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CHAIRMAN'S FAREWELL SPEECH TO PLEANRY SESSION

Presiding for the first time as Chairman, Mr de FERRANTI took the opportunity to address the Assembly and began by thanking his Vice-Chairmen, the Chairmen of Groups and Sections, the retiring Secretary-General, Mr DELFINI, and his own staff for their help during his term of office. He also congratulated Mr LOUET, whom the Bureau had proposed as the next Secretary-General.

Continuing, he said that in his view the main challenge facing the Committee was to augment its political impact by ensuring as far as possible that its advice was taken into account when decisions were made. He declared himself happy with the progress that had been made in developing a constructive relationship with the European Parliament and observed that over the previous 18 months the practice had been consolidated of sending rapporteurs from the Economic and Social Committee to participate in the work of the Parliament's committees at their invitation; he instanced the work on the Lomé Convention where the Committee had had several joint meetings with the social partners from ACP countries under Parliament auspices. "A solid basis of convention and precedent has thus been laid for future developments in the critical era that will open up after the holding of direct elections to the European Parliament in June next year" he concluded.

He remarked, however that the Committee's consultative role was primarily directed to the Commission and Council and that it was of crucial importance that the Commission was kept aware of the Committee's views. This had meant some increase in attendance by Commissioners and senior officials at meetings of the Committee and this had been a two-way traffic which he hoped would continued.

Regarding the Council of Ministers, he said that to increase awareness of the Committee's views on the political level, he had initiated the practice of following up each Plenary Session by writing personally to Ministers of Member States who are members of the Council, with the aim of drawing attention to the principal Opinions adopted at that Session. This had, for instance, been the procedure he had followed with the Committee's Opinions on the JET Project and on the annual farm prices. He had also addressed similar letters to the heads of significant European and national organizations with influence over ministerial decisions. This had been well accepted and he hoped the precedent was now firmly established.

Concerning the Committee's influence, he said that this depended on its members' weight and influence. The standard was already high and it was important that it should be maintained. It was therefore with pleasure that he had witnessed the Committee's decision to review its structure and composition. Unfortunately its study of this subject did not bear fruit, but in the course of its discussions it did make real progress towards a consensus on future reforms and the Council had also begun to understand the issue. "I hope and trust", he said, "that our successors will build upon our work and bring it to completion". He warned that the Committee's influence could not be taken for granted. The increased power and influence of the European Parliament, after direct elections, for instance would make it necessary for the Committee to prove its relevance all over again.

In conclusion, Mr de FERRANTI said he believed the Committee might set itself the long-term objective of establishing a written and perhaps also an oral questions procedure directed to the Commission and Council. But, he remarked "In the future as in the past our influence can only be the product not of formal powers and procedures but of ourselves and our own devotion and effectiveness. We have given ample proof of these qualities in the past and I am sure that we will be able to do so again in the future.

.../...

161st PLENARY SESSION

The Economic and Social Committee of the European Communities held its 161st Plenary Session in Brussels on 12 and 13 July 1978. Its Chairman Mr Basil de FERRANTI, presided.

Viscount DAVIGNON, Member of the Commission, attended the debates on liability for defective products.

Mr DAVIGNON stated that he did not feel that the fact that the Commission was under fire from all sides meant that the Proposal for a Directive was necessarily a balanced one. On the contrary, we should examine the heart of the problem after listening to the discussions, to see whether the Proposal was still valid and whether such a Directive would be useful. It was apparent that legislation governing product liability was being discussed in **each** Member State. If there were no Community approximation, the diverging national solutions would lead to consumers and producers in individual Member States being affected differently and would have a definite impact on the internal market. The Commission's objective was to align and unify the various national laws from the point of view of consumer protection and industrial production.

Adoption of Opinions

1. PRODUCT LIABILITY

Proposal for a Council Directive relating to the Approximation of the Laws, Regulations and Administrative Provisions of the Member States concerning Liability for Defective Products.

Gist of the Proposal for a Directive

The Directive seeks to approximate national law governing producers' liability for damage and injury caused by defective products. It appears that differing laws on product liability are apt to distort competition in the Common Market in that manufacturers are subject to very different financial charges. This is reflected in the cost of products. What is more, decisions as to where to market goods may be influenced by the severity of product liability law. Rules common to all Member States should also be adopted in the interest of protecting consumers from damage to their property and injury to their persons.

The Commission has decided that the producer should be liable irrespective of fault, since any other solution would face the consumer with the insurmountable difficulty of proving that the producer was at fault. Article 5 of the proposal places the burden of proof on the manufacturer : "The producer shall not be liable if he proves that he did not put the article into circulation or that it was not defective when he put it into circulation". Liability is joint and several where more than one person is responsible for the damage caused. Damages are to be limited to 15,000 Units of Account in the case of movable property and 50,000 in the case of immovable property.

Opinion of the Committee

The Economic and Social Committee adopted its Opinion by 67 votes in favour, 3 against and 11 abstentions.

General Comments

The Committee considers that any Directive on product liability should :

- Enable effective and more rapid remedies;



Second from right, EC Commissicner Viscount DAVIGNON, guest speaker at the July Plenary Session. To his right, Mr de FERRANTI, Chairman of the ESC.

- Apportion in an optimum manner the financial burden of the damage caused by defective products;
- Eliminate or at least reduce the number of defective products coming onto the market;
- Not give rise to distortions of competition between firms;
- Follow developments in the field of liability for defective products in both international law and national law.

The Committee considers that the producers of defective products should bear the cost of compensating victims; producers are better able to organize a more extensive spreading of the burden by insuring the product liability risk and passing the cost of the insurance premium on in their selling prices. Accordingly, despite the objections that were put forward, the Committee agrees that liability for defective products should be imposed irrespective of fault.

