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CONTENTS

	<u>Pages</u>
I. <u>140th PLENARY SESSION</u>	1
A. Speech by Mr François-Xavier ORTOLI, President of the Commission	1
B. Adoption of Opinions	3
1. Securities	3
2. Direct insurance	5
3. Potatoes	6
4. Manufactured tobacco (5th Directive) ...	9
5. Sulphur in Fuel-Oils	13
6. Protection of Animals	16
7. Sound Level of Motor Cycles	17
8. Ammonium Nitrate Based Fertilizers	19
9. Sulphur Dioxide Health Protection Standards	21
10. Preservatives (12th Amendment)	24
11. Mayonnaise	25
II. <u>EXTERNAL RELATIONS</u>	28
1. Chairman of the Economic and Social Committee at the ILO Conference on Employment	28
2. Visit of the Chairman of the Economic and Social Committee to Bonn	29
3. Visit of the Chairman of the Economic and Social Committee to the Hague	30
4. Delegation from the Economic and Social Council of Senegal at the Economic and Social Committee	33
5. Meeting of the Section for Agriculture in Great Britain	35
III. <u>NEW REQUESTS FOR OPINIONS</u>	36
IV. <u>PROVISIONAL PROGRAMME OF FUTURE WORK</u>	37
V. <u>MEMBERS' NEWS</u>	39

140th PLENARY SESSION

The 140th Plenary Session of the Economic and Social Committee of the European Communities was held in Brussels on 30 June and 1 July 1976. The Committee Chairman, Mr Henri CANONGE, presided.

A. Speech by Mr François-Xavier ORTOLI, President of the Commission

The session was marked by the presence of Mr François-Xavier ORTOLI, President of the Commission, who addressed the Committee. Mr ORTOLI first of all summed up the present economic situation. Things were somewhat better than in 1975 and there were signs of a recovery that might last and thus enable the Community to get back to a fairly high growth rate. But there were three major causes for concern : investments were too low, unemployment was not going down quickly and inflation was still too high.

In spite of recent difficulties, the Community was still doing well. The achievements of the customs union, freedom of trade and the common agricultural policy had been defended, and progress had been made in other fields. The Social Fund had been improved and the Regional Fund had been launched, thus enabling a beginning to be made to the policy of straightening out imbalances in the Community. To ensure the cohesion of the Community, there had to be a certain transfer of resources, involving real solidarity among the Member States. The need to put the accent on regional policy and

develop its priorities had to be seen against this background. Progress had also been made in the operation of the internal market through the adoption of certain technical measures facilitating trade.

Although there had been some difficulties over Community solidarity at international meetings, some successes had been chalked up in external relations. The Lomé Convention had come into operation with the first use being made of the Stabex scheme. To this should be added progress on the Mediterranean policy and the fact that the Community was increasingly speaking with one voice in international forums.

But, unfortunately, these successes had not been matched on the home front, although in the long run satisfactory external relations were dependent on the internal development of the Community. The first priority was to ensure that the recovery was sustained. Recent joint meetings of Economic and Social Affairs ministers of the Nine and the Tripartite Conference in Luxembourg had helped towards this end. In addition, it was essential to develop economic and monetary union by bringing together the economic and monetary policies of the different Member States. But this required concrete action such as arranging credits and loans. Any effective currency policy should aim at reducing the balance-of-payments disequilibria that are bound to occur in a Community that had to import almost all of its raw materials. It would, therefore, be useful to set up a real European currency stabilization fund, which would enable the Community to have more weight on the international scene. Finally, Mr ORTOLI stressed the vital importance of underpinning the economic recovery and revitalizing the Community institutions, because Community decision-taking was too slow and a certain flexibility was

necessary at Council level. It was essential to improve the dialogue with vital economic and social interests and one great political hope was direct elections by universal suffrage to the European Parliament.

B. Adoption of Opinions

1. Securities

Proposal for a Directive Coordinating the Conditions for the Admission of Securities to Official Stock Exchange Quotation.

Gist of the Commission's Proposal

This proposal establishes the "hard core" or minimum conditions the Commission deems necessary to form the first stage of the harmonization of conditions for the admission of securities to official quotation on stock exchanges of Member States.

This proposal follows the one the Commission submitted to the Council on 8 December 1975 (OJ No. C 131 of 13 December 1972, amended) for a directive concerning the prospectus to be published when securities are admitted to official stock exchange quotation. The Committee submitted an Opinion on this first proposal in July 1974 (Doc. CES 789/74).

Both the first and, now, this second proposal represent part of the work undertaken with a view to the establishment of a European capital market.

Gist of the Opinion

The Economic and Social Committee adopted its Opinion on this proposal with no votes against and 6 abstentions.

The Opinion generally welcomes this Commission proposal for a Directive, since it is closely connected with the alignment of rules governing stock exchange prospectuses, and moreover sees it as an additional means for the Member States to move gradually towards a European capital market.

The Committee prefers this kind of "minimum conditions" approach, rather than see the Community try to achieve, in one fell swoop, an ideal arrangement. General recommendations it sees as ineffective, and therefore wants these minimum conditions to be mandatory by means of a Directive such as this.

