

ECONOMIC AND SOCIAL CONSULTATIVE ASSEMBLY

ANNUAL REPORT 1992



EUROPEAN COMMUNITIES
ECONOMIC AND SOCIAL COMMITTEE

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ECONOMIC AND SOCIAL COMMITTEE
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Preface

Like previous years, 1992 was characterized by a very heavy workload; the ESC produced 171 consultative documents which were forwarded to the Community's decision-making bodies.

My thanks are due first and foremost to the 189 members of the Economic and Social Committee and to all those who have contributed to this achievement, beginning with my predecessor Mr Michael Geuenich who was responsible for most of the work carried out in 1992.

I would also like to thank the experts, the officials of the institutions which monitor our work closely, and last but not least our secretariat, headed by Mr Simon-Pierre Nothomb who succeeded Mr Jacques Moreau in November last.

The deadline of 31 December 1992 for completion of the internal market naturally had a decisive effect on the ESC's activity, since like the other institutions, it concentrated its efforts on that objective.

The Economic and Social Committee has a right to be proud of its contribution to this historic achievement, although much undoubtedly remains to be done in the early part of 1993 to round off the internal market and guarantee the essential social dimension and proper operation which all Community citizens demand.

Thus, the ESC confirmed yet again this year that Europe needs a strong Economic and Social Committee which is known to European citizens and which they really regard as their representative. Europe's citizens must know that the members of this Assembly influence policy-making through their expertise and that by reconciling individual interests, they ensure that better account is taken of them in the decision-making process — in short that the Committee's work has an impact and thus makes a key contribution to the democratic process in Europe.

The discussions in the Member States over the ratification of the Maastricht Treaty have shown the desire of European citizens for more democratic, transparent Community activity.

A 'citizens' Europe' entails the representation of socioeconomic organizations, the involvement of all and an administration attentive to citizens' views. These are preconditions for European Union.

The Economic and Social Committee — as the representative of the socioeconomic forces — must encourage Europe's citizens and speak out on their behalf.

Indeed, the ESC, as the Community body which has precisely the function of formulating and transmitting the opinion of the Community's economic and social forces, must make a special contribution to greater transparency in decision-making by briefing the general public better and consulting its representatives more often.

Susanne Tiemann
Chairman

CHAPTER I

Presence and influence of the Economic and Social Committee

1. THE CONSULTATIVE FUNCTION OF THE ECONOMIC AND SOCIAL COMMITTEE

During the reference period, the Economic and Social Committee produced 171 consultative documents, of which 156 were Opinions requested by the Commission or the Council, 12 were Own-initiative Opinions and three were Information Reports.

Detailed information on this important contribution made by the Economic and Social Committee to the work of the European Community is set out in Chapter II.

2. INSTITUTIONAL REFORM AND THE FUTURE OF THE ECONOMIC AND SOCIAL COMMITTEE

The Intergovernmental Conferences on Economic and Monetary Union and on Political Union, which opened in Rome on 15 December 1990 and ended in Maastricht on 11 December 1991, culminated in agreements which are of key importance for the Committee's future. An appraisal of these Conferences was made in the Annual Report for 1991.

As it was not possible to ratify the Maastricht Treaty during 1992, however, the changes affecting the Committee set out in the Treaty have yet to be implemented.

3. CEREMONY TO HONOUR THE MEMORY OF THE LATE COMMITTEE CHAIRMAN, FRANÇOIS STAEDELIN

The Committee's 293rd Plenary Session, held on 29 and 30 January 1992, was preceded by a ceremony in honour of Mr François Staedelin, who

died in Mulhouse on 30 December 1991. The ceremony was attended by the President of the European Parliament, Egon Klepsch, the President-in-Office of the Council, J.C. Paolouro das Neves, the Commission President, Jacques Delors, and representatives of the permanent representations and of European socioeconomic organizations.

The Committee elected Michael Geuenich, a member of the National Executive Committee of the German Trade Union Confederation (DGB), in place of Mr François Staedelin, pending the appointment of Mr Staedelin's successor.

4. BIENNIAL APPOINTMENT OF A NEW COMMITTEE CHAIRMAN, VICE-CHAIRMEN AND BUREAU

The appointment of the new Committee Chairman and Vice-Chairmen and the Bureau members for the second two-year period of the Committee's eighth term of office took place on 21 and 22 October 1992.

The Committee held its 300th Plenary Session at the Committee building in Brussels on 21 and 22 October 1992. The Session was presided over initially by the outgoing Committee Chairman, Michael Geuenich, and subsequently by the newly elected Chairman, Susanne Tiemann.

In accordance with Article 4 of the Committee's Rules of Procedure, the first part of the Plenary Session was given over to the election of the new Bureau and the new Committee Chairman and Vice-Chairmen. Susanne Tiemann (Germany — Various Interests Group) was elected Chairman and Giorgio Liverani (Italy — Workers Group) and Jorge Stecher Navarra (Spain — Employers Group) were elected Vice-Chairmen.

5. APPOINTMENT OF A NEW SECRETARY-GENERAL

On 1 November 1992, the EC Council of Ministers appointed Simon-Pierre Nothomb to the post of Secretary-General of the Economic and Social Committee.

Mr Nothomb, who was born at Habay-la-Neuve, Belgium, in 1933, was previously Director-General at the Catholic University of Louvain. Over a period of more than 15 years he occupied various top-level UN posts in Palestine, Geneva and New York. He takes over from Jacques Moreau (France) who had held the post since November 1987.

6. CHANGES IN THE MEMBERSHIP OF THE ECONOMIC AND SOCIAL COMMITTEE

During the period under review, the EC Council appointed the following new Committee members:

Mr José Fernando Rodrigues De Azero Y Del Hoyo (Group I — Spain) in place of Mr Rodolfo Machado von Tschusi, who had resigned,

Mr William A. Attley (Group II — Ireland) in place of the late Mr Patrick Murphy,

Mr Roger Briesch (Group II — France) in place of the late Mr François Staedelin,

Mr Etienne de Paul de Barchifontaine (Group III — Belgium) in place of Mr André de Tavernier, who had resigned,

Mrs Maria Luísa Freire De Andrade Santiago (Group III — Portugal) in place of the late Mr Pedro Vidal,

Mr Josly Piette (Group II — Belgium) in place of the late Mr Robert d'Hondt.

7. RELATIONS BETWEEN THE ECONOMIC AND SOCIAL COMMITTEE AND THE COUNCIL OF MINISTERS

Under the Portuguese Presidency

The President-in-Office of the Council for the first half of 1992, Mr Vitor Martins, Portuguese Secretary of State for European Integration, presented the programme of the Portuguese Presidency to the Committee at its Plenary Session on 29 and 30 January 1992.

Mr Martins reaffirmed, *inter alia*, the desire of the Portuguese Presidency to maintain a close dialogue with the Committee, pointing out that, through its work, the Committee helped to ensure that decisions taken by the EC were in line with economic and social reality.

On 2 June 1992, the President-in-Office of the Council of Environment Ministers, Mrs Terese Gouveia, Portuguese Deputy State Secretary, addressed the Committee's Section for Protection of the Environment, Public Health and Consumer Affairs on EC environment policy and consumer protection policy.

On 3 June 1992, Mr Luis Fernandes de Mira Amaral, Portuguese Minister for Industry and Energy and President-in-Office of the Council of Energy

Ministers, addressed the Committee's Section for Energy, Nuclear Questions and Research on the outcome of the Energy Council held in May 1992.

On 22 April 1992, Mr Albino da Silva Peneda, President of the Social Affairs Council, outlined the social policy programme of the Portuguese Presidency to the Committee's Section for Social, Family, Educational and Cultural Affairs at its meeting in Lisbon.

Under the UK Presidency

At the Committee's 299th Plenary Session held on 23 September 1992, the President-in-Office of the Council for the second half of 1992, Mr Douglas Hogg, the UK Minister of State for Foreign and Commonwealth Affairs, presented the programme of the UK Presidency to Committee members.

On 18 November 1992, the Committee's Section for Transport and Communications was addressed by the Earl of Caithness, Minister for Aviation and Shipping, representing the President-in-Office of the Council of Transport Ministers, Mr John McGregor. The Earl of Caithness outlined the UK Presidency's transport policy priorities.

8. RELATIONS BETWEEN THE ECONOMIC AND SOCIAL COMMITTEE AND THE EC COMMISSION

As in previous years, the Committee enjoyed excellent working relations and cooperation with the Commission in the year under review. Special reference should be made in this context to the presentation of the Commission's annual programme by the President of the Commission, Mr Delors, at the Committee's Plenary Session on 26 February 1992. Mr Delors was accompanied by Ms Vasso Papandreou, Member of the Commission.

Several Members of the Commission also took part in the work of the Committee's sections:

On 7 February 1992, Mr Antonio Cardoso e Cunha, Member of the Commission, addressed the Committee's Section for Energy, Nuclear Questions and Research. Mr Cardoso e Cunha stressed the importance of energy in the completion of the internal market and the effect which the revival of the East European economies could have on the energy sector.

On 13 February 1992, Mr Peter Schmidhuber, Member of the Commission, addressed the Section for Economic, Financial and Monetary Questions on the new financial prospects for the next five years (Delors II package).

On 18 February 1992, Mr Frans Andriessen, Vice-President of the Commission, addressed the Section for External Relations, Trade and Development Policy on the possibility of setting up a consultative committee comprising members of the Economic and Social Committee and members of a similar body representing associated States in Central and Eastern Europe.

On 13 March 1992, Mr Henning Christophersen, Vice-President of the Commission, addressed a meeting of the Committee's Section for Regional Development and Town and Country Planning. In his address, Mr Christophersen discussed the issue of reform of the structural Funds.

On 7 May 1992, Mr Filippo Maria Pandolfi, Vice-President of the Commission, held a discussion with members of the Section for Energy, Nuclear Questions and Research on future strategic guidelines for EC research and technological development policy.

On 8 September 1992, Mrs Christiane Scrivener, Member of the Commission, informed the Section for Economic, Financial and Monetary Questions of the approach being adopted with regard to company taxation.

On 29 September 1992, Mr Karel Van Miert, Member of the Commission, addressed the Section for Protection of the Environment, Public Health and Consumer Affairs on 'Consumer policy — 1992 and after'.

On 8 October 1992, Mr Henning Christophersen, Vice-President of the Commission, addressed members of the Section for Economic, Financial and Monetary Questions on the economic situation in the Community.

On 13 October 1992, Mr Bruce Millan, Member of the Commission, addressed the Section for Regional Development and Town and Country Planning on progress made in implementing the reform of the structural Funds.

9. RELATIONS BETWEEN THE ECONOMIC AND SOCIAL COMMITTEE AND THE EUROPEAN PARLIAMENT (EP)

At the level of preparatory work involving the Committee's sections and the EP's committees, the exchange of information and contacts between

the respective chairmen, rapporteurs and secretariats continued to develop throughout 1992.

Mr Claude Desama, Chairman of the EP Committee on Energy, Research and Technology, and the former EP President, Mr Enrique Barón Crespo, Chairman of the new EP Committee on Foreign Affairs and Security, both attended meetings of the corresponding Committee sections.

A number of Committee members were invited to hearings and meetings organized by EP committees.

As in previous years, the Committee's General Secretariat participated in meetings of the Working Party on Interinstitutional Coordination, set up following the entry into force of the Single European Act to ensure legal coordination between the various EC institutions. The Working Party was currently preparing the implementation of the legislative measures deriving from the new procedures set out in the Treaty on European Union.

The Committee's General Secretariat was invited, in the same way as the Commission and Council, to send representatives to attend meetings of the enlarged Bureau of the European Parliament at which points concerning the programming and organization of the Parliament's work were considered.

The EP President, Mr Egon Klepsch, received the Chairman of the Economic and Social Committee, Mr Michael Geuenich, on 25 February. This meeting led to the consolidation of a number of cooperation and reciprocal information procedures. On 23 November 1992, Mr Klepsch received the new Committee Chairman, Mrs Susanne Tiemann, who, in her turn, underlined the need for cooperation between the Committee and the European Parliament.

At its final plenary session of the year, held on 18 December, the European Parliament adopted a report, drawn up by Mr Juan José de la Camara Martinez and Mr Dieter Rogalla, on the follow-up to the 1992 internal market programme.

In this report from its Committee on Economic and Monetary Affairs and Industrial Policy, the European Parliament proposed to the Council that the Economic and Social Committee become a forum for the single market which would be consulted on a regular basis with regard to the implementation of the new EC action plan and the prospects for the plan, and that the Committee carry out periodical appraisals of the way in which the plan was developing and its impact on companies, consumers and other groups represented at the Committee.

Intervention by the European Parliament also enabled the Committee to secure acceptance of a number of its 1993 budgetary applications.

10. MEETINGS, CONFERENCES AND OTHER ACTIVITIES

Relations with EFTA

Two official meetings between delegations from the Economic and Social Committee and the EFTA Consultative Committee were held during 1992, namely:

the 24th joint meeting, held in Reykjavik on 19 and 20 May, under the chairmanship of Mr Michael Geuenich and Mr Heinz Zourek;

the 25th joint meeting, held in London on 1 and 2 December, under the chairmanship of Mrs Susanne Tiemann and Mr Eric Forsman.

Relations with ACP countries

The 16th annual meeting of ACP/EC economic and social interest groups was held at the Committee building in Brussels from 26 to 28 November 1992. The theme of the meeting was the democratization process, its socioeconomic base and the role of economic and social interest groups.

Meetings with economic and social interests groups from the countries of Central and Eastern Europe

On 29 September 1992, a hearing of representatives of economic and social interest groups from Central and Eastern Europe was held at the Committee building in Brussels. The hearing was followed on 30 September 1992 by a meeting between the Economic and Social Committee and representatives of socioeconomic organizations from these countries.

Meeting with representatives of economic and social interest groups from the Arab Maghreb Union (AMU)

On 7 and 8 April, representatives of economic and social interest groups from the AMU and the EC met for the first time, the meeting being held at the Committee building in Brussels. The discussions covered the implications of 1992 for the Maghreb economies, the prospects for the AMU and issues relating to investment in the Maghreb countries and migration.

11. GROUPS OF VISITORS AND PUBLIC EVENTS OF EUROPEAN INTEREST

A — Groups of visitors

During the period under review there was a further increase in the level of interest shown in the Community institutions and the work of the Community.

<i>Country</i>	<i>Number of groups</i>	<i>Number of visitors</i>
<i>EC Member States</i>		
Belgium	3	170
Denmark	25	706
Germany	55	1 540
Greece	—	—
Spain	14	420
France	53	1 472
Ireland	2	70
Italy	13	406
Luxembourg	1	80
Netherlands	21	943
Portugal	4	39
United Kingdom	56	1 849
<i>Non-EC States</i>		
Austria	7	138
Caribbean States	1	10
Czechoslovakia	1	20
Finland	4	87
Hungary	2	32
Korea	1	15
Norway	2	45
South Africa	1	12
Sweden	10	223
Switzerland	1	47
Tunisia	1	15
Turkey	2	40
Ukraine	1	10
USA	17	342
Total	298	8 731

The annual number of visitors to the Committee over the last five years has been as follows:

<i>Year</i>	<i>Number of visitors</i>
1988	4 677
1989	6 479
1990	7 646
1991	8 272
1992	8 731

In general, an information visit involves a talk on the role of the Committee in the Community institutional system, followed by an exchange of views on current Community issues, usually introduced by Committee members or officials.

B — Public events of European interest

The Committee had a stand, providing general documentation on its role and consultative work, at the following events:

- 24 January 1992 Conference on Medicinal Products post-1992, held at the ESC building
- 6 to 15 February 1992 'Contatto V: Professione Europe', Forli (Italy)
- 11 to 13 March 1992 Conference on Consumer Protection Policy and the Development of the Single Market, held in Madrid (Spain)
- April to October 1992 European Community Pavilion, Expo 92, Seville (Spain)
- 2 to 3 July 1992 European Conference on the Future of Rural Areas, held in Inverness (UK)
- 14 to 18 October 1992 Forum 'Eurocampus', Pescara (Italy).

CHAPTER II

Work of the Committee

1. AGRICULTURE, FORESTRY, RURAL DEVELOPMENT AND FISHERIES

Reform of the CAP

During 1992 the Committee's work on the reform of the CAP and the main agricultural policy problems took as a lode-star the Own-initiative Opinion on the Commission communication to the Council on the development and future of the CAP; the Opinion had been adopted by a large majority (96 votes to 26, with 11 abstentions) on 27 November 1991 on a roll-call vote.

The Committee concluded its analysis of the objectives of CAP reform and the measures proposed by the Commission by noting:

'In essence, although it is possible to agree about the objectives of the reform, and particularly about the need to rebalance aid between regions and farms, the serious discrepancy between the opportunities offered to Community agriculture by the practical measures proposed on the one hand, and the significant negative elements of the proposal on the other, lead the Committee to call for a radical rethink of the proposal and of the mechanisms to be introduced'.¹

The Opinion favoured graduated reform measures based on a distribution of Community agriculture that took account of present average cost structure, seeing this as an alternative to the Commission's oversimplified distinction between small and large farmers. The new policy to control supply should be assessed in the light of the Committee's proposed classification of farms into three groups (farms whose variable and fixed costs are more than covered by market prices, those which cover their variable costs and part of their fixed costs, and marginal farms which cover their variable costs but not their fixed costs).²

¹ ESC Own-initiative Opinion on the Commission communication to the Council on the development and future of the common agricultural policy — Rapporteur: Giovanni Mantovani — OJ C 40, 17.2.1992, point 6.1.1.

² Ibid.: points 4.4.4, 4.4.5, 4.4.5.1 and 4.4.6.

In early 1992 the Committee drew up a series of Opinions on the implementation of the CAP reform proposals, back-up measures and the instruments needed to implement them in the various production areas. In these Opinions, the Committee strove to adhere as closely as possible to its earlier stance, and to identify 'a set of basic policy components which, whilst still geared to reform of the CAP, would be more in line with the overall objectives of the Commission and with the principles enshrined in the Treaty of Rome'.¹

● *Arable crops, cereals, oilseeds and protein crops*

The Committee Opinion on the future of the CAP condemned the Commission's 'desire to control supply by means of a sudden and drastic reduction in prices and the introduction of compulsory set-aside' as being economically, socially and politically unacceptable. It also expressed concern about 'respect for the basic principle of Community preference, since EC prices are to be aligned on world prices'.²

The proposal to set a new cereal target price of ECU 100 per tonne (35 % below the present average purchase price) was therefore felt by the Committee to be unrealistic, partly because it was based on an unrepresentative world market. *Inter alia*, it would lead to a differential of just ECU 20 between intervention and threshold prices, which was far too little to guarantee priority supply to EC rather than third-country markets.

The Commission proposed to grant compensatory payments for up to 230 tonnes, in the case of large producers, subject to the set-aside of 15 % of the area under cultivation (with an exemption for farms producing less than 92 tonnes per year — on an average of 20 hectares — and thus qualifying as 'small' producers). The Committee felt that this measure too needed further thought because:

- (a) as the Opinion on the future of the CAP had pointed out, it was based on a distinction between small and large producers which was 'not an appropriate yardstick for calculating aid accurately';³
- (b) it was wrong to attempt to solve social problems by regulating markets;
- (c) the set-aside compensation for large producers should be total and should not only apply up to a ceiling of 230 tonnes;

¹ *Ibid.*: point 6.2.2.

² *Ibid.*: points 4.4(a), 4.4.3 and 4.7.

³ *Ibid.*: point 5.2(a).

- (d) the exemption of small producers from compulsory set-aside was unacceptable because the 92-tonne ceiling was too high;
- (e) the Commission did not take account of the problem posed by ensilage maize, which is difficult to distinguish from grain maize and, unlike the latter, is not eligible for a premium.

A third point of concern for the Committee was the division of Community territory into reference zones corresponding to the various producer regions for calculation of the compensation. The system would penalize precisely those areas which were already naturally disadvantaged; in the case of the main crops, entire Member States could be hit.

Accordingly, and bearing in mind other administrative problems which such measures could cause, the Committee suggested that the Commission consider introducing a single premium per hectare, regardless of the type of crop, based on the average wheat yield per region.

The Council decisions in some respects followed the Committee Opinion: while retaining the general thrust of the reform (particularly as regards the distinction between large and small producers), the Council set the cereal target price at ECU 130, 120 and 110 per tonne for the 1993/94, 1994/95 and 1995/96 farm years respectively (i.e. at a higher level than originally proposed by the Commission). In order to guarantee Community preference, the differential between intervention and threshold prices was increased from ECU 20 to 45. The Council adopted the same arrangements and compensation for compulsory set-aside for both small and large producers, although small producers were offered the option of a 'simplified' system exempting them from set-aside. The Council thus scrapped the proposed 230-tonne ceiling for set-aside compensation for large producers, and diluted the principle of exemption for small producers. Lastly, ensilage maize was coupled with grain maize for compensatory aid purposes.

● *Tobacco*

The Committee also asked the Commission to reconsider its proposals on reform of the common market organization for tobacco. The proposals focused on elimination of assistance and export refunds. The Committee found the proposed timetable for cutting production unrealistic, and called for a five-year period rather than the single year being proposed. It also questioned the proposal to classify the 34 varieties eligible for subsidy into eight varietal groups which did not reflect their cropping characteristics, outlets or consumer popularity. The Committee did, however, welcome the proposal to introduce incentives for producers' organizations, although it wondered how feasible this was in present circumstances.

- *Beef and veal, sheepmeat and goatmeat*

The Commission justified its 15% cut in the intervention price for beef and sheepmeat as being linked to the reduction in fodder prices following the reform of the common market organization for cereals. The Committee opposed this, echoing the view expressed in the Opinion on the future of the CAP that 'the reduction in the price of concentrates is by no means automatic so that adverse effects on incomes might lead to a crisis situation in intensive stockfarming'. This would be worrying in cases where 'intensive stockfarming was inevitable since farm size imposes constraints which cannot easily be overcome'.¹

The Committee feared that this measure would exacerbate surpluses in the beef and veal sector: beef would become less competitive against pork and poultry, and there would be more beef on the market because payment of premiums over three years would encourage farmers to market larger animals than at present.

The Commission intended to compensate extensive farmers by raising the suckler cow and beef premiums. The Committee felt that the increase was insufficient. It also questioned the introduction of a processing premium for male dairy-bred calves less than 10 days old, because of the strict limits on headage payments and on permitted stocking densities.

The Committee proposed replacing the processing premium by a premium for the transport of such calves from surplus to deficit areas.

The Committee also criticized the Commission's proposals to modify the common organization of the sheep and goatmeat markets by limiting the number of animals per farm eligible for the premium.

- *Milk and milk products*

In view of developments on world and EC markets since 1984, the Committee opposed the proposal for a 4% cut in production quotas.

In particular, since the CAP 'should be seen in terms of a world context of generalized support for the agricultural sector',² the Committee felt that any cuts in EC production should be matched by comparable measures in other producer countries.

Secondly, quota reductions should be achieved by EC-financed voluntary withdrawal schemes, with Member States having flexibility in regard to the detailed provisions to be applied locally.

¹ Ibid.: point 5.3.

² Ibid.: point 4.6.

The Council followed the Committee's line on quota reductions, rejecting the cut proposed by the Commission for the 1992/93 farm year.

● *Accompanying measures*

The Committee reiterated the criticisms made in the Opinion on the future of the CAP¹ with regard to inconsistencies in the reform package: the measures were not rigorously defined, and their intended timescale was vague.

This worried the Committee. The wide variation in agricultural structures within the Community and the differing rural development levels of the Member States (as indicated in the Committee's 1989 Opinion on the future of rural society²) meant that great care was needed when framing measures to protect the environment, safeguard the natural world, provide forestry aid and aid for early retirement. The aim should be harmonious development of the Community's rural areas and the strengthening of economic and social cohesion.

