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OF THE EUROPEAN COMMUNITIES

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I

INAUGURATION OF THE EUROPEAN YEAR OF SMALL AND MEDIUM-SIZED ENTERPRISES

Measures to facilitate financing, promote the training of managers, ease fiscal and administrative constraints and improve the legal and social environment form the key points of the Action Programme for a Community Policy on Small and Medium-Sized Enterprises adopted by the approximately 400 participants at the conference inaugurating the European Year of Small and Medium-Sized Enterprises. The conference was organized jointly by the European Parliament, the Commission of the European Communities and the Economic and Social Committee of the European Communities. It was held at the ESC's headquarters in Brussels on 20 and 21 January 1983.

Present at the opening of the conference on 20 January were Mr François Ceyrac, Chairman of the ESC, Mr Piet Dankert, President of the European Parliament, and Mr Karl-Heinz Narjes, Member of the EC Commission.

The closing addresses were given on 21 January by Otto Graf Lambsdorff, President-in-Office of the Council of Ministers, and Viscount Etienne Davignon, Vice-President of the EC Commission.

The Belgian king, Baudouin I, was present at the conference.

During the two days of the conference the representatives of socio-economic interest groups from the ten EC Member States devoted special attention to the conditions under which SMEs are started up and developed, as well as to their legal and administrative environment. They thought that various measures could be taken by the Community authorities or the Member States to encourage the starting-up of SMEs, their continued operation and their integration into the Community:

- an increase in EIB (European Investment Bank) and ECSC (European Coal and Steel Community) loans and in aid from the Euro-



The Conference on Small and Medium-sized Enterprises — above His Majesty, Baudouin I, King of the Belgians, welcomed by Mr Ceyrac, Chairman and Mr Louet, Secretary General of the Economic and Social Committee.

Below the King with Mr Ceyrac, Count Lambsdorff, West German Minister of Finance and President-in-office of the Council, and Viscount Davignon, Vice-President of the European Commission.



- pean Regional Development Fund; simplification of the procedures for granting such finance;
- the setting-up of an industrial innovation and development fund and the establishment of mutual security associations or loan guarantee associations, with a view to optimum distribution of Community funds; development of the role of regional stock exchanges;
 - an improvement in the training of managers so that they can adapt better to the changing conditions of economic activity;
 - steps to make data banks and new information technologies accessible to SMEs; the introduction of a system whereby SME agencies are grouped together, so that all information can be obtained and all formalities for the setting-up of SMEs completed at the one place;
 - the adoption by the Council of a regulation on the establishment of a European cooperation grouping and the submission by the Commission of a draft Regulation on the establishment of a European statute for limited liability companies;
 - a reduction in the taxes on profits ploughed back, the possibility of reasonable amortization and the introduction or extension in all the Member States of arrangements for the carry-back or carry-forward of losses;
 - simplification of the administrative workload of SMEs and the setting-up of a European Institute for Small and Medium-Sized Enterprises;
 - allowance for the problems of SMEs in the Community's overall economic policy (in particular in industrial cooperation and competition policy) and in legislation and collective labour agreements on the adaptation of working time;
 - a more balanced apportionment of the burden of social security contributions among firms.

On the subject of external relations, the some 400 participants at the conference agreed in conclusion that the Community should encourage the development of SMEs in the Third World, inter alia, under the Lomé Convention.



The closing session of the Conference in the presence of His Majesty, King Baudouin.

On the podium: Mr Narjes, member of the Commission (delivering a speech), Mr Ceyrac, Chairman of the Economic and Social Committee, Mr Dankert, President of the European Parliament, and Mr Louet, Secretary-General of the Economic and Social Committee.





Some members of the ESC taking part in the Symposium on Small and Medium-Sized Enterprises.

II

204th PLENARY SESSION

The 204th Plenary Session of the Economic and Social Committee was held at the Committee's headquarters in Brussels on 26 and 27 January 1983. The Chairman, Mr François Ceyrac, presided.

The Session was attended by Mr Andriessen, member of the Commission, who took part in the debate on competition in air and maritime transport and the debate on air transport tariffs.

Résumé of speech by Mr Andriessen, member of the Commission

Mr Andriessen began his introductory remarks by regretting that there was still no comprehensive transport policy in the Community. A competition policy regarding transport was therefore still needed. It was the Commission's plan to look at the special problems of competition in sea and air transport and then fill in the gaps, though exemptions would still be permitted. The main task would therefore be to establish powers for drawing up rules on procedures whilst at the same time making due allowance for the specific interests of sea and air transport. Unless such rules were drawn up, the present situation would remain unchanged, with only the general rules on competition being applied.

Mr Andriessen then went into individual aspects of the Commission proposals, and in particular the question of legal basis. This should be based on Article 87 of the EEC Treaty and not, in his view, on Article 84. Doubts had been raised about the judiciousness of the proposed rules, particularly those applying to certain aspects of air and sea transport. The Commission nevertheless considered that the arguments put forward were not sufficiently well-founded. Mr Andriessen then said that as far as relations with third countries were concerned, a substantial part of the planned measures was concerned with the extra-territorial impact of the rules on competition.