The Opinion goes through the proposal Article by Article, proposing specific additions and deletions, taking account of points which were thought to have been overlooked by the originators of the proposal.

The Committee based its Opinion on material supplied by its Section for Economic and Financial Questions under the chairmanship of Mr CHARBO - the Netherlands - Various Interests. The Rapporteur was Mr CAMMANN - Germany - Employers.

2. Direct Insurance

Proposal for a Second Council Directive on the Coordination of Laws, Regulations and Administrative Provisions relating to Direct Insurance other than Life Insurance and Laying Down Provisions to Facilitate the Effective Exercise of Freedom to Provide Services

Gist of the Commission's proposal

In the light of the legal situation created by the recent Court of Justice decision on freedom to provide services (judgement delivered on 3 December 1974, Case 33/74, Van BINSBERGEN), the Commission has submitted a number of consolidating measures. The proposal seeks :

- to supplement the first Council Directive of 24 July 1973 on the Coordination of Laws, Regulations and Administrative Provisions relating to the Taking-Up and Pursuit of the Business of Direct Insurance other than Life Assurance (OJ L 228 of 16 August 1973) and
- to give undertakings, covered by the above-mentioned Directive, effective freedom to provide services in respect of the relevant classes of insurance.

Undertakings will enjoy substantial freedom to provide services in respect of transport, credit and fidelity risks and major risks. Compulsory insurance, including motor vehicle liability insurance, will still be subject to restrictions.

Gist of the Opinion

The Economic and Social Committee adopted by 58 votes in favour, 4 against, and 27 abstentions its Opinion on this proposal.

The Committee is pleased to note that the proposal for a directive constitutes an initial move towards coordination. It must, however urge the Commission to give its full attention without delay to bringing about the coordination that is essential in other fields.

The proposed directive should be of a purely provisional nature and a deadline should be set for achieving the coordination essential to full freedom to provide services.

The Committee also recognizes that it was only natural that the Commission should have made an effort to provide for a greater degree of liberalization for certain sectors of insurance, as is reflected in Articles 5 and 6 of the proposed directive.

The Committee based its Opinions on material prepared by its Section for Industry, Commerce, Crafts and Services under the chairmanship of Mr HEMMER - Luxembourg - Employers. The Rapporteur was Mr PEYROMAURE-DEBORD-BROCA - France - Employers.

3. Potatoes

Proposal for a Regulation (EEC) of the Council on the Common Organization of the Market in Potatoes

Gist of the Commission's proposal

The proposal seeks to establish a common market organization for potatoes and processed potato products, with the aim of improving quality, introducing a Community system for trade with non-member countries, and stabilizing the prices and supply of this product which is part of the staple diet in the EEC. The measure covers fresh potatoes (seed potatoes, earlies, main-crop and potatoes for starch manufacture), processed products (crisps, puree and frozen products), and also stockfeed potatoes.

An important function is assigned in the market organization to producer groups. The Commission sees the spread of producer groups as furthering the contracting system between growers and the trade and the processing industry.

The arrangements for trade with non-member countries include, for all products, application of the Common Customs Tariff, export refunds in certain circumstances, and safeguard clauses to shield the Community market against disruptive imports or exports.

Gist of the Opinion

The Economic and Social Committee adopted by 48 votes in favour, 32 against and 3 abstentions its Opinion on the proposal.

The Committee approves the Commission proposal, recognizing that both producers and consumers stand to benefit from the aimed at improvement in market stability and in links between growers and the trade and the processing industry. However, in the present situation and outlook for the potato market, the Committee considers that the proposed market organization should be flexible and gradual.

The Committee agrees with the establishment of common quality standards for potatoes marketed in the EEC, provided allowance is made for national differences as regards trade requirements and consumer taste, and the standards are not applied to farmgate sales.

On the question of producer groups, the Committee notes that producer groups account for only a fraction of the marketing of eating potatoes, and that there is a growing trend towards contracting between growers and dealers and processors. In these circumstances, the Committee thinks that the trend towards contracting should be encouraged as well as that towards formation of producer groups.

The Committee also urges that the procedure for drawing up forward production estimates at the beginning of each marketing year as a basis for the planning of intervention measures should be improved so that the estimates are reliable enough for the purpose. The storage aids to take surplus potatoes off the market should also

be available, on prearranged terms and conditions, to private dealers and processors and non-associated growers who have the requisite facilities. When disposing of surpluses, care should be taken not to disrupt the stockfeed market or encourage growing of low-quality products.

Finally, the Committee expresses doubts about the effectiveness of the reference price system to prevent disruptive imports from outside the EEC, and calls for additional measures affording greater Community preference to safeguard the incomes of producers, particularly of new potatoes.

The Committee based its Opinion on material prepared by its Section for Agriculture under the chairmanship of Mr EMO CAPODILISTA - Italy - Various Interests. The Rapporteur was Mr DE TAVERNIER - Belgium - Various Interests.

