

ECONOMIC AND SOCIAL COMMITTEE
OF THE EUROPEAN COMMUNITIES

BULLETIN

Brussels - No. 10/1983

**When notifying us of
CHANGES OF ADDRESS,
you are asked to send back the envelope with your old address as printed by
our addressograph machine. This helps us to trace you.**

CONTENTS

	<i>Page</i>
211th PLENARY SESSION	3
Adoption of Opinions	3
1. FUTURE FINANCING OF THE COMMUNITY	3
2. TOURISM POLICY	5
3. GENERALIZED TARIFF PREFERENCE SCHEME 1984	7
4. OILS AND FATS (own-initiative Opinion)	8
5. FINANCING OF INNOVATION	9
6. BASIC TECHNOLOGY	10
7. COMMUNITY QUOTA/NEW METHOD	12
8. COKING COAL AND COKE	14
9. FINANCIAL SUPPORT — MULTIANNUAL INFRA- STRUCTURE PROGRAMME	15
10. DEVELOPMENT POLICY	17
11. TITANIUM DIOXIDE	18
12. INSURANCE SWITZERLAND/EEC	19
13. SPARKLING WINES	21
14. PROTECTION OF FORESTS	23
15. SOUND LEVEL OF MOTOR VEHICLES	24
EXTERNAL RELATIONS	26
Chairman's activities	26
ESC Delegation in Greece	26
NEW CONSULTATIONS	27
PROVISIONAL FUTURE WORK PROGRAMME ..	29
MEMBERS' NEWS	31

211th PLENARY SESSION

The European Communities' Economic and Social Committee held its 211th Plenary Session at its headquarters in Brussels on 26 and 27 October 1983. Its Chairman, Mr François Ceyrac, presided.

Adoption of Opinions

1. FUTURE FINANCING OF THE COMMUNITY

“Future financing of the Community — draft decision on new own resources”

Gist of the Commission document

Since the Council Decision of 21 April 1970, the Community's own resources have been financed by customs duties, agricultural and sugar levies, and a share of VAT up to a ceiling of 1%.

Because of the big increase in agricultural spending, the Community may run out of money by 1984 at the latest.

The Commission therefore thinks that an increase in own resources is vital.

The present system will be kept, with the following changes:

The VAT ceiling will be raised from 1% to 1.4%.

As long as agricultural spending accounts for the lion's share of the budget, a variable VAT levy will be imposed, based on the difference between spending from the EAGGF Guarantee Section (less that on food aid and in connection with the ACP sugar protocol) and 33% of total budget expenditure. This will be borne by the Member States. Thus, the ceiling of 1.4% (or whatever figure is in force) may be exceeded for an individual Member State, as long as the ceiling for the Community is not exceeded. The VAT would also be determined using the following indicators:

- each Member State's share of the Community, final agricultural production of goods subject to organized market arrangements;
- the index of each Member State's share in the Community's net operating surplus; and

- each Member State's relative level of prosperity, as measured by per capita GDP.

In the event of an unusual and unforeseen increase in Community spending, the ceiling of 1.4% could be raised by stages of 0.4%. But such an increase should only be approved by the budgetary authorities following a proposal from the Commission. The Council would have to agree unanimously and the European Parliament by a majority of its members and three-fifths of the votes cast. This would be a change from the present system, under which each of the Member States' national parliaments has to give its approval.

Gist of the Opinion⁽¹⁾

Deeply disturbed by the Community's alarming state and the current financial impasse, the Economic and Social Committee came out in favour of an increase in the Community's own resources, in an Opinion adopted by 108 votes to 3 with 7 abstentions. But it stressed that the tendency to want to go it alone in solving the problems is a short-sighted attitude. The Community implies solidarity, including financial solidarity. Without solidarity there can no longer be a Community. Every type of rationalization and economy measure — particularly, though not exclusively, in agriculture — is therefore welcome. False economies must, however, be avoided.

New common policies are not only necessary but a matter of urgency. Some policies which are inexpensive (for example, those in the monetary, transport, internal market, social protection and environment spheres) seek primarily to create the conditions required for economic recovery. Others (for example, the policies on scientific research, energy and new technologies) are more costly, but Community action will be more profitable and rational than action at national level.

Though the positive achievements of the Common Agricultural Policy cannot be overlooked, nor its social and economic objectives ignored, there are undoubted distortions, especially in the shape of surpluses. An overhaul of the CAP is therefore needed so that production can be brought under control or reshaped, probably in stages.

The ESC considers that the proposal to raise the VAT ceiling from 1% to 1.4% can be approved, provided that expenditure is tailored to needs and stringent controls are applied to ensure that spending is both justified and effective.

⁽¹⁾ Doc. CES 978/83

In the ESC's view, VAT as an own resource of the Community has many advantages from the point of view of practicability and efficacy. This system reflects grosso modo each Member State's capacity to contribute and forms an adequate basis for the financing of the Community. The ESC has, however, serious reservations about the proposal to gear the variable VAT rates to the level of agricultural production among other factors; this mechanism is designed, in conjunction with the 33% threshold for agricultural expenditure, to reduce the contribution of some Member States and increase that of others.

This opinion was based on material prepared by the Section for Economic and Financial Questions, under the chairmanship of Mr Marvier (France - Various Interests). The Rapporteur was Mr van der Mensbrugge (Belgium - Employers).

2. TOURISM POLICY

"Initial guidelines for a Community policy on tourism"

Gist of the communication

This document sets out the initial guidelines for such a policy and is in two parts: the text of the formal communication itself (13 pages), and an Appendix (47 pages) entitled "The European Community and Tourism" which is a more detailed study of the subject and deals with six major subjects as follows:

1. The importance of tourism generally
2. Freedom of movement and the protection of tourists
3. Working conditions for those engaged in tourism
4. Transport and tourism
5. Regional development and tourism
6. Safeguarding the European heritage and tourism.

The document considers the areas in which Community action is likely to stimulate the harmonious development of tourism and indicates to the Council which of the proposals now before it would, when adopted, promote this development; it also seeks to identify the priority areas in which Community action, either in addition to or in coordination with action at national level, could help solve some of the problems of tourism in the Community.