Mr Andriessen went on to say that the Commission had followed a policy of considerable self-restraint in the present proposals. In the case of the proposal on air transport, attention had been focussed largely on the practices of various airlines. In the case of the proposal on sea transport, specific procedures had been laid down (Article 8). The

Commissioner said that a Council working party had already discussed these procedures so a possible amendment to Article 8 could not be ruled out.

Finally, Mr Andriessen said that he agreed with the Economic and Social Committee about the need for a clearer definition of bulk transport. He also drove home the point again that a competition policy could make a considerable contribution to the elaboration of a common transport policy even if no such policy was yet in existence.



Mr François Ceyrac, Chairman of the ESC (left) and Mr Andriessen, member of the Commission (right) at the Plenary Session.

ADOPTION OF OPINIONS

1. COMPETITION IN THE AIR TRANSPORT SECTOR

“Proposal for a Council Regulation (EEC) applying Articles 85 and 86 of the EEC Treaty (rules on competition applying to undertakings) to air transport”

Gist of the draft Regulation

The purpose is to apply the competition rules fully and effectively to airlines.

Although the rules governing competition — like all the general rules contained in the Treaty — apply to the air transport sector, they have yet to be implemented by a Regulation. The Commission's proposal is designed to remedy this situation by establishing investigation procedures, decision-making powers and penalties for failure to comply with the prohibitions contained in Article 85(1) and Article 86 and also procedures for granting exemptions from anti-trust prohibitions under Article 85(3). These procedural rules are based on those which are applicable to virtually all sectors of the economy (Council Regulation No. 1017/68/EEC).

The Commission is empowered by the Regulation to request information from companies and make on-the-spot checks, to record any infringements and require companies to desist from them. The Commission is authorized to impose both fines of up to 10% of the turnover of the airlines concerned and penalty payments of up to 1,000 ECU for each day's delay.

The Regulation contains a series of guarantees to protect companies which are summonsed, prominent among these being the right to a hearing prior to a decision being made against them and an opportunity to arrange for their own defence. The Regulation also entitles informed parties, whether individuals or companies, to complain to the Commission about any infringements and ensure that they are stopped.

The procedure for obtaining individual exemption in accordance with Article 85(3) is very flexible. By way of an exception to the overall procedure but along the lines of the procedure governing other forms of transport, no prior notice of agreements is required. The Commission itself will decide on the extent to which the conditions for a prohibition or the conditions for exemption apply, after considering individual agreements on its own initiative or after receiving a complaint; each case will be decided on its merits. However, in order to ensure legal certainty for the undertakings, the Regulation entitles them to submit to the Commission a formal application for an agreement to be exempted. If the Commission does not indicate its refusal within 90 days after the content of the application has been published in the Official Journal, the agreement in question is deemed to be exempt for the whole of the previous period and for a further 3 years.

The Draft Regulation is largely concerned with questions of procedure. In view of the rapid expansion of the air transport sector — which is also subject to a significant amount of government intervention — the Commission is of the opinion that the substantive rules should initially be applied to each case on an individual basis, until it can define the categories of agreements which qualify for a block exemption. The substantive provisions of the Regulation therefore merely define its

scope and grant exemptions in respect of particular technical cooperation agreements, which do not normally have adverse effects on competition.

2. COMPETITION IN THE MARITIME TRANSPORT SECTOR

“Proposal for a Council Regulation (EEC) laying down detailed rules for the application of Articles 85 and 86 of the Treaty to maritime transport”

Gist of the Commission proposal

The Regulation will enable the Commission to apply Articles 85 (ban on agreements) and 86 (ban on abuse of dominant positions) of the EEC Treaty to shipping, within certain specified limits.

The Commission points out that the present situation is not very healthy and could give rise to difficulties. Furthermore, legal practices in the EEC could develop inconsistently or even give rise to legal conflicts. In theory, the two Articles in question already apply even in the shipping sector, but because there are no implementing regulations, the authorities and Member States' courts could apply and interpret them in different ways.

Because of the various features peculiar to shipping and the international aspect, the Commission is proposing flexible applications of Articles 85 and 86 on two counts:

- there are to be some important exceptions to the ban on agreements and dominant positions;
- procedures, particularly where non-EEC countries are involved, are to be eased.

As regards the basic rules, it is specified that certain technical cooperation agreements are not caught by the ban of Article 85(1).

General exemption is granted to liner conferences operating scheduled services as long as they fulfil certain conditions and requirements specified in the Regulation. The conferences remain subject to investigation to ensure that the concessions are not abused. A liner conference is generally defined as a group of vessel-operating carriers which provides international scheduled services for the carriage of cargo on a particular route or routes within specified geographical limits. Conferences generally seek to fix sailing schedules, allocate cargo and determine freight rates and other transport conditions.

The Commission's proposal is thus consistent with its policy, which has been accepted by the Council, concerning the United Nations Code

of Conduct for Liner Conferences. This policy involves recognising the stabilizing role of conferences, while preventing them from breaching the rules of competition. While there is no conflict between the Draft Regulation and the Code of Conduct, the proposed provisions do not simply affirm the principles laid down in the code: they supplement or clarify a number of points through Community rules.

