

BULLETIN

OF THE ECONOMIC AND SOCIAL COMMITTEE
OF THE EUROPEAN COMMUNITIES 3-1992



This Bulletin covers the period from 1 September 1992 to 31 December 1992 and reports on the activities of the Economic and Social Committee, a consultative body of the European Communities. It is published by the ESC's General Secretariat (2, rue Ravenstein, B-1000 Brussels) in the official Community languages (three editions per annum).

ECONOMIC AND SOCIAL COMMITTEE

Division for Information, Publications and Relations
with Socio-Economic Groups

Rue Ravenstein 2, B-1000 Brussels

Tel.: 519.90.11
Fax: 513.48.93

Telegrams: ECOSEUR
Telex: 25 983 CESEUR

Catalogue number: ESC-92-016-EN

Brussels: General Secretariat of the Economic and Social Committee, 1993

Catalogue number: EX-AB-92-003-EN-C

Reproduction is authorized, except for commercial purposes, subject to acknowledgment of source.

Printed in Belgium

Contents

I — 299th PLENARY SESSION OF 23 AND 24 SEPTEMBER 1992	3
1. Colours for use in food	3
2. Environmental Impact Assessment	4
3. Two and three-wheel motor vehicles	5
4. Mechanical coupling devices of motor vehicles and their trailers	7
5. Emission for motor vehicles	9
6. Explosives for civil uses	10
7. Road transit - EEC/Austria/Switzerland Agreements	11
8. Czechoslovakia/Hungary Agreements	13
9. A quality policy for fishery products	14
10. Common organization of the market in fishery products	15
11. Fruit juices	18
12. Agricultural insurance (Own-initiative Opinion)	19
13. Tobacco advertising	21
14. The Citizen's Europe (Own-initiative Opinion)	22
15. Recreational craft	24
16. The future enlargement of the Community (Own- initiative Opinion)	25
17. The impact of transport on the environment	28
18. Economic cooperation with the Maghreb Countries (Own-initiative Opinion)	30
19. Protection of young people at work	33
20. Conservation and management of fishery resources ..	36
II — OUTSIDE PRESENCE AND INFLUENCE OF THE ECONOMIC AND SOCIAL COMMITTEE	37
III — FACT-FINDING VISITS	38

Summary

A. Activities of the Economic and Social Committee - September 1992	1
B. Activities of the Economic and Social Committee - October 1992	41
C. Activities of the Economic and Social Committee - November/December 1992	93

I — 299th Plenary Session of 23 and 24 September 1992

The Economic and Social Committee held its 299th Plenary Session in Brussels on 23 and 24 September. Mr Michael Geuenich was in the chair. The Session was attended by Mr Douglas Hogg, UK Minister of State for Foreign and Commonwealth Affairs and President-in-office of the Council, who spoke about the UK Presidency's programme of work.

The Committee adopted the following Opinions:

1. COLOURS FOR USE IN FOODS

Proposal for a Council Directive on colours for use in foodstuffs

(COM(91) 444 final - SYN 368)

Gist of the Commission proposal

Directive 89/107/EEC on food additives made provision for the drawing up in stages of sub-directives which would form part of a more comprehensive consolidating directive on the same subject.

The present proposal is for a sub-directive establishing a list of authorized *colours* for use in foodstuffs, with detailed conditions for use.

Gist of the Committee Opinion (CES 1024/92)

Colours should only be used when strictly necessary and with the greatest possible regard for consumer safety.

The Committee's Opinion analyses the proposal under three headings :

- safety procedure used by the Commission through the Scientific Committee for Food;
- differing national traditions, to ensure that the rich variety of regional and national foods is covered;

— intakes of colours through animal feedingstuffs.

The Opinion also comments in detail on a large number of specific technical matters.

This Opinion, adopted unanimously, was drawn up in the light of the paper produced by the Section for Protection of the Environment, Public Health and Consumer Affairs, chaired by Mr Francisco Ceballo Herrero (Spain - Various Interests). The Rapporteur was Mr Kenneth J. Gardner (United Kingdom - Employers).

2. ENVIRONMENTAL IMPACT ASSESSMENT

Proposal for a Council Decision concerning the conclusion, on behalf of the Community, of the Convention on Environmental Impact Assessment in a Transboundary Context
(COM(92) 93 final)

Gist of the Commission proposal

The ESPOO Convention, which was prepared under the auspices of the United Nations' Economic Commission for Europe (ECE), was influenced in large measure by the Community provisions set out in Directive 85/337/EEC of 25 June 1985 on the assessment of the effects of certain public and private projects on the environment. The Convention does, however, go into far greater detail in respect of provisions regarding transboundary environmental impact.

The Convention was signed by 27 countries, including the 12 EC Member States and the Community itself in February 1991.

The Commission considers it highly desirable for the Community and its Member States, within their respective spheres of competence, to conclude this Convention by depositing their instruments of approval and ratification at the same time. With this aim in view, the Commission has submitted the present Proposal for a Council Decision based on Article 130S, which requests the Member States to notify the Commission by a date to be determined of their intention to ratify the Convention.

As regards the Community's implementation of the ESPOO Convention, the Commission intends to forward to the Council a Proposal for a Directive amending Directive 85/337/EEC before the end of 1992.

Gist of the Committee Opinion (CES 1025/92)

The Committee welcomes the ESPOO Convention and calls on all the parties concerned to ratify it.

However, it draws attention to the following points:

- the references to the competences of the Member States and the Commission are vague and should be stated more clearly;
- experience acquired in applying the Convention may lead the Committee to put forward proposals when it is reviewed;
- the Commission is requested to inform the Committee of anything important learnt in the application of the Convention.

This Opinion, adopted unanimously, was drawn up in the light of the paper produced by the Section for Protection of the Environment, Public Health and Consumer Affairs, chaired by Mr Francisco Ceballos Herrero (Spain - Various Interests). The Rapporteur was Mr Felix Kafka (United Kingdom - Employers).

3. TWO AND THREE-WHEEL MOTOR VEHICLES

Proposal for a Council Regulation (EEC) on the braking of two and three-wheel motor vehicles

(COM(91) 496 final - SYN 373)

Proposal for a Council Regulation (EEC) on the maximum design speed, maximum torque and maximum net engine power of two or three-wheel motor vehicles

(COM(91) 497 final - SYN 371)

Proposal for a Council Regulation (EEC) on the installation of lighting and light-signalling devices on two or three-wheel motor vehicles

(COM(91) 498 final - SYN 372)

Gist of the Commission documents

These three proposals from the Commission form part of the type approval procedure for two or three wheel motor vehicles covered by the draft Regulation (COM(90) 669 - SYN 331) on which the Committee Opinion, prepared by the Industry Section (Rapporteur: Mr Bagliano)

was adopted on 31 October 1991 (CES 1265/91, OJ C 14, p. 31, 20.1.1992). The proposals lay down requirements and tests which must be complied with if the vehicles are to be placed on the Community market.

COM(91) 496 relates to the braking of two or three-wheel vehicles. The requirements apply to the design, construction and fitting of braking devices and include test and performance figures.

COM(91) 497 relates to maximum design speed and torque (measurement methods) and maximum net engine power (permissible limit value and measurement method). For reasons of safety the net engine power of all two or three-wheel vehicles has been restricted to 74 kW. Maximum design speed is crucial in classifying the vehicles as mopeds and/or motorcycles and tricycles.

COM(91) 498 concerns lighting and light-signalling devices. Depending on the category of vehicle the requirements concern the definition of mandatory or optional lighting and light-signalling devices - the number, installation layout, visibility, alignment and incorporation with other devices and warning lamps.

All three proposals take account of UN ECE regulations and for design speed and engine power ISO standards.

Gist of the Committee Opinion (CES 1026/92)

The Committee endorses these first Regulations implementing the framework regulation on the type approval of two- or three-wheel motor vehicles.

The primary aim of the proposed rules is to ensure traffic safety, alongside the harmonization of procedures and standards which is essential if an effective single market is to be brought about.

A regulation is the most appropriate legal instrument.

The absence of penalties is surprising, though it is realized that the draft Regulations are primarily technical. The standards should be applied uniformly throughout the Community and any penalties should be of a comparable level.

Draft Council Regulation on braking

The Committee endorses the draft Regulation and supports the Commission in its efforts to standardize technical rules in the interests of users and traffic safety.

Draft Council Regulation on maximum design speed, maximum torque and maximum net engine power

The Committee endorses a 74 kW ceiling for the net engine power of all two- and three-wheel motor vehicles.

This corresponds to 100 hp, giving a maximum speed of 200/250 km/h, which is above reasonable limits.

With respect to mopeds fitted with pedals, specific stipulations should be added regarding the measurement of pedal power (the engine being disengaged).

Draft Council Regulation on the installation of lighting and light-signalling devices

Considering the need to ensure safety, the Regulation is very clear and well suited to its purpose.

With a view to ensuring maximum safety, rear registration-plate lamps should be mandatory for mopeds (as they are for motorcycles) in Member States which prescribe rear registration plates for mopeds.

This Opinion, adopted unanimously, was drawn up in the light of the paper produced by the Section for Industry, Commerce, Crafts and Services, chaired by Mrs Ann Robinson (United Kingdom - Employers). The Rapporteur was Mr Edoardo Bagliano (Italy - Employers).

4. MECHANICAL COUPLING DEVICES OF MOTOR VEHICLES AND THEIR TRAILERS

Proposal for a Council Directive relating to the mechanical coupling devices of motor vehicles and their trailers and their attachment to these vehicles
(COM(92) 108 final - SYN 408)

Gist of the Commission proposal

For the completion of the EEC whole vehicle type-approval of certain categories of motor vehicles and trailers, the framework Directive 70/156/EEC (item 11 of Annex II) requires special provisions for coupling devices attached between drawing vehicles and trailers and semi-trailers.

To ensure that the EEC type-approval procedure is applicable to all types of vehicles, existing national regulations on trailers and coupling devices need to be harmonized.

The draft Commission Directive under consideration is based mainly on the ECE (United Nations' Economic Commission for Europe) Regulation No. 55 with respect to strength requirements and test procedures. Relevant ISO-standards on the dimensions of mechanical coupling devices for road vehicles have been taken into account to guarantee the compatibility of vehicle coupling devices throughout the Community.

It is further recommended that only certain classes of coupling devices with specified dimensions should be used in all Member States. In exceptional cases, EEC type-approvals may be granted for special coupling devices designed for specific purposes and used exclusively on the national territory of a single Member State.

Gist of the Committee Opinion (CES 1027/92)

The Committee fully agrees with the reasons for the proposals, but feels that the content does not fulfil certain stated objectives.

The Commission proposes that it be assisted by an Advisory Committee, but the Economic and Social Committee believes that "The Committee for Adaptation to Technical Progress" has worked well - with voting procedures permitted - and should remain in place.

The Committee agrees with the bases of the specifications being in accordance with ECE Regulation 55 and with ISO standards. Some of the technical provisions of the Directive's proposals, claimed to be in the interest of safety, vary and exceed the requirements of that Regulation and of those standards. Such divergence may incur a short-term increased cost to the manufacturer and in turn to the user.

This Opinion, adopted unanimously, was drawn up in the light of the paper produced by the Section for Industry, Commerce, Crafts and Services, chaired by Mrs Ann Robinson (United Kingdom - Employers). The Rapporteur was Mr Gordon Pearson (Ireland - Employers).

5. EMISSIONS FROM MOTOR VEHICLES

Proposal for a Council Directive amending Directive 70/220/EEC on the approximation of the laws of the Member States relating to measures to be taken against air pollution by emissions from motor vehicles (COM(92) 64 final - SYN 398)

Gist of the Commission Proposal

Directive 91/441 of 26 June amending Directive 70/220 on the approximation of the laws of the Member States relating to measures to be taken against air pollution by emissions from motor vehicles established severe European standards for passenger cars having not more than 6 seating positions and a maximum permissible mass not exceeding 2,500 kg. The other vehicle categories covered by the scope of this Directive, i.e. essentially vehicles designed for the transport of more than 6 persons, and light commercial vehicles with a maximum permissible mass up to 3,500 kg, are presently submitted to transitional provisions based on the less stringent standards of the previous amending Directive 83/351.

The present proposal aims at raising the standards for the vehicle categories covered by the transitional provisions of Directive 91/441 to the same level of severity as those applicable to passenger cars.

The cancellation of the transitional provisions of Directive 91/441 in relation to light motor vehicles not being passenger cars, and the submission of such vehicles to the general provisions of that Directive necessitate a certain number of amendments to the technical annexes. These amendments are the subject of the present proposal.

Together with Directive 91/441 the present Directive will establish a common basis for all categories of light vehicles which will allow a coherent evolution of the Community requirements in this field to be envisaged in the future.

Consequently it is proposed that the new limit values should become applicable to *new type approvals on 1 October 1993* and to *all new vehicles* of the categories concerned on *1 October 1994*.

Gist of the Committee Opinion (CES 1028/92)

These proposals constitute a further valuable step toward the reduction of vehicle emissions with consequent benefit to the environment. As the

proposed emission levels are equal in stringency to those accepted by the Committee's Opinion for Directive 91/441/EEC, there will be conformity with levels in force in the most advanced non-Community competitors.

The Committee points out that the deadlines laid down in the Directive can only be implemented if the necessary decisions to be made by the Commission and the Council are in strict accordance with the scheduled programme.

It is very difficult to be fully conversant with all the provisions concerning motor-vehicle emissions. The Commission should make available to all those in the motor-vehicle industry a form of Compendium clearly setting out the current position in relation to permitted emission levels in motor vehicles.

This Opinion, adopted unanimously, was drawn up in the light of the paper produced by the Section for Industry, Commerce, Crafts and Industry, chaired by Mrs Ann Robinson (United Kingdom - Employers). The Rapporteur was Mr Gordon Pearson (Ireland - Employers).

6. EXPLOSIVES FOR CIVIL USES

Proposal for a Council Directive on the supervision and placing on the market of explosives for civil uses and the mutual recognition of authorizations and approvals relating to such explosives
(COM(92) 123 final - SYN 409)

Gist of the Commission proposal

The purpose of this proposal for a Directive is to define conditions to govern transfers of explosives and for mutual recognition of marketing authorizations and to establish the bases for harmonization of provisions governing the placing of explosives on the market.

As regards transfers of explosives, the proposal, in keeping with the objective of creating an area without internal frontiers, expressly provides that the checks to be carried out shall no longer take the form of frontier controls, and an alternative Community system of checks is set up.

In addition, in order to prevent repetitive testing for product approval from acting as an unjustified barrier to trade, the proposal provides for conditions under which it will be possible to achieve mutual recognition of marketing authorizations granted by the twelve Member States.

Gist of the Committee Opinion (CES 1029/92)

The Committee strongly supports the objectives of the proposed Directive and is in general agreement with the thrust of the Commission's proposals.

As controls at external frontiers of the Community are not affected by the proposed Directive, the Committee stresses the crucial need for Member States to maintain effective controls over explosives which are intended to cross such frontiers.

The cradle-to-grave regulations governing explosives for civil use are variously described by generic terms such as licences, approvals and authorizations.

The Committee recommends that these terms be defined clearly and that they be referred to elsewhere in the text of the Directive on a consistent basis.

This Opinion, adopted unanimously, was drawn up in the light of the paper produced by the Section for Industry, Commerce, Crafts and Services, chaired by Mrs Ann Robinson (United Kingdom - Employers). The Rapporteur was Mr John Little (United Kingdom - Employers).

7. ROAD TRANSIT - EEC/AUSTRIA/SWITZERLAND AGREEMENTS

Proposal for a Council Decision concerning the Agreements between the European Economic Community and the Republic of Austria on the transit of goods by road and rail (Council No. 6009/92) and the Agreement between the European Economic Community and the Swiss Confederation on the carriage of goods by road and rail (Council No. 6010/92) (COM(92) 107 final and COM(92) 135 final)

Gist of the Council documents

By its decisions of 7 December 1987 and 19 December 1988, the Council authorized the Commission to start negotiations with a view to concluding agreements with Austria and Switzerland.

These agreements were signed on 2 May 1992; the Council's request for the Committee's Opinion is therefore essentially a formality.

There are several similarities between the two agreements in that they both:

- encompass a 12-year period and clearly define the relationship between the contracting parties;
- do not restrict the present number of transit permits;
- place emphasis on combined transport;
- will have far-reaching medium and long-term infrastructural implications;
- promote the use of environmentally friendly modes of transport;
- are based on EC weight and dimension standards (though in Switzerland's case with certain quantitative limits);
- provide for the setting up of joint transit committees to be responsible for implementation of the agreements.

One difference between the two agreements is the "eco model" applicable as regards Austria. In the space of 12 years the nitrous oxide emissions, for which parameters are laid down, are to be reduced to 60%.

The agreement with Switzerland provides for a number of transit permits for lorries weighing up to the current Community weight limit of 40 tonnes - but only in the event of saturation of combined transport capacity (which is to be substantially expanded).

The agreements are to come into force once they are ratified by Austria and Switzerland respectively.

Gist of the Committee Opinion (CES 1030/92)

Both Agreements are designed to promote combined transport as far as possible. If combined transport is to be increased it is important that improvements be made both to the feeder roads and the loading stations in the neighbouring Member States. International cooperation and planning between railway networks must also be improved.

This Opinion, adopted unanimously, was drawn up in the light of the paper produced by the Section for Transport and Communications, chaired by Mr Eike Eulen (Germany - Workers). The Rapporteur was Mr Ulbo Tukker (Netherlands - Employers).

8. CZECHOSLOVAKIA/HUNGARY AGREEMENTS (transit and infrastructure)

Proposal for a Council Decision on the Agreement in the form of an Exchange of Letters amending the Exchange of Letters between the European Economic Community ("the Community") and Hungary concerning transit signed in Brussels on 16 December 1991.

Agreements in the form of an Exchange of Letters replacing the Exchange of Letters between the European Economic Community ("the Community") and Hungary on land transport infrastructure signed in Brussels on 16 December 1991

(Council 6981/92)

Agreement in the form of an Exchange of Letters amending the Exchange of Letters between the Community and Czechoslovakia concerning transit signed in Brussels on 16 December 1991.

Agreements in the form of an Exchange of Letters amending the Exchanges of Letters between the Community and Czechoslovakia concerning land transport infrastructure signed in Brussels on 16 December 1991.

(Council 6982/92)

(COM(92) 203 final)

Gist of the Council documents

The EC/Hungary and EC/CSFR agreements on transit and infrastructure - in the form of exchanges of letters - were signed on 16 December 1991 at the same time as the Association Agreements between the Community and those countries.

Following the signature of the exchanges of letters, the CSFR and Hungary increased their fees for taxable transit permits. The ensuing discussions between them and the EC resulted in a mutually acceptable reduction in the transit fees and a clearer undertaking by the Community to explore, with both Hungary and the CSFR, possibilities for funding improvements in their land transport infrastructure.

The proposals are therefore designed to amend and replace the exchanges of letters on transit and infrastructure in order to take account of this situation.

Gist of the Committee Opinion (CES 1031/92)

The Community's Agreements with the CSFR and Hungary on transit and land transport infrastructure were signed on 1 and 3 July 1992.

Consequently, as in the case of the Agreement between the Community and Yugoslavia, the Committee Opinion is a pure formality, since amendments cannot be taken into account.

The Committee deplors this state of affairs; in such circumstances it can only point out that the Agreements have permitted a reduction in the transit permit fees in the CSFR and Hungary following the undertaking from the Community to explore possibilities for funding improvements in land transport infrastructure with both countries.

This Opinion, adopted unanimously, was drawn up in the light of the paper produced by the Section for Transport and Communications, chaired by Mr Eike Eulen (Germany - Workers). The Rapporteur was Mr Eike Eulen.

9. A QUALITY POLICY FOR FISHERY PRODUCTS

Commission Communication on a Quality Policy for Fishery Products (SEC(92) 353 final)

Gist of the Commission document

In view of the stiff international competition faced by the Community fisheries industry, all aspects which might contribute to the economic health of the sector are coming under close scrutiny.

Since it will be impossible in the short term to alter some of the factors which influence the stability of the industry, particularly producers' access to resources and trends in international trade affecting traders and processors, it is best to focus on measures which can be undertaken at Community level to ease some of the difficulties besetting the industry.

Changes in competition conditions in today's economies mean that competition is no longer simply a matter of prices, but has moved into the fields of innovation and quality.

Improvements in the quality of fisheries' products, like increases in productivity, could therefore help make the Community fisheries industry

more profitable and competitive at both the production and the processing stages.

This also responds to consumers' increasing concern for the quality of foodstuffs.

The development of a quality policy for fisheries' products is also in keeping with the general objectives of the common fisheries policy. However, such a policy must be coherent with the Community's overall approach to the quality of foodstuffs.

The Commission Communication outlines the present situation and goes on to consider prospects for future action in this area.

Gist of the Committee Opinion (CES 1032/92)

The concept of quality must not be confused with commercial standards.

The corresponding proposals for agricultural products cannot be taken over in their entirety for fishery products.

The general comments in previous Committee Opinions on the introduction of a common label should be taken into account in the provisions on a quality label for fish.

The environmental situation and the application of hygiene rules are crucial to fish quality.

This Opinion, adopted unanimously, was drawn up in the light of the paper produced by the Section for Agriculture and Fisheries, chaired by Mr André Laur (France - Various Interests). The Rapporteur was Mr Hans-Jürgen Wick (Germany - Employers).

10. COMMON ORGANIZATION OF THE MARKET IN FISHERY PRODUCTS

Proposal for a Council Regulation (EEC) on the common organization of the market in fishery products (COM(92) 79 final)

Gist of the Commission proposal

The common organization of the market in fishery products, as it stands, was established in 1981 and has since been amended on several occasions.

The two most significant adjustments took place in 1985, in connection with the enlargement of the Community, and in 1988, when the so-called regional species were introduced together with amendments to aid arrangements for private storage and compensation for tuna.

To remedy the inconvenience resulting from these amendments, Council Regulation (EEC) N° . 3796/81 of 29 December 1981 on the common organization of the market in fishery products was consolidated in 1991 in an updated version designed to facilitate the requisite far-reaching reform of this market organization.

The need for reform arises first and foremost from the fact that certain deadlines have already been set:

- before 1 January 1993 the Council, acting on a proposal from the Commission, may be required to review the rates for determining the quantities of tuna eligible for the compensatory allowance;
- before 1 January 1993, in connection with the completion of the internal market, those provisions permitting the maintenance of national quantitative restrictions applied by some Member States with respect to tinned sardines and tuna should be eliminated;
- in December 1993, the provisions relating to the mechanism of autonomous regionalized prices will cease to apply. One year before that date, the Commission must forward proposals to the Council on appropriate measures to replace these provisions.

It would therefore be desirable to submit the proposals relating to these three deadlines simultaneously and also improve other aspects of the present rules in the light of market developments and in accordance with the expectations of the national administrations and trade circles.

In addition to the above-mentioned deadlines, this reform proposal covers the following main points:

- The role and responsibilities of producers' organizations stand to be increased by expanding the disciplines to include management of a catch quota, the Member States having the option of entrusting these organizations with the management of all or part of a national quota (Article 5).
- Financial compensation for fresh products withdrawn from the market by the producers' organizations below the withdrawal price: technical adjustments, greater co-responsibility, simplification of degressivity, lowering of maximum eligible quantities (Article 12).

- Withdrawal/carry-over: merging the mechanisms of the carry-over and storage premiums, extension to all species involved in withdrawal/destruction, elimination of aggregation with withdrawals in the accounts, expansion of the basis for the calculation of the aid (Article 14).
- Autonomous regionalized withdrawals and carry-overs: introduction of the system on a permanent basis, harmonization of criteria with those of other mechanisms (Article 15).
- Private storage aid: changes in the list of species concerned and in maximum eligible quantities (Article 16).
- Compensatory allowance for tuna: simplification of the rules and steps to reduce budget costs (Article 18).
- Compensatory allowance for salmon and lobster: abolition of this arrangement which has never been applied.
- Trade with non-Community countries: introduction of Community import arrangements, following the elimination of national quantitative restrictions, for tinned tuna and sardines, based on a transitional quota system with an import ceiling varying according to consumption. This arrangement applies only to imports of the products concerned which do not come under the agreement, concluded between the Community and one or more third countries, and providing for a preferential import scheme in the Community for these products. If necessary, the Commission will, in the near future, send the Council a draft Regulation abolishing the quota arrangements for the countries in question. Inclusion of salmon and lobster in the system of reference prices (Article 21).
- In budgetary terms, the proposed reform introduces no new categories of expenditure, and the adjustments to existing mechanisms should not lead to an overall increase in the current financing requirement of the market organization for fishery products, which totalled ECU 27 million in 1991.
- As regards actual application of the rules, it is proposed to boost the element of subsidiaries and to lighten the detailed rules of application by more frequent use of the management committee procedure as indicated in Article 32.

Lastly, this proposal sets out to clarify and simplify the rules and in the interests of clarity it has been decided to recast the entire Regulation rather than submit an amending Regulation.

Gist of the Committee Opinion (CES 1033/92)

Price support has become crucial for securing the economic viability of the fishing sector. Mindful of the objectives set out in the Treaty, the Committee endorses the move to boost the role played by producers' organizations. For producers' organizations to be more active and assume greater responsibilities, the right conditions should be created to make them more representative.

The Committee endorses the Commission's efforts to simplify market management measures. However, it is not quite clear why these moves have to be backed up by a cut in financial compensatory amounts. Producers' organizations in outlying areas face greater difficulties in adapting to market requirements.

The Committee regrets that the proposal does not include any specific measures for encouraging improvements in product quality, although it recognizes that the Commission is taking steps in this direction.

The proposal to reduce Community support for tuna production is unwarranted.

Imports must not destabilize Community production.

In trade with third countries, the Committee emphasizes the need for full application of the principle of access to waters in exchange for market access.

This Opinion, adopted unanimously, was drawn up in the light of the paper produced by the Section for Agriculture and Fisheries, chaired by Mr André Laur (France - Various Interests). The Rapporteur was Mr Augusto Gil Bensabat Ferraz da Silva (Portugal - Workers).

11. FRUIT JUICES

Proposal for a Council Directive on fruit juices and certain similar products (consolidated text) (SEC(92) 949 final)

Gist of the Commission proposal

The proposal for a consolidated version of the Directive has been drafted in accordance with the fundamental principles agreed by the Council, Parliament and Commission in 1974. It aims at legislative consolidation:

the existing Directives would be replaced by one new one, which would leave their substance untouched but would assemble them into a single text. The only amendments to be made would be the formal ones required by the consolidation operation. This consolidated text will serve as the basis for future legislative developments in this field.

Gist of the Committee Opinion (CES 1034/92)

The Committee approves the proposal.

This Opinion, adopted unanimously, was drawn up in the light of the paper produced by the Section for Agriculture and Fisheries, chaired by Mr André Laur (France - Various Interests). The Rapporteur was Mr Pere Margalef Masia (Spain - Various Interests).

12. AGRICULTURAL INSURANCE (Own-initiative Opinion)

Common System of Agricultural Insurance

Reason

Because its specific production modes are closely linked with nature, agricultural production and investment is much more vulnerable than that of other sectors.

The substantial expansion of agricultural insurance in a number of countries shows that it provides a valid answer to these risks and ensures the regular flow of income needed by farmers.

However, while some agricultural sectors have a long tradition of insurance and are widely covered by private and mutual-sector companies, in others the percentage of farmers covered by insurance is much lower and makes it impossible to forecast future losses. Moreover, revenue from premiums is insufficient to cover disasters. In the final analysis, the coverage is too small to enable insurers to propose attractive, competitive terms unless the State makes a financial contribution.

Failure to provide financial support for the efforts made by these countries to cope with the consequences of natural disasters and maintain agriculture in underprivileged regions is a blatant discrimination - all the more so as the Community in practice recognizes the need for special national and Community intervention in the most serious cases.

The prospect of a single agri-food market in 1992 is another argument. If it is to be a genuine entity, such a market involves more than abolishing the residual non-tariff barriers. It is essential to tackle the harmonization of cost structures. Nobody can deny that competition distortions are caused at the moment by costs directly influenced by the public sector.

So far, the Community has dealt with this problem through its competition policy, and more particularly through controls for national aids. This approach is inadequate to meet the requirements of a single frontier-free economic area, especially if construction of the single market is to be accompanied by the establishment of genuine economic and social cohesion within the Community, in accordance with the spirit of the Single Act.

Gist of the Committee Own-Initiative Opinion (CES 1035/92)

The Committee has drawn up proposals aimed at establishing common systems to provide farmers with protection against exceptional occurrences and natural disasters and at introducing a Community Agricultural Insurance Scheme.

The Member States should guarantee, through appropriate measures, that farmers are compensated for losses caused on their farms by "agricultural disasters".

Such systems of cover against losses caused by exceptional occurrences would be financed by the Member State and the Community on the basis of discussions in the Council which, acting on a proposal from the Commission, would fix the percentages and conditions.

The Member States and the Community would encourage farmers to take out agricultural insurance compensating them for production losses caused by exceptional natural phenomena.

In addition to national agricultural insurance schemes or programmes, the Commission is urged to establish, in conjunction with the agricultural insurance associations and farmers' associations, a supplementary Community Agricultural Insurance Scheme.

Insurance under this Scheme would be optional for farmers.

This Opinion, adopted unanimously, was drawn up in the light of the paper produced by the Section for Agriculture and Fisheries, chaired by Mr André Laur (France - Various Interests). The Rapporteur was Mr Pere Margalef Masia (Spain - Various Interests).

13. TOBACCO ADVERTISING

Modified Proposal for a Council Directive on advertising for tobacco products (COM(91) 111 final - SYN 194)

Gist of the Commission proposal

This is the latest in a series of measures introduced by the EEC in its anti-tobacco campaign. It makes provision for the following restrictions on tobacco advertising:

- all forms of tobacco advertising shall be banned in the EEC, except in tobacco sales outlets;
- well-known brand images associated with tobacco shall not be used for advertising non-tobacco products;
- likewise brand images associated with non-tobacco products shall not be used for advertising tobacco;
- free distribution of tobacco shall be banned.

Gist of the Committee Opinion (CES 1036/92)

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

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

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

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

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

This Opinion, adopted by 67 votes to 48 with 11 abstentions, was drawn up in the light of the paper drawn up by the Section for Protection of the Environment, Public Health and Consumer Affairs, chaired by Mr Francisco Ceballo Herrero (Spain - Various Interests). The Rapporteur was Mr Philip H. Noordwal (Netherlands - Employers).

Following the vote by name, Mr Jaschick, speaking on behalf of the consumers' representatives who had voted against the Opinion, issued a minority statement in accordance with Article 43, third paragraph, of the Rules of Procedure. This statement is appended to the Opinion and the Record of Proceedings.

14. THE CITIZEN'S EUROPE (Own-initiative Opinion)

Gist of the Committee Own-initiative Opinion (CES 1037/92)

To back up the political and historic importance of the conclusions reached by governments at the Maastricht Summit, citizens must be kept more fully informed and involved in the building of the European Union. Decisions should be made at the level (European, national, regional or local) where the maximum democratic control and effectiveness is ensured. To this end, the Committee considers that Union-wide action should focus on the following:

- a) The need for "European Union" accession to the European Convention for the Protection of Human Rights and Freedoms, together with the incorporation into the Treaty of the "Declaration of Fundamental Rights and Freedoms" of the European Parliament.
- b) The need for a Treaty provision banning discrimination on grounds of sex, colour, race, opinions and beliefs.
- c) The need, on the basis of the elimination of obstacles and practical application of the "four freedoms" (free movement of goods, persons, services and capital), to assert equality of rights and duties for all citizens of the Union.
- d) The need for proper democratic accountability at European level guaranteed through legislative powers for the European Parliament, transparent Council decision-making procedures, full appreciation of the rule of law through the Court of Justice, and the defence and development of "open" European administration.

