

ECONOMIC AND SOCIAL COMMITTEE
OF THE EUROPEAN COMMUNITIES

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INTRODUCTION

The exceptional size of this Bulletin is due to several factors. In addition to the adoption of a large number of Opinions, attention should be drawn to the Council President's visit, to an Opinion on the situation in the Community and to the end of the term of office of the Economic and Social Committee Chairman.

1. The July session was attended by the President in office of the Council, Mr Michel DURAFOUR, French Minister of Labour, with whom the members of the Economic and Social Committee held an extensive exchange of views on the present situation in the Community. The Council President's attendance was an innovation in relations between the two institutions, which it is hoped will become a habit in the future.

2. The Economic and Social Committee had previously unanimously adopted an Opinion on the same subject, prepared according to the right of initiative and intended to affect public opinion by means of trade associations and unions.

3. Finally, this plenary session marked the end of the present Committee Chairman's term of office. Chairman LAPPAS therefore submitted a report on activities covering his two years of office to the members of the Committee.

The next Bulletin will essentially be devoted to the renewal of the Committee due to take place in September.

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122nd PLENARY SESSION 17 AND 18 JULY 1974

EXCHANGE OF VIEWS WITH Mr MICHEL DURAFOUR, President in office of the Council and French Minister of Labour

A. Speech by Mr Alfons LAPPAS, Chairman of the Committee

At the July session, for the first time in the Committee's history discussion was held on the situation in the Committee with the President of the Council. Mr A. LAPPAS, Chairman of the Economic and Social Committee, made the following speech :

Mr President,

It is an especially great honour for me and for all members of the Economic and Social Committee to have you with us today.

Knowing that you carry a heavy burden as a Minister in France and as President of the European Communities, we are all the more appreciative of the fact that you have managed to come along. On several occasions the Committee has said it would like to see an authentic dialogue established between the Council and the Committee, a dialogue which would adhere to the principle of involving the economic and social partners much more in the Community's decision-making process, as recommended by the Heads of State or of Government at their meeting in Paris in October 1972. By your presence here, Mr President, this wish has been realized.

Members of the Committee would like this meeting to be a first working session. They are aware, however, that you have only

.../...

recently taken up your post so they have agreed, at this first meeting, to restrict the subjects they wish to raise to one or two. They would, however, like these meetings to be put on a regular basis. By doing so, they would be able to gain first-hand knowledge of any follow-up to their Opinions and also pass on to the Council useful information about matters of concern to the groups and interests they represent.

I should like to take the opportunity provided by this first get-together to tell you first of all as briefly as possible about what is on the minds of my colleagues. You will, incidentally, find all this set out in the Opinion adopted yesterday and which I now have the honour of presenting to you officially.

As you know, the European Community has been in serious difficulties for some time now. These difficulties are a threat to the very principle on which the Community is based, and despite the odd glimmer of hope of late our fears have not been entirely allayed.

I do not believe it is too late or a matter of irrelevance to remind you of the distinguished role Europe - thanks to continuous economic expansion - has played in the fight for peace, democracy and the general improvement of living standards. Should it be forgotten that in a period of particularly acute international tension it has been a powerful stabilizing force? And should some of the progress made over the past fifteen years not directly or indirectly be credited to Europe?

Of course the European Community does have its drawbacks and shortcomings. There are weaknesses in the way the institutions are run, and there have been delays in implementing regional, energy, monetary and social policies even though these have been designated priority fields. On top of this we have worsening inflation and its possible effects on the employment sector.

In this situation we have seen a return to national measures whereas what is needed is a strengthening of inter-State solidarity.

If this trend were to become more pronounced or even if it were merely to continue as at present there would, within a very short time, be an inevitable risk that the Community would collapse. This would doubtless give rise to disorders at all levels and in all Member States. The first to suffer of course would be the peoples themselves.

The vital forces represented by our Committee, Mr President, call most earnestly for a reinforcement of European identity. They appeal to governments to return to the path of solidarity and hope that concrete measures will quickly be taken in the fields of monetary union, the battle against inflation, the implementation of the regional policy, the implementation of the Social Action Programme as initiated at the Paris Summit, the energy costs and supplies policy, the democratization of the Institutions by bolstering up the powers of the European Parliament and, lastly, the greater involvement of economic and social categories in the decision-making process of the Community.

Public opinion needs and expects objective information. It must also learn that nothing of lasting value can come out of a Community in disarray. No State can hope to surmount its difficulties by turning in on itself and becoming isolationist. The problems of the day cannot be solved at national level. Everybody needs to see this clearly.

Mr President, we want to see an early end to this period of hesitancy and uncertainty. We want, as some of our Committee members have put it, to hear no more talk of crisis.

Because we believe in the virtues of European integration we want Europe to have solid foundations and a harmonious architecture.

The Heads of State or of Government who met in Paris in October 1972 explicitly recognized that "economic expansion is not an end in itself". They also "emphasized that they attached as much importance to vigorous action in the social field as to the achievement of Economic and Monetary Union" and "thought it essential to ensure the increasing involvement of labour and management in the economic and social decisions of the Community". They felt, and I am still quoting, that the decision-making procedure and the functioning of the Institutions should be improved in order to make them more effective.

This has been the basis you have worked on and we congratulate you on the progress you have made in strengthening the position of the ESC. As a result we now have new Rules of Procedure and the right to take up matters on own initiative. What is more, we are now also publishing our Opinions in the Official Journal.

And yet we cannot but notice certain distortions and a dilution of responsibilities in the Community's decision-making process. We have also noticed that there has been a mushrooming of new committees and bodies, which has in fact led to a dislocation of consultation.

Faced with this disturbing situation, and having in mind the possibility of European Union or merely the continuation of Community activity in accordance with the present Treaties, the ESC adopted on 28 March last an Opinion on its place and role in the institutional machinery of the Communities. Our committee, considering itself to be the proper partner of the Commission and the Council, and considering that the European Parliament's power should be reinforced in budgetary, legislative and control matters, made various proposals which I should like once more to bring to your notice.

The Committee would like to be given the rank of an institution and so have the right to freely adapt its Rules of Procedure and enjoy autonomy in budgetary matters.

The Committee would like to see a reduction in the number of newly-created consultative bodies and there should also be closer coordination between existing committees. The Committee would also like to be kept informed about the work of these Committees. For the purposes of even closer cooperation the Committee might possibly be asked to offer advice in the preparatory stage of certain Commission proposals.

The Committee believes that there must be rationalization to ensure a more satisfactory coordination between proposal-making, consultation and decision-taking stages. To this end the Committee's work should be synchronized to a greater degree with that of the Council. For example, would it not be a good idea if the Committee were to be properly kept informed of Council agendas so that its own work could be adjusted accordingly? It would therefore be useful if a member of the Committee were given a hearing on certain questions relating to his special field or if a member of the Council were to come and speak to the Committee on some important or specific topic. Should not relations between the Committee and COREPER be strengthened? There is no doubt that a greater involvement of the economic and social partners in Community decisions calls for more direct, more systematic relations with the Council and its organs.

As a consequence there would undoubtedly be more awareness of what subsequently happened to Committee opinions.

Finally - and assuming that they were set up - would it not be the right step if the ESC were to offer facilities to future joint committees for individual sectors. The latter would have complete autonomy in decision-making and an independent administrative secretariat, essential pre-requisites for their proper functioning.

I would have wound up my speech here, Mr President, had it not been for a final request I should like to make. The Opinion I have just been talking about can but be considered as a first contribution of the ESC to an improvement in the functioning of the Community institutions. Now the ESC would like to be brought into the discussions due to take place on the functioning of the Institutions and on European Union. Are these in fact not vital questions which will have a bearing on the effectiveness of the Community as a whole in the future? And is this future not one which directly concerns and interests the economic and social forces?

Mr President, I should like to bring to your attention again one or two questions of a less general nature which are still pending and which call for rapid decisions. On most of these questions the Committee has already delivered Opinions and on some of them Opinions were delivered several years ago in fact. I am thinking in particular of the recommendation on the application of the 40-hour week and 4 weeks' paid holiday, the directive on equal pay between men and women, the directive on the protection of workers in the event of mass dismissals, the creation of the European Foundation for the improvement of living and working conditions, and the European Centre for vocational training. We have made pertinent remarks on all these questions and would like to know, as a result, what has come of them.

There are of course other subjects I have not got time to deal with at length though members of the Committee feel strongly about them too. I shall merely enumerate them: inflation and employment, the protection of certain categories of workers including migrant workers in the event of mergers and the concentration of enterprises, the condition of the working woman, the implementation of the Regional Development Fund and, pending this, the launching

of a European loan to ensure the maintenance of financial aid, as our Committee proposed just recently, the development of the Common Agricultural Policy, the implementation of a genuine energy policy, the pursuit of Economic and Monetary Union, all topics I laid stress on at the beginning of my speech and which have been studied in depth by our Committee.

I presume that several of my colleagues will be speaking on all these subjects in a minute or so and will be putting the case for the urgent adoption of measures.

I realize that you will be unable to reply to all my questions immediately. Unfortunately we have dropped behind schedule in many fields. Hesitations, postponements, and equivocating have given rise to problem after problem. Nevertheless, these problems will have to be solved in common, otherwise we all run the risk of taking on a responsibility that we cannot cope with.

Since you will not be in a position to be able to give us immediate assurances about all these matters, could you perhaps be our mediator with the Council? Tell them how worried we are but how determined to carry on the good work. Invite the Council to come back and see us, to bring us comforting news, to tell us about decisive measures, that will decide the future of the Community.

Remember that we are determined to make our contribution, to do our utmost so that Europe will live, a Europe that we would like to be free, democratic, prosperous, just and compassionate.

Thank you, Mr President, for having listened so attentively. We hope to see you again soon.

B. Speech by Mr Michel DURAFOUR, President of the Council

The President of the Council, Mr DURAFOUR, addressed the Economic and Social Committee at its plenary session. He stated that his presence marked the beginning of a new dialogue between the two institutions, and then went on to make the following points in particular :

"Everyone knows the difficulties the Nine have been up against over the last few months, difficulties attributable to a large extent to external factors. High on the list here are international monetary disorders and the rise in the price of petroleum products and major raw materials. By adding a twist to the inflationary spiral and sparking off substantial balance of payments deficits these factors constitute a serious threat to the economies of our countries. And then of course on the political front one should not forget the fact that one of our partners has begun to question its place in the Community.

It is not surprising then that European integration, which was helped along in the sixties by a healthy economic situation, has made slower progress recently.

Whilst failures must be recognized as such, it must not be overlooked that there have been successes in various fields and that, above all, there are now new grounds for hope.

1. With regard to relations with developing countries, for example, the Community is involved in two sets of large-scale negotiations, one with the Mediterranean countries, the other with the associated or associable African, Caribbean and Pacific countries.

As regards the first of these, the difficulties we have had to face up till now in trying to work out an overall policy acceptable to all have largely been overcome thanks to the efforts made by all the Member States.

As to the other negotiations, i.e. those with the associated or associable African, Caribbean and Pacific countries, our aim is to extend cooperation to include an even larger number of countries though without putting those countries already associated, and to whom we have formal commitments, at a disadvantage. At the same time we must not depart from the principles which have guided us so far and which have made it possible to re-establish, via the Yaoundé conventions, a model of cooperation between developed and developing countries.

2. With regard to energy, the pressure of external events and the realization that our countries share the same destiny gives one hope that a genuine common energy policy with the priority aim of cutting down our state of dependence will very soon be underway.
3. Finally there is the agricultural policy which is one of the main feathers in the Community's cap.

