organized by the European Movement
- General Assembly of the Pharmaceutical Group of the European Community
- Special meeting of the Belgian Society for Traffic Medicine on the subject of handicapped drivers
- Invitation to the European Day 'Employment and small businesses in the craft, business, industrial and service sectors' organized by the International Institute for Research on the Middle Classes
- Congress organized by the Union of European Federalists on 'Elections to the European Parliament by universal suffrage'
- Invitation from the CNEL for the presentation of the book 'Previdenza ed assistenza sociale in Europa'
- 39th National Congress of the French Confederation of Christian Workers
- General Assembly of the European Union of Dentists on 'The political impact on the professions of elections to the European Parliament by universal suffrage'
- Symposium of the Council of Europe on 'The European Social Charter and social policies today'
- Inaugural sitting of the International Seminars on European Social Policy, organized by the Regional Council of the Nord-Pas-de-Calais

18 October Paris

19 to 21 October Brussels

21 October Brussels

22 and 23 October Versailles

23 to 27 October Athens

28 and 29 October Brussels

3 November Brussels

4 to 6 November Brussels

7 November Rome

25 and 27 November Versailles

26 November Eindhoven

7 to 9 December Strasbourg

15 to 17 December Lille . . .

## CHAPTER VI

### APPOINTMENTS AND RESIGNATIONS

During the period covered by this report the following members resigned from the Committee:

Mr Byskov, Mr Galland, Mr Byrne, Mr Rømer, Mr Walsh, Mr Harkin, Mr T. Nielsen, Mr Charbo and Miss Mackie.

The Council appointed the following new members:

Mr Ammundsen

Mr Massabieaux

Mr Kenna

- Mr Storm-Hansen
- Mr Jenkins
- Mr Curlis
- Mr P. Nielsen
- Mr Hilkens
- Mr Lawton

The late Mr Noddings and the late Mr Schrijvers were replaced by Mr Bourgeau and Mr Goris.

The Council will shortly be appointing new members to take the place of Mr Luciani and Mr Militello who have resigned.

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### CHAPTER VII

## INTERNAL AFFAIRS OF THE GENERAL SECRETARIAT

#### 1. Staff

Generally speaking the General Secretariat, after its restructuring in 1976, was able to function satisfactorily. Consequently, the Bureau decided that only a small enlargement was required, from 302 to 305.

Further improvements in working methods enabled the staff, despite its small size, to cope with the steadily increasing workload.

In the field of personnel management, emphasis was placed on basic and advanced training.

#### 2. Budget

Appropriations for the 1977 financial year—including an adjusting, supplementary budget—totalled 11 499 600 u.a. (1 u.a.=BFR 50). This was a 24.54% increase on the 1976 financial year (9 204 000 u.a.).

The significant inflation was directly responsible for the increase in appropriations, the bulk of which went to staffing and meeting expenses.

#### 3. Structure of the Secretariat (1977)

SECRETARY-GENERAL

- Chef de Cabinet
- Adviser for external relations of the Committee
- Financial controller
- Social assistant.

GENERAL DIRECTORATE FOR INFORMATION, PLANNING AND COORDINATION OF CONSULTATIVE WORK, RESEARCH AND DOCUMENTATION—DIRECTOR-GENERAL

- Press, information and publications division
- Research and documentation division
- Translation division
- Specialized department for coordinating and processing documents

Directorate A - Administration-Director

- Personnel / Staff regulations division
- Specialized financial department
- Department for internal matters

Directorate B - Consultative work-Director

- Division for
  - economic and financial questions
  - external relations
- Division for
  - social questions
  - protection of the environment, public health and consumer affairs

Directorate C - Consultative work-Director

- -- Division for
  - agriculture
  - regional development
- Division for industry, commerce, crafts and services
- Division for
  - transport and communications
  - energy and nuclear questions