4. Manufactured Tobacco (5th Directive)

Proposal for a Council Directive on Taxes other than Turnover Taxes which affect the consumption of Manufactured Tobacco

Gist of the Commission proposal

A Council Resolution of 21 April 1970, provides that the harmonized structure of the excise duties on cigarettes should consist in part of an element proportional to retail prices and, in part, of a specific element, i.e. a fixed amount per cigarette. The first Directive (19 December 1972) did not fix what the final relation

should be between the two components of the excise duty on cigarettes. That same Directive established a first stage of harmonization whereby the specific excise duty should not be lower than 5% nor higher than 75% of the total excise duty levied on these cigarettes, albeit without prejudice to the ratio between the specific and the proportional elements of excise duty, which was to be subsequently decided upon for the final Community harmonized structure.

The present proposal for a Directive foresees a second stage of harmonization to cover a period from 1 July 1977 to 31 December 1980. It proposes that the Community's harmonized structure of excise for cigarettes should involve the same ratio being established in all Member States between the specific duty and the sum of the proportional duty plus VAT. This is an amendment of the 1972 Directive which did not take VAT into account. It also makes no proposal concerning what the final ratio should be.

Finally, the Directive proposes that during this second phase the specific excise duty shall not be lower than 15%, nor higher than 50% of the amount of the total taxation on the cigarettes of the most popular price class in each Member State. Therefore, although the Commission does not discuss the final fixed ratio of specific to total taxation which it may deem appropriate, it now seeks implicitly to restrict the range of future options in determining this final ratio to somewhere between 15% and 50%.

Gist of the Opinion

The Economic and Social Committee adopted unanimously with 6 abstentions its Opinion on this proposal.

As a starting point, the Committee sees the harmonization of indirect taxes as an essential element towards economic and monetary union. The harmonization of taxes on manufactured tobacco is particularly important due to the significant source of revenue it represents for Member Governments.

The Committee is particularly concerned by the fact that no progress has been made towards the harmonization of the structure of excise duties on manufactured tobacco, beyond the relatively minor provisions of the initial Council Directive of December 1972. The Committee believes that the draft Directive is acceptable subject to the following general and specific provisions.

At the general level, the effect of changes in the taxation structure on employment must be taken into account at this and future stages of the harmonization process. It considers that the minimum changes in the taxation structure of the Member States, which are proposed for implementation at the commencement of the second stage, need not create undue disruption of employment and market conditions.

More specifically, the Committee feels that the period of $3\frac{1}{2}$ years, proposed for the duration of the second phase, should not be reduced in the event of any delay in the adoption of the draft Directive, i.e. on 1 July 1977. The Committee urges the Commission to consider proposals for special phasing arrangements in the UK and Ireland, where a weight-based system of excise, possibly on an end-product basis, could be gradually replaced by a mixed specific/proportional system during the term of the proposed second phase of

.../...

harmonization beyond 1 January 1978. The Committee is of the opinion that such special arrangements could go a long way to averting serious dislocation of markets in these two Member States.

The Committee regrets that the Commission's present proposals are confined to special criteria for the second phase of harmonization on cigarettes, and that no proposal is yet being made for the final stage. An early decision on this is thought to be vital for the planning needs of the cigarette industry and of tobacco growers throughout the Community. The detailed and closely argued report, accompanying the Opinion, devotes several pages to a careful review of the approach to the final stage of harmonization of the taxation structure, bearing in mind the nature of tax harmonization so far achieved, the final objectives, and the existing situation in Member States.

Finally, the Committee draws attention to different practices among Member States concerning financing arrangements by way of extended tax credit and the current or potential subsidized sources of capital to the industry, and urges the Commission to make proposals for their harmonization concurrently with its proposals for the final phase. The Committee points out that unless this is done, harmonization in the fiscal field alone could aggravate rather than reduce distortion in conditions of competition in the Community as a whole.

The Committee based its Opinion on material prepared by its Section for Economic and Financial Questions under the chairmanship of Mr CHARBO - the Netherlands - Various Interests. The Rapporteur was Mr O'CEALLAIGH - Ireland - Employers.

5. Sulphur in Fuel Oils

Proposal for a Council Directive relating to the Use of Fuel Oils with the Aim of Decreasing Sulphurous Emissions

Gist of the Commission's Proposal

In connection with the Programme of Action on the Environment the Commission has submitted a proposal designed to reduce sulphurous emissions from fuel oil. This is the second proposal on the matter. The first, which sought to reduce the sulphur content of gas oils, was adopted by the Council on 16 October 1975. By and large, gas oils are used in domestic heating systems and as diesel engine fuel. Fuel oils covered by the present proposal are used mainly in power stations, certain industrial plants and large buildings.

The proposal seeks (i) to create special zones where, when pollution is already fairly high, stricter rules will be enforced to reduce the sulphur content of commercial fuel oils (some fuel oils in current use will be banned) (ii) to protect the general public, even outside the special zones, by taking account of factors such as winds and temperatures.