The Committee identified certain conditions as being vital to ensure the success of the back-up measures being proposed by the Committee:

- (a) greater flexibility, to take account of the distinctive features of the Member States;
- (b) the measures should be more compatible with the CAP reform measures altering the common market organizations;
- (c) they should also complement the changes brought about by the reform of the structural Funds;
- (d) the various national early retirement schemes should be coordinated;
- (e) a permanent, institutionalized structure should be established to back up and assess the measures, and gauge how they affect the different regions.

● *Integrated control system*

The Committee was unable to approve the complex control system which was being proposed as a way of ensuring that the CAP reform measures were properly applied, particularly as regards the granting of compensatory aids.

¹ Ibid.: point 5.4 et seq.

² ESC Own-initiative Opinion on the Commission communication to the Council on the future of rural society — Rapporteur: Rudolf Schnieders — OJ C 298, 27.11.1989.

The Committee felt that the changes to the market organizations for cereals, oilseeds and protein crops, beef, sheepmeat and goatmeat, tobacco and milk were such that any integrated system to check on cultivated area and the number of animals kept would have to be extremely complex, stringent and onerous, both for farmers and for the competent authority.

At all events, the Committee considered that it would be some years before the system could operate satisfactorily.

● *Interbranch agreements in the tobacco sector*

Although the Commission proposals were not strictly part of the CAP reform package, the Committee decided to examine them in that light as it felt they were closely tied to the reform of the common market organization for tobacco. They were also the first practical expression of the Commission's position on the duties and responsibilities it wished to entrust to interbranch organizations, and on the role of agreements drawn up by such organizations, within the framework of the new CAP.

The Committee approved the Commission proposal, which recognized the role of interbranch organizations in enhancing product quality, regulating production and marketing, and helping farmers to keep in touch with and anticipate market demand.

The Committee highlighted two main aspects of the proposal :

- (a) the opportunity for interbranch organizations to request extension of certain agreements to non-member individual operators and sectoral associations active in the same production area ;
- (b) the degree of representativeness which such organizations must possess if they are to request blanket extension of agreements.

The Committee considered that the EC institutions should :

- (i) define with the utmost clarity the levels at which an organization must operate in order to be recognized and to qualify for a blanket extension of its rules ;
- (ii) ensure that rules are only extended where strictly necessary for achieving interbranch organizational aims, thereby preventing any infringement of the principles of freedom of association and of enterprise.

Farm prices 1992/93

The Committee's analysis of the political and economic anomalies of the CAP, as set out in its *Opinion on the future of the CAP*, also lay at the heart of the *Opinion on the 1992/93 prices for agricultural products*.

The Commission was rightly concerned that its proposals should not complicate the discussions under way in the Council. Accordingly, it proposed to treat 1992/93 as a transitional year pending the final outcome of the debate on CAP reform. The only solution was thus to freeze prices at their 1991/92 levels.

The Committee endorsed this move, although it recognized that the price freeze would hit farmers' incomes which had already fallen by 11.5% in real terms over the last two years as measured by the main indicator (net value added per person employed in agriculture).

Referring to the basic tenet of its *Opinion on the future of the CAP*, the Committee stated the reason for this dramatic fall: the price proposals failed to take account of the real trends in production costs. In the Committee's view, 'any discussion of farm prices or of the reform of the CAP must consider cost trends and how to solve the costs/returns problem, *inter alia* to ensure that the Community retains an efficient and competitive agriculture'.¹

While endorsing the Commission proposals, the Committee stressed that, in view of the problems facing EC farmers, maintenance of the 1991/92 guarantee levels should be genuine and generalized. It should not trigger direct or indirect reductions in support for a particular production sector, nor mean premature alteration of certain common market organizations, since these could only be reviewed as part of the CAP reforms.

It was for this reason that the Committee opposed:

- (a) the overall 11% reduction in cereal prices. Since the 3% cut in the intervention price was unavoidable as it was an automatic consequence of the stabilizer system, the Committee proposed limiting the basic levy to 2% and granting exemption from the co-responsibility levy to growers who applied set-aside;
- (b) amendment of the mechanism for penalizing producers who exceed the guarantee threshold for processed tomatoes;
- (c) amendment of the maximum penalties imposed on production over-shoots in the tobacco sector;

¹ *Opinion on the Commission proposals on the prices for agricultural products and on related measures (1992/93)* — Rapporteur: Giuseppe Pricolo — OJ C 169, 6.7.1992, point 1.4.2.

(d) the 1% reduction in milk quotas, because the question of further quotas and their levels fell within the wider context of CAP reform rather than the price negotiations.

Noting that stabilizer measures had been unable to contain production, the Committee criticized shortcomings in quality policy, particularly in the cereal sector, and the failure to provide adequate protection at the EC's borders. This had led to massive imports of cereal substitutes, upsetting the market and leading to a further build-up of surpluses. The Committee also considered that the Commission laid too much emphasis on surpluses in such sectors as durum wheat and rice.

Common organization of the banana market

The situation of the banana market is clearly incompatible with completion of the internal market on 1 January 1993. The EC market has three suppliers: domestic production (21% of the total), imports from ACP States (19%), and imports from the dollar zone (60%). Some Member States apply import quotas to dollar bananas, while others levy a 20% import duty; Germany has a special zero-duty system. The problem is thus to devise a solution which is compatible with the internal market while also protecting EC producers and traditional ACP exporters. It must also guarantee reasonable prices for the consumer, and meet the EC's commitments under the Lomé Convention and GATT, particularly as regards the Community's platform at the Uruguay Round.

The Committee first addressed the problem in an information report on the Community's banana market in the run-up to 1993, issued by the Section for Agriculture and Fisheries in November 1991.¹

Given the importance of the banana market for both EC and ACP producer regions, the Commission proposed setting a basic import quota — additional to EC production and 'traditional' ACP exports — of two million tonnes of dollar bananas and 'non-traditional' ACP bananas (to be consolidated by a GATT waiver), and an additional quota to be fixed annually in the light of demand; 30% of the overall quota would be subject to a partnership arrangement ensuring outlets for EC and traditional ACP bananas. The overall quota would be subject to a 20% customs duty, from which ACP bananas would be exempt. The common market organization would also provide quality standards, and the setting-up of producers' organizations and other associations straddling the different parts of the sector. Compensatory aid would be granted to bridge the gap between EC

¹ CES 1012/91 final — Rapporteur: Guy Ovide Etienne.

producer costs and those of dollar-banana producers, and a premium would be offered to producers who definitively discontinued banana production.

The Committee approved the Commission proposal by 80 votes to 43, with 14 abstentions. An amendment calling for complete liberalization of the market backed by a 20% import duty on third-country imports to protect EC and traditional ACP bananas was defeated by 93 votes to 35, with 12 abstentions. Endorsement of the Commission proposal was tempered by the realization that the following aspects would inevitably prove problematic: securement of a GATT waiver; consolidation of the import quota on the basis of trends in demand; the nature and duties of producers' associations; the fixing of the average EC price; and the definition of the term 'importer'.

Hence the Committee considered that this thorny problem still required further examination by the EC's socioeconomic organizations. In the mean time, regulation of the sector was urgently needed to prevent a crisis breaking out on 31 December 1992, as this would hit Community producers very hard.

Agricultural insurance

Reform of the CAP has coincided with the prospective abolition of EC and international trade barriers, heightening competition. Among the problems requiring consideration in this context is harmonization of the structure of agricultural costs.

The particular production methods used in agriculture, and the ensuing costs, mean that the weather and other natural phenomena are far more important to farmers than to other sectors of the economy.

The Committee therefore felt it useful to supplement its scrutiny of the CAP reforms by an information report on Community agricultural insurance (later followed by an Own-initiative Opinion), drawn up by the Section for Agriculture and Fisheries. The report assessed the nature and scope of Member States' agricultural insurance schemes, and their impact on production costs.

To assist it in its work, the Agriculture Section's Study Group travelled to Forli in Italy on 20 and 21 June 1991 where they were briefed by Italian agricultural insurance experts and visited some of the latest crop-protection installations.

The report examines national arrangements for insuring farmers against natural hazards. For each Member State, it describes basic legislation,

geographical scope, risks and activities covered, and the bodies involved, and provides economic and financial data. It emerged that all Member States have legislation to assist farmers affected by natural disasters, although individual arrangements differ. Agricultural insurance had proved to be an effective agricultural policy instrument helping to:

- (a) stabilize farm income, enabling the rural population to remain on the land;
- (b) persuade farmers to abandon surplus crops for deficit ones, since the higher production costs of the latter made weather damage a more serious problem;
- (c) improve farmers' financial solvency, enabling them to invest more and improve production methods;
- (d) in certain circumstances, foster a cooperative approach to farming and the introduction of modern farm management methods.

Building on this idea, and on the suggestion mooted in the Opinion on the future of the CAP that 'one way of protecting farmers' incomes would be to establish a Community agricultural insurance scheme which would receive financial support from the EC budget and would not distort GATT agreements',¹ the Committee unanimously adopted an Opinion on Community agricultural insurance. The Opinion set out the type of cover that should be offered for damage done to farm produce by exceptional occurrences where normal agricultural insurance did not apply. The Committee suggested that such cover could be financed by the Member States and the Community according to arrangements laid down by the Council on the basis of Commission proposals. The Committee felt it should be up to the Member States to devise their own schemes, while the Commission would prepare an optional supplementary Community scheme in conjunction with agricultural insurance associations and farmers' organizations. The total cost of the subsidies resulting from the application of the scheme would be met in equal parts by the Member State and the Community. Also with a view to protecting produce against natural disasters, and drawing on the findings of the Study Group trip to Forlì, the Committee recommended that the EC-financed farm improvement programmes set out in Regulation (EEC) No 2328/91 should include the setting-up of individual or joint schemes to protect against frost, hail and wind.

¹ Own-initiative Opinion on the Commission communication to the Council on the development and future of the common agricultural policy — Rapporteur: Giovanni Mantovani — OJ C 40, 17.2.1992, point 6.4.4.

Other agricultural policy issues

The need to stem the decline in consumption of milk products and hence stabilize the market, combined with the need to protect consumers, prompted the Commission to propose a detailed classification, based on fat content, of milk and non-milk fats and fats composed of plant and animal products.

The Committee welcomed the move, stressing that products with differing fat contents should be classified differently. In particular, the traditional term 'butter' should be reserved solely for the product obtained from milk or cream with a fat content of more than 80%. The Committee also called for legislation covering the terms used to describe any food product that might suffer from competing products sharing some of its features.

The Committee endorsed the Commission's proposal to extend the duration of the Regulation on producer groups and associations thereof. The scheme was designed to encourage farmers to join forces, in order to centralize supply and improve production and marketing standards. The Committee endorsed the move to exclude Belgium from the scheme, since Belgium had not taken part in it despite the changes made in the implementation thresholds there.

31 December 1991 saw the expiry of one of the two measures comprising transitional national compensation for farmers in Germany, designed to offset the income lost by farmers in Germany as a result of the Council's 1984 decision to dismantle monetary compensatory amounts (MCAs).

This aid accounted for 7% of the net added value of German agriculture. Bearing in mind the problems facing German farmers, the Commission therefore felt that it should continue to provide aid, for 1992 only, in the form of aid per hectare which could be adapted in line with the structural characteristics of farms in the former GDR *Länder*.

The Committee approved the proposal.

The Committee endorsed the proposal to amend the Regulation on the granting of abandonment premiums for wine-growing areas. The Committee felt it right to book residual sums from unused grubbing-up premiums to the EAGGF Guarantee Section so that they could be transferred from one financial year to another. The move buttressed an important scheme, operative from the 1988/89 to the 1995/96 wine year, to restructure the wine sector and enhance wine quality.

As of 24 June 1992, it was intended that third countries wishing to export organic agricultural products to the Community should have had their production standards and methods recognized as being equivalent to

those in the EC. However, since a number of countries were unable to respect this deadline, and so as to prevent a subsequent drop in imports of organic produce, the Commission proposed a simplified recognition procedure to operate for a limited period.

The Committee approved the proposal, acknowledging that it was the only possible solution, but recommended that it remain temporary and that the Commission take the necessary steps to ensure that products sold as 'organic' genuinely were so.

Lastly, the Committee endorsed the Commission proposals on:

- (a) amendment of the analysis methods for measuring dry extract of the raw materials used in the manufacture of tomato concentrate, juice and flakes;
- (b) specific measures to support certain agricultural products in the Azores, Madeira and Canary Islands, in implementation of the Poseima and Poseican programmes;
- (c) the move, in line with the decision of 1 April 1987, to issue a consolidated version of Council Directive 75/626/EEC on fruit juices and certain similar products;
- (d) recommendations for reform of the agrimonetary system, involving the elimination of monetary compensatory amounts as of 1 January 1993;
- (e) a six-month extension of the rules on supplies to Portuguese sugar refineries (Article 303 of the Treaty of Portuguese Accession).

Veterinary matters and animal health

During 1992 the Committee generally approved the Commission's proposals for this sensitive sector, recognizing its importance in both production and consumption terms and its key role in the completion of the internal market.

- (a) The Committee particularly welcomed the proposals for eradicating or preventing avian influenza. These involved slaughtering both vaccinated and unvaccinated poultry, and careful monitoring of poultry shipments, vehicles and any other substances that could transmit the virus.

The Committee also looked at the delicate issue of compensation for breeders whose animals have to be slaughtered as a result of epizootic outbreaks. It asked the Commission to consider the possibility of transferring the unused sums in the emergency fund at the end of each year into a permanent intervention fund so as to provide 100% compensation for farmers by covering losses due to quarantine periods preceding the resumption of business.

- (b) The Committee stressed the need to act promptly in the prevention of specified zoonoses and of specific zoonotic agents in animals and products of animal origin, and to ensure that administrative provisions did not slow down the practical prevention measures. It also felt that health checks on animal feedingstuffs should not stop at the manufacturing stage, but should be extended to cover storage, transport and distribution.
- (c) The problem of food eaten by animals living in the wild, whether provided by man or found naturally, was also considered. The Committee welcomed the Commission's move to extend Directive 74/63/EEC on undesirable substances in animal feedingstuffs and urged that the matter receive careful attention, remembering in particular the dangers of contaminated meat for the consumer.
- (d) The Committee welcomed the proposed Regulation on the protection of animals at the time of slaughter or killing as being in line with past Committee Opinions on the subject. It devoted particular attention to the need for derogations covering scientific and technical trials and special slaughtering methods used in certain religious rites. The Committee felt that such derogations should only cover restraint and stunning procedures, leaving movement and lairaging subject to the general provisions.
- (e) The Committee endorsed the Commission's proposal to extend the rules on the financing of health inspections and controls of fresh meat and poultrymeat to cover all animal products traded between Member States or entering the EC from third countries.

The Committee pointed out that the introduction of standard fee levels had not led to satisfactory uniformity since Member States were allowed to charge higher fees when necessary to cover costs.

In the Committee's view, such cases had to be kept to a minimum in order to avoid distortions of competition and to ensure that trade in animal products was as free as possible.

- (f) The Committee approved the Commission's proposals to combat and control African horse sickness. It was particularly pleased that vaccination was just one of the measures proposed and that in most cases the preferred solution was slaughter of infected animals, and those likely to become so.

The Committee called for campaigns in hot humid regions and marshlands to stamp out the culicoid insect that carries the disease, although it stressed the need to ensure that the means deployed did not damage the environment.

(g) The Committee welcomed the Commission proposal to introduce uniform rules throughout the EC for the protection of animals kept for farming purposes, particularly on intensive farms. The Committee hoped that, where necessary, the Member States would adopt more stringent rules than those contained in the Committee proposal, which was based on the 1976 European Convention on the Protection of Animals kept for Farming Purposes, ratified by the Community in 1988.

The Committee also endorsed the Commission's proposed Decision on the conclusion of a protocol amending the Convention.

(h) Fish diseases can quickly assume epizootic proportions and are very difficult to control, since aquaculture confines large numbers of fish in a small space.

The Committee therefore supported the Commission's proposal for Community measures to control certain fish diseases and welcomed the policy of non-vaccination.

Common fisheries policy

The Committee's considerable body of work on this sector followed the line taken the previous year, particularly in the Opinion of 26 September 1991 on the Commission communication to the Council and Parliament on the common fisheries policy (CFP).¹

On 27 May 1992 the Committee unanimously adopted its Opinion on the 1991 Commission report to the Council and Parliament on the common fisheries policy. This was followed in November 1992 by a preliminary Opinion on the proposed regulatory framework for the measures identified in the report. Both these Opinions assessed the Commission's guidelines for the CFP and related activities.

This important economic sector faces environmental, economic and political problems and is going through a difficult restructuring process which is vital if fishery resources are to be managed properly. The conservation of fishery resources must take absolute priority, remembering that the fisheries sector does not bear sole responsibility for the present situation. The basic principles underpinning the common fisheries policy might have to be revised; with this in mind, the Committee supported retention of the principle of relative stability as an important factor in fishermen's investment decisions. However, total allowable catches (TACS) — which

¹ OJ C 339, 31.12.1991; Rapporteur: Augusto Ferraz da Silva.

the Committee also favoured retaining, subject to a few adjustments — should be fixed in accordance with strictly scientific principles. The Committee reaffirmed the principle of equal access to Community fishing grounds for fishermen from different Member States, subject to the necessary derogations. It acknowledged the case for a Community licence system, as a way of ensuring a more rational exploitation of resources.

The Committee's proposals for:

- greater consideration of all factors affecting fish mortality;
 - more open decision-making and greater involvement of those working in the sector;
 - tightening up the TACs and quotas system;
 - multi-species and multiannual TACs to take better account of the situation in the sector;
 - introducing an annual carry-over system for TACs and quotas;
- were included in the Committee's draft Regulation.

Structural policy was another instrument for managing resources and as such merited priority attention: monitoring fleet development was in fact the most effective way of guaranteeing the survival of fishing activities. Noting that experts had proposed an average 40% cut in the Community fishing fleet, the Committee stressed that this reduction had to be tailored to the specific conditions of each fleet and its fishing possibilities.

The Committee again criticized the failure of the CFP to take account of the social dimension, stressing that action to adjust fishing effort to the available resources was not feasible without proper social measures. The Committee none the less welcomed the creation, under the structural Fund reforms to help regions particularly dependent on fishing, of a new 'Objective 6' category designed to facilitate restructuring and cushion its economic and social impact.

In its Opinion on adjustments to the common organization of the fisheries market as of 1 January 1993, the Committee confirmed its basically positive stance on the operation of the system since its adoption in 1970. The Committee stressed that dwindling fish stocks had led to a drop in fishermen's incomes, which were already squeezed by competition from third-country produce. In this context the crucial role of price support policy had to be defended. The Committee supported moves to boost the role played by producers' organizations (particularly in remoter parts of the EC such as the Azores, Canaries and Madeira), in order to help them exercise the responsibilities conferred on them by the new Regulation, particularly for the management of fish quotas.

The Committee opposed the proposal to cut financial compensation, failing to see why this was a necessary part of moves to simplify the withdrawal mechanisms. Similarly it could not accept the cut in EC support for tuna production, as this would hit all Community producers, particularly those in the most outlying island regions of Spain and Portugal.

The establishment of a quality policy for fishery products should significantly boost fishermen's incomes. This was the basic premise underpinning the Committee's Opinion on the relevant Commission communication. While endorsing its general thrust, the Committee made certain specific comments. Firstly, it pointed out that the differences between agricultural products and fishery products meant that quality standards for the former could not simply be grafted on to the latter. Secondly, the quality concept should not be confused with commercial standards. That said, and in keeping with its general stance, the Committee endorsed the idea of a 'designation of origin' for fishery products wherever possible.

The Committee identified certain essential features of quality policy: closer international cooperation to improve the marine environment; the introduction of stricter marketing rules; careful application of hygiene rules; and scientific research into ways of improving the quality of fish during processing, storage and transport.

A necessary complement to the common market organization is the monitoring of implementation of the Regulations by those in the sector. In examining the Commission report on the subject, the Committee again stressed the need to safeguard EC fishery resources, on which fishermen, the processing industry and millions of consumers all depended. Member States' implementation of the common fisheries policy thus had to be harmonized according to rules acceptable to fishermen, processors and distributors. A greater commitment from the Community, working with the national authorities, was highly desirable, even if the cost of monitoring might at first sight seem out of proportion to the value of fish landed.

Other fisheries proposals endorsed by the Committee concerned:

- (a) the establishment of an enhanced aid system for the formation of producers' organizations in the French overseas departments, the Canary Islands, Madeira and the Azores;
- (b) the inclusion of the five new German *Länder* and the Spanish territories of Ceuta and Melilla in Annex III of Regulation (EEC) No 3944/90 on Community measures to improve and adapt structures in the fisheries and aquaculture sector;
- (c) amendment of the provisions governing the tariff and statistical nomenclature and the Common Customs Tariff with regard to fishery products so that the terms 'surimi' and 'preparations of surimi' were identified separately therein;

- (d) a Community financial contribution towards expenditure incurred by Member States for the purpose of ensuring implementation in the Mediterranean of measures to conserve fishery resources, pending the adoption of common EC rules on the matter.

2. TRANSPORT POLICY AND TELECOMMUNICATIONS

Liberalization and harmonization of the transport sector is an important part of establishing the internal market as defined in the Commission's White Paper (COM(85) 310 final) of 14 June 1985. It will have effect as from 1 January 1993.

With this aim, the Committee adopted Opinions in 1992 on important issues within transport in general, road transport, air transport and telecommunications.

A — Transport in general

Transport and the environment

The Commission's objective is to limit the harmful environmental effects of transport without reducing its positive contribution to either the economy or free movement within the Community. Further efforts will therefore be made in the following fields:

- setting standards for the various modes of transport and their effect on water, air and soil — and ensuring compliance with them;
- planning, partly with a view to better use of the existing transport infrastructure, partly to support modes that are less destructive of the environment, and partly to develop the kind of infrastructure that provides an alternative to road transport, e.g. public (urban) transport;
- safety in the carriage of dangerous goods;
- economic and tax measures which take external costs into account and encourage less polluting modes of transport;
- research on less polluting vehicles and on traffic management;
- information to make users aware of the real costs of transport.

Apart from being a basis for discussions on sustainable mobility, the Green Paper is also intended to lead to a future White Paper containing proposals for the future development of the Community's transport policy.

The Committee Opinion observed that all the interest groups concerned — industry, politicians, transport users and environmentalists — join in

recognizing a potential transport versus the environment crisis. While some consider that the environment is under a grave threat, others believe that transport is no longer fulfilling its socioeconomic role.

However, the Committee regretted that the Green Paper's inventory is incomplete and that there is insufficient acknowledgement of a state of crisis. Whilst the Green Paper is admittedly not intended as an in-depth scientific study of the current crisis, the failure to provide some key data in this field is bound to make it more difficult to reach a broad consensus on the future global approach of a transport policy based on sustainable mobility.

The conviction has been expressed in many quarters that charging environmental and social costs to the parties responsible for damage inflicted on the environment would make it possible to reconcile the underlying principles of the market economy with environmental requirements. The Committee was convinced that this approach, which also holds good for the transport sector, is the right one.

It has to be recognized, however, that the introduction of environmental and social costs as a factor in profitability calculations is still at a very early stage. Though the justice of the 'polluter pays' principle is unanimously accepted, difficulties and divergencies arise in connection with its practical implementation and the apportionment of the exact share to be borne by each of the parties.