## CHAIRMAN'S PRIVATE OFFICE

- Chef de Cabinet

### Group secretariats

Group I : Employers

Group II : Workers

Group III: Various interests

ANNEX A

LIST OF OPINIONS, STUDIES AND INFORMATION REPORTS ISSUED DURING 1977

## 145th Plenary Session of 26 and 27 January 1977

- The Common Agricultural Policy in the International Context (own-initiative Opinion) (Rapporteur-General: Mr Berns)
  - (Rapporteur-General: Mr Berns)
- Vocational Training for Young People (Rapporteur: Mr Carroll)
- Harmonization of Social Provisions relating to Goods Transport by Inland Waterway (Rapporteur: Mr de Vries Reilingh)
- Beneventano Tobacco (Rapporteur-General: Mr Caprio)

## 146th Plenary Session of 23 and 24 February 1977

- Farm Prices for 1977/1978 (Rapporteur: Mr de Caffarelli)
- Harmonization of the Laws to Combat Illegal Migration and Illegal Employment
  - (Rapporteur: Mr Kirschen)
- Group Accounts
   (Rapporteur: Mr Friedrichs)
- Collective Investment in Transferable Securities (Rapporteur: Mr De Bruyn)
- Toxic and Dangerous Waste (Rapporteur: Mr De Grave)
- Waters Capable of Supporting Freshwater Fish (Rapporteur: Sir John Peel)
- Less-favoured Farming Areas (Amendment to Directive No 75/271/EEC) (Rapporteur: Mr Clavel)

## 147th Plenary Session of 30 and 31 March 1977

- How Regional Development helps solve Unemployment and Inflation (owninitiative Opinion) (Rapporteur: Mr Bornard)
- Use of Coal for Electricity Generation (Rapporteur: Mr S. Jonker)
- Tyres for Motor Vehicles and their Trailers (Rapporteur: Mr Masprone) (Co-rapporteur: Mr De Grave)
- Wheel Guards of Motor Vehicles (Rapporteur: Mr Masprone)
- Heating Systems for the Passenger Compartment of Motor Vehicles (Rapporteur: Mr Masprone)

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- Rear Fog Lamps for Motor Vehicles and their Trailers (Rapporteur: Mr Masprone)
- Reversing Lamps for Motor Vehicles and their Trailers (Rapporteur: Mr Masprone)
- Parking Lamps for Motor Vehicles (Rapporteur: Mr Masprone)
- --- Window-wiper and Washer Systems of Motor Vehicles (Rapporteur: Mr Masprone)
- Defrosting and Demisting Systems of Motor Vehicles (Rapporteur: Mr Masprone) (Co-Rapporteur: Mr De Grave)
- Interior Fittings of Motor Vehicles (Identification of Controls, Tell-Tales and Indicators) (Rapporteur: Mr Masprone)
- Weights and Dimensions of Certain Motor Vehicles (Rapporteur: Mr Masprone)
- Type-Approval of Motor Vehicles (Rapporteur: Mr Clark)
- Pre-packaged Products (Rapporteur: Mr Marvier)
- Turnover Tax and Excise Duty in International Travel (Rapporteur: Mr Marvier)
- Expert Declaration Form (Rapporteur: Mr Marvier)
- Waters Favourable to Shellfish Growth (Rapporteur: Mrs Evans)
- -- Codex Standards for Sugar (Rapporteur: Mr De Grave)
- Siting of Power Stations (Rapporteur: Mr Friedrichs)
- Dangerous Substances (Sixth Amendment) (Rapporteur: Mr Eboli)
- Plant Protection Products (two Proposals) (Rapporteur: Mr Jaschick)
- Articles Containing Vinyl Chloride Monomer Coming into Contact with Foodstuffs

(Rapporteur: Mr De Grave)

--- Comptetition in Transport by Rail, Road and Inland Waterway (Amendment of an earlier Decision) (Rapporteur: Mr Renaud)

## 148th Plenary Session of 27 and 28 April 1977

- Tasks and Operation of the European Social Fund (Rapporteur: Mr Laval)
- Research in the Field of Treatment and Use of Sewage Sludge (Rapporteur: Sir John Peel)

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- GATT Multilateral Trade Negotiations (Further own-initiative Opinion) (Rapporteur: Mr Evain)
- -- Electronic Traffic Aids on Major Roads (Rapporteur: Mr Renaud)
- -- Relations between the EEC and Portugal (Study) (Rapporteur: Mr Staratzke)
- Community Nuclear Safety Code (Study) (Rapporteur: Mr Bonety)