The main provisions of the proposal are :

- "zones of special protection" against sulphur dioxide and airborne particulate matter are to be created in regions where concentrations of sulphur dioxide and particulate matter have exceeded certain levels in each of the three preceding years, and thus constitute a health hazard;

- the sulphur content of low-sulphur-content fuel oils marketed within the Community is to be gradually reduced. From 1 June 1978 the maximum permissible sulphur content will be 2% and this will be further reduced to 1% from 1 June 1983;
- it will be compulsory to use low-sulphur-content fuel oil or a fuel with an equivalent sulphur content in fuel-oil-fired plants situated within special protection zones; it will also be compulsory to use such fuels outside special protection zones when high concentrations of sulphur dioxide or particulate matter occur;
- Member States are required to ensure that any installations exempt from the requirement to use low-pollution fuels do not cause trans-frontier pollution;
- the Commission undertakes to keep the operation of the Directive under review and if necessary to make proposals in the light of (i) the levels of atmospheric pollution caused by sulphur dioxide and airborne particulate matter, (ii) changes in the oil supply situation, (iii) progress in the development of methods for reducing sulphur emissions.

Gist of the Opinion

The Economic and Social Committee adopted unanimously its Opinion on this proposal.

The Committee acknowledges that the Commission's aim, namely to reduce the level of atmospheric pollution caused by sulphur, is perfectly desirable. Nevertheless, the directive, as now proposed,

seems an unnecessarily complex method of achieving this objective. The Committee wonders whether the considerable expenditure which would result from the application of this directive is commensurate with the likely improvement in public health.

Consultation with energy experts and with consumer interests has been perfunctory. There should in future be a special consultative committee composed of representatives of all the relevant interest groups in the environmental field with which the ideas should be discussed before reaching the stage of drawing up a proposed directive. This preliminary consultation could be similar to the procedure applying in the agriculture field.

The Committee's basic argument is that the costs contingent on the enforcement of this Directive seem disproportionate to the anticipated benefits. The existing distribution network for oil fuels would need to be substantially changed, requiring additional and alternative storage and distribution facilities by the oil suppliers. Large users, mainly power stations, would require stand-by alternative fuels.

In the second stage, fuel oil desulphurization could be required to provide the quality of oil needed. Such processes require an energy consumption equivalent to 6-8% of the fuel oil throughput. This must react against the current policy for conservation of energy resources. The Committee believes that the costs and benefits of the proposed measures need more careful scrutiny by the Commission, especially having regard to the contribution to urban pollution made by sources which are not controlled by this Directive.

The Committee based its Opinion on material prepared by its Section for Protection of the Environment, Public Health and Consumer Affairs under the chairmanship of Mr ROSEINGRAVE - Ireland - Various Interests. The Rapporteur was Mr GALLEY - United Kingdom - Employers.

6. Protection of Animals

Proposal for a Council Decision concluding the European Convention on the Protection of Farm Animals.

Gist of the Commission proposal

A European Convention on the Protection of Farm Animals has been drawn up under the auspices of the Council of Europe. The draft was adopted by the Committee of Ministers at its December 1975 Session, and the Convention has been open for signature and ratification since 8 March 1976.

The purpose of the Convention is to protect farm animals, especially those kept in intensive rearing systems, from inhumane treatment. The Convention contains a set of basic principles which should govern the treatment of farm animals, and provides for the setting up of a Standing Committee to prepare and issue to the Contracting Parties recommendations on specific aspects of the treatment of farm animals in line with the principles laid down. The Contracting Parties may each have one representative on the Standing Committee, and the Community is to be represented by the Commission.

Gist of the Opinion

The Economic and Social Committee adopted unanimously its Opinion on this proposal.

The Committee approves the draft Decision, and makes a number of comments on the form and contents of the Convention.

In particular, it considers that the Convention should secure adequate consultation of interested non-governmental bodies and should not prejudice efforts to improve on existing intra-Community and national standards.

The Committee based its Opinion on material prepared by its Section for Agriculture under the chairmanship of Mr EMO CAPODILISTA - Italy - Various Interests. The Rapporteur was Mrs EVANS - United Kingdom - Various Interests.

7. Sound Level of Motor Cycles

Proposal for a Council Directive on the Approximation of the Laws of the Member States relating to the Permissible Sound Level and to the Exhaust System of Motor Cycles.

Gist of the Commission's proposal

The proposal, which seeks to abolish technical barriers to trade in motor cycles, comes under the Community type-approval procedure for motor cycles. This procedure was the subject of a Commission proposal in 1974 and the Committee dealt with it in its Opinion of 25 June 1975.

The new proposal - just like the one dealing with the type-approval procedure - only covers two- or three-wheeled motor cycles whose maximum design speed is greater than 45 km per hour.

The technical appendices list a whole range of definitions and lay down the procedure for applying EEC type-approval, the test limits for sound levels and the requirements regarding measuring instruments and methods of measurement.

"Optional" approximation is proposed.

Gist of the Opinion

The Economic and Social Committee adopted unanimously its Opinion on this proposal.

The Committee approves the proposal. It does, however, consider that the Commission could have made its proposal applicable also to mopeds, with a view to reducing harmful levels of traffic noise as quickly as possible. The Committee thinks that there is no significant difference between the noise level of motor cycles and that of mopeds.