- e) The need for the European Parliament to be elected according to a uniform electoral system providing proper representation of various political currents.
- f) The need for the Economic and Social Committee - a European projection of similar national organs of social dialogue - and the new Committee of the Regions - a European projection of regional competences - to carry out and develop their functions independently, but to similar purpose, putting participatory democracy and their representative status to work in the interests of the European Union.
- g) The need for the Treaty unequivocally to enable the proper application of the Social Charter and Social Protocol Agreement to all citizens concerned throughout the "European Union" as a whole.
- h) The need for a similar EC commitment to wider social¹ and societal rights in fields including the environment, consumer protection, cultural heritage and data protection, and concerning vulnerable disadvantaged groups and the disabled, the role of socio-professional groups and safeguarding the family². The "right of conscience" should also be upheld.
- i) The need for an adequate EC Budget in keeping with "European Union" and directed towards making an efficient contribution to economic and social cohesion, to training and to reducing unemployment.
- j) The need to devise European policies for employment and vocational training, involving social dialogue and the increasingly active participation of other interest groups.
- k) The case for using the European Year of the Elderly (1993) as an EC initiative which, without overlooking the need to improve the wellbeing of today's senior citizens, also launches the policies needed to improve conditions for the elderly of tomorrow.
- l) The proposal to organize a biennial "Young Europe Convention".
This Opinion adopted by a majority vote, with five abstentions, was drawn up in the light of the paper produced by the Sub-Committee on the Citizen's Europe, under the chairmanship of Mr Philip H. Noordwal (Netherlands - Employers). The Rapporteur was Mrs Beatrice Rangoni Machiavelli (Italy - Various Interests) and the Co-Rapporteur was Mr Tom Jenkins (United Kingdom - Workers).

¹ Individual rights enjoyed by specific groups of categories of citizens, such as the elderly, the disabled, the sick, etc.

² Conclusions of the meeting of the Council of Ministers for family affairs of 29 September 1989 (see OJ No. C277/2, 1989).

15. RECREATIONAL CRAFT

Proposal for a Council Directive on the approximation of the laws, regulations and administrative provisions of the Member States relating to recreational craft (COM(92) 141 final - SYN 410)

Gist of the Commission proposal

The aim of the Commission proposal is to align the laws, regulations, and administrative provisions of the Member States relating to recreational craft.

The laws, regulations and administrative provisions currently in force in the various Member States relating to the safety characteristics of recreational craft differ in scope and content. Such disparities are liable to create barriers to trade and unequal conditions of competition within the internal market.

The proposed Directive follows the new approach set out in the Council Resolution of 7 May 1985, which calls for the definition of essential safety and other requirements important for the common good.

The essential requirements are the criteria with which recreational craft and their components, when separate and when installed, must comply.

These requirements provide the basis for the preparation of aligned Europe-wide standards for recreational craft and their components.

The proposal also contains rules for monitoring compliance with technical requirements so as to ensure adequate user and third-party safety. In this, it follows as far as possible the "global approach" which provides for various so-called "modules" for the conformity assessment.

Gist of the Committee Opinion (CES 1038/92)

The Committee supports the Directive in principle, since its main aim is to remove technical barriers to trade in this field.

It stresses that the high safety standards already achieved in some EC Member States must not be reduced by the implementation of this Directive.

To take account of the special circumstances of custom-made boats and small production series, it should be made clear that these are not subject

to the certification procedures laid down in the Directive. The Committee therefore proposes that in Article 8, indents 1 and 2, procedures be geared not to total annual production, but to the size of series of individual types of boats.

This Opinion, adopted unanimously, was drawn up in the light of the paper produced by the Section for Industry, Commerce, Crafts and Services, chaired by Mrs Ann Robinson (United Kingdom - Employers). The Rapporteur was Mr Bo Green (Denmark - Employers).

16. THE FUTURE ENLARGEMENT OF THE COMMUNITY (Own-initiative Opinion)

Gist of the proposed Opinion

The European Council in Maastricht asked the Commission to present an initial report on the implications of the future enlargement of the Community, by June 1992.

Addressing the Section for External Relations in February 1992, Commission Vice-President Andriessen stated that the Commission sees this as one of the key issues, if not the key-issue facing the Community this year.

With the Single Market now largely in place and European integration progressing under new Treaty provisions towards European Union, the essential requirements set by the Community for the opening of talks with new applicant States have been fulfilled. At the same time the successful development of European integration has enhanced the attractiveness of the Community, whilst fundamental changes in the political landscape of Europe have considerably increased the number of countries applying to become members of the EC.

It is therefore conceivable that the "quantitative" enlargement of the Community will sooner or later lead to a "qualitative" change in the overall institutional machinery of the Community, as well as in its traditional working methods. Because of this, discussions about enlargement will need to be focused not only on the specific problems and situations of individual applicant States, but also on the repercussions on the Community as a whole, and on its capacity to advance even further along the road to deeper integration.

This year the Commission is drawing up Opinions on the applications of *Cyprus, Malta and Sweden* (in addition to the Opinion on Austria's application which it has already delivered). It also submitted the above-mentioned introductory report on the future enlargement of the Community to the European Council in Lisbon in June.

By embarking on the drafting of an Opinion at this stage, the Committee is joining the debate as it gets under way - making clear the views of economic and social interest groups on the many issues affecting the economic and political climate in which economic and social operators work.

Since any enlargement of the Community implies an increase in heterogeneity - which may conflict with the demand for deeper unity - such a debate is of crucial importance for the future development of the EC. Given the basic principle that any European State is entitled to apply for EC membership, it is important to identify in concrete terms the criteria for admission in the light of the policies pursued by the Community and propose alternatives to membership in cases where such terms cannot or cannot yet be met.

Gist of the Committee Own-initiative Opinion (CES 1039/92)

The debate on enlargement is by no means new. It was even referred to in the preamble to the Treaty of Rome. Today it is being discussed in a very different context to the one prevailing in 1957. The Community was born in a world divided into opposing ideological and military blocs. These divisions have been replaced by the local conflicts on ethnic, religious and economic and social policy issues which have broken out in some countries in Eastern and South-Eastern Europe.

Whilst up to now *economic* considerations have been largely at the centre of discussions on enlargement, from now on important *political* considerations will come to the fore.

The Committee notes that enlargement should not be achieved at the expense of consolidating the Community; the Community's achievements must not be undermined. This must be quite clear both to Member States and to applicant countries.

Under these circumstances, accession to the European Union will be rooted in a genuine political will on the part of candidate countries. In fact they will have to accept the prospect of a common foreign and security policy. Whether or not the Community *insists* on this, and how the

candidate countries themselves react, will determine the political structure of Europe for decades to come.

The integration of the European Community, its progressive enlargement and the cohesion of European Union, as shaped by the Maastricht Treaty, are vital to the continent's future stability. In this respect, the role of European Union will become even more dynamic and decisive as soon as its cohesion is reflected in the development of its institutions.

Of the applications for membership currently on the table, those of the EFTA countries (Austria, Finland, Sweden, and Switzerland) do not appear to pose any unsurmountable difficulties. These countries seem to be capable of accepting the Community **acquis**. The same would be the case for Norway if it were to apply for membership.

The European Agreements negotiated between the Community and the Czech and Slovak Republics, Poland and Hungary mean that these countries will have to prove that they qualify, politically speaking, by developing and strengthening democracy and their constitutional legitimacy and, economically speaking, by establishing a market economy. Their development will also undoubtedly be influenced by the consistency of the European Union's contribution to their economic recovery. Other similar European agreements must be considered for negotiation at a later stage.

To remove any ambiguity with regard to the implications of accession to the European Union, the Committee strongly recommends that the impact of a substantial enlargement on the European institutions be taken into account and analyzed in future negotiations.

Over and above analyses of the specific short and long-term problems and circumstances of applicants for membership, account has to be taken of the repercussions on the institutions' capacity and the financial resources of the Union for pursuing the goals set out in the Maastricht Treaty.

When the Community is enlarged, it will be necessary to respect the basic democratic principle that directives and regulations approved by majority Council decisions must be approved by the Parliament.

The Committee urges that guidelines be drawn up at the next Summit and that a rough timetable for work on this issue be outlined. *The Committee particularly stresses the compelling need to combine an institutional balance between Member States with effective operation of the institutions.*

The geopolitical and economic situation of the European Union is a magnet for non-member countries in Central, Eastern and Mediterranean Europe. Under these circumstances, the European Union must step up economic cooperation with these areas so as to balance trade and boost economic development, on both its Eastern and Southern flanks.

This Opinion, adopted by a majority vote with ten abstentions, was drawn up in the light of the paper produced by the Section for External Relations, Trade and Development Policy, chaired by Mr José María Zufiaur Narvaiza (Spain - Workers). The Rapporteur was Mr Bernard Mourgues (France - Workers).

17. THE IMPACT OF TRANSPORT ON THE ENVIRONMENT

Green Paper on The Impact of Transport on the Environment - A Community strategy for "sustainable mobility" (Communication from the Commission)
(COM(92) 46 final)

Gist of the Commission proposal

The Green Paper assesses the overall impact of transport on the environment and presents a complete strategy for sustainable mobility which will make it possible to satisfy the economic and social demands on the transport system while limiting the harmful effects on the environment.

Depending on survey methods and definitions, the transport sector accounts for between 7% and 10% of the Member States' GNP and employment, and the environmental costs of road transport alone are estimated by OECD to be about 5% of GNP. The environmental costs generally include:

- soil, water and air pollution resulting from the combustion of fossil fuels;
- noise and vibration;
- use of land;
- congestion on land and in the air;
- accidents, especially those connected with the transport of dangerous goods.

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

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

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

Gist of the Committee Opinion (CES 1040/92)

All the interest groups concerned - industry, politicians, transport-users and environmentalists - join in recognizing a potential transport versus environment crisis. While some consider that the environment is under a grave threat, others believe that transport is no longer fulfilling its socio-economic role.

However, there is insufficient acknowledgement of a state of crisis.

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

In the immediate future, the Commission should frame a strategy consisting of economic instruments designed to ensure both greater

respect for the environment and undistorted harmonization of the markets, to focus on the following potential measures:

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

In the long term the Commission should undertake an in-depth study to facilitate an accurate assessment of the external costs of transport, the share of the costs to be borne by each transport mode, and the share of each mode of transport per unit transported. This study should take account of all environmental factors, such as land occupation, noise, sound emissions, vibrations, air pollution, etc. If external costs are assessed on the basis of only one parameter (e.g. energy consumption), the data obtained will certainly be incomplete, if not inaccurate, which could lead to distortions in competition. The objective of sustainable mobility will be attained only if all users realize the harmful effects of their behavioural patterns on the environment. The behaviour of millions of individuals should be channelled towards greater awareness of the environment and understanding of the interdependence of personal actions and global problems.

This Opinion, adopted by 68 votes to 32, with 18 abstentions, was drawn up in the light of the paper produced by the Section for Transport and Communications, chaired by Mr Eike Eulen (Germany - Workers). The Rapporteur was Mr René Bleser (Luxembourg - Workers).

18. ECONOMIC COOPERATION WITH THE MAGHREB COUNTRIES (Own-initiative Opinion)

Background

Community cooperation with Mediterranean third countries has to date taken the form of market access arrangements for Maghreb exports to the Community and injections of funds under financial protocols.

The particular circumstances of these countries, with their specific demographic, economic and social characteristics, have meant that such cooperation - which anyway falls short of what is required - has failed to make a satisfactory impact.

A new approach is needed to relations between the Community and Mediterranean third countries. However, this approach must take account of emerging trends, including the trend towards regionalization with its spin-off effects on the economies of the countries concerned. Here the creation of the Arab Maghreb Union in February 1989 in Marrakesh is of particular interest. Morocco, Algeria, Tunisia, Libya and Mauritania, the members of this Union, have a total population of 62 million, with a per capita GDP varying from \$440 (Mauritania) to \$5,272 (Libya). They therefore form a bloc to be reckoned with, especially as around 65% of their external trade is with the Community.

While these countries have everything to gain from coherent integration of their economies, the Community for its part can benefit from developing relations with the Maghreb as a regional entity, instead of dealing with the five member countries individually (which inevitably makes coordination less easy). Relations should move on to another stage so as to deepen areas of cooperation (e.g. industrial cooperation) which optimize the mutual benefits of more targeted economic relations.

Gist of the Committee Own-initiative Opinion (CES 1041/92)

The present Opinion on the specific issues of relations with the Maghreb takes as its starting point the earlier Opinions on Mediterranean policy and in particular the general guidelines they set out, namely the construction of a Euro-Mediterranean strategic area, co-development policy, an overall Mediterranean approach, and regional cooperation.

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

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

A further objective should be to tie the Maghreb in with the European economy, by gradually eliminating existing forms of dependence. Existing complementarity between the two areas should be enhanced, with efforts being concentrated on complementarity within rather than between different sectors (e.g. fruit and vegetables/cereals, or oil products/machinery).

Vertically and regionally integrated development, based on the maximum use of local natural and human resources, should equally figure among the aims of Euro-Maghreb cooperation, and be treated as inseparable from the first two objectives.

The Committee makes detailed proposals concerning the following specific co-development policies: debt, structural adjustment, foreign investment, research and training, trade policy and financial cooperation.

The social chapter of the agreements with the Maghreb countries has so far remained a dead letter. Despite the problems raised by Maghreb emigration and the outlook for the single market, this area is still governed by Member States' national legislation and bilateral agreements. As the Committee said in its November 1991 Second Additional Opinion on the Community's "overall Mediterranean Policy", the Community should take a broad range of steps to develop the social dimension of its Mediterranean co-development policy.

The Committee considers that migration from the Maghreb to the Community will be a fact of life for some time to come. An appropriate policy must therefore be devised. The time seems ripe for an agreement between the Community and all the Maghreb countries setting out joint undertakings on curbing migration pressures, on regulating and controlling flows and on social security for migrant workers.

The Committee is pleased that the Commission intends to incorporate the human rights and democracy dimension into the forthcoming Euro-Maghreb agreements. Protocols reflecting the clause requested by the European Parliament should be applied to current cooperation activities.

Imposing conditions upon financial cooperation is not enough to make the democracy and human rights dimension a reality. The Community must implement an active policy of support for human rights and democracy in Mediterranean countries, beginning with the Maghreb.

The EC and the AMU must take immediate steps to strengthen and institutionalize an organized partnership and on-going dialogue on economic, political and cultural matters of joint interest. In this connection, initial

moves could be made towards the establishment of the Mediterranean Forum long advocated by the Committee.

The establishment of an EC-AMU economic and social council would be a great help here. Involvement of the socio-economic organizations would help to put the dialogue on a broader footing and thus facilitate an in-depth consideration of ways and means to secure economic and social complementarity between the two regions.

Steps should be taken in the short-term to draw up an EC-AMU Convention or, if the AMU is not yet ready, a Convention with all those Maghreb countries with which the Community has agreements. This Convention should be a first step towards replacing bilateral agreements by an overall Mediterranean Convention (or Treaty) embracing specific development agreements (or contracts), as the Committee and Parliament have repeatedly suggested.

This Opinion, adopted unanimously, was drawn up in the light of the paper produced by the Section for External Relations, Trade and Development Policy, chaired by Mr José Maria Zufiaur Narvaiza (Spain - Workers). The Rapporteur was Mr Andrea Amato (Italy - Workers).

19. PROTECTION OF YOUNG PEOPLE AT WORK

Proposal for a Council Directive concerning the protection of young people at work
(COM(91) 543 final - SYN 383)

Gist of the Commission proposal

This draft Directive relates to all young people under 18 years of age working for one or more employers, with a distinction being made between children (less than 15 years old) and adolescents (from 15 to 18 years). It must be stressed that the proposal does not address provision-of-service activities such as babysitting, nor does it cover self-employed activity. Moreover, it does not cover occasional or limited work in a family context, e.g. work in the household or in a family business, whether agriculture (e.g. grape-picking or crop-harvesting) or in a distributive or craft trade (e.g. shelf-filling or other light shop work).

The draft Directive prohibits the employment of children, i.e. young people of less than 15 years of age. However, it is clearly stated that this prohibition does not apply to:

- children employed in cultural, artistic and sporting activities, subject to prior authorization, the conditions of which are to be determined by the competent authorities of the Member States on an individual basis or otherwise;
- children working in an undertaking under a combined work/training scheme;
- children of not less than 13 years of age performing light work.

The draft Directive details a set of minimum provisions designed to protect young workers from possible risks to their health and safety and provides for a ban on exposure in cases where chemical and physical agents and industrial processes might be harmful to the safety or physical or mental health of young people at work.

The draft Directive imposes flexible restrictions on the amount of work performed by children and adolescents. The limit is 15 hours per week and 3 hours on a school day for light work performed by children and adolescents who are in full-time education, provided that such work is performed only outside the hours fixed for school attendance and does not affect their attendance and progress at school.

For other young people, including those working during their school holidays, the duration of work may not exceed 8 hours per day or 40 hours per week.

Similar restrictions are proposed for night work by young people. Allowance is made for exceptions authorized by legislative or regulatory process in specified sectors (e.g. the bakery and catering trades), although young people may under no circumstances work between midnight and 4 a.m.

The draft Directive contains a number of minimum provisions relating to weekly rest time (two consecutive days - four weeks' annual leave for young workers, paid in accordance with the conditions governing the receipt and granting of leave laid down in national legislation and/or practice) and a rest period (at least 30 minutes following any working period of four and a half consecutive hours).

The Commission feels that steps should be taken to ensure that young people at work are protected against accidents and occupational diseases. The Member States must therefore take the necessary measures, not only in terms of outright physical protection but also in terms of supplementary provisions geared to the health and safety objectives of the Directive, in

matters of social welfare, in line with the laws, regulations and administrative provisions in force in the Member States.

Gist of the Committee Opinion (CES 1042/92)

The Committee welcomes the proposal. The Commission has, however, introduced an excess of loopholes and derogations.

It is vital to address in unison occupational health risks and accidents at work involving young people. The Committee is alarmed that young people have twice as many accidents as adults during their first year of work, and that there is a direct correlation between the number of site accidents and the skill level of young trainees. It is likewise worrying to ponder the number of undeclared accidents and illnesses involving children working, or being forced to work, in the "black economy", or in the grey zone of "seasonal" or "traditional" jobs and services.

Specifically the Committee stresses:

- that the Directive should apply to work of an economic kind for a family;
- that the definition of "light work" should be further clarified and tightened and that it would be better to include in the Annex a comprehensive, but not exhaustive, list of activities which do not qualify as light work;
- the need for quality training under better and safer conditions (jointly monitored, for example, by the social partners and by the appropriate authorities);
- that young people should be fully informed as to the possible consequences of their work for their health and safety before they start work;
- that it considers as excessive the three hours of "light work", which young people who are in full-time education could be expected to perform on a school day.

The Committee considers ILO Conventions 79 and 90 preferable in approach to the current draft Commission text on night work of young persons. It would suggest that Article 9(1) be revised to read as follows:

"Without prejudice to the provisions of Article 4, children under 15 years of age (or adolescents if they are subject to full-time compulsory school attendance or training) shall not be employed or work at night during the 12 consecutive hours between 8 p.m. and 8 a.m. Adolescents

between 15 and 18 years of age shall not be employed or work at night during the 8 consecutive hours between 10 p.m. and 6 a.m.”

This Opinion, adopted by a majority vote, with 28 votes against and 5 abstentions, was drawn up in the light of the paper produced by the Section for Social, Family, Educational and Cultural Affairs, chaired by Mr Vasco Cal (Portugal - Workers). The Rapporteur was Mr Jan Jacob van Dijk (Netherlands - Workers).

20. CONSERVATION AND MANAGEMENT OF FISHERY RESOURCES

Proposal for a Council Decision amending Decision 89/631/EEC on a Community financial contribution towards expenditure incurred by Member States for the purpose of ensuring compliance with the Community system for the conservation and management of fishery resources

(COM(92) 150 final)

Gist of the Commission proposal

The aim is to allow the Community to continue to make a financial contribution towards the expenditure borne by Member States of the Mediterranean basin who submit investment plans for the conservation of fishery resources.

Gist of the Committee Opinion (CES 1043/92)

The Committee approves the proposal.

This Opinion, adopted unanimously, was drawn up in the light of the paper produced by its Rapporteur-General Mr Augusto Gil Bensabat Ferraz da Silva (Portugal - Workers).

II — Outside presence and influence of the Economic and Social Committee

Activities of the Chairman and the Secretary-General

21 September 1992 - Brussels: meeting with Thomas Goppel, Bavarian Minister for Federal and European Affairs.

22 September 1992 - Brussels: meeting of the German construction industry union IGBSE - Industriegewerkschaft Bausteine-Erde.

23 September 1992 - Brussels: meeting with Fritz Schösser, Chairman of the Bavarian branch of the German Trade Union Federation (DGB).

24 September 1992 - Brussels: meeting with Mr Galilee and Mr Amir of Histadruth-Europe.

30 September 1992 - Brussels: welcome address to the first meeting of socio-economic organizations in Central and Eastern Europe.

Other activities

10 September 1992 - Brussels: Andrew Chapman, Commission representative, addresses the Section for Social, Family, Educational and Cultural Affairs on the Commission report on employment in Europe in 1992.

30 September 1992 - Brussels: address by a representative of the Group of Latin American Ambassadors (GRULA) to the Section for External Relations, Trade and Development Policy, followed by a discussion with the Ambassadors.

III — Fact-finding visits

During the period under review, the following visits were made to the Committee.

- | | |
|--------------------|---|
| 10 September 1992: | National Student Travel Foundation, Valetta (Malta) |
| 14 September 1992: | London South West Euro Constituency (United Kingdom) |
| 14 September 1992: | EHNEKO - Council of Basque Farmers' Associations (Spain) |
| 15 September 1992: | Drew University Madison (United States) |
| 16 September 1992: | Gewerkschaft Metall-Bergbau-Energie (Austrian trade union), Vienna |
| 17 September 1992: | Landeszentrale für politische Bildung (Political Science Institute), Kiel (Germany) |
| 18 September 1992: | Österreichische Gesellschaft für Europapolitik (Austrian Society for European Policy), Vienna (Austria) |
| 21 September 1992: | Confederación española de organizaciones empresariales (Confederation of Spanish Employers' Associations), Brussels |
| 23 September 1992: | DGB-Landesbezirksvorstand Bayern (Bavarian executive of the German Trade Union Federation) (Germany) |
| 24 September 1992: | Deutsche Gesellschaft, Berlin (Germany) |
| 24 September 1992: | Internationaler Arbeitskreis Sonnenberg (Sonnenberg International Centre), Braunschweig (Germany) |

- 25 September 1992: MITEX (Vereniging van Ondernemers in de Textieldetailhandel) (Association of Textile Retailers), Amsterdam (Netherlands)
- 25 September 1992: FEN - Fédération de l'Éducation nationale (National Education Federation) (France)
- 28 September 1992: VSGU - Verband Schweizerischer Generalunternehmer (Swiss Association of General Builders), Zurich (Switzerland)
- 28 September 1992: Executive of the Luxembourg trade union OGB-L
- 29 September 1992: Uddannelsesinstitutioner i Århus Amt (Århus Training Institutes) (Denmark)

Contents

I — 300th PLENARY SESSION OF 21 AND 22 OCTOBER 1992	43
<i>Renewal of Chairman, Vice-Chairmen and Bureau for the second two-year period of the Committee's eighth term of office</i>	43
1. Social security	44
2. Labelling of foodstuffs	44
3. Official control of foodstuffs	45
4. Dangerous substances - 13th amendment	47
5. Foodstuffs/sweeteners	48
6. Burning behaviour - motor vehicles construction materials	49
7. Deposit guarantee systems	50
8. Monitoring implementation of the common fisheries policy	52
9. Animal health/protection of farm animals	53
10. Animal health/amending protocol - protection of farm animals	54
11. Fishery products/tariff nomenclature	55
12. Unit of account - CAP	56
13. SMEs and craft industries (Own-initiative Opinion) ..	56
14. HDTV Action Plan	58
15. Eco audit	60
16. Incineration of hazardous waste	62
17. Turnover taxes	65
18. Economic situation in the Community, mid-1992 (Own-initiative Opinion)	68
19. Cultural action	72
20. Public works contracts	75
21. Public supply contracts	75
22. Crisis measures - oil supplies	76

23. Programme for research statistics	79
24. Vocational training (Information Report)	82
II — OUTSIDE PRESENCE AND INFLUENCE OF THE ECONOMIC AND SOCIAL COMMITTEE	87
III — NEW FACES	88
IV — FACT—FINDING	90

I — 300th Plenary Session of 21 and 22 October 1992

Renewal of Chairman, Vice-Chairmen and Bureau for the second two-year period of the Committee's eighth term of office

The 300th Plenary Session of 21 and 22 October 1992 was held in the Committee building, Brussels, in two parts. The first, presided over by Michael Geuenich, the outgoing Chairman, and Susanne Tiemann, new Chairman elect of the Committee, was devoted to the election of the Bureau in accordance with Article 4 of the Rules of Procedure.

In the first part of the Session Susanne Tiemann (Germany - Various Interests) was elected Chairman and Giorgio Liverani (Italy - Workers) and Jorge Stecher Navarra (Spain - Employers) Vice-Chairmen.

In her first speech as Chairman, Mrs Tiemann proposed that the Committee should draw up a global Own-initiative Opinion on the reasons for, and ways of overcoming, reticence about European integration. "Such an Opinion would enable Europe's citizens to express clear, constructive views about European unification", she said.

The Committee still took a "positive and open" view of the Committee of the Regions but considered that "the financial implications of the creation of a new Community body should have been thought about earlier. At the moment we are against the establishment of a Committee of the Regions on the cheap".

"As a body representing socio-economic interest groups, the Economic and Social Committee should become the spokesman of Europe's citizens and encourage them to air their views", the new Chairman said.

In the second part of the Session, presided over by Susanne Tiemann and then Jorge Stecher Navarra, the new Vice-Chairman, the Committee adopted the following Opinions:

1. SOCIAL SECURITY

Proposal for a Council Regulation (EEC) amending Regulation (EEC) No. 1408/71 on the application of social security schemes to employed persons, to self-employed persons, and to members of their families moving within the Community and Regulation (EEC) No. 574/72 laying down the procedure for implementing Regulation (EEC) 1408/71''.
(COM(92) 315 final)

Gist of the Commission proposal

The proposal aims to update the Community Regulations in the light of a number of changes to form, substance and administration made by national legislations.

Gist of the Committee Opinion (CES 1163/92)

The Committee approves the Commission proposal.

This Opinion, adopted unanimously, was drawn up in the light of the paper produced by the Section for Social, Family, Educational and Cultural Affairs, chaired by Mr Vasco Cal (Portugal - Workers). The Rapporteur was Mr Gordon Pearson (Ireland - Employers).

2. LABELLING OF FOODSTUFFS

''Proposal for a Council Directive amending Directive 79/112/EEC on the approximation of the laws of the Member States relating to the labelling, presentation and advertising of foodstuffs
(COM(91) 536 final - SYN 80)

Gist of the Commission proposal

This is a proposal to amend the basic Labelling Directive 79/112/EEC under the following headings:

1. Name under which the product is sold;
2. foodstuffs consisting of a single ingredient;

3. labelling of alcoholic beverages;
4. quantitative statement of ingredients or constituents.

These amendments in fact deal with several changes which have become desirable owing 1) to judgements of the Court of Justice, 2) to different national interpretation of the existing Directive, and 3) to the failure of the Council to enact full informative labelling for certain alcoholic drinks.

Gist of the Committee Opinion (CES 1164/92)

The Committee agrees with the proposal subject to the following comments:

- the exemption for labelling of non-prepacked foods in the original Directive should be abolished. It is suggested that lists of ingredients for such foods should be available for consultation by the consumer at point of sale;
- certain observations of a technical nature are made concerning 1) certain alcoholic drinks, 2) differences of interpretation by Member States, particularly where products have similar names but different ingredients.

This Opinion, adopted unanimously, was drawn up in the light of the paper produced by the Section for Protection of the Environment, Public Health and Consumer Affairs, chaired by Mr Francisco Ceballo Herrero (Spain - Various Interests). The Rapporteur was Mr Kenneth J. Gardner (United Kingdom - Employers).

3. OFFICIAL CONTROL OF FOODSTUFFS

Proposal for a Council Directive on the subject of additional measures concerning the official control of foodstuffs.

(COM(91) 526 final - SYN 377)

Gist of the Commission proposal

Directive 89/397, which deals with the general principles of food control, allows for the adoption of more specific provisions.

This proposal specifically provides for the following:

- training of food inspections;
- quality standards for laboratories;
- cooperation between EC and national inspection services;
- rules for a mutual aid system between the Member States;
- circulation of reports.

Gist of the Committee Opinion (CES 1165/92)

The Committee agrees the proposal but makes the following suggestions:

- in view of existing differences in national food control procedures, the systems for training food inspectors should be tightened up;
- customs officials made redundant by the establishment of the internal market might be recycled as food inspectors;
- a more rigorous formulation of the Member States' obligations in respect of laboratory controls is desirable;
- the provisions relating to analysis methods allow too much scope for differences; the Commission should compile a register of acceptable methods;
- the role of the proposed European foodstuffs inspectorate should be reexamined after 5 years;
- victims of food poisoning may have to wait too long for redress because under the proposal confidential evidence cannot be used.

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

- a watertight system of code numbers should be introduced to trace the products journey from producer to consumer;
- comparable penalties for comparable infringements should be introduced throughout the Community;
- there must be effective co-operation between food control authorities and metrological bodies.

This Opinion, adopted unanimously, was drawn up in the light of the paper produced by the Section for Protection of the Environment, Public Health and Consumer Affairs, chaired by Mr Francisco Ceballo Herrero (Spain - Various Interests). The Rapporteur was Mr G.H.E. Hilken (Netherlands - Various Interests).

4. DANGEROUS SUBSTANCES

- 13th amendment

Proposal for a Council Directive amending for the thirteenth time Directive 76/769/EEC on the approximation of the laws, regulations and administrative provisions of the Member States relating to restrictions on the marketing and use of certain dangerous substances and preparations
(COM(92) 195 final - SYN 414)

Gist of the Commission document

The proposal is designed to limit the marketing and use of the following substances and preparations because of the risks they pose to human health and the environment:

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

Gist of the Committee Opinion (CES 1166/92)

The Committee notes the Commission proposal and fully endorses its aims and implementing arrangements.

It particularly appreciates the aim of giving concrete form to some of the specific measures contained in the "Europe against cancer" programme, while at the same time improving protection of the public in general and non-professional users in particular, and improving the operation of the internal market.

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

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

This Opinion, adopted unanimously, was drawn up in the light of the paper produced by the Section for Protection of the Environment, Public Health and Consumer Affairs, chaired by Mr Francisco Ceballo Herrero (Spain - Various Interests). The Rapporteur was Mr Enzo Beltrami (Italy - Employers).

5. FOODSTUFFS/SWEETENERS

Proposal for a Council Directive on sweeteners for use in foodstuffs.

(COM(92) 255 final - SYN 423)

Gist of the Commission proposal

Commission document COM(92) 255 final contains three related proposals on food additives. This proposal within the framework of Directive 89/107, sets out the common rules for the use of sweeteners to replace sugar in foodstuffs. It replaces an earlier proposal which was rejected by the Parliament because of a controversial reference to traditional beers.

Gist of the Committee Opinion (CES 1167/92)

The Committee accepts the Commission proposal but makes certain observations of a technical nature concerning:

- products for diabetics;
- case of specific labelling rules conflicting with the basic Labelling Directive 79/112;
- the "best before" date;
- certain national specialities mentioned in the Annex.

This Opinion, adopted unanimously, was drawn up in the light of the paper produced by the Section for Protection of the Environment, Public Health and Consumer Affairs, chaired by Mr Francisco Ceballo Herrero (Spain - Various Interests). The Rapporteur was Mr Kenneth J. Gardner (United Kingdom - Employers).