Gist of the Opinions on competition — air and maritime transport (two Opinions)⁽¹⁾

The ESC has come out against the legal basis adopted in the Commission's proposal, i.e. only Article 87 of the Treaty (providing for a qualified majority for Council of Ministers' decisions). It proposes a dual legal basis. It feels in fact that — as in all previous Commission proposals — the Draft Regulation should also be based on Article 84(2), which provides for unanimity. From the ESC's standpoint the drafting of a Common Transport Policy is a prerequisite for the implementation of a regulation on the rules of competition.

This is basically the view expressed in its Opinions on the two proposals for Council Regulations laying down detailed rules for the application of Articles 85 and 86 of the Treaty to maritime transport and air transport. The Opinions were adopted by the Economic and Social Committee following a debate attended by Mr Frans Andriessen, Commissioner responsible for competition.

In its Opinion on air transport, adopted by a large majority, with 6 votes against and 4 abstentions, the Committee states that the Commission's proposal and all competition provisions should take more account of both overall transport policy considerations and the particularities of this sector. Competition policy with regard to air transport should also take account, in particular, of the following factors:

- existing international agreements/agreements with third countries,
- air transport in the Community is predominantly a manifestation of national sovereignty (public service obligations, use of air-space, tariff coordination, etc.) and therefore cannot readily be subjected to the competition rules,
- the need to balance the interests of all the parties involved,
- air-transport safety and security of employment,
- the need to save energy and protect the environment,
- the need to comply with and, if possible, improve the working conditions of air-transport workers.

⁽¹⁾ Doc. CES 73/83 (Competition — air transport)
Doc. CES 74/83 (Competition — sea transport)

With regard to maritime transport, the ESC's Opinion, adopted by 89 votes in favour, 4 against and 7 abstentions, approves the exclusion of bulk transport from the field of application of the Regulation since this sector already operates on the principle of free competition. The ESC does however call for a precise definition of this form of transport. It also reiterates the call made in previous Committee Opinions for an investigation into the distortions of competition in the shipping sector caused by flags of convenience.

In addition the Committee is of the view that the Commission's proposal does not take sufficient account of the specific nature of international maritime transport and in particular of the role of liner conferences. Exemption of these conferences from the provisions of Article 85 of the EEC Treaty is subject to several vague and questionable conditions which could jeopardize the operation of the conferences, if no "prior approval" is provided for.

The ESC also raises some objections to the rules of procedure:

- the introduction of a complicated and time-consuming procedure for the investigation and punishment of infringements;
- the extensive powers granted to the Commission for such investigations;
- the excessive fines to be imposed on shipping companies in the case of infringements.

The Committee also made several suggestions on procedure aimed at making a clear distinction between the Commission's power to investigate competition infringements — which must involve the parties concerned — and its powers to judge and penalize those infringing the regulations.

These two Opinions were based on material prepared by the Section for Transport and Communications under the chairmanship of Mrs Weber (Germany - Workers). The Rapporteur for the Opinion on air transport was Mr Bos (Netherlands - Various Interests). The Rapporteur for the Opinion on maritime transport was Mr Bonety (France - Workers).

3. AIR TRANSPORT TARIFFS

"Proposal for a Council Directive (EEC) on tariffs for scheduled air transport between Member States"

Gist of the proposal

The Commission has sent the Council a draft Directive establishing uniform procedures for fixing air fares for passengers travelling between Community Member States. These procedures are to be based

on objective criteria, they will be more flexible and faster than the present procedures, and will give the airlines more room for manoeuvre in developing markets and in supplying the needs of the consumer.

According to unofficial Commission calculations, the application of "Community rules" would lead to an average reduction of 15-20% of the present intra-Community fares (the reduction will not, of course, be the same on all routes). The Commission points out:

- this draft Directive is parallel to the Commission initiatives on the application of competition rules in the EEC Treaty to air transport, and especially to fares; these initiatives are also progressing;
- it does not infringe the autonomy of the States with regard to access to air routes.

The main objectives of the draft Directive are to:

- introduce criteria for the level of fares while avoiding disruption;
- modify the present system to prevent governments from prohibiting airlines from establishing fares individually;
- ensure that "interlining" can continue (the practice whereby passengers can make use of more than one airline in the course of a trip);
- ensure that Member States and the Commission are informed about the fares charged by airlines;
- ensure a speedy approval procedure;
- prevent protracted conflicts between Member States on fares;
- allow consumer interests to be taken into account via an air transport users committee;
- provide for regular reviews of air fares.

"Common Criteria" for air fares

The draft Directive sets out "common criteria" for fixing fares. The main principle is that fares should be related to the costs of an efficient air carrier.

The cost level to be used must be that of an efficient carrier whose principal place of business is in the State of origin. This makes it possible to take account of the significant cost differences between the Member States. At present, the legal framework for setting fares consists of national civil aviation laws and regulations, bilateral agreements and particularly multilateral agreements, i.e. the 1967 European Civil Aviation Conference (ECAC). Although not all Member States have ratified this agreement, it is in practice being followed by all.