## 149th Plenary Session of 25 and 26 May 1977

- -- Consumer Protection and Information Programme (own-initiative Opinion) (Rapporteur: Mr Ramaekers)
- Bird Protection (Rapporteur: Mrs Evans)
- Relations between Industrialized and Developing Countries (Study) (Rapporteur: Mr Hunter)
- Employment Situation and Employment Prospects in Agriculture (Study) (Rapporteur: Mr Piga)

## 150th Plenary Session of 22 and 23 June 1977

- -- Economic Situation of the Community (Rapporteur: Mr Pfeiffer)
- Development of the Social Situation (Rapporteur: Mr Rollinger)
- Transport Problems in Relations with Eastern-Bloc Countries (own-initiative Opinion) (Rapporteur:Mr Hennig)
- Agricultural Incomes in the Community (Rapporteur: Mr de Caffarelli)
- Coal Stocks (Rapporteur: Mr S. Jonker)
- Protection of Consumers in respect of Contracts Negotiated away from Business Premises (Rapporteur: Miss Roberts)
- Total Sulphur Dioxide Content of Wines other than Liqueur Wines (Amendment to Regulations (EEC) No 816/70, 2893/74 and 817/70) (Rapporteur: Mr Rainero)
- Additional Provisions for the Common Organization of the Market in Wine (Amendment to Regulation No 816/70) (Rapporteur-General: Mr De Grave)
- Verification of Compliance with Community and National Provisions in the Wine Sector (own-initiative Opinion) (Rapporteur: Mr Guillaume)

- Aid to Producers for the 1976 Harvest (Rapporteur: Mr Bernaert)
- Seeds

   (Amendment to Directives No 66/400/EEC, 66/401/EEC, 66/402/EEC, 66/402/EEC, 66/403/EEC, 68/193/EEC, 69/208/EEC, 70/458/EEC, 70/457/EEC)
   (Rapporteur-General: Mr Lapie)
- Annual Accounts of Railway Undertakings (Rapporteur: Mr Fredersdorf)
- Equality of Treatment for Men and Women in Social Security Matters (Rapporteur: Mrs Weber)
- Pilot Schemes and Studies to Combat Poverty (Amendment to earlier Decision) (Rapporteur-General: Mr Carroll)

# 151st Plenary Session of 28 and 29 September 1977

- Industrial change and Employment (own-initiative Opinion) (Rapporteur: Mr Carstens)
- Guidelines for Community Regional Policy (Rapporteur: Mr Cremer)
- European Regional Development Fund (own-initiative Opinion) (Rapporteur: Mr Loughrey)
- Protection of the Health of Workers Occupationally Exposed to Vinyl Chloride Monomer (Rapporteur: Mr van Rens)
- Energy Demonstration Projects and Alternative Sources (2 proposals) (Rapporteur: Mr Croese)
- Community Action Programme for Rational Use of Energy (RUE) (communication) (Rapporteur: Mr Hipp)
- Energy Savings from the Modernization of Existing Buildings in the Community (communication) (Rapporteur: Mr Ammundsen)
- Boats and their Fittings (Rapporteur: Mr Masprone)
- Community Road Haulage Permits (Amendment of Regulation No 3164/76) (Rapporteur: Mr Renaud)
- Soya Beans (Amendment of Regulation No 1900/74) (Rapporteur: Mr Clavel)
- Control of Potato Ring Rot (Rapporteur: Mr Wick)

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## 152nd Plenary Session of 26 and 27 October 1977