6. BURNING BEHAVIOUR - MOTOR VEHICLES CONSTRUCTION MATERIALS

Proposal for a Council Directive on the approximation of the laws of the Member States relating to the burning behaviour of materials used in interior construction of certain categories of motor vehicle.

(COM(92) 201 final - SYN 417)

Gist of the Commission proposal

The Draft Directive concerns the approximation of the laws of the Member States relating to the fire behaviour of materials used in the interior construction of certain categories of motor vehicles.

The document represents a further step on the road towards allowing the EEC type-approval procedure which was the subject of the Council Directive 70/156/EEC of 6 February 1970 on the approximation of the laws of the Member States relating to the type-approval of motor vehicles and their trailers, as last amended by Directive 87/403/EEC, to be introduced in respect of all types of vehicle.

The Draft Directive covers larger buses and coaches which can carry more than 16 passengers, while not being designed for standing passengers (urban use).

With a view to ensuring occupant and road safety, the Draft Directive sets out minimum requirements in respect of the materials used in the construction of the inside of bus and coach bodywork in order to avoid, or at least retard, development of flames, thereby allowing occupants to evacuate the vehicle in case of fire.

It is felt necessary for practical reasons to provide for different periods of application in respect of new vehicles.

Gist of the Committee Opinion (CES 1168/92)

The Committee welcomes the Commission's proposal to supplement the framework Directive 70/156/EEC, subject to the reservations expressed below.

The Committee considers that it would be useful to include all motor vehicles in the present Directive, in order to give everyone the same guarantee of a high level of safety.

The Committee has particular misgivings about the exclusion of vehicles designed for standing passengers. The Commission's justification for this - that passengers can be evacuated more quickly and that the statistical risk is lower - is not satisfactory.

This Opinion, adopted unanimously, was drawn up in the light of the paper produced by the Section for Industry, Commerce, Crafts and Services, chaired by Mrs Ann Robinson (United Kingdom - Employers). The Rapporteur was Mr Ettore Masucci (Italy - Workers).

7. DEPOSIT GUARANTEE SYSTEMS

Proposal for a Council Directive on deposit-guarantee schemes.

(COM(92) 188 final - SYN 415)

Gist of the Commission proposal

Deposit-guarantee schemes, which are based on a system of solidarity between credit institutions, protect depositors in the event of a financial crisis in an institution and in particular those depositors who have insufficient financial knowledge to discriminate between sound and unsound credit institutions.

But, by the same token, guarantee schemes also protect the banking system from the risk resulting from the withdrawal of their funds by depositors, not only from an institution in difficulty, but also from banks in relatively sound condition which may be the subject of unfounded rumours.

Some Member States are not yet convinced of the need for all their credit institutions to be required to belong to a deposit-guarantee scheme, and two Member States have not yet introduced one at all.

This proposal for a directive has a dual objective: to protect the depositors of all credit institutions and to ensure the stability of the banking system as a whole.

Protection is based on the principle that branch depositors will be guaranteed by the scheme existing, for this category of institution, in the Member State where the institution has its head office (home Member State).

The proposal also contains provisions concerning the maximum sum to be guaranteed (15,000 ECU), the deadline for payments under the scheme

(3 months) and the provision of adequate information to depositors.

The Commission proposal does not cover questions such as the legal form of the various deposit-guarantee schemes and financing mechanisms.

Gist of the Committee Opinion (CES 1169/92)

The Committee endorses the proposed directive subject to the following comments:

Deposit-guarantee schemes should first and foremost protect private individuals, i.e. consumers.

The Committee welcomes the fact that the proposed directive limits itself to minimum harmonization.

It cannot be the function of the proposed directive to compel a reduction in the existing guarantee level in certain Member States. Nor, in the interest of bank customers, must any harmonization of EC deposit-guarantee schemes be allowed to jeopardize existing schemes in the Member States - which are geared to protecting the institution.

The Committee would like to draw the Commission's attention to a number of points which need to be clarified or amended. This applies, in particular, to the definitions of the terms "deposit" (Article 1) and "depositor" (Article 4) given in the directive, and the provisions concerning additional cover for branches of credit institutions in other Member States (Article 2(2)).

The Committee recognizes the correctness of the Commission's logic in deciding to use the home-country principle, which now provides the basis for the Community harmonization of banking legislation.

This concept should also apply, in principle, to the legally dependent branches of credit institutions from non-EC countries (Article 3(1)).

There is, however, good reason not to include such branches in the scope of the proposed directive.

The coverage of up to ECU 15,000 should not apply to aggregate deposits but to each individual account, insofar as the credit institution was already aware of the justified claims of the owners of the individual accounts.

The directive should impose a binding prohibition on the advertising of deposit guarantees, such as applies in the USA. Such an advertising ban

should not, however, restrict the provision of information to the customers of credit institutions on deposit guarantees (coverage, conditions, repayment procedure).

This Opinion, adopted unanimously, was drawn up in the light of the paper produced by the Section for Industry, Commerce, Crafts and Services, chaired by Mrs Ann Robinson (United Kingdom - Employers). The Rapporteur was Mr Klaus Meyer-Horn (Germany - Employers).

8. MONITORING IMPLEMENTATION OF THE COMMON FISHERIES POLICY

Report on Monitoring Implementation of the Common Fisheries Policy (SEC(92) 394 final)

Gist of the Commission proposal

The Community inspectorate has been in operation for eight years. Nevertheless, despite constant pressure on the Member States, implementation of rules on conserving fish stocks is still highly unsatisfactory. However, experience gained so far has revealed the most serious deficiencies and pointed to a strategy for greater progress; this is perfectly attainable if all concerned, particularly on the political level, demonstrate the necessary will.

While the solution does not appear to lie in direct Commission inspections, checks under the aegis of the common fisheries policy should be given fresh momentum to facilitate improvements within Member States and ensure that effort is shared evenly by combining Community and Member State action in this field.

The Commission believes that work is needed to improve the implementation of all existing management instruments:

- TACS and quotas;
- technical measures, such as mesh sizes and minimum sizes;
- boxes;
- licences.

In the months to come, the Commission will be tabling amendments and improvements to Community rules along the lines set out above.

Gist of the Committee Opinion (CES 1170/92)

Monitoring the CFP is fundamental for the preservation of fish stocks. But monitoring will only be actively supported by fishermen, processors and distributors if they view the application of the rules as fair and sensible. This requires the Community to be more involved and be given greater powers. The Committee accepts the principle of relative stability at the same time acknowledging that it may be difficult to reconcile the precept of subsidiarity with the need to convince fishermen of the evenhandedness of the CFP.

The efficiency of physical at-sea inspections could be enhanced if a system of EC licences, coupled to electronic surveillance control, were introduced. The monitoring equipment would, of course, have to be adequate to needs.

The cost of monitoring the CFP is, and will continue to be, relatively high in relation to the value of the landed fish. This however is inevitable given the nature of the industry and the importance to fishermen and consumers that fish stocks are preserved.

This Opinion, adopted unanimously, was drawn up in the light of the paper produced by the Section for Agriculture and Fisheries, chaired by Mr André Laur (France - Various Interests). The Rapporteur was Mr Michael P. Strauss (United Kingdom - Various Interests).

9. ANIMAL HEALTH/PROTECTION OF FARM ANIMALS

Proposal for a Council Directive concerning the protection of animals kept for farming purposes.
(COM(92) 192 final)

Gist of the Commission proposal

The aim of the proposal is to implement the requirements of the European Convention for the Protection of Animals kept for Farming Purposes by adopting harmonized rules for the housing, treatment and care of farm animals, and providing a legal basis for adoption of the Council of Europe Recommendations by a Commission procedure.

Gist of the Committee Opinion (CES 1171/92)

The Committee welcomes the fact that because minimum standards are to be laid down uniform minimum rules will be established which will

have to be observed equally by all Member States. This does not rule out the adoption of more far-reaching provisions by Member States.

This Opinion, adopted unanimously, was drawn up in the light of the paper produced by the Section for Agriculture and Fisheries, chaired by Mr André Laur (France - Various Interests). The Rapporteur was Mr Hans-Jürgen Wick (Germany - Employers).

10. ANIMAL HEALTH/AMENDING PROTOCOL - PROTECTION OF FARM ANIMALS

Proposal for a Council Decision on the Conclusion of the Protocol of Amendment to the European Convention for the Protection of Animals Kept for Farming Purposes.
(COM(92) 243 final)

Gist of the Commission proposal

On 15 November 1991 the Committee of Ministers of the Council of Europe adopted a Protocol of Amendment to the European Convention for the Protection of Animals kept for Farming Purposes in order to take account of biotechnology and on-farm killing and to bring up to date the definition of an intensive farming system. The Protocol follows the format of the Convention by stating broad general principles.

The principles set out in the Protocol are in accordance with current Community policy on the approval of food additives, and on the protection of animals at the time of slaughter.

Gist of the Committee Opinion (CES 1172/92)

The Committee approves the Committee proposal.

This Opinion, adopted unanimously, was drawn up in the light of the paper produced by the Section for Agriculture and Fisheries, chaired by Mr André Laur (France - Various Interests). The Rapporteur was Mr Hans-Jürgen Wick (Germany - Employers).

11. FISHERY PRODUCTS/TARIFF NOMENCLATURE

Proposal for a Council Regulation (EEC) amending Regulation (EEC) No. 3687/91 on the common organization of the market in fishery products and amending Regulation (EEC) No. 2658/87 on the tariff and statistical nomenclature and on the Common Customs Tariff.
(COM(92) 213 final)

Gist of the Commission proposal

Surimi is a protein gel made of minced fish with a low fat content. Its main characteristics - a lack of taste, odour and colour - makes it extremely suitable for the production of seafood analogues. When mixed with the right quantity of additional ingredients preparations of surimi replace a large number of seafoods in short supply.

Information obtained from the industry and traders indicate that the Community now has become a major net importer of surimi. However, as neither surimi nor preparations of surimi have separate positions in the Combined Nomenclature, the Commission is unable to evaluate the trade and price trends in respect of these products. This lack of information also makes it impossible to make the two products separately subject to the rules of the Common Fisheries Policy (CFP).

This proposal is designed to bring about the separate inclusion of surimi and preparations of surimi in the CFP, by creating specific positions for these products in the relevant part of the Combined Nomenclature, which is appended to Regulation (EEC) No. 3687/91 on the common organization of the market in fishery products.

Gist of the Committee Opinion (CES 1173/92)

The Committee approves the Commission proposal.

This Opinion, adopted unanimously, was drawn up in the light of the paper produced by the Section for Agriculture and Fisheries, chaired by Mr André Laur (France - Various Interests). The Rapporteur was Mr Augusto Gil Bensabat Ferraz da Silva (Portugal - Workers).

12. UNIT OF ACCOUNT - CAP

Proposal for a Council Regulation (EEC) on the unit of account and the conversion rates to be applied for the purposes of the common agricultural policy”.
(COM(92) 275 final)

Gist of the Commission proposal

The Commission proposal seeks to reform the current agri-monetary system so as to abolish the monetary compensatory amounts as of 1 January 1993. The arrangements advocated will still be based on the use of a green rate for fixing prices and amounts under the CAP and for converting them into national currencies. In any case the basic objective will be to avoid a monetary gap of more than 5 percentage points. Tapering compensatory support co-financed by the EC will be granted in cases where re-assessment in any Member State leads to a drop of more than 2% in the green rate.

Gist of the Committee Opinion (CES 1174/92)

Whilst endorsing the draft Regulation, the Committee regrets the Commission's delay in submitting a proposal due to enter into force on 1 January 1993.

This Opinion, adopted unanimously, was drawn up in the light of the paper produced by the Section for Agriculture and Fisheries, chaired by Mr André Laur (France - Various Interests). The Rapporteur was Mr Rudolf Schnieders (Germany - Employers).

13. SMEs AND CRAFT INDUSTRIES

(Own-initiative Opinion)

SMEs and the craft industries

Background

On 27 May 1991 the Council adopted a Resolution on the action programme for small and medium-sized enterprises including craft industry enterprises (OJ No. C 146 of 5 June 1991).

Referring to its Decision 89/490/EEC of 28 July 1989 on the improvement of the business environment and the promotion of the development of enterprises, in particular small and medium-sized enterprises, the Council considers that more account must be taken of the special characteristics

of small and medium-sized enterprises so that they may benefit from the positive effects of the Single Market.

Several points in the Council Resolution relate to measures of particular interest for craft industry enterprises: measures concerning vocational qualification, vocational training (initial, in-service, management, linked work and training), simplification of formalities and improvement of information to, and consultation of, SMEs especially at the stage of drawing up Community programmes, directives, decisions and resolutions.

The Council also specifically stresses the need to take account of the final recommendations of the Community conference on the craft industry and small enterprises held in Avignon on 12 and 13 October 1990.

Questions relating to the specific social structure of craft industry enterprises or to the access to research programmes and sources of finance should also be dealt with. This Own-initiative Opinion would improve the Committee's work on SME policy by complementing its previous Opinions on this matter.

Gist of the Committee Opinion (CES 1175/92)

The central economic and social role of SMEs in the EC is evident not only in their high share of production and employment, but also in their disproportionate contribution to job creation, applying innovations and flexible adaptation to changing markets. SMEs are also vitally important for regional development. They are the *sine qua non* for a thriving economy. The 11.6 million firms in the EC include between 3.9 and 5 million craft enterprises.

In the light of the forthcoming completion of the Internal Market and the deepening of European integration, the creation of a favourable business environment which strengthens the competitiveness of SMEs must be one of the Community's priority objectives.

In order to meet the challenges which will face SMEs and craft enterprises in the Internal Market, the SME action programme will have to be upgraded in good time to cater for the needs of craft enterprises and of other specific sectors and their labour forces.

A differentiated and specially targeted support policy for SMEs and craft enterprises must be developed through the following measures:

- improving the decision-making bases for a successful EC enterprises policy;

- providing an institutional framework for European cooperation on the transfer of research findings and know-how;
- enhancing the skills of entrepreneurs, managers and workforces by creating a European academy for the craft sector and SMEs.

The Committee calls on the Commission, the European Parliament and the Council to provide sufficient financial resources as evidence of their firm intention to bring about effective and substantial progress in EC enterprise policy as it affects SMEs and craft enterprises.

This Opinion, adopted unanimously, was drawn up in the light of the paper produced by the Section for Industry, Commerce, Crafts and Services, chaired by Mrs Ann Robinson (United Kingdom - Employers). The Rapporteur was Mr Hanns-Eberhard Schleyer (Germany - Various Interests).

14. HDTV ACTION PLAN

Proposal for a Council Decision on an action plan for the introduction of advanced television services in Europe.
(COM(92) 154 final)

Gist of the Commission document

On 10 February 1991, the Council unanimously adopted a Common Position on a Council Directive on Standards for Satellite Broadcasting of Television Signals.

This Directive is one part of a two-pronged approach by the Community to encourage an orderly transition to advanced television services, including HDTV, in Europe.

The other element is an agreement, enshrined in a Memorandum of Understanding (MOU) between the economic operators in this field - broadcasters, equipment makers and cable and satellite operators - with a view to providing Europe with a wide range of advanced television services in the D2-MAC standard, particularly in its 16:9 format, by 1996.

Consultations with the economic operators involved have identified a clear interest expressed by many parties in moving as soon as possible to the provision of advanced television services by satellite and cable in Europe using the D2-MAC standard, particularly in its 16:9 format, and the HD-MAC standard.

These consultations have identified the additional costs to the parties which would be involved in providing these advanced services, particularly in the start-up phase. These costs include:

- i) costs of broadcaster's operations including studio upgrading and satellite transmission
- ii) cable redistribution costs
- iii) cost of programme production and conversion.

The proposal is to adopt an Action Plan covering the period up to the end of 1996 and designed to accelerate development of the market for advanced television services by satellite and cable based on the D2-MAC standard, particularly in its 16:9 format and the HD-MAC standard. Community funds, to the tune of 850 million ECU, would be made available to provide incentives for achieving this objective.

Gist of the Committee Opinion (CES 1176/92)

The Action Plan must be adopted as a matter of urgency, to secure immediate release of the ECU 33 million earmarked for 1992.

It is necessary to set up an assistance mechanism for operators in linguistically and geographically smaller countries and to grant derogations to the principle of double degressivity established by the Action Plan.

Funding only projects offering a full service favours the larger operators at the expense of independent operators. The Commission's attention is directed to the need to support this category of operators in particular.

It would be advisable to re-adjust the levels of Community funding to the production sector: a 35 % funding level to programme production with broadcasting's share falling to 55 % and cable distribution's remaining at 10 %.

This Opinion, adopted by 100 votes for, 29 against and 11 abstentions, was drawn up in the light of the paper produced by the Section for Industry, Commerce, Crafts and Services, chaired by Mrs Ann Robinson (United Kingdom - Employers). The Rapporteur was Dame Jocelyn Barrow (United Kingdom - Various Interests).

Various amendments presented by British and Luxembourg members were defeated during the Plenary Session debate, notably a veritable Counter Opinion tabled by a British consultant, Mr Michael Mobbs. Advocating a revision of the Action Plan to clarify the duration of funding,

as well as the phasing and means of assessment of allocation of funds, the Counter Opinion ended with the concluding remark that the "major economic actors must be fully consulted, as envisaged by the HDTV Directive, in order to agree the text of the final Action Plan and the criteria for its implementation. Without the agreement of the major economic actors there can be no agreement on the Action Plan and any funding under it."

15. ECO AUDIT

Proposal for a Council Regulation (EEC) allowing voluntary participation by companies in the industrial sector in a Community Eco-audit scheme.
(COM(91) 459 final)

Gist of the Commission proposal

The proposed Regulation, based on Article 130s of the EEC Treaty, establishes a voluntary "Eco-audit" scheme open to any company engaged in an industrial activity.

Companies which volunteer to participate in the scheme undertake to establish an "*environmental protection system*" for a given production site and to conduct a systematic, periodic evaluation of their environmental performance. They also undertake to provide the public with relevant, objective information on their performance and intentions as regards the environment.

Broadly speaking, the *protection system* is based on an initial review, by the company, of the environmental impact of the operations conducted at the site. It includes an internal *policy* formally stated in writing (generally defined for the company as a whole), supplemented by a *programme* of measures at the site concerned and a *management system* covering the organizational details and working procedures needed to apply the abovementioned elements.

The credibility of the company's measures and commitments is ensured by periodically providing the public with objective, relevant information in the form of an *environmental statement*. This document describes the company's performance and intentions and is formally *validated* by an *accredited independent auditor* on the basis, inter alia, of the internal audit conducted and its results.

In return for satisfying the conditions for participation, the "Eco-audit" scheme offers participating companies the possibility of capitalizing on their commitment and boosting their public image through the *use of a logo*. It also provides for specific measures to support small firms.

Gist of the Committee Opinion (CES 1177/92)

The Committee agrees that the environmental audit system should not be viewed as a parallel administrative system for Community and national environmental protection legislation. Nor should it be a substitute for provisions which need to be binding.

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

The Committee welcomes the proposed "system", particularly since the environmental policy objectives are to be achieved with company resources, incentives for careful handling and improved information. This makes the eco-audit system an "economic environment policy tool".

The Committee considered whether, in view of the audit system's voluntary nature, its objectives could not be achieved just as well by incorporating it in an industrial code of practice or in a future Eurostandard (ISO standard), rather than by statutory legislation. The Committee nevertheless concluded, in line with the Commission, that statutory arrangements were logical and necessary - cf. the recent Regulation on the eco-label - so as to achieve the following aims:

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

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

This Opinion, adopted by a large majority with 8 abstentions, was drawn up in the light of the paper produced by the Section for Protection of the Environment, Public Health and Consumer Affairs, chaired by Mr Francisco Ceballos Herrero (Spain - Various Interests). The Rapporteur was Mr Klaus Boisseree (Germany - Various Interests).

16. INCINERATION OF HAZARDOUS WASTE

Proposal for a Council Directive on the incineration of hazardous waste.

(COM(92) 9 final - SYN 406)

Gist of the Commission proposal

The proposal, which is based on Article 100a, seeks to align national provisions on the incineration of dangerous waste. It is proposed to lay down standards involving a high level of environmental protection with a view to:

- a) preventing or minimizing environmental damage which may be caused by the incineration of hazardous waste;
- b) impeding the flow of waste towards incineration plants which have lower costs because they apply less strict environmental standards;
- c) promoting and ensuring a reduction of waste movements within the Community.

The proposal follows on from the Directives on the incineration of urban waste adopted in 1989 which sought to reduce the adverse effects on the environment of the incineration of "non hazardous" waste. A more integrated approach towards the protection of the environment has been adopted in the present proposal which covers not only air pollution but also protection of the soil and surface and groundwater.

In the Commission's view, referring only to BATNEEC (Best Available Technologies Not Entailing Excessive Costs) is no longer adequate in the case of emissions resulting from dioxins, furans and mercury. On the other hand, it does not consider it appropriate, for the time being,

to fix a legally binding emission limit value for dioxins and furans, since it is not possible to measure these emissions continuously with the measurement techniques currently available.

Pending the development of better monitoring methods, the proposal provides for a specific obligation to minimize the emissions of dioxins and furans, using the most advanced techniques, and to make every effort not to exceed a guide value of 0.1 ng Toxic Equivalent/m³.

The limit values for other emissions are set out in Article 8. These are, in the Commission's view, stringent limit values which have been rendered possible by the rapid progress in reduction techniques. The proposal is thus designed to safeguard and promote the dynamism of technical progress, with a view to preventing environmental pollution.

The stringent provisions to be fulfilled in the building and operation of hazardous waste incineration plants imply an increase in investment costs. A cost estimate is set out in the Explanatory Memorandum.

The proposal requires the national authorities responsible for issuing or reviewing incineration permits to check that all preventive measures have been taken. The proposal also makes provisions for: an exchange of information on progress in emission control techniques and in monitoring; procedures for informing the public; and reports on the implementation of the provisions.

The provisions necessary to comply with the proposal for a Directive are to be brought into force by 30 June 1994.

Gist of the Committee Opinion (CES 1178/92)

The Committee hopes that the rigorous environmental protection measures being proposed will help to increase the public acceptability of incineration in suitable locations.

It is aware that the general requirements of waste-management planning - particularly in the case of hazardous waste - cannot be met by the present Directive alone. However, it stresses that the Directive must be implemented in close conjunction with Article 6 of Directive 91/689/EEC, which obliges the competent authorities to draw up waste-management plans and to make these plans public. The Article also requires the Commission to compare the plans, in particular the methods of disposal and recovery.

The Committee stresses the urgent need to *harmonize the terminology of the waste sector* and to set up a reliable information system concerning the quantities and types of waste produced. Article 1(4) of Directive 91/689/EEC on hazardous waste states that a list of such waste is to be drawn up, taking account of the origin and composition of the waste and the limit values for its concentration. The Committee urges the Commission to draw up the list as soon as possible.

On the basis of this list, criteria should be established for the optimum disposal of the various types of waste. Incineration would be one possible option, where compatible with protection of the environment.

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

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

Lastly, the Committee asks the Commission to check whether the provisions contained in Directives 80/1107/EEC and 89/391/EEC are adequate, in the light of advances in know-how and technology, to protect the health and safety of workers at incineration plants. The Commission could consider the case for a specific Directive to protect workers at waste-treatment plants.

This Opinion, adopted by a large majority, with 5 abstentions, was drawn up in the light of the paper produced by the Section for Protection of the Environment, Public Health and Consumer Affairs chaired by Mr Francisco Ceballo Herrero (Spain - Various Interests). The Rapporteur was Mr Sergio Colombo (Italy - Workers).

17. TURNOVER TAXES

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

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

Gist of the Commission proposal

The proposal seeks to complete the common basis of goods and services on which the Twelve levy value added tax.

The common system of VAT must in principle use a uniform basis of assessment throughout the Twelve. This goal was not entirely achieved by the Sixth Directive of 17 May 1977 on the harmonization of the laws of the Member States relating to turnover taxes; some provisions allow the Member States to apply, for a transitional period, certain derogations to the general rules of the common system of value added tax.

These derogations were established to give the Member States and the economic sectors concerned time to adapt.

The Sixth Directive also stipulates that the Council, acting on a report from the Commission, is to review the derogations granted and to adopt further directives aimed, where appropriate, at abolishing some or all of those derogations.

On 18 July 1989, acting on a proposal from the Commission, the Council abolished two-thirds of the derogations in question and made provision for subsequently abolishing any remaining ones which were liable to distort competition in the context of the Internal Market.

This proposal consequently aims to abolish some derogations and maintain others and give the Member States a right of option in certain areas.

Exemptions maintained

The Member States may continue to exempt the following:

- services supplied by authors, artists and performers;
- the supply of new buildings and building land;

- activities of non-commercial public radio and television bodies.

Derogations to be abolished

The derogations which it is proposed to abolish are applied by only one or very few Member States.

They relate to the following:

- exemption of services supplied by lawyers and other members of the liberal professions;
- exemption of telecommunications services supplied by some national postal services;
- exemption of the supply of water by public-law bodies;
- exemption of various services supplied to the public authorities; the acquisition, leasing, maintenance, etc. of aircraft and warships. For taxation purposes the businesses concerned will have the right to deduct VAT (which they are at present unable to do if the services are exempted), thus placing them in a situation identical to that of other suppliers to the State.

In the case of telecommunications and the supply of water, the proposed VAT arrangements will have a two-fold advantage:

- they facilitate the major investment effort undertaken by the bodies concerned by allowing them to deduct VAT on their inputs;
- they thus create a level playing field between them and their competitors in the private sector.

For lawyers and other members of the liberal professions, the directive abolishes the distortions of competition between exempted and non-exempted professions.

Right of option for the Member States

The Commission proposes that each Member State, including those which do not at present apply any exemption, should be able not to tax the following:

- goods and services supplied by undertakers, the maintenance of cemeteries, services supplied by institutions responsible for maintaining war memorials;

- admission to sporting events;
- the activities of workshops for the blind.

The Commission proposal also singles out a number of economic sectors which currently enjoy derogations in certain Member States and in respect of which it intends to submit specific proposals for legislation. These relate to passenger transport services and transactions in gold.

Gist of the Committee Opinion (CES 1179/92)

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

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

Distortion of competition is mainly likely to result from the existence of differing rates, though these differences are largely neutralized by the maintenance of taxation in the country of destination under the transitional VAT arrangement.

The abolition of the exemptions relating to certain activities in the public interest can be endorsed.

While the elimination of tax discrimination between private bodies must be welcomed, it is impossible to approve the retention of the derogation relating to non-commercial transactions of public radio and television bodies by those Member States which currently exempt such transactions.

Abolition of the derogation regarding exemption of services supplied by lawyers and other members of the liberal professions, with the exception of the medical and paramedical professions, should be offset by granting all Member States a right of option.

The Commission has announced specific proposals in respect of travel agencies, transactions of hospitals, passenger transport and transactions concerning gold. The implications of these specific proposals should be weighed up before recommending the outright deletion of the relevant derogations.

In contrast to the Commission's approach, it is advisable to retain the derogation whereby an intermediary acting in his own name shall be treated merely as a supplier of services and not as a taxable person who himself carries out purchases/resale transactions where he is acting under the terms of a contract under which commission is payable.

Abolition of the derogation regarding certain transactions in the public interest supplied by non-profit making bodies in principle raises no objection.

It seems reasonable to question whether the 31 December 1992 deadline set for compliance by the Member States to the directive is not far too soon and whether the date of entry into force should be postponed.

In the interests of businesses, workers and consumers, a review of the proposal is recommended to ascertain the relevance of the distortion of competition argument invoked in favour of abolishing various derogations. This review is particularly important in cases where the proposed abolition of a derogation would push up the cost of a product, item of goods or service by introducing taxes which previously did not exist.

This Opinion, adopted by a majority, with two abstentions, was drawn up in the light of the paper produced by the Rapporteur-General, Mr Camille Giacomelli (Luxembourg - Employers).

18. ECONOMIC SITUATION IN THE COMMUNITY, MID-1992 (Own-initiative Opinion)

The economic situation in the Community, mid-92

Objectives of the Committee Opinion on the Situation in the Community mid-1992

As is established practice, the Committee delivers two Opinions every year on the Economic Situation in the Community.

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

- to inform the Council of the economic and budgetary measures proposed and deemed appropriate by representatives of EC economic and social interest groups;

- to inform the Commission of the social partners' various positions vis-à-vis economic issues when it is preparing the annual economic report;
- to provide a brief rundown for Economic and Social Councils and occupational bodies in Member States (via their committee representatives) of the committee's analysis of the economic situation in the Community. It is reasonable to hope that sending the Committee Opinion on economic policy to the consultative bodies will enable these bodies to take it into account and include it, where appropriate, in proposals they make to their national governments when the latter draft their national budgets;
- this year the Committee Opinion presents an in-depth survey on employment, a subject of prime importance for the EC economy.

Gist of the Committee Opinion (CES 1180/92)

Economic situation and prospects

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

The Committee feels that it cannot avoid commenting briefly, and as a matter of urgency, on the serious monetary problems besetting the Community at the present time. These upheavals and distortions have temporarily dismembered the European Monetary System.

It is the Committee's wish that those currencies which have had to leave the EMS rejoin it as soon as possible, though it realizes that the problems which led to such a situation will have to be resolved before the System can be reorganized.

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

The Community economy

Clearly the economic situation of the Community is affected by the uncertainty hanging over the international economy.

The Committee considers that the anticipated growth rate for the Community is totally inadequate to meet its employment needs.

Present economic situation and prospects for nominal convergence: the Maastricht indicators

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

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

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

Policies for nominal convergence

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

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

In the Committee's opinion, the Commission and the Council should include the above-mentioned conclusions of the social partners, as expressed in the document of 3 July 1992, in its economic discussions

as soon as possible, with a view to rapidly devising a cooperative macro-economic strategy at Community level which will provide a reference framework to guarantee growth and employment.

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

Convergence and employment

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

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

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

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

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

Furthermore, although prices are the principal weapon in competition, other factors are increasingly important, such as product quality, consumer satisfaction, design, innovative capacity, after-sales service, distribution, marketing and product standardization. Therefore a strategy based on improving these factors is essential for increasing competitiveness.

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

This Opinion, adopted unanimously, was drawn up in the light of the paper produced by the Section for Economic, Financial and Monetary Questions, chaired by Mr Jean Pardon (Belgium - Employers). The Rapporteur was Mr Miguel-Angel Abejon Resa (Spain - Workers).

19. CULTURAL ACTION

Communication from the Commission on New Prospects for Community Cultural Action, (COM(92) 149 final)

Gist of the Commission proposal

The Community is on the threshold of a new era in which it will be able to grow beyond its purely economic dimension and enjoy unprecedented opportunity for cultural cooperation and support.

The frontier-free area must provide a stimulating environment for intellectual life, cultural activities and artistic creativity for the ever-growing numbers of European citizens now demanding greater access to culture.

The Commission considers that a new approach should be developed in order to improve the structuring of cultural action, thereby ensuring a more coherent development. The objective aimed at by the Commission with the presentation of a Communication on New Prospects on Community Action in the cultural field is to create a general reference framework and to prepare the ground for discussions in the Council and Parliament.

The Communication replaces the previous framework COM(87) 603 final "Communication from the Commission on a fresh boost for culture in the European Community" which covered the period

1987 to 1992. The Committee issued an Opinion and Additional Opinion on this in 1988 and in 1989. By stepping up the dialogue with all those concerned - the professionals and the competent authorities in the Member States - it should subsequently be possible for the Commission to prepare specific target-oriented proposals and programmes, and the related budgetary estimates, on the basis of the options selected.