Gist of the Opinion⁽¹⁾

The introduction of a tourism policy would act as a shot in the arm to the Community. This is the message presented by the Economic and Social Committee in its Opinion, adopted unanimously, approving the proposed Community tourism policy.

It is convinced that continued expenditure on tourism would give a real boost to the economy.

The Committee goes beyond mere approval of the proposed policy, however, and puts forward a number of new ideas.

Bearing in mind that tourism is about people, it is proposed that a specific social tourism policy be devised to enable as many people as possible to take holidays, particularly dependent categories — the young and the aged, and the disadvantaged, the unemployed, the handicapped and immigrants.

Concern was also expressed both with the inadequacy of insurance coverage for tourists, and at the other end of the scale with the problem of over-insurance. Specifically it is recommended that Member States should provide automatic medical coverage for insured EEC tourists, and that a system of standard minimum insurance be introduced to cover other obvious risks.

The Committee expresses particular concern about coach and bus safety, a topical issue, and asks that it be studied.

On the protection of the tourist as a consumer, the setting up of simple complaints procedures at national level and their harmonization at Community level is recommended; but it is also agreed that the tourist operators themselves may also need protection against cancellations, strikes, bankruptcies and bad weather. It is therefore proposed to harmonize the national tourism guarantee fund legislation.

The Committee also favours new standard hotel and travel contracts, and the harmonization of regulations covering travel agencies to prevent growth of bucket-shops.

Other proposals include the harmonization of tourist statistics, the grading of hotels, the simplification of regional aid procedures, and the study of the effect of mass tourism on the environment.

Finally, it is pointed out that tourism is withstanding the present recession fairly well, already provides over 4 million jobs, and will be

⁽¹⁾ Doc. CES 984/83

among the world's largest industries by the year 2000, and for these reasons merits particular attention.

This opinion was based on material prepared by the Section for the Environment, Public Health and Consumer Affairs, under the chairmanship of Mrs Heuser (Germany - Various Interests). The Rapporteur was Mr Brassier (France - Various Interests).

3. GENERALIZED TARIFF PREFERENCE SCHEME 1984

“Proposal from the Council fixing the Community's generalized tariff preferences scheme for 1984”

Gist of the Commission proposal

In the case of industrial products, the Commission states that it has examined the situation in the sensitive sectors of Community industry in order to offer the developing countries the greatest possible opportunities while at the same time protecting vital Community interests.

Besides some changes in the list of sensitive products and in certain quotas and ceilings, the Commission proposes increasing by 10% the reference bases for non-sensitive products subject to statistical surveillance and lifting some of the exclusions applying to China and Romania.

In the case of textile products, for which the bases for calculating the ceilings are no longer in line with the actual trend in trade, the Commission is preparing a revision of the system for 1986.

In the meantime it proposes some technical adjustments and an increase in the individual ceilings of the beneficiary countries in line with the trends in the textile trade.

For agricultural products, the Commission reintroduces those of its last year's proposals which were not accepted by the Council and which were designed to grant the least developed countries access to the Community market on the same terms as the ACP countries.

It further proposes improving certain preferential margins, unifying certain GSP rates and removing the few exclusions which still apply to China.

Finally, the Commission would still like to set up a Generalized Preferences Committee and intends to propose, before the end of the year, changes to the rules of origin.

Gist of the Opinion⁽¹⁾

In an Opinion, adopted unanimously, the Committee approved the Commission's proposal which rightly concentrated on marginal changes compatible with the present economic situation.

Nevertheless, with a view to the revision of the scheme for the next five-year period, the Committee reiterated its previous recommendations on the need to include clauses on minimum labour standards and human rights in the partner countries, and its comments on the administration of the GSP and the timetable for consulting the ESC.

This opinion was based on material prepared by the Section for External Relations, under the chairmanship of Mr Zinkin (United Kingdom - Employers). The Rapporteur was Mr Cremer (Germany - Workers).

4. OILS AND FATS (own-initiative Opinion)

“Community policy on oils and fats”

Gist of the Opinion⁽²⁾

The Economic and Social Committee adopted its Opinion by 73 votes to 64, with 3 abstentions, after a compromise postponing discussion of a tax on fats and oils until a debate to be held by the ESC later on the improvement of the Common Agricultural Policy. It noted the need to link import prices with Community cost prices but, in view of the Commission's new proposal on the revision of the Common Agricultural Policy, reserves the right to adopt a position later on whether or not a tax should be applied in this area.

This compromise formula, which was supported by a majority of ESC members, resulted from a mass debate on what guidelines should be laid down for fats and oils. Farmers wanted a system of minimum entry (or marketing) prices for imported vegetable fats (seeds and oils) with, possibly, an excise duty on vegetable fats which were imported or produced in the Community as a replacement. But some industrialists and consumers were against any measure which smacked of a levy, minimum entry price or tax and would lead to higher costs for the cattle breeder, industry or the consumer. Their proposal was only rejected by 68 votes to 66, with 7 abstentions.

⁽¹⁾ Doc. CES 985/83

⁽²⁾ Doc. CES 980/83

This opinion was based on material prepared by the Section for Agriculture, under the chairmanship of Mr Emo Capodilista (Italy - Various Interests). The Rapporteur was Mr Lauga (France - Various Interests).

5. FINANCING OF INNOVATION

“Proposal for a Council decision empowering the Commission to help finance innovation within the Community”

Gist of the Commission proposal

The financing of innovation has a number of special features: high risk in terms of banking criteria, delayed returns, and the need for a large market. Small and medium-sized enterprises encounter specific financing problems which arise from their inherent nature: under-capitalization, poor access to capital markets, and a lack or inadequacy of traditional guarantees and collateral.

Such are these difficulties that the Commission has been prompted to propose that financial assistance should be given to enable small and medium-sized enterprises to develop. The Commission is asking the Council for powers to provide innovative small and medium-sized enterprises — through financial intermediaries — with a financial product made up of a combination of loans derived from borrowed resources (a special 100 million ECU tranche of the NCI) and grants from budget resources (20 million ECU).