Despite all the difficulties of a troubled year, the Common Agricultural Policy - by sheltering in the Community market from the harsh consequences of the price rises on world markets - had once more proved its effectiveness.

4. As far as social policy is concerned, the Community has reached a stage where closer cooperation is needed if Europe is to be a tangible reality in everybody's lives.

Since, on the whole, the basic objectives laid down by the Treaty of Rome had been achieved by the end of the sixties - especially those concerning the free movement of workers and their families - a new impetus has become vital. And at the Paris Conference in October 1972, the Heads of State or of Government emphasized that vigorous action in the social field was as important for them as economic and monetary union.

With this in mind the Council adopted a three-year Action Programme last January. The programme hinged on three key objectives: the achievement of full and better employment; the improvement of living and working conditions; the increasing participation of the social partners in the economic and social decisions of the Community, and of workers in the activities of their undertakings. The Council set out on the road to realizing this programme last June.

... But there is still a lot to be done. In the next few months decisions should be taken on the important question of mass dismissals. This is an issue which the Community cannot disregard in view of the development of multinational firms and the effect on employment of the structural changes in enterprises which come about as the result of economic integration.

The Council is therefore awaiting with interest the proposals to be submitted by the Commission by the end of the year, and first and foremost the action programme to assist migrant workers."

.../...

Finally the Council has noted with interest the important proposals and suggestions contained in the Committee's Opinion on its place in the institutional machinery of the Communities, and in the context of a possible evolution thereof - e.g. the proposal on joint committees for individual sectors. This is a field in which the Economic and Social Committee could call on a long experience which should be of help in the review begun by the Community Institutions.

C. Extracts from the speeches by the Group Chairmen

a) Mr GINGEMBRE, Chairman of Group III

Mr President,

Group III, the Group consisting of and representing the farming community, cadres, government-appointed public figures with special skills or holding special posts of responsibility, tradespeople, consumers, families, small- and medium-sized undertakings and the liberal professions, approve the Committee's Opinion on the general situation of the Community and on the consequences that would undoubtedly ensue if the latter ceased to exist. We are pleased to note that there are a certain number of trends which clearly show a refusal to accept the disintegration of the Europe we are building. We trust that the hopes that were raised when France took the Council chair will in fact be translated into action so that public opinion will become more alive to Europe.

We thank you, Mr President, for having given us an insight into the future work of the Council. We are also grateful to you for wanting to strengthen the ties between the Council and the Committee so that socio-economic interests can be more closely associated with the European venture, which needs everyone's support.

.../...

As we said in our Opinion, making Europe alive to the needs of the people of the old Continent is vital if we wish to harness their support - and I would almost go so far as to say their enthusiasm - for the attainment of European Union.

Europe in fact is the source of the improvement of our living conditions. It is the biggest market in the world with a level of production approaching that of the United States and is a powerful stabilizing force both internally and externally where it has exceptional influence because it is outward looking. Europe is all of this, only it does not know it.

For instance, it is paradoxical that the developing countries know about Europe and are ready for it since for them Europe carries the seeds of promise and development, and thereby human dignity.

And yet this is not what people always think inside the Community.

It is true that not all the hopes of Europe of fifteen years ago, Europe in its infancy, have been realized; it is true that the contract for progress concluded at that time between the signatory countries of the Treaty of Rome has not been entirely fulfilled.

On the whole, however, there have been many advantages and many new departures so that all the citizens of the Community have been able to derive benefit from its activities. What a pity then that those who have derived benefit have not been fully informed of the fact, the result being that public opinion is gradually losing interest in the work of the Community and sooner or later will condemn it since it sees only a number of different policies which often seem impossible to implement in practice.

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Now, by its very make-up, the European Economic and Social Committee embraces all economic and social categories without discrimination, and groups together all those who have come to the notice of their respective governments because of the responsibilities they have. The Committee is therefore not only of inestimable importance as a meeting place for its members but is also a platform which allows the Community authorities direct access to the citizens of the Community so that the European Idea can be furthered.

These facilities should therefore be used in such a way that everyone can be made aware of what Europe - whether directly or indirectly - has brought about. To do this decisions adopted by the Community authorities must be in the hands of the Committee as early as possible so that their contents can be disseminated and propagated suitably.

Conversely, the Committee must draw the Community authorities' attention to those topics which are of greatest concern to the social interests which it represents and to the steps which Europe should take, or goals it should achieve, if it is to make its image fit in better with the expectations of each individual European. The people of Europe at present are most apprehensive about the economic crisis and about inflation, which are threatening to destroy the traditional fabric of society. And yet what they seem most worried about is the lack of clear-sightedness in respect of the human goals of European economic expansion.

1. On the economic front, inflation, energy costs and monetary instability are problems which are of as much interest to the economic and social interests in the Third Group as to anyone.

However, there are some matters to which I must draw your attention :

If steps to fight inflation and organize the consumption of energy cannot be taken at European level owing to the particular situation of each State, they should at least be harmonized and coordinated. We believe that a solution can never be found by States turning in upon themselves and we believe, too, that only European solidarity can effectively combat the crisis through which we are passing.

What is more, all the steps which are taken should take into account the repercussions which they will undoubtedly have on the interests we represent, so as not to endanger farms and small- and medium-sized businesses which by their very structure are economically more vulnerable and which constitute the vast majority of businesses and provide the great bulk of employment.

2. On the social front, too, Europe is still unaware of what it can do.

We must give our Economic Community another face, a more human face.

Without neglecting workers' demands, we want an interest to be taken in everything that is social.

And so in order to turn Community solidarity into something concrete we should like to see the resources of the regional policy mobilized without delay so that the increasing regional imbalances resulting from the free play of market forces can be corrected.

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We should like to draw your attention, Mr Chairman, to the practical recommendation made by the Economic and Social Committee on the provision of a loan to finance the Regional Fund. The details of this could perhaps be specified in more detail.

3. Group III, therefore, in accordance with the Opinion on the Community Institutions adopted by the Committee last March, trusts that the Economic and Social Committee will really be the pre-eminent advisory body of the Council of Ministers and the Commission.

We reaffirm our support for the tripartite composition of the Committee, the only one likely to provide the Institutions with Opinions that reflect the views of all the economic and social groups that go to make up society.

What would be the value of a dialogue that deliberately excluded the economic and social groups we represent? At a time when Europe is seeking to establish a democratic basis, what would be the point of working out a policy without bringing in all the economic and social groups that go to make up Europe? Without their consent it just would not work.

Economic and social life involves complex and diverse elements which it would be dangerous to ignore, for by providing the human balance necessary to avoid clashes between antagonistic blocs, they make up the very fabric of any society. We in Group III, are particularly keen on finding all possible ways of making the Europe of material interests or political conflicts yield to the Europe of hearts and minds so that everyone can feel part of the grand design, the search for unity and peace begun 16 years ago and which we thank you for continuing, Mr President.

.../...

b) Mr DEBUNNE, Chairman of Group II

Mr President, Ladies and Gentlemen, my speech will keep to the purview of the Opinion on the situation in the Community, the speech of the Chairman of the Economic and Social Committee, and the speech made by the President of the Council, but I should nevertheless like to express, on behalf of the Workers' Group what I hope will be constructive criticism.

First of all we are told that we note with satisfaction the recent positive signs that a fresh start is being made. We are also told that we must face up to reality and not give way to pessimism or resignation. I accept that we must be realistic, and that means recognizing that Europe and the Community are in a troubled situation. The halcyon days when the barometer was set fair are now long since past and, if we are not ready and willing to take firm action, then Europe and the Community are in danger of sinking. In my view we must keep a particularly close watch on the monetary situation, the energy crisis and the social situation in general.

Another point I should like to make is that in the Opinion which we endorse since there is a great deal of shared ground between the various interests represented on our Committee, stress was also laid on Europe's achievement, notably economic prosperity, political stability, an appreciable improvement in the standard of living and levels of employment, and steady economic growth. I should like to point out right away, however, that all this prosperity, growth and improvement in living standards have neither removed inequalities nor averted a potential social crisis. I should add that in a situation like this it is important that inequalities should not become even greater and should be kept within acceptable limits. For this reason action on this front is absolutely vital.

This leads me to say most regretfully that progress in the social field has been but slight. One needs but to look at the examples given in the Opinion to realize that in actual fact the basic social questions still remain to be answered. I

should like to draw particular attention to two or three aspects, Mr President and Mr Chairman. In the crisis we are currently passing through, I believe they are of fundamental importance.

First of all, the energy crisis and inflation are the two basic factors in the problem commonly referred to as the achievement of full and better employment at Community and regional level, an essential precondition for an effective social policy. This is how the problem was expressed by the Council in its resolution of 21 February 1974. We are most concerned about this situation and particularly about the energy policy. You have pointed out that the Council is preparing to take decisions on the possible form of a new Community energy strategy. Well, this morning we were honoured by the presence of Mr SIMONET, Vice-President of the Commission. I believe I am speaking for the whole of the Economic and Social Committee - and certainly for the workers' Group - when I tell you that we tried to examine the problem working on the hypothesis that there was no security of supply. This study was carried out several months ago and on our own initiative we went into the situation that might possibly have arisen had there been an oil shortage. I must admit that we were then in a situation where we all feared the spectre of unemployment, with all the repercussions this would have on democratic regimes. Fortunately nothing materialized, but can anyone be sure that such situations will not recur if other strategy sources become unavailable in the immediate future and if we can only hold out prospects of a solution in the medium- and long-term. Our problems are a long way from being solved.

We have had a narrow escape - at any rate as far as things stand at present - and now we have another crisis on our hands, one brought on by prices, the repercussions thereof, and inflation, which raises the question of purchasing power and guaranteed incomes. I consequently believe that it is our duty to ensure that a proper employment policy is worked out - and this is something everyone desires - so that purchasing power and income levels are safeguarded. Opinions have been delivered, but perhaps they have not reached the right people.

A Community policy on energy supplies must certainly be drawn up. It would be the height of pessimism, if I may say so, to consider the European Community to be incapable of establishing such a policy within the next few months, since this is fundamental to all production.

There is, Mr President, another factor to which I would also like to draw your attention, without going into detail, and this is the regional policy. The Community is duty-bound not to neglect this aspect of its work. It is quite clear that even with national policies there are problems at regional level and recriminations are made by the regions against the central government at national level. If the Community neglects the regional issue, it will commit the greatest possible error in the field of general European policy. The Community has a duty, above and beyond the powers of the central governments at national level, to ensure that the regional policy becomes a reality and that its principal task is the achievement of full employment in all the regions without exception. I shall close my speech, Mr Chairman, with an appeal to public opinion, with which we seek closer cooperation. Workers, retired workers, the sick and the unemployed represent the largest group within public opinion. And it is a significant fact that as far as the workers are concerned, they realize that, although we indulge in criticism of the Community and the European venture, it is nonetheless true that a simple return to a narrower nationalistic outlook is impossible and would be catastrophic and, therefore, despite all the hazards and despite all the criticisms which have been expressed, our hopes rest fairly and squarely on this European venture. We have already made it clear at the Copenhagen Congress, which sought to bring together the most broadly-based group of European workers, that as far as we are concerned full employment, the purchasing power of wages, the quality of life and the concept of democracy as a whole are not limited to political democracy but include democracy in the economic, social and cultural fields.