Looking ahead to the new potential areas of Community competence, the high degree of cultural sensitivity of all the Member States means that concertation at all levels must be encouraged. To this end the Community will promote cultural cooperation to complement action by the Member States and continue to support their action in the areas listed in the proposed Article in the Maastricht Treaty on culture.

The actions outlined in the Communication can be summarized as follows:

- contributing to the flowering of culture in the frontier-free area (support for transnational networks, increased dialogue with national, regional and local authorities, improving the knowledge and dissemination of culture);
- bringing the common cultural heritage to the fore by providing support for specific areas (cultural heritage, books and reading, translation, audiovisual sector);
- increasing cooperation with non-member countries and international organizations, in particular the Council of Europe (Lomé Convention, Central and Eastern Europe, EFTA);
- taking cultural aspects into account in its action under other provisions of the Treaty.

Gist of the Committee Opinion (CES 1181/92)

The aspirations set out in the Communication must be backed up by firm political will, translated in practical terms by the robust level of resources needed to match the challenges involved.

The cultural dimension is crucial to understanding and harmony between people, and to ensuring cohesion between nations and the various levels and groups in society. It is thus a very powerful factor in the flight against xenophobia and racism. Cultural action must be part and parcel of all political, economic and social thinking and decisions. The cultural dimension of issues should be well to the forefront of all political debates, over and above debates on specifically cultural issues. Access for all men,

women and children to culture is inseparable from their dignity as human beings. As such, culture is a basic human right enshrined in the Universal Declaration of Human Rights (Article 27). This entails inter alia access to education and training, shared access to joint material and non-material resources and heritage. Everybody must therefore be given full access to culture including, for instance, the economically and socially most vulnerable, not forgetting the sick, disabled and aged.

It is necessary to respect specific national, regional and local characteristics. The Commission wishes to move towards global policies incorporating the cultural dimension. Language teaching which is an overriding necessity, must be given appropriate means and methods. The learning of a second language should be made obligatory.

- The Committee recommends strongly that the Commission take stock of those actions which have been carried out and those currently under way, indicating the outlay involved.
- In addition to protection for monuments and buildings per se, attention should also be drawn to their immediate environment.
- In television, steps should be taken forthwith to encourage the establishment of one or several European cultural channels.
- European cultural patronage ought to be encouraged.
- ESC members should urge their governments and all those involved in cultural activity to incorporate the European cultural dimension into everyday thinking and practice.
- Education plays a major role in developing cultural creativity, over and above the production of major works of art.

The Committee urges that action be carried out in schools to encourage cultural discovery amongst children, to boost respect for and sensible use of cultural heritage, and encourage sensible attitudes towards using resources.

Many minority ethnic groups and their families are citizens of our Member States. We will be able to understand them better if we learn about their history and culture, and appreciate the elements they have in common with ours and so encourage dialogue, exchange and mutual enrichment.

This Opinion, adopted by a large majority, with 3 abstentions, was drawn up in the light of the paper produced by the Section for Social, Family, Educational and Cultural Affairs, chaired by Mr Vasco Cal (Portugal - Workers). The Rapporteur was Mr Roger Burnel (France - Various Interests).

20. PUBLIC WORKS CONTRACTS

Proposal for a Council Directive amending Directive 71/305/EEC concerning the coordination of procedures for the award of public works contracts.
(COM(92) 345 final - SYN 439)

Gist of the Commission proposal

The proposal aims to enable the publication arrangements and the nomenclature used to classify works to be changed by a Commission Decision, using the Committee procedure (Advisory Committee for Public Contracts) already provided for in Directive 71/305/EEC.

Directive 71/305/EEC classifies works according to the categories of the Community nomenclature NACE. This nomenclature has since been replaced by another Community nomenclature (NACE rev. 1), and further changes are expected. The proposal would ensure that the classification used in the Directive could be adapted to take account of such changes.

This amendment would align the Public Works Directive with the Utilities Directive (90/531/EEC) and the Public Services Directive (92/50/EEC), which contain an identical provision.

Gist of the Committee Opinion (CES 1182/92)

The Committee welcomes the Draft Directive.

This Opinion, adopted unanimously, was drawn up in the light of the paper produced by the Rapporteur-General, Mr Paul Kaaris (Denmark - Employers).

21. PUBLIC SUPPLY CONTRACTS

Proposal for a Council Directive coordinating procedures for the award of public supply contracts.
(COM(92) 346 final - SYN 442)

Gist of the Commission proposal

In the context of a People's Europe, the Commission attaches great importance to simplifying Community law so as to make it clearer and more accessible to the ordinary citizen.

The proposal aims at a *legislative consolidation of Directive 77/62/EEC* and the amendments to it. The existing directives would be replaced by one new one, which would assemble them into a single text. At the same time and so as to facilitate the application of public procurement rules as a single coherent body, the proposal amends the Public Supplies Directive on various points to bring it into line with the proposed consolidated version of Directive 71/305/EEC concerning the coordination of procedures for the award of public works contracts which consolidates and replaces Directive 71/305/EEC and the new Directive 92/50/EEC relating to the coordination of procedures for the award of public service contracts. Both these texts were recently adopted in the context of the 1992 programme. As to the procedural and other rules, including technical specifications, the proposal incorporates the flexibility found in the Public Works and Public Services Directives. The proposal also contains some editorial changes designed to clarify some of the existing provisions.

Gist of the Committee Opinion (CES 1183/92)

The Committee welcomes this codification and underlines the necessity of simultaneous and parallel application of the Procurement Directive in all Member States.

This Opinion, adopted unanimously, was drawn up in the light of the paper produced by the Rapporteur-General, Mr Paul Kaaris (Denmark - Employers).

22. CRISIS MEASURES - OIL SUPPLIES

Proposal for a Council Directive providing for appropriate measures to be taken in the event of difficulties in the supply of crude oil and petroleum products to the Community.
(COM(92) 145 final)

Gist of the Commission proposal

The Communication contains a proposal for a Council Directive on:

- measures to be taken in the event of difficulties in the supply of crude oil and petroleum products to the Community.

This proposal adapts the crisis measures proposed in Communication COM(90) 514 final. It follows on from the results of the Energy Council of 29 October 1991 establishing a consensus on the mechanisms to be

applied in the event of oil supply difficulties, in the light of Community accession to the International Energy Agency (IEA).

The purpose of the new proposal is threefold:

- to give a reminder of the content of the Commission's original proposals for crisis measures (COM(90) 514 final);
- to present the guidelines requested by the Energy Council on 31 May and 29 October 1991;
- to update the Commission's proposals in this connection in the light of Community accession to the IEA, which is the subject of a recommendation (SEC(92) 697 final).

An emergency action framework is to be set up, in which coordination with the IEA and the Member States will play a fundamental role.

The earlier proposal stressed that the guiding principle behind the measures to be adopted by the Community is the need to ensure security of supply, free movement of products, political, economic and social cohesion and strict observance of the principle of subsidiarity.

The new proposal does not refer to oil stocks. The Committee will receive a referral on this in the medium term.

Under the new arrangements, the Community is to act in accordance with the principle of complementarity vis-à-vis the IEA:

- Decisions establishing a crisis situation and setting objectives would be adopted in the IEA framework. The Commission would present a Community position (previously approved by a qualified majority vote by the Council) and the Member States would speak in support of that position.
- The Member States would decide on the measures they intend to take to apply IEA decisions. The Commission would coordinate the measures, with assistance from a management committee (procedure II).
- In very exceptional circumstances the Community would be able to adopt measures independently.

The draft Directive would replace Directive 73/238/EE¹ and Council Decision 77/706/EEC², and repeal Decision 77/186/EEC³ as amended by Decision 79/879/EEC⁴

The Economic and Social Committee issued an Opinion dated 28 April 1982 on two Commission proposals referring respectively to a Directive and a Council Decision⁵ on the same subject as that now under discussion

The proposals were withdrawn on 7 November 1985.

Some of the suggestions made in the Committee's Opinion now appear in the current text, e.g.:

- the need to adapt Community rules to the current situation;
- the need to harmonize national legislation;
- the need to cut down energy waste;
- the need to set up a more flexible action mechanism at Community level.

Gist of the Committee Opinion (CES 1184/92)

The Committee approves the Commission proposal, highlighting the Community's position within the IEA and its role in ensuring that from 1 January 1993 any emergency measures will be compatible, will not interfere with trade, and will contribute to social cohesion.

The Committee also makes a number of comments, among them:

- noting the proposal that the Member States will support the Community position during IEA meetings;
- voicing concern about the practical effects of the Commission's proposals;
- stressing that it is essential that preparations be made well ahead of time in the event of difficulties, to be based on contingency planning in times of normal supply;
- pointing to the absolute need, reflected in the proposals, for the procedures established not to affect the efficiency of existing practices;

¹ OJ L 228 of 16 August 1973, page 1.

² OJ L 292 of 16 November 1977, page 9.

³ OJ L 61 of 5 March 1977, page 23.

⁴ OJ L 270 of 27 October 1979, page 58.

⁵ OJ C 55 of 3 March 1982, page 3.

- recommending that Article 25 of the Draft Directive concerning common rules for the internal market in electricity and Article 23 of the Draft Directive concerning common rules for the internal market in natural gas, together with Article 3 of the Draft Directive on the conditions for granting and using authorizations for the prospection, exploration and extraction of hydrocarbons be reviewed in the light of the present proposals;
- considering that the "exceptionally serious supply difficulties", which would justify the Community taking independent, unilateral action, should be clarified;
- and agreeing that the Oil Supply Committee should advise the Commission, while regretting that there is no mention of any machinery by which the social partners would be consulted.

This Opinion, adopted unanimously, was drawn up in the light of the paper produced by the Section for Energy, Nuclear Questions and Research, chaired by Mr Aldo Romoli (Italy - Employers). The Rapporteur was Mr Neville Beale (United Kingdom - Employers).

23. PROGRAMME FOR RESEARCH STATISTICS

Proposal for a Council Decision establishing a multiannual programme for the development of Community statistics on Research, Development and Innovation.

(COM(92) 91 final + COM(92) 91 final/2)

Gist of the Commission proposal

The aim is to present the different measures required for the development of an integrated system of information on research, technological development and innovation, and to link these measures to one single implementing procedure which would guarantee their usefulness, consistency and effectiveness.

More specifically, the aims of the programme set out in the Decision are:

- to set out a Community reference framework for statistics on research and development and innovation defining the most appropriate concepts and methods for supporting the corresponding Community policies, and for satisfying the needs of national, regional and local administrations, international organizations, economic operators, professional associations and the general public;

- to establish a Community statistical information system for research and development and innovation;
- to promote and support harmonization of statistics on research and development and innovation in the Member States;
- to facilitate the dissemination of comparable information.

The programme has been proposed because statistics on research, development and technological innovation at Community level are broadly inappropriate for defining and managing the scientific and technology policies of the Member States and the Community.

The Commission states that many statistics come too late as they most often report what has already happened or at best is currently happening.

Generally speaking the reliability of these statistics is dubious because the amount of information varies from Member State to Member State and data are not always comparable.

In order to attain the objectives of the programme and thus allow policy makers to dispose of exact, factual information on the trend of scientific and technological research, the Commission proposes that the following work be carried out between 1993 and 1997.

- analysis and evaluation of user demand, subject to its feasibility and based on cost efficiency in order to define actions and priorities, for statistics on research and development and innovation;
- improvement, where necessary, of existing methodological framework;
- identification of existing statistical information on research and development and innovation;
- setting up the organizational and technical components of a Community statistical information system for research and development and innovation;
- carrying out pilot surveys and
- developing basic statistical tools.

The draft Decision also specifies

- Member State responsibilities for the proper execution of the programme;

- presentation by the Commission of an interim report in 1995, accompanied if necessary by new proposals in the light of the progress of work and, on completion of the work in 1997, a final report on the results of the work.

Gist of the Committee Opinion (CES 1185/92)

The Committee welcomes the Commission proposal, and puts forward some comments on ways to boost the programme's impact and maximize its effectiveness.

The Committee makes the following recommendations:

- In implementing an effective Community statistical system, it may be necessary to consider the introduction of a regulation which would ensure that data is available in respect of all the Member States.
- In preparing for the collection of statistical information, it is essential that the Commission clearly identify the users of each statistical series so that the statistics collected are relevant to their needs. The subsequent presentation of the statistical information should take account of the different audiences.
- Liaison with programmes such as STRIDE, SPRINT, DOSES and the EUREKA initiative as well as collaboration with OECD and EUROSTAT partners is essential in order to draw on their experience and build synergies between them.
- The role of the newly established European advisory committee on statistical information in the economic and social fields (CEIES) should be clearly established in relation to the proposed programme.
- The proposed programme must be integrated with existing statistical systems and programmes.
- A Community system should be established for standardizing the data collected.
- All regions of the Community should have access to harmonized and integrated statistical information.

Turning to the specific measures to be included in the programme, the Committee notes that the analysis and evaluation of user demand is particularly important in ensuring that the systems are oriented to user requirements.

Since information systems need to be "producer friendly" as well as "user friendly", the Committee emphasizes that the production of statistics can be particularly cumbersome and costly for small firms.

The Committee deems it essential that discussions be held with SMEs on ways of reducing this burden and involving them fully in statistical information systems, thus allowing them to play their part in technological innovation.

As regards the financial provisions, the Committee stresses the limits of the proposed budget, while recognizing that the Community contribution represents only a small part of the actual costs, which are largely borne by national statistics systems.

The Committee nonetheless recommends:

- that the forthcoming Fourth Framework Programme carry a provision for financial support for the development of Community statistics on research, technological development and innovation;
- establishment of the European Free Trade Association (EFTA) countries' contribution to the financing of the programme, particularly in the light of the development of the European Economic Area (EEA).

This Opinion, adopted unanimously, was drawn up in the light of the paper produced by the Section for Energy, Nuclear Questions and Research, chaired by Mr Aldo Romoli (Italy - Employers). The Rapporteur was Mr Tomás Roseingrave (Ireland - Various Interests).

24. VOCATIONAL TRAINING

(Information Report)

Vocational training - The promotion of vocational qualifications - An instrument for the economic and social development of the European Community.

Gist of the Information Report (CES 587/92 fin)

It is widely agreed that high-quality skills are of strategic importance for EC integration. They boost business productivity and competitiveness, improve workers' living and working conditions and enhance their employment prospects, while contributing to economic and social cohesion and the ironing out of imbalances between the various Community regions.

It is very difficult to forecast economic, social and technological changes with accuracy, and hence to identify skills requirements in the medium to long term. Care must therefore be taken to ensure that vocational training structures systematically offer broadly-based, flexible qualifications. Such key skills as "learning to learn", social and communications skills and basic technical knowledge are taking on strategic importance, as is the ability to forecast and adapt to rapidly changing circumstances.

Community action to promote further training should encourage Member States and businesses to focus on the following population groups:

- persons in employment, to enable them to adjust to structural and production-related change and prepare for new forms of work organization;
- employees in sectors facing medium-term labour-shedding, to prepare them for new activities on the labour market;
- individuals with no formal vocational training, to prepare them for skilled work, drawing on their work experience, even if this is not backed by paper qualifications;
- socially disadvantaged groups of workers and unemployed (particularly immigrants, ethnic minorities and the disabled) with a view to their incorporation into the labour market;
- women wishing to enter the labour market or to resume work after a career break;
- any person wishing to enter the labour market or return to it after a career break, particularly disabled workers.

Special measures should be devised to help the long-term unemployed. Rather than excluding them from the labour market and dumping them on the social security system, there is a whole range of avenues that could be profitably explored: flexible, negotiated re-employment schemes and socially useful activities requiring straightforward skills are just two examples.

The Study Group's survey of situations in the Member States showed that the involvement of social groupings in training varies sharply from one country to the next. In most cases the State is responsible for initial training and the two sides of industry are frequently consulted on decisions. But continuing training - with the exception of labour-market schemes - is

normally the responsibility of industry, with only a small input by unions. However, in nearly all Member States, employers and unions are at least to some extent willing to get involved in initial and continuing training and to conclude agreements, although this applies to both sides in only a few Member States.

Social dialogue could usefully pay more attention to vocational training issues, as a way of solving current skills problems. The Commission could take up the European social partners' offer to contribute to vocational training policy, and leave the social partners to deal with the bulk of the issues at the most appropriate levels (particularly sectoral level), drawing on their experience with existing agreements. This would be in keeping with the spirit of subsidiarity.

The quality of the initial and further training available must be improved. Both must involve a flexible approach to the future requirements of both undertakings and workers, emphasizing the European dimension of qualifications. They must aim to impart comparable skills which can thus be recognized throughout the Community.

Both geographical and occupational mobility will depend on minimum evidence of qualifications that is generally comprehensible, standardized and transparent. Appropriate certification of training, further training and work experience must therefore be provided to ensure their general recognition on the labour market and in the employment sphere. To this end, consultations must be carried out at national level between the social partners and the relevant national and/or regional bodies, in order to decide on arrangements for recognition of qualifications.

Not with standing the need for a comparable basic training that is interchangeable from country to country, efforts must be made at Community level to secure the mutual recognition of certificates. Vocational and continuing training systems differ and will continue to do so as reflections of Europe's cultural diversity. On the other hand, the results produced by these national and/or regional systems must be amenable to mutual recognition. For this, a European framework will be required to provide a comprehensible explanation of all qualifications acquired, taking account of experience with the Directives on the recognition of regulated occupations and the equivalence procedure, as well as the need to:

- describe actual skills and qualifications in relation to responsibilities, so as to ensure genuine transparency of job content;

- be sufficiently flexible to take account of changes in skills and qualifications brought about by structural changes;
- reveal the numerous links between qualifications available under the different systems;
- define the responsibilities of the various parties involved, and the level at which they should intervene.

Far from regulating training systems, this European approach must create the conditions which will allow common vocational and further training systems to develop "from below" through cooperation between educational establishments.

Basic education also needs to be linked in with vocational training, as the EC's social partners pointed out in their joint Opinion of 19 June 1990 on education and vocational and adult training (education and initial training).

Member States must act jointly to ensure that schooling - while respecting the cultural peculiarities of the different systems - covers the common core of basic skills. The Committee lays particular stress on the need for a greater Community-level commitment to the promotion of language studies.

Specific measures should be devised to tailor training and retraining to the Community's socio-economic needs.

For small businesses and craft firms, the provision of high-quality training will be easier if training services are established to help groups of small firms, according to sector and geographical area. Such networks will be necessary to avoid an imbalance between the opportunities, potential and overall resources of large firms and those of the small firms that play an undeniable economic and social role in the Community. However, all the relevant parties should shoulder their responsibilities, ranging from the social partners in the firms involved to the various tiers of public authority (Community, national, regional, local).

Similar considerations will apply to the farm sector, since farms' competitiveness will be affected by the CAP reforms which involve measures to contain or redirect production. Retraining will be needed for the agricultural workforce, and this will require assistance from all the parties involved.

A number of schemes are under way in the less developed regions, as part of the reform of the structural funds. The numerous Committee Opinions on the subject contain analyses and recommendations.

The goal of economic and social cohesion makes it particularly important - under the reform of the structural funds and looking ahead to the cohesion fund - to safeguard and enhance the skills of the workforce in the less developed regions by linking training schemes to other forms of assistance and to local development potential. This will provide an important catalyst for investment, and will help stem the brain drain which is already all too frequent in such areas.

The service sector has grown enormously over the last few decades and continues to do so throughout the Community. Skills in this sector need to be constantly improved. The restructuring which is already under way (particularly in banking and insurance, public and local administration, and transport) must not be aimed solely at economic rationalization and boosting productivity, but also at preserving and developing highly skilled employment.

Community action on vocational training must be integrated with EC industrial and R&D policy. It has been proved that even the most sophisticated R&D promotion policy may fail to produce results if the experiments and applications being pursued are beyond the competence of the available workforce.

What is more, an industrial policy is not worthy of the name unless it includes strategies for training. In this context, companies - and especially those which have hitherto paid only lip-service to vocational training policy - must shoulder their full responsibilities.

Lastly, joint action is needed from the EC institutions, national and regional authorities, and the social partners, at all levels. All these groups must shoulder their responsibilities for improving the training system throughout the Community, if it is to match up to present challenges and the legitimate ambitions of European Union.

This Information Report was drawn up in the light of the paper produced by the Section for Social, Family, Educational and Cultural Affairs, chaired by Mr Vasco Cal (Portugal - Workers). The Rapporteur was Mrs Giacomina Cassina (Italy - Workers).

The Assembly decided unanimously to forward this Report to the other institutions.

II — Outside Presence and Influence of the ESC

Various activities

8 October 1992 - Brussels: Mr Henning Christophersen, Commission Vice-President, made a statement on the Community's economic situation to the Section for Economic, Financial and Monetary Questions.

13 October 1992 - Brussels: Commissioner Bruce Millan made a statement on progress in the implementation of the structural funds reform and Mr Thomas O'Dwyer from DG XXII outlined the proposal for a regulation on the Cohesion Fund to the Section for Regional Development and Town and Country Planning.

14 October 1992 - London: Mr Robert Priddle, Deputy Secretary at the Department of Energy of the UK Department of Trade and Industry, attended the 147th meeting of the Section for Energy, Nuclear Questions and Research.

15/16 October 1992 - Lisbon: The Study Group on the Economic Situation in Portugal of the Section for Economic, Financial and Monetary Questions held its second meeting; this was followed by a meeting with Portuguese socio-occupational organizations.

28/29 October 1992 - Genoa (Italy): Two ESC Members attended a shipping forum.

29/30 October 1992 - Birmingham (UK): a delegation from the Section for Industry, Commerce, Crafts and Services attended the conference on growth opportunities for SMEs in the European Community.

III — New Faces

New team heads the ESC

On 21 October a 45-year-old German lawyer, Dr Susanne Tiemann, was elected to chair the European Communities' Economic and Social Committee in Brussels. She succeeds Michael Geuenich, a German Trade Union Confederation (DGB) leader, who took over in January 1992 after the French trade unionist François Staedelin had died in office one month earlier.

Born on 20 April 1947 in Schwandorf/Bavaria, Susanne Tiemann took a law doctorate in 1973 prior to being called to the Munich Higher Regional Bar in 1975. Five years later she was called to the Cologne Bar, where she specializes in public and social law, with particular emphasis on legislation governing the health professions.

Susanne Tiemann - A Vice Chair of the Committee since October 1990 - has represented the German professions since 1987 on the Committee's Various Interests Group.

Susanne Tiemann, who will remain in office until October 1994, speaks French and English. She is the second woman to preside over the Committee and at the moment is the only woman to head a Community body.

This year Susanne Tiemann also became the first woman in forty-three years to chair the influential German Taxpayers' Association, which has several hundred thousand members.

Susanne Tiemann's commitment to Europe is evident in many spheres: she has been President of the European Secretariat of Liberal, Intellectual and Social Professions (SEPLIS) since March 1989. In this capacity, she has been behind a cooperation agreement between the associations representing France's and Germany's liberal professions which seeks to institutionalise closer ties between the two sides.

She also chairs the Cologne-based Europe Committee of the Society for Insurance Science and Organization.

On 1 November 1992, the EC Council of Ministers appointed Simon-Pierre Nothomb Secretary-General of the Economic and Social Committee. Born in Habay (Belgium) in 1933, Mr Nothomb was Director-General at the Catholic University of Louvain. For over 15 years he occupied top-level UN posts in Palestine, Geneva and New York. He succeeds the French Jacques Moreau, who had held the position since November 1987.

IV — Fact-finding visits

During the period under review, the following visits were made to the Economic and Social Committee:

1 October 1992	The American University, Washington, DC (United States)
1 October 1992	KEY TO EUROPE, Brussels (Dutch group)
5 October 1992	German Employee's Trade Union Federation (DAG), Cologne (Germany)
5 October 1992	Århus Købmandsskole, Århus (Denmark)
6 October 1992	Dundee Institute of Technology (UK)
6 October 1992	Military district command Essen (Germany)
6 October 1992	Bennis, Pauw en Partners (Dutch Group)
7 October 1992	Citizen's Europe Finland - The Finnish Federation for Social Welfare, Helsinki (Finland)
8 October 1992	Bernom (private) institute for further technical and commercial training, Bordeaux (France)
8 October 1992	IUC-Europe - International Education Centre, Svendborg (Denmark)
8 October 1992	Kalundborg Gymnasiums - Erhvervskurser, Kalundborg (Denmark)
13 October 1992	Lycée Polyvalent, Sarcelles (France)
14 October 1992	Jäm O - Jämställdhetsombudsmannen (The Equal Opportunities Ombudsman), Stockholm (Sweden)
14 October 1992	Law students from Aarhus University (Denmark)

-
- | | |
|-----------------|---|
| 15 October 1992 | Departmental branch of Force Ouvrière, Lille (France) |
| 15 October 1992 | Notre dame des Oiseaux private secondary school, Paris (France) |
| 15 October 1992 | Deutschland- und Europapolitisches Bildungswerk (German and European Policy Education), North Rhine Westphalen, Tecklenbrug (Germany) |
| 16 October 1992 | Shrewsbury College of Arts and Technology, London (UK) |
| 19 October 1992 | Bavarian State Ministry for Federal and European Affairs, Munich (Germany) |
| 20 October 1992 | Portuguese Catholic University - Centre of European Studies, Porto (Portugal) |
| 20 October 1992 | Political Science Department, Göteborg University (Denmark) |
| 20 October 1992 | Community of Madrid - Economic Council (Sub-directorate-general for farming structures and extension), Madrid (Spain) |
| 21 October 1992 | Austrian Trade Union delegation |
| 21 October 1992 | Danmarks Biblioteksskole, Copenhagen (Denmark) |
| 22 October 1992 | Tampereen Yliopiston - Täydennyskoulutuskerkus (Tampere University) (Finland) |
| 27 October 1992 | FTF - Funktioæernes og Tjenestemændenes Fællesråd (Confederation of Danish Civil Servants' and Employees' Organizations) (Denmark) |
| 27 October 1992 | Arbeitsgemeinschaft der Verbraucherverbände (AgV) (Federation of Consumers Associations), Bonn (Germany) |
| 27 October 1992 | Aalborg commune - EC office, Brussels |

-
- | | |
|-----------------|---|
| 27 October 1992 | University of Teesside, Middlesbrough (UK) |
| 27 October 1992 | British group organized by Glyn Ford, MEP |
| 27 October 1992 | South African Members of Parliament |
| 28 October 1992 | CISL - Confederazione italiana sindacati lavoratori (Italian Trade Union Confederation), Rome (Italy) |
| 29 October 1992 | Landeszentrale für Politische Bildung ("Land" centre for political education) Kiel (Germany) |
| 29 October 1992 | Landräte (chief district executive officers) and Oberbürgermeister (lord mayors) from the "Land" Saxony-Anhalt (Germany) |
| 29 October 1992 | Bildungsdienst und Sozialwerk des Deutschen Beamtenbundes (Training and Social Service of the German Civil Service Association), Bonn (Germany) |
| 30 October 1992 | Confederación española des organizaciones empresariales (Spanish Confederation of Employers' Organizations - Aragon) Zaragoza (Spain) |
| 30 October 1992 | European Metalworkers' Federation in the Community - EMF, Brussels (German group from IG-Metall, Darmstadt - Germany) |

Contents

I — 301st PLENARY SESSION OF 24 AND 25 NOVEMBER 1992	95
1. Products Subject to excise duty	95
2. Legal protection of data bases	96
3. Altener Programme	99
4. Shipments of Radioactive Waste	104
5. Animal Health - Fish Diseases	105
6. Biological Agents at Work	107
7. Adaptation of the Profession of Customs Agent	110
8. GSP - Proposed Arrangements for 1993	112
9. The Consumer and the Internal Market (Additional Own-Initiative Opinion)	115
10. Infrastructure/Combined Transport	117
11. Transport Infrastructure/Road and Inland Waterway Networks	119
12. Frequency Bands	121
13. Air Traffic Management Equipment	123
14. Ecopoints/Austria	124
15. Group Exemptions - Air Transport (Additional Opinion)	126
16. Common Market in Sugar	127
17. Community System for Fisheries and Aquaculture ...	128
18. Vat - Passenger Transport	130
19. Vat - Simplification Measures	133
20. Statistics	135
21. Company Taxation - Conclusions of Ruding Committee	138
22. Infrastructure Costs	142
23. EC Relations with Bulgaria and Romania (second Additional Own-initiative Opinion)	143
24. XX1st Report on Competition Policy	147
25. Exemption by Category - Insurance Sector (Additional Opinion)	151

26. Common Organization of the Market/Bananas	152
27. 3rd R&TD Framework Programme (1990-1994) - supplementary Finance	154
28. Distance Selling Contracts	157
29. Central & Eastern European Countries: Consultative Mechanisms	159
30. Structural Funds Reform - Delors II (Additional Opinion)	163
31. Voice Telephony	165
32. Exploitation of Hydrocarbons	167
33. CO ₂ Emissions Energy Efficiency	170
34. Resolution of the Committee on the Eve of the Edinburgh Summit	173
35. Resolution of the Economic and Social Committee on Racism, Xenophobia and Religious Intolerance	175
II — PRESENCE AND INFLUENCE OF THE ESC	177
III — FACT-FINDING VISITS	180

I — 301st Plenary session of 24 and 25 November 1992

The 301st Plenary Session of the Economic and Social Committee was held in Brussels on 24 and 25 November 1992. The Chairman, Mrs Susanne Tiemann, presided.

The following Opinions were adopted:

1. PRODUCTS SUBJECT TO EXCISE DUTY

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

Gist of the Commission proposal

The proposed Directive simplifies and clarifies - without altering their content or substance - certain Articles of Council Directive 92/12/EEC of 25 February 1992 on the general arrangements for products subject to excise duty and on the holding, movement and monitoring of such products, in particular:

- by clarifying that certain territories of Member States are to be treated as third countries for fiscal purposes;
- by making it clear that intra-Community movement of goods subject to zero-rate excise duty takes place between tax warehouses;
- by establishing a legal framework for the work of the Committee on Excise Duties;
- by stipulating that an accompanying document need not be used in certain cases or that the single administrative document can be used in other cases;
- by laying down provisions in the event of an offence or irregularity;
- by dealing with the case of excisable products under a suspension arrangement before midnight on 31 December 1992.

Gist of the Committee Opinion (CES 1312/92)

General comments

As the simplification and clarification of texts can only add to their transparency, as reiterated at the end of the special summit in Birmingham, the Committee welcomes the Commission's initiative and approves the proposed Directive.

Specific comments

If it is not possible to determine where an offence or irregularity was committed, the proposed Directive, which stipulates that the Member State of destination shall collect the excise duties in such cases, should define the collection operation more precisely.

This Opinion, adopted unanimously, was drawn up in the light of the paper produced by the Rapporteur-General, Mr Camille Giacomelli (Luxembourg - Employers).

2. LEGAL PROTECTION OF DATA BASES

Proposal for a Council Directive on the legal protection of data bases (COM(92) 24 final - SYN 393)

Gist of the Commission proposal

The Directive aims to align and stabilize the legal arrangements for protecting databases set up in the Community.

At the present time national copyright legislation makes express reference to the legal protection of electronic databases.

In view of current uncertainty surrounding database protection and possible divergence of interpretation there is clearly a need to establish at least a basic, aligned framework.

Because electronic processing has radically altered the nature of what might have been stipulated under Article 2.5. of the Berne Convention, in this Directive the Commission has focused on collections whose contents are arranged, stored and accessed by electronic means. Given that there is a clear provision of the Berne Convention protecting what

might be termed traditional non-electronic compilations, there can be no doubt that such protection should continue to be available for collections or anthologies of works and data in paper form under existing national copyright.

The Directive provides copyright protection for the way in which the collection has been put together, i.e. the author's personal choices in selecting or arranging the material and in making it accessible to the user.

The Directive does not address the issue of copyright or other rights regarding the contents of the database. This is because if the contents are themselves subject to copyright, national legislation on reproduction of works will continue to apply when these are incorporated into the database.