The Committee has been unable to agree on whether or not development risks should be covered by the proposed directive. Some members feel that their inclusion could have an inhibiting effect on innovation and consequently place the European sectors that engage in vigorous research and development at a disadvantage on the world market. But other members think that such risks should be covered if consumers are to be provided adequate protection.

The Committee also feels that a distinction may be drawn between injuries caused by a single occurrence and injuries sustained as a result of continuous, regular exposure.

Specific Comments

The Committee observes that under the Directive the victim must prove damage, the defect and the causal connection. It considers that national courts should continue to have a certain

amount of discretion as to the admissibility of really adequate presumptions.

It disagrees on how defectiveness should be defined. Some members approve the wording proposed by the Commission whilst others would like to see a more explicit and less ambiguous definition.

It considers that the proposed directive should stipulate that the rules of national law should apply in the event of contributory negligence.

The Committee has been unable to reach a consensus on the proposed definition of the notion of damage. Some members consider that the Commission's proposed definition is too wide and would like property damage to be excluded. Others feel that the proposed definition is too restrictive and that all damage ought to be compensated.

The Committee has been unable to agree on the question of limitation of damages (principle, level, problems of apportionment). Some members approve the Commission's proposal that the overall amount of damages which a producer is liable to pay should be limited and even recommend a limit of 200,000 EUA on the amount of damages payable for individual cases of death or personal injury. Other members feel that a limitation of the amount of the producer's liability would leave victims uncovered because the proposed amount would be too small to provide full compensation.

The Committee agrees that the limitation period should not start to run until the three conditions are met (awareness of the damage, of the defect, and of the producer's identity).

Lastly, the Committee agrees that the producer's liability should be extinguished after ten years, providing that it is made clear when this period commences.

This Opinion was based on material provided by the Section for Industry, Commerce, Crafts and Services under the chairmanship of Mr Hemmer - Luxembourg - Employers. The Rapporteur was Mr DE GRAVE - Belgium - Workers.

2. LOME II (own-initiative Opinion)

Implementation of the Lomé Convention - the road towards a new Convention.

Opinion of the Committee

The Economic and Social Committee adopted its initiative Opinion unanimously with 6 abstentions.

On the eve of the official opening of negotiations between the Community and the ACP countries with a view to concluding a new convention, the Committee considered what experience had been gained from the first few years that the Lomé Convention was in force and what the prospects were for it being renewed. The Committee thus showed its growing interest in the Community's development policy, of which the Lomé Convention, and especially relations with the ACP countries, forms an important part.

In its Opinion, the Committee takes a look at the different chapters in the Convention : trade cooperation (and Stabex), industrial cooperation, financial and technical cooperation, and institutional matters. It notes that by and large the Convention has worked well except in the field of industrial cooperation. This has not really got off the ground because it has taken a long time to set up the appropriate administrative structure.

Looking to the future - for the Lomé Convention expires in 1981 - the Committee is in favour of present policy being consolidated. It still thinks that the Lomé Convention can and must be an important contributory factor in founding a new international order that will enable the developing countries to achieve full economic sovereignty.

The Committee does, however, suggest that a number of changes be made to the different chapters. It would like a consultation procedure for cases when difficulties occur in certain sectors and over certain sensitive products. Such a procedure must involve economic and social interest groups (the Commission too has recently made such a proposal).

As regards Stabex, the Committee would like the range of products covered by the scheme to be extended and thinks that the sums transferred should, as a matter of priority, go to the sectors and peoples concerned and to diversification projects intended to alleviate the difficulties in these sectors.

Industrial cooperation should be developed. The Committee thinks that the prime aim should be to create a diversified industrial base that will contribute to the development of the ACP countries through :

- The manufacture of goods for local and regional markets,
- The improvement of ACP export capability, and
- The creation of as many jobs as possible.

The Committee also calls for the setting-up of maintenance firms to ensure that existing equipment functions properly and, more generally, for greater priority to be assigned to promoting smaller businesses.

The Committee feels that the new convention should include a chapter on encouraging and guaranteeing investments, and notes that the existence of investment codes in several ACP countries shows the importance which ACP interests attach to this. Concrete steps should be taken to ease relations between investors and host governments.

The Committee makes a number of remarks on vocational training and transfers of technology.

Financial cooperation must be geared to :

- Supporting regional infrastructure projects (e.g. water supplies), and
- Diversifying agriculture and developing industries based on the processing of local raw materials.

Agricultural cooperation should be aimed at making the ACP countries self-sufficient in food.

In the institutional field, the Committee stresses the need for a greater consultation of economic and social interest groups when implementing the Lomé Convention.

Finally, the Committee stresses the importance of working out adequate provisions concerning (i) freedom of movement for ACP workers in the Community, (ii) vocational training for such workers and (iii) respect for human rights.

This Opinion was based on material prepared by the Section for External Relations under the chairmanship of Mr Carstens - Denmark - Employers. The Rapporteur was Mr Soulat - France - Workers.

3. COAL TRADE

Communication from the Commission to the Council concerning the introduction of a Community aid system for intra-Community trade in power station coal.

Gist of the Communication

The Commission outlines a scheme to encourage the sale of Community coal to power stations. The plan would be additional to two earlier coal measures put forward last year on :

- grants for the building of coal-fired power stations;
- a Community aid system for the financing of cyclical stocks of coal and coke.

These were the subject of Committee Opinions but have not been adopted by the Council.

The Commission aims to increase intra-Community trade in steam coal, which is used mainly in power stations, from its present level of 3-3.5 million tonnes to 12 million tonnes annually. To achieve this, the Community would provide aid at a standard rate of 10 EUA per tonne. Payment would be made to the producers, in respect of deliveries of Community steam coal to power stations.

The scheme would thus cost some 120 million EUA annually on the Community budget. As the disposal of 12 million tonnes of Community steam coal at world market prices could generate yearly losses of about 350 million EUA, the Community would make good 30% of the deficit, the remainder being borne by the undertakings or the Member States.

The aid system would run for a period of 3 years starting on 1 January 1979.