The Committee draws the Commission's attention to the need for common provisions dealing with enforcement checks by the police, in order to deter riders from modifying the exhaust systems of their machines.

In view of the particularly difficult economic situation in which the motor cycle industry finds itself, the Committee questions the wisdom of imposing on the industry such severe tests and maximum sound levels which may even make it necessary to modify the design of motor-cycle engines.

The Committee based its Opinion on material prepared by the Section for Industry, Commerce, Crafts and Services under the chairmanship of Mr HEMMER - Luxembourg - Employers. The Rapporteur was Mr MASPRONE - Italy - Employers.

8. Ammonium Nitrate Based Fertilizers

Proposal for a Council Directive on the Approximation of Laws, Regulations and Administrative Provisions relating to the Marketing of High Nitrogen Content, Ammonium Nitrate Based Fertilizers.

Gist of the Commission's Proposal

The proposed directive is complementary to a general directive on the composition, labelling and packaging of fertilizers which was recently adopted by the Council and which, once in force, will eliminate barriers to trade in fertilizers in general, though not in ammonium-nitrate fertilizers with high nitrogen content. Trade in these fertilizers is hampered because in some Member States they are classified and stored as explosives, and are thus subject to very different provisions. To overcome this problem, the Commission is proposing a procedure for testing fertilizers for detonability and porosity before marketing and at regular intervals thereafter.

It is also proposed that, in addition to the information prescribed by the general directive, indication of the manufacturer's product number should be made mandatory.

Gist of the Opinion

The Economic and Social Committee adopted unanimously its Opinion on this proposal.

The Committee regrets that the Commission's proposal does not provide for alignment of the various national regulations governing the storage of ammonium nitrate fertilizers. These fertilizers are undeniably liable to become dangerous in storage, transport and use when mixed with organic substances. This is why certain Member States have issued special storage and marketing regulations. The Committee therefore considers that, on safety grounds, these differing national regulations ought to be aligned within the Community.

Furthermore, stipulations on ammonium nitrate are also to be found in (a) international conventions on the carriage of dangerous substances by road, rail, on the Rhine and by sea, and (b) in Council of Europe recommendations on the labelling of dangerous substances. The Committee therefore considers that the proposal for a directive should be coordinated with such international requirements.

The Committee considers that, in order to take account of such matters as worker protection and public safety, the Commission should propose total approximation and not optional approximation as at present.

As regards the procedure for adapting the Directive to technical progress, the Committee proposes that amendments to Appendices I and II should require Council approval, in view of the fundamental importance of these appendices. The methods of sampling and analysis could, however, be drawn up and amended in the manner proposed by the Commission.

The Committee suggests that the Committee for Adaptation to Technical Progress should also include experts from the interested economic groups, so as to involve fertilizer manufacturers, distributors and users in the adaptation of the Directive.

The Committee based its Opinion on material prepared by the Section for Industry, Commerce, Crafts and Services under the chairmanship of Mr HEMMER - Luxembourg - Employers. The Rapporteur was Mr WICK - Germany - Employers.

9. Sulphur Dioxide Health Protection Standards

Proposal for a Council Resolution concerning the Determination of Criteria for Sulphur Dioxide and Suspended Particulate Matter in Urban Atmospheres, and the

Proposal for a Council Directive concerning Health Protection Standards for Sulphur Dioxide and Suspended Particulate Matter in Urban Atmospheres.

Gist of the Commission's proposals

Under the Community Environmental Action Programme the Commission is proposing, as a first step towards reducing atmospheric pollution caused by sulphur dioxide and suspended particulate matter, a draft resolution laying down health criteria (dose-effect relationships) for these two pollutants.

The Commission says that the definition of criteria will make it possible to identify pollution levels which have undesirable or harmful effects on man or his environment, and to select "exposure

standards" for the pollutants that will pave the way for quality targets and standards in urban areas.

In the proposal for a Directive, the Commission establishes health protection standards and maximum concentrations for sulphur dioxide and suspended particulate matter in the atmosphere.

The proposal provides for exceptions in clearly defined cases, as well as a transition period during which the Member States will be able to take the requisite measures.

Gist of the Opinion

The Economic and Social Committee adopted unanimously its Opinion on these proposals.

The Committee recognizes the soundness of the Commission's proposals and hopes that the proposed health standards will be applied in the Member States at the earliest possible opportunity.

It considers the limits for the two pollutants to be justified, in view of the fact that they are based on epidemiological studies that have included high-risk groups (children, old people and sufferers from cardiovascular disorders, etc.) among their subjects. These groups cannot be left out of account when laying down health standards for the whole of the population.

The Committee would also draw attention to the technical limitations of the analytical methods to be used to measure the concentrations of the pollutants. The limitations mean that the resultant measurements will not always be absolutely comparable. This said, the Committee must approve the use of these methods in the present state of scientific knowledge, since they appear to suit the requirements laid down in the Directive.

However, the Committee attaches great importance to the work of perfecting the methods for analyzing suspended particulate matter and sulphur dioxide, in order to make air quality standards as precise as possible and thus ensure that the goals of the Directive can be achieved.