Therefore, in addition to the protection given to the database as a collection, the Directive gives limited protection to the contents of the database where such contents are not already protected themselves by copyright.

The Commission has opted for two-tier legal arrangements which retain the advantages of copyright protection but contain additional measures against unfair extraction and re-utilization of contents.

A specific right must be created prohibiting unfair extraction from a database, rather than relying on existing unfair competition law or contractual arrangements between parties.

Gist of the Committee Opinion (CES 1313/92)

Although the Committee advocates changes in the Directive, the Committee welcomes the Commission's initiative.

The Committee believes that the unfair extraction right may prove inadequate in providing the protection needed for a strong Community database industry and for those whose efforts need protection against copying.

The Committee believes that the Council should consider the following alternatives. One choice would be for the unfair extraction right to be removed from the draft Directive as a separate right and that a right to prevent unfair extraction be inserted as one of the restricted acts under the copyright in a database.

The second choice is to accept the unfair extraction right as a *sui generis* right, but should ensure that it is as effective a right as it would be if it were a restricted act under the copyright in the database.

The draft is confined to "electronic" databases. The Committee is concerned that this will mean that different legal regimes will apply to the same database if it is stored both electronically and otherwise.

The use of the phrase "insubstantial changes" as a means of defining when a database becomes a new "original" database for the purposes of the term of protection is unsatisfactory.

If the unfair extraction right survives as a *sui generis* right it should be made clear that it applies to unauthorized access as well as to extraction and re-utilization.

As in the case of the Software Directive, the draft does not oblige Member States to protect computer-generated databases (i.e. databases which have no human author). This is an issue which will have to be addressed at some time.

It may be appropriate to make it clear that the compulsory licensing provisions under the unfair extraction right do not apply to the copyright (if any) in the database or its contents.

The definition of "insubstantial changes" in Article 1.4. refers to changes to the *selection or arrangement* of the contents of a database. As currently drafted, this is not an appropriate phrase to use for the purposes of determining when the unfair extraction right begins to run. The Committee suggests that a more practical means of determining the start of a fresh term of protection would be for each item of data in the database to be electronically or otherwise "datestamped" on its incorporation into the database. Each piece of data would be protected for the appropriate term from the date of its datestamp.

The Council should consider whether it is appropriate to include a requirement that devices designed to circumvent technical protection of databases are unlawful.

This Opinion, adopted unanimously, was drawn up in the light of the paper produced by the Section for Industry, Commerce, Crafts and Services, chaired by Mr Manuel Cavaleiro Brandão (Portugal - Employers). The Rapporteur was Mr Robert J. Moreland (United Kingdom - Various Interests).

3. ALTENER PROGRAMME

Proposal for a Council Decision concerning the promotion of renewable energy sources in the Community (ALTENER programme)
COM(92) 180 final)

Gist of the Commission document

At its meeting of 29 October 1990, the joint Energy/Environment Council laid down as an objective for the Community the stabilization of CO₂ emissions by the year 2000 at the 1990 level.

In order to meet this commitment, the Commission in October 1991 proposed a strategy involving a set of non-fiscal and fiscal measures intended both to improve efficiency in the use of energy and to encourage the use of energy sources which are less polluting in terms of CO₂ emissions (SEC(91) 1744 final of 14 October 1991).

In this context, the Commission thinks it particularly important to make greater use of renewable energy sources, as these can make a significant contribution to stabilizing CO₂ emissions. However, this presupposes a strengthening of the research, development and demonstration programmes, and of these energy sources' position on the market in relation to other energy sources, and hence the adoption of appropriate measures to this end.

This strategy was approved by the joint Energy/Environment Council at its meeting on 13 December 1991. Point 8 of the conclusions adopted by the Council proves *inter alia* for the adoption at Community level of specific measures intended to encourage an increased development of new, renewable energy sources.

To this end, the Commission intends to take action in three complementary fields in addition to national initiatives, providing a stimulus for the latter at the same time:

- continuation and strengthening of research and development activities in the field of renewable energy sources (JOULE programme)¹ and of energy technology promotion (THERMIE programme)²;

¹ Council Decision of 14 March 1989 on a specific technological research and development programme in the energy field - non-nuclear energy sources and rational use of energy (1989-1992) (JOULE programme) OJ L 98 of 11 April 1989, page 13.

² Council Regulation of 29 June 1990 - OJ No. L 185 of 17 July 1990, page 1.

- introduction of a Community energy/CO₂ tax, which should help to increase competitiveness of renewable energy sources in particular;
- implementation of accompanying measures designed to draw maximum commercial benefit from research, development and demonstration efforts in the field of renewable energy sources and to create an environment favourable to their increased penetration of the market.

These measures are part of the Community action programme for promoting the penetration of renewable energy sources in 1993-1997: this has now been proposed by the Commission, and includes the draft Decision on which the Committee has been formally consulted.

This programme - ALTENER - should thus contribute towards better utilization of local energy resources, efficient allocation of public funds, protection of the environment by limiting emissions of greenhouse gases and other pollutants, and should play its part in completing the internal market and reducing the Community's dependence on imported energy. In quantitative terms, the implementation of the measures outlined above should make it possible to achieve the following objectives in 2005:

- increasing renewable energy sources' contribution to the coverage of total energy demand from nearly 4% in 1991 to 5 or 6% in 2000 and 8% in 2005;
- trebling electricity production from renewable energy sources (excluding large hydroelectric power stations);
- increasing the market share for biofuels to 5% of total fuel consumption by motor vehicles.

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

- (1) measures to promote the market for renewable energy sources and their integration into the internal energy market (these measures will mainly involve the harmonization of legislation and the formulation of common technical standards);
- (2) financial and economic measures;
- (3) training, information and outreach activities;
- (4) cooperation with third countries (developing countries and countries of central and eastern Europe including those of the former Soviet Union).

The decision proposed by the Commission under this programme seeks to enable the Community to contribute financially to a range of activities to promote renewable energy sources. Four categories of activity are envisaged:

- studies and technical evaluations for defining technical standards or specifications;
- measures to support the Member States' initiatives for extending or creating infrastructures concerned with renewable energy sources;
- measures to foster the creation of an information network aimed at promoting better coordination between national, Community and international activities;
- industrial pilot actions relating to energy from biomass, and in particular the production of biofuels and biogas and the use of short-rotation coppices and C4 plants.

An allocation of MECU 40 from the Community budget is proposed for the implementation of this programme, which will run for five years.

The draft Decision lays down the rate of Community financing for each of the activities envisaged, and the methods for selecting the activities. It also provides for a report to be drawn up in the third year of implementation showing the results achieved, accompanied if necessary by proposals for amendments to the programme, and for an assessment of the results at the expiry of the programme.

Gist of the Committee Opinion (CES 1314/92)

First, the Committee notes that the ALTENER programme constitutes the latest attempt to ensure a substantial increase in the contribution of renewable energy sources to the Community's energy balance. There has, however, been no significant upsurge in these sources in recent years, notwithstanding the various Council recommendations and resolutions.

The Committee has on numerous occasions endorsed the increased development of renewable energy sources. Whilst also frequently questioning whether the Member States really have the political will to create the conditions which would allow renewable sources to make an effective contribution to Community energy supplies.

The Committee therefore reiterates the Committee's support for the Commission's initiatives in this area and endorses the presentation of the ALTENER programme. At the same time, it questions whether there is

a real possibility of achieving the Commission's objectives, which it regards as particularly ambitious in the light of events in recent years.

It also would be wrong to overestimate the role of renewable energy either in the context of reducing CO₂ emissions or with regard to Community energy supplies. Nevertheless, there is a need for initiatives which will help to create the necessary conditions for a permanent breakthrough in renewable energy sources that will not be jeopardized by falls in the prices of traditional energy sources.

The Committee does, however, stress the importance of developing renewable energy sources with a view to strengthening the Community's internal economic and social cohesion. The exploitation of these sources represents a crucial factor for economic and social development, particularly in remote or peripheral regions which have a relatively under-developed energy infrastructure and/or a large exploitable energy potential of their own.

The Committee then addresses several questions which, in its view, are involved in the large-scale development of renewable energy sources. These concern:

— *Environmental impact*

Citing a number of examples, the Committee draws attention to the potentially adverse effects of the large-scale development of renewable energy sources which could, in time, largely offset the expected benefits with regard to the reduction of CO₂ emissions.

It therefore calls for a regular assessment of the environmental impact, the results of which should be published and made generally available.

— *Tripling of electricity production from renewable energy sources*

Since the economic viability of producing electricity from renewable energy sources can be guaranteed only in the long term, the Committee stresses that attainment of the Commission's goal presupposes that the electricity generated in this way can be sold at a price which at least makes it possible to cover investment costs and all direct costs.

This raises the question of whether such an objective is compatible with the proposed liberalization of the electricity sector as part of the creation of a more open and competitive internal energy market, and the Committee therefore calls for an examination of the impact which the completion of the internal electricity market will have on the development of renewable energy sources.

— *Development of biomass and biofuels*

The Committee recalls that the Committee has itself endorsed the increased use of agricultural and forestry resources for energy purposes and particularly for biofuels production.

The Commission's stated objective with regard to biofuels development - attainment of which would require the use of nearly 5.5% of the Community's currently utilized agricultural land - could raise fears, which the Commission has done nothing to remove, from the environmental standpoint and as regards the policy of reducing agricultural subsidies.

The Committee also wonders about the strategy underpinning this objective, particularly in the context of the development of more environmentally compatible means of transport.

— *Solar energy*

Great variations in the use of solar energy in different Community regions and even within Southern European countries are noted.

It therefore calls on the Commission to look into the reasons for these differences and to develop strategies designed to encourage market penetration in southern countries where solar energy is little used.

As regards the draft Decision itself the Committee signifies its approval provided that account is taken of certain comments and proposed amendments or additions relating to

- the budgetary aspects of the programme;
- the selection criteria and procedures applicable to measures benefiting from Community funding;
- the evaluation of programme results;
- transmission to the ESC of the interim and end-of-programme reports for which the Decision provides.

This Opinion, adopted unanimously, was drawn up in the light of the paper produced by the Section for Energy, Nuclear Questions and Research, chaired by Mr Aldo Romoli (Italy - Employers). The Rapporteur was Mr Klaus-Benedict von der Decken (Germany - Various Interests).

4. SHIPMENTS OF RADIOACTIVE WASTE

Proposal for a Council Regulation (EEC) on shipments of radioactive substances within the European Community
(SEC(92) 1538 final)

Gist of the Commission proposal

The proposal supplements Directive 80/836/EEC/Euratom¹ presently in force. It constitutes an interim measure needed to cover the period between 31 December 1992 (date of implementation of Article 8a of the EEC Treaty) and the date of implementation of the amended Council Directive, for which the Commission has submitted a draft proposal².

The proposed Regulation aims at maintaining the existing level of radiation protection while allowing Member States to progress towards the homogeneous economic area pursued by the Euratom Treaty.

The Regulation does not cover nuclear non-proliferation or nuclear export controls, for which separate proposals are planned. However, it will apply to all radioactive substances including radioactive waste, which is subject to the specific requirements of Directive 92/3/Euratom, to be implemented by the Member States by 1 January 1994.

The proposal has two main provisions:

- exclusion of frontier controls between Member States;
- a requirement for the consignee of radioactive substances to provide the holder of such substances with a written declaration (set out in Annex 1) on compliance with the relevant national legislation, when he intends to receive radioactive substances from another Member State.

The proposal generally requires a declaration for every shipment of radioactive substances, although Article 5 allows a declaration to cover more than one shipment subject to certain conditions.

The proposed measures comply with Article 2(b) of the Euratom Treaty.

¹ OJ L 246 of 17 September 1980 and OJ L 265 of 5 October 1984.

² SEC(92) 1322 final.

Gist of the Committee Opinion (CES 1315/92)

The Committee welcomes the Commission's initiative but asks that the following points be taken into consideration:

- a uniform control system is needed at the Community's external borders and within the Member States;
- the Commission should check whether the relevant Directives on shipments of radioactive substances are being applied by the Member States. If not, it should take appropriate action;
- the standard shipping document (Annex 1) should be set out in such a way that uniform identification of each shipment operation is guaranteed. The following information should be included:
 - type and quality of packaging, and the proportion of nuclear fuel;
 - radiation dose rate;
 - name of party responsible for radiation protection and destination of radioactive substances;
- the wording of Article 7 should be made clearer.

This Opinion, adopted unanimously, was drawn up in the light of the paper produced by the Section for Energy, Nuclear Questions and Research, chaired by Mr Aldo Romoli (Italy - Employers). The Rapporteur was Mr Paul Flum (Germany - Workers).

5. ANIMAL HEALTH - FISH DISEASES

Proposal for a Council Directive introducing Community measures for the control of certain fish diseases (COM(92) 204 final)

Gist of the Commission proposal

Outbreaks of certain fish diseases can quickly assume epizootic proportions, causing mortality and disturbances on a scale liable to reduce severely the profitability of aquaculture and thus affecting the internal market in live fish and aquaculture products. It is therefore necessary to establish uniform control measures at EC level to deal with such outbreaks.

A distinction is made between diseases originating outside the EC and those which occur within the EC but for which large areas can be considered as disease-free. For the former, the aim is to eradicate the disease.

For the latter, measures are proposed to eradicate the diseases from areas of the EC which have previously been declared free of them. This also applies to outbreaks on individual farms which have been declared free of the disease but which are situated in a zone that does not enjoy this status.

The measures are to be enforced as soon as the presence of a disease is suspected, and will entail restrictions on movement, an epidemiological investigation and disinfection. Member States are to establish special units for this reporting to the official services of the country concerned.

Control of the disease will normally be based on a policy of non-vaccination. However, vaccination provisions are necessary for particularly serious cases.

In order to ensure an effective system of control, diagnosis of these diseases is to be harmonized and carried out by authorized laboratories; coordination may be undertaken by a reference laboratory designated and financed by the Community. This laboratory may receive a financial contribution from the Community under the terms of Council Directive 90/424/EEC on expenditure in the veterinary field. An EC financial contribution for the control and eradication of certain fish diseases will also be proposed in accordance with this Directive.

Gist of the Committee Opinion (CES 1316/92)

The Committee endorses the Commission proposal, considering it necessary that these fish diseases be brought under control, as the economic existence of fish farms would otherwise be jeopardized.

The Committee welcomes the fact that the Commission has not opted for a vaccination policy. It also endorses the proposal to have the diagnosis of diseases carried out by approved laboratories.

The Committee lastly urges the Commission to provide financial assistance for eradication programmes.

This Opinion, adopted unanimously, was drawn up in the light of the paper drawn up by the Section for Agriculture and Fisheries, chaired by Mr André Laur (France - Various Interests). The Rapporteur was Mr Hans-Jürgen Wick (Germany - Employers).

6. BIOLOGICAL AGENTS AT WORK

Proposal for a Council Directive amending Directive 90/679/EEC on the protection of workers from risks related to exposure to biological agents at work (COM(92) 261 final - SYN 421)

Gist of the Commission Proposal

On 26 November 1990 the Council adopted a Directive on the protection of workers from risks related to exposure to biological agents at work (Directive 90/679/EEC), which provides for the classification of biological agents into four infection risk groups on the basis of the following criteria:

- 1) a group 1 biological agent is unlikely to cause human disease;
- 2) a group 2 biological agent can cause human disease and might be a hazard to workers; it is unlikely to spread to the community; there is usually effective prophylaxis or treatment available;
- 3) a group 3 biological agent can cause severe human disease and present a serious hazard to workers; it may present a risk of spreading to the community, but there is usually effective prophylaxis or treatment available;
- 4) a group 4 biological agent causes severe human disease and is a serious hazard to workers; it may present a high risk of spreading to the community; there is usually no effective prophylaxis or treatment available.

Article 18 of the above mentioned Directive states that, in accordance with the procedure laid down in Article 118a of the Treaty, the Council must adopt by 25 April 1994 a first list of group 2, group 3 and group 4 biological agents to be included in Annex III of the Directive.

In response to these provisions, the Commission is presenting this proposed text to the Council.

The proposal for a Directive is only an implementation of Directive 90/679/EEC and as such imposes no additional obligation compared with the Directive from which it derives for the undertakings concerned:

- research and development laboratories;
- some hospital departments (resuscitation, infectious diseases, etc.);
- diagnostic, clinical and veterinary laboratories;

- industries using biological agents (medical industries, vaccines);
- public hygiene services (sewerage);
- breweries.

In line with the scope of Directive 90/679/EEC only agents which are known to infect humans are to be included.

The list of biological agents contained in the annex of the Proposal is as complete as possible given the current state of technical progress, but it does not claim to be an explicit list of all agents responsible for disease in man.

The procedure provided for in Article 19 of Directive 90/679/EEC permits rapid revision of this list of classified biological agents to ensure that it is as complete as possible and is constantly updated from the scientific point of view.

Gist of the Committee Opinion (CES 1317/92)

The Committee welcomes the proposed amendment to Directive 90/679/EEC. It notes the Commission's assurance that the list reflects the present state of knowledge. It recognizes that additions and amendments to the list of agents may be realized in the light of future information after consideration by the Commission and national experts. With a view to rapid developments in the field it recalls the provisions for adaptations to technical progress, laid down in Article 19 of the framework Directive 89/391/EEC.

The Committee considers it important that relevant protective measures for special categories of workers (notably pregnant women but also other vulnerable groups) should be developed, whilst avoiding overlap or conflict with other Community instruments. The addition of other special notations in the list (for example P: special risk in pregnancy and C: particular hazard of cancer) should be referred to the Commission for expert consideration.

The Committee regards it as important that when new protection measures are identified, they should be introduced rapidly. It is known that intensive work is in progress on development of vaccines.

Discrepancies have been found between the English and the French texts of the Commission proposals. The Committee has been assured that most of the difficulties which arose from difference in different language texts have now been corrected.

Genetically modified micro-organisms have not been considered in this first list. The Committee has been informed that the Commission intends to deal with them in a future extension of the list in Annex III. It notes that this seems to be an objective very difficult to realize.

The list proposed is based on the effect of the biological agents on healthy workers. In the General Remarks the Committee has addressed the matter of special risk groups especially pregnant women or those intending to become pregnant. The utmost attention should be given to the provision of adequate information to workers employed in the enterprises concerned. This aspect is not fully covered in Articles 10 and 14(6) of the parent Directive.

The Committee foresees difficulties as concerns the special indication *Vaccination recommended* given in the proposed list. It is clear that the Commission cannot go any further than the provisions given in Article 14 of Directive 90/679/EEC, and there is room for doubt whether this Article *requires* vaccination for workers who are not already immune to the biological agent to which they are exposed or are likely to be exposed. It is also not clear who will bear the costs of vaccination. The Committee thinks that this point needs clarification. Further, the Committee is concerned that vaccination should be available to workers at risk.

The Committee is of the view that it should be made clear that the lists of enterprises are *only* indicative and that Article 3 of 90/679/EEC requires a risk assessment for "activities in which workers are or are potentially, exposed to biological agents as a result of their work". In this context the Committee sees the classification list as a valuable tool for use in risk assessment.

This Opinion, adopted unanimously, was drawn up in the light of the paper produced by the Section for Social, Family, Educational and Cultural Affairs, chaired by Mrs Giacomina Cassina (Italy - Workers). The Rapporteur was Mr Thomas Etty (Netherlands - Workers).

7. ADAPTATION OF THE PROFESSION OF CUSTOMS AGENT

**Proposal for a Council Regulation (EEC) on measures
to adapt the profession of customs agent to the internal
market**
(COM(92) 328 final)

Gist of the Commission proposal

The abolition of tax frontiers and customs controls within the Community on 1 January 1993 will force many companies in the sector of customs agents to adjust their activities. Although a number of them have begun to diversify in the run-up to this date, the process of adaptation to the internal market is far from complete and affects only part of the sector.

In its Communication to the Council and Parliament (SEC 92/887) of 8 May 1992 the Commission decided to adopt Community back-up measures to assist customs agents.

Since the nature of the activities in question makes this an exceptional situation, the Commission believes that Community back-up measures are both necessary and justified in order to make it easier for the profession to adapt to the internal market. These back-up measures come under three headings: measures under the European Social Fund, measures under INTERREG and measures outside the Structural Funds, the last being the subject of this Regulation.

The ESF can already finance vocational training for people facing unemployment, as is now the case for customs agents, in the regions listed in Objectives 1, 2 and 5(b). In addition, with effect from 1 January 1993 the Commission has decided to classify as long-term unemployed all customs agents in the Community who have lost their jobs (Objective 3 of the Structural Funds). The operations eligible for ESF support relate to training and job creation.

As far as INTERREG is concerned, the Commission has identified four specific types of solution for customs agents:

- the restructuring of the companies concerned;
- the training and reorganization of their staff;
- the conversion and refitting of goods-handling sites at frontiers;
- the creation of replacement jobs.

Lastly, given the particular nature of this problem, the Commission believes that specific measures are needed to supplement those carried out under the ESF and INTERREG. These measures will be of an exceptional nature and are the subject of this proposal for a Regulation.

To this end, the Commission has included a one-off budget heading of ECU 30 million in the preliminary draft budget for 1993.

These specific measures, which are not financed under the Structural Funds, pursue a twin objective. Firstly to provide assistance to the areas of the Community which are particularly dependent on the profession concerned in terms of jobs and income and, secondly, to ease the conversion or restructuring of the hardest hit companies in the customs sector, notably in order to maintain employment through the diversification of activities and the creation of alternative jobs.

This Regulation will apply, as regards both of its objectives, in all the worst affected regions of the Community, including regions already covered by Objectives 1, 2 or 5(b) of the Structural Funds and irrespective of whether the Social Fund or INTERREG are contributing to similar measures in these regions.

The measures for the most severely affected geographical areas include development assistance and the establishment of new economic activities.

The measures to assist the hardest hit companies will include assistance in planning the restructuring of companies, market studies and technology transfer, the co-financing of conversion investment, diversification and restructuring.

Gist of the Committee Opinion (CES 1318/92)

The Committee welcomes the draft Regulation.

Significant sums of money have already been committed to easing this transition under existing EC measures financed through the European Social Fund and INTERREG. The fact that this one-off budget of urgent supplementary measures has now been proposed nonetheless indicates that there is a serious sense of unease, and it has been criticized in some quarters as being implemented too late. The Committee strongly urges the Commission to take a flexible view in allocating sums to assist companies which have already taken measures now deemed "eligible" under the proposal and which will still have an impact in 1993 in terms of jobs and economic activity. It also appeals to the Commission to

broaden the forms of assistance involved to include mobility grants and economic support for small firms.

The Committee seeks reassurance that all Member States are cooperating in meeting this challenge and that some do not consider it a matter purely to be resolved by "market forces". It considers that the involvement of the social partners at the conception, application and evaluation stages is also vital to the success of such operations.

This Opinion, adopted by a majority with one abstention, was drawn up in the light of the paper produced by the Section for Social, Family, Educational and Cultural Affairs, chaired by Mrs Giacomina Cassina (Italy - Workers). The Rapporteur was Mr Richard Müller (Germany - Various Interests).

8. GSP - PROPOSED ARRANGEMENTS FOR 1993

Proposal for a Council Regulation (EEC) extending into 1993 the application of Council Regulations (EEC) Nos. 3831/90, 3832/90, 3833/90, 3834/90 and 3835/90 applying generalized tariff preferences for 1991 in respect of certain products originating in developing countries, and adding to the list of beneficiaries of such preferences
(COM(92) 417 final)

Gist of the Commission proposal

The Community's generalized system of preferences (GSP) is a measure of trade policy (suspension of customs duties on imports into the Community) aimed at helping the developing countries.

These preferences are non-discriminatory (they are granted to all developing countries) and autonomous (they do not result from any negotiations with the beneficiaries). Apart from certain restrictions for sensitive products, they apply to all finished and semi-finished industrial goods as well as a number of agricultural products.

Decided within the United Nations Conference on Trade and Development (UNCTAD), the GSP has already been implemented for two ten-year periods (1971-1980 and 1981-1990) by the Community.

The preferences are adjusted annually, and the Council has traditionally consulted the Economic and Social Committee on the proposed adjustments. Additionally, the Community carries out a five-year review, and this it last did in July 1990. It consulted the Committee on this occasion, as it has done on the occasion of previous five-year reviews, and the Committee duly gave its Opinion on the Guidelines for the Generalized Preferences System for the 1990s (OJ C 69 of 18 March 1991) (Rapporteur: Mr LIVERANI).

In its Communication of 6 July 1990 to the Council, concerning the Guidelines for the Generalized Preferences System for the 1990s, the Commission announced that it would present a comprehensive proposal for a revised scheme on the basis of new findings in the light of the result of the Uruguay Round negotiations.

As the conclusion of the Uruguay Round negotiations has been deferred, making it impossible to start implementing its results until the beginning of 1994 at best, the Commission considers it preferable to put back the entry into force of the new ten-year scheme of generalized preferences to 1 January 1994.

It is for this reason that the Commission is proposing that the generalized preference scheme in operation in 1992 be carried over once again. It reserves the right to launch a debate on a global revision of the system with the objective of putting into operation a revised GSP in 1994.

The only alteration that the Commission considers necessary at this stage is the addition of new countries to the list of GSP beneficiaries, in order to take account of the most recent developments in the international political situation, notably the collapse of the USSR.

Since the aim is to help the states set up after the breakup of the USSR in the difficult transition towards a free market economy founded on democratic institutions, such assistance should not be contemplated without opening the Community market up to their exports to the greatest extent possible.

In order to open up the Community market, the Commission considers it necessary, as has been done in the past for other Eastern European countries in the same situation, to make use of the Community generalized preference scheme. Since the situation in question is by definition a temporary one, however, the Commission is proposing that access to the GSP for these countries be limited to three years.

To take into account the fact that the economies of the countries in question are so closely interlinked, the Commission has decided to begin preparations for the operation from 1 January 1993 of a system of regional cumulation of origin which will apply to the republics of the former USSR and to the Baltic States.

The Commission considers that the advent of the single market on 1 January 1993 makes it necessary to change the arrangements for textiles, and proposes that the tariff quotas divided among the Member States be replaced by fixed duty-free amounts.

The Commission takes the view that the list of least-developed countries should be aligned on that of the United Nations, and that Cambodia, Liberia, Madagascar, the Solomon Islands, Vanuatu, Zaire and Zambia should therefore be added.

Gist of the Committee Opinion (CES 1319/92)

The Economic and Social Committee approves the temporary extension of the Generalized System of Preferences (GSP) scheme in operation in 1992. It does so in the renewed and pressing expectation that the GATT Uruguay Round can be brought to a successful conclusion as soon as possible, thus enabling the revision of the scheme for the nineties to be concluded.

It particularly welcomes the fact that, in addition to the Baltic States, the eleven members of the Commonwealth of Independent States (CIS) and Georgia are to be included in the scheme in 1993.

The Committee also supports the addition of seven countries to the list of least-developed countries, in line with the United Nations list. It reiterates its view, however, that in principle the effectiveness of tariff preferences should be increased by shortening the list of beneficiaries in line with the criteria which it has already proposed.

On the basis of experience to date with the East European countries, the Committee considers the proposed arrangements for sensitive products to be broadly appropriate. However, it would be desirable to make them less restrictive in specific cases.

This Opinion, adopted by a majority with one abstention, was drawn up in the light of the paper produced by the Section for External Relations, Trade and Development Policy, chaired by Mr John F. Carroll (Ireland - Workers). The Rapporteur was Mr Helmut Giesecke (Germany - Employers).

9 THE CONSUMER AND THE INTERNAL MARKET

Consumer and the Internal Market (Additional Own-initiative Opinion)

Gist of the Additional Own-initiative Opinion (CES 1320/92)

The Committee's Own-initiative Opinion of 26 September 1991 gave priority to the political aspects of this issue. The Committee welcomes the fact that the Treaty of Maastricht has taken its comments into account. This Additional Opinion focuses more on the content of Community consumer policy.

General comments

- there is an imbalance between measures introduced to protect the health and safety of consumers, their financial interests and legal protection;
- it is important to make a survey of the extent to which EC law has been transposed into national law;
- EC institutions have quite frequently opted for non-mandatory instruments, such as resolutions or recommendations;
- dialogue between consumers and producers should be revived;
- the 1992 appropriation for consumer protection policy is twice the amount initially requested;
- the principle of subsidiarity comes into play in consumer protection.

List of specific measures

This Opinion examines Community initiatives and Committee Opinions regarding the following subjects:

- | | |
|----------------------|----------------------|
| — foodstuffs | — insurance |
| — medicinal products | — competition |
| — motor vehicles | — CAP |
| — defective services | — environment |
| — advertising | — energy |
| — contracts | — telecommunications |
| — financial services | — legal protection. |

Conclusions

- the Commission's legislative programme for 1992 does not take adequate account of the issues highlighted by the Committee in its Own-initiative Opinion of September 1991;
- consumer policy has not yet been incorporated to an adequate degree in the other EC policies;
- the Commission should introduce more far-reaching measures, based on the proposals put forward by the Committee, once the new Treaty on European Union has been ratified;
- the Committee welcomes the fact that an ombudsman will be appointed in Parliament once the Maastricht Treaty has been ratified;
- the Council Resolution of 13 July 1992 on consumer policy is an interesting step.

This Opinion, adopted by a majority with three abstentions, was drawn up in the light of the paper produced by the Section for Protection of the Environment, Public Health and Consumer Affairs, chaired by Mr Francesco Ceballo Herrero (Spain - Various Interests). The Rapporteur was Mr Manuel Cabeçadas Ataíde Ferreira (Portugal - Various Interests). The Co-Rapporteurs were Mr Kommer de Knegt (Netherlands - Workers) and Mr Georges Proumens (Belgium - Employers).

10. INFRASTRUCTURE/COMBINED TRANSPORT

Communication from the Commission concerning the creation of a European Combined Transport Network and its operating conditions

Proposal for a Council Decision concerning the establishment of a combined transport network in the Community

Proposal for a Council Directive amending Directive 75/130/EEC on the establishment of common rules for certain types of combined carriage of goods between Member States

Third Report on the granting of aids for combined transport under Regulation (EEC) No. 1107/70, as last amended by Regulation (EEC) No. 1100/89

Proposal for a Council Regulation (EEC) amending Regulation (EEC) No. 1107/70 on the granting of aids for transport by rail, road and inland waterway (COM(92) 230 final)

Gist of the Commission proposal

The Commission's Communication deals with the conditions to be met for purposes of introducing a coordinated combined transport network. In addition to alleviating traffic jams on European roads, combined transport can help reduce both CO₂ emissions and energy consumption.

The proposed measures fall under two headings:

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

The particular aim of such sea transport is to ensure that outlying regions of the Community, such as Greece, Ireland and the Iberian peninsula, are also satisfactorily serviced.

The Commission is trying to find solutions which can concurrently boost cohesion, improve the environment and prove commercially profitable.

Gist of the Committee Opinion (CES 1321/92)

The Committee shares the Commission's views that combined transport can be promoted only if decisions are adopted centrally in the EC with the support of all Member States.

However, the Committee makes a number of comments on the Communication and the proposals:

- combined transport can absorb only part of the expected increase in traffic. The road transport network must therefore also be improved by, for instance, introducing free cabotage and extending infrastructure;
- the Commission, while respecting the principle of subsidiarity, must ensure that the individual Member States respect the set time-limits so that they do not cause delays for other Member States;
- action must be taken to ensure that national priorities, e.g. favouring high-speed trains over freight lines, do not impede implementation of the infrastructure programme;
- the financing aspect is not detailed sufficiently clearly, and
- the problem of technical incompatibility - and the role to be played by the Commission - is still unresolved.

This Opinion, adopted unanimously, was drawn up in the light of the paper produced by the Section for Transport and Communications, chaired by Mr Eike Eulen (Germany - Workers). The Rapporteur was Mr Ulbo Tukker (Netherlands - Employers).