We are in favour of the Community's achieving a policy of real solidarity with the developing countries, a policy which would

genuinely aim to guarantee the universal peace and total democracy that is our hope.

c) Mr AMEYE, Chairman of Group I

Mr President, Ladies and Gentlemen, Following my colleagues - the chairmen of the other two groups - I would speak on behalf of the employers' group and add certain comments and opinions, and stress certain points. The fact that yesterday the groups, and the Economic and Social Committee as a whole, was in almost complete agreement on many issues and a number of views means that I do not have to linger on an Opinion which we have approved by a very large majority, in fact almost unanimously.

I would say, however, that from the viewpoint of heads of undertakings and employers in general, it was important to point to the potential dangers which would face the European economy and Europe in general if the efforts we have made - not only since 1958, but since 1952 - were not followed through. The aim is not only to strengthen the international position of our countries, but to enable economic and social progress as a whole to develop and grow by achieving a united Europe. After all, the only figure we quoted in the draft Opinion was the tripling of per capita gross national product between 1959 and 1973, and I would point out that this feat was achieved nowhere else in the world by a comparable assembly of countries.

It is truly the European base that enabled this progress to be made. But I would like to take the opportunity afforded by the presence of the President of the Council to say that in the first years of existence of the Community it was not so much government decisions taken at the Council that were responsible for

this progress, but the faith we had in the political will of the governments.

There is no parallel between the particularly rapid and remarkable results achieved post 1959 and the rate at which decisions were taken and enacted by the Council. It was faith in this political will that led those responsible for economic and social activity to take the lead. They have done so in later years, but it must be realized that on occasions it has been difficult for them - in the midst of a whole series of tensions which were much more political than economic - to identify what openings there would be for economic and social progress in the years to come. To be very down-to-earth, I feel that it must be realized that a large unit like Europe cannot be built without problems, tension or crises. But this is not the important side of the matter. We must realize that such a major venture cannot be brought about in such a short time without meeting opposition and obstacles. The important, vital factor is the political will never to turn back, but to keep going forward, because this gives everybody who has to accept responsibilities or risks for future years an adequate guarantee - even if not a complete one - that this political determination will progressively broaden the European base as circumstances and opportunities permit.

I would be wrong to underplay the necessarily political stands of the governments and the Council or to underestimate the importance of a number of institutional changes which should or could be made at European level, but I believe - as was expressed

very clearly yesterday - that we attach very much more significance to political will than to any amendment of the Treaty of Rome or to taking provisions and measures which are perhaps important in limited areas, but which have definitely no psychological significance insofar as they enable changes to be made to measures being taken.

The exceptional operation which is the European summit conference is in our view a two-edged sword, and there is no doubt that it must be handled with a certain amount of care. This brings us to the permanent institutions of the Community and, in particular, the Council of Ministers.

It would certainly be lacking in courtesy on our part, Mr President, if we were to discuss relations between the Economic and Social Committee and the Council in an over-hasty or perhaps not quite fair manner. Whilst at times in the Committee some criticism has been voiced about the rate at which decisions are taken at the Council of Ministers, believe me, this criticism is due above all to our great hope that on the political, inter-governmental level - that is to say your level - a result can be obtained. By this I mean that we would like to see a sufficiently fast follow-up given to all the work carried out here, work which is carried out by a broad-based membership with the large support which is afforded the Committee each time it draws up an Opinion.

I shall conclude with some very brief thoughts on the place of the Economic and Social Committee within the framework of the

European institutions. It is not our intention to get bogged down in a dispute about names or legal concepts. But we do feel from time to time that we are underrated in relation to the other Community bodies, although there is no doubt as to our being representative of Community activity. On this Committee we have the widest possible representation of all facets of the economic and social life of the Community. In view of this - but not forgetting the improvements which have already been made in recent months to the Committee's Rules of Procedure - there are two things which we have very much at heart :

The first is that we hope that the Council of Ministers will take account of the Opinions which we submit to it after long and considerable pains and enormous dedication by all the members of the Committee. We hope that this can be done as part of a wider-ranging and more frequent dialogue. In this manner, we would feel able to see our work influencing the decisions made by the decision-makers.

We can and have already initiated this work in the Committee by trying to change it from an advisory body of the Community into a body for concertation.

Our desire is to continue the concertation which we have already embarked on, even though no very obvious results have been obtained to date. We would like to open frank and sincere dialogue without conditions, with the aim of forwarding economic and social interests, interests which are, after all, only different aspects of the same thing and which we all depend on.

Mr President, Mr Chairman, I would conclude here by thanking the President of the Council for devoting his time to us.

Sometimes we feel a little neglected when we compare the attention we receive with that afforded to the European Parliament, another of the Community's advisory bodies. There is also the fact that in international organizations, as in national organizations, the centres of power do not like the advisory bodies to come too near. From time to time we look up from the pile of reports drawn up by ourselves and the Parliament to see how things are with the Parliament and how it is treated. Sometimes we get the impression that we are treated a little less well than it is. I am sure that this is primarily the outcome of the political factor which is a recognized thing in all the Member States. Nevertheless, I feel that we would have more of a chance of increasing the effectiveness of our work if we could carry out this dialogue in a more active and intensive manner, a dialogue which we promote and of which we are the beneficiaries.

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II

A. END OF TERM OF OFFICE SPEECH BY THE COMMITTEE CHAIRMAN

At the last plenary session during his term of office, the Committee Chairman made the following speech :

Ladies and gentlemen, colleagues,

We have come to the last plenary session of the Committee's present term of office. In September the first Committee meeting of the new four-year term will be held and, as is usual at the beginning of a new period in office, the Committee will choose a new Bureau and appoint my successor.

I should now like to survey what has been achieved and what still remains to be done.

A report on the activity of the Economic and Social Committee over the past two years must take the general development of the Community in this period as its point of reference. It was, in retrospect, a period of high hopes and deep disappointments.

One of the key aims agreed at the 1969 Hague Summit Conference - enlargement of the Community - was achieved at the start of 1973 after protracted, tough negotiations. For the Economic and Social Committee accession meant an opportunity to welcome new members and the task, accomplished with exemplary smoothness, of arranging for their participation in its work.

The second objective, a closer integration of the Community, at first seemed to be making good progress. Initial moves were made towards economic and monetary union, and at the Paris Summit Conference of October 1972 the prospect even emerged of political union by the end of the present decade.

The events of recent months have, alas, shown the precariousness of these supposedly irreversible achievements. A succession of major setbacks put the institutions of the Community temporarily out of action and brought them to the verge of a life-or-death crisis. No fundamental solution has yet been found for the problems facing the Community, but the situation has taken a turn for the better, and the future can be reviewed with less concern.

The activity of the Economic and Social Committee was inseparably linked to this pattern of events. It brought out a series of Opinions and studies on practical implementation of the resolutions adopted at the Paris Summit Conference. The Heads of State or Government had declared for the first time that the social integration of Europe was as important an objective as economic integration, and special reference should be made to the Committee Opinion on the Community's Social Action Programme. Mention should also be made of its work on the projected economic and monetary union. Of lasting importance for the Committee was the call by the Paris Conference for closer participation of the social partners in Community decision-making.

When the Community crisis reached its peak early this year, the Committee, as almost the only organ still working normally, appealed to employers, trade unions, social groups and the public, thereby making its contribution towards safeguarding past achievements and getting European integration moving once more. Its attitude to the crisis was not just a momentary reaction to events, but also an expression of the sense of responsibility felt by the social partners represented on the Committee for the objectives of European integration.

The effectiveness of the Committee depends on its place in the institutional machinery. In the past its development has been impeded by the fact that it was not recognized as being an

institution. Recognition of this status would have entailed its being granted certain privileges enjoyed by comparable national institutions. In particular, the Committee felt that it was seriously handicapped by the fact that it could not deliver Opinions on its own initiative but only when consulted by the Council or Commission. The Committee's sustained efforts over a number of years to bring about a change in this situation were finally crowned with success in 1972 : at their Summit Conference in Paris, the Heads of State or Government invited the Council and the Commission to grant the Committee a right of initiative. A revision of the Rules of Procedure was then set in hand to give this right of initiative form and substance by setting out the exact conditions for its application. The architects of the revision were fully aware of the political implications of this new departure, and one of the amendments states that the Committee can only take up matters on its own initiative if a sufficient proportion of Committee members concur. In the meantime the Committee has exercised its new-won right on numerous occasions. It has delivered or started to prepare a number of "own initiative" Opinions, notably on the multilateral GATT negotiations, the problems connected with a Community technological and industrial policy programme, the renewal or extension of association agreements with countries which have special relations with certain Member States, and the employment situation in the Community.

Another matter of fundamental importance for the Committee is the action taken by the Council and Commission on its Opinions.

According to Article 189 of the EEC Treaty, Committee Opinions are legal documents but do not have binding force. This makes it all the more necessary to gauge the actual effect of the Committee' work. But this analysis is hampered by the fact that

although the Committee is naturally anxious that the Council or Commission keep it informed of the action taken on its Opinions, neither the Treaties nor the laws based on them lay down a mandatory procedure. The only way of assessing the real impact of its Opinions is to piece together empirical information after decisions have been taken. Last year the Chairman of the Committee therefore made a whole series of approaches to the Council and the Commission with the aim of improving liaison in this matter by establishing a systematic information procedure. It was not the Committee's intention, of course, to press the Commission to introduce the procedure used for the European Parliament, that is to say detailed accounts of how Opinions have been taken into consideration. Nevertheless, the Committee made it clear that periodic reports, which in certain cases could be amplified, would be extremely desirable. The Commission welcomed this proposal from the Committee and the General Secretariats of the two organizations were instructed to work out details.

While the contacts with the Commission can on the whole be described as definitely positive, a more qualified verdict must be given on those with the Council. The Committee continues to consider closer cooperation with the Council and the various competent bodies as one of its prime objectives. Satisfactory solutions have not yet been found for all aspects of this problem, but some success has been achieved, first and foremost the agreement of the President of the Council to take part in a general discussion with the full Committee at least once a year. It is to be hoped that this is the beginning of a procedure that can be widened in the future. The Chairman's talks with the Council yielded a number of further concrete results, the most important of which are listed below.

Progress towards the attendance of competent Council officials at Committee sessions is as follows : members of the Permanent Representatives of the Member States have been invited to attend sessions wherever possible, as observers. The General Secretariat of the Council is also endeavouring to send competent officials as observers to Committee sessions and section meetings. The General Secretariat now has observers at every Committee session and the members of the Council are officially informed of the work carried out.

With regard to the action taken by the Council as a result of Committee Opinions, the Council has assured the Committee that account is taken of its Opinions at all levels of the Council's work. The Council indicated, however, that it is the authority which has the final say on Commission proposals, it will not be able to inform the Committee about the action taken on the latter's Opinions until it has finally adopted its decisions, which are then published in the Official Journal of the European Communities.

The Council recognized the fact that the Committee would be able to operate more efficiently if it were better informed of the work of the Council and the guidelines followed.

The Committee has frequently pointed to the need for better coordination of its work with that of the Council. One of the Committee's suggestions was that it should be given advance notice of the relevant Council agendas, to enable it to plan its own work accordingly. Another idea the Committee put forward was to have a member of the Committee, as a rule the rapporteur for an Opinion, take part in preliminary work at the Council.

The Permanent Representatives Committee was another body with which the Committee wished to have closer contacts.

The Council has therefore proposed that the Chairman of the Economic and Social Committee and the Chairman of the Permanent Representatives Committee should hold meetings at which there would be general informal exchanges of views and the Committee would be provided with general information on the relations between itself and the Council.