The Committee also thinks that the Committee to be set up under Article 8 for the purpose of amending the Directive in the light of technical and scientific progress should be given the results of the epidemiological study being carried out by the Commission into the effects of this type of pollution on children.

Finally, it is noted that the Commission took an active part in the most recent WHO meetings on the subject and has taken account of these meetings in the Directive.

The Committee based its Opinion on material prepared by its Section for Protection of the Environment, Public Health and Consumer Affairs under the chairmanship of Mr ROSEINGRAVE - Ireland - Various Interests. The Rapporteur was Mr EBOLI - Italy - Various Interests.

10. Twelfth Amendment on Preservatives

Proposal for a Council Directive for a 12th Amendment to Council Directive 64/54/EEC on the Approximation of the Laws of the Member States concerning the Preservatives Authorized for Use in Foodstuffs Intended for Human Consumption

Gist of the Commission's proposal

After consulting the Scientific Committee for Food, the Commission has proposed that the current provisions on the use of thiabendazole for treating citrus fruit and bananas should continue to apply until 31 December 1978.

Gist of the Opinion

The Economic and Social Committee adopted unanimously its Opinion on this proposal.

The Committee accepts, with certain reservations, the extension of the temporary authorization of the use of thiabendazole which had been due to expire on 31 July 1976.

As this deadline approaches the Committee regrets that the Commission has, despite its previous statements, not been able to carry out more thorough research into the effectiveness of this additive and propose a final quantitative limit.

The Committee calls upon the Commission to bring to a speedy conclusion its investigations to determine to what extent thiabendazole may be used in preference to diphenyl, particularly for preserving fruit.

The Committee based its Opinion on material prepared by the Section for Protection of the Environment, Public Health and Consumer Affairs under the chairmanship of Mr ROSEINGRAVE - Ireland - Various Interests. The Rapporteur was Mr JASCHICK - Germany - Various Interests.

11. Mayonnaise

Amended Proposal for a Directive of the Council relative to the Approximation of Member States' Laws concerning Mayonnaise, Sauces Derived from Mayonnaise and the Other Emulsified Condiment Sauces.

Gist of the Commission's proposal

The proposal is one of a whole set of directives which the Commission has decided to reconsider in view of the fact that the Community has been enlarged. The Committee delivered an Opinion on the original proposal on 22 April 1970 (OJ No. C 108/70). The most important change in this amended version is the provision for "optional" approximation : Member States will no longer be obliged to amend their laws to ensure that the products in question comply with the compositional, manufacturing and labelling requirements of the Directive.

With regard to the use of synthetic acetic acid as a substitute for fermented vinegar, provision has been made to permit those Member States which forbid its use to continue to do so.

The proposal also fixes minimum standards for certain types of sauces but leaves it to each Member State to assign a particular name or particular names to each type of sauce as listed.

Gist of the Opinion

The Economic and Social Committee adopted unanimously its Opinion on this proposal.

The Committee approves the amended proposal. It does, however, express reservations about the fact that the new proposal provides for "optional" harmonization. The Committee would prefer "total" harmonization, as in the earlier proposal. The Committee therefore proposes that "total" harmonization be substituted for "optional" harmonization, at least in respect of mayonnaise. "Optional" harmonization should be applied solely on a temporary basis for the other products covered by the proposal.

The Committee regrets that no solution has been found as yet to the problem of the use of synthetic acetic acid and hopes that the Council will soon reach a decision on this matter.

As regards the classification of products into categories (Appendix I), the Committee proposes that the products be further sub-divided by creating a third group for those with a fat content of 25-50% and a fourth group for those with a fat content of less than 25%.

The labelling of provisions must ensure that the consumer is provided with clear information about the composition and true value of the products. Accordingly, the Committee cannot accept the provisions in the Directive which allow one and the same name to be used in the Community for differently composed products.

The Committee based its material on material prepared by its section for Industry, Commerce, Crafts and Services under the chairmanship of Mr HEIMER - Luxembourg - Employers. The Rapporteur was Mr BOUREL - France - Employers.

II

EXTERNAL RELATIONS

1. The Chairman of the Economic and Social Committee at the ILO Conference on Employment

Mr Henri CANONGE, Chairman of the Economic and Social Committee of the European Communities, represented the Committee at the Tripartite World Conference on Employment held in Geneva between 4 and 16 June under the auspices of the International Labour Office.

Mr Henri CANONGE was accompanied by Mr D. DELFINI, Secretary-General, and Mr R. LOUET, Director-General. Speaking at the session on 10 June, Mr CANONGE said among other things :

"There can be no effective solution today to economic and social problems in one part of the world only. With each day, the future interdependence of peoples, countries and regions becomes more and more inevitable. No solution to these problems can be lasting unless it receives the support and understanding of the important groups in economic and social life, and particularly of workers and employers. There cannot be a lasting and realistic solution in seeking an easy way out and in maintaining inequalities, imbalances and dominance of self-interest which may be raised or analyzed by the Conference.