Opinion of the Committee

The Economic and Social Committee adopted its Opinion by 59 votes in favour, 6 against and 3 abstentions.

The Committee takes a broadly favourable view of the Commission's plan.

The Committee underlines the importance it attaches, for both economic and social reasons, to measures designed to enable coal production targets to be achieved. At the same time, it regrets that the proposed measures are piecemeal and that no other measures favouring a common energy policy have so far been proposed. An overall Community energy policy must still be sought and implemented.

While noting that the issue of financial aid must normally be approached with caution, the Committee considers that the proposed grant arrangements would seem to be an appropriate way of encouraging trade in steam coal between the Member States. However, since the amount of the proposed aid is no way comparable to that already being granted nationally, the Committee wonders whether it will be possible to increase intra-Community trade in power-station coal to the level envisaged by the Commission.

The Committee calls for clarification of the precise relationship of the proposal to existing national support measures.

Clarification is further requested on how the aid is to be apportioned. In the Committee's view, the proposed system must not lead to a situation whereby most of the additional sales are made by one single coal-producing country.

The Committee believes that the measure should be applied for a limited three-year period. This would allow its effectiveness to be judged and a decision to be taken on whether the measure should be continued.

This Opinion was based on material prepared by the Section for Energy and Nuclear Questions under the chairmanship of Mr MILLER - United Kingdom - Employers. The Rapporteur was Mr PICARD - France - Various Interests.

4. R & D PLUTONIUM RECYCLING

Proposal for a Council Decision modifying the Council Decision 74/642 adopting a research and training programme for the European Atomic Energy Community on plutonium recycling in light-water reactors.

Gist of the Communication

The Community currently operates a 4.5 MUA indirect R & D programme on the recycling of plutonium in light-water reactors. It started on 1 January 1975 and expires on 31 December 1978.

The Commission, and the ACPM which advise it, consider that work is progressing satisfactorily, and is providing useful results. However, a number of activities, especially those relating to post-irradiation examinations, will not have been completed by 31 December 1978. Accordingly, the Commission proposes to extend the programme by one year, involving an additional cost to the Community of about 250,000 EUA.

Opinion of the Committee

The Economic and Social Committee adopted its Opinion by a large majority with 9 abstentions.

The Committee approves the one year extension to the Community's research work on plutonium.

Once this is completed, it is hoped that the Commission will present a carefully-planned follow-up programme to cover several years.

Nuclear power stations will produce considerable quantities of plutonium in the coming years. But it will not be possible to burn all of this in plutonium-fuelled fast breeder reactors for a very long time to come. The inclusion of plutonium in the fuel-mix

for the present generation of power stations (light-water reactors) would result in significant savings of scarce uranium. It would also remove that amount of plutonium from the environment.

This Opinion was based on material prepared by the Section for Energy and Nuclear Questions under the chairmanship of Mr MILLER - United Kingdom - Employers. The Rapporteur was Mr SCHLITT - Germany - Various Interests.

5. IONIZING RADIATION

Proposal for a Directive (EURATOM) of the Council amending the Directive of 1 June 1976 laying down the revised Basic Safety Standards for the health protection of the general public and workers against the dangers of ionizing radiation.

Gist of the Communication

The Basic Standards for the protection of workers and the general public against ionizing radiation are adopted by the Community in accordance with Articles 31 and 32 of the EURATOM Treaty. These standards were adopted in 1959 and have been amended on several occasions since. The Commission last proposed revising the standards on 26 July 1972. It consulted the Committee which gave its Opinion on 24 May 1973. The Committee while taking a favourable view, suggested a number of improvements. Several of these were taken into account by the Commission when it revised its draft proposals on 22 November 1973. The Council finally adopted the Directive, incorporating several of the Committee's suggestions, on 1 June 1976.

Under the Directive of 1 June 1976, the Member States have to bring their legislation into line with the Basic Safety Standards before 12 July 1978. However, the Commission points out that further revision will be necessary in the near future in

order to take account of the latest scientific recommendations by the International Commission on Radiological Protection (ICRP). At the same time, the Commission does not want to oblige the Member States to amend their legislation on two occasions within a short period of time. Accordingly, it proposes to extend the time limit for compliance with the Directive of 1 June 1976 by two years (i.e. until 12 July 1980).

Opinion of the Committee

The Economic and Social Committee adopted its Opinion by 37 votes in favour, 1 against and 5 abstentions.

The Committee very reluctantly accepts the Commission's suggestion to have the time limit for compliance with the basic safety standards extended until 12 July 1980. But it expresses displeasure at the fact that not all Member States have already done so, and considers that the Member States have had sufficient time to prepare and implement the necessary changes in their legislation.

It stresses the importance of progressively updating Community standards in the field of radiological protection in line with the latest developments in international research.

The Directive of 1 June 1976 already incorporates several recommendations made by the Economic and Social Committee in 1973.

In 1977, the Committee further published a study on "A Community Nuclear Safety Code" calling for minimum safety rules to cover all nuclear activities.

This Opinion was based on material prepared by the Section for Energy and Nuclear Questions under the chairmanship of Mr MILLER - United Kingdom - Employers. The Rapporteur was Mr P. NIELSEN - Denmark - Workers.

6. THE FUTURE OF FORESTRY (own-initiative Opinion)

The Future of the Forestry Sector in the European Community.

Commission Action

On 20 February 1974 the Commission presented a draft directive on forestry measures (published in OJ No. 44 of 19.4.1974). This proposal was based on the information supplied in the "Agriculture 1980" memorandum and on the Council Resolution of 25 May 1971, which advocated the rapid adoption of structural measures in support of the forestry industry. The Council has not yet been able to adopt this draft directive, which the Committee approved in an Opinion on 17-18 July 1974, (published in OJ No. 125 of 16.10.1974).

The Commission is also planning to present the Council with a report, before the end of the current year, on forestry problems in the Community and the aims of the Community's policy in this sector.