These meetings would supplement the contact which already exists between the two General Secretariats for the purpose of exchanging technical information.

The Council has laid down the following procedure for the publication of Committee Opinions:

- a) All Committee Opinions on matters which are generally published in the Official Journal of the European Communities are to be published in that Journal, by way of information, on the initiative of the Committee as soon as their text is available in the official languages of the Community.
- b) Opinions are to be published without annexes but with rejected proposals for amendments. They are to bear the signature of the Chairman of the Committee.

Another matter coming under relations with the Council is the revision of the Committee's Rules of Procedure. Without wishing to give a final verdict, it is safe to say that although not all the proposed amendments won Council acceptance, key objectives of the Committee have nevertheless been achieved, marking a successful conclusion to the laborious and complex preparatory

work by the ad hoc commission. Yet it should continue to be the Committee's aim to obtain complete autonomy over its Rules of Procedure such as is enjoyed by other comparable bodies, and thus to shed the last of the restrictions originally placed on its work.

By the terms of its Rules of Procedure, the Council and the Commission are the only Community institutions with which the Committee has official relations, so its contacts with the European Parliament have been less in evidence. For some time, however, the Committee has been concerned to establish close relations with the European Parliament and has repeatedly let the Parliament know of this desire. The Committee discounts the fear expressed by some people that an extension of the Committee's privileges might limit the rights and responsibilities of the Parliament. In numerous speeches and statements, the Chairman of the Committee has expressed its unqualified support for the efforts being made to extend the powers of the European Parliament with the object of furthering the democratization of the Community's institutional machinery.

After the enlargement of the Community one of the Committee's top priorities was to establish the closest possible relations with the governments and representatives of economic and social activities in the new Member States. This was the purpose of three official visits made by the Chairman and the Vice-Chairmen of the Committee, to Britain in March 1973 and to Denmark and Ireland in May.

But the formation of new contacts did not mean that relations to the six original Member States were neglected. All were officially visited by the Chairmen during his term of office. Without going into details, the talks which took place during

these visits with competent members of government and leaders of the representative business, trade union and social organizations were fruitful and have helped maintain a dialogue between the Committee and the public in these countries. Special mention must be made of the media coverage these visits received, which has done much to familiarize a wider public with the Committee's role and work.

Among the Chairman's activities in furtherance of the relations of the Committee outside the Community was the fact-finding visit to a number of associated African countries in April 1973. The talks in the Republic of Zaire and in Kenya centred on development aid and particularly the possibilities of speeding up industrialization of those countries.

In June 1973 the Chairman paid a week's visit to the United States, during which talks were held with the Administration and other leaders inter alia on Community-US relations, particularly as they affect the two sides of industry.

These talks will be continued and amplified in July 1974.

Mention must also be made of the Chairman's fact-finding mission to Japan and Singapore in April 1974.

All of these visits, whether to industrialized or developing countries, have brought to light a demand among the leaders of

employers, trade unions and social groups for more information about the Community. They have demonstrated the need for regular information exchanges of this nature.

A first concrete step in this direction was the visit of the Section for External Relations, led by its Chairman, to Senegal and the Ivory Coast. The Committee's work on relations with the associated countries of Africa and Madagascar, was thus given a new dimension, and interesting prospects have opened up for further tangible contributions of the Committee with regard to the associable countries in the British Commonwealth.

At least as much attention was given to contacts with non-Community institutions as to external relations. Meetings of various kinds were organized - including a meeting of the secretaries-general of Member States' economic and social councils which took place in Brussels over several days in September 1973.

The need for closer cooperation with the economic and social councils which exist in most of the Member States was one of the main themes of the Chairman's official visits to these countries. Agreements were made to improve and extend existing information arrangements, and still closer links between the economic and social councils and the Committee through their respective chairmen are planned for the future.

At the Paris Summit Conference a list of priorities was drawn up in the following fields : economic and monetary union, regional policy, social policy, industrial policy, the environment, energy policy and external relations. These questions and many

other proposals for regulations and directives which are too numerous to mention here were discussed at a total of nineteen plenary sessions (four in 1972, nine in 1973 and six in 1974) during the present Chairman's term of office. In January 1973 the Committee adapted its working procedures to changed requirements by reorganizing its specialized sections and sub-committees into nine sections, and assigning them responsibility for individual aspects of its work. This is of course not the time and place to attempt a detailed analysis of the many Opinions the Committee has delivered over the past two years, but the following figures give some idea of the volume of work carried out:

September to December 1972	19 Opinions
January to December 1973	75 Opinions and 3 Studies
January to July 1974	75 Opinions and 5 Studies

When evaluating these results it must be borne in mind that, even before the latest crisis the Council was taking decisions on barely half of the documents referred to the Economic and Social Committee. This unsatisfactory situation has, if anything, further deteriorated in recent months. In view of this, one of the most urgent concerns of the Economic and Social Committee is to overcome the paralysis affecting Community decision-making. As regards those questions on which the Council subsequently reached a decision, however, the Economic and Social Committee has clearly achieved positive results. According to a survey published in the Annual Report for 1973 only two of the Opinions on the thirty-five subjects referred to the Committee were completely disregarded. It must be added that such a quantitative breakdown gives no indication of the nature of the individual Opinions, and that a definitive evaluation must take qualitative aspects into consideration. However, a great step forward would be made if a satisfactory way were found of informing the Committee in practice about action taken on its Opinions by the Council and the Commission, thereby allowing the Committee to gauge accurately the success of its work.

The effectiveness of the Opinions is intimately bound up with the audience which they reach. There is widespread ignorance amongst the public of the existence, composition and functions of the Economic and Social Committee, and its members have consequently called for more purposeful and more vigorous action on the public-relations side. The aims of the public-relations work can be summarized as follows: general publicizing of the work of the Economic and Social Committee, in order to bring home its activities to the public at large, whose interests the Committee represents and whose support may therefore be anticipated; to bring interested parties together; and to improve its status relative to European and international institutions.

Bearing in mind the need for effective measures in this matter, the Bureau of the Committee has set up within the Secretariat a Directorate for Press and Information and External Relations, headed by a Director-General.

In the meantime, the first steps towards a more vigorous press policy have been made by speeding up dispatch to the leading press agencies of press releases on Committee Opinions and by phrasing these press releases in a more journalistic style. As a result Committee activities - which had previously received little attention from the media - have featured much more extensively in the press. The holding of meetings outside Brussels has proved to be a further effective means of publicizing activities. Appropriate press and television coverage was given to the November 1973 plenary session in Strasbourg and to the Section meetings held in various Member States.

During the period under review changes were made in the Secretariat of the Committee to match the new requirements arising from the right of initiative and, above all, from the enlargement of the Community. The budget of the Committee was increased appropriately.

The opportunity was also taken to reform the structure of the Secretariat. The main change was the establishment of a new Division (Directorate for General Affairs) in order to give greater public prominence to the role of the Economic and Social Committee in the Community's institutional machinery.

The basic units of the Secretariat, in addition to the General Secretariat and the departments associated with it are:

- A Directorate for General Affairs, (Press and Information Division and External Relations Division);
- Two Directorates engaged in studies and advisory work. Directorate B comprises the Secretariats of the Section for Economic and Financial Questions, the Section for External Relations, the Section for Social Questions and the Section for Protection of the Environment, Public Health and Consumer Affairs. Directorate C comprises the Secretariats of the Section for Agriculture, the Section for Regional Development, the Section for Industry, Commerce, Crafts and Services, the Section for Transport and Communications and the Section for Energy and Nuclear Questions;
- A Directorate for Administration, which comprises the Personnel/Staff Regulations Division, the Specialized Financial Department and the Specialized Department of Internal Questions and the Translation Division.

The organizational adjustment of the Secretariat to its new duties and responsibilities has not always been carried out without difficulties. It is, therefore, evident that further

efforts must be made to improve and modernize the working methods of the Secretariat.

As stated earlier, the Chairman's term of office was marked by peaks and troughs in the development of the Community and the Committee. Hope for smooth, sustained Community progress has been put to a hard test by the latest crisis. The present deep-rooted differences of opinion - which however are no novelty - about the future of the institutions force us to conclude that the future political constitution of the European Community will not see the light of day for some time to come. This is a matter for regret. Genuine participation of the population of Europe in Community decision-making and democratic monitoring of economic and social decisions will be the criteria for the public's verdict on the European idea.

It follows that future policy must concentrate on democratizing the European Community. It is vital to give priority to reinforcing the democratic legitimacy of the European Parliament, if the aim of a European union - to be based, as the Heads of State or of Government are determined on democracy, freedom of opinion, free movement of people and ideas and participation of the public through freely elected representatives - is to be taken seriously.

In this respect, the Economic and Social Committee considers itself to be a body which influences and endorses decision-making in the European Community in the common interest. Greater powers for the Economic and Social Committee - which should have extensive information, advisory and consultative rights - would

in no way restrict the rights or the function of the European Parliament. There is no question of replacing the democratic legitimation of the European Parliament by a corporative system, the aim is to bring out in the open the influence exerted by economic and social interests on policy decisions. The prospect of closer grass-roots involvement in Community decision-making hinges on maximum openness and transparency of sectional interest pressures and the need for reasonable discussion of basic and specific issues between conflicting interest groups in Community decision-making. An increasing role for the interests represented on the Economic and Social Committee would make an important contribution here.

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Ladies and gentlemen,

Now we have taken stock, I should like to thank all those who have made my task an easier one. My thanks go first of all to Vice-Chairmen Mr CANONGE and Mr MASPRONE for the invaluable support they have given me. I can honestly say that all essential decisions by the chair have been taken jointly with the Vice-Chairmen. I would also like to thank the members of the Bureau. I did, incidentally, have the chance to do so yesterday.

Allow me next to thank the Chairmen of the three Groups, Mr AMEKE, Mr DEBUTNE and Mr GINGEMBRE. Due to their influence

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and the mediating role they have played, the Committee has always managed to present a united front, even in times of difficulty.

I would also like to thank section chairmen for having prepared the work of the plenary sessions so effectively. They have got through a tremendous amount of work.

Finally, my thanks go to members of the Secretariat who have had so many difficulties to contend with over the past two years. The Secretary-General, D. DELFINI, the Chairman of the Staff Committee, and everybody working in the Secretariat deserves my thanks for the help they have given. Nor must we forget the members of my private office who have relieved me of a considerable amount of work during these two years.

However, nothing that has been achieved could have been achieved without the continuous willingness of all the Members to devote their abilities, time and energy to it.

Ladies and gentlemen, without the willingness of members of the Committee to work hard at all times, without their ability and talent, and without the time they have given us, I do not believe I could have achieved what I have. Over the past two years I have admired the devoted way you have tackled your duties and I am referring not only to your presence and activities in Brussels, but also the work you have done elsewhere.

Your visits to Member States have publicized the work of our Committee and each and every member has made an outstanding contribution to their success. For all this, ladies and gentlemen, I am most grateful today.

I should like to end on a purely personal note. For me these two years, have been most valuable. In my capacity as Chairman I have had a great number of experiences which are sure to stand me in good stead for the future. There have of course been difficulties here and there but experience teaches us to overcome them. Looked at in this way my term of office has been a privilege and a joy and it is because you have put your confidence in me that I have found these two years so enriching.

Some of you, ladies and gentlemen, may perhaps remember the first plenary session I had the honour of chairing two years ago. The session had hardly got under way before I had to face a whole mass of points of order and amendments to the agenda even though I did not know the Rules of Procedure as well as I do now. I remember saying with the micro full on, "Ca commence bien", without of course being convinced by what was after all an involuntary reaction. Today, having reached the end of my term of office, and now being fully convinced, I would say to you that the feature of these two years has been the very fine team work. I thank you for having made it possible for me over these years to make my contribution to the Committee and to Europe.