Any commitment towards lasting and realistic solutions involves taking into consideration the problems that are vital to the millions of men and women who produce or who suffer from a lack of employment. Solutions which are worked out in isolation and divorced from the problems that preoccupy us cannot be fully effective.

We have to look for overall guidelines to activities in the world. The international division of labour, the choice of a new world economic order, are an expression of this fundamental preoccupation, which is backed up by

the clearly stated idea of the Conference's founders for a better distribution of income and of social progress. The Nine had already agreed to these ideas at the second Conference of the United Nations Industrial Development Organization (UNIDO) in Lima; it had approved the principle that the developing countries should be producing 25% of the industrial goods manufactured in the world in the year 2000, instead of the 7% they produced in 1974.

The economic and social groups in Europe have backed up the commitments made by their governments and initiatives have been taken by the Economic and Social Committee as part of the European Communities' policy to give real substance to economic and social co-operation between industrialized and developing countries, especially in implementing the Lomé Convention. In our view, the essential goal to be pursued is to agree on these general guidelines, map out the main stages and take the first steps".

Mr CANONGE concluded by saying :

"Our Committee will play its part in any research and action which the Conference considers it is necessary to take towards this goal".

Mr CANONGE also referred to the Studies and Opinions which the ESC was currently preparing on the structural aspects of employment in the world today. The Committee was preparing these documents under its right of initiative.

2. Chairman of Economic and Social Committee in Bonn

The general political and economic situation in the Community - particularly the search for Community-wide solutions to the unemployment problem - and preparations for the Community Tripartite Conference in June - were the central themes of an official visit

made to West Germany by the Chairman of the Economic and Social Committee of the European Communities, Mr Henri CANONGE, from 1 to 3 June 1976.

Mr CANONGE had talks during his visit with the Federal Minister of Labour, Mr ARENDT, the Minister of State at the Foreign Office, Mr WISCHNEWSKI, and the State Secretary at the Economics Ministry, Mr SCHLECHT.

Meetings also took place with leading organizations from the German business, trade union and professional world.

Mr CANONGE was accompanied on his visit by the two Vice-Chairmen, Mr Louis AMEYE and Mr Johannes van GREUNSVEN, as well as the Committee's Secretary-General, Mr Delfo DELFINI.

3. The Chairman of the Economic and Social Committee at the Hague

The Chairman of the Economic and Social Committee, Mr Henri CANONGE, paid an official visit to The Netherlands on 22 and 23 June 1976.

During his talks with Dutch leaders, Mr CANONGE stressed the important role to be played by economic and social groups in helping to bring about the necessary revival of the Community. The Prime Minister of the Netherlands, Mr den UYL, stated that during its forthcoming tenure of the presidency of the Council of the European Communities, the Netherlands would pay particular attention to

involving the economic and social groups, and, in particular, the Economic and Social Committee, in all the measures taken to solve the problems of unemployment and inflation affecting the whole of the Community.

In addition to Mr den UYL, the Committee delegation met the Minister of Agriculture, Mr A. van der STEE, the State Secretary for Foreign Affairs, Mr J.L. BRINKHORST, the State Secretary for Social Affairs, Mr P.J.J. MERTENS, and the State Secretary for Economic Affairs, Mr TH.M. HAZEKAMP.

The delegation also had a meeting with the Bureau of the Economic and Social Council of the Netherlands.

Mr CANONGE (France) was accompanied by the two Vice-Chairmen of the Committee, Mr L. AMEYE (Belgium) and Mr J. van GREUNSVEN (Netherlands), and also by the Secretary-General of the Committee, Mr D. DELFINI.



J.M. den UYL, Prime Minister of the Netherlands, and
H. CANONGE, Chairman of the Economic and Social Committee

4. Delegation from the Economic and Social Council of Senegal visits the Economic and Social Committee

A delegation from the Economic and Social Council of Senegal paid an official visit to the Economic and Social Committee between 28 June and 2 July.

The visit followed contacts established during the fact-finding mission which a delegation from the Committee made to West Africa in March 1974. It had a dual aim. The first was to look at areas where there could be greater cooperation between the Economic and Social Committee and the Senegalese Economic and Social Council. The second was to discuss the implementation of the Lomé Convention in general, the cooperation of economic and social groupings in this implementation, and the institutional aspects of the Convention.

The delegation was welcomed by the Bureau of the Committee on Tuesday, 29 June. On Thursday, 1 July, the members of the delegation attended the Plenary Session as observers.

The delegation was made up as follows :

Mr Magatte LO
Chairman of the Economic and Social Council

Mr Ibrahima Casimir DIOUF
Chairman of the Commission for Social Questions
of the Economic and Social Council

Mrs Adja Ndawa NIANG
Vice-Chairman of the Commission for Social Questions
of the Economic and Social Council

Mr Seydou Madani SY
Chairman of the Commission for Planning and for
General and Combined Studies of the Economic and
Social Council

Mr Ousmane DIAGNE
Secretary-General of the Economic and Social Council

In his welcoming speech, the Committee Chairman, Mr CANONGE, said that ESC members hoped to see closer relations between their own socio-economic organizations and those of the ACP countries. Members had also expressed the hope that the socio-economic organizations of the ACP countries would be able to play a bigger role in implementing the Lomé Convention. In reply, the Chairman of the Senegalese Economic and Social Council, Mr LO, thanked the Economic and Social Committee for having arranged the meeting and said that such contacts were not only a new venture but were of great significance for future cooperation between Europe and Africa.



