

ECONOMIC AND SOCIAL COMMITTEE
OF THE EUROPEAN COMMUNITIES

BULLETIN



No. 6

June 1979

**ECONOMIC AND SOCIAL COMMITTEE
OF THE EUROPEAN COMMUNITIES**

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Brussels – June 1979

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169th PLENARY SESSION

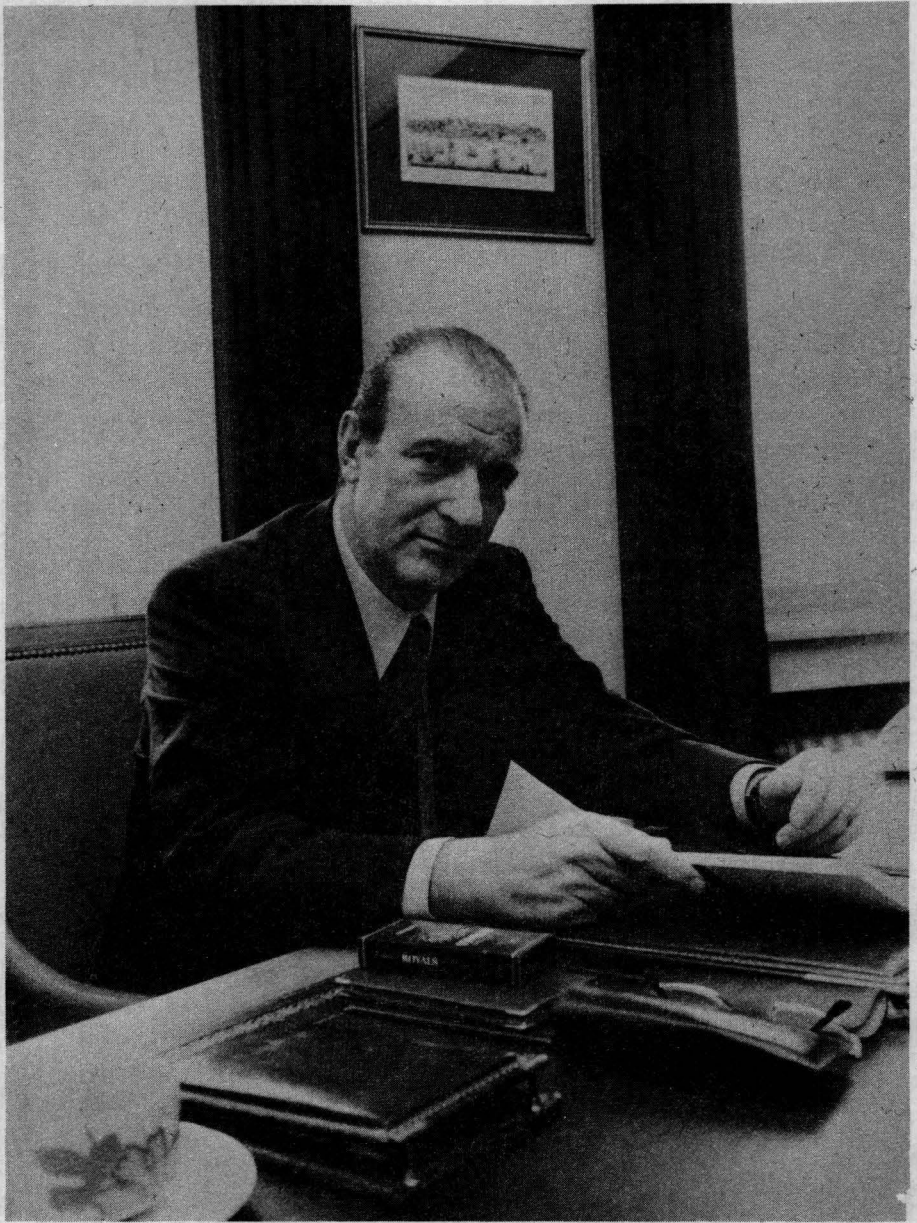
The 169th Plenary Session of the Economic and Social Committee was held in Brussels on 27 and 28 June 1979 under the chairmanship of first Mr ROSEINGRAVE and then Mr RENAUD Vice-Chairman of the Committee.