B. Following this speech the spokesmen of the three groups made the following speeches:

Mr AMEYE, Chairman of the Employers' Group

After your end-of-term speech I feel it is right and proper, Mr Chairman, to thank you for the manner in which you have not only conducted our work but also chaired our meetings over the last two years.

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You have led our discussions with firmness and amiable authority, and have done so with real insight into the work going on and with a determination to strengthen the position of the Economic and Social Committee within the European institutional machinery. And you have done so at a time when this could not have been easy. We have carried out all our work under your guiding hand. I believe we have thereby helped not only to keep up the flow of ideas but to maintain the concerted action which is needed within the Economic and Social Committee and the European institutions. We are greatly indebted to you; you will go down as having been a great chairman.

Mr SOULAT, Vice-Chairman of the Workers' Group

Mr Chairman, colleagues, having heard the Chairman's report I too, on behalf of the Workers' Group, should like to lay stress on the constructive achievements of these past years. In particular I would thank the Chairman of the Committee most warmly for the way he has stimulated and led the discussions of our Committee in spite of all the difficulties and the fact that we have not always been easy to please.

I should also like to draw your attention to the work of the Bureau, guided and stimulated by the Chairman, which has been the driving force behind our activities. As the Chairman has said, fine work has been done. Nevertheless he also said - and, if you will allow me, I should like to dwell on this for a minute or so - he also said that the work that had been done over the past few years had to be carried on if we wanted our efforts to be rewarded. In this connection I should like to voice some of the concern felt by the Workers' Group in recent years with regard to the Committee as a whole. We are well

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aware that the yardstick for our work is not always the number of Opinions that are delivered but the quality of our discussions on these Opinions. When you look at today's agenda -- twenty or so Opinions, reports or studies -- and realize that since the beginning of 1974 there have been 75 Opinions and reports, and 5 studies -- it is hard not to be impressed. And yet these flattering figures throw up big question marks for the future. Where are we heading if this process continues? Is there not a good chance that the quality of the Committee's work will deteriorate if much of our work is done by the clock and almost according to mass production methods? And yet we want our work to be of use. Sometimes we wonder what purpose is served by some of the Opinions we have delivered, and perhaps if we scoured the libraries of the Commission we would no doubt find that some of the Opinions had never been touched and had hardly been read or studied because some of them had arrived after the Council had taken its decisions.

The value and usefulness of Opinions delivered under these circumstances need to be questioned.

As a result of the tireless work and efforts of the Committee, our Opinions are now published. This is to be welcomed, but should we now aim to go even further so that we can reach the vast majority of public opinion which does not read the Official Journal of the Communities every night? After all the progress that has been made over the last few years, should we not now aim to remove walls and barriers and lift the blanket that has blacked out our work and sessions? If we want European public opinion to know that an Economic and Social Committee exists, it is not enough to inform it that it exists; it has to be possible for the press, radio and television to be here and to follow our work and our discussions. Despite the walls erected by our rules, we shall perhaps have to find ways and means of changing all this and making sure that our work is followed up more speedily.

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I have brought this up, Mr Chairman, because you pointed out just now that our work and efforts over the last few years had to be continued. And I should also like to draw your attention to the unfinished discussions last March on the role and responsibility of the Committee. There was one point that was left over and which had already elicited a considerable number of remarks and reactions from the Workers' Group. That was the last part, the final part that could not be dealt with in the report, and which the Opinion which was adopted stressed should be re-examined with regard to the Committee's working methods. I believe - and I am sure we are all agreed - that one of the most important tasks of the next Committee will be to go ahead with these discussions along the lines of the Opinion we voted.

Mr Chairman, I wanted to bring this up because it was along the lines of what you were saying and of what the Workers' Group had advocated over the last few years. For us that means the basis for a working programme and a plan of action by which we can advance along the same path we have trodden under your guidance over the last few years.

Mr GINGEMBRE, Chairman of the Various Interests Group

Mr Chairman, I do not intend to expound on any particular theme. I should merely like to say personally and on behalf of Group III how grateful and indebted we are for the dynamism you have shown at the head of our Committee. We also extend our thanks to the Vice-Chairman and all the members of the Bureau, who have backed you up. We are certain that over the past two years the post of Chairman has gained in prestige on account of your personality and we are well aware that with your drive the Economic and Social Committee has made splendid progress both with regards to its status and prestige as well as its internal functioning.

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Mr Chairman, speaking off the cuff, what has touched me most personally have been the very kind words you had to say at the end of your speech. As far as we are concerned, I believe that the Committee's role is not only to study economic problems but to create among all members an ideal by which this Europe you are so attached to can perhaps be brought into being. In your most recent statements you have stressed the importance you attached to Europe. You have striven to overcome the crisis and instil a certain optimism in the organs and leading figures forming this Committee.

It is above all for this, Mr Chairman, that I should like to thank you on behalf of Group III.

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III

PREPARATION OF THE OPINIONS

1. "Situation in the Community"

Rapporteur-General : Mr DE BRUYN -- Belgium -- Various interests

In view of the difficulties being experienced by the European Economic Community, the Economic and Social Committee unanimously adopted during its plenary session on 17 and 18 July an opinion on the situation in the Community. The Committee used its right of initiative in preparing this opinion. Professional associations and trade union organizations will be able to draw on this document and the opinion delivered last March on the future role of the Committee when steps are taken, in conjunction with their affiliated bodies to alert public opinion to the need for revitalizing activity at Community level.

During the July plenary session the Chairman of the Economic and Social Committee, Mr Alfons LAPPAS, presented the opinion to Mr Michel DURAFOUR, the President of the Council, whose participation in the meeting marked a new stage in the relations between the two institutions.

In the opinion, the Economic and Social Committee notes with satisfaction the recent positive signs that a fresh start is being made and the initial concerted efforts to re-establish equilibrium. It feels, however, that the difficulties are far from being overcome and calls for a return to effective Community solidarity, which should take the form of swift, tangible action to:

- bring about European monetary solidarity with a view to a return to system of fixed parities;
- set up Community machinery for effectively combating inflation;

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- implement the regional policy without delay by allocating resources to the Regional Fund;
- implement with all due despatch, the social policy programme laid down at the Paris Summit Conference;
- define a common energy policy which aims at guaranteeing sufficient supplies at reasonable cost and at reducing the Community's dependence on external suppliers.

It considers that the need for Community political action makes it essential to reject any narrow, constricting legalism and precludes alleged institutional weaknesses being used any longer as an excuse for a lack of decision.

An improvement in the decision-making process should be accompanied by :

- a strengthening of the powers of supervision of the European Parliament and the election of its members by universal suffrage;
- increasing participation of the economic and social groups in the Community's decisions, in particular through development of the role of the Economic and Social Committee.

Lastly, it stresses the need for a sustained flow of objective information to the public : "Instead of using the Community as a scapegoat by laying unpopular measures at its door, or on the other hand, presenting the progress which has been made as national victories, politicians have the duty to point out to public opinion the progress made in Community work. The professional organizations and trade unions should assume the same responsibility vis-à-vis economic and social circles".

The Economic and Social Committee considers that the provision of honest information to the public and the active participation of Community citizens are the only means capable of awakening a European consciousness. This is currently lacking in the building of Europe; without it Europe will make no progress.

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2. "New energy policy strategy"

In response to changes in the Community's energy supply situation which were underlined by the recent crisis, the Commission recognizes the need for a clear redefinition of policy and seeks to set out a new energy strategy for the next ten years.

The Commission's document comprises :

- a general communication on the new strategy;
- a proposal on limiting the use of natural gas in power stations;
- a proposal for the restriction of the use of petroleum products in power stations;
- a proposal concerning common rules for imports and exports of hydrocarbons;
- a communication on the rational use of energy.

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The strategy outlined in the main Communication is aimed at reducing the Community's external energy dependence to the greatest extent possible. On the demand side, this presupposes a deliberate policy to obtain a more efficient use of energy and to reduce waste. On the supply side, energy production from nuclear sources, gas and coal must be maximized in order to reduce the importance of oil to the bare minimum. Translated into concrete targets for 1985, these objectives primarily entail :

- a 10% reduction in the level of consumption below that level previously estimated for the end of the period;
- a reduction of the Community's overall external energy dependence from 63% in 1973 to 40%;
- a reduction in the share of oil in total energy consumption from 61% in 1973 to 41%;
- an increase in the share of nuclear energy from 1% to 17% by ensuring that half of the Community's electricity needs are met from this source in 1985;
- a continuation of coal production at its present level of output;
- an increase in the share of natural gas from 12% to 25% of total energy consumption.

The Commission points out that these are not forecasts but ambitious objectives which are designed to highlight the fundamental and difficult energy decisions with which the Community and its Member States are now faced.

It is further suggested that the management of energy policy should be assigned to a Community agency under the control of the Commission which would have a legal personality, financial autonomy, and a consultative committee comprising representatives of the Member States, industry, workers, users and consumers.

The Committee drew up its opinion on the basis of material produced by its Section for Energy and Nuclear Questions chaired by Mr KUIPERS - Netherlands - Employers (Rapporteur : Mr DELOURME - Belgium - Workers).

By a unanimous vote with 6 abstentions, the Economic and Social Committee approved its opinion on the Communication and proposals of the Commission "Towards a new energy policy strategy for the European Community".

The Committee, reserving the right to undertake a deeper analysis of the Commission's Communication and proposals in the form of a supplementary opinion when the incoming Committee has been nominated, limits itself within the short time available for study to a number of preliminary remarks.

The Committee welcomes the Communication and proposals and, in particular, the objectives for energy policy set out by the Commission and approves their purposeful and ambitious character. These re-echo many of the ideas put forward by the Committee in its recent major study on "the Objectives and Content of a Common Energy Policy". However, it regrets that the detail with which the energy policy objectives have been defined has not been reflected in the means for implementation which the Commission must now set out in greater detail.

The Committee is also surprised that little attention is given to new energy forms and sources such as solar and geothermal energy and thermo-nuclear fusion which, if properly developed from now on, could play a far more negligible role by the year 2000.

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3. Fuel stocks

The Commission now considers that, in view of the severe economic disruption which would result from any interruption in electricity supply, it is necessary to guarantee the continuity of electricity production by ensuring that power stations have access to sufficient quantities of primary energy.

Whereas the Directive of 1968, imposing an obligation on Member States to maintain minimum stocks of crude oil and/or petroleum products and of 1972 which, with effect from 1 January 1975 raised the required minimum level of stocks from 65 days to 90 days, related only to petroleum products, the obligation in the proposed Directive applies to both oil stocks and coal stocks (but does not apply to natural gas or lignite).

It is proposed that Member States take appropriate measures to oblige electricity producers, from 1 January 1976, to maintain at thermal power stations, fired by oil and coal, fuel stocks which shall be sufficient to ensure foreseeable electricity supplies for a period of 50 days.

The obligation to maintain stocks shall apply to both public generating stations and private industrial generators. Although the obligation affects all power stations irrespective of their output, the Commission will allow Member States to limit regular supervision to power stations with a capacity of 100 MW and over.

The conditions under which Member States may be permitted to let the level of stocks fall below the compulsory minimum, are

similar to those of Directive No. 68/414/EEC (i.e. special urgency, minor local needs, or, in the event of a supply crisis, prior consultation of the Commission and the other Member States).