The draft directive includes some of the criteria and procedures of the 1967 agreement, with modifications. If approved, the Directive would replace all contrary provisions of the 1967 agreement or of any bilateral agreements, with regard to relations between the Member States; the Directive will not however prejudice the applicability of the 1967 agreement (or of bilateral agreements) between Member States.

The Commission is advocating improvements, rather than complete disruption of the present system. It considers that a progressive approach ought to be adopted, gradually leading to an integrated market.

Gist of the Opinion⁽¹⁾

In its Opinion, which was adopted by a large majority with one vote against, the Committee welcomes the main objectives of the Commission proposal, but queries whether these objectives will be achieved by the provisions of the Directive in its present form.

The Committee's criticism centres on the following points:

There is a danger that the role which this Directive is to bestow on the Community will result in another layer of bureaucracy in air transport.

In order that the Directive might have a positive impact on air services and tariffs, the following factors must be borne in mind in the Committee's view:

- the methods used for ascertaining costs;
- government policies with regard to public service obligations, and
- the differences in cost structure between airlines.

The Committee also considers that social criteria, and in particular the effects on airlines and their employees, should be taken more into account.

Since air transport is very much an international mode, the airlines of non-Community countries should also be brought within the ambit of the Directive.

Finally, the Committee underlines the need to check the proposal's impact on the common transport policy in general and air transport policy in particular.

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 Kenna (Ireland - Employers).

(¹) Doc. CES 75/83

4. NEW COMMUNITY INSTRUMENT FOR PROMOTING INVESTMENT

“Proposal for a Council decision empowering the Commission to contract loans under the new Community instrument for the purpose of promoting investment within the Community”

Gist of the Commission’s proposal

Council Decision 78/870/EEC empowered the Commission to contract and grant loans for the purpose of promoting investment within the Community. This instrument is commonly known as the NCI (New Community Instrument).

The NCI contributes to the funding of investment projects and is part of a blueprint for closer coordination of the economic policies of Member States.

Initially the Commission was authorized to contract loans up to a maximum of one thousand million ECU, for the purpose of funding priority projects in the energy and infrastructure sectors.

In March 1982, the Council authorized the Commission to contract loans for an additional thousand million ECU. The NCI’s brief was also extended to cover small and medium-sized enterprises. The latest draft Council Decision aims to:

- empower the Commission to contract loans for a further 3,000 million ECU;
- to extend NCI’s brief to all productive sectors, irrespective of the scale of the enterprise;
- amend certain operational aspects of NCI.

Gist of the Opinion⁽¹⁾

In its Opinion, adopted unanimously with 1 abstention, the Committee endorses the Commission proposal to boost NCI resources as a supplementary means of stimulating investment and economic growth, of helping to combat unemployment and foster competitiveness, and of promoting closer integration and convergent economic policies among Member States through a coordinated and complementary use of the NCI with other Community financial and lending instruments.

The Committee further seeks:

- the permanent recognition of the NCI machinery;

⁽¹⁾ Doc. CES 72/83

- a clearer account of its past impact, intended use, and of its regional, sectoral and subsectoral productive profile;
- reassurance that the capital market will not be disrupted;
- proper consultation of the Economic and Social Committee at future stages of the programme.

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 Rouzier (France - Workers).

5. VOCATIONAL TRAINING AND NEW INFORMATION TECHNOLOGIES

“Opinion of the Economic and Social Committee on vocational training and new information technologies: new community initiatives during the period 1983-1987”

Gist of the Commission document

The draft Resolution recommends a number of measures to supplement and reinforce vocational training in Member States; it is one of a number of Community schemes to promote a policy for the introduction of information technologies which is socially sensitive and responsible and, at the same time, fully responsive to economic and technical needs.

Thus, having regard to the proposals it plans to put before the Council in 1982 regarding the development of a common vocational training policy for the 1980s, the Commission has selected a limited number of specific measures considered to be of prime importance and common interest to the Member States. The new measures would give priority to four areas:

- small and medium-sized firms seeking to modernize their production processes by the application of new information technology: their training needs and the implications for planning training facilities acceptable to the entire work force;
- large firms in the service sector which are committed to the progressive introduction of automated administration and management techniques (for instance the retail and banking sectors): the implications for in-house training policies and the scope for special provision for workers whose skills become redundant;
- young, unskilled job-seekers who have little aptitude for more traditional forms of vocational training: the scope for using new information technologies as a learning tool to facilitate the acquisition of technological and other vocational skills;

- older skilled workers threatened with redundancy as a result of the restructuring of traditional manufacturing industries: the scope for adapting and updating existing skills to improve the employment prospects of workers in areas of industrial decline especially those dominated by the steel industry;
- the evolution and comparability of vocational qualifications throughout the Community: the implications for the mutual recognition of diplomas;
- education of the public about the applications of new technology: the impact on training and non-vocational information activities, particularly the radio and television networks.

The Commission proposes to set up a coordinated structure for the exchange of ideas and experience between Member States to assist in the continuing evaluation and development of national policies in the first four of the above areas. In this way, it will be possible to develop and try out new approaches, explore common problems in greater depth, encourage the transfer of experience and promising innovations and lay the foundations for more practical measures in the medium term.