- The loan would be used to finance certain forms of asset (e.g. intangible assets and working capital) which are essential if innovative small and medium-sized enterprises are to grow;
- it would require no special guarantee from the final borrower;
- interest charges during the first few years (2 to 3) would be a charge on the Community budget (to take account of the delayed returns from the investment);
- it should be available only if the institution acting as distributing intermediary undertook to supply the same amount of finance at the same time at its own risk; in this way the risk that goes with innovation would be shared between the intermediary and the Community.

Gist of the Opinion⁽¹⁾

In its Opinion, adopted unanimously, the Committee emphasized that small and medium-sized enterprises from whom the Community and its

⁽¹⁾ Doc. CES 975/83

member countries expected an essential contribution to technological progress, job creation and competitiveness, encountered particular difficulties when facing up to "innovation", not least concerning its finance. In most — if not all — EEC member countries special financial measures were taken to try and reduce these difficulties: but these measures varied greatly, were much more comprehensive and effective in some countries than in others and were, in general, insufficient to provide conditions equivalent to those prevailing amongst the Community's main competitors, Japan and the USA in particular.

The Committee therefore reaffirmed that much more needed to be done to promote innovation, especially amongst small firms.

It was very conscious that the Commission's proposal had to be seen as an experimental scheme, initially of rather modest dimension, but hoped it would be implemented quickly and the opportunity thus be given to build on the experience gained.

This opinion was based on material prepared by the Section for Industry, Commerce, Crafts and Services, under the chairmanship of Mr De Wit (Netherlands - Employers). The Rapporteur was Mr Poeton (United Kingdom - Employers).

6. BASIC TECHNOLOGY

"Proposal for a Council Decision adopting a multiannual research and development programme of the European Economic Community in the field of basic technological research and development programme of the European Economic Community in the field of the applications of new technologies"

Gist of the draft decisions

The two draft decisions come under the framework programme for a European scientific and technical strategy (1984-1987). The programme sets out seven options for the Community which include the promotion of industrial competitiveness and also the promotion of competitiveness in agricultural products and improvements in living and working conditions. Each of the options is to be carried out by means of research programmes divided into sub-programmes for specific fields. Several sub-programmes have already been introduced with a view to improving industrial competitiveness; examples are the sub-programmes on the Community Bureau of Reference and on textiles (the Committee has issued favourable Opinions on both of these sub-programmes).

The document under consideration sets out two new sub-programmes dealing with basic technological research and the applications of new technologies.

Basic technological research

The aim of basic technological research (BTR), a field which has been somewhat neglected by the main European research centres, is to advance the state of the art of those basic technologies which industry can utilize to develop the competitive products and processes of the future.

The BTR sub-programme, which will cover nine principal areas of research, is to be implemented by means of jointly-financed contracts. EC financial support is not to exceed 50% of the total cost of the projects, the remainder being met by the companies taking part in the projects. The total cost of the sub-programme is estimated at 270 million ECU, 135 million of which could therefore be met from EC funds. The programme is to last 4 years.

The application of new technologies

The development of basic technologies under the sub-programme mentioned above will provide an important basis for enabling industry to develop new products and processes for which markets may emerge over the next ten years and probably over a longer period towards the end of the century. Industrial competitiveness does, however, depend on the ability of individual undertakings and industries to adapt new technologies from other sectors to meet their own production requirements. When one compares the situation in the EC with that in other industrialized countries, inter-sectoral technological cooperation for the benefit of one particular sector is a field in which the Community is lagging behind.

In order to assess the feasibility and the possible methods of stimulating this cooperation, tests will have to be carried out to develop a model for multi-disciplinary international research into the application of new technologies to several manufacturing industries in the EC.

The clothing industry has been chosen as the test industry for this programme because of its economic importance and also because it is an industry in which new technologies must be used in order to improve competitiveness.

The overall cost of the programme is estimated at 70 million ECU, approximately 50% of which (35 million ECU) will be met by the Community. The programme is to last 4 years.

Gist of the Opinion⁽¹⁾

In an Opinion, adopted unanimously, the Committee welcomed the Commission proposals, but took the view that the funds proposed represented a minimum, given the importance of the problems to be tackled.

The Committee emphatically endorsed the Commission's statement that — in addition to the industries producing high-technology products — the other sectors of industry would, for the foreseeable future, have a very important part to play in solving the economic and social problems of the Community. Their competitiveness therefore had to be strengthened.

The Committee expressly endorsed the Commission's criteria for selecting projects and its declared aim to bring together research by academic institutions and industrial research within the EC, regardless of national frontiers. Steps, however, had to be taken here to ensure that the targeted research projects were properly coordinated with the national programmes of individual Member States.

This opinion was based on material prepared by the Section for Industry, Commerce, Crafts and Services, under the chairmanship of Mr De Wit (Netherlands - Employers). The Rapporteur was Mr Nierhaus (Germany - Workers).

7. COMMUNITY QUOTA / NEW METHOD

“Proposal for a Council Regulation (EEC) amending Regulation (EEC) No. 3164/76 on the Community quota for the carriage of goods by road between Member States”

Gist of the Commission's Proposal

When the Commission submitted its proposal for the 1983 increase in the Community quota in September 1982, it undertook to present the Council at the beginning of 1983 with a proposal for a new method for adjusting this quota each year on the basis of objective criteria. Such a method had also been called for by the Economic and Social Committee in its Opinion of 24 November 1982 (OJ No. C 346 of 31 December 1982, page 5).

The present proposal contains two main points:

⁽¹⁾ Doc. CES 970/83

- firstly, a description of a new method for adjusting the Community quota during a transition period of five years with a possible extension for a further three years (Arts. 1 and 3) and
- secondly, the rudiments of the permanent regime to be applied to road haulage between Member States after this transition period (Art. 2).'