In the immediate future, the Commission should therefore frame a strategy consisting of economic instruments designed to ensure both greater respect for the environment and undistorted harmonization of the markets, to focus on the following potential measures:

- harmonization of taxes on commercial vehicles;
- introduction of an energy/CO₂ tax;
- graduated taxation for private cars based on the level of damage caused to the environment;
- harmonization of excise duty on fuels;
- setting-up of a fund to facilitate trans-European networks and infrastructure projects of European importance;
- other possible short-term economic and tax measures.

In the long term the Commission should undertake an in-depth study to facilitate an accurate assessment of the external costs of transport, the share of the costs to be borne by each transport mode, and the share of each mode of transport per unit transported. This study should take account of all environmental factors, such as load factors, noise sound emissions, vibrations, air pollution, etc. If external costs are assessed on the basis of only one parameter (e.g. energy consumption), the data

obtained will certainly be incomplete, if not inaccurate, which could lead to distortions in competition. The objective of sustainable mobility will be attained only if all users realize the harmful effects of their behavioural patterns on the environment. The behaviour of millions of individuals should be channelled towards greater awareness of the environment and understanding of the interdependence of personal actions and global problems.

Transport infrastructure

The Commission's communication concerning transport infrastructure was in four parts:

- a draft Regulation on financing transport infrastructure; this Regulation added new objectives and was accompanied by a communication which defined the philosophy and modalities of EC aid;
- a report on the experience gained in the implementation of the transport infrastructure policy so far; and
- two communications on the development of infrastructures, inland waterways and roads.

The Commission highlighted three areas for investment: the development of combined transport, payment of 'wear and tear' by the user, and the creation, development and upgrading of infrastructure networks for all modes of transport.

In general, the Committee welcomed the Commission's proposals and noted that they are part of a broader intermodal transport policy.

The Committee found that the move towards alternative and/or complementary modes must respect the principle of freedom of choice, and that the common denominator of all transport modes must be that infrastructure costs are charged equally.

The Committee paid particular attention to the problem of financing. Given the vast funding needed and the serious deficits in most State budgets, it proposed to stress self-financing of the works, with direct contributions from the users, and private finance, which requires reliable implementation schedules.

Combined transport

In 1992, the Commission presented a communication dealing with the conditions to be met for purposes of introducing a coordinated combined transport network.

The proposed measures fall under two headings:

- (i) the introduction of the framework for a combined road/rail transport system to encompass the entire Community and transfer a large volume of goods from the roads to the railways, and
- (ii) supplementing this system by an intermodal system, to cover inland waterways and sea transport.

The communication was accompanied by three proposals. The most important one lists a number of major rail and inland waterway links. The total cost of new infrastructure and equipment for these routes was estimated at ECU 2 000 million, one-third of which is to be paid directly by the individual Member States. The other two proposals concern support for investments up to 1995 in combined transport, and common rules designed to cover combined transport where part of the route includes sea transport.

The Committee agreed with the principle of strengthening combined transport by adopting common guidelines, thereby committing the individual Member States.

It was pointed out, however, that combined transport can only absorb a part of the envisaged growth in transport. It is therefore necessary to bolster road transport by improving the infrastructure and allowing for the introduction of free cabotage.

Furthermore, it must be a task for the Commission, while observing the principle of subsidiarity, to ensure that the Member States respect the timetable and that they do not let their own priorities interfere with those centrally adopted.

The Committee also pointed out unsolved questions concerning the financing and the technical compatibility of combined transport.

The Committee also adopted two Opinions on the questions on transfer of frontier controls in the field of road and inland waterways when transporting goods between Member States, and of a declaration of European interest concerning trans-European networks.

B — Road transport

The charging of transport infrastructure costs

In 1992 the Commission presented an amendment to its earlier proposals for the charging of infrastructure costs, with the purpose of eliminating distortions in competition in goods transport by surveying vehicle taxes, fuel taxes and road tolls.

The new amendment proposes using a simpler, step-by-step approach and is broadly endorsed by the Committee. However, the Committee noted two points in particular:

- (i) the proposals could encourage the creation of more toll roads, and
- (ii) the resulting cost increase, notably for the weaker and small firms of the peripheral countries of the Community.

In its Opinions on cabotage and on Ecopoints, and in its Opinions on transit agreements with Austria, Switzerland, Czechoslovakia and Hungary the Committee broadly endorsed the Commission's proposals.

C — Air transport

Third package of air transport measures

These measures abolish the differences between the 12 national markets by allowing Community airlines (common rules for obtaining licences and commencing operations) to operate and compete freely on an open market (liberalization of fifth freedom rights and cabotage), subject to common rules on setting fares (extension of the principle of double disapproval).

The Regulations encompass the following areas.

(a) Harmonization of access

Access to the profession is to be harmonized throughout the Twelve, subject to the following criteria:

- minimum initial capital;
- yearly publication of accounts;
- majority EC shareholding;
- registered office within the EC;
- primarily involved in aviation;
- fulfilment of technical requirements for staff and equipment;
- adequate insurance cover.

(b) Liberalization of access to routes within the Community

This Regulation covers three areas:

- (i) the abolition of capacity-sharing quotas set by airlines for intra-Community routes;

- (ii) the expansion of fifth freedom rights, i.e. an airline's right to carry passengers, freight and mail between two States other than those in which the aircraft is registered. This right had been restricted up to the present. Cabotage rights cover the right to embark and disembark passengers in a State other than the one in which the aircraft is registered;
- (iii) the Regulation is to contain safeguard clauses in order to ensure that certain routes — in particular new regional routes — of general interest can be maintained without complete liberalization of competition.

(c) Liberalization of fares

There are two key principles here. Firstly, a Member State may not reject a company's proposal for a new fare, if this fare is reasonably related to the applicant's long-term cost, while taking account of consumers and competition rules.

Secondly, a new fare submitted to the Member States for examination can only be rejected if both Member States agree to do so (double disapproval).

There is, however, a safeguard if one of the Member States concerned opposes the fare and if competition is limited on the route in question; the Commission may decide whether or not the fare is reasonable.

From 1996, free pricing will be introduced on routes where competition is not restricted.

The Committee broadly endorsed the Commission's proposals and considered that they constitute a sound basis for future legislation on air transport. However, a number of comments were made:

- Licensing of air carriers

Safety checks on aircraft must not be eased.

Financial obligations should be simplified, without prejudicing the need to ensure that airlines have a sound financial basis.

Social conditions should be included.

- **Market access**

The Committee agreed with the Commission that, subject to limited safeguards, all operators should have equal rights to serve on any route.

The Committee urged the Commission to promote full cabotage rights after a short transitional period, and to eliminate differences in regulations on scheduled and non-scheduled air services.

- **Fares and rates**

The Committee recognized that under current market conditions, procedures are necessary to prevent fares which are either too low or unreasonably high. However, the present procedure has proved to be slow and bureaucratic.

The entire package was adopted by the Council in June 1992.

In its Opinions on air competition, on group exemptions, and on the procurement of air traffic management equipment and systems, the Committee broadly endorsed the Commission's proposal.

D — Telecommunications

In its Opinions on open network provision (ONP) for voice telephony and the designation of frequency bands for RTTS (road transport telematic system) and TFTS (terrestrial flight telecommunications system), the Committee broadly endorsed the Commission's proposals.

3. SOCIAL, FAMILY, EDUCATIONAL AND CULTURAL AFFAIRS

Fundamental rights of workers

In its Own-initiative Opinion, the Committee welcomed the Commission's first report on the application of the Social Charter. It is now clearly recognized and accepted that the single market is not a goal in itself, but a means for better assuring both economic progress and social well-being throughout the Community, and that a durable EC-wide social market model must rest equally upon free enterprise and economic growth, and basic social rights, social consensus and cohesion.

It is with this perception of balance and parity between economic and social progress that both the Committee and the European Parliament have worked positively with the Commission in promoting the implementation of the Social Charter and the social action programme. The Committee, however, is extremely concerned at the Council's slowness in adopting proposals stemming from the Social Charter and social action programme.

Failure of the Council of Ministers to adopt many of the important social policy proposals presented is not due to any majority opposition to progress. Quite the reverse: most, in fact nearly all, member governments accept that the '1992' process must be matched by an EC-wide platform of basic social rights as set out in the action programme. Failure in the Council is due to the 'liberum veto' which single Member States can still exercise or threaten to exercise.

The Social Protocol adopted at the end of the Maastricht Summit is a step in the right direction in that the Heads of State or Government of the 12 Member States 'authorize' the 11 Member States which have signed the Social Charter to implement a number of the key policies of the Charter on the basis of qualified majority voting.

At the same time, if these new provisions represent a decisive advance for 11 Member States, the Committee takes the view that it is difficult to accept in a 'Union' of 12, that the 'European citizens' of a single Member State should be the victims of discriminatory treatment. The Social Charter and the Social Protocol should be applicable to all the citizens concerned throughout the Union as a whole.

It is imperative, especially in the context of the single market, that the legal status of social policy decisions to be taken under the new qualified majority procedure is not bogged down by complications as to whether or not any single Member State can have the implicit right to 'opt out' of Europe-wide commitments on a case-by-case basis.

The Committee also reaffirmed its viewpoint that the interpretation of the content and extent of these principles and basic rights should respect the standards already recognized in other instruments of international law. The Commission should regularly inform the Committee and the European Parliament of the ratification and implementation of International Labour Organization (ILO) provisions, as well as of legal problems which could arise between the Community and the ILO. As Community integration progresses, the specific institutional roles of the Community and the International Labour Organization could raise problems of demarcation. Given that the EC could not itself become a member of the ILO except after a long period of integration, the Committee took the view that it was

appropriate to ensure during the transitional period that it would not adversely affect the role of the national social partners in the ILO's decision-making process. To the extent that the Commission already takes up positions *vis-à-vis* the ILO, the social partners should be consulted at Community level.

The Committee approved the revised version of Directive 72/129/EEC on collective redundancies, taking the view that the right of workers to information and consultation must be guaranteed, and approving the legal procedures envisaged.

The Committee approved the Commission's proposal for a Council recommendation on promoting wage-earners' share in profits and enterprise results (including ownership of shares), and noted that very thorough preparatory work had preceded the proposal. The Committee stressed that the correct way to involve the Community was a non-binding recommendation, and that it could not take any form of binding decision.

The Committee agreed with the Commission that both enterprises and individual workers themselves should be able to choose whether they wish to take part in arrangements concerning workers' share in capital. In this connection, the ESC called upon the Commission to investigate whether all labour market participants under the terms of Article 118b of the EEC Treaty could agree on a definition of model regulations for wage earners to share in profits and the results of enterprises.

The Committee welcomed the proposal for a Council Directive on the protection of young people at work, but took the view that the Commission had introduced an excessive number of lacunae and exemptions.

It was essential to deal jointly with the health risks linked with work and accidents at work affecting young people. Indeed, the Committee was concerned to note that young people suffered twice as many accidents as older people in the course of their first year of work, and that there was a direct relation between the number of accidents on building sites and the level of skills of young apprentices. It was equally worrying to consider the number of undeclared accidents and illnesses affecting children working or forced to work in the 'informal' sector or in the grey area of 'seasonal' or 'traditional' jobs and services.

In particular, the Committee stressed:

- (i) that the Directive should apply to economic activities carried out in a family environment;
- (ii) that the definition of 'light work' should be clarified and made more precise, and that it was preferable to append an extensive but not exhaustive list of work which did not count as light work;

- (iii) that young people should be sufficiently informed before being taken on of the possible effects of the work on their health and safety;
- (iv) that it regarded the three hours of 'light work' which it was permissible for young people in full-time schooling to carry out per school day as excessive.

The Committee also took the view that the approach adopted in ILO Conventions 79 and 90 was preferable to the present draft Commission text on night-time work involving young people.

Social developments and employment

The ESC's annual Opinion on the social situation this year laid special emphasis on developments in the labour market and on labour relations, dwelling in that context on the conclusions of the Commission's annual report on employment in Europe in 1991.

The year 1991 was marked by declining growth in employment and increasing unemployment. This was largely due to the general worsening of the economic situation.

In its Opinion the Committee concentrated on establishing a set of priorities for a growth-orientated employment strategy. It stressed that, for the labour market situation to improve, first and foremost new jobs must be created mainly by creating the conditions in all Member States which make it attractive to make job-creating investments. The Committee called upon the Commission to use its possibilities more than hitherto to carry out a policy in support of Member State governments. In this connection the Committee thought it necessary to coordinate the use of the resources of the Social Fund, the structural Fund and the newly created Cohesion Fund in a better way. The Committee thought that the labour market participants could play a considerable role at the regional level in becoming more involved in the distribution and coordination of resources.

The ESC found that the basic precondition for combating youth unemployment and long-term unemployment is better worker training, since it has been shown that in Member States where young people are given work or professionally oriented training as soon as they leave school they have more chances on the labour market, especially when changing jobs, than those in countries without any such basic training. The Commission should also take appropriate steps to ensure that workers in all Member States have the possibility, if they are unemployed or threatened with unemployment, of receiving further education and retraining, so as to prevent them joining the long-term unemployed or becoming unemploy-

able. The ESC believes there should be a preventive policy to retrain workers threatened with unemployment.

The situation for women of working age in the Community is consistently worse than that for men. The ESC noted that women's low employment quota depends to a large extent on the number and type of jobs available, since many jobs are not suitable or sought after by married women and mothers. To provide these women with new opportunities, enterprises must, in cooperation with all relevant institutions, ensure that a sufficient number of suitable day nurseries are set up. The ESC called upon the Commission and the Council to adopt and carry through as soon as possible the EC's instruments concerning part-time and temporary work, which have already been submitted.

The Committee was pleased to note that the European trade union and employers' organizations' efforts to deepen dialogue further are reflected in the Maastricht Treaty. This recognizes that the participants in the labour market are prepared, as autonomous parties and on their own responsibility, to take a part in creating a social Europe. The ESC stressed that the efforts made there for the social dialogue and the work of the ESC itself do not exclude but complement each other.

Finally, the Opinion dealt with employment and immigration policy, the role of small and medium-sized enterprises, environmental protection, labour policy and the importance of other interest groups for the social dialogue.

Health and safety at the workplace

The Committee endorsed the draft Directive on the protection of young people at work, though it was critical of the excess of loopholes and derogations proposed. The Committee particularly stressed that the Directive should apply to work of an economic kind for a family; that the definition of 'light work' should be further clarified and tightened and that it considered as excessive the three hours of 'light work' which young people who are in full-time education could be expected to perform on a school day. The Committee also considered ILO Conventions 79 and 90 preferable in approach as regards night work.

In general terms the Committee accepted the Commission proposal to set up a European Agency for Safety and Health at Work subject to a number of comments.

It took the view that the range of activities and the envisaged high quality of work of the Agency was certainly ambitious, especially in the light of the modest budget which was foreseen for it.

In order to function properly, the Agency should be located so as to have optimal access to EC resources and Commission services. This must be a strict condition for the Agency's location. The Agency's operational liaison with the European Foundation for the Improvement of Living and Working Conditions should also be seriously considered in the choice of location.

The Committee welcomed the Commission's proposal on minimum provisions for safety and health requirements for work on board fishing vessels. It found that it was high time measures were taken to ensure a safe and ergonomic workplace and equipment design, sound work organization, decent living and working conditions on board, health and safety training for fishermen and specialized training for anyone likely to command a vessel. The ESC noted with regret that aspects such as food standards, appointment of a safety representative, casualty investigation and statistics and labour inspection were covered in other Directives, but not in this proposed Directive as would be desirable.

The ESC welcomed the proposal for a Directive concerning minimum requirements for improving the safety and health protection of workers in the extractive industries for the exploration and exploitation of minerals in mines and quarries, as it saw this as an important step to improve protection against accidents in a sector with very high-risk workplaces.

The Committee points out in its Opinion that all occupational health and safety instructions should be given in a language which the workers understand. The Committee cannot endorse the provision in the proposal that minimum health and safety requirements are not to come into effect in workplaces which existed before 31 December 1993 until nine years after the Directive's entry into force, because it would mean an unduly long delay in applying protective measures which are necessary. It therefore proposes a transitional period of no more than five years for these establishments. The Committee thinks that care must be taken to ensure that the Directive is applied correctly after its transposition into national law, and proposes the insertion of a new article for this purpose.

The Committee also welcomed the proposed amendment to Directive 90/679/EEC on biological agents at work, considering it important that relevant protective measures for special categories of workers (notably pregnant women but also other vulnerable groups) should be developed.

Education and training

In an information report published by the Committee on vocational training, it was stressed that Community activity should seek to guarantee

all young people the right to initial vocational training and the effective exercise thereof. The efforts of the Member States and social partners in this area must therefore be backed up by action programmes and Community instruments which, in particular, put greater emphasis on training in the European context. It was considered that a firm link between the end of compulsory education and the start of working life should be established without delay; this could take the form of a compulsory two-year training period involving either full-time training or sandwich courses.

The ESC fully supported the Commission proposal to extend, by one year, the pilot phase of Tempus (the trans-European mobility scheme for European studies which, as part of the Phare programme of economic assistance for Central and Eastern Europe, is designed to foster academic exchanges between the EC and Eastern Europe). The Committee Opinion reiterated two points contained in its earlier Opinion on Tempus, namely that training curricula and social protection problems be included in the proposed priorities.

Freedom of movement

The ESC welcomed the Commission's proposal for a Council Directive to promote the free movement of doctors and the mutual recognition of their diplomas, certificates and other evidence of formal qualifications. The proposal was designed to simplify and clarify the regulations enabling both doctors and their patients to benefit from the free movement of labour. The Committee recognized that the proposal merely consolidated legislation enshrined in existing Directives and that the minor textual changes involved were purely editorial and were designed to clarify the thrust of the legislation.

In view of the fact that doctors establish themselves in another country for the purpose of practising medicine, the ESC Opinion emphasized the quality and safety aspects of the service involved; in this context the Committee underscored the importance of good language skills and a sound knowledge of social security regulations in the host country. In this connection the Committee proposed an amendment requiring doctors to undergo a six-month adaptation period before obtaining authorization to practise in another Member State.

In the run-up to the internal market, the Committee welcomed the Commission's action plan for the exchange of national officials engaged in the enforcement of the relevant Community legislation. The Opinion referred to a number of problems related to the implementation of the

action plan; it also proposed that the number of participants should be substantially increased in order to fulfil the action plan's objectives. The Committee felt that the proposed two-month exchange period was too short to enable exchange officials to participate effectively in the daily routine work of the host administration. The Committee therefore proposed a minimum exchange of three months. It also stressed that effective language courses for participants were a prerequisite for the programme's success.

The Committee endorsed the proposal for a Council Regulation (EEC) amending Regulation (EEC) No 1408/71 on the application of social security schemes to employed persons, to self-employed persons, and to members of their families moving within the Community.

The Committee endorsed the proposed amendment to the Council Regulation changing Part II of Regulation (EEC) No 1612/68 on freedom of movement for workers within the Community. The Committee had, however, some reservations as to whether the proposed legislation would be commensurate with the proposed objectives.

The amendments give the workers concerned direct access to appropriate sources of information — which thereby gain greater transparency — and also cut through a certain amount of red tape. The most important improvement is the expansion of the information exchange arrangements (Article 15), which put Community workers' rights on a more solid footing.

The Committee also stressed that the establishment of a computerized European network linking up all employment services in the Twelve could speed up implementation of programmes by providing real access for interested parties to specific job offers and applications for employment. The Member States should be encouraged to promote the use of audiovisual techniques and electronic data transmission for disseminating information on job vacancies and applications.

The Committee welcomed the draft Regulation (EEC) on measures to adapt the profession of customs agents to the internal market. Significant sums of money had already been committed to easing this transition under existing EC measures financed through the European Social Fund and Interreg. The one-off budget of urgent supplementary measures proposed none the less indicated that there was a serious sense of unease, and it had been criticized in some quarters as being implemented too late. The Committee strongly urged the Commission to take a flexible view in allocating sums to assist companies which have already taken measures now deemed 'eligible' under the proposal and which would still have an impact in 1993 in terms of jobs and economic activity. It also

appealed to the Commission to broaden the forms of assistance involved to include mobility grants and economic support for small firms. The Committee further sought reassurance that all Member States would cooperate in meeting the challenge and not consider it a matter purely to be resolved by 'market forces'. It considered that the involvement of the social partners at the conception, application and evaluation stages was also vital to the success of such operations.

Culture

The Committee broadly endorsed the Commission draft Council Directive on the return of cultural objects unlawfully removed from the territory of a Member State. The Committee was surprised, however, that it had not been consulted on the draft Regulation on the export of cultural goods. Given the likelihood that the Commission would clarify the interpretation of Treaty Article 36, the Committee asked to be consulted, or at least informed of the outcome of this interpretation procedure, which was crucial to any decision on which objects were covered by the proposal. The Committee also urged the Commission to consider the issue of valuation in the event of the return of cultural objects. The ESC was also sceptical about the practical use of the values listed in the annex and the number of years for determining whether or not national treasures should be regarded as cultural goods.

The Committee endorsed the thinking underlying the Commission communication on new prospects for Community cultural action. It reiterated its request — even more forcefully in view of the ambitions enshrined in the Treaty on European Union — that the aspirations set out in the communication be backed up by firm political will, translated in practical terms by the robust level of resources needed to match the challenges involved.

Social security

The Committee welcomed the Commission's communication to the Council on supplementary social security schemes.

The approved goal of establishing comparable transfer values EC-wide and associated rights presupposes an official coordination machinery for this purpose, if such rights are to be guaranteed and efficiently administered throughout the Community. The Committee, in other words, considers that there is a case for an EC coordination framework in respect of occupational pension schemes analogous to that already in existence for statutory schemes. The Commission might reconsider whether Article 51 of the Treaty would be the appropriate legal basis for such a coordination framework.

An appropriate starting-point for the operational development of this framework would be to assess good practice in regard to transferability and to consider how this could be extended on a multinational basis. Pre-funded schemes, in this connection, would probably be the easiest test cases to work on. Safety financed, and preferably State guaranteed, pay-as-you-go schemes based upon a calculable 'points' value system could be a second area to explore. Efforts should be made by the Commission to provide for cross-border membership of group schemes, especially for multinational companies and the increasing number of 'Community-scale' undertakings. The Committee urged the Commission to explore the possibility of devising the format and rules of a model European occupational pension scheme, possibly as an appendage to the European Company Statute.

Family

The Committee also issued an Own-initiative Opinion on adoption, commenting on the general philosophy underlying adoption, on abandonment of children, adoption procedures, the practice of adoption, international adoptions and the EC, access to information on origin, and fostering.

The Committee fully endorsed the Commission's draft recommendation on child care as a means of increasing equality of opportunity between women and men in employment.

The ESC also stressed that parents should be free to choose whether to care for their children themselves at home or enter paid employment. The current lack of child-care provision, however, means that there is no real choice for many women.

The Committee agreed with the general approach of the draft recommendation, but called upon the Commission to look further into fields such as: arrangements for pre-school and after-school hours, public grant provision, quality of child-care facilities (public/private) and working conditions for employees in child-care institutions.

Finally, the ESC recognized the importance of increased participation by men in caring for their children and saw this primarily as a cultural problem which would be resolved by education and a change in attitudes.

The Committee endorsed the proposal for a European Year for Older People and suggested that it should have a clear goal: to launch a Community charter of the fundamental rights of older people, together with an action programme for its implementation. Such a charter and pro-

gramme could be based on Articles 24 and 25 of the existing Social Charter.

The ESC welcomed the proposal for a third Community social action programme for handicapped people — Helios II (Handicapped people in the European Community living in an open society). It also welcomed further developments of the Helios I programme so far, including prevention and preventive help, functional rehabilitation, integration in nursery schools and at universities, continuing training and access to creative activities. The ESC did, however, criticize the existing information and public-awareness campaigns and those mentioned in the annex, which it regarded as insufficiently effective.