The Committee drew up its opinion on the basis of material produced by its Section for Energy and Nuclear Questions chaired by Mr KUIPERS - Netherlands - Employers.

Rapporteur : Mr BONOMI - Italy - Employers.

By a large majority with 4 votes against and 13 abstentions the Economic and Social Committee approved its opinion on the

"Proposal for a Council Directive obliging the Member States of the EEC to maintain minimum stocks of fuel".

The Committee believes that the economic consequences of an interruption of fuel supply are so serious as to justify an additional element of stockpiling in the Community over and above the requirements of existing Directives which oblige Member States to hold 90 days' stocks of petroleum products. It therefore supports the Commission's new proposal that 50 days' stocks of oil and/or coal should be held at power stations to protect electricity production. Natural gas and lignite are excluded from the proposal, mainly for economic reasons.

The Committee points out that the text of the Commission's proposal is unclear and requests that it be amended in order to

ensure that the oil stocks held at power stations to meet this new requirement are in addition to the general obligation on Member States to maintain 90 days' stocks of petroleum products.

On the location of power stations' stocks, the Committee feels that rigid insistence on stockpiling at the place of consumption may involve excessive costs and believes that the Commission should adopt a more flexible approach to the use of public means of transport to link power stations with their stockpiling sites.

In order to ensure that the objective of security is met, the Committee suggests that the stockpiling obligation should, with certain exceptions, be extended to cover all fuels used in thermal power stations. For the same reason, the conversion of existing stations to dual-firing should be strongly encouraged and, as a long term measure, research and development work on the storage of natural gas at natural subterranean sites should be promoted.

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4. Food aid

The Commission's Memorandum proposes an expanded programme of food aid to developing countries, both in response to emergency situations (e.g. disaster relief) and as an instrument of the Community's overall development policy.

In the light of current and projected food shortages in developing countries, of the increases in world food prices, and of the impact on the economies of developing countries of the energy crisis coupled with continuing inflation, the Commission argues that "the adoption of a substantial and coherent food aid policy of the Community is becoming an urgent necessity". To this end it proposes :

- an increase in the Community's current food aid commitments by means of a three-year indicative, quantified programme;
- the channeling of the bulk of the Community's food aid directly to developing countries, while passing substantial and possibly increasing quantities through multilateral agencies;
- the distribution of food aid for development (as distinct from food aid for emergencies) by means of open market sales in recipient countries, and the utilization of the resulting counterpart funds for development programmes selected by the recipient countries and approved by the Community;
- the delegation of authority by the Council to the Commission for executive decisions in the administration of food aid;
- the implementation of all future food aid through Community actions alone, so bringing food aid in cereals (hitherto provided partly by the Community and partly by Member States) in line with food aid in other products.

The Economic and Social Committee based its Opinion on material prepared by the Section for External Relations under the chairmanship of Mr de PRECIGOUT - France - Employers.

Rapporteur : Mr TASKER - United Kingdom - Various interests.

The Committee adopted its Opinion unanimously on the

"Food crisis and the Community's responsibility towards developing countries - Memorandum on food aid policy of the European Community".

The Committee points out that the Community has so far lacked a coherent food aid policy. It goes on to welcome the Commission's proposal and endorse the concept that proposals on food aid must supplement and not replace other forms of aid, such proposals having to fit into the broader framework of the Community's financial assistance to developing countries. The Committee regrets, however, that the Commission proposals - both in terms of objectives and instruments - do not distinguish sufficiently between food aid which is based on humanitarian considerations and food aid which is designed to promote economic development.

The Committee's Opinion also deals with the relationship between food aid and financial aid, their respective effectiveness and their relative fraction of total resources deployed to assist developing countries.

In addition, the Committee makes a number of suggestions and specific comments about fixing production targets for Community farming, the size of the medium-term indicative programme and the

need for structural improvements to the food production sector in developing countries. Special attention has also been given to the pros and cons of channeling the Community's food aid directly to developing countries or through multilateral agencies.

On the subject of the distribution of food aid for development by means of open market sales in recipient countries, the Committee recommends that every precaution be taken to prevent aid programmes from being disincentives to increased agricultural production in recipient countries.

It therefore recommends that counterpart funds generated by food aid be applied to agricultural development programmes.

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5. Stock Exchange prospectus

The proposed directive makes it compulsory to use certain schemes of presentation containing all the informations which should be brought to the knowledge of the public in a prospectus when shares, debentures or certificates representing shares are admitted to stock exchange quotation. Provision is made for certain combinations of or adaptations to these outline prospectuses to take account of the type of issuer concerned (financial institutions, public corporations), the nature of securities involved (guaranteed loans, convertible loans, loans with warrants attached), the frequency of issue (continuous or repeated loan issues) or of particular kinds of operations (mergers, splits, public exchange offers).

Certain rules are imposed regarding the enforcement of the prospectus requirements and the publication of the prospectus, and provision is made for cooperation on these matters between the appropriate national authorities and the Commission.

The proposed directive concerns companies in the broad sense of the term, including those in the public sector, while the draft recommendation covers securities issued by States and local authorities.

The Community rules proposed by the Commission are designed to provide better information for shareholders and debenture holders and to make such information equivalent in the Member States. They are also intended to facilitate the interpenetration of capital markets by improving the quality and comparability of the information published concerning securities quoted on the Community's stock exchanges. At present the paucity of such information is hampering cross-frontier dealings in these securities.

The Economic and Social Committee prepared its Opinion on the subject on the basis of work carried out by its Section for Economic and Financial Questions under the Chairmanship of Mr ROLLINGER - Luxembourg - Various Interests.

Rapporteur : Mr CAMMANN - Germany - Employers.

The Economic and Social Committee adopted unanimously its Opinion on the

"Proposal for a Council Directive and the draft Council Recommendation on the prospectus for admission to official stock exchange quotation".

The Committee based its Opinion concerning the preparation of a prospectus, on the assumption that an essential part of European integration is the creation of a single capital market. The Committee believes that this is important for the financial needs of businesses and public authorities to be fully met in the future.

The Committee further states in its Opinion that the free movement of capital requires not only an alignment of foreign exchange regulations, but also an alignment of stock exchange rules in the Member States.

The Committee's specific comments stress :

- that it should be mandatory for a company to issue a prospectus when issuing new securities. This obligation should also extend to local authorities;
- that the freedom to waive publication of a prospectus under certain circumstances be tightened up;
- that the prospectus should supply the public in general in all the Member States of the Community with objective information on the legal and economic situation of the issuer;
- that the announcement of the prospectus ought to be published in the official journal of the Community, with an indication as to where the said prospectus can be obtained. The prospectus should, where possible, be available in each Member State.

The Committee offers detailed recommendations regarding, in particular, the form of presentation of the prospectus for the admission of shares to stock exchange quotation.

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6. Recycling of plutonium

The development of nuclear power in the coming years using (enriched uranium-fed) light-water reactors will lead to the output of substantial quantities of plutonium. This fissile material will ultimately be absorbed by the installation of the next generation of (plutonium-fed) fast-breeder reactors in 10 to 20 years' time.

Since plutonium is considerably more difficult to handle than uranium, its handling, storage and development as a nuclear fuel will give rise to certain technical and environmental problems which require further study.

The Commission therefore, advocates the recycling of plutonium as a fuel in light-water reactors as a transitional solution, and, in order to overcome the associated problems, proposes the adoption of a research and development programme which would complement the efforts undertaken within the Member States and which would cost 5.6 million units of account over a four-year period beginning on 1 January 1975.

The Committee drew up its opinion on the basis of material produced by its Section for Energy and Nuclear Questions chaired by Chairman : Mr KUIPERS - Netherlands - Employers.

Rapporteur : Mr SCHLITT - Germany - Various interests.

By a unanimous vote, the Economic and Social Committee approved its opinion on the

"Proposal for a Council Decision adopting a programme of research and education for the European Atomic Energy Community on plutonium recycling in light-water reactors".

The Committee broadly agrees with the Commission proposal for a programme of plutonium recycling in light-water reactors, covering the period 1975-1978. This material, which will be produced in considerable quantities in the coming years as the by-product of the present generation of uranium-fed light-water reactor nuclear installations, will ultimately be used as the fuel for fast breeder reactors which will come into service in 10 to 20 years time.

The Committee believes that the lower efficiency of using plutonium in light-water reactors rather than in fast breeders will be offset by a number of factors. Firstly, its use would take a lot of pressure off the increased demand for natural uranium. Secondly, it would give the nuclear industry in the Member States some timely experience in the safe handling of plutonium. Thirdly, it would offer a solution to the considerable problems the Community would face in storing the large quantities of plutonium which will be produced in the coming years.

Nevertheless, the Committee considers that the Commission must establish the date after which plutonium will no longer be re-cycled in light-water reactors but reserved for use in fast-breeder reactors.

Taking account of the potential dangers which could arise from the growth of plutonium output, the Committee believes it is vitally important that the Community adopt appropriate uniform safety standards.

The Committee finally considers that insufficient attention is given in the programme to the research into certain problems in the field of plutonium recycling and that some of its budgetary provisions are inadequate.

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7. Second tobacco directive

The purpose of the fiscal harmonization programme for manufactured tobacco products is to create conditions which facilitate the interpenetration of the markets for manufactured tobacco products within the Community.

Differences between the conditions of competition on the markets of the Member States are strongly influenced by differences in the structures of excise duties. Harmonization of these duties will thus make it possible to bring these conditions of competition into line with each other, and thus assist the interpenetration of markets.

By laying down the principles for harmonized taxation of cigarettes, the Directive of 19 December 1972 took a first step in this direction. However, if the objective of the harmonization is to be fully attained, the structures of excise duties on manufactured tobacco other than in cigarette form must also be fixed. Therefore, the products to which the harmonized structures are to apply must first be defined.

Manufactured tobacco must be divided into several groups (since manufactured tobacco products do not all have the same

characteristics, nor are they all used for the same purposes), thus allowing the possibility of varying the tax burden.

Most Member States already classify manufactured tobacco in different groups and generally apply to each of these groups tax structures and rates differing from those applied to other groups. However, there are differences, sometimes considerable, between the number and nature of the groups in use in the Member States. Thus certain Member States distinguish either between cigars and cigarillos or between cigars with a wrapper of natural tobacco and cigars with a wrapper of reconstituted tobacco, while other Member States do not apply such distinctions.

Although the first Council directive of 19 December 1972 took a first step in laying down the principles for harmonizing taxation on cigarettes, it also implicitly recognized that different principles might be appropriate in the taxation of other tobacco products. Currently most Member States not only differentiate in the taxation burden imposed on various manufactured tobacco products but there are also notable differences between Member States in their classification of product groups for fiscal purposes.

The second draft Directive is concerned with the selection and definition of common product groups to be adopted throughout the Community. This is therefore an important and essential first step to any consideration of appropriate principles for harmonizing the taxation across the whole range of manufactured tobacco products.

Apart from purely fiscal considerations, the guiding principle underlying the proposals of the second draft Directive is that products which are perceived as similar by the consumer should be classified in the same product group.

The Economic and Social Committee prepared its Opinion on the subject on the basis of work carried out by its Section for Economic and Financial Questions under the Chairmanship of Mr ROLLINGER - Luxembourg - Various interests.

Rapporteur : Mr Sean O'CEALLAIGH - Ireland - Employers.

The Economic and Social Committee adopted by a large majority against 3 votes and 7 abstentions, its Opinion on the

"Proposal for a Second Council Directive on Taxes other than turnover taxes which affect the consumption of manufactured tobacco".