- Annual Report on the Economic Situation of the Community in 1977 (Rapporteur: Mr Clark)
- Community Policies for the Electronic Information Industries (communication) (Rapporteur: Mr Wylie)
- --- Marking and Display of Foodstuffs (Rapporteur: Mr Bourel)
- Scheme of Generalized Tariff Preferences for 1978 (Raporteur: Mr Cremer)
- Double Taxation (Arbitration Procedure) (Rapporteur: Mr Miller)
- Castor Seeds (Rapporteur: Mr Rainero)
- Costing Principles for Railway Undertakings (Rapporteur: Mr Fredersdorf)
- European Social Fund Assistance Towards Women and Operations Qualifying for a Higher Rate of Intervention by the European Social Fund (2 proposals) (Rapporteur: Mr Carroll)
- Brucellosis (Amendment of Directive 64/432/EEC) (Rapporteur: Mr Maher)
- Derogations concerning Brucellosis and Tuberculosis (Rapporteur: Mr Maher)
- Multiannual R & D Programme in the Field of Primary Raw Materials (Indirect Action 1978-1981) (Rapporteur: Mr Schlitt)
- Information and Documentation in Science and Technology (Rapporteur: Mr De Ridder)
- -- Proprietary Medicinal Products (Rapporteur: Mr Chabrol)
- Social Security Schemes to Employed Persons and their Families Moving within the Community (amendment to Regulation Nos 1408/71 and 574/72) (2 proposals)
   (Reproduct Mr. Reinerg)
  - (Rapporteur: Mr Rainero)
- Community Policy towards Southern and Eastern Mediterranean Countries (Study) (Rapporteur: Mr Caprio)

## 153rd Plenary Session of 23 and 24 November 1977

- Transport Problems in Relations with Eastern Bloc Countries (own-initiative Opinion) (Rapporteur: Mr Hennig)
- Producer Groups and Associations Thereof (Amended Regulation) (Rapporteur: Mr Caprio)

- Small- and Medium-Sized Enterprises (own-initiative Opinion) (Rapporteur: Mr Kolbenschlag)
- Action Programme for Aeronautical Research (communication) (Rapporteur: Mr Evain)
- Common Policy in the Field of Science and Technology (Rapporteur: Mr Schlitt)
- Uranium Exploration and Uranium Extraction (Rapporteur: Mr Nielsen)
- Commercial Agents (self-employed) (Rapporteur: Mr Purpura)
- Standard Exchange of Goods Exported for Repair (Rapporteur: Mr Marvier)
- Post-Clearance Collection of Import Duties or Export Duties (Rapporteur: Mr Marvier)
- Medical and Public Health Research (Rapporteur: Sir John Peel)
- Emulsifiers, Stabilizers, Thickeners and Gelling Agents for Use in Foodstuffs (Amendment of Directive No 74/329/EEC) (Rapporteur: Mr De Grave)

#### 154th Plenary Session of 14 and 15 December 1977

- Amendment of the Common Organization of the Market in Beef and Veal (communication) and the Respective Merits of the Systems of Premiums and Intervention Measures in the Beef and Veal Sector (Report) (Rapporteur: Mr Schneiders)
- Rates of Exchange Used in Agricultural Structural Policy (Rapporteur: Mr Rouzier)
- Physical Properties of Foodstuffs (Rapporteur: Mr Bourel)
- Colouring Matters Authorized for Use in Foodstuffs Intended for Human Consumption (sixth amendment) (Rapporteur: Mr De Grave)
- Preservatives Authorized for Use in Foodstuffs Intended for Human Consumption (thirteenth amendment) (Rapporteur: Mr De Grave)
- Antioxidants authorized for use in Foodstuffs Intended for Human Consumption (second amendment) (Rapporteur: Mr De Grave)
- Derogations granted in Respect of Classical Swine Fever to Denmark, Ireland and the United Kingdom (Rapporteur: Mr Masprone)

- --- Recycling of Paper and Board (Rapporteur: Mr Masprone)
- Growth of Large Urban Concentrations (Rapporteur: Mr Rees)

# ANNEX B

OPINIONS DRAWN UP BY THE ECONOMIC AND SOCIAL COMMITTEE ON ITS OWN INITIATIVE (1973-1977)