4. ECONOMIC, FINANCIAL AND MONETARY POLICY

Annual Economic Report 1991/92 and the economic situation in the Member States

Following a request by the Commission for the Economic and Social Committee to draw up an Opinion, within a very short deadline, on the proposal for a Council Decision adopting the Annual Report 1991/92 on the economic situation in the Community and determining the economic policy orientation for the Community in 1992, the Committee drew up an Opinion in January 1992, supplemented by an Additional Opinion in February.

The Committee stressed that the Commission's forecasts could prove to be too optimistic. It noted that economic recovery in the Community is slower than anticipated, that the economic situation in the USA is falling short of expectations, that world trade liberalization remains uncertain and that major risks persist in the financial sphere.

With regard to the achievement of social and economic objectives, the Committee concluded that:

- economic growth must be strengthened;
- the objective of cohesion requires special attention;
- environmental efforts need to be consolidated by properly sustained measures encouraging individuals and firms to change their ways;
- a fall in interest rates, which are currently too high, would be desirable as a means of stimulating a recovery in investment;
- unemployment is unacceptably high. Action is required at both national and Community level to tackle this problem.

The Committee emphasized the importance it attaches to developing the Community's social dimension.

Concerning EMU achievement criteria, the Committee considered that price stability, with a maximum deviation of 1.5% in relation to the three most stable countries, represents a positive approach. While by the end of the 1990s all Member States should, in principle, be able to meet the requirement of a deficit of no more than 3% of GDP, reduction of government debt to 60% of GDP will be more difficult for some Member States to achieve, even in the medium term.

The Committee stressed the need for Member States to cooperate in conducting their economic and social policies.

Lastly, the Committee would wish to be consulted on the pluriannual economic policy guidelines and the rules on multilateral economic surveillance to be drawn up by the Commission under the Treaty on European Union.

In the context of examination of the economic situation in the Member States, the Study Group on the Economic Situation in the Netherlands met with delegations from the SER (Netherlands Economic and Social Council) and Dutch socio-occupational organizations on 15 January, to hear their views and comments on the economic situation in their country, from the point of view of economic convergence and progress towards EMU.

The exchange of views and, in particular, the high quality of the contributions made, enabled the Section for Economic, Financial and Monetary Questions to map out the position of the socio-occupational organizations on the principal difficulties faced by the Dutch economy with regard to economic convergence, supplementing the economic report which Commission DG II drew up in the context of multilateral surveillance.

DELORS II PACKAGE

In its Opinion adopted on 30 April 1992, the Economic and Social Committee welcomed the Commission's proposals as presented in the communication 'From the Single Act to Maastricht and beyond: the means to match our ambitions', otherwise known as the Delors II package, based on the objectives defined by the Heads of State or Government in the Maastricht Treaty, which marks the start of a new and decisive stage on the road towards European union.

Over the next five years the economic climate will doubtless be more difficult, with slower growth, and it is difficult to predict the outcome of the GATT negotiations, decisions on applications for EC membership or the budgetary consequences of the demilitarization process.

Regional development disparities are an obstacle to the development of the Community. Strengthening economic and social cohesion has become a vital part of the EC integration process; all Community policies are to take account of this objective.

The Committee recognizes that the financial measures proposed for boosting economic and social cohesion are the minimum needed to help the Community's less developed regions and States face the impact of the internal market and EMU.

The Cohesion Fund should therefore be seen as an investment by the Community as a whole.

The Committee considered that the conclusions drawn from, and analysis of, experience with reform should contribute to more effective structural Fund intervention.

The Committee supports the concentration of structural assistance, but considers that the structural Funds allocated to Objective 2 regions should be increased by the same amount as proposed by the Commission for Objective 1 regions.

With regard to common agricultural policy spending, the Committee considers the overall sum to be acceptable only if it includes a sharp cut in the proportion allocated to price support, as compensation for the reform measures, and if the increase is for a limited period only, with a guarantee that farm spending will fall in the longer term.

The Committee endorses the importance the Commission attaches to boosting European competitiveness and to setting up trans-European networks. Community funding should avoid distortions in competition and create conditions conducive to industry as a whole.

The Committee considers that events in Central and Eastern Europe and recent developments in the Mediterranean area justify the creation of a separate budget heading, and therefore supports the Commission's proposal to increase allocations under this heading.

The increased responsibilities attributed by the Maastricht Treaty to Community action will lead to spending in excess of Member State budget forecasts. This can only be justified if there is an effective transfer of Member State expenditure to the Community, in accordance with the subsidiarity principle.

Given that it is not possible, under present circumstances, to introduce a system whereby each Member State's contribution to the EC budget would be proportionate to its GNP, the fairest solution would therefore seem to be to increase the relative share of the GNP-based contribution.

Excise duties on motor fuels from agricultural sources

With reference to the proposal for a Council Directive on biofuels, the Committee was pleased that the Commission and the Council have decided to set up a medium and long-term agro-industrial policy for the non-food use of agricultural commodities, taking on board the Committee's past recommendations.

More specifically, the Committee noted that it cannot be hoped to launch such an important and complex structural policy simply by granting tax concessions (essential as these may be) to biofuel users. It pointed out that a completely new production sector is to be set up, which may attain significant proportions and which must be able to promote specific agricultural commodities for energy purposes and new industrial activities to process them. It will also have to offer the products under conditions which make them attractive to the final consumer. The Opinion examined a number of different types of problem.

The Committee recommended that the Commission step up R&D into the production of agricultural commodities for energy purposes (genetic and biotechnological selection in general) and trials, with new crops and techniques being widely disseminated throughout the farming community.

The Committee also drew the attention of the Commission and the Council to the case for transferring technology and know-how regarding the energy-related use of agricultural resources, where necessary, to the countries of Central and Eastern Europe, the Commonwealth of Independent States, and developing nations in general.

With regard to problems surrounding the processing of agricultural commodities for energy purposes, the Committee called upon the Commission to assist the new processing industry by setting up R&D projects for the establishment of pilot and experimental plants designed to pave the way for industrial applications.

The Committee then noted, in connection with the preparation of biofuels at refineries and the distribution stage, that marketing of these new types of cleaner petrol could lead to lower and less harmful emissions not only from new cars (equipped with catalytic converters) but from all cars on the road.

Lastly, one further problem would require the active cooperation of the European oil industry: the need to decide how the new blends of petrol and biofuels (also blended) for diesels can best be marketed.

The Committee considered it important that the Council make a formal political commitment guaranteeing the continuity and duration of its concessionary tax policy for fuels of agricultural origin.

Transit statistics and storage statistics relating to the trading of goods between Member States

The Committee also adopted an Opinion on a proposal for a Council Regulation on transit statistics and storage statistics relating to the trading of goods between Member States, in which it noted that the compiling of transit and storage statistics will certainly provide the countries concerned with valuable information on the volume of international transport to and from other Member States. These statistics will make it possible to assess the extent to which infrastructure is being utilized, to plan investment in this area and to have an accurate picture of the activities of transport and trans-shipment undertakings involved in transit trade.

Economic situation in the Community mid-1992

In line with established practice, the Committee delivers two Opinions every year on the economic situation in the Community.

The aim of this Opinion for the first half year is :

- (i) to inform the Council of the economic and budgetary measures proposed and deemed appropriate by representatives of EC economic and social interest groups;
- (ii) to brief the Commission of the social partners' positions on economic issues when it is preparing the Annual Economic Report;
- (iii) to provide a brief rundown for economic and social councils and occupational bodies in Member States (via their committee representatives) of the Committee's analysis of the economic situation in the Community. It is reasonable to hope that sending the Committee Opinion on economic policy to the consultative bodies will enable them to take it into account and include it, where appropriate, in proposals they make to their national governments when the latter draft their national budgets;
- (iv) this year the Committee Opinion presents an in-depth survey on employment, a subject of prime importance for the EC economy.

The international economy is going through a very uncertain phase. The Commission forecasts indicated that 1992 was going to be a slight improvement on 1991. This has not been the case, however, and the latest trends indicate that it will probably not happen in 1993 either.

Concerning the recent monetary upheavals, it is the Committee's wish that those currencies which have had to leave the EMS rejoin it as soon as possible, although it realizes that the problems which led to such a situation will have to be resolved before the EMS can be restructured.

The Committee considers that this subject should be tackled as soon as possible; an analysis should be made of the ultimate causes of the breakdown and a study made of the measures needed to strengthen the EMS and move on to economic and monetary union, as part of the project of constructing a cohesive, harmonious European Community.

Despite the improvement in inflation and the closing of the gap between the Member States in respect of budget deficits, the Committee views with considerable concern certain aspects of the economic situation in the Community. Growth continues to languish to the point of stagnation. Investment, especially in capital goods, is very sluggish and the prospects for revival are not improving.

Consequently, it is rapidly becoming ever more likely that employment will fall in the Community as a whole in 1992.

Besides the convergence indicators established in Maastricht, there is another group of variables which shed considerable light on the economic situation in the Community and the prospects for convergence. Without claiming to be exhaustive, the incorporation of some parameters on the external trade situation, the Community's technology input and level, and the provision of capital and infrastructure, could help to shed more light on the general picture.

A revival in economic growth, with increased production, investment and employment, is of crucial importance to turn around the economies of the Member States and rectify nominal imbalances.

In this connection the social partners, the employers and trade unions, at Community level, arrived last July at a common position on 'the crucial problem of weak growth in 1992 and 1993'. They stressed that 'whatever the limits of purely national action, Community-level cooperation would give everyone more room for manoeuvre'. This macroeconomic strategy for economic recovery should comprise the following elements: a rapid reduction in interest rates through sound economic policies; responsible wage negotiations based on credible and socially acceptable economic policies; this macroeconomic policy to offset any temporary adverse effects on demand so as to restore consumer and business confidence.

The Commission and the Council should include the abovementioned conclusions of the social partners, as enshrined in the document of 3 July

1992, in their economic discussions as soon as possible, with a view to rapidly devising a cooperative macroeconomic strategy at Community level which will provide a reference framework to guarantee growth and employment.

For all these reasons it is vitally important that monetary convergence policies are not only consistent with real convergence but incorporate policies to enhance it. This is possible only if a stable and strong growth in investment can be ensured and if R&TD spending in the Community as a whole can be stimulated by suitable policies. Obviously this is all incompatible with economies in recession and purely restrictive policies.

The Committee notes, in connection with convergence and employment, that the type of jobs created (in services and construction, temporary and part time) has made employment a variable which is highly sensitive to swings in the economic cycle. Employment will suffer severely if the present economic weakness persists and higher levels of economic growth are not achieved.

There is no doubt as to the influence of labour market inactivity: a marked proportion of the increase in net employment is not taken up by the unemployed, but by persons who were previously regarded as inactive. This means that it is not enough for the Community to create enough jobs to reduce the unemployment rate — even more jobs are needed.

Consequently, the Committee considers that a reduction in the differences between and within the Member States should be a priority objective for the Community. EC and national policies to achieve this objective, and improved coordination between the two, should be encouraged with a view to greater cohesion between all countries and all regions of the Community.

Competitiveness is most lacking in the Community economy (compared to its major competitors) in the area of capitalization and technology. Boosting investment, topping up the capital stock and raising the level of technology will pave the way for an increase in labour productivity; in this way a sustained improvement in competitiveness will be compatible with an increase in employment and wages.

A key element in boosting productivity and competitiveness is a continuous improvement in education and vocational training. Workers' qualifications will be even more crucial than hitherto for the success of firms.

Furthermore, although prices are the principal weapon in competition, other factors are increasingly important, such as product quality, consumer satisfaction, design, innovative capacity, after-sales service, distribution, marketing and product standardization. Therefore, a strategy

based on improving these factors is essential for increasing competitiveness.

In short, policies are needed which will also seek to improve living and working conditions. Any policy which led to a worsening of these conditions would make it difficult to maintain a competitive edge in the medium term and is clearly not desirable.

Company taxation

In late 1990 Ms Scrivener, Commissioner, asked a committee of outside experts to consider the case for closer alignment of company taxation in the EC. The committee, known as the Ruding Committee, has just issued a digest of its report. A number of the report's conclusions were reproduced in a Commission communication. The Committee examined these two documents in an Own-initiative Opinion.

1 — Assessment of the Ruding Committee's conclusions and recommendations

The aim of eliminating double taxation of cross-border income flows is a continuation of the Commission's earlier work.

The aim of achieving a minimum level of harmonization of systems, rates and bases of assessment is more ambitious. The ESC has reservations about the second objective, since it believes that the taxation of companies must remain the prerogative of the Member States.

1. The Committee approves the proposals to extend the 'parent-subsidiary' Directive, eliminate withholding taxes levied by source countries on interest and royalty payments between enterprises in different Member States, eliminate double taxation arising from transfer pricing disputes, make parent companies offset losses incurred by branches or subsidiaries located in different Member States and draw up tax treaties.

However praiseworthy the motives behind such a step may be, the introduction of a 30% withholding tax on dividends paid to shareholders not identified as EC residents would have serious inconveniences: it could discourage non-EC investors from committing funds to the EC and lead to EC residents investing outside the EC, and it would be contrary to the principle of tax neutrality to encourage financing through loans at the expense of financing from capital.

2. Apart from its reservations about the principle of harmonizing corporation tax systems, the Committee feels that the Ruding Committee's

proposals would mean that shareholders' country of residence would benefit from extra-territorial dividends having to bear unilaterally the cost of reimbursing or imputing corporation tax paid in the source country of the dividend.

Some of the Ruding Committee's proposals clash with the principle of subsidiarity (intangibles, capital gains, harmonization of dates on which taxes are payable), while others are approved by the Committee (headquarters costs, thin capitalization, tax losses).

II — *Assessment of the Commission communication*

1. The Committee shares the Commission's general line, feeling that the principle of subsidiarity continues to be an obstacle to the adoption of proposals to align national laws on corporation tax.

The Committee approves the Commission's recommendations on extension of the 'parent-subsidiary' and 'mergers' Directives and on studying, in collaboration with the Member States, new procedures to simplify and speed up the machinery for applying agreements on withholding taxes.

While it is in favour of a procedure for consultations between Member States prior to any correction of transfer prices and with a view to strengthening the Arbitration Convention, it would also like a directive to spell out the principles to be followed when calculating transfer prices and the rules for allocating central group expenditure.

2. As regards measures relating to the rates, the bases and the systems of corporation tax, the Committee agrees with the Commission that it is inadvisable to set a maximum corporation tax rate and that the proposed reform of local taxes is politically motivated and unrealistic.

It also has reservations about entering into discussions with the Member States on the principle and the level of a minimum corporation tax rate, as Member States compete with each other not only on tax rates but also on bases.

III — *Final remarks*

While recognizing the quality of the work carried out, the ESC regrets that the Ruding Committee did not carry out an in-depth analysis of the role of company taxation in national economic policies, the problem of the burden of tax on companies and the impact of its proposals on Member States' budgets and the location of investments.

The ESC is in favour of aid being transparent but raises the question of whether the tax level should or should not be used by the poorest Member States.

The ESC is pleased that the Commission has generally taken up positions which are less categorical and more measured than those in the Ruding Committee's report, since taxation undoubtedly poses the most difficult problems for the achievement of economic and monetary union.

VAT on passenger transport

The Committee endorsed the aims of the Commission's proposal as regards VAT on passenger transport. The rules on the application of VAT to passenger transport must indeed be adjusted to the conditions on the single market, including the abolition of tax controls at intra-Community frontiers on 1 January 1993.

The proposal confined VAT to two modes of transport, thus introducing discrimination between modes of transport; the Committee considered that uniform tax arrangements should be devised for all modes of transport. Moreover, for the reasons set out in the Opinion's specific comments, the Committee calls for the current proposal to be suspended until a draft directive applying VAT to all modes of transport has been drawn up.

The Committee has come to the conclusion that it cannot endorse the proposal and that neither a legal instrument nor the approach proposed by the Commission can apply from 1 January 1993.

Under these circumstances, the Committee concludes that VAT on passenger transport services should continue to be levied in accordance with the principle of territoriality and at the rates currently applied by the Member States for the transitional period.

Indirect taxation

In the run-up to the internal market and the abolition of tax frontiers, the Commission tabled the following draft Council Directives, to be adopted by the Council and incorporated into Member State legislation by 1 January 1993:

Proposal for a Council Directive amending Directive 77/388/EEC and introducing simplification measures (COM(92) 448 final).

In its Opinion of 24 November 1992, the Economic and Social Committee remarked that the draft Directive, which aimed at clarification and simplification, was presented in a form not easily accessible to economic circles; the Committee also felt that the deadline for adoption and incorporation into national law — only a few weeks — was too short.

The Committee therefore recommended that only those provisions strictly necessary for the operation of the internal market should come into force on 1 January 1993.

Proposal for a Council Directive amending Council Directive 92/12/EEC of 25 February 1992 on the general arrangements for products subject to excise duty and on the holding, movement and monitoring of such products (COM(92) 426 final).

As the simplification and clarification of texts can only enhance their transparency, as reiterated at the end of the Birmingham Summit, the Committee welcomes the Commission's initiative and approves the proposed Directive.

More specifically, the Committee argues that if it is not possible to determine where an offence or irregularity has been committed, the draft Directive, which provides for collection of duties by the Member State of consumption, should define the collection operation more clearly.

Proposal for a Council Directive on the harmonization of the laws of the Member States relating to turnover taxes.

Abolition of certain derogations provided for in Article 28(3) of Directive 77/388/EEC and in the second subparagraph of Article 1(1) of Directive 89/465/EEC (COM(92) 215 final).

It is pointed out that the proposed Directive aims to complete the uniform basis of assessment to underpin the common system of VAT. However, harmonization presupposes a gradual alignment towards uniform rates even if harmonization of the bases of assessment should logically precede harmonization of rates. The proposed Directive includes measures which are not urgent at this stage since they relate to derogations which are of secondary importance at Community level, though not to the Member State concerned.

Since the argument put forward in favour of scrapping certain derogations is essentially a technical one, economic and social considerations should prevail when these militate for the retention of derogations.

In the interests of businesses, workers and consumers, the Committee recommends a review of the proposal to ascertain the relevance of the

distortion of competition argument invoked in favour of abolishing various derogations. This review is particularly important in cases where the proposed abolition of a derogation would push up the cost of a product, item of goods or service by introducing new taxes.

Statistics

The Committee has issued three Opinions on statistical issues.

Overall, the Committee welcomes the proposals. It criticizes certain technical points and implementation schedules, which it believes should be extended. It also comments on the draft Regulation on business registers for statistical purposes, approving the principle of drawing up such registers, but insists that this should not impose additional administrative burdens on businesses.

5. REGIONAL DEVELOPMENT AND TOWN AND COUNTRY PLANNING POLICY

The Section for Regional Development and Town and Country Planning drew up Opinions on the following subjects:

- Economic and social cohesion;
- The reform of the structural Funds;
- The outlook for the development of the Community's territory.

In its Own-initiative Opinion on economic and social cohesion (Official Journal C 98 of 21 April 1992), the Section considers how this broad goal can be achieved throughout the various areas of EC policy. In the analytical part of the Opinion nine different areas of EC policy are examined, namely: economic and monetary union, agricultural policy, social policy, education and professional training, environmental policy, research and technology, industrial policy, competition policy and transport policy. The Section puts forward concrete proposals in respect of each of these policy areas and calls upon the Commission to draw up an action programme for economic and social cohesion.

The Section drew up two Opinions on the reform of the structural Funds: the first Opinion was based on the Commission's second annual report on the reform of the structural Funds (Official Journal C 106 of 27 April 1992), whilst the second Opinion examined the Commission's communication entitled 'Community structural policies — assessment and outlook' (CES 954/92 — to be submitted to the Committee for adoption at the Plenary

Session in November 1992). The Section members charged with the preparation of the Opinions acquainted themselves with the concrete experiences of regional economic and social interests groups in the west of Ireland and the Charleroi region of Belgium. Section members also held talks with Mr Christophersen, Vice-President of the Commission, and Mr Millan, Member of the Commission, and representatives of the European Investment Bank and the Court of Auditors in connection with their work on the appraisal of the reforms and future prospects. Generally speaking, the two Opinions endorse the Commission's assessments. The Committee does, however, criticize the fact that economic and social organizations have still not been adequately involved in the reform of the structural Funds.

One of the principal aspects of the Section's work has for a long time been its appraisals of EC initiatives implemented within the framework of the Regional Fund. The Section drew up an Opinion on the Retex initiative (Official Journal C 169 of 6 July 1992) in which it calls for special measures to assist women and for ILO standards to be respected in the individual projects.

The Section drew up a second Opinion (CES 802/92) on the Commission's document entitled 'Europe 2000: Outlook for the development of the Community's territory'. In this second Opinion the Section expands upon the views it expressed in its earlier Opinion and once again urges that EC policy in this field demonstrate a particular commitment to the principle of subsidiarity. With that aim in view, the social partners and the regional authorities should, in the Section's Opinion, be involved in the formulation of policy in this field from the outset. Subject to this proviso, the Section calls for a number of measures to be taken in addition to the drawing-up of studies, namely: the establishment of an EC framework for land-use planning, the introduction of a common information network and the establishment of an 'observatory' for land-use planning which, whilst enjoying a certain independence, could carry out the necessary preparatory work prior to the introduction of an EC land-use planning policy.

On 24 March 1992 the Section was instructed to draw up an Own-initiative Opinion on 'non-urban and/or rural areas'. The aim of this Opinion is to carry a stage further the Section's earlier work in its Opinions on the future of rural society (Official Journal C 298 of 27 November 1989) and the urban environment (Official Journal C 269 of 14 October 1991). The new Own-initiative Opinion is to focus on putting forward proposals for measures to improve the environment, living conditions and economic development in areas which can neither be classified purely as conurbations or as predominantly agricultural areas. The Own-initiative Opinion will be submitted to the Committee for adoption at the beginning of 1993.

6. INDUSTRIAL POLICY

A — Copyright

Intellectual property and copyright

After publishing a Green Paper on copyright and the challenges posed by new technologies, the Commission proposed several specific Directives. It argued that if the single market was to function properly, certain provisions of the law on copyright and neighbouring rights would have to be harmonized. In addition, new technological realities made it necessary to adapt the law on, for instance, programmes transmitted by satellite and retransmitted by cable.

The draft Directive on the coordination of certain copyright rules and neighbouring rights applicable to satellite broadcasting and cable retransmission sought to plug a gap in the creation of a European audiovisual area, as the Directive on 'television without frontiers' was adopted without a chapter on copyright. In its Opinion the ESC approved the Commission's proposal, while suggesting certain technical or legal improvements.

As regards terms of protection for copyright and neighbouring rights, the ESC suggested a period of 50 years after the author's death. But it stressed that, whatever differences of opinion might exist on this point, the main thing was to ensure that the term of protection was exactly the same in all Member States.

Legal protection of databases

The Commission published a draft Directive aimed at aligning and stabilizing the legal arrangements for protecting electronic databases set up in the Community.

The ESC unanimously welcomed the Commission's initiative. But it did feel that the unfair extraction right might not provide the protection needed for a strong EC database industry and for those whose efforts needed protection against copying.

The ESC therefore suggested several changes to the draft Directive.

B — HDTV action plan

Following the adoption of the Directive on standards for satellite broadcasting of television signals, consultations revealed that many parties

were clearly interested in the rapid provision of advanced television services by satellite and cable in Europe.

Such services would involve additional costs for broadcasting, cable redistribution and programme production.

The Commission therefore proposed an action plan covering the period up to the end of 1996 and funded by the EC to the tune of ECU 850 million.

The ESC supported the Commission's proposal but suggested: (i) setting up machinery to assist operators in geographically smaller countries or in the less widely known languages, (ii) granting derogations to the principle of double degressivity established by the action plan, (iii) providing support for small independent producers and (iv) readjusting the levels of EC funding to the production sector.