Opinion of the Committee

The Economic and Social Committee adopted its initiative Opinion unanimously with 1 abstention.

The Committee would first of all like to draw the attention of the Community authorities to the problems arising as a result of there being no real joint forestry policy for the Community as a whole.

The Committee considers that the legal problems due to forests not being included among the products listed in Annex II to the Treaty are not an insurmountable obstacle to the framing and implementation of a common forestry policy.

The Committee feels that forestry should be regarded as a basic valuable resource and an intrinsic part of agriculture.

The forestry policy that is to be worked out should take account of the problems of forest-based industries and lay the foundations for cooperation with wood-producing countries outside the Community in the near future.

A common forestry fund is required to finance the research necessary in framing a common forestry policy applicable to all the regions of the Community.

The Committee recognizes the difficulties that will be experienced in certain regions when trying to persuade farmers to either engage in forestry themselves or make their land available for afforestation by others. It will therefore be necessary to ensure that those concerned have a reasonable income during the initial years of the growth cycle.

Among the other measures needed to develop forestry in the Community, the Committee would particularly emphasize :

- the need to strengthen substantially the laws governing the protection of forests and trees;
- the need to provide information for owners of private forests, so that they can make better use of their properties; and
- the need to promote forestry research and publish research findings.

Until such time as a common forestry policy, as defined in the Opinion, is implemented, the Commission should, as an immediate first step, let the Member States know, say through a Recommendation, what guidelines should be followed when framing national forestry policies.

This Opinion was based on material prepared by the Section for Agriculture under the chairmanship of Mr EMO - Italy - Various Interests. The Rapporteur was Mr MAHER - Ireland - Various Interests.

7. MEDITERRANEAN AGRICULTURE

Commission Communication to the Council on Guidelines concerning the Development of Mediterranean Regions of the Community, together with Certain Measures relating to Agriculture (Volumes I and II) and the

Proposal for a Council Regulation on a Common Measure for Forestry in Certain Dry Mediterranean Zones of the Community.

Gist of the Commission Documents

- Guidelines (Doc. COM(77) 526 fin)

A serious regional imbalance exists in the Mediterranean area. In agriculture this is shown by the excessively high proportion of the labour force engaged in agriculture, low productivity, undersized farms, low incomes and high underemployment.

The Commission feels that measures to assist the Mediterranean regions must be adopted as soon as possible. The current proposals are confined to agriculture but reference is made to proposals for regional and social policy measures which may contribute to the development of the Mediterranean area.

In the short-term, CAP measures will have a greater impact than measures adopted under other policies. This is especially so in view of agriculture's fundamental importance for these regions, particularly in the current economic situation.

However, the proposed CAP measures are merely an - admittedly important - continuation of earlier efforts; they must be followed up by further appropriate action.

The problems and the constraints involved suggest the following strategy :

- improvement of agriculture and hence of general economic conditions in the Mediterranean regions;
- preservation of agricultural employment under acceptable social and economic conditions.

These aims must be pursued without prejudice to commitments and steps to reduce structural surpluses and to avoid the creation of new surpluses and a resurgence of protection which would sour relations between the Community and non-Member countries and push up prices to the detriment of Community consumers.

The proposals fall into two groups. The first concerns the improvement of market organizations for staple Mediterranean products and the encouragement of relatively new products. The second concerns the improvement of agricultural structure in the broadest sense.

It is proposed to improve the market organization for fruit and vegetables, wine and olive oil, in order to rationalize and improve production and simplify market analysis.

In some regions short and medium-term structural measures are designed to reinforce existing structural and socio-structural measures. Specific measures are also to be taken to improve, to change or diversify production patterns, to improve agricultural infrastructures and productivity, to make marketing and processing more efficient and to expand vocational training.

- Dry Zones (Doc. COM(78) 169 fin)

This draft deals with the particularly serious forestry problems in the dry Mediterranean areas. They are closely linked to the agriculture in the Mediterranean area where intensive land clearance and heavy grazing have resulted in poor soil quality and erosion. In extreme cases, areas have been turned into virtual deserts.

This calls for a forestry programme adapted to local conditions and requirements in hill and mountain areas in particular. The spin-off effects would include timber production and higher direct and indirect employment in the forests and in the wood processing industries.

Opinion of the Committee

The Economic and Social Committee adopted its Opinion by a large majority (4 votes against and 2 abstentions).

The Committee welcomes this first blanket assistance package for the Mediterranean area. The proposed measures are not, however, sufficient to correct the regional imbalances or to allay Mediterranean farmers' misgivings about the implications of the enlargement of the Community.

The Committee deplores the Commission's failure to spell out its intentions with regard to Mediterranean agricultural policy. This has prevented the Committee from discussing the implications of enlargement.

The Committee is at one with the Commission on the importance of agriculture in the Mediterranean area.

The Committee endorses the Commission's general line on improvement of production processing and marketing structures. Nevertheless, the specific reasons for Mediterranean agriculture's failure to benefit from socio-structural measures should have been analyzed with a view to specific schemes mobilizing Community, national, regional and local resources.

As regards pricing and markets policy, the Committee feels that the principles for Mediterranean products should be identical to those applied when market organizations were being set up for the Northern EEC regions. In this context, the Community must face up to the full practical implications for its commitments to greater income security for farmers.

Any constraints imposed on Mediterranean agriculture by agreements with non-Member countries are designed to secure medium-term benefits for the Community as a whole. The Community as a whole must therefore bear the consequences of decisions to achieve development parity within and outside its borders.

The Committee decries the Commission's failure to make an exhaustive evaluation of agricultural products in the Mediterranean with a view to market organization improvements.

Finally, the Committee, which sets considerable store by the implementation of an effective Community forestry policy, broadly endorses the Commission's proposals on the afforestation of dry areas.