11. TRANSPORT INFRASTRUCTURE/ROAD AND INLAND WATERWAY NETWORKS

Commission Communication on Transport Infrastructure:

Proposal for a Council Regulation (EEC) amending Regulation (EEC) No. 3359/90 for an action programme in the field of transport infrastructure with a view to the completion of an integrated transport market in 1992
Implementation report provided for in Article 11 of Regulation (EEC) No. 3359/90

Proposal for a Council Decision on the creation of a trans-European road network

Proposal for a Council Decision on the creation of a European inland waterway network
(COM(92) 231 final)

Gist of the Commission Communication

The Commission Communication falls into four parts:

- a. A draft regulation on financing transport infrastructure. This would imply a provisional extension of the "1990-92 three-year programme" until enforcement of the Maastricht Treaty and adoption of the Delors II package. The new regulation adds new objectives and is accompanied by a communication which defines the philosophy and modalities of EC aid.
- b. A report on the experience gained in the implementation of the transport infrastructure policy provided for in Article 11 of Council Regulation No. 3359/90 for an action programme in the field of transport infrastructure with a view to the completion of an integrated transport market.
- c. Two communications on the development of infrastructures.
 - c.1. *Inland waterways*. The Commission has identified certain priorities to be achieved over a period of 10 years.
 - c.2. *Roads*. The Commission proposes to assure connection between national road networks by defining a list of missing links in motorways, to be completed over the next 10 years. This totals 12,000 kilometres of motorway of which 40% are in Spain, Greece, Portugal or Ireland. At the same time, the Commission recommends that priority aid is given to traffic management

projects and to avoiding traffic congestion. Given the cost of the steering scheme (some 120 billion ECU), the Commission recommends concerted renovation of methods for financing motorways, including more tolls.

Point c. above is to be seen in the context of the proposal on combined transport (COM(92) 231 of 11 June 1992).

Gist of the Committee Opinion (CES 1322/92)

The Committee considers that the overall plan put forward by the Commission, complex though it is, is on the whole to be welcomed, not least in view of the undoubted difficulties which the Commission faced in preparing it.

The Commission highlights three areas for investment:

- development of combined transport;
- creation, development and upgrading of infrastructure networks for all transport modes;
- payment of "wear and tear" costs by the user.

Such measures must be welcomed if a balanced development is to be secured for future generations. Two closely interconnected points need to be made here:

- A. The move towards alternative and/or complementary modes must respect the principle - repeatedly espoused by both Commission and Council - of freedom of choice.
- B. The common denominator of all transport modes must be that infrastructure costs are charged equally.

The Committee has no particular criticisms about the strictly technical aspects, partly because it cannot check the accuracy of the figures and drafts, which were produced by high-level working parties.

Hence the Committee is unable to comment on the plans' choice of axes. However, during its discussions doubts were raised about the choice of routes, as there was concern that not all of the Member States' requests had been accepted by the Commission.

At all events, vast funding will be needed and cannot come out of the public purse: situations have changed, and state budgets are in serious deficit.

Greater emphasis should be placed on two vital preconditions for the whole undertaking:

- self-financing of the works, with direct contributions from users;
- private finance, which requires reliable implementation schedules.

In conclusion, the Committee supports the Commission proposals and notes that they are part of a broader intermodal transport policy. The Committee hopes to have the chance to give its views on this policy, which will obviously be included in the Commission's forthcoming white paper.

This Opinion, adopted unanimously, was drawn up in the light of the paper produced by the Section for Transport and Communications, chaired by Eike Eulen (Germany - Workers). The Rapporteur was Mr Roberto Bonvicini (Italy - Various Interests).

12. FREQUENCY BANDS

Proposal for a Council Directive on common frequency bands to be designated for the coordinated introduction of the Terrestrial Flight Telecommunications System (TFTS) in the Community
(COM(92) 314 final - SYN 440)

Proposal for a Council Directive on the frequency bands to be designated for the coordinated introduction of Road Transport Telematic Systems in the Community, including Road Information and Route Guidance Systems
(COM(92) 341 final - SYN 441)

Gist of the Commission proposals

a) *The TFTS proposal*

The provision of common frequency bands is a prerequisite for the free movement of mobile communications equipment and services in the Community.

For this reason the Council has adopted Directives on several elements in European public mobile communications, but not on a public telecommunications service for use by passengers on board aircraft over Europe.

Therefore air travellers cannot benefit from the provision of a public telecommunications service to passengers on board aircraft over Europe.

The objective of the present proposal for a Council Directive is to make the following frequency bands available as a prerequisite to the coordinated introduction of a Terrestrial Flight Telecommunications System (TFTS):

1670-1675 MHz for ground to air;

1800-1805 MHz for air to ground.

b) *The RTTS proposal*

This proposal for a Council Directive concerns the frequency bands to be designated for Road Transport Telematic systems. These include general traffic management, road guidance and car parking, and are considered as essential for efficiency, profitability and greater security of the trans-European transport network. The measures are part of the Community DRIVE programme (Dedicated Road Infrastructure for Vehicle Safety in Europe), adopted in 1988.

In cooperation with the Conference of European Posts and Telecommunications (CEPT) and the European Telecommunications Standards Institute (ETSI), suitable frequency bands have now been identified. The Commission therefore proposes designating the frequency bands 5.795-5.805 GHz (with possible extension to 5.815 GHz), 63-64 GHz and 76-77 GHz for Road Transport Telematic systems by 1 January 1993.

Gist of the Committee Opinion (CES 1323/92)

In the light of the positive effects of these proposals for the unhindered flow of telecommunications and telecommunications equipment in the Community, the Committee fully endorses the Commission's two proposals.

This Opinion, adopted unanimously, was drawn up in the light of the paper produced by the Section for Transport and Communications, chaired by Mr Eike Eulen (Germany - Workers). The Rapporteur was Mr Michael G. Bell (United Kingdom - Employers).

13. AIR TRAFFIC MANAGEMENT EQUIPMENT

Proposal for a Council Directive on the definition and use of compatible technical and operating specifications for the procurement of air traffic management equipment and systems
(COM(92) 342 final)

Gist of the Commission Proposal

Poor management and planning lead to significant delays and higher costs in air traffic control within the Community. While airspace management and air traffic control are national responsibilities, the limitation of national systems affect the systems of neighbouring states and therefore the capacity of a region as a whole. Current problems must therefore be tackled at European level.

As a first step to improving air traffic control, the Commission has submitted a draft directive designed to:

- establish general guidelines for communication between the various control systems;
- enhance inter-system compatibility;
- boost automated processing of traffic.

In conjunction with EUROCONTROL it is therefore proposed to establish common standards and technical specifications for the purchase of new ATC equipment. The Commission is to be assisted by an advisory committee.

ATC capacity is to be increased by closer coordination of national action to standardize and integrate ATC systems. Common technical standards will also improve the transparency of ATC equipment procurement contracts and enhance safety in the Community's airspace.

In the longer term the Commission's objective is (a) to introduce uniform airspace management systems and (b) to implement a European policy on air transport infrastructure.

Gist of the Committee Opinion (CES 1324/92)

The Commission's document points out that there are several factors which combine to limit the capacity of air traffic control system, e.g., the scheduling for equipment and staff of some airlines.

The Committee notes that the services offered by the airlines are primarily determined by demand. An optimal use of the resources of an airline, as it is reflected by scheduling for equipment and staff, is a prerequisite in order to maintain the competitiveness of an airline. Therefore, the capacity of the infrastructure, i.e. airports and air traffic management, should be adapted to the requirements derived from the schedules of the carriers to the extent possible in terms of cost.

Greater compatibility would reduce costs and common specifications for equipment would clearly benefit European industrialists. However it remains unclear how these benefits are derived unless the specifications would be such that only European industry could comply with them.

The competitiveness of the European industry could be augmented by Community funding of related research and development programmes.

The Committee believes that the Directive is intended to help establish a high level of safety in Community airspace. This does not mean that the current safety level in air transport is insufficient. The view of the Committee on this is that the capacity of the ATC systems should be increased while maintaining or enhancing the currently high level of safety.

This Opinion, adopted unanimously, was drawn up in the light of the paper produced by the Section for Transport and Communications, chaired by Mr Eike Eulen (Germany - Workers). The Rapporteur was Mr Wolfgang Schmidt (Germany - Various Interests).

14. ECOPOINTS/AUSTRIA

Proposal for a Council Regulation (EEC) on a system of distribution of Rights of Transit (ECOPOINTS) for vehicles having a laden weight greater than 7.5 tonnes registered in a Member State transiting through the Republic of Austria
(COM(92) 343 final)

Gist of the Commission proposal

On 2 May 1992 a transit agreement was concluded between the EC and Austria providing for an "ECOPOINTS" system aimed at a 60% reduction over the next twelve years in NO_x emissions for which standards are laid down.

The purpose of the proposal is to lay down a procedure for the distribution of ECOPOINTS among the Member States.

The distribution ratio is as follows:

Member State	ECOPOINT
Italy	510,000
Germany	482,500
Netherlands	123,500
Greece	60,500
Denmark	40,500
Belgium	32,500
United Kingdom	8,500
France	5,000
Luxembourg	5,000
Spain	1,200
Ireland	1,000
Portugal	400

Provision is made for a Community ECOPOINTS reserve, to be allocated by the Commission among the Member States with special reference to the following criteria:

- a disadvantageous starting position;
- problems with the technical upgrading of the vehicle fleet concerning NO_x emissions;
- geographic circumstances, and
- unforeseen occurrences.

Gist of the Committee Opinion (CES 1325/92)

The Committee gives its general approval to the proposal. However, it would ask why the ECOPOINTS are to be distributed twice a year and not once a year as in the case of the road-haulage authorizations. The industry would prefer once a year.

With regard to the allocation of ECOPOINTS to the Member States, the Committee thinks that Member States with modernized fleets of vehicles should not suffer from other Member States' failure or quasi-failure to help reduce NO_x emissions.

The Commission should take this into account when distributing ECOPOINTS and reward goodwill.

This Opinion, adopted unanimously, was drawn up in the light of the paper produced by the Section for Transport and Communications, chaired by Mr Eike Eulen (Germany - Workers). The Rapporteur was Mr Ulbo Tukker (Netherlands - Employers).

15. GROUP EXEMPTIONS - AIR TRANSPORT (Additional Opinion)

Draft Commission Regulation (EEC) on the application of Article 85(3) of the Treaty to certain categories of agreements, decisions and concerted practices concerning joint planning and coordination of schedules, joint operations, consultations on passenger and cargo tariffs on scheduled air services and slot allocation at airports

Draft Commission Regulation (EEC) amending Regulation (EEC) No. 83/91 on the application of Article 85(3) of the Treaty to certain categories of agreements between undertakings relating to computer reservation systems for air transport services
(OJ No. C 253 of 30 September 1992, page 6)

Gist of the Commission proposal

The proposed regulations are intended to ensure that there is no distortion of competition while preserving the potential benefits of the existing agreements.

The awaited benefits include:

- more effective use of airport capacity and air space,
- support to enable new air carriers to become established on the market, especially on low-density routes,
- increased use of "interlining" practices,
- increased competition between computer reservation systems, and
- transparency in slot allocation negotiations.

For the purpose of the above, the conditions required of air carriers for the purpose of exemption under Article 85(3) are defined, as are the Commission's powers to curb situations that could distort competition.

Gist of the Committee Additional Opinion (CES 1326/92)

The Committee notes that the block exemption follows on from the agreement by the Council on the "Third Air Package". The Committee would in general agree that there is a need for a block exemption and, in particular, would agree that tariff consultation be restricted to inter-lining, thus providing for consultation in exceptional circumstances.

However the Committee is concerned that:

- a) the extent of the Commission's role in consultations on tariffs should not be overly bureaucratic;
- b) Slots and Computer Reservations Systems are the subject of proposals before the Council. As the Committee emphasised in its Opinion on previous block exemptions on these subjects, a Council decision on these issues should not only be "reconsidered" but should take precedence. Should the Council fail to take a decision on these issues by the end of 1992, the Commission should extend existing exemptions or base the exemptions on the existing position in the Council with a revision when the Council reaches a final decision.

This Opinion, adopted unanimously, was drawn up in the light of the paper produced by the Section for Transport and Communications, chaired by Mr Eike Eulen (Germany - Workers). The Rapporteur was Mr Robert J. Moreland (United Kingdom - Various Interests).

16. COMMON MARKET IN SUGAR

Proposal for a Council Regulation (EEC) amending Regulation (EEC) No. 1785/81 on the common organization of the markets in the sugar sector (COM(92) 403 final)

Gist of the Commission proposal

The aim of this proposal is to prolong by six months the present arrangements for the supply of Portuguese refineries as laid down in Article 303 of the Act of Accession of Portugal.

Gist of the Committee Opinion (CES 1327/92)

The Committee approves the proposal. However, this approval is without prejudice to a future Opinion on the Commission's forthcoming proposals concerning the supply conditions of the EC refining industry after 1 July 1993.

This Opinion, adopted unanimously, was drawn up in the light of the paper produced by the Rapporteur-General, Mr Charles Pelletier (France - Various Interests).

17. COMMUNITY SYSTEM FOR FISHERIES AND AQUACULTURE

**Proposal for a Council Regulation (EEC) establishing a
Community System for Fisheries and Aquaculture
(COM(92) 387 final)**

Gist of the Commission proposal

While taking account of the discussions on the Commission report on the common fisheries policy (CFP) in the Council, the European Parliament, the Economic and Social Committee and the Advisory Committee on Fisheries, this proposal embodies the review of the CFP in accordance with the guidelines laid down. The guidelines are here incorporated in a legal instrument.

In view of the general deterioration of fish stocks in Community waters and the endemic over-capacity of the Community fishing fleet, the Commission considers it essential and a matter of urgency to consolidate aspects of the CFP in a single legal framework in order to strike an acceptable and accepted durable balance between the fishing effort deployed and the resources that are available (in internal waters) and accessible (in external waters).

The Commission's report and the subsequent discussions have shown that the measures for the management and conservation of resources established by Regulation (EEC) No. 170/83 have basically proved worthwhile but have failed to prevent the current situation, primarily because they are inadequate and there are shortcomings in their execution and control.

So while maintaining the existing CFP legislation, and in order to improve it, this proposal lays down guidelines which can be summarised as follows:

- **ONE OBJECTIVE:** to ensure the sustainability of activities in the fisheries sector while at the same time ensuring the economic and social viability of the sector by means of stable, rational and responsible exploitation of living aquatic resources.

- **TWO MISSIONS:** regulation of fishing effort and rationalisation of the exploitation of these resources.
- **THREE PRINCIPLES:** a global approach, focusing attention, energies and resources on the regulation of access; a coherent policy, taking account of all the parameters likely to influence fishing mortality and, lastly, the institutionalised division of responsibilities between the Community, national and regional authorities and the socio-economic agents in the sector.

These guidelines must be implemented by effective means adapted to the various situations, and in particular:

- binding and coherent programming of the parameters likely to influence fishing mortality, in accordance with the provisions regulating conditions of access and the pursuit of fishing activities;
- the establishment of a Community licensing system for all Community fishing vessels and for foreign vessels operating in Community waters, the Community entrusting management of the arrangements to the most appropriate levels; and
- the introduction of a system of monitoring the implementation of the common fisheries policy throughout the entire sector, which must be effective, modern and binding.

Gist of the Committee Opinion (CES 1328/92)

The Committee welcomes the fact that some of the suggestions set out in its Opinions, have been included by the Commission in the present draft Regulation, inter alia relating to:

- improved consideration of all factors affecting fish mortality;
- greater transparency in decision-making and more involvement of professionals;
- the need to improve the TAC and quota system;
- the need for multi-species and multi-annual TACs to take better account of the situation in the fisheries sector;
- a system of annual carry-over of TAC and quotas.

The conservation of fishery resources is, today, without doubt an absolute priority. However, as highlighted in previous ESC Opinions, the fisheries sector is not the only party responsible for the present state of affairs. Other factors also contribute to the sector's current vulnerability.

The need to conserve fishery resources and to guarantee the continuation of fisheries' activities in the best conditions possible will involve some restrictions and the reshaping of some assumptions on which the common fisheries policy was based.

However, one should not lose sight of the fact that, over and above purely technical aspects, fisheries and related activities continue to be of fundamental economic and social importance, particularly in some regions where there is a high concentration of fisheries, or others which are particularly dependent on this sector. Its particular importance is therefore much greater than its relative significance in terms of its contribution to the Community's GDP.

Reduction in fleet capacities with a view to achieving a better balance between available stocks and fishing efforts will be reflected in employment and income levels in the whole fisheries sector and related activities. Measures must be provided for financial compensation for affected sectors so as to ensure that the fisheries sector is viable.

Some priority issues advocated by the ESC, the EP and socio-occupational bodies, as well as by the Commission itself in the abovementioned Report, have not however been taken sufficiently into account in the present proposal. Consequently, the ESC endorses the present proposal for a Regulation subject to the comments set out in the Opinion.

This Opinion, adopted unanimously, was drawn up in the light of the paper produced by the Rapporteur-General, Mr Augusto Gil Bensabat Ferraz da Silva (Portugal - Workers).

18. VAT - PASSENGER TRANSPORT

Proposal for a Council Directive amending Directive 77/388/EEC as regards the value added tax arrangements applicable to passenger transport (COM(92) 416 final)

Gist of the Commission document

The proposal first of all determines where tax is to be levied and then establishes the principle that zero-rating will continue to apply in the case of intra-Community transport operations. Zero-rating will therefore remain the rule, in the context of the Internal Market, in all Member States wishing to apply it.

The proposal, therefore, calls for the repeal of the legal basis for controls and brings in the principle of taxation in the country of departure, anticipating the definitive system of VAT. The Commission believes that this accords with economic logic: VAT will be levied where the ticket is paid for.

Maintenance of zero-rating

The taxation of passenger transport services varies in the Community according to whether a domestic or intra-Community (or international) journey is involved.

From 1 January 1993 the rates applicable in respect of domestic transport operations will be consistent with the blueprint drawn up under the agreements reached at the Ecofin Council on 24 June 1991 and 27 July 1992. Thus:

- Member States will be able to apply a reduced rate, and
- zero-rating will continue to apply on a transitional basis, as in the United Kingdom at the moment.

As regards intra-Community transport operations, most modes of transport currently qualify for zero-rating, e.g. air and sea transport in all Member States, and rail and road transport in some of them.

The Commission is therefore proposing that zero-rating should be maintained, so as to protect the interests of passenger transport operators in the Community. The main competition which operators face, particularly in air and sea transport, comes from non-member countries, and they should not be put at a competitive disadvantage because of one particular aspect of Community taxation policy. In the interests of economic neutrality, zero-rating will be maintained for all modes of passenger transport without discrimination: air, sea, rail and road. It will also apply to Channel Tunnel traffic.

The decision to retain zero-rating will also help the tourist industry and, ultimately, the consumer.

It is proposed that these arrangements should apply until at least 1997 and that the Commission should re-examine the whole question in a report to be submitted in late 1994.

Gist of the Committee Opinion (CES 1329/92)

General comments

The Committee endorses the proposal's aims. The rules on the application of VAT to passenger transport must indeed be adapted to the conditions on the Single Market, including the abolition of tax controls at intra-Community frontiers on 1 January 1993.

The proposal covers only passenger transport by road and inland waterway.

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

The introduction of the concept of "successive transport services" (third and fourth subparagraphs of Article 1(1)) and its definition, henceforth subject carriers to the VAT systems of all the Member States from which they operate transport services. The outward and return legs of shuttle services will automatically be subject to separate taxation in the two Member States concerned.

This provision will not only increase the VAT payable in respect of passengers on many journeys between Member States; it will also generate considerable administrative costs.

The Committee believes that the application of this provision will generate serious problems for this transport sector, which is dominated by SMEs.

Conclusions

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

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

Appropriate provisions must accordingly be adopted so that:

- VAT can be applied and monitored without frontier controls, in line with the abolition of formalities;

- the VAT payable is not greater than at present;
- the administrative provisions adapted to the Single Market do not create additional administrative and bureaucratic structures.

On this basis, all intra-Community passenger transport services will be subject to the territorial VAT of the country of departure up to the intra-Community frontier, and, thereafter, to the VAT rates applicable in the countries of transit and destination.

Controls in the country of departure will take the form of a VAT declaration by the carrier or operator, who will be obliged to have a VAT registration number for services provided in other Member States; the comparison between the declaration lodged in the country of origin and those lodged in respect of services provided in the other Member States will serve as a means of verification.

This Opinion, adopted by a majority with one abstention, was drawn up in the light of the paper produced by the Rapporteur-General, Mr Camille Giacomelli (Luxembourg - Employers).

19. VAT - SIMPLIFICATION MEASURES

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

Gist of the Commission proposal

The common purpose of the additional measures which are the subject of the proposal is to simplify taxation procedures, for both traders and Member States' administrations, without altering the principles of taxation and the rules for declaring taxable transactions laid down by the Directive of 16 December 1991. Five sets of provisions are proposed.

The wording of some of the provisions of the Sixth VAT Directive, as amended by Directive 91/680/EEC, is clarified.

Simplification measures are introduced for the tax treatment of transactions effected with third territories under the common system of value added tax but relating to goods which rank as Community goods under customs legislation.

The new measures obviate the need for traders who are not subject to the general arrangements for taxing their intra-Community acquisitions to be identified for VAT purposes solely because they buy products subject to excise duty from other Member States.

For supplies of goods and services taxable within a Member State on the territory of which the trader is not established, the provisions relating to the person liable for payment of the tax are amended to enable traders to choose between one of the following arrangements: either they designate a tax representative who will fulfil on their behalf the obligations incumbent on all persons liable for payment of VAT, or the person for whom the goods or services are supplied is designated as the person liable for payment of the tax.

The last set of additional measures relates to the changeover from the provisions in force until 31 December 1992 to those which will enter into force on 1 January 1993.

Gist of the Committee Opinion (CES 1330/92)

General Comments

The proposal, whose aim is that of clarification and simplification, is in a form which is difficult for traders to understand and the time given for adoption and incorporation into national law - just a few weeks - is considered to be inadequate.

Specific Comments

The specific comments refer mainly to the 24 points of Article 1, to the extent that its provisions require explanation or amendment.

This Opinion, adopted unanimously, was drawn up in the light of the paper produced by the Rapporteur-General, Mr Camille Giacomelli (Luxembourg - Employers).

20. STATISTICS

Proposal for a Council Regulation (EEC) on the statistical classification of products by activity in the European Economic Community

Proposal for a Council Regulation (EEC) on the statistical units for the observation and analysis of the production system in the European Community

Proposal for a Council Decision on the framework programme for priority actions in the field of statistical information 1993-1997

Proposal for a Council Regulation (EEC) on Community coordination in drawing up business registers for statistical purposes

(COM(92) 325 final - SYN 427, COM(92) 353 final - SYN 418, COM(92) 395 final, COM(92) 352 final)

Gist of the Commission document

Statistical classification of products by activity in the European Economic Community

(COM(92) 325 final - SYN 427)

Operators on the single market will require reliable, comparable and up-to-date statistical information.

The proposed harmonization of classifications of products by activity (CPA) is a milestone on the path towards a European statistical system.

The CPA will play a central role in the comparison of statistics on production and foreign trade at Community and world level. Further classifications both at EC and world level are in future to be derived from it.

Statistical units for the observation and analysis of the production system in the European Community

(COM(92) 353 final - SYN 418)

The draft Regulation seeks to establish a common statistical language for a selection of statistical units. The application of the definitions of these units is a determining factor in the coherence, convergence and hence the gradual integration of the statistical systems of the Member States. Once these units have been uniformly defined, they will no longer be open

to discussion (with the resulting danger of divergent and incompatible definitions) whenever new specific legislation is drafted.

The units are as follows:

- the enterprise;
- the institutional unit;
- the enterprise group;
- the kind-of-activity unit (KAU);
- the unit of homogeneous production (UHP);
- the local unit;
- the local kind-of-activity unit (local KAU);
- the local unit of homogeneous production (local UHP).

The proposed definitions constitute an addition to Council Regulation (EEC) No. 3037/90 (OJ No L 293, 24 October 1990). They meet the requirements of the classification of economic activities in the European Communities (NACE Rev. 1) provided for therein and of the European System of Integrated Economic Accounts (ESA).

Framework programme of statistical information (COM(92) 395 final)

Part Three ('Community Policies') of the Treaty on European Union signed by the Member States in Maastricht on 7 February 1992 stresses that the convergence of the Member States' economic policies with a view to Economic and Monetary Union requires close and continuous surveillance on comparable bases; it is here that statistical information plays a fundamental role.

It is therefore necessary to implement a framework programme of priority actions to be developed over the next few years.

This programme should comply with one of the fundamental principles of the Community venture: *the principle of subsidiarity*, which is now enshrined in the Treaty.

Management and consultation structure

As part of the Community statistical system, four Committees created by the Council will have a fundamental and priority role to play in the design, execution and evaluation of the sectoral statistical programmes:

- the Statistical Programme Committee (SPC),

- the Committee on Monetary, Financial and Balance of Payments Statistics (CSMF),
- the European Advisory Committee on statistical information in the economic and social spheres (CEIES),
- the GNP Committee.

The legal instruments creating these Committees specify their responsibilities and duties.

Business registers for statistical purposes (COM(92) 352 final)

Business registers help official statistics departments to plan and implement the compilation of statistics. They can also help reduce the administrative burden on those obliged to report data, or spread the burden evenly. Thus there is a real need for a business register compiled in accordance with uniform criteria in the Twelve.

Gist of the Committee Opinion (CES 1331/92)

Overall, the Committee welcomes the proposals. It makes critical comments on certain technical points and on the timetables for implementation, which it believes should be extended. The Opinion includes comments on the draft Regulation on business registers for statistical purposes, which was not referred to the Committee. It approves the principle of drawing up such registers, but insists that this should not impose additional administrative burdens on businesses.

This Opinion, adopted unanimously, was drawn up in the light of the paper produced by the Section for Economic, Financial and Monetary Questions, chaired by Mr Jean Pardon (Belgium - Employers). The Rapporteur was Mr Camille Giacomelli (Luxembourg - Employers).

21. COMPANY TAXATION - Conclusions of Ruding Committee

Conclusions and Recommendations of the Ruding Committee of Independent Experts on Company Taxation and the Commission Communication to the Council and Parliament subsequent to the Conclusions of the Ruding Committee indicating Guidelines on Company Taxation linked to the Further Development of the Internal Market
(SEC(92) 1118 final)

Gist of Ruding Report

In late 1990 Mrs Scrivener, Commissioner, asked a committee of outside experts to consider the case for closer alignment of company taxation in the EC. The committee, known as the Ruding Committee, has just issued a digest of its report.

The Ruding Committee states that the opening of the single market will lead to substantial distortions and the Commission must take regulatory action to eliminate them.

There are however reservations, for instance the need to leave the Member States maximum discretion in the collection of direct taxation revenue, the close link between company and personal taxation, the subsidiarity principle and mandatory unanimity of tax decisions.

The thrust of the Ruding Committee's argument is that at the present stage of the development of the Community, there should be a *minimum harmonization of company taxation designed to eliminate major discriminations and distortions*. Complete harmonization is unwarranted at the present stage. Adoption of a common system of company taxation is, however, a desirable long-term aim.

Action should be centred on three priorities:

- 1) eliminate the discriminatory components of national tax arrangements which hamper cross-border investment and holdings;
- 2) lay down minimum notional rates for company taxation and common rules for determining minimum taxation bases, in order to prevent excessive tax competition between Member States;
- 3) encourage maximum transparency of tax incentives for investments, with preference being given to non-tax incentives.

It is proposed that the programme should be carried out in three phases: the first by the end of 1994; the second in the second stage of economic and monetary union; and the third jointly with completion of economic and monetary union.

Gist of the Communication

The communication is divided into two parts. The first part is devoted to the findings of the economic analysis carried out by the Ruding Committee, while the second examines its recommendations and establishes a number of general guidelines for action at Community level.

Broadly speaking, the recommendations concerning the elimination of the double taxation of cross-border income flows are a direct extension of the measures already adopted by the Council or proposed by the Commission. Furthermore, the justification for these measures generally is provided by the economic analysis set out in Part One of the communication.

The measures to align national corporation tax laws more closely call for a more differentiated assessment. This is due to their complexity, to the fact that the economic case seems to be less soundly based and to the effects which applying them would have on Member States' tax revenue and decision-making powers. The timetable envisaged by the Committee of experts bears witness to the need - recognized in other fields, such as economic and monetary union - for action to be taken in successive stages and phases.

Gist of the Committee Opinion (CES 1332/92)

i) Assessment of the conclusions and recommendations of the Ruding Committee

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

The aim of achieving a minimum level of harmonisation of systems, rates and bases of assessment is more ambitious: the Ruding Committee's wish here is not to put all companies under the same fiscal pressure but, by setting a tax 'floor', to prevent Member States' powers in the field of taxation from being completely undermined by fiscal competition between one Member State and another. The Committee supports this aim.

1) The proposals in detail

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

It feels that the introduction of a 30% withholding tax must be extended to all forms of income derived from capital (interest, royalty payments) paid to shareholders who have not been identified as an EC resident, so as to prevent tax distortions between financing through loans and financing from capital.

To stop non-EC investors turning away from the Community and EC residents from being tempted to invest outside the EC, the Community must first try and reach agreement on a set of rules within the framework of the OECD.

2) The Committee considers that a long-term, step-by-step approximation of corporation tax should be started with a convergence of the principles governing tax bases, not least so that the necessary transparency of competing enterprises may be increased.

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

ii) Assessment of the Commission communication

1) The Committee shares the Commission's general line, but would like to point out to the Commission that the Ruding Committee's report provides various data which confirm that differences between tax rules and tax pressure play a role in investment location decisions.

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

While it is in favour of a procedure for consultations between Member States prior to any correction of transfer prices and with a view to strengthe-

ning the Arbitration Convention, it would also like a directive to spell out the principles to be followed when calculating transfer prices and the rules for allocating central group expenditure.

2) As regards measures relating to the rates, the base and the systems of corporation tax, the Committee agrees with the Commission that it is inadvisable to set a maximum corporation tax rate and that the proposed reform of local taxes is politically motivated and unrealistic. However, it feels that the discussions on a minimum rate must be linked to those on the harmonisation of the rules determining the tax base.

The Committee supports the Commission's suggestion that a debate on the choice of a common corporation-tax system should be initiated at Community level.

iii) Final remarks

While recognising the quality of the work carried out, the Committee regrets that the Ruding Committee did not carry out an in-depth analysis of the place of company taxation in national economic policies or on the taxation of interest and royalty payments.

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

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

This Opinion, adopted by 78 votes to 54 with 4 abstentions, was drawn up in the light of the paper produced by the Section for Economic, Financial and Monetary Questions, chaired by Mr Jean Pardon (Belgium - Employers). The Rapporteur was Mr Robert Pelletier (France - Employers).

22. INFRASTRUCTURE COSTS

Amendment to the Proposal for a Council Directive on the charging of transport infrastructure costs to heavy goods vehicles (COM(92) 405 final)

Gist of the Commission's Amendment

In 1986, 1987 and 1991, the Commission put forward documents concerning the charging of infrastructure costs with the purpose of eliminating distortions in competition in goods transport by surveying vehicle taxes, fuel taxes and road tolls.

The Committee has generally supported these proposals. In 1991 it stated that a simpler and step-by-step solution based "largely on ensuring that related infrastructure costs are covered" would be a reasonable solution to meet the 1992 deadline. It repeated its support for territoriality as a "fair basis for taxation as an ultimate objective", and it expressed concern that small goods vehicles should not be unduly penalized vis-à-vis larger vehicles and also that the proposal could act as an incentive to produce more toll roads.

The Commission's new modified proposal must be seen in the light of discussions in the Council and the Court of Justice's judgement of 19 May 1992 in Case C - 195/90 (Commission versus Germany).