C — Competition policy

As it does every year, the ESC issued an Opinion on the Commission's report on competition policy.

In the Opinion, which was adopted *unanimously*, the ESC endorsed the improvements made to the wording of the report.

On the question of merger control, the ESC felt that the trigger threshold in the Regulation of ECU 5 billion was too high.

The ESC looked at regulated sectors, block exemptions, State aid and the international dimension of competition.

It also considered the problems of GATT, special questions relating to publishing and agriculture, and anti-dumping measures, especially with regard to the developing countries and the former members of Comecon.

In an Additional Opinion, which was also adopted *unanimously*, the ESC gave the green light to the Commission to adopt a Regulation introducing block exemptions in the insurance sector.

Opening up public contracts

If the single market is to be completed, public contracts must be opened to competitive bidding. The Commission set out a legislative programme for achieving this goal in its *internal market White Paper*.

The ESC has issued *Opinions on the opening-up to competitive bidding* of some sectors which were previously excluded — water, energy, transport

and telecommunications — as regards both supplies and works and services.

In its Opinions the ESC has always supported greater competition, not only in the wording of legal texts but also in the practical application of procedural rules and the possibilities of redress. It advocates openness and equal opportunity for EC firms under all circumstances.

D — Small business

SMEs and craft firms

In an Own-initiative Opinion, which was adopted unanimously, the ESC called on the Commission, the European Parliament and the Council to take up the proposals in its Opinion on the shaping of EC enterprise policy with special regard for the requirements of the craft sector and transpose these proposals into Community-wide provisions and support mechanisms appropriate to the needs of small firms. This had to be done with due regard for the principles of subsidiarity and proportionality and in agreement with the relevant workers' and employers' organizations.

The ESC felt that all EC policies should be framed with small firms, including craft enterprises, in mind, thus creating stable conditions for their competitiveness in the single market. In this way a balance could be maintained between very small, small, medium-sized and large firms in the European Community, creating greater variety in their size profile. The ESC again declared that future EC enterprise policy must form an integral part of the Community's policies and that structural adjustments would also have to be made for this purpose.

In a previous Opinion the ESC urged that mutual guarantee schemes should play a greater role in financing SMEs and craft firms in the EC.

E — Deposit-guarantee schemes

The proposal for a Council Directive on deposit-guarantee schemes had two objectives: to protect depositors in all credit institutions and to ensure the stability of the whole banking system.

In its Opinion, which it adopted unanimously, the ESC highlighted a number of points which needed to be clarified or amended.

It particularly stressed that, in the interest of bank customers, any harmonization of EC deposit-guarantee schemes must not be allowed to

jeopardize existing schemes in the Member States which are geared to protecting the institution.

The ESC considered that, whatever happened, the Directive should prohibit the advertising of deposit guarantees. However, such an advertising ban should not restrict the provision of information on deposit guarantees to the customers of credit institutions (coverage, conditions, repayment procedure).

F — Elimination of technical barriers to trade

Opinions were issued on several technical Directives necessary to the creation of a single market in vehicles. The Council's adoption of such specific Directives enabled the subsequent adoption of the vehicle type-approval Directive, the real keystone of the Community market system. But in its Opinion the ESC pointed out that until registration procedures were harmonized the benefits to the EC car buyer would be limited. The ESC also underlined the responsibility of each Member State for monitoring compliance with the technical requirements of the Directives, saying that, in the interests of clarity, the Commission should produce a comprehensive and intelligible compendium of all the Directives concerning motor vehicles.

Motor vehicles

The ESC issued a whole series of Opinions on the elimination of technical barriers, especially in the car industry.

In a unanimously adopted Opinion on mechanical coupling devices of motor vehicles and their trailers and the burning behaviour of materials used in the interior construction of certain categories of motor vehicle the ESC welcomed the Commission's proposals. It stressed that the aim should be the highest possible level of safety for users.

In an Opinion on measures to counter air pollution by emissions from motor vehicles, which was also adopted unanimously, the ESC particularly emphasized that it was very difficult to be fully conversant with all the provisions concerning motor-vehicle emissions, on account of the numerous amending Directives. It urged the Commission to produce a compendium available to all those in the motor-vehicle industry, clearly setting out the current position on permitted emission levels.

The ESC welcomed the three proposals for a Regulation on braking equipment, maximum design speed and lighting and light-signalling

devices for two- or three-wheel motor vehicles, whose main aim was personal and traffic safety. But all members were surprised that none of the proposals made provision for any sanctions in the event of violations. Care had to be taken to see that the proposals were implemented in the same way throughout the Community and that any sanctions were comparable in severity.

Wheeled agricultural or forestry tractors

The ESC unanimously welcomed this Commission proposal because it would ensure reliability of protection against accidents at work, as well as legal certainty and openness.

However, the contents of the basic Directives did not remain unchanged in the consolidation process. On the contrary, substantive changes were made, going beyond mere consolidation.

Recreational craft

In its Opinion the ESC basically supported the proposed Directive. But it did point out that in order to take account of the special circumstances of custom-made boats and small production series, it should be made clear that these were not subject to the certification procedures laid down in the proposal.

Opinions were also issued on other proposals dealing with technical subjects, such as lifts, active implantable medical devices, machines (lifting equipment), fertilizers, equipment and protective systems intended for use in potentially explosive atmospheres, and the mutual recognition of authorizations relating to explosives for civil uses.

G — Company law

Social economy

After a number of European Parliament resolutions and recent ESC Opinions in which the ESC stressed the need to set up an optional or alternative European legal framework for cooperative societies, mutual societies and associations, the Commission's proposals highlighted most positively the importance of this sector within the European economic market.

By beginning its work in April 1991, the ESC was able to intervene before the final adoption of the Commission proposals — for the first time. Consultation of the ESC on the social economy had also been called for by the European Parliament. In its resolution on the statute of the European cooperative society, the EP asked the Commission to involve the ESC closely in the drafting of these texts.

With their specific and optional statute, these societies will be in a position to make a major contribution to developing a 'citizens' Europe': a precondition for social cohesion and essential to the success of the internal market itself.

Freedom of management and investment of funds held by institutions for retirement provision

The proposed Directive would free pension funds from arbitrary national restrictions governing their choice of management and the investment of their assets and mark a significant step in the EC's efforts to overcome the many practical problems which face companies with pension liabilities in several EC countries.

The ESC fully endorsed the Commission's aim of implementing freedom of cross-border investment management and cross-border investment through the proposed Directive.

It noted that the Commission thought it impractical to implement freedom of cross-border membership of such institutions even though this would have facilitated the free movement of workers in accordance with Article 48 et seq. of the Treaty.

It therefore called on the Commission to continue its work, despite the difficulties, bearing in mind the constraints imposed by differences between systems.

H — Maritime industries

The Commission set up a Marine Industries Forum made up of representatives of all the interests concerned (shipyards, shipowners, transporters, unions, etc.) to seek solutions to the sector's problems. The ESC, recognizing the importance of the matter, decided to contribute to the Forum's work. It drew up a very comprehensive Opinion which commented on all maritime questions. The Opinion was formally presented at the second plenary session of the Forum in Newcastle-upon-Tyne on 16 June. In view of the ESC's experience in maritime and industrial affairs,

it was decided to include the Opinion in a brochure together with other recent specific ESC Opinions. All of these would be in the possession of the Commission and all the participants at the third and last plenary session of the Forum in October 1992.

Mention should also be made of the ESC Opinion on the programme of aid to the shipyards of the ex-GDR, in which the ESC supported the effort to reclaim the yards while, at the same time, stressing the need to safeguard the *general rules* applied to the shipbuilding industry in other EC countries.

7. EXTERNAL RELATIONS, TRADE AND DEVELOPMENT POLICY

A — Review

In 1992 the Committee's work in the field of external relations, trade and development policy focused on a number of key issues. Particular attention was paid to relations between the European Community and the countries of Central and Eastern Europe which are having to cope with the radical transition from centrally managed economies to market economies, backed up by democratic systems of government. The Committee adopted a number of Opinions on these issues, namely on: the Association Agreements with Romania and Bulgaria; the role of consultative mechanisms in the countries of Central and Eastern Europe; and food aid for Moscow and St Petersburg. When drafting the Opinion on consultative mechanisms, Committee members were addressed by representatives of economic and social organizations in Poland, the Czech and Slovak Federal Republic (CSFR), Hungary, Romania and Bulgaria.

A further key issue was the work on relations between the European Community and non-EC Mediterranean countries; this work focused on the Maghreb States. Here too, the Committee invited guest speakers representing economic and social organizations in the countries belonging to the Arab Maghreb Union.

The future enlargement of the Community was a further subject of intense discussion, both at the Committee and further afield. The Committee adopted an Opinion on this matter which focused on setting out a number of fundamental observations.

Turning to the question of relations between the EC and Western industrialized States, the Committee first and foremost continued its traditional cooperation with the EFTA States. The main subject for discussion at the two meetings with the EFTA Consultative Committee, held in Reykjavik and London, was the preparations for even closer cooperation in the

consultative committee established by the agreement on the European Economic Area (EEA). The proposed consultative committee is to comprise an equal number of representatives of the EFTA Consultative Committee and the EC Economic and Social Committee. The Committee also adopted an Opinion on the national treatment instrument, which provides for companies under foreign control operating in OECD member countries to be treated on the same footing as domestic companies.

The Committee devoted considerable attention to relations with States in the Southern Hemisphere. The democratization process and its economic and social basis was discussed at the 16th annual meeting with representatives of economic and social interest groups from the ACP States. The Committee's External Relations Section worked on an information report on relations between the European Community and Latin American States, which will be completed in early 1993. The Committee also delivered a concise Opinion endorsing the extension into 1993 of the scheme of generalized preferences for developing countries and the addition of several new countries to the beneficiaries list.

B — Relations with Central and East European countries

At a time of major political changes and regeneration in the countries of Central and Eastern Europe, where the aim is to introduce market economies and democratic social systems enabling those countries to make serious efforts to liberalize foreign trade and become an integral part of the world economy, the Committee believes that the historic opportunity must be seized to achieve closer and more reliable relations with these States. The Committee regards the removal of economic imbalances between Western and Eastern Europe as an absolute priority.

In September 1991 the Committee adopted an Opinion on relations between the EC and the countries of Central and Eastern Europe. The Opinion concentrated above all on the Association Agreements being negotiated with Poland, the CSFR and Hungary. The Committee proposed that a consultative committee be set up within the institutional framework. The proposed body, which would comprise members of the Economic and Social Committee and members of a similar grouping in the associated countries, would be consulted by the Association's Council on economic and social questions of common interest relating to the Association Agreements.

The Committee's Section for External Relations, Trade and Development Policy raised this subject once again with Commission Vice-President Andriessen in February 1992. Several Committee members pointed out

that the development of a social market economy in those countries could be greatly facilitated by the establishment of associations which could play the important role of catalyst, source of information and training body for employers and trade unions, the professions, commerce, cooperatives and consumers. Talks with EC economic and social interest groups would be of considerable benefit in this connection. This point was put to the Commission by the Committee Chairman in a number of letters and conversations.

Consultative mechanisms

In response to the various ESC proposals, the Commission asked the Committee to draw up an Opinion on the contribution that structured relations between representatives of management and labour could make to alleviating the problems of social adjustment, including unemployment, in the countries of Central and Eastern Europe as they move towards democracy and market economies. The Commission would like to know from the Committee, which has considerable experience in this area, whether such mechanisms could indeed contribute to greater stability, if representatives of socioeconomic interest groups were involved in a concerted way.

The Committee therefore examined two linked topics: firstly, how cooperation between the Committee and its counterparts in Central and East European countries, in a special body or a more structured consultative mechanism, could underpin the Community's attempts, through the Association Agreements, to assist the overall development of these countries; and, secondly, how a structured social dialogue could be fostered in those countries.

With a view to carrying out its work on this matter the Committee organized, at the end of September, a meeting with representatives of over 30 economic and social organizations in Poland, Czechoslovakia, Hungary, Romania and Bulgaria. The debate centred on the main obstacles to the introduction of democracy and a market economy and the role which economic and social organizations could play in overcoming those difficulties. A further topic was how structured relations between representatives of employers, trade unions and various other interest groups could be established, with a view to carrying out the consultative role within individual countries and securing cooperation between the social partners in Central and East European countries and the EC.

The Committee based its Opinion, which was accompanied by a Section report, on its contacts with economic and social organizations in Central

and Eastern Europe at this meeting, and on their replies to a questionnaire. It stressed that the shock therapies and short deadlines for establishing a market economy, apart from intensifying the recession and disappointing expectations aroused by the return to democracy, had turned out to be unrealistic, because the reform would take a long time and was characterized by an inability to cope with the serious social repercussions.

The data collected showed that insufficient priority had been given to the social dimension: economic restructuring had predominated, and the authorities of the countries concerned saw industrial relations and cooperation between the social partners as a possible obstacle to more rapid progress with economic reforms.

The Committee put forward some suggestions in this Opinion on the practical implementation of the agreements and assistance programmes, the participation of the economic and social organizations in the democratization of society and the economy, and the promotion of an advanced system of industrial relations — the essential complement to a social market economy.

The Committee reaffirmed the importance of consultation and of the institutionalized involvement of the social partners. It also stressed that there were no preconstituted models and that each of the countries concerned would have to define and develop the form and content of the social dialogue and consultative procedures to be followed.

The Committee regarded it as useful to set up consultative bodies analogous to the economic and social councils which existed in nearly all the Community countries. However, it also stressed that tripartite planning and consultation did not provide an answer to all problems of social polemics, either in the Community or in the countries of Central and Eastern Europe. On the contrary, the first signs confirmed what we already knew: that such a model could only function well if it was based on autonomous, well-identified, organized forces which had developed freely.

The development of industrial relations between autonomous social partners therefore assumed fundamental significance, while the role and responsibilities of the public authorities had to be safeguarded. To achieve this aim a legal framework was essential, but not enough. A precondition was the achievement of a high degree of autonomy, through democracy within the organizations, totally voluntary membership and genuine representativity. Next in importance came an adequate knowledge of the characteristics and problems of a market-oriented economy.

Relations with Bulgaria and Romania

Building its 1991 work on the Association Agreements with Poland, Czechoslovakia and Hungary, the Committee adopted an Own-initiative Opinion on the Association Agreements with Bulgaria and Romania.

Referring to its earlier critical comments, the Committee emphasized that, given the social and cultural conditions prevailing in Europe today, an 'economic area' which was not at the same time a 'social area' was unthinkable. The Committee therefore once more called upon the Council to refer in the preambles of the Europe Agreements to the social dimension of European unification and to mention the Community Charter of the Fundamental Social Rights of Workers adopted, albeit not unanimously, by the EC Heads of State or Government in December 1989. The Committee further noted with concern that although advocacy of the principle of 'social justice' remained a 'fundamental element of association' and was underlined as such in the Europe Agreements with Poland, Hungary and Czechoslovakia, the concept had been dropped from the preambles to the new Agreements.

With regard to the EC membership option incorporated in the preambles to the new Europe Agreements, it would have to be assumed that any future enlargement of the EEC would take place under vastly different circumstances — completion of the single market, economic and monetary union, foreign and security policy, the *acquis communautaire*. These would all place considerable demands on potential members — demands which could not be fulfilled by all applicant countries within a short time-scale. The EC Commission should therefore as soon as possible test and flesh out new forms and options for a coherent EC membership blueprint.

In its Opinion on the Europe Agreements with the Visegrad States, the Committee had already called on the contracting partners to involve economic and social interest groups in the political dialogue. It therefore proposed the incorporation of provisions in the new Europe Agreements whereby the Association Council guaranteed that economic and social interest groups would be involved in the political dialogue during the first stage of the transitional period. From the second stage this dialogue would take place within the framework of a consultative association committee representing economic and social interest groups. Such cooperation would fall within a wide-ranging dialogue between the economic and social interest groups of the European Community and those of countries in Central and Eastern Europe.

This Committee request has already received a positive answer: a Joint Declaration by the contracting parties to the Agreement with Romania refers to the possibility of setting up a consultative body representing

economic and social interest groups. Similar arrangements with the other countries of Central and Eastern Europe are therefore a distinct possibility.

The Committee approved the inclusion of a provision stipulating that respect for democratic principles and human rights, as well as adherence to free market principles, are regarded as vital elements of association. At the same time the Committee also recommended that the safeguarding of basic social rights and the rights of minorities should be regarded as a 'vital element of association'. Appropriate measures could be taken if these obligations were not met.

The Committee has frequently supported the East European call for multilateral cumulation. The Commission did not accept this call, with the result that the extremely restrictive rules of origin laid down in the Interim Agreements with the Visegrad States have become a major obstacle to increased trade. Since only uniform arrangements for the determination of origin can further the division of labour within Europe, the Committee called for the current EC-EFTA rules of origin, or indeed the future EEA rules with an alternative percentage criterion, to be inserted into all the Europe Agreements with the countries of Central and Eastern Europe ('pan-European' cumulation).

The Committee welcomed the agreements on the free movement of workers, but called for agreements covering workers from Eastern partner States who are employed illegally in the Community. The Committee expressed regret once again that the Commission had not even referred in a protocol to the Community's limited scope for action on freedom of movement in the medium term. In the Committee's view it was high time to ponder in depth the complex, multi-faceted issue of freedom of movement for workers between the European Community and associated partner States and work out durable solutions, within the framework of a coherent immigration policy, which did not arouse great expectations today, only to dash them tomorrow.

With regard to economic cooperation, the Committee felt that it would have been much more logical to have concentrated initially on just one or two key areas where urgent action was needed. The Committee primarily had in mind policy areas such as infrastructure, education and training, and nuclear power.

Emergency aid

In a further Opinion the Committee gave its views on the emergency aid for the people of Moscow and St Petersburg. The Committee whole-

heartedly supported the decision to provide aid. It had already emphasized in a number of Opinions that action to relieve acute hardship played an important role in stabilizing the economic and social situations of countries in the throes of reform in Eastern Europe. The Committee strongly endorsed the decision to give the EC Commission responsibility for the overall monitoring of (a) the delivery operations and (b) application of the criteria for distributing aid to the people concerned.

C — Non-EC Mediterranean States

In its Opinion of September 1992 on economic cooperation with the Maghreb States, the Committee took as its starting-point its earlier Opinions on Mediterranean policy and in particular the general guidelines they set out, namely the establishment of a Euro-Mediterranean strategic area, co-development policy, an overall Mediterranean approach, and regional cooperation.

The primary objective of EC-Maghreb cooperation should be Maghreb regional integration. Cooperation initiatives should have a synergetic and catalytic effect on economic and market integration processes, as well as on legislative and administrative harmonization.

The Committee also endorsed the Commission's individual suggestions for Community action to this end: support for the creation of a customs union, technical assistance in economic integration processes, funding for regional-level schemes, and the establishment of a Community-Maghreb dialogue at all levels and in all fields, with the aim of expanding the scope for cooperation between the Maghreb partners.

In addition, the Committee stressed the need to enhance the social dimension in the context of co-development policy *vis-à-vis* the Mediterranean countries. This presupposed the establishment of an ongoing dialogue — involving the key socioeconomic organizations — between the EC and the Arab Maghreb Union (AMU). The Committee had already taken a first step in this direction by organizing a meeting between the representatives of EC and AMU economic and social interest groups in April 1992 to explore matters of common interest. The main areas discussed were investment, migration and agriculture.

D — Enlargement

With its Opinion on the future enlargement of the Community, the Committee joined the general debate on the controversy over whether the European Community should be consolidated or extended.

The debate on enlargement is by no means new. It was even referred to in the preamble to the Treaty of Rome. Today the context is very different to that prevailing in 1957. The Community was born in a world split into opposing ideological and military blocs. These divisions have been replaced by the local conflicts on ethnic, religious and economic and social policy issues which have erupted in some countries in Eastern and South-Eastern Europe. The Committee pointed out that although up to now economic considerations had been largely at the centre of discussions on enlargement, political considerations would henceforth come to the fore.

The Committee pointed out that enlargement should not be achieved at the expense of consolidation; the Community's achievements must not be undermined. The integration of the European Community, its progressive enlargement and the cohesion of European Union, as shaped by the Maastricht Treaty, were vital to Europe's future stability. In that respect, the role of European Union would become even more dynamic and crucial as soon as its cohesion was reflected in the development of its institutions.

To remove any ambiguity with regard to the implications of accession to the European Union, the Committee strongly recommended that the impact of a substantial enlargement on the European institutions be taken into account and analysed in future negotiations. Over and above analyses of the specific short- and long-term problems and circumstances of applications for membership, account had to be taken of the repercussions on the institutions' capacity and the Union's financial resources for pursuing the goals enshrined in the Maastricht Treaty.

E — Relations with Western industrialized States

EFTA/EEA

Since 1975, an ESC delegation has held regular informal meetings with the EFTA Consultative Committee to discuss economic and social issues of common interest.

The two joint meetings held in 1992 between ESC and EFTA delegations were to have been the last of the series of informal meetings, in view of the new institutionalized forum for such encounters — the EEA Consultative Committee (EEA-CC) — provided for in the draft EEA Treaty between the EC and the EFTA States (Article 96 of the draft Treaty). However, in view of the Swiss rejection of the proposed Treaty and the consequent postponement of its entry into force, and hence the postponement of the setting-up of the EEA Consultative Committee, it is highly likely that the informal joint meetings will, for the time being, continue as before.

At their meeting in London in December 1992, the two sides agreed on future cooperation. Regardless of whether the two Communities will, or will not, for the reason given above, merge in the EEA-CC during the course of 1993, it is probable that the London decision to address a joint communication to the respective EC and EFTA authorities on a cooperative strategy for growth, employment and environment protection will be acted on.

OECD countries

As part of its work on relations between the OECD States, the Committee issued an Opinion on the application of 'national treatment' to companies under foreign control (i.e. under the control of nationals of another OECD member State) operating within the territory of an OECD State. The objective was to make the Community party to the OECD decision concerning the national treatment instrument and to ensure uniform application of the instrument, irrespective of the structure of the States concerned.

The Committee welcomed Community involvement in the national treatment instrument since the strengthening of the Member States' negotiating position by the Community in that way was, in the Committee's view, desirable, given the different degrees of liberalization which existed in that area between the Community and North America/Japan. It was unacceptable for the strict application of the national treatment principle in the Community to create competitive disadvantages *vis-à-vis* federal States where the principle was not universally applied. The Committee also saw national treatment as an effective instrument for promoting the transfer of know-how and capital, both within the Community and between the Community and third countries. National treatment thus constituted an important prerequisite for continuing productivity improvements in the various sectors of the EC economy.

F — North-South relations

The third focus of activities, besides the continuing work on the EC's relations with Latin America, referred to earlier, and the Opinion on the generalized system of preferences, was the annual meeting with delegates from economic and social interest groups in the ACP States. This consultation of the ACP and EC social partners by the ACP-EEC Joint Assembly is provided for in the Lomé Convention and organized by the Committee. The topic of this year's meeting was 'The democratization process: its socioeconomic base and the role of the economic and social interest groups'.

The discussions were based on documents drawn up by the Committee and by ACP delegates. At the end of the meeting a Joint Declaration was adopted, setting out the main conclusions regarding the objectives and the implementation of cooperation policy and, above all, the role of the economic and social interest groups within the democratization process, identifying possible joint activities and listing the corresponding demands.

At the same time practical assistance was given, in close cooperation with the Commission, by informing participants on how economic and social interest groups can become involved in development projects and on funding procedures and access to funds.

8. ENERGY POLICY, NUCLEAR QUESTIONS AND RESEARCH

Almost twice as many Opinions were allocated to the Section in 1992 as in 1991.