Multilateral GATT Negotiations (Raporteur: Mr de Precigout)	May 1973
<ul> <li>Industrial and technological policy programme (Rapporteur: Mr Kley)</li> </ul>	November 1973
<ul> <li>Progress achieved in the first stage of economic and monetary union and measures to be taken in the second stage</li> </ul>	December 1973
<ul> <li>Commission memorandum on the improvement of the common agricultural policy (Rapporteur: Mr Bourel)</li> </ul>	February 1974
<ul> <li>Agricultural aspects of the GATT negotiations (Rapporteur: Mr Rømer)</li> </ul>	February 1974
<ul> <li>Role of the ESC in the institutional machinery of the Communities (Rapporteur: Mr de Bruyn)</li> </ul>	March 1974
- Employment and the changed situation in the EEC (Rapporteur: Mr Debunne)	May 1974
<ul> <li>EEC negotiations with African States, the East Indies and the countries of the Pacific (Rapporteur: Mr Bodart)</li> </ul>	June 1974
Situation in the EEC (Rapporteur: Mr de Bruyn)	July 1974
Energy for Europe research and development (Rapporteur: Mr Schlitt)	January 1975
<ul> <li>— EEC Mediterranean policy (Rapporteur: Mrs Baduel Glorioso)</li> </ul>	January 1975
<ul> <li>Developing countries and the GATT negotiations (Rapporteur: Mr Rømer)</li> </ul>	January 1975
- EEC data-processing policy (Rapporteur: Mr de Ferranti)	April 1975
- Education in the EEC (Rapporteur: Dr Sloman)	April 1975
— European union (Rapporteur: Mr de Bruyn)	July 1975
<ul> <li>Telecommunications (Rapporteur: Mr Roseingrave)</li> </ul>	September 1975
<ul> <li>The economic and social situation of women in the European Community (Rapporteur: Mrs Evans)</li> </ul>	February 1976
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 Unemployment in the EEC (Rapporteur-General: Mr Basnett)	February 1976
 Regional development in the Community in 1975-77 and establishment of an EEC regional policy (Rapporteur: Mr Maher)	March 1976
 Coordination of national employment policy instruments (Rapporteur: Mr Laval)	March 1976
 Possibilities of developing advanced technology sectors in the EEC through a policy of liberalizing public pur- chasing (Rapporteur: Mr de Ferranti)	May 1976
 Specific measures to relieve unemployment among the elderly, young people and women returning to gainful employment (Rapporteur: Mr Carroll)	November 1976
 The Common Agricultural Policy in the International Context (Possible Consequences and Improvements) (Rapporteur-General: Mr Berns)	January 1977
 How Regional Development helps solve Unemployment and Inflation by Making for a More Balanced Distribu- tion of the Working Population (Rapporteur: Mr Bornard)	March 1977
 The GATT Multilateral Trade Negotiations (Additional own-initiative Opinion) (Rapporteur: Mr Evain)	April 1977
 The Implementation and Development of the Com- munity's Consumer Protection and Information Pro- gramme (Rapporteur: Mr Ramaekers)	May 1977
 Transport Problems in Relations with Eastern Bloc Countries (Rapporteur: Mr Hennig)	June 1977
 Direct Cooperation between the Bodies Designated by Member States to Verify Compliance with Community and National Provisions in the Wine Sector (Rapporteur: Mr Guillaume)	June 1977
 Industrial Change and Employment—A Review of the Community's Industrial Policy and Future Prospects (Rapporteur: Mr Carstens)	September 1977
 European Regional Development Fund—Second Annual Report (1976) (Rapporteur: Mr Loughrey)	September 1977

- Small- and Medium-Sized Enterprises in the Community November 1977 Context (Rapporteur: Mr Kolbenschlag)
- Transport Problems in Relations with Eastern Bloc November 1977 Countries (Additional own-initiative Opinion) (Rapporteur: Mr Hennig)