While maintaining the principle of territoriality the minimum vehicle-tax rates are now set at a lower level (Portugal and Greece will only have 50% of this rate). These rates will be reviewed every two years. The structure of the vehicle-tax previously proposed by the Commission has been made optional and a far-reaching harmonization is only to be considered at a later stage.

Furthermore, the provisional system involves the introduction on some motorways of user charges, following the example of toll roads.

Gist of the Committee Opinion (CES 1333/92)

The Committee agrees with the simpler, step-by-step approach that the Commission now presents and believes that this should make Council agreement easier. It agrees with the Commission that this requires a political solution and believes, as matter of urgency, that the "Presidency" should take a lead.

However, the Committee is concerned with notably two points:

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

The Commission's proposed provisions do not provide the fiscal harmonization needed to remove distortions in competition. Authorizing individual Member States to take their own initiatives on the taxation of Community vehicles will further delay introduction of a Community system for the charging of infrastructure costs.

This Opinion, adopted by a large majority with 5 votes against and 2 abstentions, was drawn up in the light of the paper produced by the Rapporteur-General, Mr Robert J. Moreland (United Kingdom - Various Interests).

23. EC RELATIONS WITH BULGARIA AND ROMANIA (second Additional Own-initiative Opinion)

EC relations with the countries of Central and Eastern Europe: Bulgaria and Romania

Reasons for issuing an Own-initiative Opinion

In September 1991 the Committee adopted an Opinion on EC relations with the countries of Central and Eastern Europe which focused on the Europe Agreements with Poland, Hungary and Czechoslovakia. This Opinion was issued during the still ongoing negotiations and attempted to describe the importance which socio-economic organizations attached to relations with the countries of Central and Eastern Europe. The Committee welcomes the idea of association because it will in principle safeguard and further the development of political, economic and social ties between the Community and its Eastern neighbours. In the years ahead it should be possible to build up a network of association agreements. However, each individual case should be carefully vetted so as to avoid a situation where the internal consolidation of the Community might be delayed or even undermined by poorly prepared steps towards pan-European integration.

It is the Committee's concern that the treaties and agreements to be signed with Central and Eastern European countries should also provide an institutional framework for cooperation between socio-economic organi-

zations. This concern is shared by Commission Vice-President Andriessen. When he last addressed the Section for External Relations on 18 February 1992, he was asked about this matter and in reply advocated the social partners' institutionalized involvement in cooperation with Central and Eastern European countries.

The ESC Chairman has since stressed in letters to Commission Vice-President Andriessen and Commissioner Papandreou that the agreements to be negotiated with Bulgaria and Romania, and later with the Baltic States, must lay down (and thus institutionalize) a mechanism for consulting the socio-economic organizations.

The Committee should therefore continue to attempt to keep abreast of the Commission's work so that socio-economic organizations can make a timely contribution to the future shape of relations in Central and Eastern Europe.

The Commission is planning to conclude Europe Agreements with Bulgaria and Romania. Negotiations with these two countries began in May. Taking the principles worked out in its Opinion on the Polish, Czechoslovakian and Hungarian agreements as its basis, the Committee should now advocate solutions for Bulgaria and Romania tailored to the situations in those countries.

Gist of the Committee Opinion (CES 1334/92)

In its Opinion on the Europe Agreements concluded with the Visegrad countries (Poland, Hungary and the CSFR), the Economic and Social Committee made an in-depth analysis of the European Community's association blueprint and found it could offer its support. The Committee is pleased that the EC Commission has now also begun association negotiations with *Bulgaria* and *Romania*. The aim of the negotiations is to conclude Europe Agreements which are largely similar in content to those signed on 16 December 1991 with Poland, Hungary and the CSFR. The Committee's critical comments and recommendations concerning the agreements with the Visegrad triangle remain equally valid (as far as one can make out) for the current Draft Agreements with Bulgaria and Romania.

The Committee has repeatedly emphasized that, given the social and cultural conditions prevailing in Europe today, an "economic area" which is not at the same time a "social area" is unthinkable. The Committee therefore once more calls upon the Council to refer in the preambles of the Europe Agreements to the *social dimension* of European

unification and to mention the *Community Charter of the Fundamental Social Rights of Workers* adopted, albeit not unanimously, by the Heads of State or of Government of the Community in December 1989. The Committee further notes with concern that although advocacy of the principle of "social justice" remains a "fundamental element of Association" and is underlined as such in the Europe Agreements with Poland, Hungary and the CSFR, the concept has been dropped in the preambles of the new Agreements.

With regard to the *EC membership option* incorporated in the preambles of the new Europe Agreements, it will have to be assumed that any future enlargement of the EEC will take place under vastly different circumstances - achievement of the Single Market, Economic and Monetary Union, Foreign and Security Policy, the *Acquis Communautaire*. These will all place considerable demands on potential members - demands which cannot be fulfilled by all applicant countries within a short period of time. The EC Commission should therefore as soon as possible test and flesh out new forms and options for a coherent *EC membership blueprint*.

In its Opinion on the Europe Agreements with the Visegrad states, the Committee has already called on the contracting partners to involve economic and social interest groups in the *political dialogue*. It therefore proposes the incorporation of provisions in the new Europe Agreements whereby the Association Council guarantees that economic and social interest groups will be involved in the political dialogue during the first stage of the transitional period. From the second stage this dialogue would take place within the framework of a *Consultative Association Committee* representing economic and social interest groups. Such cooperation would form part of a wide-ranging dialogue between the economic and social interest groups of the European Community and those of countries in Central and Eastern Europe.

The Committee approves the inclusion of a provision in the Agreements whereby respect for democratic principles and human rights, as well as adherence to free market principles, are regarded as vital elements of Association. At the same time the Committee also recommends that the safeguarding of basic social rights and the rights of minorities should be regarded as a "vital element of Association". Appropriate measures could be taken if these obligations are not met.

With regard to the *free movement of goods*, the Committee welcomes the asymmetrical approach, which will help to prop up the difficult restructuring processes in Bulgaria and Romania. In view of the dramatic

deterioration in these countries' overall economic performances, the Community should make a serious attempt to shorten the six-year period before it removes all its customs duties on industrial goods and should try to complete the inevitable liberalization of the markets by an earlier date.

In order not to perturb the Community's *agricultural markets* any further through excessive imports of particularly sensitive products, the Committee would reiterate its proposal that much of the agricultural surplus from Bulgaria and Romania should be exported to other neighbouring Eastern European countries for hard currency. At the same time the agricultural and industrial capacity of Eastern European countries should also be channelled into finding industrial and energy outlets for agricultural products.

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

The Committee welcomes the agreements on the *free movement of workers*, but would still like to see agreements covering workers from Eastern partner states who are employed illegally in the Community. The Committee regrets once more that the Commission has not even referred in a protocol to the Community's limited scope for action on freedom of movement in the medium term. In the Committee's view it is high time to ponder in depth the complex and many-layered issue of freedom of movement for workers between the European Community and associated partner states and work out durable solutions, within the framework of a coherent immigration policy, which do not arouse great expectations today only to dash them by tomorrow at the latest.

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

This Opinion, adopted by a large majority with 2 votes against, was drawn up in the light of the paper produced by the Section for External Relations, Trade and Development Policy, chaired by Mr John F. Carroll (Ireland - Workers). The Rapporteur was Mr Jens-Peter Petersen (Germany - Employers).

24. XXIst REPORT ON COMPETITION POLICY

XXIst Report on Competition Policy (SEC(92) 756 final)

Gist of the Commission document

When in its 1990 communication on industrial policy the Commission opted clearly for a system of open and competitive markets, it reaffirmed the role to be played by competition policy in boosting the competitiveness of Community industry.

The link between competition and economic efficiency is now generally recognized by governments throughout the world, and consumers too are increasingly aware that they can benefit from market mechanisms which work properly.

The layout of the Competition Report has been reviewed in order to improve transparency. More space has been given to explanation of the concepts used, to an analysis of the thrust of competition policy, and to the ways in which competition ties in with other Community policies.

The Commission's activities in the competition sphere were dominated by a few major themes in 1991. Top priorities included the development of competition in certain industries which have traditionally been regulated, and the opening up of certain markets which are still largely confined within national borders; these will be important objectives in 1992 as well.

The Merger Control Regulation, which entered into force on 21 September 1990, will be a vital component in the success of the internal market. The Commission feels that the first full year of application of the Regulation has been a positive one. The procedures established have proved to be effective, and the range of experience acquired has allowed the concepts employed to be clarified in some important respects.

The Commission continued to monitor state aid very strictly, whether dealing with new aid measures notified to it or reviewing existing measures. The main objective which the Commission has been pursuing in this monitoring is that of economic and social cohesion.

An important step forward was taken towards the fair application of the state aid rules (Articles 92 and 93 of the Treaty) to all enterprises regardless of whether the recipient is in public or private ownership. A communication adopted by the Commission on 24 July 1991 seeks to implement the 1980 Transparency Directive. The Commission also clarifies its interpretation - several times upheld by the Court of Justice - of the concept of the investor in a market economy, which it uses to determine the presence of state aid.

The international dimension is also changing fast. Several events made for intense activity in this field in 1991: the European agreements concluded with Czechoslovakia, Hungary and Poland contain competition policy clauses; the negotiations for a European Economic Area showed the importance of ensuring the same competition rules throughout the Area; and the increasing globalization of economies worldwide revealed the need not only for closer bilateral relations with the competition authorities of two of our main trading partners, the United States and Japan, but also for broader multilateral cooperation in the OECD framework, and for continuation of the GATT negotiations.

Gist of the Committee Opinion (CES 1335/92)

The Committee is pleased to note that the Commission, in its Report, draws particular attention to the interests of consumers: it is urged to continue in this vein.

Merger control

The excessively high threshold at which control is triggered (ECU 5,000 million) continues to raise many doubts.

The regulated sectors

It would appear difficult to apply the competition rules in these sectors; consequently certain principles should be respected if the abuse of a dominant position is to be avoided, viz:

- a) total transparency in pricing;
- b) any price reductions to be paid for by the concession grantor rather than the concessionaire;

- c) adherence to the time limitations of concessions and obligation to call for tenders when they come up for renewal;
- d) scrupulous adherence to Community Directives on public contracts.

Block exemptions

The Committee approves the Commission's Draft Regulations.

State aid

State aids should be transparent, temporary and on a diminishing scale, in line with the requirements of competition policy. They must also be compatible with the objective of economic and social cohesion.

The international dimension of competition

The measures, negotiations and agreements undertaken by the EC are endorsed by the Committee. Special mention should be made of the European Economic Area, the association agreements with the countries of Central and Eastern Europe, and contacts with the relevant Japanese authorities.

GATT

The Committee urges the GATT negotiators, on the Commission's initiative, to work from the principle of a coordinated policy of economic and social cohesion between the European Community and the other parties to GATT.

Anti-dumping measures

In this context it must be ensured that the rules adopted for the implementation of the anti-dumping measures - and in particular those concerning comparisons between the price of goods when placed on the Community market and their price on the internal market of the exporting country - are applied.

Specific comments

The Committee approves the stress which the Commission places on the general ineffectiveness of interventionist *sectoral policies*.

Publishing

The question arises of whether price competition should be curbed in the publishing sector.

Any approach to this problem would have to be examined carefully and discussed beforehand with not only publishers and distributors but also consumers.

Agriculture

It is not impossible that in some cases producers' groups and concentrations in distribution manage to create a de facto situation analogous to that of some industrial concentrations. The Committee calls on the Commission to look into these groups and to comment on its findings in future Reports.

NEW CONDITIONS OF COMPETITION

The resources of the developing countries

A policy of income stabilization must not have the effect of encouraging the production of goods in quantities over and above the requirements of the world market; it must be backed by incentives to diversify production as part of regional cooperation policies for the economic development of the LDCs.

Imports from the former COMECON countries

The Committee feels it must recommend the introduction for a long-term transitional period of economic measures aimed both at protecting its own economic area and social cohesion and at promoting recovery in the former COMECON countries.

This Opinion, adopted unanimously, was drawn up in the light of the paper produced by the Section for Industry, Commerce, Crafts and Services, chaired by Mr Manuel Cavaleiro Brandão (Portugal - Employers). The Rapporteur was Mr Bernard Mourgues (France - Workers).

25. EXEMPTION BY CATEGORY - INSURANCE SECTOR (Additional Opinion)

Proposal for a Commission Regulation (EEC) on the application of Article 85(3) of the Treaty to certain categories of agreements, decisions and concerted practices in the insurance sector
(OJ No. C 207 of 14 August 1992)

Gist of the Commission document

The draft Regulation is based on Council Regulation (EEC) No 1534/91, which empowers the Commission to exempt certain categories of agreements between insurance companies.

The agreements covered concern:

- (a) the establishment of common risk premium tariffs based on collectively ascertained statistics or the number of claims;
- (b) the establishment of common standard policy conditions;
- (c) the common coverage of certain types of risks;
- (d) the establishment of common rules on the testing and acceptance of security devices.

Gist of the Committee Opinion (CES 1336/92)

The Committee endorses the draft Regulation. It notes that as regards risk premiums the Commission seeks to protect policy holders (firms and individual consumers) from the danger of anticompetitive behaviour and unfair clauses.

The Committee agrees with the restrictions to be applied to standard policies, but would point out that Article 6(2) must not lead to the standardization of premiums.

The Committee also endorses the provisions on the common coverage of certain types of risks.

The Committee favours a provision stipulating that under no circumstances may a policy holder be obliged to accept contract clauses which he has not approved, particularly in the case of contract amendments or supplements.

Insurance companies sometimes refuse to cover certain risks, even against payment of an additional premium. The Regulation should lay down in the standard contracts that such refusal must be accompanied by a written explanation.

The Committee calls on the Commission to adopt at a later date provisions ensuring that claims are settled more quickly, possibly via clearing agreements between insurance companies where more than one are concerned.

The Commission should also tackle the problems associated with insurance policies used to guarantee loans, e.g. in connection with the purchase of real estate.

This Opinion, adopted unanimously, was drawn up in the light of the paper produced by the Section for Industry, Commerce, Crafts and Services, chaired by Mr Manuel Cavaleiro Brandão (Portugal - Employers). The Rapporteur was Mr Bernard Mourgues (France - Workers).

26. COMMON ORGANIZATION OF THE MARKET/BANANAS

Proposal for a Council Regulation (EEC) on the common organization of the market in bananas
(COM(92) 359 final)

Gist of the Commission Proposal

With a view to the completion of the internal market on 1 January 1993, the Commission proposes the establishment of a common organization of the market in the banana sector, based on the following principles:

- a) common quality and marketing standards;
- b) the setting-up of producers' organizations on the initiative of the producers themselves;
- c) aid arrangements comprising:
 - the organization and implementation of measures in the framework of the operational programmes and in accordance with the regulations currently applying to the management of the Structural Funds;

- compensation for any lost harvests, to be granted to Community producers who are members of a recognized producers' organization;
 - a single premium granted to Community producers who cease to grow bananas;
- d) the import into the Community of "third country" bananas with a basic quota of 2 million tonnes and an additional quota to be determined each year on the basis of the forward estimate;
- e) management under a partnership scheme of 30% of the total volume of the two quotas;
- f) the setting-up of a management committee and an ad hoc consultative committee for the banana sector.

The planned arrangements will end on 31 December 2002. The Commission is to present a report to the Council before 31 December 2001, together with any proposals for future arrangements to be brought into effect after 31 December 2002.

Gist of the Committee Opinion (CES 1337/92)

The Committee recognizes that the Commission document fills an important gap, given the economic importance of the banana sector in the Community in terms of both trade and consumption.

The Committee identifies certain points which it feels could hinder the common market organization. These concern:

- the granting of a GATT waiver;
- the consolidated quota;
- the organization of producers;
- establishment of the average EC price;
- clarification of the term "importer".

While noting that any delay in this sector will hinder the establishment of the single market on 1 January 1993, the Committee considers that the Commission should clarify certain points. These relate to the guarantee to maintain the current overall consumer price level, and the proposals for structural aid and compensatory aid for ACP producers.

This Opinion, adopted by 80 votes to 43 with 14 abstentions, was drawn up in the light of the paper produced by the Section for Agriculture and Fisheries, chaired by Mr André Laur (France - Various Interests). The Rapporteur was Mr Guy Ovide Etienne (France - Various Interests).

27. 3rd R & TD FRAMEWORK PROGRAMME (1990-1994) - SUPPLEMENTARY FINANCE

Proposal for a Council Decision concerning Supplementary Financing of the Third Framework Programme of Community Activities in the field of Research and Technology (1990-1994)
(COM(92) 309 final)

Gist of the Commission Proposal

The Third Framework Programme of Community activities and in the fields of research and technological development (1990-1994) was adopted by the Council in a Decision dated 23 April 1990¹. The Committee had delivered its Opinion on the Proposal for a Decision on 15 November 1989².

In accordance with Article 130i of the EEC Treaty, the Framework Programme sets out all of the activities undertaken by the EC, as a back-up to the activities of the Member States, with a view to achieving the goals assigned to the EC in the field of research and technological development. These goals are listed in Article 130f of the EEC Treaty.

The Framework Programme thus determines the scientific and technical objectives to be achieved during the period which it covers and "defines their respective priorities set(s) out the main lines of the activities envisaged and fix(es) the amount deemed necessary, the detailed rules for financial participation by the Community in the programme as a whole and the breakdown of this amount between the various activities envisaged" (Art. 130i).

Under the Third Framework Programme 6 EC research and technological development (R&TD) activities are to be implemented. These activities, which are defined in Annexes I and II of the Council Decision, comprise 15 specific programmes. In addition to these six activities there is a further centralized activity relating to the dissemination and utilisation of knowledge accruing from the Community's specific R&TD programmes. This activity was the subject of a Council Decision dated 29 April 1992³.

¹ OJ L 117 of 8 May 1990, p. 28.

² OJ C 56 of 7 March 1990, p. 34.

³ OJ L 141 of 23 May 1992, p. 1.

The specific programmes represent the main means of implementing the Framework Programme. In accordance with Article 130k of the EEC Treaty, each specific programme defines the detailed rules for implementing the programme, sets out its duration and provides for the means deemed necessary.

Under the Council Decision of 23 April 1990 the amount deemed necessary for the implementation of the Third Framework Programme was set at 5,700 million ecus, to be met from the EC budget. The sum of 2,500 million ecu was earmarked for the years 1990-1992 and 3,200 million ecu for the years 1993-1994.

Under Article 1(4) of the Council Decision the latter sum was to be used to finance activities which had been started during the period 1990-1992.

In adopting a new Framework Programme for the period 1990-1994, interlinked with the Second Framework Programme covering the period 1987-1991, the Council took on board the principle of "rolling programming" for EC R&TD activities, a principle which had been endorsed by the Committee in its Opinion. The introduction of this principle made it possible to ensure the continuity which is essential to the implementation of research work and also made it possible to redirect the priorities in these fields in the light of experience and changing requirements.

In accordance with this principle, the funds allocated to the Third Framework Programme were to be reduced in the period 1993-1994 as a Fourth Framework Programme was to be introduced covering the period 1993-1997.

For a variety of reasons, however, this scenario has been called into question. These reasons include the lack of a new EC financial framework for the period 1993-1994, the cumbersome nature of the decision-making process in the field of research, and the uncertainties as regards the decision-making process leading to the adoption of the Fourth Framework Programme.

In its communication entitled "Research after Maastricht : an assessment, a strategy" (SEC (92) 682 final of 9 April 1992), the Commission considers the question of the reduction of the resources available for financing Community R&TD activities in 1993 and 1994 and draws attention to the risks inherent in such a reduction and the danger of discontinuity in research work.

After examining the progress made in the Third Framework Programme and making an appraisal of all the specific programmes implemented under the Second Framework Programme 1987-1991, the Commission proposes an increase in the overall funding for the Third Framework Programme and a re-distribution of the additional resources between the various specific programmes.

At its meeting on 29 April 1992, the Council of Research Ministers decided, after taking into account the abovementioned Communication from the Commission, to invite the Commission "to present to the Council as soon as possible its proposals concerning the Fourth Framework Programme and, *if necessary, in order to avoid a gap of financial resources, the Third Framework Programme*, taking into account the evaluation of the Second Framework Programme, the need to ensure continuity of research activities and in the light of the discussions in the Council".

In the Proposal for a Council Decision under review the Commission invokes for the first time the provisions of Article 130i(2) of the EEC Treaty which stipulate that "the Framework Programme may be adapted or supplemented, as the situation changes". In the Sole Article of the Proposal for a Council Decision, the Commission proposes that the funding for the Third Framework Programme be increased by 1,600 million ecu and that this sum be allocated to the different research activities as indicated in the Annex to the Proposal for a Decision.

As the Commission has decided to propose a modular, rather than a linear, increase in the funding earmarked for the six research activities, the sectors which will benefit the most are the information technology and telecommunications sector, which is to receive additional funding of 625 million ecu, and the energy sector, which is to be allocated an additional 440 million ecu.

In putting forward its proposals the Commission takes account not only of the progress made in implementing the various research activities but also of a number of strategic guidelines which are to provide the basis for its future action in the field of R&TD. These strategic guidelines will underlie the Commission's Proposal for a Fourth Framework Programme, covering the period 1994-1998, which it intends to submit at the beginning of 1993.

Gist of the Draft Opinion (CES 1338/92)

The Committee has already reiterated its concern over the considerable amount of time taken to adopt and implement the Framework Programme, with potential damage to the whole EC research effort.

It stresses that the proposal is also a product of the Council Decision of April 1990, which reduced the appropriation earmarked for implementation of the Third Framework Programme from ECU 7,700 million as proposed by the Commission, to ECU 5,700 million.

The Committee approves the Commission's proposal. This approval is consistent with its Opinion of November 1989 on the Third Framework Programme.

On the Commission's choice of a modular rather than a linear increase in the resources allocated to the specific programmes, the Committee asks the Commission to reconsider its proposal not to increase funding for the Life Sciences and Technologies for the Developing Countries and the Marine Science and Technology programmes.

More generally, the Committee stresses that this approach should not lead to substantial changes in the balance between the various lines of action covered by the Third Framework Programme, as approved by the Committee.

In addition, the Committee's endorsement of the Commission's proposal must not be construed as approval of guidelines for, or content of, the next Framework Programme, which has not yet been considered by the Committee.

This Opinion, adopted unanimously, was drawn up in the light of the paper produced by the Rapporteur-General, Mr Tomás Roseingrave (Ireland - Various Interests).

28. DISTANCE SELLING CONTRACTS

Proposal for a Council Directive in respect of contracts negotiated at a distance (distance selling)
(COM(92) 11 final - SYN 411)

Gist of the Commission proposal

The notion of "distance selling" appeared for the first time in Member States' laws in 1987; in the Commission's view it will be one of the areas

in which the completed internal market will be most obvious and tangible to consumers.

The major innovation in this market is the widespread use of new technologies both to offer products or services and to obtain the consumer's order.

To avoid a fragmentation of legislation and ensure consumer protection the draft directive proposes a general framework for contracts negotiated at a distance, which may be supplemented by national legislation or self-regulatory measures.

The main aims are:

- a) to provide legal safeguards for the consumer;
- b) to safeguard the consumer's right of choice; and
- c) to ensure repayment to the consumer in the event of non-performance of the contract.

Gist of the Committee Opinion (CES 1339/92)

Rules to make distance selling more reliable are not only in the interests of the consumer - who wants to be protected - but also of the firms concerned, since it can only enhance their credibility and thus help them to boost their turnover.

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

Financial guarantees are a particularly delicate point, and national rules differ. Belgium, the Netherlands and Portugal prohibit demands for advance payment either in full or in part, while the UK has guarantee funds financed by businesses in the sector. Other options involve insurance, tied deposits and penalties to protect the parties.

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

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

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

This Opinion, adopted by a large majority with 5 abstentions, was drawn up in the light of the paper produced by the Section for Protection of the Environment, Public Health and Consumer Affairs, chaired by Mr Francesco Ceballo Herrero (Spain - Various Interests). The Rapporteur was Mr Roberto Bonvicini (Italy - Various Interests).

29. CENTRAL & EASTERN EUROPEAN COUNTRIES: CONSULTATIVE MECHANISMS

Economic and Social interest groups in Central and Eastern European Countries: consultative mechanisms

Background to the Committee Opinion

In September 1991, the Committee, in its Opinion on EC relations with the Countries of Central and Eastern Europe (CES 1119/91), in which it concentrated above all on the Association Agreements then being negotiated with Poland, the CSFR and Hungary, proposed that a *Consultative Committee* be set up within the institutional framework. The new body, consisting of Members of the Economic and Social Committee and Members of a similar grouping in the Associated Countries, would be consulted by the Association Council on economic and social questions relating to the European Agreements which are of common interest.

The Section for External Relations raised the matter again with Commission Vice-President Andriessen in February 1992 and, in the ensuing discussion, several Committee members drew his attention to the fact that the development of a social market economy in these countries would be greatly facilitated by the creation of associations which

could play the important role of initiators, sources of information and training bodies for enterprises and trade unions, the professions, the business sector, cooperatives and consumers. Dialogue with Community economic and social interest groups would be of great value in this connection.

The creation of a consultative committee, made up of equal numbers of ESC members and representatives of a similar grouping from the countries concerned, was in fact proposed.

The Committee Chairman followed this up with a letter to Vice-President Andriessen at the end of April 1992, in which he proposed that, under Article 107 of the Association Agreements (with Poland, the CSFR and Hungary), a *special Working Group on cooperation between economic and social interest groups* be set up to initiate discussion of topics of common interest. This group should consist of members of the economic and social interest groups represented in the ESC and of corresponding groupings in Hungary, the CSFR and Poland. The argument was that this would make it possible to find a pragmatic solution for this indispensable dialogue between economic and social interest groups from the EC and the three aforementioned countries, although the Association Agreements did not expressly provide for such a possibility.

At about the same time, at the end of April 1992, the opportunity was taken, at an ETUC Forum in Prague, of raising the question again, this time with Commissioner Papandreou, when a member of the Committee reminded her that the ESC, in its September 1991 Opinion, had invited the contracting parties to ensure that economic and social interest groups were brought within the organizational framework embracing institutions of association.

Again, the Committee Chairman followed this up with a letter addressed to Commissioner Papandreou in which he linked the mention made by the Committee Member in Prague with the proposal he had already made to Vice-President Andriessen. He added, however, that whilst with Hungary, the CSFR and Poland, with whom the Agreements were signed in December last, the setting up of a special Working Group might be the solution, in the case of Romania and Bulgaria it is still possible to consider building a consultative mechanism into the Agreements themselves before they are finalized.

In the meantime Commissioner Papandreou, on behalf of the Commission, formally addressed a request to the Committee asking it to draw up an Opinion on the contribution that mechanisms for structured

relations between representatives of management and labour, in particular, can make to alleviating the problems of social adjustment, including unemployment in the countries of Central and Eastern Europe as they move towards democracy and market economies. The Commission would like to know from the Committee, which has a unique experience in this area, whether such mechanisms could indeed contribute to greater stability, were the socio-economic agents involved in a concerted way.

In a subsequent letter, adding to the first, Commissioner Papandreou reverted to the point which the Committee had already stressed on several occasions and cited above, namely the need to set up a consultative mechanism under the existing Agreements with the process being *written into* forthcoming Agreements. Finally, Commission Vice-President Andriessen concluded the consultation mandate in a letter at the end of June 1992. He said he holds the view that the creation of such a Working Group could play an important part in the dialogue between the Community and its Central and Eastern European neighbours and that the Commission and the ESC could jointly examine how it might be set up as soon as the Agreements had been ratified and had entered into force.

In sum, therefore, the Committee is asked by the Commission for its Opinion on two linked themes: first, on how the working together of the ESC with counterpart organizations in the CEEC in a special Working Group or a more structured consultative mechanism can underpin what the Community is doing through its Agreements to assist in the overall development of the CEEC; and, secondly, on how, in brief, a structured social dialogue can be fostered in these countries.

Gist of the Committee Opinion (CES 1340/92)

The analysis in the Report by the Section for External Relations (CES 1241/92) - based on the available data, on the replies of the socio-economic organizations to the questionnaire and on the hearing of the economic and social interest groups from the CEEC on 29 and 30 September 1992 - confirms certain misgivings about the process of constructing a market economy in the CEEC and its social repercussions, and uncertainties as to the model of society which is establishing itself. However, the process varies from one country to another. It is therefore difficult to draw conclusions which can apply exactly to each of the countries concerned.

The shock therapies and short deadlines for establishing a market economy, apart from intensifying the recession and disappointing expect-

tations aroused by the return to democracy, turned out to be unrealistic, because the reform will take a long time and is characterized by a lack of ability to cope with the serious social repercussions.

The data for analysis which we have collected show that insufficient priority has been given to the social dimension: economic restructuring has predominated, and the authorities of the countries concerned see industrial relations and cooperation between the social partners as a possible obstacle to more rapid progress with economic reforms.

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

As regards the implementation of the European Agreements and the assistance programmes (PHARE, TEMPUS) the present almost total absence of information and involvement of the social forces in the countries concerned and at Community level must be overcome. It is for this purpose that the Committee, in its Additional Opinion of 26 September 1991, proposes the setting-up of a consultative committee, "consisting of members of the Economic and Social Committee and members of a similar grouping in the associated countries".

It is clear that for such a body to function properly it is essential for the economic and social organizations in the CEEC to be informed, consulted and involved in the implementation of the association agreements and assistance programmes, either directly or through the existing tripartite bodies or in new consultative institutions.

The Committee reaffirms the importance of consultation and of the institutionalized involvement of the social partners. At the same time it stresses that there are no preconstituted models and that each of the countries concerned will have to define and develop the form and content of the social dialogue and consultative procedures to be followed.

The Committee regards it as useful to set up consultative bodies analogous to the economic and social councils which exist in nearly all the Community countries. However, it should also be stressed that tripartite planning and consultation do not provide an answer to all problems of social polemics, either in the Community or in the CEEC. On the contrary, the first signs that we now see confirm what we already knew:

that such a model can only function well if it is based on autonomous, well identified, organized forces which have developed freely.

The development of industrial relations between autonomous social partners therefore assumes fundamental significance, while the role and responsibilities of the public authorities must be safeguarded.

To achieve this aim a legal framework is essential, but not enough. An essential precondition is the achievement of a high degree of autonomy, through democracy within the organizations, totally voluntary membership and genuinely wide representation. Next in importance comes an adequate knowledge of the characteristics and problems of a market-orientated economy, with particular reference to:

- privatization and restructuring policies;
- basic principles and technique of collective bargaining, and workers' representation systems;
- organization of the labour market and an active employment policy;
- education and vocational training;
- environment, and health and safety of workers at the workplace;
- social protection and security.

This Opinion, adopted unanimously, was drawn up in the light of the paper produced by the Section for External Relations, Trade and Development Policy, chaired by Mr John F. Carroll (Ireland - Workers). The Rapporteur was Mr Ettore Masucci (Italy - Workers); the Co-Rapporteur was Mr Bernardus Pompen (Netherlands - Various Interests).

30. STRUCTURAL FUNDS REFORM - DELORS II (Additional Opinion)

Community Structural Policies - Assessment and Outlook (COM(92) 84 final)

Gist of the Commission document

The Commission communication provides for a stocktaking after two years' experience with the Structural Fund reform. The preliminary analysis states that the gap between rich and poor regions has widened. In some parts of the Community, the targeted growth rates were markedly higher than the Community average. The Commission puts this down to, inter alia, the positive impact of Structural Fund resources.

The Commission's overall assessment of the Structural Fund reform is positive. The way in which the Structural Funds operate should, however, be improved by strengthening the partnership principle, improving assessment procedures and simplifying decision-making procedures.