To this end, the Commission proposes to set up four groups of inter-relating pilot/demonstration projects, one for each of the four priority issues, together with a data bank. It also proposes to monitor the development of skills in specific sections (data processing, electronics and information technologies), and to familiarize the public with the potential of the new information technologies by encouraging the development of adult education and information programmes in conjunction with the mass media at national and local level.

The aforementioned pilot projects are to be funded with resources from Community financial instruments and are scheduled to run for a three-year period as from 1984.

Gist of the Opinion⁽¹⁾

Unanimously less three abstentions, the Economic and Social Committee adopted an Opinion calling for more intensive vocational training as part of a Community policy on the introduction of new technology.

It stresses the need to distinguish between the short-term consequences of introducing new information technologies (problems of structural adjustment and social problems) and the medium and long-term results (increased competitiveness of EC businesses). In the context of

⁽¹⁾ Doc. CES 71/83

the short-term consequences, the Committee considers that special attention should be paid to the question of the acceptance of the new technologies by workers and trade unions. When considering the link between vocational training and the new information technologies, a comprehensive approach should be adopted, taking in all the economic, social and psychical aspects.

The Committee particularly welcomes the following concepts:

- provision of a broadly-based, multi-skill training;
- inculcation of transferable skills;
- establishment of specific basic and further training programmes (“units of study”) to enable workers and managers to keep pace with technical progress;
- possibility for workers to play an active role in the introduction of the new information technologies as a result of the training which they have received;
- statutory or contractual guarantees in respect of further training and retraining assistance for persons affected by technical changes (time off, financial).

The Committee considers that talks must be held between both sides of industry, particularly at plant level, not just when it comes to designing the training programmes resulting from the introduction of new technologies but at an earlier stage, i.e. when the introduction of the new technologies is still being planned.

The Committee welcomes the measures proposed by the Commission which will result in the establishment of a “network of demonstration projects” and will draw on national experiences where these are transferable. In this context the Committee stresses the need for representatives of both sides of industry and representatives of the training bodies to be appointed to the proposed liaison group.

The object of the proposed demonstration projects should not just be to provide skilled specialist workers for the labour market but also to study the psychosocial dimension of the introduction of the new information technologies by carrying out parallel investigations in this field.

The Committee expressly welcomes the Commission’s proposal to draw upon the resources of the European Social Fund (ESF) for the implementation of the demonstration projects. The Committee urges that this proposal be taken into account in the forthcoming reform of the ESF.

It approves the aim of the draft Council Resolution but considers that it is not sufficiently binding as it stands. It is proposed that an interna-

tional comparison of the legal basis for introducing binding Recommendations or Regulations in this field be carried out.

This Opinion was based on material prepared by the Section for Social Questions, under the chairmanship of Mr Houthuys (Belgium - Workers). The Rapporteur was Mr Nierhaus (Germany - Workers).

6. LIGHTING AND LIGHT-SIGNALLING DEVICES ON MOTOR VEHICLES

“Proposal for a Council Directive amending Directive 76/756/EEC on the approximation of the laws of the Member States relating to the installation of lighting and light-signalling devices on motor vehicles and their trailers”

Gist of the Commission proposal

The aim of the present proposal is to delay the application of an EEC provision making it mandatory to install dipped-beam adjustment devices, according to the load carried, on motor vehicles.

Three Directives in the “construction and use” sector of motor vehicles are concerned by the present Commission proposal. Under Directive 76/756/EEC, an EEC type approval certificate may be issued for vehicles which comply with a series of requirements set down by the Community. Directive 70/156/EEC stipulates that, since 1 October 1979, type approval can be granted only for vehicles which are fitted with an instrument to adjust the height of head-lamp dipped beams according to the load carried. Finally, Directive 82/224/EEC, which was adopted by the European Commission on 22 April implies that with effect from 1 October 1984 Member States may prohibit entry into service of vehicles which do not have type approval for dipped beam adjustment.

Since “optional” harmonization is the method chosen, i.e. Member States cannot refuse a vehicle which complies with Community requirements but at the same time are allowed to retain their own national provisions, no Member State has yet made it mandatory to install dipped-beam adjustment devices. The manufacturers themselves have not wished to equip their vehicles with this type of device in view of technical difficulties and the increase in costs, (somewhere between Bfr. 2,400 and Bfr. 4,000).

The Commission has, in principle, accepted that the grounds put forward by the manufacturers will remain valid for some time, although the amendments introduced recently by the latest Commission Direc-

tive (82/244/EEC) are likely to eliminate most of the disadvantages mentioned. The Commission therefore has three concrete proposals to make:

- the date of entry into force of the requirement to fit the dipped beam device should be postponed until 1 October 1984;
- a further period of three years should be granted before a Member State may prohibit entry into service of vehicles not equipped with such devices, but in respect of which an EEC type approval certificate was issued before the compulsory installation date (1 October 1984);
- all provisions of Directive 76/756/EEC, plus subsequent amendments thereto, including those contained in the present proposal, should be consolidated in a single text.