During the transition period the Community quota is to be increased each year by five times the rate of growth in intra-Community road haulage in the latest year for which statistics are available. The proposed method will thus restrict or put an end to the annual discussions on the adjustment of the quota.

The allocation of the Community authorizations is to be based on the following criteria:

- The economic "weight" of each Member State,
- The share of total intra-Community road Haulage traffic taken by each Member State's carriers, and
- The use made by the carriers in each Member State of the authorizations issued under the Community quota system.

At the end of the transition period the Commission intends to introduce Community authorizations which are not subject to a quota system, and it lists the conditions under which these authorizations are to be granted by the authorities in each Member State.

The Commission's proposal is based on a comprehensive plan for the transport sector which is aimed at the complete deregulation of the quota system for road haulage. In this respect this proposal is fundamentally different from its predecessors.

Gist of the Opinion⁽¹⁾

In its Opinion, adopted by 72 votes to 38, with 2 abstentions, the Committee considered that the Commission proposal needed to be radically amended. It wondered whether the proposal could be said to contribute towards a rational organization of the transport market, for which the Economic and Social Committee had always considered that the principle of free competition should be applied with prudence.

In particular, the Committee criticized the fact that the proposal would establish an automatic mechanism for increasing Community quotas, which could not be regarded as a market organization that took account of the specific nature of the transport sector.

(¹) Doc. CES 977/83

Another point of which the Committee was highly critical was that at the end of the transitional period it would fall to the Member States to issue Community authorizations: in other words, the Member States would be assigned responsibilities for the organization of the transport market that belonged to the Community.

This opinion was based on material prepared by the Section for Transport and Communications, under the chairmanship of Mrs Weber (Germany - Workers). The Rapporteur was Mr Bonety (France - Workers).

8. COKING COAL AND COKE

**“Communication from the Commission to the Council
entitled ‘the new system for coking coal and coke for the
iron and steel industry in the Community’”**

Gist of the Commission’s communication

The communication recalls the origins and development of the current system and analyses the state of the market. It presents Commission proposals for a new action with a duration limited to five years and involving financial intervention by the Community which will be both of significant size and degressive.

After vigorous expansion during the fifties and sixties, Community steel production reached 156 million tonnes in 1974 and declined thereafter to 111 million tonnes in 1982. The development of coke production was different. Consumption began to fall first because of a reduction in the consumption of coke per tonne of pig iron and secondly because of the reduced production of pig iron since 1974.

The Community system applicable to coking coal was initiated in 1967. The Member States took into consideration:

- active competition by products from non-Member States
- the importance of intra-Community trade

and decided to establish:

- a special system of aids for coal undertakings and
- a system of compensation of costs relating to intra-Community trade.

The system has been renewed a number of times since 1967 and is due to expire on 31 December 1983.

In 1970 the system was modified insofar as production aids financed by producing Member States were authorized. The Decision governing Member State aid is due to expire at the end of 1985.

Gist of the Opinion⁽¹⁾

In its Opinion, adopted by a large majority (4 votes against, 14 abstentions), the Committee supports certain of the Commission's aims but considers that the proposal to phase out EC aid over a five-year period is too radical. It agrees with the Commission's objectives of:

- maintaining coking coal production capacity and coking capacity in the Community at profitable or marginally unprofitable levels;
- ensuring the rational operation of all the coking plants in the Community;
- enabling the iron and steel industry in the Community to have guaranteed supplies on reasonable and non-discriminatory conditions.

The Committee therefore puts forward a compromise proposal that the modified system apply for a two-year period only, and that there be a complete review of the overall aid system (both EC and national aids) for coal, from the beginning of 1986. The two-year breathing space up to 1986 should be used to develop investment and research aimed at improving competitiveness and to make a more thorough study of the consequences of a reduction in aid.

This opinion was based on material prepared by the Section for Energy and Nuclear Questions, under the chairmanship of Mr Romoli (Italy - Employers). The Rapporteur was Mr Bornard (France - Workers).

9. FINANCIAL SUPPORT — MULTIANNUAL INFRASTRUCTURE PROGRAMME

“Proposal for a Council Regulation on financial support for a multi-annual transport infrastructure programme”

Gist of the Commission proposal

On 10 December 1983 the Commission sent the Council an experimental programme on transport infrastructure. The programme contained guidelines for the Community's transport infrastructure policy between 1983 and 1987⁽²⁾. The Commission is now proposing a Regulation to implement the ideas developed in this programme. The present proposal for a Regulation lays down a procedure for proceeding stage by stage to the selection of projects eligible for financial support, account

⁽¹⁾ Doc. CES 974/83

⁽²⁾ COM(82) 828 final

being taken of the progress made in evaluating the "Community interest" of infrastructure projects. The principles of the generally worded draft Regulation of 1976 on support for projects of Community interest in transport infrastructure⁽¹⁾ are hereby preserved.

Since the proposed procedure cannot be implemented in 1983 for practical reasons, the Commission proposes that the sum available in the 1983 budget should be allocated to support the following projects:

- Modernization of the road from Axios to Gallicos (Greece),
- Modernization of the Mulhouse-Nord rail interchange (France),
- The Wexford by-pass (Ireland), and
- Construction of the section of the Luxembourg-Trier motorway from Potaschbiert to the German border.

All these projects were communicated by the Member States in connection with the work of the Transport Infrastructure Committee. They all meet the two most important criteria used by the Commission in deciding the first phase of the experimental programme, i.e.

- They will help to eliminate obvious bottlenecks,
- They are of great benefit to the Community (strong influence on trade and on traffic between the Member States).

The Commission also draws up a list of eligible projects during the 1984 financial year. The approach is practical and does not follow the procedures proposed. Some of these projects concern the modernization of the most important north-south road and rail routes in Greece — projects that flow from the conclusions of the European Council meeting held between 17 and 19 June 1983. Other eligible projects for 1984 include:

- Improving the Nuremberg marshalling yards,
- Shankill-Bray by-pass (Ireland),
- M 25 motorway round London,
- Improving (rail) access to the port of Harwich and the port installations,
- Improving the inland waterway link between France and Belgium,
- Elimination of a bottleneck of the railway junction at Dordrecht,
- Denmark-Germany-Italy railway line; construction of an additional link on the Chiasso to Milan railway.