The Committee whole-heartedly endorsed the Commission's views regarding the necessity for directives leading to early fiscal harmonization for manufactured tobacco products. This is seen as the principal means of bringing about the conditions favourable to the interpenetration of the markets for these products within the Community.

The Committee sees the necessity for a clear definition between cigars and cigarettes, since most Member States tax cigarettes more heavily than cigars. The criteria for defining cigars is all-important, but the definition of the other main product groups is seen as presenting no major problems.

Transitional measures are also seen as being of considerable importance in view of the changes in existing national markets which fiscal harmonization incur.

In its specific comments, therefore, the Committee concentrates its attention on a more subtle classification of

cigars by a 3-tier weight system (compared to the Commission's proposal for a 2-tier weight system), and by wrapper type (natural tobacco and reconstituted tobacco).

The Committee considers the sub-division of cigars into two groups, as envisaged in this draft directive, as being too restrictive, having regard to the diversity of cigar products being marketed in the Community.

Since the number of groups to be adopted should not be prejudged in isolation from the fiscal structure and rates of duty to be adopted in a harmonized Community system of excise, the Committee proposes that Member States be allowed to retain the option to classify cigars into several groups defined by the nature of the outer wrapper and certain ranges of weight.

The Committee believes it essential that employment in the industry is not put at risk by too rapid a series of changes, and therefore recommends certain specific derogations and the extension of general temporary derogations until 1 January 1980.

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8. Waste oils

This draft directive was drawn up as part of the Community's action programme for the protection of the environment, and comes

within the scope of the Information Agreement of 5 March 1973 (OJ No. C 9/73) concerning the possible harmonization of urgent measures related to the protection of the environment.

The purpose is to harmonize national laws on the disposal of waste oils in order to forbid the depositing and treatment of waste oils in such a way as to cause air, soil or water pollution.

With this in view the Commission proposes to set up an efficient and coherent system of treatment for waste oils together with suitable inspection procedures.

The disposal of waste oils is to be carried out by means of recycling, regeneration and/or combustion.

Finally, the Commission proposal makes provision for the granting of indemnities to firms engaged in such activities as a payment for services rendered.

The Economic and Social Committee based its Opinion on material prepared by the Section for the Protection of the Environment, Public Health and Consumer Affairs under the chairmanship of Mr RAMAËKERS - Belgium - Various interests.

Rapporteur : Mr DE GRAVE - Belgium - Workers.

The Committee adopted its Opinion with no dissenting votes and two abstentions on the

"Proposal for a directive on the disposal of waste oils".

Whilst acknowledging the importance of the aim of the proposal, the Committee does not endorse all the methods

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recommended by the Commission for the non-polluting disposal of waste oils.

The Committee has endeavoured to achieve the same aim as the directive using the same methods of control, but has based its solution on the criteria governing the disposal of other chemical waste, namely, prohibition of discharge into the environment, incentives to encourage holders of waste to reutilize this material, removal of waste by an authorized firm and, if necessary, inclusion of the cost of removal in the cost of production and, consequently, the selling price.

The Committee considers that the introduction of a system incorporating all of these principles would make possible a more just application of the "polluter pays" principle and, unlike the directive, would at the same time encourage firms to rationalize procedures for dealing with industrial waste.

This would prevent charges which vary from one country to another from creating new barriers to trade.

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9. Textile names

In this proposal for a directive

The Commission proposes the addition of the Danish term "Nyklippet uld".

The Committee drew up its Opinion on the basis of material produced by its Section for Industry, Commerce, Crafts

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and Services. Chairman : Mr HIPP - Germany - Employers.

Rapporteur : Mr RØMER - Denmark - Employers.

The Economic and Social Committee adopted its Opinion unanimously on the

"Proposal for a directive of the Council amending Directive No. 71/307/EEC on the approximation of the laws of the Member States relating to textile names".

The Committee approves the Commission's proposal.

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10. Customs treatment - reimportation of goods

The main object is to allow a derogation from the application of Common Customs Tariff duties in the case of goods which come from third countries, were originally exported from the customs territory of the Community, but, for various reasons, are returned to it. Goods which were originally exported from the customs territory of the Community under inward processing arrangements are also to be accorded an element of exemption in order to avoid taxation of the Community products they contain.

To facilitate identification of goods in the event of their being returned to a Member State other than that from which they were exported, it is proposed that the competent authorities at the customs office at which the goods are exported should issue, on application by the person concerned, a document containing the requisite information.

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The Economic and Social Committee based its Opinion on material prepared by the Section for Industry, Commerce, Crafts and Services under the chairmanship of Mr HIPP - Germany - Employers.

Rapporteur : Mr DE GRAVE - Belgium - Workers.

The Committee adopted its Opinion unanimously on the

"Proposal for a Council Regulation on the customs treatment applicable to goods returned to the customs territory of the Community".

The Committee approved the proposal for a regulation.

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11. Sound level - agricultural tractors

The main purpose is to harmonize the provisions of the Member States in order to remove technical barriers to trade in wheeled agricultural and forestry tractors. It also ensures safe working conditions by placing a limit on noise levels in order to protect workers' hearing.

The proposed directive fixes the maximum noise level at 90 dB(A). To measure this level, the Commission uses the method established by the OECD which stipulates testing at 100% of the nominal engine speed. The Commission believes that this is the only method which can be taken into consideration at present.

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The Economic and Social Committee based its Opinion on material prepared by the Section for Industry, Commerce, Crafts and Services under the chairmanship of Mr HIPP - Germany - Employers.

Rapporteur : Mr MASPRONE - Italy - Employers.

The Committee adopted its Opinion with no dissenting votes and eight abstentions on the

"Proposal for a Council directive on the approximation of the laws of the Member States relating to the driver-perceived noise level of agricultural or forestry tractors fitted with wheels".

The Committee approves the draft directive and agrees that the proposed limit is a major advance in respect of the protection of drivers' hearing. However, the limit can only be achieved at present in the case of tractors fitted with sound-proofed cabs - this being normally the case in the United Kingdom, where a limit of 90 dB(A) is laid down by law for tractors fitted with cabs.

The Committee considers that this limit cannot be imposed on the other Member States without obliging them to adopt sound-proofed cabs, which would be bound to increase costs.

The Committee considers that numerous technical problems have to be overcome in order to reduce tractor noise. These problems can be overcome but the financial implications are evident and would put Community manufacturers at a disadvantage in relation to manufacturers in non-member countries. Consequently, the Committee feels that whilst the 90 dB(A) limit is acceptable for tractors fitted with closed, sound-proofed cabs, a higher limit would be better for tractors without cabs.

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12. Customs harmonization - free circulation of goods

The purpose is to simplify and harmonize procedures by which goods from non-member countries are released for "free circulation". "Free circulation" implies that free movement between Member States is applied in an identical way to both products from these States and to products from non-member countries which have been properly cleared through customs in a Member State. If this principle is not to cause distortions, it is vital for the customs clearance to be carried out in a uniform way irrespective of the place of entry of the goods into the EEC.

At the present time procedures followed by the Member States differ most widely in such fundamental aspects as the date which is operative for determining which rates will apply, the facilities given to the declarant, and the conditions under which customs examination of goods is carried out.

To simplify the procedures applied at present in the Member States, the Commission proposes a double procedure : a normal procedure and a simplified procedure. The normal procedure which will be uniform in all the Member States would, however, be more flexible than most of the current national procedures; the simplified procedure, adapted to the needs of commercial activity, is based on genuine cooperation between importing firms and customs services and enables formalities to be cut down to the minimum.

The Economic and Social Committee based its Opinion on material prepared by the Section for Industry, Commerce, Crafts and Services under the chairmanship of Mr HIPPEL - Germany - Employers.

Rapporteur : Mr DE GRAVE - Belgium - Workers.

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The Committee adopted its Opinion unanimously on the

"Proposal for a Council Directive on the harmonization of procedures for the release of goods for free circulation".

The Committee endorses the Commission's view in cases where the person entering goods is resident in another Member State, customs formalities can only be genuinely speeded up if the customs authorities of the importing State acting on their own initiative or at the request of the importer, can at any time obtain in other Member States and accept as adequate authentication the particulars they require for their checks.

As regards the provisions of Article 3, which allow any person resident in the Community to enter goods, the Committee sees the need to avoid the privileges which exist here, but realizes that the social aspect of this matter must not be ignored. It stressed that the complexity of customs operations leads to the appearance of a body of specialists, and that it is in the obvious interests of the authorities that formalities should be carried out by professionals with the necessary training.

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13. Harmonization animal and plant health

The Commission has drawn up a programme covering a number of proposals on measures to be taken by 1 January 1978 to achieve objectives in the fields of public health, consumer protection, the protection of animals and plant conservation.

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The Economic and Social Committee based its Opinion on material prepared by the Section for Agriculture under the chairmanship of Mr VISOCCHI - Italy - Various interests.

Rapporteur : Mr DROULIN - France - Various interests.

The Committee adopted its opinion unanimously on the draft Council Resolution concerning animal and plant health and animal nutrition.

The Committee approves the work programme put forward by the Commission for the period up to 1 January 1978 and urges the Community Institutions, particularly the Council to adhere strictly to the deadlines proposed by the Commission.

The Committee stresses that the programme is not exhaustive and reserves the right to take a stand on each of the proposals referred to in the work schedule.

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14. Bovine tariff quota

Following an earlier undertaking given to Austria, the Community has decided to increase the volume of the Community tariff quota for products falling within subheading ex 01.02 A II b 2 of the CCT, and to lower the quota duty from 6% to 4%. In order to meet Community obligations, the proposed regulations lay down the provisions relating to the opening, allocation and administrative procedures of the above-mentioned quotas.

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The Committee drew up its Opinion on the basis of material produced by its Section for Agriculture under the chairmanship of Mr VISOCCHI - Italy - Various interests.

Rapporteur : Mr DROULIN - France - Various interests.

At its July plenary session the Economic and Social Committee adopted, with no dissenting votes, its Opinion on the proposals for regulations on increasing the Community tariff quota for products falling within subheadings ex 01.02 A II b) 2 of the CCT, proposals which are the result of prior commitments assumed by the Community with respect to Austria.

The Committee thinks that the Commission's proposal is inadvisable as long as the present difficulties on the beef and veal market persist. It requests that the Community bodies respect the commitments undertaken in this field in the framework of the GATT and, consequently, return to a quota of 20,000 head and a quota duty of 6%. For the same reasons, the Committee requests that the period during which imported animals may not be slaughtered be extended to six months.

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15. Pig carcasses

The purpose of this regulation is to resolve two sets of problems :

Application of the scale laid down by Regulation 2108/70

A. Class E for heavy pig carcasses

The current scale stipulations for carcasses weighing more than 70 kg are abnormally stringent, and undoubtedly pose a problem.

But the proposed amendment may create an inverse problem, since the "90 kg and over" category of carcasses will no longer be in line with the lower weight categories and will be commercially unacceptable.

Problems raised by the accession of certain Member States

B. Weight categories

In certain new Member States there is major market for carcasses lighter than those covered by Regulation 2108/EEC as amended by the Act of Accession to the EEC of the new Member States.

C. The usual methods of carcass assessment, a problem which is closely linked with the market for "porkers" and "baconers".

In the three new Member States commercial assessment of carcasses is not based :

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- on a combination of apparent fatness (measurement of back-fat on the carcass) and the subjectively assessed muscular development,
- but on the "lean meat content" as estimated on the basis of objective measurements :
- measurement of fat off the mid-line, possibly combined with measurement on the carcass,
- length,

plus, in borderline cases, a correction to allow for the appearance of the carcass.