Gist of the Opinion⁽¹⁾

In a unanimously adopted Opinion the Committee approves the Commission's proposal. It feels that the obligation to fit new vehicles with dipped-beam adjustment devices, whether manually-operated or automatic, has effectively prevented the application of Directive 76/756/EEC by manufacturers, who have preferred to follow the national provisions in force in each Member State under the "optional harmonization" scheme.

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).

7. APPLICATION OF ECU — CUSTOMS

"Proposal for a Council Regulation (EEC) amending Regulation (EEC) No. 2779/78 on the procedure for applying the ECU to legal acts adopted in the customs sphere"

Gist of the Commission's proposal

Since October 1981 there have been three realignments of currency parities, with the result that the ECU rates currently in force in the customs field no longer correspond to economic reality. The Commission has chosen a solution which in principle maintains the status quo as regards existing legislation (the reference date remaining the first working day in October) but which provides for an automatic realignment whenever there is a new currency parity in relation to the ECU (revaluation or devaluation) for the purposes of determining the classi-

⁽¹⁾ Doc. CES 67/83

fication of goods, or the customs duty applicable under the Common Customs Tariff or the anti-dumping duty. (However, the duty-free ceiling for luggage is still unchanged!).

Gist of the Opinion⁽¹⁾

In its Opinion, adopted unanimously, the Committee welcomes the Commission's proposal, which seeks to provide for rapid realignment of the equivalent values of the ECU so as to prevent parity changes from causing deflections of trade in the Community.

However, it feels that this requires not just amendments to several provisions of Regulation No. 2779/78 — amendments, which, moreover, need to be adopted rapidly — but also a complete redrafting of the document.

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 Regaldo (Italy - Employers).

8. FOOT AND MOUTH DISEASE

“Proposal for a Council Directive introducing Community measures for the control of foot and mouth disease”

Gist of the Commission proposal

The Commission document analyses the following aspects:

Development of Foot-and-Mouth Disease

This virulent, infectious disease has a very serious effect on the productivity of livestock farms. There are at present seven well-known types of virus though the incidence of foot-and-mouth disease in the EEC over the last ten years (1971-1981) has, with the exception of Greece in 1972, been kept at a very low level. During the period under consideration Ireland, Denmark, Luxembourg and the United Kingdom have been free of foot-and-mouth disease.

Control and prevention in the Member States

In no case has foot-and-mouth disease in the Community reached epizootic proportions. The measures adopted in the Member States as soon as the disease has appeared have always enabled it to be confined

⁽¹⁾ Doc. CES 68/83

to a particular region both within the individual countries and in the Community as a whole. Generally speaking, national rules provide for slaughter though the precise extent varies from Member State to Member State. Control of the disease includes preventive vaccination and animal health protection.

Neighbouring countries

There were no major incidences of the disease in Bulgaria, the GDR, Switzerland, Sweden, Czechoslovakia and Yugoslavia. There were, however, serious difficulties in Spain and Portugal, i.e. 510 outbreaks in 1971, 371 outbreaks in 1972, 453 outbreaks in 1973, and 244 outbreaks in 1974. Portugal had a major epizootic in 1971 (1,058 outbreaks).

Approaches to a common policy

A Community policy on foot-and-mouth disease has to take account not only of the disease as it exists in the EEC, but also of the European and wider international context. The implementation of a common policy must take into account the disease's effects on farm incomes and barriers to trade in animals (some Member States have a policy of preventing foot-and-mouth by systematic vaccination while others forbid the imports of vaccinated livestock).

The Commission proposes the introduction of Community measures, in two stages:

First stage

As a basic measure the Commission proposes systematic prevention by vaccination, the elimination of sources of infection through slaughter and the destruction of animals of susceptible species on the farm. The aim is to limit the risk of the disease being spread by healthy carriers. This basic measure must be accompanied by strict animal health protection measures where there must be bans and surveillance during a sufficient period of time over and above the incubation period of the disease in order to ensure that there are no secondary outbreaks. The health measures may be reinforced by setting up a "vaccine barrier" in the area concerned.

Second phase

The basic policy is first and foremost the medical prevention of foot-and-mouth disease by annual vaccination. It would then be possible to abandon vaccinations, even in the areas where the disease has not been eliminated, under the following conditions:

- the abandonment of systematic annual vaccination should not mean a ban on the use of vaccine in emergencies;

- Member States should always be guaranteed immediate supplies of the necessary quantities of a suitable vaccine;
- the protection against possible contamination in countries bordering the EEC should be reinforced;
- the animal health policy regarding imports from outside the Community would have to be brought in line with the new situation inside the Community, by making the conditions for permission to export to the Community more strict;
- Member States must reinforce safety measures in the laboratories where the vaccine is produced.

Gist of the Opinion⁽¹⁾

The Committee approves the Commission's proposal by 98 votes to 1 with 15 abstentions.

It notes, nevertheless, that views on the basic principles of systematic prevention by vaccination differ fairly sharply from Member State to Member State.

The Committee believes that the problems raised can only be solved without distortions of competition and discrimination between producers in the various Member States if the European Community does its duty and finds the money to combat foot-and-mouth disease from its own coffers.