ANNEX C

TABLES INDICATING THE EXTENT TO WHICH OPINIONS LED TO PROPOSALS BEING AMENDED

Publication	ot Er Opinion	OJ C 178 of 2.8.1976	OJ C 238 of 11.10.1976	OJ C 280 of 8.12.1975						OJ C 178 of 2.8.1976		
tn	To a large extent		Opi- the oposal	Opi- the oposal	Opi- the oposal				×	×		
Opinion taken into account	In several respects	×	The Committee Opi- nion endorsed the Commission proposal	The Committee Opi- nion endorsed the Commission proposal	The Committee Opi- nion endorsed the Commission proposal						×	×
opi int	In a few respects		The C nion Commi	The C nion Commi	The Commic Commi							
Publication	of final Instrument	OJ L 229 of 7.9.1977	OJ L 200 of 8.8.1977	OJ L 199 of 6.8.1977	OJ L 196 of 3.8.1977				OJ L 172 of 12.7.1977	OJ L 139 of 13.6.1977	OJ L 145 of 13.6.1977	OJ L 137 of 3.6.1977
Date of Opinion's	adoption and publication	30.9.1976 0J C 278 of 24.11.1976	30.9.1976 OJ C 278 of 24.11.1976	28.1.1976 OJ C 45 of 27.2.1976	28.4.1977 OJ C 126 of 28.5.1977				16.12.1976 OJ C 56 of 7.3.1977	30.9.1976 OJ C 281 of 27.11.1976	25.11.1976 OJ C 56 of 7.3.1977	25.11.1976 OJ C 56 of 7.3.1977
Opinion	requested by	Council	Council	Council	Council				Council	Council	Council	Council
Date	of request for Opinion	23.4.1976	26.5.1976	8.8.1975	7.4.1977				18.8.1976	9.4.1976	21.10.1976	6.10.1976
	Subject	Safety signs at places of work	Research programme of Joint Research Centre (1977-1980)	Education of children of migrant workers	Action by European Social Fund in favour of:	Persons affected by employment dif- ficulties	Persons occupied in textile and clo- thing industries	- Migrant workers and handicapped persons	EAGGF financing (guarantee section)	Community action programme on the environment	Eradication of brucellosis, tuberculosis and leucosis in cattle	Amended version of hops proposal
	60 <i></i>											

OJ C 259 of 4.11.1976		OJ C 28 of 9.2.1976	OJ C 127 of 18.10.1974		Opi- the posal	OJ C 5 of 8.1.1975			0J C 57 of 7.3.1977	
×	×	x	×	×	The Committee Opi- nion endorsed the Commission proposal	×		×	×	
					The Con		×			×
OJ L 131 of 26.5.1977	OJ L 131 of 26.5.1977	OJ L 105 of 28.4.1977	OJ L 105 of 28.4.1977	OJ L 105 of 28.4.1977	OJ L 88 of 6.4.1 <i>977</i>	OJ L 66 of 12.3.1977	OJ L 61 of 5.3.1977	OJ L 51 of 23.2.1977	OJ L 48 of 19.2.1977	OJ L 40 of 11.2.1977
30.9.1976 OJ C 285 of 2.12.1976	25.11.1976 OJ C 56 of 7.3.1977	28.1.1976 OJ C 50 of 4.3.1977	17.7.1974 OJ C 125 of 16.10.1974	31.3.1976 OJ C 131 of 12.6.1976	23.4.1975 OJ C 248 of 29.10.1975	29.1.1975 OJ C 62 of 15.3.1975	25.11.1976 OJ C 56 of 7.3.1977	27.1.1977 OJ C 61 of 10.3.1977	27.1.1977 OJ C 1961 of 10.3.1977	16.12.1976 OJ C 56 of 7.3.1977
Council	Council	Council	Council	Council	Council	Council	Council	Bureau ESC	Council	Council
30.7.1976	21.10.1976	12.5.1975	2.4.1974	4.12.1975	4.2.1975	2.9.1974	18.8.1976		20.1.1977	12.11.1976
Grants for not marketing milk and switching to beef farming	Steps to expand markets for milk and milk products	Biological screening of the population for lead	Driver-perceived noise level of wheeled agricultural and forestry tractors	Measurement of liquids	Financing of nuclear power stations	Admissible sound level and exhausts of motor vehicles (amendment of Directive of 6/2/70)	Footwear research programme	CAP in international context	Beneventano Tobacco	Uniform application of CCT nomencla- ture