Like 1990, 1992 was a record year in terms of the number of Opinions drawn up. The number of Opinions on energy topics also continued to rise in 1992 as a proportion of total Section Opinions.

The year 1992 likewise saw an increase in the number of Opinions on nuclear topics.

Of the 13 Opinions already approved or still in the process of being drawn up in 1992, five were concerned with research and five with energy. Nevertheless, most of the work on research topics was not carried out or completed in 1992 itself.

A — Energy

Like previous Commission documents in this sector, the Commission's proposals were aimed ultimately at the creation of an internal energy market.

Some of the proposals referred to the Committee in the energy sector also fell within a global strategy for tackling the greenhouse effect and implementing the SAVE programme on the improvement of energy efficiency.

The year 1992 showed that energy topics were of growing interest and importance to the Community. Yet despite this, the Commission's energy proposals seem to have lost some of their bite, thereby sadly reflecting the deletion of the 'energy' chapter from the Maastricht Treaty.

On 6 March the Council consulted the Committee on common rules for the internal electricity market and the internal gas market.

These proposals are based on four general principles:

- (i) adoption of a gradual approach enabling the industry to adjust to its new environment in a flexible, orderly manner;
- (ii) adherence to the principle of subsidiarity whereby the Community merely defines a framework enabling Member States to opt for the system best suited to their natural resources, the state of their industry and their energy policies;
- (iii) avoidance of excessive regulation, leaving scope for commercial negotiations between the undertakings concerned;
- (iv) adoption of a legal approach providing for inter-institutional dialogue and consultation of the interested parties.

These basic principles are enshrined in a three-stage approach:

- (i) the first stage involves implementation of the Directives already approved on transit and price transparency;
- (ii) the second stage from 1 January 1993 (covered by the two proposals in hand) continues the liberalization process while respecting existing structures;
- (iii) the third stage, which is expected to enter into force on 1 January 1996, will be defined in the light of the experience acquired during the second stage; it should complete the internal market for gas and electricity and will involve extension of eligibility for third party access (TPA), which is to be implemented on a limited scale during the second stage.

The two draft Directives hinge on the following factors:

- (i) the abolition of exclusive rights for electricity production and the construction of electricity lines and gas pipelines; this requires a transparent, non-discriminatory licensing system opening up the market to independent operators and in particular to large energy-consuming undertakings;
- (ii) the concept of unbundling, i.e. separation of the management and accounting of production, transmission and distribution operators, to be put into practice in vertically integrated undertakings, in order to ensure transparency of operations;
- (iii) the introduction of limited third party access (TPA), requiring the transmission and distribution companies to provide access at reasonable rates to their network to certain eligible entities, within the limits of available transmission and distribution capacity.

In the communication accompanying the draft Directives, the Commission also stressed the need to back up the opening of national markets by measures guaranteeing fair, effective competition. These back-up measures concern the following areas:

- control of State aid;
- electricity and gas transmission infrastructures;
- standardization.

Given the controversial nature of the topic, the Section has been at work for approximately one year and the Opinion is not likely to be ready before January or February 1993. To secure contrasting views on the subject, a hearing was organized on 20 May with the following organizations: Euroelectric (European grouping of electricity enterprises), Eurogas (European union of the natural gas industry), E&P Forum (the oil industry's international exploration and production forum), Ifiec (International Federation of Industrial Energy Consumers), BEUC (European Bureau of Consumers' Unions), CSESP (European Public Service Trade Union Committee) and ETUC (European Trade Union Confederation).

Another controversial topic was the dual proposal of the Commission on 'emergency measures in the event of difficulties in the supply of crude oil and petroleum products' presented first as far back as 28 May 1991. Controversy led to the Commission withdrawing the initial proposal at the request of the Council. A new proposal was submitted on 6 May 1992 in which the oil stockholding issue was dropped and emphasis laid on 'emergency measures'.

The new approach recognizes the pre-eminent role of the International Energy Agency, with the Commission merely attending IEA meetings as spokesman for the Community's position hammered out earlier at Council level: the Member States will be expected to support the common stand taken by the Commission whilst the latter will be authorized to verify whether Member State measures actually comply with Community law.

The Opinion was approved by the Plenary Session on 22 October 1992.

The Committee Opinion endorsed the Commission's second proposal.

On 26 May the Section was asked to draw up an Opinion on the 'exploitation of hydrocarbons' within the framework of the single market.

The Opinion was approved by the Plenary Session on 25 November.

The Directive seeks to ensure non-discriminatory access to and exercise of the activities concerned. The proposal lays down the rules designed to attain this objective.

In order to fully attain the objective, these rules must also limit any restrictive effects of authorizations granted in the past. To this end, undertakings should be released from any obligations which will no longer be allowed, while at the same time steps must be taken, within reasonable limits, to give other undertakings access to areas reserved for a single undertaking under discriminatory conditions in the past.

Attainment of these objectives will create a more competitive environment in this industry and will contribute towards cutting costs, stimulating exploration and production activities and, as a result, making the Community more self-sufficient in oil and gas and generally improving its security of energy supplies. This will facilitate the free movement of oil and gas in the Community and thus complement the action taken by the Commission to liberalize the transmission and distribution stages of the gas market.

The general principles on which the draft Directive is based are:

- (i) Member States' sovereignty over their oil and gas resources insofar as this is compatible with the current level of Community integration;
- (ii) the principle of subsidiarity;
- (iii) the establishment of a legal framework rather than detailed regulations;
- (iv) the specific conditions for the exploitation of hydrocarbons (rules applied to public procurement contracts).

It should be emphasized that rules on the liberalization of the prospection, exploration and extraction of hydrocarbons will also apply to branches of non-Community companies. There will be a mechanism for withdrawing this right if companies from the Community do not enjoy reciprocal advantages in non-Community countries.

At the Study Group meeting of 4 September, a hearing was held with a small number of experts and comments were made on the legal aspects of the Commission proposal by Mrs Blanche Sas, of the specialist firm of Denton Hall, Buring and Warrens, London.

On 16 July the Section was asked to draw up an Opinion on the Commission proposal 'limiting carbon dioxide emissions by improving energy efficiency'.

The proposal sets out to achieve the objective set by the Council on 29 October 1990 of stabilizing carbon dioxide (CO₂) emissions by the year 2000.

In its communication to the Council of 14 October 1991 the Commission states that for the period 1990-2000, CO₂ emissions are likely to grow by 11%.

Owing to the slow introduction of energy-efficiency measures, this percentage could increase to 12 to 14%.

This prompted the Council to consider on 13 December last the measures which must be taken, particularly in order to:

- (i) improve energy efficiency (the objective of the present proposal);
- (ii) boost the proportion of the Community's energy consumption accounted for by renewable sources of energy (Altener programme);
- (iii) reduce the specific energy consumption of vehicles;
- (iv) reinforce the SAVE, Joule and Thermie programmes.

This proposal is part and parcel of the 'framework of a Community energy policy on energy efficiency', as defined in the SAVE programme approved by Council Decision 91/565/EEC.

The framework proposed by the SAVE programme embraces two other proposals allocated to other Committee Sections on:

- (i) an energy and CO₂ emissions ceiling;
- (ii) the monitoring of CO₂ emissions and other causes of the greenhouse effect.

The proposal, which pays due regard to the principle of subsidiarity and seeks to achieve the objective of stabilizing CO₂ emissions, provides for the adoption of the following specific measures:

- the certification of CO₂ emissions relating to energy consumption in buildings;
- the billing of heating, air-conditioning and hot-water costs on the basis of actual consumption;
- promoting third-party financing of investments in energy efficiency in the public sector;
- thermal insulation of new buildings;
- regular inspection of boilers;
- regular inspection of vehicles;
- energy audits of businesses.

A combination of these measures should reduce CO₂ emissions by 61 MT annually.

At its Plenary Session of 25 November the Committee endorsed the proposal and urged the Commission to adopt measures if the Member States were slow in implementing the Directive. The Committee also called for the highest current levels of technology to be applied.

On 16 July, the Section was also asked to draw up an Opinion on the Altener programme (alternative energy sources).

This proposal is part and parcel of the aforementioned global strategy of limiting CO₂ emissions.

The Altener programme will thus contribute towards better utilization of local energy sources, efficient allocation of public funds and environmental protection limiting emissions of greenhouse gases and other pollutants; it should also play its part in completing the internal market and reducing the Community's dependence on imported energy.

Four kinds of practical action are envisaged under the Altener programme:

- (i) measures to promote the market for renewable energy sources and their integration into the internal energy market. These measures will mainly involve the harmonization of legislation;
- (ii) financial measures such as studies and technical assessment for defining technical standards or specifications, measures to support the Member States' initiatives for extending or creating infrastructures concerned with renewable energy sources, measures to foster the creation of an information network aimed at improving coordination between national, Community and international activities, and industrial pilot schemes relating to energy from biomass, and in particular the production of biofuels and biogas and the use of short-rotation coppices and C4 plants;
- (iii) training, information and cultural activities;
- (iv) cooperation with third countries (developing countries and the countries of Central and Eastern Europe, including those of the former Soviet Union).

An ECU 40 million budget line is proposed for the implementation of this programme, which will run for five years.

In its Opinion of 24 November, the Committee approved the Commission proposal, subject to certain amendments relating to the budgetary aspects of the programme, the selection criteria and procedures applicable to measures eligible for Community funding, the assessment of programme results and transmission to the ESC of Commission reports.

B — Nuclear questions

On 28 July the Commission asked the Committee to draw up an Opinion on the draft Council Regulation on shipments of radioactive substances within the European Community.

The proposal constitutes an emergency interim measure needed to cover the period between 31 December 1992 (implementation date of Article 8a of the EEC Treaty) and the implementation date of the amended Council Directive 80/836/Euratom. The latter is still in abeyance pending adoption of a Committee Opinion.

The Commission proposes the abolition of frontier controls; it advocates that consignees of radioactive substances be required to provide substance holders with a written declaration enabling the authorities to verify compliance with the relevant national legislation at all times.

The Committee adopted its Opinion on 24 November; it supported the Commission subject to a uniform control system at the Community's external borders and identification of each shipment operation. The Committee also urged the Commission to take action should Member States delay implementation or fail completely to apply the measures in question.

As already indicated, the Section was asked on 8 July 1992 to prepare work on the draft proposal on basic standards relating to ionizing radiation. The proposal updates existing Directives 76/579 and 80/836/Euratom.

Since work on the draft proposal is not yet very advanced, the matter will not be on the Plenary Session agenda before 1993.

On 25 May the Bureau decided to ask the Section to prepare an Own-initiative Opinion on the technological problems of nuclear safety. The Bureau gave its authorization because of the importance of the topic and its new context (achievement of a single energy market), the linkage between energy and the environment, and the situation of the nuclear industry in the countries of Central and Eastern Europe.

The Section work is well advanced and the Opinion is likely to be on the January 1993 session agenda.

C — Research

On 19 December 1991 the Committee was consulted on a proposal to conclude cooperation agreements with Sweden and Finland, with a view to

their involvement in the Forest subprogrammes. Sweden was also to be included in the Reward programme.

These subprogrammes form part of a 'specific research and technological development programme in the fields of raw materials and recycling (1990-92)'.

In two Opinions adopted on 25 March 1992 the Committee approved the Commission proposal fixing the financial contributions from Sweden and Finland and establishing the entitlement of R&TD centres, as well as individuals from the countries concerned to submit research proposals and to conclude research contracts with the Commission. The Committee also endorsed the setting-up of cooperation committees with both Sweden and Finland to ensure proper implementation of the agreement.

On 11 May the Committee was consulted on the proposal establishing a multiannual programme for the development of Community statistics on research, development and innovation.

On 22 October the Committee endorsed the proposal. The Committee also advocated (i) coordination between the proposed programme and existing statistical programmes, as well as with programmes such as Stride, Sprint, Doses and the Eureka initiative, and (ii) collaboration with OECD and Eurostat partners.

The Committee dwelt on the importance of analysing the demand for statistics so that systems could be oriented to user requirements and SMEs could be fully involved in statistical information systems.

The Committee also recommended that the fourth framework programme contain a provision for financial support for the development of this kind of statistic.

On 25 August the Committee was also asked to draw up an Opinion on the proposal concerning supplementary financing of the third framework programme of Community activities in the field of research and technology (1990-94). The Opinion was adopted at the November Plenary Session. The Committee expressed pleasure that the gist of its comments on the third framework programme, contained in an Opinion adopted in November 1989, were incorporated in the new proposal. The Committee nevertheless expressed regret that Community R&TD programmes were still poorly financed, especially in respect of specific programmes which will not even receive their share of funding under the proposed supplementary financing. Now this topic has been opened up for discussion, it can be given in-depth treatment in the Opinion on the fourth framework programme which is likely to be referred to the Committee. With this referral in mind, three preparatory Study Group meetings were held in 1992.

Finally, this panorama of Section activities would not be complete without a reference to visits by leading figures from other Community institutions, and covering the Section work outside Brussels.

Highlights included the visit of Mr Claude Desama, Chairman of the European Parliament's Committee on Energy, Research and Technological Development, and that of the Portuguese Minister for Industry and Energy, Mr Luis Fernandes de Mira Amaral, who addressed us during the Portuguese Presidency.

In line with established practice, the Section also welcomed two Commissioners, Vice-President Filippo Maria Pandolfi and Mr Antonio Cardoso e Cunha, who attended discussions on subjects within their respective briefs.

We would finally mention the meeting held in London on 14 October during the British Presidency. This provided an opportunity to arrange a hearing and invite along representatives from a wide spectrum of economic and social activities in the United Kingdom. Given the circumstances prevailing in the United Kingdom at the time, the hearing constituted a useful framework for a fruitful exchange of views and experiences on the current situation and operational role of the Committee, as well as on the British economy and British society.

9. ENVIRONMENT, PUBLIC HEALTH AND CONSUMER AFFAIRS

Environment

Community action programme on the environment

In the first half of the year, the Committee endorsed the new Community action programme on the environment, based on the principle of sustainable development, which will provide the reference framework for Community environmental policy up to the year 2000.

Whilst endorsing the programme's concepts and basic outlines, the Committee emphasized the need to set political priorities and translate general guidelines into concrete proposals. It also called for the EFTA countries to be brought into the discussion.

For its part, the Committee would support the activities of the socioeconomic interest groups it represents in line with the principle of the shared responsibility of all actors at all levels; this would require a precise definition of delegated powers and decision-making levels.

The Committee considered that 'actors' in the field of environmental policy should also include workers' organizations, emphasizing that shared responsibility presupposed involvement in decision-making.

The Committee noted that the Maastricht Treaty, which constituted the point of reference for the programme, included a new 'level of action' for environmental policy and was worried that the funds available might fall short of what was required. The funds available under the Cohesion Fund were not sufficient to meet the need for environmental rehabilitation — a need which had increased in the mean time. Nevertheless, the Committee urged that all measures supported by the Cohesion Fund should satisfy the requirements of the environmental programme, and called for careful consideration to be given to ensuring that the Community funds made available for the implementation of environmental policy were compatible with the 'polluter pays' principle which must remain a pillar of Europe's environmental policy.

The Committee approved the new approach which consisted of an 'instrument mix' of regulatory instruments and economic measures designed to promote environment friendly behaviour and drew attention to the difficult problem of internalizing external costs and thinking through their social implications.

The European Agency for the Environment was one of the key instruments for implementing the proposal and the Committee again deplored the delay in setting it up.

Eco-audit

The proposed eco-audit scheme, based on Article 130s of the EEC Treaty, is one of the new instruments deriving from the concept of 'sustainable development'.

The aim of the system is to assess in-company measures for implementing official environmental protection requirements and to assess any environmental protection performance which goes beyond such requirements, and to make this understandable to the general public.

The Committee welcomed the proposed 'system', particularly since the environmental policy objectives were to be achieved with company resources, incentives for careful handling and improved information. The eco-audit system was thus an 'economic environmental policy tool'.

The Committee considered whether, in view of the audit system's voluntary nature, its objectives could not be achieved just as well by incorporating it in an industrial code of practice or in a future Eurostandard (ISO

standard), rather than by statutory legislation. The Committee nevertheless concluded, as did the Commission, that statutory arrangements were logical and necessary — see, for example, the recent Regulation on the eco-label — so as to achieve the following aims:

- (i) use of the environmental audit in an 'environmental statement', to be checked by *independent experts* and used to inform the competent bodies and the general public;
- (ii) use of an 'environmental logo' by firms having successfully completed the abovementioned procedure;
- (iii) participation of workers and their organizations in in-company audit systems and involvement of those organizations and environmental groups in appointing environmental verifiers (experts to corroborate the environmental statement), in accordance with the procedure laid down in Article 7;
- (iv) alignment of procedures for assessing in-company environmental protection in the Community.

The Committee finally made a series of specific comments on the adoption of norms, the participation of workers, the case for introducing the system into small and medium-sized firms, the qualifications of environmental verifiers and information for the public.

More specifically, the Committee drew up Opinions on atmospheric pollution, dangerous substances and international agreements on the protection of the environment.

Atmospheric pollution and dangerous substances

● *Protection of Community forests*

The Committee endorsed the proposed amendment to the Regulation on the protection of the Community's forests against atmospheric pollution, stressing the need for an overall structural policy to safeguard forests in Europe, as part of the Community's contribution to the protection of eco-systems and the attainment of sustainable development at world level. The Committee also approved the proposed amendment to the associated Regulation on protection of the Community's forests against fire; the Committee hoped that the Commission would cease basing its action on extensions of Regulations in order to fill legislative voids, and that it would undertake a revision of all forestry measures in the context of CAP reform.

- *Titanium dioxide*

As regards pollution caused by the titanium dioxide waste, the Committee welcomed the clarification provided by the Court of Justice concerning the most appropriate legal basis for environmental protection standards (Article 100a rather than 100s); the Committee called for rapid approval of the relevant Directive in order to minimize the duration of the legal void.

- *Incineration of hazardous waste*

The Committee hoped that the rigorous environmental protection measures proposed in the draft Directive on the incineration of hazardous waste, which followed on from the Directive on the incineration of urban waste, would help to increase the acceptability of incineration in suitable locations.

The Committee was aware that the general requirements of waste-management planning — particularly in the case of hazardous waste — could not be met by the present Directive alone. However, it stressed that the Directive had to be implemented in close conjunction with Article 6 of Directive 91/689/EEC, which obliged the competent authorities to draw up waste-management plans and to make those plans public. The Article also required the Commission to compare the plans, in particular the methods of disposal and recovery.

Hazardous wastes are made up of a huge number of compounds, often in extraordinarily complex combinations. Under different treatment conditions, these can generate reactions that are difficult to predict. A waste-management policy should therefore see that action is taken at company level, covering selective collection of the main waste flows, differentiated storage, and delivery at treatment plants in properly labelled special containers. Appropriate forms of pretreatment should be used so as to reduce the volume of waste (and thus transport costs) and if possible partially detoxify it (thus reducing both the hazardousness and the cost of final treatment).

The Committee stressed the importance of fully applying the public information measures laid down in the Directives on environmental impact assessment (85/337/EEC) and major-accident hazards (88/610/EEC). Full information was the only way to meet public concern about the incineration of hazardous waste and make that option acceptable when it offered the most appropriate solution.

Lastly, the Committee asked the Commission to check whether the provisions contained in Directives 80/1107/EEC and 89/391/EEC were

adequate, in the light of advances in know-how and technology, to protect the health and safety of workers at incineration plants. The Commission could consider the case for a specific Directive to protect workers at waste-treatment plants.

● *Dangerous substances — 13th amendment*

The proposal is based on Article 100a of the Treaty. It is designed to limit the marketing and use of the following substances and preparations because of the risks they pose to human health and the environment:

- (a) creosote, used to treat wood;
- (b) chlorinated solvents, used as cleaning agents both industrially and in the home;
- (c) carcinogenic, mutagenic and teratogenic substances and preparations which have been the focus of the 'Europe against cancer' programme.

The Committee endorsed the aims of the draft Directive and the implementing arrangements. The draft Directive gives concrete form to some of the specific measures contained in the 'Europe against cancer' programme, while at the same time improving protection of the public in general and non-professional uses in particular, and improving the operation of the internal market.

In the light of the work in progress on the classification and labelling of complex substances derived from petroleum distillation, the Committee pointed out that the derogations laid down in points 29, 30 and 31 of the annex for motor fuels covered by Directive 85/210/EEC only applied to petrol; they would not solve the problem of other widely used fuels such as diesel, LPG and gasoil. The Committee therefore proposed that the derogation apply to all motor fuels and to heating fuels whose carcinogenic components cease to be carcinogenic on burning, thereby precluding potential danger.

To avoid similar problems in the future, it also suggested allowing a longer period between the classification of a substance as carcinogenic, mutagenic or teratogenic and the entry into force of a ban.

International conventions

Several proposals of environmental interest derive their juridical origin from international conventions or agreements and specifically the following:

- the Montreal Convention (ozone),
- the Cites Convention (endangered species),
- the International Commission for the Protection of the Elbe,
- the Bonn Convention (pollution of the North Sea), and
- the Espoo Convention (transboundary pollution).

The details of the Committee's views on these proposals are set out below.

- *Ozone (Montreal Convention)*

Arising out of the Montreal Convention, Community legislation had envisaged the staged phasing-out of substances that deplete the ozone layer (CFCs, halons) by deadline dates ranging from 1997 to 2005. Recent scientific knowledge shows that damage to the ozone layer is more extensive than originally thought even a few years ago. Accordingly, the Commission proposed to speed up the phase-out to meet a deadline date for complete elimination by 1 January 1996.

The Committee endorsed the proposal, subject to the following comments:

- (i) account had to be taken of the gas released into the atmosphere during the recent volcanic eruption in the Philippines;
- (ii) the list of exemptions which the Commission was now preparing had to be justified and clearly defined in conjunction with the producer and user industries;
- (iii) certain toxicological studies should be undertaken;
- (iv) the Commission should ensure, via the UNEP (United Nations Environment Programme), that equivalent measures were taken worldwide by third countries;
- (v) the Commission should examine opportunities for recycling and eliminating the substances in question.

- *Endangered species (Cites Convention)*

EC trade in wild fauna and flora is currently regulated by a Regulation implementing the Cites Convention (Cites = Convention on International Trade in Endangered Species), but as the Regulation (as distinct from the Convention itself) has proved to be deficient in many respects, the Commission put forward a proposal to revise and update it.

The Committee approved the Commission proposal subject to several important qualifications:

- (a) it contains loopholes which might possibly be exploited;
- (b) it should be restricted to trade, and not contain a general ban on mere possession by individuals;
- (c) some of the procedures appeared cumbersome and unduly bureaucratic;
- (d) species which were actually threatened should not be in the same category as thousands of common species;
- (e) the proliferation of apparently contradictory classifications should be avoided;
- (f) the procedures concerning the following points were not clear:
 - (i) the rejection of applications for permits;
 - (ii) derogations regarding individual specimens;
 - (iii) monitoring of compliances;
 - (iv) the role of the Scientific Review Group;
- (g) attention should be paid to the training of customs officials, as even some professional biologists would not be competent to identify all species listed in the annexes;
- (h) as regards illegal trade, sanctions against shipping agents should be considered;
- (i) the vernacular names of species in the annexes should be given in addition to the Latin names;
- (j) a new annex should be established to cover 'harvested' species, i.e. species which in some countries were considered to be pests which had to be culled and traded (e.g. muskrats and kangaroos).

● *Protection of the Elbe*

The Committee approved the Commission's proposal to give legal status to a Convention to establish an International Commission for the Protection of the Elbe which was signed at Magdeburg in October 1990 between Germany, Czechoslovakia and the EC, and which was ratified by the Council in November 1991.