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 Wick (Germany - Employers).

9. VETERINARY MATTERS — BRUCELLOSIS

“Proposal for a Council Directive amending Directive 82/400/EEC amending Directive 77/391/EEC and introducing a Supplementary Community Measure for the Eradication of Brucellosis, Tuberculosis and Leucosis in Cattle;

Proposal for a Council Regulation amending Council Regulation (EEC) No. 1055/81 of 21 April 1981 introducing Temporary Financial Aid from the Community to Ireland for Pre-Movement Tuberculin Testing and Brucellosis Blood Sampling of Cattle;

⁽¹⁾ Doc. CES 70/83

Proposal for a Council Decision amending Decision 80/1096/EEC introducing Community Financial Measures for the Eradication of Classical Swine Fever;

Proposal for a Council Decision amending Council Decision 80/1097/EEC of 11 November 1980 on Financial Aid from the Community for the Eradication of African Swine Fever in Sardinia"

Gist of the Commission proposal

It is necessary in order to make the allocation of appropriations clearer, to include all expenditure on the Community's various measures in the veterinary field in the chapter covering expenditure in the agricultural sector.

In order to apply financial and monetary rules and proper procedures to Community expenditure connected with the implementation of the proposed measure, the appropriate Articles of Council Regulation (EEC) No. 729/70 of 21 April 1970 on the financing of the common agricultural policy and Council Regulation (EEC) No. 129/78 of 24 January 1978 on the exchange rates to be applied for the purposes of the common agricultural structures policy should be made applicable *mutatis mutandis* thereto.

Gist of the Opinion⁽¹⁾

The Committee unanimously approves the Commission's proposal.

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 Cafarelli (France - Various Interests).

⁽¹⁾ Doc. CES 69/83

III

EXTERNAL RELATIONS

THE CHAIRMAN'S ACTIVITIES

During the months of December 1982 and January 1983 Mr François Ceyrac, Chairman of the Committee, had meetings with

- Mr Ortoli, Vice-President of the Commission, on 8 December;
- Mr Davignon, Vice-President of the Commission, on 20 January;
- The President of COREPER, H.E. Ambassador Poensgen, Permanent Representative of West Germany, in the presence of Mr Ersbøll, Secretary-General of the Council of Ministers, on 7 January;
- H.E. Ambassador Rutten, Permanent Representative of the Netherlands, on 4 January;
- Mr Crossick, Chairman of the European Secretariat of the Liberal, Independent and Social Professions, on 4 January;
- Mrs Federspiel, Chairman of the European Bureau of Consumers' Unions, on 19 January;
- Mr Emo Capodilista, Chairman of COPA, Mr Nouyrit, Vice-Chairman of the General Committee for Agricultural Cooperation in the EEC and Mr Herlitska, Secretary-General, on 19 January; and
- Mr Faist, Director of the European Centre for the Development of Vocational Training (Berlin), on 19 January.

VISIT OF A STUDY GROUP TO AACHEN

On 11 January 1983 a Study Group of the Section for Transport and Communications visited the customs post at the border crossing in Aachen to get a first-hand idea of the formalities and control of cross-frontier goods traffic.

The ESC delegation was then a guest of the Federal Association of German Long-Distance Road Haulage whose Vice-Chairman, Klemens Weber, informed it about the structure and specific problems of this predominantly medium-sized sector of the transport industry.

IV

NEW CONSULTATIONS

Since the last Plenary Session, the Council has requested the Committee to deliver Opinions on the following points:

“Proposal for a Council Regulation (EEC) amending Regulation (EEC) 1408/71 on the Application of Social Security Schemes to Employed Persons, to Self-Employed Persons and to their Families moving within the Community and Regulation (EEC) No. 574/72 Laying down the Procedure for Implementing Regulation (EEC) 1408/71 (COM(82) 771 final)”

“Proposal for a Council Directive on the Supervision and Control of Transfrontier Shipment of Hazardous Wastes within the European Community (COM(82) 892 final)”

“Proposal for a Council Directive on Limit Values and Quality Objectives for Mercury Discharges by Sectors other than the Chlor-alkali Electrolysis Industry (COM(82) 838 final)”

“Proposal for a Council Regulation (EEC) Laying down Certain Measures for the Standardization and Simplification of Statistics of Trade between Member States (COM(82) 859 final)”

“Proposal for a Council Regulation (EEC) determining the Persons Liable for Payment of a Customs Debt (COM(82) 792 final)”

“Communication from the Commission to the Council on the Transport Infrastructure Experimental Programme (COM(82) 828 final)”

“Proposal for a Council Directive on the Conditions under which Non-resident Carriers May Operate Certain National Transport Services within a Member State (COM(82) 816 final)”

“Proposal for a Council Decision on the Commercial Independence of the Railways in the Management of their International Passenger and Luggage Traffic (COM(82) 846 final)”

“Commission Proposals on the Fixing of Prices for Certain Agricultural Products and on Certain Related Measures (COM(82) 650 final)”

“Proposal for a Council Regulation (EEC) Amending Regulation (EEC) No. 458/80 on Collective Projects for the Restructuring of Vineyards (COM(82) 887 final)”