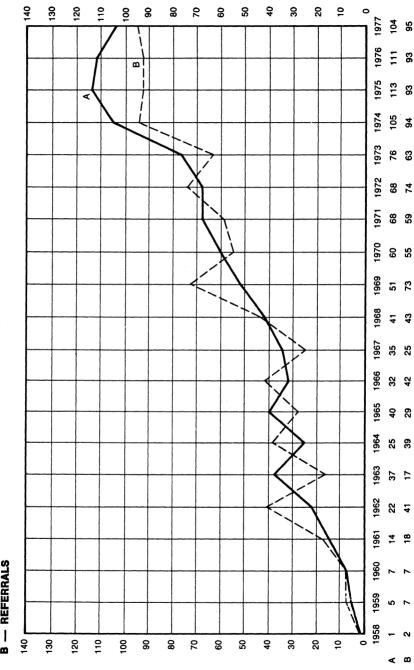
Publication	of EP Opinion		OJ C 139 of 28.10.1969						OJ C 155 of 9.12.1974	OJ C 37 of 4.6.1973
Opinion taken into account	In To a several large respects extent	×	×	The Committee Opi- nion endorsed the Commission proposal	The Committee Opi- nion endorsed the Commission proposal	×	×	The Committee Opi- nion endorsed the Commission proposal	×	The Committee Opi- nion endorsed the Commission proposal
iq 0 Ini	In a In few several respects			The Commin	The C nion Commi			The Connis		Commis Commis
Publication	of final Instrument	OJ L 38 of 9.2.1977	OJ L 26 of 31.1.1977	OJ L 10 of 13.1.1977	OJ L 10 of 13.1.1977	Amended Commission proposal	OJ L 354 of 24.12.1976	OJ L 354 of 24.12.1976	OJ L 340 of 9.12.76	OJ L 336 of 4.12.1976
Date of Opinion's	auopuon and publication	27.11.1975 OJ C 35 of 16.2.1976	27.11.1969 OJ C 10 of 27.1.1970	25.11.1976 OJ C 56 of 7.3.1977	28.10.1976 OJ C 299 of 18.12.1976	28.10.1976 OJ C 299 of 18.12.1976	25.11.1976 OJ C 56 of 7.3.1977	25.11.1976 OJ C 56 of 7.3.1977	26.2.1975 OJ C 108 of 15.5.1975	22.2.1973 OJ C 52 of 5.7.1973
Opinion	requested	Council	Council	Council	Council	Council	Council	Council	Council	Council
Date	for Opinion	17.10.1975	23.4.1969	12.8.1976	4.8.1976	24.5.1976	4.11.1976	4.11.1976	21.8.1974	26.9.1972
Subject		Community transit and amendment of Regulation No 542/69	Food for particular nutritional uses	Review of energy R & D Programme	Scientific and Technical training pro- gramme	Veterinary drugs	Measures to adjust wine-growing poten- tial to market requirements	Grant of a reconversion premium in the wine sector	Materials and articles intended to come into contact with foodstuffs	Radio interference by fluorescent lighting luminaires fitted with starters