This Opinion was based on material prepared by the Section for Agriculture under the chairmanship of Mr EMO - Italy - Various Interests. The Rapporteur was Mr CLAVEL - France - Various Interests.

8. NATIONAL AID TO MILK PRODUCERS IN NORTHERN IRELAND

Proposal for a Council Decision authorizing the United Kingdom to Grant a National Aid to Milk Producers in Northern Ireland.

Gist of the Commission's Proposal

In view of the economic and political situation in Northern Ireland, it is necessary to give the United Kingdom the authorization to derogate from Article 24(1) of the Basic Regulation (No. 804/68) and grant Northern Irish milk producers a temporary national aid.

Opinion of the Committee

The Economic and Social Committee adopted its Opinion unanimously.

The Economic and Social Committee recognizes the special circumstances facing Northern Ireland's milk producers as a result of the difference between the exchange rate for the Irish green pound and the UK green pound and therefore has no objections to the Commission's proposal. However, the Committee stresses that this is an exceptional authorization for a limited period, and that it only applies to milk produced in Northern Ireland. It **must** not be a precedent for the Community.

This Opinion was based on material prepared by the Section for Agriculture under the chairmanship of Mr EMO - Italy - Various Interests. The Rapporteur was Mr WICK - Germany - Employers.

9. MARKETING OF SEEDS (Amendment)

Proposal for a Council Directive amending Directives 66/401/EEC, 66/402/EEC, 66/403/EEC, 69/208/EEC, 70/458/EEC and 70/457/EEC on the Marketing of Fodder Plant Seed, Cereal Seed, Seed Potatoes, Seed of Oil and Fibre Plants, Vegetable Seed and on the Common Catalogue of Varieties of Agricultural Plant Species.

Gist of the Commission Proposal

According to the provisions of these Directives, the equivalence of measures taken in third countries concerning variety and official seed examination could be established, until 1 July 1977, by the Member States at national level.

As certain equivalence decisions taken at Community level apply only from 1 July 1978, the present proposal provides for an extension of the said period retroactively.

Opinion of the Committee

The Economic and Social Committee adopted its Opinion unanimously and approved the proposal, subject to a number of comments.

The Rapporteur-General was Mr WICK - Germany - Employers.

10. LONDONDERRY/DONEGAL : REGIONAL DEVELOPMENT (own-initiative Opinion)

Cross-Border Communication Study on the Londonderry/ Donegal area.

The Section for Regional Development prepared an Information Report on this area which was turned into an own-initiative Opinion by the Plenary Session.

Essential contents of the Information Report

The Information Report outlines the severity of the economic and social problems of the Study Area (Londonderry, Strabane, and part of Donegal), and places them in the national and Community contexts. The report considers the Cross-Border Study of the region, prepared by private Consultants at the request of the British and Irish governments and part-financed by the Community, and then makes recommendations about action required to alleviate the problems.

The Londonderry/Donegal Study Area is one of the most seriously handicapped regions within the Community. The difficulties associated with its peripheral location and its remoteness have been aggravated by the fact that the region straddles the border and, in recent years, by serious civil unrest in Northern Ireland. The infrastructure and, in particular, the various systems of communications remain very inadequate. One consequence is the extraordinarily high level of unemployment which is everywhere above 16% and rises, in the case of male unemployment in Strabane to 34%. Another consequence is low living standards.

The Cross-Border Study recommended an 8-10 year programme of capital projects costing £40 million to improve the region's communications : these included £12.6 million for telephone, £10.63 million for roads and £14 million for a new bridge across the Foyle at Madam's Bank. Smaller sums were proposed for bus services, air transport, port development and freight facilities at Londonderry.

Opinion of the Committee

The Economic and Social Committee adopted its Opinion unanimously with 1 abstention.

Convinced that the Londonderry/Donegal area is one of the most disadvantaged regions of the European Community, the Economic and Social Committee has adopted an Opinion which states that, considered as a natural economic unit, the area fulfils all criteria for Community aid.

Action by the Community will assume a crucial role. Nevertheless, if it is to be effective, Regional Fund aid must be used in close conjunction with other Community aid and must be strictly concentrated on major improvements to the area's communications: this is a very good example of how the Regional Fund's non-quota section can be used.

The Committee recommends that .

- the two governments take action as a matter of urgency to implement the proposals contained in the Cross-Border Study but within the reduced time scale of 5 years;
- in particular, the projects to which both governments assign priorities immediately be submitted for financing within the existing arrangements of the European Regional Development Fund;
- when the non-quota section of the Regional Fund comes into operation, special regard be paid to its use in the study area; it is therefore recommended that the cross-border region be made the object of a specific Community regional development measure under Article 13 of the revised Fund Regulation so that funds can be provided immediately to contribute to the financing of those

projects recommended in the Cross-Border Study for which sufficient finance has not yet been forthcoming from other sources;

In response to a strong demand in the area, the Committee recommends that the European Commission consider opening an Information Office in Northern Ireland as a matter of urgency.

The Committee recognizes that the bulk of new jobs in the area must be found in the industrial sector. However, the Committee wishes to emphasize the need to exploit the natural resources of the area and are concerned that the possibilities for job-preservation and job-creation in agriculture, forestry, tourism and fisheries are not neglected.

The Rapporteur-General was Mr CREMER - Germany - Workers.

11. STUDY ON SPAIN

Study on the Community's relations with Spain.

Gist of the Study

After its Study Group on Spain visited Madrid at the beginning of June for contacts with representative groups, the Economic and Social Committee unanimously adopted its first study.

The Committee sees the adoption of this Preliminary Study as being the point of departure for exchanges of information and contacts between the various economic and social interest groups in the Community and Spain.

The Study admits that Spain still lags behind the Community, but it points to the remarkable progress which Spain is making towards economic recovery and contacts with other countries.