The Economic and Social Committee based its Opinion on material prepared by its Section for Agriculture under the chairmanship of Mr VISOCCHI - Italy - Various interests.

Rapporteur : Mr GUILLAUME - France - Various interests.

The Committee adopted its Opinion unanimously on the "Proposal for a Regulation (EEC) of the Council amending Regulation (EEC) No. 2108/70 of the Council of 20 October 1970 determining the Community scale for grading pig carcasses".

The Committee approves the Commission proposal but recommends a number of technical changes needed to allow a proper adjustment of grading methods in force in the Member States.

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16. Forestry measures

The Commission proposes common measures to promote afforestation for the immediate purpose of improving agrarian structures and increasing timber production, and with the ultimate aim of bringing forestry into a broader plan for improving the environment.

The Commission proposes EAGGF aids of 25% - and in some cases 50% - of the expenditure incurred by Member States in financing afforestation projects and the improvement of existing woodlands.

The Economic and Social Committee based its Opinion on material prepared by the Section for Agriculture under the chairmanship of Mr VISOCCHI - Italy - Various Interests.

Rapporteur : Mr SCHNIEDERS - Germany - Employers.

The Committee adopted its Opinion with no dissenting votes and two abstentions on the "Proposal for a Council directive concerning forestry measures".

The Committee welcomes the Commission's proposals and points out that the forestry question does not only involve farming, but also covers the improvement of the environment, timber supply and the market for timber. The Committee asks the Community institutions to look into the pros and cons of introducing a common forestry policy and the possibility of setting up a market organization for timber.

The Committee considers that the Commission should give forestry policy continuity by aligning it with the measures and

aims of common policy on agrarian structural reform and with the measures of the Directive on farming in hill, mountain and other deprived areas.

On points of detail, the Committee considers that :

- Land acquired by the State for the purpose of afforestation should, in certain exceptional cases, qualify for aids under the draft directive;
- Measures to establish recreational areas should be financed with funds other than those of the EAGGF;
- The Commission should provide greater incentives for the construction of forest roads;
- The Commission proposal by which at least three quarters of the land in each project for which aid is requested must have been in agricultural use is at odds with the need to encourage afforestation and should not be accepted;
- The aid of 200 units of account per hectare should be increased so as to constitute a more effective incentive for farmers;
- The vocational training of forestry workers and owners should be fostered by using the possibilities available to the Social Fund and the EAGGF.

To allow consultation of professional circles in forestry, the Committee proposes that a forestry sub-group be set up in the Advisory Committee on Agricultural Structure.

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17. Amendments to the social security schemes for migrant workers

For the application of the provisions of Article 107 of Regulation (EEC) N° 574/72 of 21 March 1972, conversion into different national currencies must be based on the official parities declared to the International Monetary Fund.

Events on the money markets in 1971 led to the Member States setting up a Community exchange system in April 1972. Since then several currencies have floated and others revalued. The aim of the new proposal is therefore to make the application of Article 107 more compatible with monetary realities.

In the case of two currencies whose difference between the market exchange rate and the rate that corresponds to their de facto parity ratio (i.e. the central rate or the par value declared to the IMF) is not allowed to exceed 2.25%, the conversion is to be made by reference to that de facto parity.

In the case of two currencies whose difference between the market exchange rate and the rate that corresponds to their de facto parity ratio is not allowed to exceed 2.25%, the conversion is to be made by reference to an exchange rate calculated by the Commission on the basis of the arithmetic mean of the exchange rates of these currencies.

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The proposal also contains a number of provisions relating to the dates and reference periods which must be taken into consideration for determining the exchange rates which are applicable.

The Committee drew up its Opinion on the basis of material produced by its Section for Social Questions. Chairman - Mr HOUTHUYS - Belgium - Workers.

Rapporteur : Mr PURPURA - Italy - Various Interests.

The Economic and Social Committee has adopted unanimously its Opinion on

"The Proposal for a Council regulation amending Article 107 of Regulation (EEC) N° 574/72 of the Council of 21 March 1972 fixing the procedure for implementing Regulation (EEC) N° 1408/71 on the application of social security schemes to employed persons and their families moving within the Community".

The Committee approves the Commission proposal concerning the amendment of Article 107 of Regulation (EEC) N° 574/72 and urges that it be adopted without delay.

However, as regards the reference periods mentioned in point c) of the first paragraph of the new text of Article 107, the Committee considers that the calendar year should be divided into four quarters, or at least three four-month periods, rather than into two six-month periods. In this way there would be a more rapid response to abrupt exchange rate fluctuations.

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18. European Vocational Training Centre

The Centre proposed by the Commission will be one of the principal instruments for aligning vocational training within the wider framework of the common vocational training policy. The Centre will work in close collaboration with the Commission in the general aim of promoting a European dimension in the development of vocational training.

To this end, it will build up a stock of documents on new developments and research, disseminate information, and contribute towards the development and coordination of research.

The Centre's work will include :

- the organization of courses, conferences, seminars and pilot projects;
- the conclusion of research contracts and granting of financial assistance for specific projects;
- the publication and distribution of a Community bulletin on vocational training;
- the close collaboration with specialized agencies, whether public or private, national or international, with government departments and educational bodies, and with the workers' and employers' organizations.

The Centre will be operated by a Management Board composed of fifteen members appointed by the Commission. Five of these members will be proposed by the employers' organizations and five by the workers' organizations set up at European level. The five

other members will be designated by the Commission. The length of the Management Board's term of office is to be three years and members' appointments may be renewed. The Board will be responsible for the general activity of the Centre and appoint its Director.

There will also be an Experts Committee composed of eighteen members nominated by the Member States and appointed by the Management Board. They will be chosen for their experience in the various fields of vocational training and will give opinions on questions submitted to them by the Management Board or by the Director of the Centre. The Centre's location will be decided on by the Council of Ministers. An annual subsidy will be set aside from the Communities' budget.

The Committee based its Opinion on material prepared by the Section for Social Questions under the chairmanship of Mr HOUTHUYS - Belgium - Workers.

Rapporteur : Mrs WEBER - Germany - Workers.

The Committee adopted by 60 votes to 37 with 6 abstentions, its Opinion on the above proposal.

The Committee would point out that the Commission proposal is to a large extent the fruit of the Committee's own efforts, since it has repeatedly called for the establishment of a European Vocational Training Institute. It stresses the need to avoid duplication of effort by the Centre and other international organizations having responsibilities in this sector. The new Centre must cooperate as closely as possible with these organizations.

The Committee considers that the term "vocational training" must be given the widest possible interpretation so as to cover all workers at all stages of their working life.

The Committee approves the Commission suggestion that the members of the Advisory Committee on Vocational Training should sit on the Centre's Management Board. It thinks, however, that the Chairman of the Management Board should be elected by that Board and not appointed by the Commission, and proposes that the Chairman of its Section for Social Questions should be an ex-officio member of the Management Board.

With regard to the structure of the Management Board, the Committee suggests that it be made up of four groups, representing the Commission, employers, workers and various interests respectively, each group having four members.

It should be noted that the Committee members representing the workers voted against the Opinion in spite of their agreement with the substance of the Opinion and of the Commission proposal, because they felt that the composition of the Management Board should be as proposed by the Commission, namely, five representatives of employers' organizations, five representatives of workers' organizations and five members chosen by the Commission.

They also argued that the members of the Management Board appointed by the Commission should be drawn from among independent figures in the education and vocational training world and from representatives of the economic and social groups.

The Committee would like a clearer definition of the duties and responsibilities of the Experts Committee, which must not overlap with those of the Management Board. The members of the Experts Committee should be appointed by the Management Board, without the Member States having a right of proposal.

The Committee would like to see all its suggestions as to the tasks and working procedures of the European Vocational Training Centre passed on to the Centre's Management Board when it sets about preparing the Centre's programme of work, so that they can then be taken into consideration.

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19. Stunning of animals

The purpose of this proposal is partial harmonization of animal slaughtering conditions in the EEC. The Commission proposes in particular that cruelty prior to slaughter should be avoided by generalizing the practice of rendering all animals unconscious by appropriate recognized techniques before they are put to death.

The Committee drew up its Opinion on the basis of material produced by its Section for Agriculture, Chairman : Mr VISOCCHI - Italy - Various Interests.

Rapporteur : Mrs EVANS - United Kingdom - Various Interests.

The Economic and Social Committee adopted by a large majority, with one dissenting vote and five abstentions, its Opinion on the "Proposal for a Council directive on the stunning of animals before slaughter".

The Committee considers that it is of the utmost importance that appropriate policing measures be taken to ensure that the regulations in all Member States concerning the stunning of animals before slaughter are effectively observed.

The Committee notes that the proposed directive could preclude imports of meat from third countries which do not stun animals before slaughter. It recommends that the Commission provide for a transitional period before such imports are affected.

The Committee recognizes the need to take into account national provisions concerning methods of slaughter which are required by certain religious practices.

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V I S I T

Economic and Social Committee Chairman's visit to the United States
of America

A close dialogue between the European Community and the United States, and cooperation in the search for a solution to the many economic, monetary and trade problems currently facing all the industrialized countries were called for repeatedly during the official visit to the United States (20 to 26 July) of Mr Alfons LAPPAS, Chairman of the European Communities' Economic and Social Committee.

During his visit, Mr LAPPAS met representatives of the Administration, of business and of the trade unions. In Washington, he met Mr William FELLNER, Member of the US President's Council of Economic Advisers, Mr George MEANY, President of the American Federation of Labor-Congress of Industrial Organizations; Mr Peter J. BRENNAN, Secretary of State for Labor; Mr Frederick R. DENT, Secretary of State for Commerce; and Mr KRAG, Head of the Commission's delegation to the United States. Other talks held in Washington were those with Mr Wright ELLIOT, Vice-President, and Mr John JOHNSON Jr. of the National Association of Manufacturers; Mr ENDERS, Under-Secretary of State for Economic Affairs and Mr William G. Van MEETER, Executive Director of the United States Chamber of Commerce. Mr LAPPAS, was accompanied by Vice-Chairman Alberto MASPRONE and Mr Gerard de CAFFARELLI (substituting for Vice-Chairman Henri CANONGE who was unable to go). The delegation was received at the Department of Agriculture by Dr Don PAARLBERG, Head of External Relations, and at the State Department by Under-Secretary of State Mr. Jim LOWENSTEIN.

Topics - discussed in an atmosphere of cordiality on both sides - included the economic and social situation in the Community and the United States, the counter-inflationary measures taken on both sides of the Atlantic, the social implications of these measures, the energy crisis and possible remedies, and the recycling of the capital from the oil-producing countries. Also discussed were the state of the GATT negotiations, American investments in Europe and European investments in the United States.

The talks at the Department of Agriculture enabled the two sides to take stock of the situation on the agricultural markets and of the reasons which had prompted the emergency Community measures to get the beef and veal market back onto an even keel.

Recent trends in the European trade union movement were the subject of the talks with the heads of the AFL-CIO. Chairman LAPPAS looked forward to an expansion of contacts between labour representatives in the United States of America and Europe.

Manufacturers' representatives showed great interest in further contacts with the Committee and with their opposite numbers in Europe.

On 25 July, at the end of his visit, Mr LAPPAS and his delegation met the Mayor of New York, Mr Abraham BEAME. The talks centered mainly on the population, town planning, pollution and transport problems of conurbations.