“Research Programme (1983-1987)

— ***Forecasting and Assessment in Science and Technology (Fast) (COM(82) 855 final)”***

“Proposal for a Council Regulation (EEC) on action by the Community relating to the environment (ACE) (COM(82) 849 final)”

“Proposal for a Council Decision adopting joint research programmes and programmes for coordinating agricultural research (COM(82) 853 final)”

On 13 December 1982, the Commission asked the Committee for an Opinion on the:

“Proposal for a Council Directive amending Annexes I and III to Directive 80/836/Euratom amending the Directives Laying down the Basic Safety Standards for the Health Protection of the General Public and Workers against the Dangers of Ionizing Radiation (COM(82) 777 final)”

V

PROVISIONAL FUTURE WORK PROGRAMME

FEBRUARY 1983 PLENARY SESSION

Opinions

- facilitation of formalities and inspections in respect of carriage of goods between Member States
- 14th VAT Directive
- sewage sludge
- checks on citizens at the Community's internal frontiers
- strengthening the internal market
- simplification of customs formalities in trade
- non-energy primary raw materials
- standardization of rules relating to the carriage of goods
- scientific and technical potential
- intervention prices for cheese
- farm prices
- new guidelines ACP/EEC

Supplementary Opinions

- exclusive distribution and purchasing agreements
- distribution and service agreements prior to and after sales of motor vehicles

Own-initiative

- 7th Annual European Regional Development Fund Report

MARCH 1983 PLENARY SESSION

Opinions

- 13th VAT Directive
- temporary work
- European Social Fund

- vocational training policies for the EEC in the 1980s
- amendment of Regulation 1408/71 on social security for migrant workers
- labelling of foodstuffs
- 2nd series of measures under the non-quota section
- spirituous beverages
- import duties on fish fillets
- restructuring of vineyards
- basic safety standards for protection of health against dangers of ionizing radiation

SUBSEQUENT PLENARY SESSIONS

Opinions

- Community action relating to the environment (ACE)
- protection of workers against noise
- 2nd action programme of the EEC on safety and health at work
- transfrontier shipment of dangerous wastes
- European strategic programme for research and development in information technologies
- specimen declaration form to be used in intra-Community trade
- transport infrastructure experimental programme
- commercial independence of the railways in the management of international traffic
- agricultural research
- development of the social situation
- policy on tourism
- limit values and quality objectives for mercury discharges
- origin of textile products
- determination of persons liable for payment of a customs debt
- standardization and simplification of statistics of trade
- formation of rates
- conditions under which non-resident carriers may operate within a Member State
- Chapter IV (Supplies) of the EURATOM Treaty
- science and technology outlook and evaluation

Own-initiative Opinions

- education and teaching
- economic situation mid 1983

- environment/employment
- producers/consumers dialogue
- oils and fats
- EEC/USA
- youth employment
- migrant workers

Information reports

- frontier region problems, Ireland
- Community fisheries policy
- national regional development aids

V

MEMBERS' NEWS**APPOINTMENT**

The Council of Ministers has appointed Mr Robert Pelletier (France), Director General of Economic Services of the French National Council of Employers (CNPf), in charge of international relations, as a member of the Economic and Social Committee in place of Mr Claude Evain.

RESIGNATION

Mr John Gallacher (United Kingdom) has been elevated to the peerage and has taken his seat in the House of Lords. He has therefore resigned as a member of the Economic and Social Committee.

Mr G. Prys Davies (United Kingdom), a former member of the Economic and Social Committee, has been elevated to the peerage.

DEATHS

August Cool, former ESC Vice-Chairman, died in Brussels on 7 January 1983 at the age of 79. He was president of the Belgian Confederation of Christian Trade Unions (ACV/CSC) for 22 years, a former minister, a member of the Monnet committee, a founder-member and president of the European organisation of the International Confederation of Christian Trade Unions and vice-president of the World Labour Confederation. He was a member of the ESC from its inception and chaired the Section for Social Question and the Section for Transport and Communications.

Camille Mourgès, a French member of the ESC from 1959 to 1974 and a former member of the national executive of Force Ouvrière died in Toulouse on 27 January 1983 after a long illness. He was 70. A leading figure in CGT/FO, he was the founder and first general secretary of the PTT trade union federation attached to FO. He then became a member of the national executive, where he remained a member until his retirement in 1974.

An ardent lover of freedom, brotherhood and peace, Camille Mourgès devoted a major part of his life to building Europe and strengthening the free trade union movement at international level.

CORRIGENDUM

In Bulletin No. 12/1982 the Opinion on Harmonization of Tobacco Taxes (item 6) was wrongly ascribed to the Section for Industry, Commerce, Crafts and Services, under the chairmanship of Mr de Wit (Netherlands - Employers). In fact, this Opinion was prepared by the Section for Economic and Financial Questions under the chairmanship of Mr Marvier (France - Various Interests).

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.
- Annual Report (1981) 96 p. (Ex-33-81)

Opinions and Studies

- Guidelines for Mediterranean Agriculture (4 Opinions) September 1982, 64 p. (ESC 82-010)
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