In its consideration of the prospects for Spanish membership of the Community in the near future, the Committee attaches particular importance to the question of employment. After a period of twenty years of considerable economic growth, unemployment has become a crucial problem in both the Community and Spain. If the economic stagnation continues there could, in the Committee's view be difficulties over the free movement of workers and the situation will be made even worse by the fact that the working population of Spain is increasing rapidly.

In its Study the Committee also deals with the 1970 Trade Agreement between the EEC and Spain and the adjustments to be made to the Agreement. The Committee holds the view that adjustments are necessary in order to remove certain imbalances which stand in the way of EEC exports to Spain. The Committee also calls for changes to be made in the very near future to the institutional framework of the Trade Agreement to make it compatible with the ultimate accession of Spain to the Community.

This Opinion was based on material prepared by the Section for External Relations under the chairmanship of Mr CARSTENS - Denmark - Employers. The Rapporteur was Mr EVAÏN - France - Employers.

12. STATE-TRADING COUNTRIES

Relations between the Community and State-Trading Countries.

Gist of the Study

The Economic and Social Committee adopted its Study unanimously.

The Study which takes only a cursory look at the problem and would be worth amplifying, states that recent years have seen a sharp increase in trade between the Community and the State-trading countries, whose indebtedness to the West has assumed spectacular proportions.

For the purposes of the Study, the State-trading countries are defined as the COMECON members and China.

Problems arise because of the different powers of the respective authorities. The USSR has always been reluctant to recognize the Commission's supranational status, and even its rights to negotiate on behalf of the Member States. In turn, the Commission cannot sign agreements with a mutual-aid organization such as COMECON.

The Community recently signed a trade agreement with China and is considering similar agreements with Eastern European countries. However a common policy on trade with these countries is still a long way off. This leads to a rather confused situation where each Member State is free to sign cooperation and trade agreements with State-trading countries. Such agreements are, of course, subject to a Community consultation procedure. But clauses providing for payment in kind may nevertheless pose problems.

The position regarding restrictions on imports into the Community is equally confused. The quotas laid down in bilateral agreements were officially abolished in 1975, but they are still being applied.

The Community must therefore work out a common trade and investment policy towards the State-trading countries. This should permit negotiation of a degree of reciprocity. The right of establishment is another key aspect. COMECON and Chinese export firms can set up in the Community, but Western firms have to work through foreign trade offices in the socialist countries. The same problem faces the investor, who has no direct access to

marketing channels. The difficulty of obtaining reciprocal concessions obviously prevents the Community from applying the most-favoured-nation clause as it stands.

The differences in economic systems also create "misunderstandings" about prices. Strictly speaking, State-trading countries cannot be accused of dumping since prices are fixed in their national plans. Nevertheless, these prices may distort the terms of competition in the Community and put jobs in jeopardy.

Reference is made to trade between the two Germanies, which is a potential source of difficulties for other Member States, even though it is broadly fair to say that the rules are not being seriously infringed at the moment.

The Study points out that the differences between the two economic systems give rise to many further difficulties, but hopes that the liberalization of trade will give consumers in State-trading countries a wider choice.

This Study was based on material prepared by the Section for External Relations under the chairmanship of Mr CARSTENS - Denmark - Employers. The Rapporteur was Mr van CAMPEN - Netherlands - Employers.

III

NEW REQUESTS FOR OPINIONS

In July the Council requested the Committee to deliver an Opinion on a

Proposal for a Council Regulation (EEC) Amending Regulation (EEC) No. 950/68 on the Common Customs Tariff.

IV

PROVISIONAL PROGRAMME OF FUTURE WORK

Later Plenary sessions

Opinions requested by the Institutions

- Mutton and lamb
- Protection of employees in the case of insolvencies
- Misleading advertizing
- Common Customs Tariff
- Joint stock companies
- Annual Report on the Economic Situation
- Code of Conduct for Liner conferences (Additional Opinion)
- Decommissioning of nuclear power stations
- Thermal water reactors
- Rail transport
- Action in the cultural sphere
- Plastics coming into contact with food

Own-Initiative Opinions

- Flags of convenience
- Consumption of medicines
- Frontier workers

Studies

- R & D management
- Influence of regional authorities
- Legal protection of consumers
- Dangers due to the use of Asbestos

Le Matin de Paris, 1/7

La France refuse une proposition européenne pour l'emploi

Seule des neuf pays de la CEE, la France vient de mettre son veto à une proposition visant à accroître le nombre des emplois proposés aux jeunes Européens. Dont deux millions sont aujourd'hui au chômage. Nos partenaires sont indignés et le ministre belge du Travail n'hésite pas à qualifier la position française de « résolument droitière ».

De notre correspondant à Bruxelles

« **N**OUS sommes déçus, et le mot est faible : le veto français est une décision stupide. Comment le gouvernement français a-t-il eu le courage de faire cela ? » Henk Vredeling, le membre de la Commission de Bruxelles plus spécialement chargé des affaires sociales, n'a pas caché hier, au cours d'une conférence de presse, son désappointement à l'égard de la position adoptée par le gouvernement français jeudi, à Luxembourg.

Robert Boulin s'est en effet opposé à ses huit partenaires, mais aussi à l'avis du Parlement européen et du Comité économique et social de la CEE, qui souhaitent que des ressources du Fonds so-

cial européen soient utilisées pour soutenir les programmes visant à accroître le nombre d'emplois disponibles pour les jeunes en renforçant et en développant les services d'intérêt public. « J'ai l'impression que cette décision négative a été prise au niveau le plus élevé, a déclaré Henk Vredeling. Quels sont les arguments avancés par Paris pour avoir refusé cette proposition européenne, pourtant modeste, puisqu'elle aurait permis de régler la situation d'environ cent cinquante mille jeunes Européens sur les deux millions qui sont à la recherche d'un emploi ? »

« Nous ne voulons soutenir que des projets productifs sur le plan économique », affirment les Français.