Last but not least there is a project which still has to be worked out by the Council following the conclusion of negotiations with Austria concerning the North-West/South-East transit axis.

(1) OJ No. C 207 of 2 september 1976, page 7.

As far as financing is concerned, the Community's share must not be allowed to exceed 40% of the cost of the projects. This sum, together with similar financial support available under other Community provisions, must not exceed 70% of the cost of the project.

The Commission proposes that 630 million ECU be set aside for supporting projects between 1983 and 1987. This sum should be divided up as follows:

- 10 million ECU left over from 1982,
- 15 million ECU for 1983,
- 105 million ECU for 1984,
- 150 million ECU for 1985,
- 150 million ECU for 1986, and
- 200 million ECU for 1987.

Gist of the Opinion⁽¹⁾

In its unanimously adopted Opinion, the Committee expresses support for the Commission's renewed efforts to launch a common transport infrastructure policy in the Community. Such a policy is long overdue.

The Committee feels this is only possible with the help of a permanent instrument in the form of a Community financial instrument. The Commission proposal steers a middle course between single short-term programmes and a long-term financing instrument. The Section accepts this as a temporary solution.

The Committee accordingly also approves the four projects chosen to be supported with Community 1983 budget funds (15 million ECU).

However, the Committee feels that the criteria which it listed in its September 1983 Opinion should be used for allocating projects in 1984 and subsequent years.

This opinion was based on material prepared by the Section for Transport and Communications, under the chairmanship of Mrs Weber (Germany - Workers). The Rapporteur was Mr Planck (Germany - Various Interests).

10. DEVELOPMENT POLICY

“Memorandum on the Community's development policy (non-ACP aspects)”

⁽¹⁾ Doc. CES 973/83

Gist of the Opinion⁽¹⁾

In an Opinion, adopted unanimously, the Committee considers that the Community must play a much more active role in the North-South dialogue. While the memorandum is right to concentrate on the ACP countries, the other developing countries — especially the poorest — must also benefit from Community aid; such aid should be raised to 0.1 % of Community GNP.

The Committee stresses the importance of improving the coordination of bilateral aid, both at Community and recipient level. It approves the principle of a dialogue with the recipient countries on general and sectoral economic problems and calls for an increase in the resources available for this purpose.

As far as aid priorities are concerned, the Committee once again urges that the industrialization of the developing countries be based on integrated rural development and the local processing of raw materials.

This opinion was based on material prepared by the Section for External Relations, under the chairmanship of Mr Zinkin (United Kingdom - Employers). The Rapporteur was Mr van Rens (Netherlands - Workers).

11. TITANIUM DIOXIDE

“Proposal for a Council Directive on procedures for harmonizing the programmes for the reduction and eventual elimination of pollution caused by waste from the titanium dioxide industry”

Gist of the Draft Directive

The aim of the Draft Directive is to fix procedures to harmonize the Member States' programmes to reduce and eventually eliminate pollution caused by waste from the titanium dioxide industry.

These reduction programmes must take account of all existing industrial establishments, and must fix general targets for the reduction of pollution caused by liquid, solid and gaseous wastes. These, and other intermediate targets, are to be reached by a specific date.

The proposal also sets a timetable for the implementation of these measures, varying from four to nine years, so that industries may

⁽¹⁾ Doc. CES 976/83

reasonably adapt to economic and technical conditions. Derogations from this timetable are possible where technological difficulties arise.

Gist of the Opinion⁽¹⁾

Attempts to postpone from 1987 to 1993 the deadline for the reduction of pollution from the titanium dioxide industry are not acceptable, the Economic and Social Committee declared in an Opinion adopted by 95 votes to 18 with 5 abstentions.

Titanium dioxide waste, which is frequently discharged into the sea, destroys living organisms, such as plankton, and can also accumulate in fish destined for human consumption.

The EEC adopted a Directive in 1978 establishing a timetable for the phased reduction and eventual elimination of pollution caused by waste from the titanium dioxide industry and for the harmonization by 1987 of the national programmes for the Member States.

Unfortunately, some Member States have been dragging their feet in submitting the relevant information so that the original schedule could not be adhered to. The Committee had already registered its strong disapproval of the failure by Member States to present their national pollution reduction programmes on time.

The target date was originally set to allow Community firms adequate time to take the necessary steps by 1987. The Committee therefore does not agree that the deadline be extended to 1993, and asks that the proposed extension be reconsidered and the original timetable retained. The Committee points out that an extension of the deadline would be contrary to the principle of fair competition, favouring firms which have taken little or no action and penalizing those which have.

This opinion was based on material prepared by the Section for the Environment, Public Health and Consumer Affairs, under the chairmanship of Mrs Heuser (Germany - Various Interests). The Rapporteur was Mr d'Elia (Italy - Workers).

12. INSURANCE SWITZERLAND/EEC

“Proposal for a Council Decision on the conclusion of the agreement between the Swiss Confederation and the European Economic Community concerning direct insurance other than life assurance, and the proposal for a Council

⁽¹⁾ Doc. CES 979/83

Directive on the implementation of the agreement between the Swiss Confederation and the European Economic Community concerning direct insurance other than life assurance”

Gist of the Commission Proposal

The first Council Directive relating to the coordination of laws, regulations and administrative provisions relating to the taking up and pursuit of direct insurance other than Life Assurance was issued on 24 July 1973 (OJ No. C 158, page 67).

The new proposals were designed to enable agencies and branches of companies, whose head office is located in the territory of one of the contracting parties, to take up or pursue the self-employed activity of direct insurance other than Life Assurance.

A Commission working document lists the differences between the first directive and the proposed draft agreement with Switzerland.

Gist of the Opinion⁽¹⁾

The Economic and Social Committee adopted its Opinion on this subject by a unanimous vote.