With a view to future Structural Fund reform, the Commission suggests that Objectives 1 and 2 continue essentially unchanged. Objectives 3 and 4 maintain their emphasis on long-term and youth unemployment problems. Greater efforts must, however, be made to promote vocational training and further and continuing training for workers to help them adjust to the process of industrial change. The Commission is preparing to set up a fund specifically for the development of rural areas, with particular attention for restructuring in fisheries regions.

The partnership principle is to be broadened and extended to the social partners. The Commission is proposing a reduction in the number of Community initiatives.

Gist of the Committee Opinion (CES 1341/92)

- 1) The Committee is in general agreement with the results of the Commission's assessment and once more urges the speedy release of the funds needed for structural policy under the Delors II Package.
- 2) The Committee notes, however, that the aim of greater involvement of the local and regional authorities and the social partners has been only partly achieved.
- 3) The involvement of the social partners at all levels should be enshrined in a binding form in the new framework regulation. The Committee proposes that new ways of involving the social partners should be tried. The social partners should be involved in the formulation and execution of the programmes, and should conclude related regional agreements.
- 4) For Objective 1 areas the Committee advocates continuation of assistance, but proposes flexible rules to make possible the further promotion of the regions' in a range between 75% and 80% of per capita GDP. The inclusion of the new German Länder in the calculation should not lead to hitherto assisted regions forfeiting their status as Objective 1 areas.
- 5) For Objective 2 areas the Committee proposes an extension of the planning period to 5 years.

- 6) The Committee advocates the application of the assistance criteria for Objectives 3 and 4 and recommends training agreements in the context of the social dialogue.
- 7) For the Objective 5(b) areas the Committee proposes an enlargement of the geographical scope, and draws attention particularly to the problems of infrastructure and the emigration of younger workers.
- 8) The Committee proposes a Community initiative for the regions which depend on fisheries.
- 9) The Committee comes out in favour of a development strategy for structurally weak regions which:
 - is accompanied by a corresponding macroeconomic policy;
 - aims to raise the economic and social standard of the disadvantaged regions, not through low-wage employment but through productivity-boosting investment;
 - also devotes maximum attention to infrastructure.
- 10) The Committee has no objection to a certain revision of Community initiatives, for which the financial framework has so far fallen short of the Commission's wishes. There is, however, no doubt of the value of Community initiatives as an instrument.
- 11) The Committee proposes that participation rates be better adapted to Member States' resources and that maximum intervention rates for Objectives 1 and 2 be raised.

This Opinion, adopted unanimously, was drawn up in the light of the paper produced by the Section for Regional Development and Town and Country Planning, chaired by Mr Robert J. Moreland (United Kingdom - Various Interests). The Rapporteur was Mr Campbell Christie (United Kingdom - Workers).

31. VOICE TELEPHONY

Proposal for a Council Directive on the application of open network provisions (ONP) to voice telephony
(COM(92) 247 final)

Gist of the Commission Proposal

The proposed directive is submitted in accordance with the priorities laid down in the ONP Directive (90/387/EEC) from 1990. It has three basic goals:

- To establish the rights of users of voice telephony services and to improve the quality of telephone services for private and business users by setting minimum quality standards to be provided by Member States. This would include the time it takes to have a phone installed, and the right to be compensated if quality standards are not met.
- To open up access to the public telephone infrastructure for service providers and other telecom operators, including mobile phones, on an equitable and non-discriminatory basis.
- To enhance Community-wide provision of voice telephony services. This would include fixing common technical specifications, for example for sockets, enabling the same equipment to be used throughout the EC. It would also aim to harmonize phone numbers on an EC-wide basis, as well as establishing access to telephone inquiries services covering the whole Community.

The directive foresees a telecommunications environment where commercial considerations are the prime justification for the implementation of new features and facilities, where national regulatory authorities have primary responsibility for regulation of national markets, and where the Commission, working in conjunction with the ONP Committee, performs a minimum coordination role at Community level to ensure that users benefit from truly European voice telephony.

The directive lays emphasis on the role of market demand, which must be the driving force for new developments in the sector. It also stresses the need for publication of information about voice telephony services; publication of such information safeguards the fair and equal treatment of service providers besides allowing users to be fully informed about the service offered and reducing the need for routine regulatory intervention.

Gist of the Committee Opinion (CES 1342/92)

The proposal seeks to introduce unhindered and harmonized access for users - including other providers of services - to the voice telephony service, in the form of the current ONP trilogy: technical interfaces, conditions of delivery and use, and tariff principles.

The need to implement these principles is great in view of the considerable variations that currently exist between Member States, to the inconvenience of users and to the detriment of developments in both the terminal market and the telephone services market in the Community.

The Committee therefore supports the proposal subject to certain comments.

First and foremost, it wishes the proposal to be more precise in areas such as exclusive and special rights and non-discrimination (economic, technical, service-related, operational and with regard to access to information).

In addition the Committee makes a number of comments on specific points of the proposal: consultation procedures, network protection and standardization work.

This Opinion, adopted unanimously, was drawn up in the light of the paper produced by the Section for Transport and Communications, chaired by Mr Eike Eulen (Germany - Workers). The Rapporteur was Mr Bo Green (Denmark - Employers).

32. EXPLOITATION OF HYDROCARBONS

Proposal for a Council Directive on the conditions for granting and using authorizations for the prospecting, exploration and extraction of hydrocarbons
(COM(92) 110 final - SYN 412)

Gist of the Commission proposal

The establishment of a single market without internal frontiers implies equal access for undertakings to exploit oil and gas resources and free movement of such products between the Member States.

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

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

Attainment of these objectives will create a more competitive environment in this industry. It will contribute towards cutting costs, stimulating exploration and production activities and, as a result, making the Community

more self-sufficient in oil and gas and generally improving its security of energy supplies. This will facilitate the free movement of oil and gas in the Community and thus complement the action taken by the Commission to liberalize the transmission and distribution stages of the gas market.

The proposal for a Directive makes it necessary to amend Article 3 of Directive 90/531/EEC of 17 September 1990, as amended by the proposal of 6 November 1991 which includes service contracts.

The *legal basis* of the Directive is Articles 57(2), 66, 100a and 113 of the Treaty, and the *general principles* on which it is based are:

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

Liberalization of the sector will apply to all entities established in the Community, including branches of non-Community companies. There will be a mechanism for withdrawing this right if companies from the Community do not enjoy equivalent advantages in non-Community countries. The new Directive is to enter into force on 1 January 1993.

Gist of the Committee Opinion (CES 1343/92)

The Committee in principle endorses the Draft Directive, but would wish to make the following comments:

- use of authorizations should be subject only to conditions which are technically or economically necessary for the more rational exploitation of new deposits;
- emphasis is laid on the importance of the new (particularly three dimensional seismic) prospecting and extraction technologies which may lead to agreements between the parties involved on repeated amendments to the authorization period;
- strategic importance should be accorded to new deposits, even if relatively small, provided they are economically justifiable;

- it is suggested that the duration of new authorizations (Article 5b of the Proposal) should not be excessively long and should, in any case, be spelt out when award procedures are published;
- and that in defined cases, time limits be extended without recourse to new authorization procedures. Steps should be taken to define general criteria and whether it is inappropriate to launch a new procedure for additional activities;
- it is also suggested that an operator making a discovery in a zone bordering one not yet subject to an authorization be granted priority status in the authorization procedure for that zone, on a competitive basis;
- it is proposed that Article 8(2) of the Proposal, concerning "relinquishment", be made more flexible in order to avoid possible litigation and interruption of prospection and production;
- as part of this approach, current operators should be guaranteed continued access to existing production areas and those for which they can produce geological data pointing to likely finds and undertake to implement a short-/medium-term drilling programme;
- the supplementary problem of previous authorizations granted under legislation still in force which does not stipulate time-limits is highlighted. The Proposal makes no provision for this;
- it is recommended that Member States and operators draw up "relinquishment plans" within a reasonably short period of time, to be made public and submitted to the Community, with a view to preventing the immediate entry into force of the Directive requiring drastic unilateral restructuring of the authorizations concerned;
- it is suggested that compensation under the relinquishment plans should be set on the basis of local legislation and legal precedent, without further provisions being made (Article 8(4));
- great care is urged in wording the new Directive, given the unforeseeable extent to which it will serve as a model for third countries;
- it is further urged that Community energy policy be increasingly integrated, both internally (progressive opening-up of the European energy market) and externally (establishment of harmonious relations with producer countries).

This Opinion, adopted by a large majority with 2 abstentions, was drawn up in the light of the paper produced by the Section for Energy, Nuclear Questions and Research, chaired by Mr Aldo Romoli (Italy - Employers). The Rapporteur was Mr Aldo Sala (Italy - Employers).

33. CO₂ EMISSIONS ENERGY EFFICIENCY

**Proposal for a Council Directive to limit carbon dioxide emissions by improving energy efficiency (SAVE programme)
(COM(92) 182 final)**

Gist of the Commission proposal

The purpose of this Directive is to secure the attainment by the Member States of the objective of limiting carbon dioxide emissions by improving energy efficiency.

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

In its Communication to the Council of 14 October 1991¹ the Commission stated that for the period 1990-2000, CO₂ emissions are likely to grow by 11%.

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

This prompted the Council to consider on 13 December last² the measures which must be taken, particularly in order:

- in improve energy efficiency (the objective of the present proposal);
- to increase the share of the Community's energy consumption accounted for by renewable sources of energy (ALTENER programme);
- to reduce the specific energy consumption of vehicles;
- to reinforce the SAVE, JOULE and THERMIE programmes.

This proposal is part and parcel of the framework of a Community energy policy on energy efficiency, as defined in the SAVE programme, approved by Council Decision 91/565/EEC³.

¹ SEC(91) 1744 final

² SN/283/91 of 13 December 1991

³ OJ No. L 307 of 8 November 1991, p. 34.

The framework proposed by the SAVE programme embraces the proposals on:

- a CO₂ emissions ceiling and energy (COM(92) 226 final of 27 May 1992);
- monitoring CO₂ emissions and other causes of the greenhouse effect (COM(92) 181 final of 1 June 1992).

The Committee unanimously adopted its Opinion on the proposal for a Decision concerning the SAVE programme at its Plenary Session of 20 May 1991.

The proposal, paying all due regard to the principle of subsidiarity and with a view to achieving the objective of stabilizing CO₂ emissions, provides for the adoption of the following specific measures:

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

The individual reductions expected are as follows:

	MT CO ₂
— Energy certification of buildings	3
— Billing of actual consumption	3
— Third party financing	5
— Thermal insulation of new buildings	6
— Inspection of boilers	20
— Inspection of motor vehicles	8
— Industrial energy audits	16

61

The Explanatory Memorandum to the proposal states that there is a danger that national initiatives taken at different times and with diverging

resources could slow progress with negative impacts on the internal market and convergence of the Member States' energy and environmental protection policies.

Member States must report to the Commission every two years on the results of the measures taken to implement this Directive and Member States shall communicate the texts of the provisions of national law which they adopt in the field governed by the Directive.

The Council, acting by a qualified majority on a proposal from the Commission and after consulting the European Parliament and the Economic and Social Committee, will, where necessary, adopt any additional provisions to the rules laid down in the Directive.

The proposal does not specify a date by which the Member States are required to bring the Directive into force.

Gist of the Committee Opinion (CES 1344/92)

The Committee welcomes the Commission proposal, but makes the following comments, among others:

- clarification is requested of the figures for the estimated reduction in the growth of CO₂ emissions resulting from the implementation of the SAVE programme;
- greater respect for the principle of subsidiarity is urged;
- there is a need to ensure ongoing technological progress in the implementation of the measures;
- the experiences of, and conclusions drawn from, the research and demonstration projects for power stations, together with any effects on the environment, should have been reported in the proposal;
- internal energy sources should be used as far as technically possible;
- care must be taken to ensure that the proposed measures do not affect the competitiveness of enterprises; to this end they must be implemented uniformly in all the Member States;
- the limit set in the proposal with regard to the gradual introduction of energy certification for buildings owned by the public authorities is unacceptable;
- in connection with this certification, a framework should be created to avoid problems as to whether owners or tenants pay for the necessary investments, taking into account the condition of each particular dwelling;

- optimal use of third-party financing is recommended and in particular that the system does not discriminate against small- and medium-sized companies;
- also recommended are the regular inspection of heating installations and motor vehicles; a high level of technology must be deployed in such inspections and the testing methods must be comparable;
- only materials free of health risks should be used for insulation purposes;
- the Commission is urged to take appropriate steps if the Member States fail to implement the Directive properly;
- a single energy audit framework should be used by all the Member States;
- finally, the proposal should be adopted as rapidly as possible.

This Opinion, adopted unanimously, was drawn up in the light of the paper produced by the Section for Energy, Nuclear Questions and Research, chaired by Mr Aldo Romoli (Italy - Employers). The Rapporteur was Mr Paul Flum (Germany - Workers).

34. RESOLUTION OF THE COMMITTEE ON THE EVE OF THE EDINBURGH SUMMIT

On the eve of the Edinburgh Summit, the Economic and Social Committee pointed out that the decisions reached at Maastricht should permit a major, historic step forward for Europe. However, the deterioration of the economic situation and the continuous rise in unemployment have surrounded the integration process with an aura of difficulty.

Determined action is needed at Community and national level to overcome these difficulties, so as to restore confidence to the citizens of Europe and make the integration process acceptable.

Such action must concentrate mainly on:

- harmonious economic and social development in all regions of Europe;
- revival of a cooperative strategy for growth concentrating on employment and protection of the environment.

The Union Treaty ratification process has clearly revealed the desire of the peoples of Europe to be more closely involved in the creation of a genuine democratic Community which will serve all its citizens.

The Economic and Social Committee strongly supports the establishment of this "Citizens' Europe", the ultimate goal of which must be to organize unity whilst respecting cultural diversity, traditions and sensitivities. A shared basic attachment to the democratic values of freedom, social justice, tolerance and human rights is the precondition for policies which European citizens need in order to identify with and participate in the building of Europe.

Against this background, the Economic and Social Committee would stress the need to apply the principle of subsidiarity in order to ensure that all the protagonists in European integration (the Community, Member States, regions, social partners and other social and economic groups) take on their respective responsibilities in order to make a success of the common policies in the most effective manner, and enable European citizens to share in them to the full.

The Economic and Social Committee, as the Community body which has precisely the function of formulating and transmitting the opinion of the Community's economic and social forces, can make a special contribution to greater transparency in decision-making through increased provision of information to the public and wider consultation of its representatives.

The Committee calls for full implementation of the ratification process, backed up by efforts to find a rapid solution to the problem of the future financing of the Community, with a view to the attainment of the Community's stated objectives, in particular as regards greater economic and social cohesion and enlargement.

The Committee reiterates its intention to exercise fully the rights granted to it by the Maastricht Treaty - including necessary cooperation with the Committee of the Regions, insofar as the resources required are made available to the two bodies - to help to enhance democratic participation and to play its part in meeting the challenges confronting Europe in the third millennium.

This Resolution was adopted by a majority with 2 votes against and 7 abstentions.

35. RESOLUTION OF THE ECONOMIC AND SOCIAL COMMITTEE ON RACISM, XENOPHOBIA AND RELIGIOUS INTOLERANCE

The Economic and Social Committee, gravely concerned at the upsurge of racial intolerance and xenophobia in many parts of Europe, and the acts of verbal and physical violence towards other human beings of another ethnic group, religion or nationality,

- voices its solidarity with the groups and individuals who are morally and physically hurt by acts that are unworthy of a Community which is founded, first and foremost, on respect for democracy and minorities - an integral part of coexistence based on a sense of civic responsibility;
- condemns all those who, in any Member State, by word or deed attack members of ethnic or religious minorities, EC or non-EC immigrant workers, or refugees who have been driven by desperate circumstances to seek sanctuary in the Community, and urges the individual Member States to take urgent and effective action through their competent authorities to prevent and punish these deplorable acts rather than merely condemn them in words;
- urges that this problem be addressed at the forthcoming Council of Heads of State or Government, to be held in Edinburgh on 11 and 12 December, with a view to giving the Council of Ministers and the Commission guidelines for proposing the adoption of practical measures to combat this very grave phenomenon in an effective way; the Committee would draw attention in this context to the terms of the *Paris Charter for a New Europe*;
- asks the European Parliament, which has already discussed this subject, to convene a European Conference, together with the ESC to examine in depth the problems raised by current events and pinpoint actions to be taken to help eradicate a phenomenon which could have serious consequences for European unity and the implementation of the plans for European citizenship enshrined in the Maastricht Treaty.

This Resolution was adopted by a majority with 2 abstentions.

II — Outside presence and influence of the ESC

Official visit of the Chairman of the Economic and Social Committee to the Government of the United Kingdom on 3 and 4 December 1992

The Chairman of the ESC, Mrs Susanne Tiemann, and the Secretary-General, Mr Simon-Pierre Nothomb, paid an official visit to the Government of the United Kingdom on 3 and 4 December 1992.

Whilst there they met Mr Garel-Jones, Minister of State in the Foreign and Commonwealth Office, Mr Richard Needham, Minister for Trade (Chairman of the Internal Market Council), Department of Trade and Industry, Mr Anthony Nelson, Economic Secretary, Mrs Anne Daltrop, Chairman of the Consumers in the European Community Group, Mr R. Leight Pemberton, Governor of the Bank of England, Mr Norman Willis, Secretary-General of the Trade Union Congress, Members of the Inter-Professional Group, Local Government representatives in the Association of County Councils, Mr Howard Davies, General Director of the Confederation of British Industry, Members of the European Policy Forum and the Union of Independent Companies.

Activities of the Chairman and Secretary-General

12 November 1992: meeting with Mr Kalyananda Godage, Ambassador Extraordinary and Head of Mission of the Socialist Democratic Republic of Sri Lanka.

25 November 1992: meeting in Brussels with Sir John Kerr, Permanent Representative of the United Kingdom.

28 November 1992: 16th annual meeting of socio-economic interest groups from the EC and ACP countries, held at Committee headquarters, Brussels, under the auspices of the Joint Assembly.

2 December 1992: 25th Joint Meeting of the Economic and Social Committee and EFTA's Consultative Committee, held in London.

18 December 1992: meeting in Brussels with Mr MacKernan, Ireland's Permanent Representative.

18 December 1992: meeting in Brussels with Mr Jürgen Trumpf, Permanent Representative of Germany to the EC.

18 December 1992: talks in Brussels with Ambassador Rachid Sfar, Head of Tunisia's delegation to the EC.

18 December 1992: meeting in Brussels with Mr Philippe de Schoutheete de Tervarent, Belgium's Permanent Representative.

Various interests

4 November 1992: speech in Brussels by Maria Blasquez Martinez, Regional Health Authority Minister of Castilla-La Mancha, to the monthly meeting of the Section for Protection of the Environment, Public Health and Consumer Affairs, on the Health, Safety and Economic Interests of Consumers: Factors of Equilibrium with a View to Achieving Sustainable Regional Development within the Framework of European Unification: The Experience of Castilla-la Mancha.

11 and 12 November 1992: Participation of a delegation of the Section for Social, Family, Educational and Cultural Affairs at the 2nd European Conference on Monitoring the Work Environment, held in Dublin (Ireland).

18 November 1992: statement by the Earl of Caithness, Minister for Aviation and Shipping, at the meeting of the Section for Transport and Communications held in Brussels.

16 December 1992: speech to the Section for Regional Development and Town and Country Planning by Eneko Landaburu, Director-General of DG XVI, on the outlook for regional policy, and by Mr David Hunt, UK Secretary of State for Wales, on the British Presidency and Regional Development.

Miscellaneous

The François Staedelin Prize

The main prize at the European Occupational Health and Safety Video Film Festival has been named after François Staedelin. François Staedelin, who was elected Chairman of the Economic and Social Committee in October 1990, died in office on 30 December 1991. He played a major role in the building of a Social Europe.

The prize was presented on 19 October in Thessaloniki by Melina Mercouri, Greek parliamentarian and ex-Minister of Culture, to the film "No going back" (Gower Publishing Company Ltd.). A representative of the Economic and Social Committee, Vasco Cal (Workers Group, Portugal, Chairman of the Social Section from October 1990 to October 1992) presented the spectators' prize to the film "Dead serious about safety" (British Railways).

III — Fact-finding visits

During the period covered by this publication the following groups visited the Economic and Social Committee:

- 4 November 1992: University of Essex, Colchester (United Kingdom)
- 4 November 1992: REDA, County Vejle (Denmark)
- 10 November 1992: GMB - Britain's General Union delegation from Lancashire (United Kingdom)
- 11 November 1992: Colgate University, Hamilton (United States)
- 12 November 1992: IUC - International Education Centre, "Focus Europe", Svondburg (Denmark)
- 13 November 1992: CFDT, Ile-de-France
- 16 November 1992: Labour Ministry of Finland
- 17 November 1992: Hoger Instituut voor Economisch, Paramedisch en Sociaal Onderwijs, Kortrijk (Belgium)
- 17 November 1992: The Law Society, London (United Kingdom)
- 17 November 1992: Dortmund Fachhochschule (Architecture Dept.) (Germany)
- 17 November 1992: Fachhochschule des Bundes für öffentliche Verwaltung, Cologne (Germany)
- 18 November 1992: Back-up mission in support of training and development as part of Integrated Mediterranean Programmes (participants involved in the training of Advisors in European Affairs), Montpellier (France)
- 19 November 1992: Landeszentrale für politische Bildung, Kiel (Germany)

-
- 19 November 1992: Ecole Supérieure de Commerce de Nantes Atlantique (Norwegian group)
- 20 November 1992: National Agency of Government Employers (Sweden)
- 20 November 1992: Civil servants from the Conseil régional de Bretagne (France)
- 23 November 1992: IUC - International Education Centre, "Focus Europe", Svondburg (Denmark)
- 24 November 1992: Delegation from the DGB-Landesvorstand, Niedersachsen (Confederation of German Trade Unions)
- 24 November 1992: European Trade Union College, Brussels
- 25 November 1992: Institut de Coopération sociale international (ICOSI), Paris (France)
- 26 November 1992: Intergovernmental Study Group on Swedish Labour Law and Collective Agreements (Sweden)
- 26 November 1992: Judges and public prosecutors from Schleswig-Holstein (Germany)
- 1 December 1992: Confederation of organizations of Danish civil servants and employees (Denmark)
- 2 December 1992: Group from the European Commission's Training Programme EUROTRAIN
- 3 December 1992: Inter-University European Institute on Social Welfare, Marcinelle (Belgium)
- 3 December 1992: Trade unionists from Sachsen-Anhalt (Germany)
- 3 December 1992: Deutsche Gesellschaft, Berlin (Germany)
- 4 December 1992: Verband Deutscher Akademiker für Ernährung, Landwirtschaft und Landespflege e.V., Bonn (Germany)

-
- 8 December 1992: Seminar for German civil servants (directors and heads of job-placement departments) of the public employment offices of the new German Federal Länder (organized by the German Federal Institute for Labour and the European Commission)
- 8 December 1992: City of Bath College (United Kingdom)
- 11 December 1992: Lycée privé St Jacques, Hazebrouck (France)
- 14 December 1992: Institute of Regional Geography of Leipzig (Germany)
- 14 December 1992: Hogeschool Haarlem - SOCA Sector opleidingen sociale arbeid, Zwolle (Netherlands)
- 15 December 1992: Association parisienne du commerce international (France)
- 16 December 1992: Notre Dame du Grandchamp, Versailles (France)

Venta y suscripciones • Salg og abonnement • Verkauf und Abonnement • Πωλήσεις και συνδρομές
Sales and subscriptions • Vente et abonnements • Vendita e abbonamenti
Verkoop en abonnementen • Venda e assinaturas

BELGIQUE / BELGIE

Moniteur belge / Belgisch Staatsblad
Rue de Louvain 42 / Leuvenseweg 42
B-1000 Bruxelles / B-1000 Brussel
Tél (02) 512 00 26
Fax (02) 511 01 84

Autres distributeurs /
Ceverge verkooppunten

**Librairie européenne /
Europese boekhandel**
Rue de la Loi 244/Wetstraat 244
B-1040 Bruxelles / B-1040 Brussel
Tél (02) 231 04 35
Fax (02) 735 06 60

Jean De Lannoy
Avenue du Roi 202 /Koningslaan 202
B-1060 Bruxelles / B-1060 Brussel
Tél (02) 538 51 69
Télex 63220 UNIBOOK B
Fax (02) 538 08 41

Document delivery.

Credac
Rue de la Montagne 34 / Bergstraat 34
Bte 11 / Bus 11
B-1000 Bruxelles / B-1000 Brussel
Tél (02) 513 69 41
Fax (02) 513 31 95

DANMARK

J. H. Schultz Information A/S
Herstedvang 10-12
DK-2620 Albertslund
Tel 43 63 73 00
Fax (Sales) 43 63 19 69
Fax (Management) 43 63 19 49

DEUTSCHLAND

Bundesanzeiger Verlag
Breite Straße 78-80
Postfach 10 00 06
D-W-5000 Köln 1
Tel (02 21) 20 29-0
Telex ANZEIGER BONN 8 882 595
Fax 2 02 92 78

GREECE/ΕΛΛΑΔΑ

G.C. Eleftheroudakis SA
International Bookstore
Nikis Street 4
GR-10563 Athens
Tel (01) 322 63 23
Telex 219410 ELEF
Fax 323 98 21

ESPAÑA

Boletín Oficial del Estado
Trafalgar, 29
E-28071 Madrid
Tel (91) 538 22 95
Fax (91) 538 23 49

Mundi-Pressa Libros, SA

Castelló, 37
E-28011 Madrid
Tel (91) 431 33 99 (Libros)
431 32 22 (Suscripciones)
435 36 37 (Dirección)
Télex 49370-MPLI-E
Fax (91) 575 39 98

Libreria Internacional AEDOS

Consejo de Ciento, 391
E-08009 Barcelona
Tel (93) 488 34 92
Fax (93) 487 76 59

Libreria de la Generalitat de Catalunya

Rambà dels Estudis, 118 (Palau Moya)
E-08002 Barcelona
Tel (93) 302 88 35
302 64 62
Fax (93) 302 12 99

FRANCE

**Journal officiel
Service des publications
des Communautés européennes**
26, rue Desaix
F-75277 Paris Cedex 15
Tél (1) 40 58 75 00
Fax (1) 40 58 77 00

IRELAND

Government Supplies Agency
4-5 Harcourt Road
Dublin 2
Tel (01) 61 31 11
Fax (1) 78 06 45

ITALIA

Licosa SpA
Via Duca di Calabria 1/1
Casella postale 552
I-50125 Firenze
Tel (055) 64 54 15
Fax 64 12 57
Telex 570466 LICOSA I

GRAND-DUCHÉ DE LUXEMBOURG

Messagerie des livres
5 rue Raffinens
L-2411 Luxembourg
Tel (070) 40 10 20
Fax 40 10 24 01

NETERLAND

SDU Overheidsinformatie
Externe Fondsen
Postbus 20014
2500 EA 's-Gravenhage
Tel (070) 37 89 911
Fax (070) 34 75 778

PORTUGAL

Imprensa Nacional
Casa da Moeda, EP
Rua D. Francisco Manuel de Melo, 5
P-1092 Lisboa Codex
Tel (01) 69 34 14

Distribuidora de Livros

Bertrand, Ld.*
Grupo Bertrand, SA
Rua das Terras dos Vales, 4-A
Apartado 37
P-2700 Amadora Codex
Tel (01) 49 59 050
Telex 13798 BERDIS
Fax 49 60 255

UNITED KINGDOM

HMBO Books (Agency section)
HMBO Publications Centre
51 Nine Elms Lane
London SW8 5DR
Tel (071) 873 9090
Fax 873 8463
Telex 29 71 138

ÖSTERREICH

**Menz'sche Verlags-
und Universitätsbuchhandlung**
Kohlmärkt 16
A-1014 Wien
Tel (0222) 531 61-0
Telex 112 500 BOX A
Fax (0222) 531 61-39

SUOMI/FINLAND

Akateeminen Kirjakauppa
Keskuskatu 1
PO Box 128
SF-00101 Helsinki
Tel (0) 121 41
Fax (0) 121 44 41

NORGE

Narvesen Info Center
Bertrand Narvesens vei 2
PO Box 6125 Etterstad
N-0602 Oslo 6
Tel (22) 57 33 00
Telex 79668 NIC N
Fax (22) 68 19 01

SVERIGE

BTJ

Tryck Traktortvågen 13
S-222 60 Lund
Tel (046) 18 00 00
Fax (046) 18 01 25
30 79 47

SCHWEIZ / SUISSE / SVIZZERA

OSEC

Stämpfenbachstraße 85
CH-8035 Zurich
Tel (01) 365 54 49
Fax (01) 365 54 11

ČESKÁ REPUBLIKA

NIS ČR

Havelkova 22
130 00 Praha 3
Tel (2) 235 84 46
Fax (2) 235 97 88

MAGYARORSZÁG

Euro-Info-Service

Club Sziget
Margitsziget
1138 Budapest
Tel/Fax 1 111 60 61
1 111 62 16

POLSKA

Business Foundation

ul. Krucza 38/42
00-512 Warszawa
Tel (22) 21 99 93 628-28-82
International Fax&Phone
(0-39) 12-00-77

ROMÂNIA

Euromedia
65, Strada Dionisie Lupu
70184 Bucuresti
Tel/Fax 0 12 96 46

BALGARIA

Europress Klassica BK Ltd
66, bd Vitosha
1463 Sofia
Tel/Fax 2 52 74 75

RUSSIA

Europe Press
20 Sadovaya-Spasskaya Street
107078 Moscow
Tel 095 208 28 60
975 30 09
Fax 095 200 22 04

CYPRUS

Cyprus Chamber of Commerce and Industry

Chamber Building
38 Girvas Dhignis Av
3 Deiqorgos Street
PO Box 1455
Nicosia
Tel (2) 449500/462312
Fax (2) 458630

TÜRKIYE

**Pres Gazete Kitap Dergi
Pazarlama Dağıtım Ticaret ve Sanayi
AŞ**
Naribahçe Sokak N 15
İstanbul-Çağaloğlu
Tel (1) 520 92 96 - 528 55 66
Fax 520 64 57
Telex 23822 DSVO-TR

ISRAEL

ROY International

PO Box 13056
41 Mishmar Hayarden Street
Tel Aviv 61130
Tel 3 496 108
Fax 3 544 60 39

**UNITED STATES OF AMERICA /
CANADA**

UNIPUB

4611 F. Assembly Drive
Lanham MD 20706-4391
Tel Toll Free (800) 274 4888
Fax (301) 459 0056

CANADA

Subscriptions only
Uniquement abonnements

Renouf Publishing Co. Ltd

1294 Algoma Road
Ottawa Ontario K1B 3W8
Tel (613) 741 63 33
Fax (613) 741 54 39
Telex 0534783

AUSTRALIA

Hunter Publications

58A Gipps Street
Collingwood
Victoria 3066
Tel (3) 417 5361
Fax (3) 419 7154

JAPAN

Kinokuniya Company Ltd

17-7 Shinjuku 3-Chome
Shinjuku-ku
Tokyo 160-91
Tel (03) 3439-0121

Journal Department

PO Box 55 Chitose
Tokyo 156
Tel (03) 3439-0124

SOUTH-EAST ASIA

Legal Library Services Ltd

STK Agency
Robinson Road
PO Box 1817
Singapore 9036

AUTRES PAYS

**OTHER COUNTRIES
ANDERE LÄNDER**

**Office des publications officielles
des Communautés européennes**

2, rue Mercier
L-2985 Luxembourg
Tel 499 28-1
Telex PUBOF LU 1324 b
Fax 48 85 73/48 66 17

Single copy ECU 15.00

Annual subscription ECU 40.00



OFFICE FOR OFFICIAL PUBLICATIONS
OF THE EUROPEAN COMMUNITIES

L-2985 Luxembourg

EX-AB-92-003-EN-C