Réponse de Vredeling et de la plupart des ministres de la CEE : « Que signifient des projets économiquement rentables ? La formation des jeunes, n'est-ce pas productif ? D'autre part, nous savons que la croissance économique que nous prévoyons pour l'Europe dans les années à venir n'est pas suffisante pour diminuer le chômage des jeunes. A quoi sert donc, dans ces conditions, le lancement de projets rutilants pour la relance de l'union monétaire si la Communauté n'est pas capable de se pencher sur le problème numéro un de notre temps, à savoir le chômage ? »

Peut-être, devant les réactions unanimes soulevées par ce veto, Valéry Giscard d'Estaing reviendra-t-il sur la position française au cours du sommet européen de Brême. « Ce serait, bien entendu, une bonne chose, nous disait un haut fonctionnaire européen, mais que de temps perdu ! La Communauté n'aurait-elle pas pu faire l'économie d'une querelle ? »

José-Alain Fralon

ABC - 7 JUN

INTENSA ACTIVIDAD EN EL PROCESO

DE AMPLIACION DE LA C. E. E.

LOS EMPRESARIOS ESPAÑOLES, CON LA MISION DEL COMITE ECONOMICO Y SOCIAL

« El camino para la integración de España en la Comunidad Económica Europea va a ser largo y penoso », ha manifestado el presidente de la Comisión Económica de la C. E. E., Bernardo López Marín, al finalizar su reunión de trabajo con los expertos del Comité Económico y Social de la C. E. E., que llegaron el lunes a España con el fin de establecer contactos con la Administración, con las Centrales patronales, con los sindicatos y con zonas de la producción agrícola nacional, de cara al inicio de las conversaciones y negociaciones para la integración de España en la Comunidad.

Handelsblatt

Düsseldorf

23/6

Ausweitung des

EG-Währungsfonds

vorgeschlagen

HANDELSBLATT, Donnerstag, 22. 6. 1973

Zwei BRUSSEL. Für den Ausbau des 1973 gegründeten Europäischen Fonds für währungspolitische Zusammenarbeit zu einem dem internationalen Währungsfonds ähnlichen Instrument der Gewährung von Währungskrediten, hat sich der EG-Wirtschafts- und Sozialausschuss (WSA) in einer Empfehlung in Brüssel im Hinblick auf das Bremer EG-Gipfel vom 6./7. Juli ausgesprochen. Der bestehende Europäische Fonds solle zu einem Instrument zur Verteidigung der Wechselkurse der Mitgliedstaaten, zur Multilateralisierung der Swap-Kreditverhandlungen und zur Intervention an den europäischen Devisenmärkten mit Fremdwährungen und Sonderziehungsrechten ausgebaut werden. Der EG-Ministerrat solle die Tätigkeit des Fonds überwachen. Dieser solle Richtsätze für die nationalen Währungsbörden in Fragen der Wechselkurse, der Kreditbedingungen und der Zinspolitik setzen. WSA schlägt sogar die Gewährung von Krediten des Fonds mit qualifizierter Mehrheit an die Mitgliedstaaten vor. Der Fonds solle das Recht haben, wirtschaftspolitische Bedingungen zu setzen und Sanktionen bei undiszipliniertem Verhalten zu verhängen. Der Entscheidungsprozess in Währungsdingen müsse auf europäischer Ebene gestärkt werden. Die Verwendung der Europäischen Rechnungseinheit (ERE) als innergemeinschaftliches Zahlungsmittel, auch für privatwirtschaftliche Transaktionen, solle gefördert werden.

Lloyd Anversois, 10 / 7

Après le séminaire de Monchy-Saint-Eloi

Les problèmes maritimes primordiaux demandent une approche communautaire

par L. VAN HUFFEL

Est-ce un signe des temps ? La journée la plus animée du séminaire de Monchy-Saint-Eloi fut incontestablement celle dont les travaux portaient sur les relations de la Communauté avec les pays tiers dans le domaine des transports. Le Comité Economique et Social de la CEE ayant pris l'initiative de substantielles études en ce qui concerne notamment la concurrence des flottes du COMECON sur le plan maritime, le problème du code de conduite des conférences et celui des discriminations de pavillon, les organisateurs du colloque avaient heureusement pu obtenir que l'ouverture de ces travaux fût confiée à M. B. de Ferranti, président du C.E.S., et l'ouverture des débats à M. K. Hoffmann, qui préside depuis de nombreuses années avec autorité et distinction des transports de cet Comité.

Cote Libre, 6 / 7

Le Travail, 30 / 6

IMMIGRES • IMMIGRES • IMMIGRES •

Travailleurs clandestins : main-d'œuvre bradée

C'est un fait divers d'une extrême banalité... L'emploi de « clandestins » sévit, à grande échelle, dans plusieurs pays d'Europe. Aussi la Commission européenne a-t-elle proposé une directive destinée à renforcer la collaboration entre les Etats de la Communauté, dans leur lutte contre la migration illégale et l'emploi illégal.

Au cours de discussions au Parlement Européen et au Comité Economique et Social de la Communauté, il a été estimé regrettable que la directive proposée néglige totalement les obligations des employeurs et la protection des droits acquis (c'est-à-dire liés au travail accompli) des travailleurs migrants « illégaux ». Ces raisons ont incité la Commission européenne à modifier sa proposition initiale sur les points suivants :

la relation de travail entre l'employeur et le travailleur migrant existe, même si elle est illégitime par rapport à la réglementation. Elle crée donc des obligations et des droits. C'est aux autorités de veiller à ce que ces droits soient respectés, puisque le « clandestin », en situation d'infériorité, ne parviendra pas à les faire valoir tout seul ;

— aussi les employeurs d'un travailleur migrant « clandestin » doivent-ils remplir toutes leurs obligations, comme ils y seraient astreints vis-à-vis d'un travailleur en situation légale : salaires, indemnités de licenciements, congés payés non utilisés, cotisations de sécurité sociale et impôts ;

— d'autre part, le travailleur « clandestin » doit pouvoir faire valoir ses droits (notamment, avoir la possibilité d'apporter les preuves d'un contrat de travail, soit écrit, soit tacite). Le cas échéant, il doit obtenir l'assistance judiciaire gratuite.