The draft agreement between the EEC and the Swiss Confederation is of considerable importance and constitutes a “first” in the Community’s relations with a non-member country as regards the right of establishment. It highlights the international character of the insurance business and underlines the interest of the contracting parties in improving their relations with each other, and thereby contributing towards economic coordination. For this reason, the Committee is favourably predisposed towards the principle of such agreements with third countries.

However, stress must be laid on the need to respect a certain number of basic objectives so as to ensure a balance between the commitments on both sides, particularly since the agreement could serve as a model for agreements of the same kind with other non-member countries.

It seems clear that the basic objectives taken into account include: (i) equal conditions of competition for insurance firms and (ii) the necessary protection of insured persons and third-party beneficiaries. But when one analyses the specific provisions of the draft agreement

⁽¹⁾ Doc. CES 972/83

and evaluates the economic and social effects it will have, one finds that there are a certain number of basic problems which make it impossible to adopt a favourable view.

The Committee considers that until such time as a satisfactory solution is found for all these basic problems, ratification of the agreement would be premature.

This opinion was based on material prepared by the Section for Industry, Commerce, Crafts and Services, under the chairmanship of Mr De Wit (Netherlands - Employers). The Rapporteur was Mr De Bruyn (Belgium - Various Interests).

13. SPARKLING WINES

Gist of the Commission's Proposals

“Proposal for a Council Regulation (EEC) amending Regulation (EEC) No. 358/79 on sparkling wines produced in the Community and defined in Item 13 of Annex II to Regulation (EEC) No. 337/79.

For reasons of clarity and logical arrangement, the Commission wishes to delete Article 8 of Council Regulation (ECC) No. 358/79⁽¹⁾ the provisions of which are embodied in a new Regulation laying down all the general rules for the description and presentation of sparkling wines and aerated sparkling wines.

“Proposal for a Council Regulation (EEC) laying down general rules for the description and presentation of sparkling wines and aerated sparkling wines”

In laying down rules for the description and presentation of sparkling wines and aerated sparkling wines, the Commission's intention is to provide potential buyers and public bodies responsible for organizing and supervising the marketing of the products concerned with sufficiently clear and accurate information.

In the Commission's view, a distinction should be made in the case of descriptive items between mandatory information needed to identify a sparkling or aerated sparkling wine and optional information designed mainly to indicate the intrinsic qualities of a product or to distinguish it clearly from other, competing products on the market. To facilitate the marketing of these wines, it should be left to the parties

⁽¹⁾ OJ No. L 54 of 5 March 1979, p. 130.

concerned to choose the optional information they wish to include. However, this information must be restricted to details which are not inaccurate or liable to create confusion in the minds of those for whom the information is intended.

The proposed Regulation takes account of Council Directive 79/112/EEC of 18 December 1979 on the Approximation of the Laws of the Member States relating to the Labelling, Presentation and Advertising of Foodstuffs for Sale to the Ultimate Consumer⁽¹⁾ which, inter alia, requires labels on products containing more than 1.2% by volume of alcohol to specify the ingredients and alcoholic strength.

The Commission also lays down precise rules regarding the manner in which mandatory information and some optional items of information are given as well as specifying the conditions under which the name of a Member State or the adjective derived from that name may be used in combination with the name of the product.

As the presentation of sparkling wines and aerated sparkling wines traditionally includes special features, such as the form of the closure, which distinguish these products from other beverages, the Commission proposes rules regarding the appearance of these special features.

Lastly, provision is made for the adoption of transitional arrangements to facilitate the changeover from national to Community rules on description and presentation, in particular so that products which comply with national rules on such matters applying before the entry into force of the proposed Regulation, but not with the new Community rules, may be marketed.

Gist of the Opinion⁽²⁾

In an Opinion, unanimously adopted, the Committee approves the adoption of a general Regulation on the description and presentation of sparkling wines and hence the deletion of Article 8 of Regulation 358/79 (which is a precondition for the adoption of a general instrument).

With regard to general rules on the description and presentation of sparkling wines and aerated sparkling wines, the Committee observes that the description "aerated sparkling" is incorrect and liable to create confusion. It considers that the term "aerated wine" would be closer to reality.

⁽¹⁾ OJ No. L33 of 8 February 1979, page 1.

⁽²⁾ Doc. CES 986/83

The Committee is in favour of a presentation that is really in keeping with the nature and quality of the product, which depends in large measure on the permitted methods of production.

As regards labelling, the Committee approves the Commission proposal.

The Committee is anxious that the provisions on designations of origin and those on trade marks should be mutually compatible.

This opinion was based on material prepared by the Section for Agriculture, under the chairmanship of Mr Emo Capodilista (Italy - Various Interests). The Rapporteur was Mr De Grave (Belgium - Workers).

14. PROTECTION OF FORESTS

“Proposal for a Council Regulation (EEC) establishing a Community scheme to provide forests in the Community with increased protection against fire and acid rain”

Gist of the Commission's Proposal

In view of the widespread damage being caused to forests in the Community by fire and acid depositions, the Commission proposes the introduction of a Regulation on forest protection which could cover:

Fire. Under the proposed Community scheme, the following steps would be taken:

- a) the reinforcement of preventive measures;
- b) the introduction of fire-fighting measures.

Acid Depositions. Under the same scheme the following steps would be taken:

- a) the setting-up of a network of monitoring posts for acid depositions in forest areas;
- b) the setting-up of teams of scientists to look into the matter and devise preventive techniques;
- c) the coordination of the scientists' work by the Commission;
- d) the establishment of experimental pilot projects in forest areas.

Gist of the Opinion⁽¹⁾

The Committee welcomes the proposed Community measures to combat damage to forests as a result of fires and acid rain. This damage has reached alarming proportions: several hundred thousand hectares of forest have already been destroyed.

In the Opinion, which it adopted unanimously, the Committee deplors the fact that the lack of a common forestry policy leaves the European Commission with few means at its disposal for tackling the causes of the problem and eliminating the damage.

The proposed measures which form part of the general drive to deal with damage to forests caused by air pollution, should be implemented without delay. The acute danger threatening European forests has been recognized and immediate action is required in all Member States.