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	OJ C 76 of 7.4.1975	OJ C 76 of 7.4.1975	OJ C 76 of 7.4.1975	OJ C 76 of 7.4.1975	OJ C 60 of 13.3.1975	OJ C 55 of 13.5.1974	OJ C 55 of 13.5.1974	OJ C 55 of 13.5.1974	OJ C 62 of 31.7.1973	OJ C 2 of 9.1.1974	OJ C 83 of 11.10.1973
The Committee Opi- nion endorsed the Commission proposal	The Committee Opi- nion endorsed the Commission proposal		The Committee Opi- nion endorsed the Commission proposal		×		×	x			
The Committee nion endorsed Commission pro	The Com nion en Commissio	×	The Com nion en Commissi	×					×	×	×
OI L 262 of 27.9.1976	OJ L 262 of 27.9.1976	OJ L 262 of 27.9.1976	OJ L 262 of 27.9.1976	OJ L 262 of 27.9.1976	OJ L 262 of 27.9.1976	OJ L 262 of 27.9.1976	OJ L 262 of 27.9.1976	OJ L 262 of 27.9.1976	OJ L 262 of 27.9.1976	OI L 262 of 27.9.1976	OJ L 147 of 9.7.1975
31.3.1976 OJ C 131 of 12.6.1976	23.4.1975 OJ C 255 of 7.11.1975	23.4.1975 OJ C 255 of 7.11.1975	23.4.1975 OJ C 248 of 29.10.1975	23.4.1975 OJ C 248 of 29.10.1975	28.11.1974 OJ C 16 of 23.1.1975	30.5.1974 OJ C 109 of 19.9.1974	30.5.1974 OJ C 109 of 19.9.1974	30.5.1974 OJ C 109 of 19.9.1974	24.5.1973 OJ C 60 of 26.7.1973	27.9.1973 OJ C 101 of 23.11.1973	29.7.1973 OJ C 101 of 23.11.1973
Council	Council	Council	Council	Council	Council	Council	Council	Council	Council	Council	Council
18.12.1975	20.1.1975	16.1.1975	4.12.1974	14.1.1975	5.9.1974	29.1.1974	16.1.1974	17.1.1974	22.11.1972	6.2.1973	11.4.1973
Measurement units (Modification of Directive of 18.10.71)	Position and stop lamps for motor vehicles	Motor vehicle headlamps	Alcoholometers, alcohol hydrometers and alcohol tables	Rear registration plate lamps for motor vehicles	Dangerous substances and preparations	Reflex reflectors for motor vehicles and trailers	Front fog lamps for motor vehicles	Lighting and light signalling devices for motor vehicles and trailers	Cosmetic products	Pressure vessels and inspection methods	Aerosols

ANNEX D

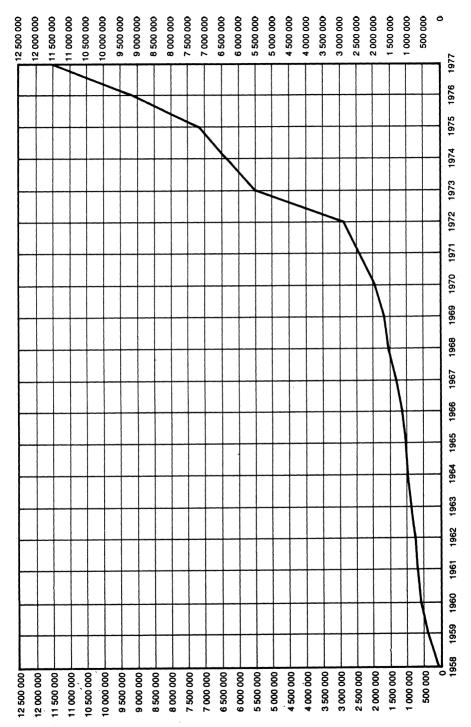
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A — TEXTS PRODUCED (Opinions, information reports, studies)
 B — REFERRALS

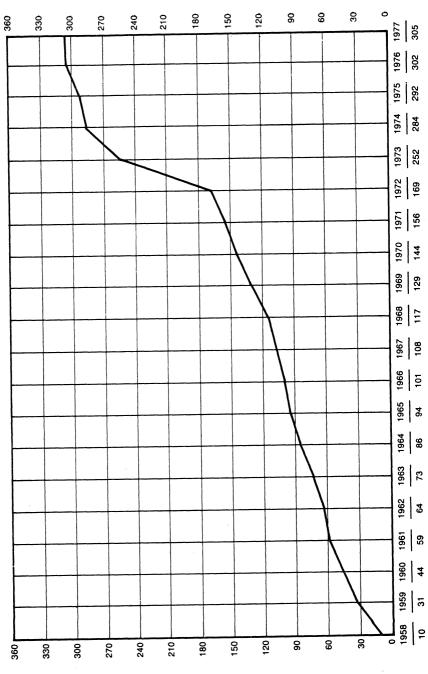
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# BUDGETS (in u.a.)



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European Communities - Economic and Social Committee

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This Annual Report covers the Economic and Social Committee's work in 1977. It looks in particular at the Committee's influence within the Community's decision-making process, the Committee's image in the media and the role played by the Groups represented on the Economic and Social Committee. A table showing the work carried out on various Community policies is also included. The Report concludes with a number of lists, graphs and tables detailing the account which the Commission and the Council have taken of Committee Opinions.





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