The Plenary Session was attended by Mr BOULIN, French Minister of Labour and President in Office of the Council, and by Mr ORTOLI and Mr NATALI, Vice-Presidents of the Commission, accompanied by Mrs Nicole PASQUIER, State Secretary, who participated in the discussions.

NEW CHAIRMAN FOR THE ECONOMIC AND SOCIAL COMMITTEE

Following the election of Mrs. Fabrizia BADUEL GLORIOSO to the European Parliament and her resignation from the post of Chairman of the Economic and Social Committee on 22 June 1979, the Plenary Session of the ESC elected her successor on 28 June 1979. He is Mr Raffaele VANNI (Italy - Workers' Group).

Mr VANNI, born in Rome on 15 February 1928, is currently Confederal Secretary of the UIL (Unione Italiana del Lavoro). He was Secretary-General of the UIL from November 1969 to September 1976 and a founder member of the European Trade Union Confederation. He was also a member of the Executive of the Italian Republican Party from 1961 to 1969, a post which he relinquished as a result of an agreement on the incompatibility of political and trade union office. Mr VANNI is also a member of the CNEL (Consiglio nazionale de economia e del lavoro).



Mr Raffaele VANNI, new Chairman of the Economic and Social Committee.

SUMMARY OF MR VANNI'S SPEECH TO THE PLENARY SESSION

In his post-election speech, the new Chairman of the Economic and Social Committee, Mr Raffaele VANNI, stressed the Committee's role in political decision-making in the Community.

"This role is clearly defined in the Treaties although it is significantly enhanced by the growing need to give the various categories of social and economic activity a bigger say in political decision-making.

Within the limits of our terms of reference, we are part and parcel of this process. We provide a pre-eminent platform for the views, concerns and demands of the various groups comprising our democratic and pluralistic society".

Having made the point that the direct election of the European Assembly had forged links between the electorate and the institutions which would reflect the desire of socio-economic categories to participate in decision-making, Mr VANNI touched on the chief issues with which the ESC would have to get to grips in the near future.

Mr VANNI put particular stress on unemployment and the need for social policy and economic policy to be more closely integrated. The social impact and the effect on employment of measures and guidelines to encourage recovery should be kept well in mind as early as the drafting stage.

Adoption of Opinions

1. ECONOMIC SITUATION IN THE COMMUNITY

Economic Situation in the Community (mid 1979).

Opinion of the Committee

This Opinion was adopted by 45 votes in favour, 21 against and 1 abstention.

In drafting a Report and Opinion on the economic situation in the Community, the Committee is following an established practice of giving a second Opinion to the Council - six months or so after its earlier Opinion on the Commission's Annual Report on the Economic Situation in the Community.

This Report and Opinion are prepared at a time when the Commission is itself drafting proposals for and the Council is considering Member States' public budgets for the following year. The Committee's Opinion is also prepared shortly after the annual publication of the Commission's Communication to the Council on the adjustment of the economic policy guidelines for 1979.

To the Report and Opinion is appended a detailed account of the economic situation in a particular Member State, the Committee wishing to underscore the fact that the Community's economic situation as a whole is still but the sum of nine different economic situations, each brought about by the interplay of a different set of social and economic factors. The Member State whose economy is under scrutiny on this occasion is the Member State holding the presidency of the Council at the time the Opinion is given; namely France.

The second Appendix to the Report is a synopsis of the answers given by some Members of the Committee to a questionnaire formulated by the Rapporteur. The questions related directly to the key issues he wished the Committee to pronounce upon in the Report and Opinion.

In the Opinion the Committee starts out by summarizing the analysis of the current situation contained in the Section's Report and its account of the economic prospects for 1979, saying that the position gives cause for concern. It cites in particular the high rate of unemployment, repeated oil price hikes, higher prices of raw materials, and factors making for monetary instability.

Although the Opinion deals in a very pointed way with the energy situation, with the means by which employment can be boosted, and with inflation, it expresses an underlying malaise concerning the constant tug of war between the desire to increase output on the one hand, and the desire to enhance the overall living standards of the people on the other. The point is fully discussed in the Section's Report. The Report says that whilst circumstances foster a planified approach to such social and economic issues, indicative planning is a possible and certainly a preferable alternative to compulsory planning.