The Committee considers that the term "acid rain" widely used to describe the very varied direct effects and side effects — which are not yet fully understood — of airborne pollutants on forests and forest floors, is very inadequate. There is still a tremendous need for research into the actual mechanism involved in the new types of forest damage.

The Rapporteur-General for this Opinion was Mr Schnieders (Germany - Employers).

15. SOUND LEVEL OF MOTOR VEHICLES

"Proposal for a Council Directive amending Directive 70/157/EEC on the approximation of the laws of the Member States relating to the permissible sound level and the exhaust system of motor vehicles"

Gist of the Commission's proposal

Because of the technical advances made in motor vehicle manufacturing, the Commission is proposing the lowering of the permissible sound level values expressed in dB(A) for every category of vehicle referred to in Annex I to Directive 70/157 on the permissible sound level of motor vehicles.

It should be noted that although the Commission is normally responsible for adapting Directives to technical progress, Article 3 of the Directive 70/157 excludes permissible sound levels from this procedure.

⁽¹⁾ Doc. CES 982/83

Gist of the Opinion⁽¹⁾

In an Opinion, adopted unanimously, the Committee approves the proposed Directive, noting that it is a concrete expression of Community efforts for an overall solution of the problems which motor vehicles pose as regards environmental protection, safety and energy conservation. Thanks to this action, the Community remains a world leader in noise level control

However, in view of the present economic and social situation in the Community, the Committee wonders if this goal can be reached in the manner and above all the time indicated, particularly as the overall sound level is the result of a number of factors which cannot be adjusted beyond a certain point without fundamentally changing the vehicle.

This opinion was based on material prepared by the Section for Industry, Commerce, Crafts and Services, under the chairmanship of Mr De Wit (Netherlands - Employers). The Rapporteur was Mr Masprone (Italy - Employers).

⁽¹⁾ Doc. CES 971/83

EXTERNAL RELATIONS

Chairman's activities

Since the last Plenary Session, Mr François Ceyrac, the Committee's Chairman

- had a meeting on 29 September with Mr Chandernagor, French Minister for European Affairs;
- met Ambassador Dimadis, Greek Permanent Representative to the European Communities and President of COREPER on 4 October;
- met Ambassador Leprette, French Permanent Representative to the European Communities on 5 October;
- made a speech at a seminar organized in Paris by the French section of the European Union of Women on 7 October;
- made a speech on the "European social dimension" at a seminar organized by the International Association of Institutes of European Studies (TEPSA) in Paris on 8 October;
- took part in a debate on Spain's adherence to the Common Market, organized by the International Chamber of Commerce in Barcelona on 17 October;
- had a meeting with Mr Andriessen, Member of the Commission, on 27 October.

ESC Delegation in Greece

The ESC sub-committee on Integrated Mediterranean Programmes visited Greece from 29 to 31 October 1983. Under the chairmanship of Mr G. Dassis, the sub-committee made a fact-finding visit to the Epireus region and then met the Secretary of State for National Economy, Mr A. Georgiadis, in Athens. Government representatives as well as representatives of socio-economic organizations took part in this meeting held on 31 October.

NEW CONSULTATIONS

During the month of October, the Council asked the Economic and Social Committee for its opinions on the following subjects:

“Proposals for Council Regulations (EEC)

- ***amending Regulation (EEC) No. 804/68 on the common organization of the market in milk and milk products***
- ***laying down general rules applying to the milk sector levy specified in Article 5c of Regulation (EEC) No. 804/68***
- ***laying down general rules applying to the milk sector levy specified in Article 5d of Regulation (EEC) No. 804/68” (COM (83) 548 final)***

“Proposal for a Council Regulation (EEC) introducing a tax on certain oils and fats” (COM (83) 562 final)

“Proposal for a Council Decision revising the sectoral research and development programme in the field of environment (environmental protection and climatology — indirect and concerted action 1981-85” (COM (83) 539 final)

“Proposal for a Council Directive on the drawing up of contingency plans to combat accidental oil spills at sea” (COM (83) 520 final)

“Proposal for a Council Decision amending Decision 82/402/EEC adopting a research and development programme (1982 to 1985) in the raw materials sector” (COM (83) 540 final)

“Proposal for a Council Directive 64/432/EEC as regards brucellosis in respect of the buffered brucella antigen test, the micro-agglutination test and the milk ring test as applied to samples of milk from bulk tanks” (COM (83) 496 final).

“Proposal for a Council Directive on animal health problems affecting intra-Community trade and imports from third countries of semen of domestic animals of the bovine and porcine species” (COM (83) 512 final)

“Proposal for a Council Regulation (EEC) amending Regulation (EEC) No. 974/71 in particular in respect of the system of neutral margins and the gradual dismantlement of the monetary compensatory amounts applying to certain agricultural and processed products”

“Proposal for a Council Regulation (EEC) amending Regulation (EEC) No. 652/79 on the impact of the European monetary system on the common agricultural policy”

“Proposal for a Council Regulation (EEC) amending Regulation (EEC) No. 2773/75 laying down rules for calculating the levy and the sluice-gate price for eggs”

“Proposal for a Council Regulation (EEC) amending Regulation (EEC) No. 2778/75 laying down rules for calculating the levy and the sluice-gate price for poultrymeat” (COM (83) 586 final)

“Proposal for a Council Directive amending Directive 75/106/EEC on the Approximation of the Laws of the Member States relating to the Making-Up by Volume of Certain Prepackaged Liquids” (COM (83) 598 final).