NUCLEAIRE. — La Communauté met en œuvre actuellement un programme d'action indirecte de R & D de 4,5 millions d'u.c. dans le domaine de recyclage du plutonium dans les réacteurs à eau légère. Ce programme a débuté le 1er janvier 1975 et vient à expiration le 31 décembre 1978. La Commission et le Comité Economique et Social de la CEE estiment que les travaux se déroulent d'une manière satisfaisante et donnent des résultats utiles. Toutefois certaines activités et en particulier celles relatives aux examens post-irradiatoires, ne seront pas terminés au 31 décembre 1978. C'est la raison pour laquelle la commission propose de prolonger d'un an le programme, ce qui entraînerait un supplément de dépenses d'environ 0,2 million d'u.c. pour la Communauté.

Farmers' Journal, 22 / 7

Maher calls for policy on forestry

THE Economic and Social committee of the E.E.C. at a two day meeting in Brussels last week reviewed priorities in its field.

A special report on forestry drawn up by T. J. MAHER from Ireland was unanimously adopted. It called on the Community to produce a more dynamic forest policy. Consumption of wood is increasing twice as fast as production. Already there is a vast production gap; growth rate is 80 million cubic metres a year; consumption is 200 million.

Derry Journal, 18 / 7

Irish Times,
28 / 6

EEC team presses for action on £45m Derry- Donegal plan

THE EEC'S Regional Development Sub-committee, meeting in Derry yesterday at the end of a three-day visit to the north-west, decided to recommend that Economic and Social Committee should implement a £45 million development programme for the area within a period of five years instead of the projected 10 years.

The programme is based on the 1976 report on cross-Border communications in the north-west prepared by the British and Irish Governments under EEC auspices. The sub-committee in Derry yesterday adopted an EEC study group report on the area.

The area under study consists of about two-thirds of Co Donegal and large sections of Counties Derry and Tyrone.

BRUSSELS "YES" TO DERRY-DONEGAL PLAN

The Economic and Social Committee of the European Community has accepted the report by the Regional Development Section, which met recently in Derry, and have agreed unanimously that its recommendation become an "Opinion" of the Committee.

Such an "Opinion" of the Committee means that the report will become an official document with greater importance in the committee of the European Community who will give the recommendation of this "Opinion" urgent consideration.

Among the recommendations are that the implementation of the proposals in the cross-border study should be completed within the reduced time scale of no longer than five years. It is further recommended that special regard should be paid to the use of the non-quota section of the Regional Fund for grant aid purposes. This will mean that assistance could be given much more quickly to the area.

Among the general comments made by the section is the up-grading of Eglinton

airport, which the study said, would contribute to industrial development and tourism in the area, and that the Commission should support the upgrading of Eglinton.

Councillor Ivor Canavan, who was an expert on the study group who wrote the report for the Committee and who for the past four years has been encouraging the Council to seek E.E.C. aid, attended the meeting of the Economic and Social Committee in Brussels on Wednesday when the study was adopted as an "Opinion."

Commenting on the meeting he said: "It was one of the greatest days of my life to see the 144 strong Economic and Social Committee comprising of some of the most influential people in Europe discussing the problems of the Derry, Donegal area and unanimously agreeing that an urgent programme of

assistance was essential if the significant economic disadvantages of the area were to be improved.

"There is no doubt that the fact that the Committee has made this study an 'Opinion' will ensure an urgent programme of implementation of the recommendations of the consultants. It has also to be said that the visit of the Section to Donegal and Derry was a significant factor in the urgent way in which this whole problem had been handled.

"Among the comments at the meeting were those which clearly recognised the problems of the area but at the same time the members of the Section were loud in their praise of the determination of the people of the area to overcome their difficulties and how much they responded to the involvement of the E.E.C. in the area's economic difficulties."

Nice Matin, 12 / 7

« Sans l'Europe, ce serait la guerre économique »
déclare à Nice le secrétaire du comité économique
et social des Communautés européennes

Une journée de rencontre a eu lieu hier, à l'hôtel Negrosco, à Nice, à l'invitation de M^r Paul Augier, président du conseil économique et social de la région Provence-Alpes-Côte d'Azur, entre les membres de cet organisme et ceux du comité économique et social des Communautés européennes.

PUBLICATIONS OBTAINABLE FROM THE ECONOMIC AND SOCIAL COMMITTEE

Periodical

- Bulletin (monthly publication)

General Documentation

- The Economic and Social Committee (leaflet) (January 1975)
- The Economic and Social Committee (April) 1975) (A descriptive brochure) 16 p.
- Annual Report (1977) 70 p. (1976) 80 p.
- Directory (January 1978) (List of members) 42 p.
- The Right of initiative of the Economic and Social Committee (October 1977) 124 p.
- 20th Anniversary of the Economic and Social Committee (May 1978) 19 p.

Opinions and Studies

- Small and Medium-sized Enterprises in the Community Context (April 1978) (Opinion) 29 p.
- Industrial Change and Employment (November 1977) (Opinion) 98 p.
- EEC's Transport Problems with East European Countries (December 1977) (Opinion) 164 p.
- Community Nuclear Safety Code (July 1977) (Study) 50 p.
- Regional Development - Unemployment and Inflation (June 1977) (Opinion) 130 p.
- Research and Development (November 1976) (Study) 35 p.
- Systems of education and vocational training (August 1976) (Study) 114 p.
- Regional Policy (March 1976) (Opinion) 11 p.
- European Union (July 1975) (Opinion) 33 p.
- Progress Report on the Common Agricultural Policy (February 1975) (Study) 52 p.
- The Situation of Small and Medium-sized Undertakings in the European Community (March 1975) (Study) 69 p.