The Committee Chairman, Mr CANONGE; the President of the Commission, Mr ORTOLI, and Mr M. LO, Chairman of the Economic and Social Council of Senegal.

5. Meeting of the Section for Agriculture in Great Britain

At a meeting held on 6 and 7 July in Coventry the Section for Agriculture of the Economic and Social Committee of the European Communities prepared an Opinion on the

Common Agricultural Policy in the International Context (possible consequences and improvements).

The meeting was combined with a visit to the Royal Show, as well as visits to a fruit-growing farm and a milk marketing centre. A reception was given by the National Farmer's Union and a dinner offered jointly by the Milk Marketing Board and the Dairy Trade Federation.

The meeting of the Section for Agriculture in Coventry was chaired by Mr EMO (Italy). The Rapporteur nominated to draw up the Opinion was Mr BERNIS (Luxembourg).

NEW REQUESTS FOR AN OPINION

The Council has asked the Committee to deliver an
Opinion on the

Proposal for a Regulation (EEC) of the Council laying
down in Respect of Hops the Amount of Aid to Producers
for the 1975 Harvest, and the

Proposal for a Regulation (EEC) of the Council Intro-
ducing Special Measures for Stabilizing the Market in
Hops.

PROVISIONAL PROGRAMME OF FUTURE WORK

141st Plenary Session - September 1976

- The CAP in the World Context
- Veterinary Medicinal Products
- Common Rules for Types of International Road Goods Traffic
- Rail Freight Rates
- Reference Tariffs for Inland Waterway Goods Transport
- Observing of Goods Transport Markets
- Reference Tariffs for Road Haulage
- Nuclear Plant Safety (Study)
- Multiannual Research Programme
- Articles of Precious Metals
- Customs Debt (Approximation of Laws)
- Company Taxation
- Safety Information at the Workplace
- Generalized Tariff Preferences
- Second Environmental Action Programme
- Labelling of Food
- Exchange of Information on Fresh Water Pollution
- Convention on Protection of Mediterranean against Pollution

142nd Plenary Session - October 1976

- Working Conditions in Inland Waterway Goods Transport
- Third Regulation on Working Conditions in Road Transport
(second Opinion)
- Indirect Taxes on Share Transactions
- International Cooperation against Tax Evasion

- Annual Report on Economic Situation in the Community
- Specific Measures to Relieve Unemployment (own initiative)
- Relations between Industrialized and Developing Countries (Study)
- Aircraft Noise
- Green Paper on Employee Participation

143rd Plenary Session - November 1976

- Outlook for Employment in Agriculture
- Transport between EEC and Eastern Bloc (own initiative)
- Accounts of Public Companies (Seventh Company Law Directive)
- Investment Companies and Unit Trusts
- Fourth Medium-Term Economic Policy Programme
- GATT Negotiations (additional Opinion)
- Regional Policy, Unemployment and Inflation (own initiative)
- Activities of the Regional Fund (Study)
- Consumer Action Programme

144th Plenary Session - December 1976

- Industrial Change and Employment (own initiative)
- Community Relations with Portugal (Study)

145th Plenary Session - January 1977

- Agreements between the Community and Countries of the East and South Mediterranean

MEMBER' NEWS

Appointment of Mr JONKER

On 1 June 1976, the Council of the European Communities appointed Mr JONKER, member of the Economic and Social Committee, to replace Mr NOORDWAL who has resigned.

Death of Mr NODDINGS

Mr Paul NODDINGS, Honorary Chairman of the National Union of Family Associations (France), Chairman of the National Association for Information on Housing (France), Questor of the French Economic and Social Council and Member of the Economic and Social Committee since 17 May 1966, died on 7 July 1976.

The funeral was held in Lille on 10 July 1976. The Committee was represented by Mr AMEYE, Vice-Chairman, and by Mr DELFINI, Secretary-General.

**PUBLICATIONS OBTAINABLE FROM THE ECONOMIC
AND SOCIAL COMMITTEE**

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|---|------|
| 1. Bulletin (monthly publication) | Free |
| 2. The Economic and Social Committee (leaflet-January 1975) | Free |
| 3. The Economic and Social Committee (April 1975)
(A descriptive brochure) 16 p. | Free |
| 4. European Union (July 1975)
(Opinion) 33 p. | Free |
| 5. Progress Report on the Common Agricultural Policy
(February 1975) (Study) 52 p. | Free |
| 6. The Situation of Small and Medium-sized Undertakings in
the European Community (March 1975) (Study) 69 p. | Free |
| 7. Annual Report 1975
62 p. | Free |
| 8. Annual Report 1974
60 p. | Free |
| 9. Annual Report 1973
64 p. | Free |
| 10. Directory (November 1975)
32 p. (list of members) | Free |