PROVISIONAL FUTURE WORK PROGRAMME

NOVEMBER 1983 PLENARY SESSION

Opinions upon consultation

- Economic situation annual report 1983
- Financial support for Greece in the social field
- Rearrangement of working time
- Food processing
- R & D programme — environment and climatology
- Piggyback transport
- Hired vehicles
- Container and piggyback techniques
- Common rules — buffer state
- Decommissioning of nuclear installations
- Reactor safety
- Nuclear fission energy
- Five-year energy research action programme
- Radiation protection
- Promotion of the use of R & D findings
- Raw materials R & D programme
- Development of certain agricultural regions in Greece
- Oils and fats/olive oil
- Brucellosis

Own-initiative Opinion

- Enlargement

SUBSEQUENT PLENARY SESSIONS

Opinions upon consultation

- Equal treatment/social security
- Protection of dialysis patients

- Standard exchange arrangements
- 6th and 7th directives on exemption from import taxes in international passenger traffic
- Outward processing
- Frontier checks on goods
- Commercial management of rail passenger traffic
- Internal barriers to frontier crossings
- Aid to LDC development
- Solid fuels
- Nuclear plant safety and public protection
- Integrated Mediterranean programmes
- 12th turnover taxes directive
- Vocational training
- Toy safety
- Limit values for lindane discharges
- Air quality standards for nitrogen dioxide
- Dumping of oil at sea
- Fuel rationing
- Intra-Community trade in cattle and pig sperm
- Organization of dairy products market
- Tax on certain fats and oils
- Exemptions and dismantling of MCAs
- Directives on agricultural structures
- Butter

Own-initiative Opinions

- Migrant workers
- Social security
- Producers/consumers dialogue
- 8th European Regional Development Fund annual report

Information Reports

- Problems of frontier regions in Ireland
- National regional development aids
- Community fishing policy

MEMBERS' NEWS

Appointment

The Council of Ministers has appointed as a member of the Economic and Social Committee Mr A. Vanden Broucke, President of the Belgian Trade Union Federation (FGTB) to replace Mr Debunne who resigned.

New Section Chairman

Mr Zinkin (United Kingdom - Employers) was elected Chairman of the External Relations Section on 14 June 1983. He replaces Mr Miller.

PUBLICATIONS OBTAINABLE FROM THE ECONOMIC AND SOCIAL COMMITTEE

Periodical

- Bulletin (monthly publication)

General Documentation

- The Economic and Social Committee (leaflet) (January 1980)
- The Economic and Social Committee (December 1982) (A descriptive brochure) 16 p.
- The Other European Assembly (May 1983) (E:SC 83-007)
- Twenty-fifth anniversary celebrations (September 1983) (E:SC-83-012)

Opinions and Studies

- The Economic and Social Situation in the Community (2 Opinions) (July 1983) (E:SC-83-013)
- Youth Employment (Opinion) (June 1983) (E:SC-83-011)
- Transport policy in the 1980s (Opinion) (March 1983) 99 p. (E:SC 83-003)
- Inaugural Conference — 1983: The European Year of SME (February 1983) 27 p. (E:SC 83-002)
- Guidelines for Mediterranean Agriculture (4 Opinions) (September 1982) 64 p. (E:SC 82-010)
- The Economic and Social Situation of the Community (2 Opinions) (July 1982) 57 p. (E:SC 82-008)
- The Promotion of Small and Medium-sized Enterprises (Opinion) (June 1982) 70 p. (E:SC 82-007)
- Aims and Priorities of a Common Research and Development Policy (Study) (January 1982) 59 p. (E:SC 82-001)
- Agricultural Aspects of Spain's Entry into the E.C. (Opinion) (February 1982) 107 p. (E:SC 81-017)
- The EEC's External Relations — Stocktaking and Consistency of Action (Study) (January 1982) 139 p.
- Genetic Engineering (Colloquy) (October 1981) 120 p. (E:SC 81-014)
- Economic Pointers for 1982 (Opinion) (August 1981) 32 P. (E:SC 81-010)
- Problems of the Handicapped (Opinion) (September 1981) ± 46 p. (E:SC 81-013)
- Present situation in the Community's Building Sector (Opinion) (September 1981) ± 24 p. (E:SC 81-011)
- Community Competition Policy (Opinion) (E:SC-81-008)
- Development Policy and Working Conditions (September 1980) (Opinion) 61 p. (E:SC 80-012)
- The Organisation and Management of Community R&D (February 1980) (Study) 168 p. (E:SC 80-001)
- Agricultural Structures Policy (November 1979) (Opinion) 90 p. (E:SC 79-003)
- Enlargement of the European Community Greece-Spain-Portugal (September 1979) (Study) 75 p. (E:SC 79-002)
- The Community's Relations with Spain (June 1979) (Study) 112 p. (E:SC 79-001)
- Community Shipping Policy Flags of Convenience (April 1979) (Opinion) 170 p.
- Youth Unemployment — Education and Training (November 1978) (5 Opinions) 97 p.
- The Stage reached in aligning labour legislation in the European Community (June 1978) (Documentation) 60 p.
- Employment in Agriculture (June 1978) (Study) 135 p.
- Monetary Disorder (June 1978) (Opinion) 98 p.
- Industrial Change and Employment (November 1977) (Opinion) 98 p.
- EEC's Transport Problems with East European Countries (December 1977) (Opinion) 164 p.
- Research and Development (November 1976) (Study) 35 p.
- Systems of education and vocational training (August 1976) (Study) 114 p.
- Regional Policy (March 1976) (Opinion) 11 p.
- European Union (July 1975) (Opinion) 33 p.
- The Situation of Small and Medium-sized Undertakings in the European Community (March 1975) (Study) 69 p.



Obtainable from GOWER Publishing Co. Ltd., 1 Westmead, Farnborough, Hants GU 147RU:

- Community Advisory Committee for the Representation of Socio-Economic Interests (£8.50)
- European Interest Groups and their relationship to the Economic and Social Committee (£25)

Obtainable from EDITIONS DELTA, 92-94 Square Plasky, 1040 Brussels:

- Action by the European Community through its financial instruments (Brussels 1979) (425 BF)
- The Economic and Social Interest Groups of Greece (350 BF)
- The Right of Initiative of the ESC (400 BF)

ECONOMIC AND SOCIAL COMMITTEE
Press, Information and Publications Division

Rue Ravenstein 2
1000 Brussels

Tel. 512 39 20
513 95 95

Telegrams: ECOSEUR
Telex: 25 983 CESEUR

Catalogue Number ESC-83-019-EN