● *Oil pollution in the North Sea (Bonn Convention)*

The Committee also approved the Commission's proposals designed to bring the Bonn Convention, which deals with cooperation to combat

pollution in the North Sea, up to date and improve the technical and preventive aspects of the Convention. The Committee called for more direct involvement of the oil industry and the maritime transport industry in the implementation of the Convention.

- *Environmental impact assessment (Espoo Convention)*

The Espoo Convention deals with environmental impact assessment in a transboundary context. In its Opinion the Committee called upon all the parties concerned to ratify the Convention. The Committee did, however, urge that the respective responsibilities of the Member States and the Commission be more clearly defined.

Public health

- *Tobacco*

During the year, the Committee spent some considerable time examining a highly controversial proposal on tobacco advertising, which made provision for the following restrictions:

- (i) all forms of tobacco advertising shall be banned in the EC, except in tobacco sales outlets;
- (ii) well-known brand images associated with tobacco shall not be used for advertising non-tobacco products;
- (iii) likewise, brand images associated with non-tobacco products shall not be used for advertising tobacco;
- (iv) free distribution of tobacco shall be banned.

The Committee stated that it was aware that concern for health had led Member States to regulate and even ban tobacco advertising, but considered that the tobacco industry should be given the opportunity to draw up self-regulatory measures on advertising by 1 January 1994, and that the proposal for a Directive should be suspended until that date.

These self-regulatory measures should include at least a ban on tobacco advertising:

- (i) aimed specifically at young people;
- (ii) connected with sport;
- (iii) implying a connection between smoking and adulthood;
- (iv) on radio (a ban on TV already exists).

In any case, whatever advertising was permitted, it should not be aggressive, particularly in public places, and be subject to stringent conditions.

Finally, the relevant authorities in the various Member States should ensure that the self-regulatory code was complied with. A report on its implementation should be prepared by 31 December 1995 at the latest, and if the code was shown to be ineffective, the Commission should take the necessary remedial measures.

● *Drugs and drug addiction*

The Committee endorsed the proposal to set up a European Drugs Monitoring Centre and an Information Network on Drugs and Drug Addiction, seeing them as valid instruments for providing a wider approach to the problem than was possible at national level, while linking demand-reducing measures with steps to curb drug trafficking.

It asked to be associated appropriately with the work of the centre and called for efforts to curb demand to focus on:

- (i) giving inner-city areas a more human face;
- (ii) involving schools and universities in a health education and information programme;
- (iii) a leisure policy targeted at young people;
- (iv) economic and social action to create jobs;
- (v) an effective rehabilitation policy to combat discrimination against former drug addicts and to provide support for people working with young drug victims.

Consumer affairs

The highlight of the year in terms of consumer affairs was the participation of a Committee delegation at the Conference on Consumer Protection and the Development of the Single Market, held in Madrid from 11 to 13 March 1992 and hosted by the Spanish authorities and the Spanish consumers' association (Asgeco).

The inclusion of a chapter on consumer affairs in the Maastricht Treaty is thought to be in large part thanks to the Madrid Conference and the Committee's Own-initiative Opinion on the internal market and consumer protection delivered in September 1991. It should be noted that this chapter specifically envisages consultation of the Committee on consumer matters.

As a follow-up to its 1991 Opinion which gave priority to the political aspects of consumer affairs, the Committee in 1992 issued an additional Own-initiative Opinion focusing more on the content of Community consumer policy.

The additional Opinion examines Community initiatives and Committee Opinions on a wide range of subjects, for example foodstuffs, medicinal products, motor vehicles, defective services, etc., and made a number of recommendations.

The Committee noted with interest that:

- (i) the principle of subsidiarity came into play in consumer protection;
- (ii) the 1992 appropriation for consumer protection policy was twice the amount initially requested;
- (iii) a mediator would be appointed at the Parliament once the Maastricht Treaty had been ratified;
- (iv) the Council had adopted a resolution on 13 July 1992 on consumer policy.

The Committee nevertheless drew attention to certain ongoing problems as follows:

- (i) there was an imbalance between measures introduced to protect the health and safety of consumers, their financial interests and legal protection;
- (ii) EC institutions had quite frequently opted for non-mandatory instruments, such as resolutions or recommendations;
- (iii) consumer policy had not yet been incorporated to an adequate degree in other EC policies;
- (iv) the Commission's legislative programme for 1992 did not take adequate account of the issues highlighted by the Committee in its Own-initiative Opinion of September 1991.

The Committee recommended that:

- (i) dialogue between consumers and producers should be revived;
- (ii) the Commission should introduce more far-reaching measures, based on the proposals put forward by the Committee, once the Maastricht Treaty had been ratified.

Finally, the Committee decided to publish in brochure form a detailed study drawn up by outside experts entitled 'The protection of the consumer and the internal market — Evaluation and prospects'.

● *Distance selling contracts*

The Committee pointed out that rules to make distance selling more reliable were not only in the interests of the consumer — who wanted to be protected — but also of the firms concerned, since such rules could only enhance their credibility and thus help them to boost their turnover.

EC harmonization of protection measures was particularly welcome, since national rules could not cover all the problems faced by consumers in transnational negotiations. More favourable protection provisions should be safeguarded by making it clear that the Directive was setting minimum harmonization standards.

Financial guarantees were a particularly delicate point, and national rules differed. Belgium, the Netherlands and Portugal prohibited demands for advance payment either in full or in part, while the United Kingdom had guarantee funds financed by businesses in the sector. Other options involved insurance, tied deposits and penalties to protect the parties.

The diversity of practices and customs might make it difficult to decide what the best common instrument was, and it is advisable to leave regulation of the problem for the moment to voluntary codes of practice; but it was nevertheless necessary to safeguard the principle of the financial security of the contracting parties.

Accordingly, the Committee considered that a Directive defining minimum rules for consumer protection was the most appropriate instrument. However, it suggested that certain principles enshrined in the recommendation be mentioned in the Directive. It was thinking in particular of the principle that the consumer should be protected against the financial risks ensuing from failure to fulfil the contract, and against fraudulent practices that were damaging to both the consumer and the sector as a whole.

It was also clear that if the Directive operated in tandem with a recommendation on codes of practice, the consumer should be guaranteed appropriate information on the content of codes drawn up by the professional associations.

● *Foodstuffs*

During the year the Committee was particularly active in the field of foodstuffs — a subject of continuing interest under the heading of consumer protection.

(a) Official control

The Committee dealt with two supplementary proposals to the framework Directive 89/397 on the official control of foodstuffs. The more important of these provided for the following:

- (i) training of food inspectors;
- (ii) quality standards for laboratories;
- (iii) cooperation between EC and national inspection services;
- (iv) rules for a mutual aid system between the Member States;
- (v) circulation of reports.

The Committee endorsed the proposal but made the following detailed suggestions:

- (i) in view of existing differences in national food control procedures, the systems for training food inspectors should be tightened up;
- (ii) customs officials made redundant by the establishment of the internal market might be recycled as food inspectors;
- (iii) a more rigorous formulation of the Member States' obligations in respect of laboratory controls was desirable;
- (iv) the provisions relating to analysis methods allowed too much scope for differences; the Commission should compile a register of acceptable methods;
- (v) the role of the proposed European foodstuffs inspectorate should be re-examined after five years;
- (vi) victims of food poisoning might have to wait too long for redress because under the proposal confidential evidence could not be used.

The Committee also reiterated points which it had made in its Opinion on the original framework Directive 89/397:

- (i) a watertight system of code numbers should be introduced to trace the product's journey from producer to consumer;
- (ii) comparable penalties for comparable infringements should be introduced throughout the Community;
- (iii) there had to be effective cooperation between food control authorities and metrological bodies.

(b) Hygiene

The second proposal on the official control of foodstuffs dealt with hygiene rules for the foodstuffs chain from production to the final consumer. In particular the proposal covered HACCP (hazard analysis and critical control points).

The Committee approved the proposal, subject to a number of critical observations of which the principal were as follows: the proposal should be extended to include foods concerned by vertical legislation as well as horizontal; particular attention should be paid to the health and safety of employees in the workplace; the provisions on uniformity, monitoring and control should be re-examined; and finally, specific reference should be made to noxious insects.

(c) Labelling

A subject related to food control is of course food labelling, and the Committee dealt with a major proposal to amend the basic labelling Directive 79/112/EEC under the following headings:

- (i) name under which the product is sold;
- (ii) foodstuffs consisting of a single ingredient;
- (iii) labelling of alcoholic beverages;
- (iv) quantitative statement of ingredients or constituents.

These amendments in fact dealt with changes which had become desirable owing (1) to judgments of the Court of Justice, (2) to different national interpretations of the existing Directive, and (3) to the failure of the Council to enact full informative labelling for certain alcoholic drinks.

The Committee endorsed the proposal but recommended that the exemption for labelling of non-prepacked foods in the original Directive should be abolished. It suggested that lists of ingredients for such foods should be available for consultation by the consumer at point of sale. It also drew attention to differences of interpretation by Member States, particularly where products had similar names but different ingredients.

(d) Infant foods

The Committee also approved with certain minor observations a proposal on the rules regarding composition and labelling of infant formulae and follow-on formulae (originally described as follow-up milks) within the EC, which extended the application of those rules to products exported to third countries.

(e) Food contamination

'Contaminants' are defined as substances added unintentionally to food during the production/distribution process (e.g. heavy metals, mycotoxins,

substances in smoke, etc.), and the Commission proposed to set up a procedure whereby a list of maximum tolerances for specific contaminants may be established at Community level. This was approved by the Committee subject to observations of a technical nature on methods of sampling and analysis and on the applicable comitology.

On the problem of possible contamination of alcoholic drinks, the Committee approved two proposals which were put forward jointly by the Commission to prohibit the use of lead-based capsules on containers for spirit drinks, and for aromatized wines, wine-based drinks and wine-product cocktails, in order to avoid contamination and pollution and to allow a derogation whereby existing stocks could be used up.

(f) Additives

The Committee also dealt with two proposals on the subject of food additives, in respect of which the Commission is implementing an ongoing policy of drawing up a series of sub-Directives.

During the year the Committee endorsed a proposal for a sub-Directive establishing a list of authorized colours for use in foodstuffs, with detailed conditions for use.

The Committee accepted the proposal but undertook an analysis of the proposal under three headings:

- (i) the safety procedure used by the Commission through the Scientific Committee for Food;
- (ii) differing national traditions, to ensure that the rich variety of regional and national foods was covered;
- (iii) intakes of colours through animal feedingstuffs.

The Committee also approved, with certain observations of a technical nature, a proposal setting out rules for the use of sweeteners to replace sugar in foodstuffs. This measure replaces an earlier proposal which was rejected by the Parliament because of a controversial reference to traditional beers.

Finally, the Committee approved a proposal on a number of technical revisions to the original Directive on extraction solvents used in foodstuffs, based on data received from the SCF (Scientific Committee for Food).

● *Footwear*

In a completely different field the Committee examined a proposal to introduce harmonized pictogram labelling for footwear at EC level, (i) to

facilitate both producers and consumers, and (ii) to counteract the disparity between the national laws in certain Member States on footwear labelling which is creating barriers to trade.

The Committee endorsed the Commission's proposal subject to the following comments:

- (i) it was regrettable that the proposal was limited to materials labelling; the Commission was requested to submit a second proposal to cover other footwear characteristics, for example fit, water resistance, health aspects;
- (ii) to generate public familiarity with labelling and pictograms, explanations by manufacturers, retailers and consumer organizations should be extended beyond poster displays at points of sale;
- (iii) several technical modifications were suggested, notably to divide 'other materials' into natural and synthetic — each with its own pictogram.

CHAPTER III

Relations with the media

Relations with the media have become one of the Economic and Social Committee's priorities. In her inaugural address, Mrs Susanne Tiemann, the new ESC Chairman until October 1994, made it plain that the ESC must 'step up its efforts to promote its activities and Opinions and to make them more effective and more transparent (...) and to develop effective press and public relations campaigns'.

This move to boost the ESC's impact has been accompanied by an increase in the Press Division's resources, including the appointment of a new Head of Division.

Throughout 1992 the Division continued to improve its efforts to brief journalists via press releases and other written material and by increased direct personal contacts. In addition, informal meetings and working lunches were organized to encourage direct contact and an exchange of views between ESC members and journalists, especially with those from the countries which held the EC Presidency in 1992, namely Portugal and the UK.

Specific areas were targeted: the election of the new Chairman, the appointment of the new Secretary-General, the adoption of important Opinions (the fifth environment programme in conjunction with the Rio Conference, implementation of the Social Charter, citizens' Europe, small and medium-sized enterprises, etc.), the organization of major conferences, *inter alia* with the countries of Central and Eastern Europe, the ACP countries, the Maghreb.

The media were also alerted when the Committee conducted its business outside Brussels. Press conferences were organized in London on the pension funds Opinion and the establishment of the EEA Consultative Committee, and in Lisbon on the economic situation in Portugal.

The Chairman's official visits to Portugal and the United Kingdom were also backed by strong publicity campaigns. In London, for example, the Chairman's visit received wide coverage, including interviews in the press and on radio and television.

The *ESC Newsletter* is the principal vehicle for communication with the media; it is well on the way to becoming a genuine information sheet capable of meeting the needs of the media and reflecting the dynamic image which the Committee wishes to convey of its activities.

CHAPTER IV

The Groups

GROUP I — EMPLOYERS

Representatives at a high level of private and public industry, chambers of commerce, small business, wholesale and retail trade, transport, banking and insurance, agriculture and tourism make up the membership of the Employer's Group — Group I.

During the mid-term elections on 21 October the Chairmanship of the Committee passed from Mr Geuenich of Group II to Mrs Tiemann of Group III. The Group I members of the Committee Bureau were elected as follows: Committee Vice-Chairman: Mr Stecher Navarra; Bureau members: Messrs Andrade, Arena, Ceyrac, Kazazis, Pearson, Petersen, Proumens, Schade-Poulsen and Whitworth.

The Group Chairman, Mr Noordwal, was unanimously re-elected, together with five Vice-Chairmen: Messrs Arena, Löw, Perrin-Pelletier, Proumens and Whitworth.

At the constitutive Section meetings Mr Pardon and Mr Romoli were re-elected without opposition as Chairman respectively of Economics and Finance, and Energy, Nuclear Questions and R&D. Mr Cavaleirobrandao was elected to chair the Section for Industry, Commerce, Crafts and Services.

Though numerically the weakest of the three Groups with only 58 members, two women and 56 men, Group I has again provided rapporteurs for almost half of all the Opinions adopted by the Committee in 1992. The competence and wide range of expertise of its members and their strong commitment to the advancement of the European Community enable Group I to provide practical advice on the feasibility of proposed legislation and policies.

Most of the proposals contained in the White Paper on the completion of the internal market have now come before the Committee. The general effort to implement these proposals within the time-frame proposed by the Commission has been strongly supported by Group I. In particular, the

Group underlines the pressing need to abolish technical barriers to trade and to simplify customs formalities, and stresses the importance of ensuring that indirect taxation and excise duties are brought closer together. Group I is also keenly interested in the liberalization of services and the opening-up of public purchasing procedures.

The Group is convinced that the freedom to trade resulting from completion of the internal market will enhance economic growth and increase employment opportunities, leading to greater prosperity in all regions of the Community. The Employers' Group will continue its cooperation with employees, consumers and other social groupings towards this goal of growth and stability.

The opening-up of the countries of Eastern Europe has given rise to in-depth studies by the ESC of their situations and prospects for development. The response of Group I is wholehearted, with practical support for the movement towards free market economies, the encouragement of investment, the restructuring and creation of industries, training measures, and the protection of the environment, all of which are essential to future peace and prosperity.

Seeing one function of the European Economic Area between the EC and the remaining EFTA countries as that of bridge with the emergent democracies of Eastern Europe, employers have participated fully in all meetings with the EFTA Joint Consultative Committee. The series of seminars aimed at making contact with economic and social interest groups in these countries also has their wholehearted support.

At the 25th Joint Meeting of ESC and EFTA delegations in London in December 1992 the rules of procedure for the EEA Consultative Committee were adopted unanimously, the first of the new institutions under the EEA to do so. Instrumental in reaching final agreement in time was Mr Noordwal who chaired the joint ESC/EFTA working group.

Employers regard the Committee as a forum unique in its ability to bring together the widest possible range of 'social partners' as represented in all three Groups. The structure which allows these representatives to meet separately at their monthly Group meeting, then together in the study groups and sections which work on each subject, is conducive to in-depth debate and in most cases leads to the resolution of conflicting interests in a consensus Opinion.

During the past year there have been useful joint meetings of employers from EFTA countries and from the ESC in Reykjavik, hosted by the Confederation of Icelandic Employers, and London, hosted by the Confederation of British Industry, in preparation for the plenary meetings of the Joint Consultative Committee.

A similar employers' preparatory meeting preceded the 16th ACP Conference in December in Brussels and gave rise to a series of constructive proposals from both ACP and EC participants for improving future conferences.

At its extraordinary meeting in September, Group I adopted a report on the structures and management of the ESC Secretariat, drafted by Mr Schade-Poulsen and Messrs Arena, Ceyrac and Petersen following a decision of the Group's 1991 extraordinary meeting. This report has been sent to the Chairmen of the Committee and of Groups II and III, to the members of the Bureau and to the Secretary-General as an element of future discussions in the Bureau on a restructuring of the Secretariat in preparation for the advent of the Committee of the Regions.

The Group I Secretariat keeps in touch with a large number of trade and sectoral organizations at European level in addition to its close links with Unice (Union of Industries of the European Community), CEEP (European Centre of Public Enterprises), Eurochambres (European Permanent Conference of Chambers of Commerce and Industry) and four wholesale and retail organizations: Fewita (Federation of European Wholesale and International Trade Associations), CECD (European Confederation of Retailing), CLD (Liaison Committee of the European Retail Associations) and Celcaa (Liaison Committee of Agro-alimentary Businesses). The Group Chairman attends the six-monthly meetings of the Unice Council of Presidents and its Executive Committee meetings.

Despite a steady increase in the range of duties required of the Group Secretariat, there has been no reinforcement of the four staff members headed by Mrs Anna McClelland. This situation is currently under examination by the Committee Chairman with the three Group Chairmen.

GROUP II — WORKERS

At the half-term renewal of the Committee in October the Group nominated as Vice-President of the Committee Giorgio Liverani (UIL, Italy), and as other members of the Bureau René Bleser (CGT, Luxembourg), Campbell Christie (TUC, United Kingdom), Jakob Draaijer (FNV, the Netherlands), Michael Geuenich (DGB, Germany), Albert Mercier (CFDT, France), Bent Nielsen (LO, Denmark), Victor Hugo Sequiera (UGT, Portugal), Jean-Claude Vandermeeren (FGTB, Belgium), and José Maria Zufiaur (UGT, Spain). The Group re-elected Tom Jenkins (TUC, UK) as its President, and Michael Geuenich and José Maria Zufiaur as its Vice-Presidents. The Group's nominees for the Presidency of Sections for the following two years were elected: Section for External Relations, Trade and Development Policy — John Carroll (ICTU, Ireland); Section for Social, Family,

Educational and Cultural Affairs — Giacomina Cassina (CISL, Italy); and Section for Transport and Communications — Eike Eulen (ÖTV, Germany). Geert Stratemans continues as Secretary to the Group.

The Group held an extraordinary meeting in February, mainly to examine the consequences of the Maastricht Treaty. They were addressed by Emilio Gabaglio, General Secretary of the European Trade Union Confederation, and discussed in particular the relationship between work carried out in the Committee and the new provisions concerning social dialogue set down in the Treaty. They also discussed issues relating to the establishment of a Committee of the Regions, on the basis of a report by Michael Geuenich, who had been elected President of the Committee in January, to replace the late Francois Staedelin. Michael Geuenich and Tom Jenkins represent the Group in a standing working party set up by the Bureau to follow developments in relation to the Committee of the Regions. The Group was represented by Jakob Draijer and Klaus Schmitz (DGB, Germany) in an *ad hoc* group which made a preliminary report to the Bureau in November on ways of improving the impact of ESC opinions.

Members of the Group have continued to take a leading part in drawing up opinions and information reports in the social policy field, in particular about equitable remuneration, youth protection, vocational training, collective redundancies, economic and social cohesion, health and safety and pension issues. The Group initiated discussion on the application of the Community Social Charter and expressed deep concern at the refusal of employers' representatives to acknowledge the need for Community social legislation to be extended. The Group has initiated continuing work on the role of the public sector in Europe, and on employment. Representatives of the Group were also rapporteurs on a wide range of opinions, notably in the fields of the environment, regional policy, EC funding and external relations.

The Group provided rapporteurs for meetings related to the expanding network of contacts which the ESC is establishing with economic and social organizations from outside the Community, notably the EC/ACP annual conference in November; joint meetings with the EFTA Consultative Committee in May and December; with representatives of Maghreb countries in April; and from Eastern and Central European countries in October.

Relations with the European Trade Union Confederation and its affiliated industry committees have been maintained during the year to mutual benefit. Representatives of the Group have attended a range of activities organized by those organizations. The Group President participates regularly in meetings of the Executive Committee of the ETUC on an official

basis. He also addressed the ETUC Mediterranean Conference in November, and the General Assembly of the European Trade Union Committee for Education in December. Contacts have been maintained with members of the trade union intergroup of the European Parliament.

GROUP III — VARIOUS INTERESTS

The year 1992 was the year in which political leaders finally recognized the need to build a 'citizens' Europe' and to associate ordinary people in the building of the Community.

This pressing need was confirmed in the conclusions of the Birmingham European Council and at the Edinburgh Summit.

The outcome of the Danish referendum on the Maastricht Treaty obliged Europe's political leaders to face up to their citizens' desire to take part in the integration process and to be kept abreast of the decisions adopted by the Community institutions, and their demand for openness about the procedures by which these decisions are taken and implemented.

These demands gathered increasing force throughout the following months, both in France in tandem with the referendum and in other Member States during the debates accompanying ratification of the Maastricht Treaty.

Group III has always been especially involved in the building of a citizens' Europe. The Group's members represent socioeconomic organizations which are particularly close to the people, for whom they thus provide a voice.

The Group's members include farmers, craft workers, traders, and representatives of small businesses, the professions and consumers, the scientific community and the education sector, cooperatives and non-profit associations, and family organizations and environmental lobbies.

It was thus logical and natural — as well as highly significant — that the Chair of Group III was appointed rapporteur for the Information Report and subsequent Own-initiative Opinion on the citizens' Europe.

Like many other Committee Opinions, these papers reaffirm the entitlement of the many interest groups represented in Group III, who provide a mouthpiece for the various strands of European society, to play a part in decisions regarding the EC's socioeconomic development.

Group III — always alive to the problems facing the various sectors of society today — also spearheaded a proposal, later taken up by the Committee, to produce an Opinion on non-urban and rural areas.

This Opinion, still in the drafting stage, will examine such problems as the growing number of people living in large towns and cities despite all the difficulties of city life; and the need to reverse this trend by offering residents of non-urban and rural areas the same standard of services and facilities as urban dwellers. The Opinion will also consider the problems raised by the ageing of the population and the need for proper social and health facilities within easy reach of rural dwellers.

During 1992, Group III members also acted as rapporteur for a large number of Opinions assigned to the Section for Agriculture and Fisheries and other Committee Opinions on a wide range of subjects, including:

- the promotion of renewable energy sources in the Community;
- voluntary participation by industrial businesses in an EC eco-audit scheme;
- the consumer and the EC internal market;
- EC action programme for the environment and sustainable development;
- statute for a European cooperative society, mutual society and association;
- legal protection of databases;
- SMEs and craft industries;
- action plan for the introduction of advanced television services in Europe;
- Europe 2000: outlook for the development of EC territory;
- third EC action programme to assist disabled people (Helios II) (1992-96);
- organization of the European Year of the Elderly and of Solidarity between Generations, 1993;
- new prospects for Community cultural action.

The year 1992 saw elections of officers for the second two-year period of the Committee's current term of office. On a unanimous proposal from Group III, Mrs Susanne Tiemann was elected to chair the Economic and Social Committee; Mrs Beatrice Rangoni Machiavelli was re-elected to chair Group III

* * *

With the death of Pedro Vidal on 19 June 1992 — in Brussels attending a meeting at the Committee — the Group lost a close friend and colleague. Mr Vidal had been Vice-Chairman of the Group from 1988 to 1990 and sat on the Committee Bureau.

CHAPTER V

Internal aspects of the Secretariat

1. STAFF

In 1992 the number of permanent posts in the General Secretariat totalled 510, four (i.e. less than 0.8%) up on the figure for 1991. There were 58 category A posts (including one special career bracket), 70 category B posts, 224 category C posts, 39 category D posts and 119 LA posts.

This small increase in manpower did not prevent the ESC from operating efficiently and carrying out its duties; this was due in particular to the benefits of a vigorous staff redeployment policy in certain areas and the gradual introduction of modern computer technology. It must, however, be pointed out that the present career structure for categories LA, B, C and D is not at all conducive to a high level of staff motivation and could affect the overall efficiency of the Committee's work. This would be particularly unfortunate as the ESC is the only forum where the European Communities interface directly with representatives of the socioeconomic interest groups.

Furthermore, when the Maastricht Treaty is ratified, the ESC will face a major administrative challenge: the Committee is also to service the future Committee of the Regions via a common structure. This new situation means that, even more than in the past, the ESC must be given the additional resources commensurate with what is expected of it.

2. BUDGET

Appropriations for 1992 totalled ECU 51 635 224, 7% up on the ECU 48 335 868 of 1991.

3. MEETINGS

There were nine Plenary Sessions and 12 Bureau meetings in 1992. Working bodies met as follows:

Sections	66
Study Groups	329
Groups I, II and III	85
Meetings of recognized sub-groups	162
Miscellaneous meetings	386
Visitors' groups	241

4. STRUCTURE OF THE GENERAL SECRETARIAT IN 1992

Chairman

Private office

Group secretariats

Financial control division

Secretary-General

Private office

Secretariat

- Press division
- MIS (management information system)

Directorate for the Registry of the Assembly and Bureau and for Planning

- Assembly/Bureau, legislative planning, institutional affairs
- Mail/archives/documentation

Division for information, publications and relations with socio-professional groups

Directorate for Personnel, Administration and Finance

- Legal matters, archives, staff information, follow-up to heads of administrative meetings
- Medical/welfare unit

Division for recruitment and personnel management
Financial service

Directorate A — Consultative work

Division for economic, financial and monetary questions
Division for protection of the environment, public health and consumer affairs
Department for social, family, educational and cultural affairs

Directorate B — Consultative work

Division for industry, commerce, crafts and services
Division for transport and communications
Department for regional development and town and country planning

Directorate C — Consultative work

Division for agriculture and fisheries
Division for external relations, trade and development policy
Department for energy, nuclear questions and research

Directorate-General for Coordination, Translation and General Affairs

Division for studies and conferences
Department for informatics, office automation and telecommunications

Directorate for Translation, Document Production and Internal Affairs

Translation

Production

- Department for document production and dispatch
- Printing/dispatch/distribution
- Department for internal affairs
- Meetings/reception

ANNEX A

**List of Opinions
and Information Reports
issued during 1992**

293rd PLENARY SESSION OF 29 AND 30 JANUARY 1992

Medical devices

(Rapporteur: Paul Flum) (CES 86/92)

Type-approval of motor vehicles and their trailers (amendment to Directive 70/156/EEC)

(Rapporteur: Gordon Pearson) (CES 87/92)

Measures for the prevention of specified zoonoses and of specific zoonotic agents in animals and products of animal origin in order to prevent outbreaks of food-borne infections and intoxications

(Rapporteur: Georges Proumens) (CES 88/92)

Measures for the control of avian influenza

(Rapporteur: Georges Proumens) (CES 89/92)

Urgent action for the supply of agricultural products to the people of Moscow and St Petersburg

(Rapporteur-General: Jens-Peter Petersen) (CES 90/92)

Collective redundancies (amendment to Directive 75/129/EEC)

(Rapporteur: Giorgio Liverani) (CES 91/92)

Annual economic report 1991/92

(Rapporteur-General: Bernardus Pompen) (CES 92/92)

Undesirable substances in animal feedingstuffs (amendment to Directive 74/63/EEC)

(Rapporteur: José Luis Mayayo Bello) (CES 93/92)

Producer groups and associations thereof (amendment to Regulation (EEC) No 1360/78)

(Rapporteur-General: Michael P. Strauss) (CES 94/92)

Third Community action programme to assist disabled people (Helios II (1992-96))

(Rapporteur: Jocelyn Barrow) (CES 95/92)

Agricultural insurance (Information Report)

(Rapporteur: Pere Margalef Masia) (CES 454/91 fin)

294th PLENARY SESSION OF 26 AND 27 FEBRUARY 1992

Action plan for the exchange of national officials between Member State administrations who are engaged in the enforcement of Community legislation required to build the single market

(Rapporteur: Richard Müller) (CES 208/92)

Trans-European mobility scheme for university studies (Tempus) (amendment to Decision 90/233/EEC of 7 May 1990)
(Rapporteur: Herbert Nierhaus) (CES 209/92)

Application of social security schemes to employed persons, to self-employed persons and to members of their families moving within the Community (amendment to Regulations (EEC) Nos 1408/71 and 574/72 laying down the procedure for implementing Regulation (EEC) No 1408/71)
(Rapporteur: Gordon Pearson) (CES 210/92)

Free movement of doctors and mutual recognition of their diplomas, certificates and other evidence of formal qualification
(Rapporteur: Gordon Pearson) (CES 211/92)

Programmes for the reduction and eventual elimination of pollution caused by waste from the titanium dioxide industry
(Rapporteur: Enzo Beltrami) (CES 212/92)

Wheeled agricultural or forestry tractors
(Rapporteur: Hans-Jürgen Wick) (CES 213/92)

Participation by the Community in the third revised OECD decision concerning national treatment
(Rapporteur: Helmut Giesecke) (CES 214/92)

Support system for producers of certain arable crops; common organization of the market in cereals; amendment to Regulation (EEC) No 2727/75 on the common organization of the market in cereals (three draft Regulations)
(Rapporteur: Luc Guyau) (CES 215/92)

Common organization of the market in raw tobacco; premiums for leaf tobacco by group of tobacco varieties and processing quotas allocated by group of varieties and by Member State (two draft Regulations)
(Rapporteur: Luc Guyau) (CES 216/92)

Common organization of the market in beef and veal (amendment to Regulation (EEC) No 805/68 and repeal of Regulation (EEC) No 468/87 laying down general rules applying to the special premium for beef producers and Regulation (EEC) No 1357/80 introducing a system of premiums for maintaining suckler cows); fixing of intervention prices for adult bovine animals; measures to promote and market quality beef and veal; common organization of the market in sheepmeat and goatmeat (amendment to Regulation (EEC) No 3013/89); rules for the granting of premiums to sheepmeat and goatmeat producers (amendment to Regulation (EEC) No 3493/90)
(Rapporteur: Joseph Rea) (CES 217/92)

Common organization of the market in milk and milk products (amendment to Regulation (EEC) No 804/68); additional levy in the milk and milk products sector; compensation for reduction of individual milk reference quantities and for definitive discontinuation of milk production; target price for milk and intervention prices for butter, skimmed-milk powder and Grana Padano and Parmigiano Reggiano cheeses; dairy cow premium scheme; promotion of consumption in the Community and expansion of the markets for milk and milk products
(Rapporteur: Joseph Rea) (CES 218/92)

Agricultural production methods compatible with the requirements of the protection of the environment and the maintenance of the countryside; Community aid scheme for forestry measures in agriculture; Community aid scheme for early retirement from farming
(Rapporteur: José Bento Gonçalves) (CES 219/92)

Integrated system for the management and supervision of certain Community aid schemes
(Rapporteur: Michael P. Strauss) (CES 220/92)

Interbranch organizations and agreements in the tobacco sector
(Rapporteur: Philip Noordwal) (CES 221/92)

Annual economic report 1991/92 (Additional Opinion)
(Rapporteur: Bernardus Pompen) (CES 222/92)

Promotion of employee participation in profits and enterprise results
(Rapporteur: Michael G. Bell) (CES 224/92)

Coordination of certain rules concerning copyright and neighbouring rights applicable to satellite broadcasting and cable retransmission
(Rapporteur: Jean Pardon) (CES 225/92)

Economic and social cohesion (Own-initiative Opinion)
(Rapporteur: Ettore Masucci) (CES 226/92)

295th PLENARY SESSION OF 25 MARCH 1992

Protection of the Community's forests against atmospheric pollution (amendment to Regulation (EEC) No 3528/86); protection of the Community's forests against fire
(Rapporteur: Gianpaolo Pellarini) (CES 353/92)

Infant formulae and follow-on formulae intended for export to third countries; marketing practices for breast milk substitutes in developing countries by Community-based manufacturers (draft Directive and draft resolution)

(Rapporteur: G. H. E. Hilkens) (CES 354/92)

Procurement procedures of entities operating in the water, energy, transport and telecommunications sector (amendment to Directive 90/531/EEC)

(Rapporteur: Paul Kaaris) (CES 355/92)

Equipment and protective systems intended for use in potentially explosive atmospheres

(Rapporteur: François Perrin-Pelletier) (CES 356/92)

Coordination of procedures for the award of public works contracts

(Rapporteur: Paul Kaaris) (CES 357/92)

Conclusion of a cooperation agreement between the European Economic Community and the Republic of Finland on a research and technological development programme in the field of renewable raw materials: forestry and wood products (including cork), Forest

(Rapporteur: Philip Noordwal) (CES 358/92)

Conclusion of a cooperation agreement between the European Economic Community and the Kingdom of Sweden on a research and technological development programme in the field of renewable raw materials: forestry and wood products (including cork), Forest, and the recycling of waste, Reward

(Rapporteur: Philip Noordwal) (CES 359/92)

Protection of animals at the time of slaughter or killing

(Rapporteur: Hans-Jürgen Wick) (CES 360/92)

Financing of health inspections and controls of fresh meat and poultry meat (amendment to Directive 85/73/EEC)

(Rapporteur: Hans-Jürgen Wick) (CES 361/92)

Transitional national compensation for farmers in Germany

(Rapporteur: Rudolf Schnieders) (CES 362/92)

Annual report on the implementation of the reform of the structural Funds (1990)

(Rapporteur: Campbell Christie) (CES 363/92)

296th PLENARY SESSION OF 29 AND 30 APRIL 1992

General rules on the definition, description and presentation of aromatized wines, aromatized wine-based drinks and aromatized wine-product cock-

tails (first amendment to Regulation (EEC) No 1601/91); general rules on the definition, description and presentation of spirit drinks (first amendment to Regulation (EEC) No 1576/89)

(Rapporteur: Rudolf Schnieders; co-rapporteurs: Mario Bottazzi and Karen Gredal) (CES 490/92)

Freedom of management and investment of funds held by institutions for retirement provision

(Rapporteur: Jean Pardon; co-rapporteur: Pierre Chevalier) (CES 491/92)

Role of mutual guarantee systems in the financing of SMEs in the European Community (Commission communication)

(Rapporteur: Eugène Muller) (CES 492/92)

Fertilizers

(Rapporteur: Georges Proumens) (CES 493/92)

Procedure for the application of the rules on competition to undertakings in the air transport sector (amendment to Regulation (EEC) No 3975/87); application of Article 85(3) of the Treaty to certain categories of agreements and concerted practices in the air transport sector (amendment to Regulation (EEC) No 3976/87)

(Rapporteur: René Bleser) (CES 494/92)

Licensing of air carriers; access for air carriers to intra-Community air routes; fares and rates for air services

(Rapporteur: Robert J. Moreland) (CES 495/92)

Control rules and measures to combat African horse sickness; animal health conditions governing the movement and import from third countries of equidae (amendment to Directive 90/426/EEC) (draft Regulation and draft Directive)

(Rapporteur: Georges Proumens) (CES 496/92)

Granting, for the 1988/89 to 1995/96 wine years, of permanent abandonment premiums in respect of wine-growing areas (amendment to Regulation (EEC) No 1442/88)

(Rapporteur: Charles Pelletier) (CES 497/92)

Guidelines for operational programmes which Member States are invited to establish within the framework of a Community initiative for regions heavily dependent on the textiles and clothing sector (Retex) (draft notice from the Commission to the Member States) (Own-initiative Opinion)

(Rapporteur: Alexander R. Smith) (CES 498/92)

Minimum requirements for improving the safety and health protection of workers in the extractive industries for the exploration and exploitation of minerals in mines and quarries
(Rapporteur-General: Paul Flum) (CES 499/92)

Definitive system under which non-resident carriers may operate domestic road haulage services within a Member State
(Rapporteur: Ulbo Tukker) (CES 500/92)

From the Single Act to Maastricht and beyond — The means to match our ambitions (Delors II package)
(Rapporteur: Vasco Cal; co-rapporteur: Klaus Meyer-Horn) (CES 501/92)

Prices for agricultural products and related measures (1992/93)
(Rapporteur-General: Giuseppe Pricolo) (CES 502/92)

European agency for safety and health at work
(Rapporteur: Thomas Ety) (CES 503/92)

Minimum safety and health requirements for work on board fishing vessels — 10th individual Directive within the meaning of Directive 89/391/EEC
(Rapporteur: Thomas Ety) (CES 504/92)

Organization of the European Year of the Elderly and of Solidarity between Generations, 1993
(Rapporteur: Tomás Roseingrave) (CES 505/92)

The citizens' Europe (Information Report)
(Rapporteur: Beatrice Rangoni-Machiavelli; co-rapporteur: Tom Jenkins)
(CES 955/91 fin)

297th PLENARY SESSION OF 26 AND 27 MAY 1992

Excise duties on motor fuels from agricultural sources
(Rapporteur: Aldo Romoli) (CES 627/92)

Transit statistics and storage statistics relating to the trading of goods between Member States
(Rapporteur: Camille Giacomelli) (CES 628/92)

Return of cultural objects unlawfully removed from the territory of a Member State; export of cultural goods (draft Directive and draft Regulation)
(Rapporteur: Georges Proumens) (CES 629/92)

Communication from the Commission to the Council on supplementary social security schemes: the role of occupational pension schemes in the social protection of workers and their implications for freedom of movement

(Rapporteur: Ada Maddocks) (CES 630/92)

Hygiene of foodstuffs

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(Rapporteur: Gordon Pearson) (CES 1027/92)

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(Rapporteur: John Little) (CES 1029/92)

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(Rapporteur: Ulbo Tukker) (CES 1030/92)

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(Rapporteur: Manuel Ataíde Ferreira; co-rapporteurs: Kommer de Knecht and Georges Proumens) (CES 1320/92)

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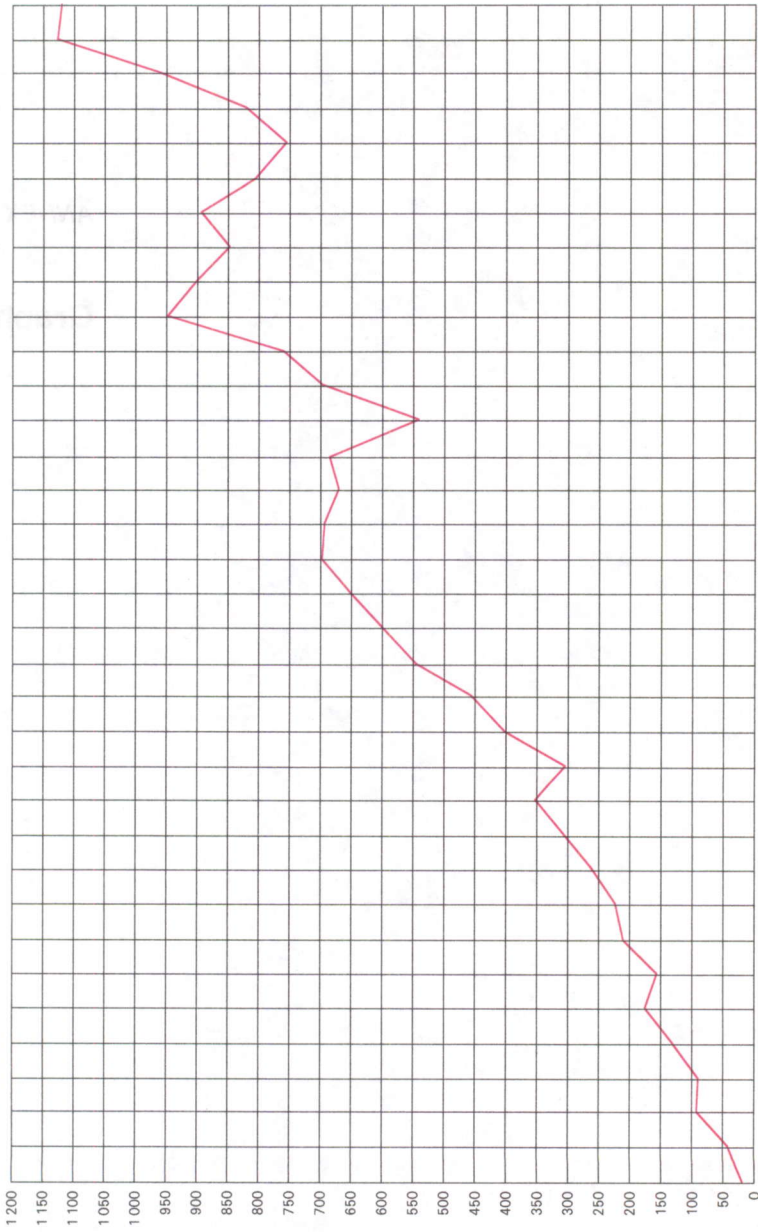
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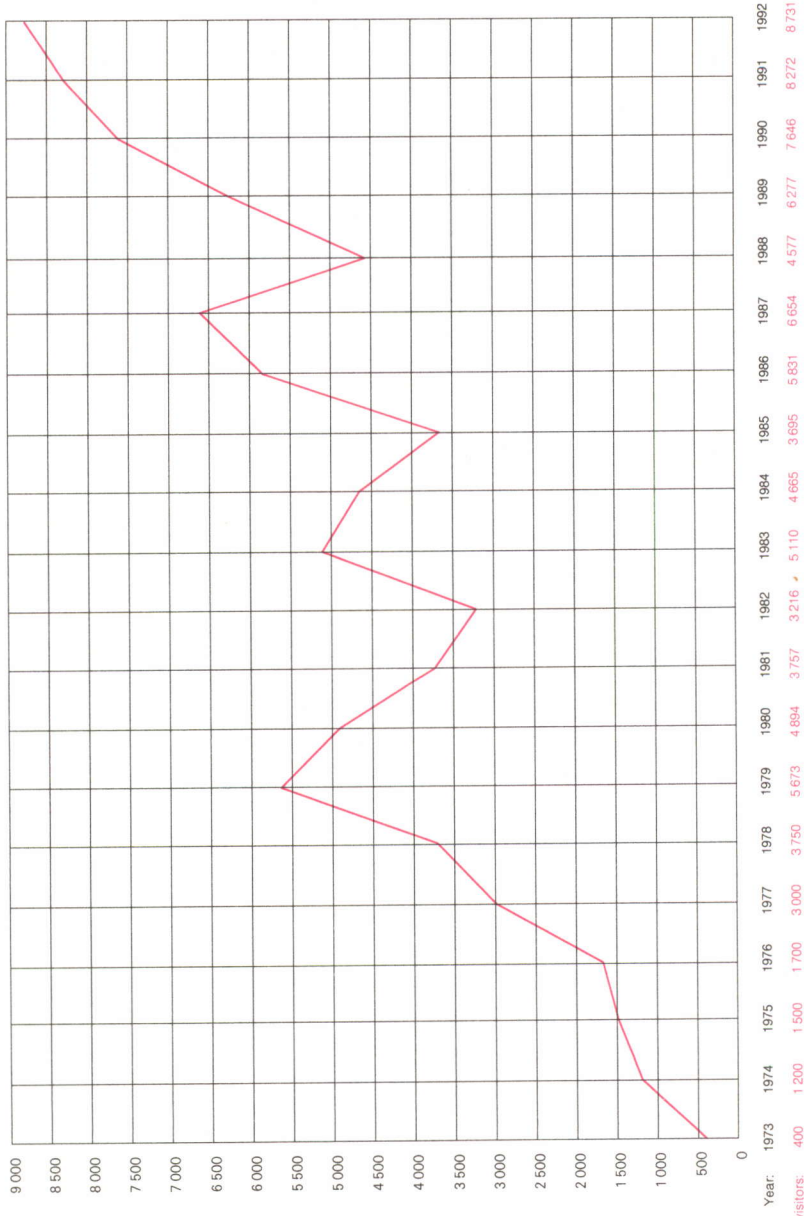
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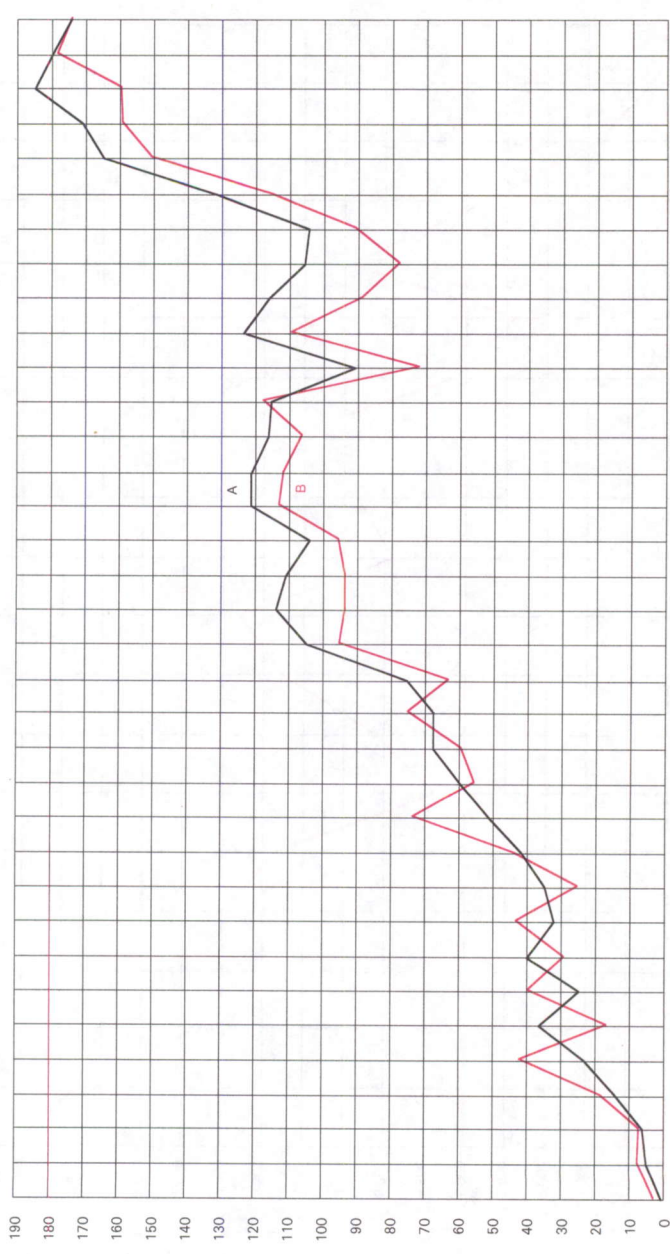


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