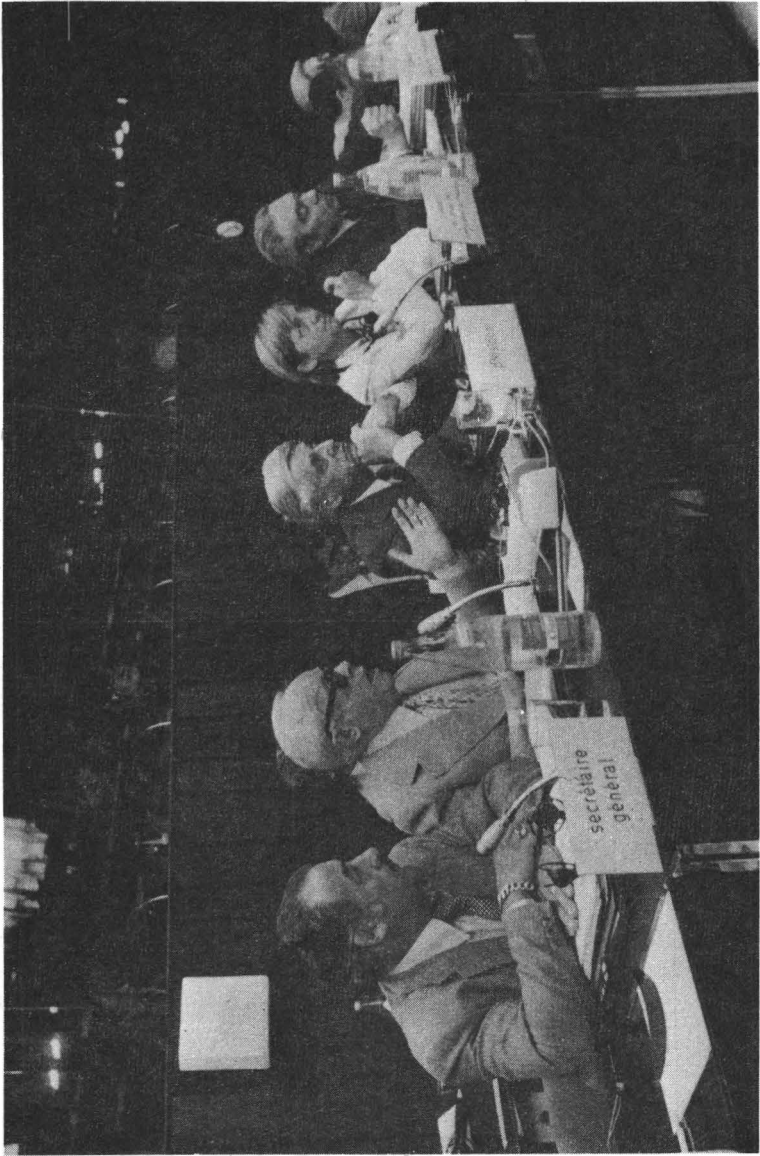
The Opinion urges a review of Community economic and social objectives, paying particular attention to the striking of a balance between traditional policy of maximizing economic growth on the one hand and optimizing overall living standards on the other.

Another plea the Opinion makes in the same general area is that the right balance must also be struck between the size and importance of the private sector and the public sector respectively.

From the more philosophical to the practical : the Committee says that apart from the blanket demand-management stimulatory measures which it proposes and the specific measures it proposes for the production or supply side of the economy, structural unemployment can best be tackled by a set of specific measures (including a better organization of working hours where appropriate).

Finally the Committee endorses the manner in which at Community level, concerted action is being attempted in order to coordinate properly the use of Member States' economic instruments. It says that any real achievement here will depend on whether national socio-economic goals and policies are effectively incorporated in a longer-term Community blue-print.

This Opinion was based on material prepared by the Section for Economic and Financial Questions under the chairmanship of Mr ROLLINGER - Luxembourg - Various Interests. The Rapporteur was Mr GORIS - Netherlands - Various Interests.



From right to left : Mr ORTOLI, Vice-President of the Commission, Mrs. PASQUIER, Mr BOULIN, President of the Council, Mr RENAUD, Vice-Chairman of the Committee and Mr LOUET, Secretary-General of the Committee.

STATEMENT BY MR. BOULIN

Mr BOULIN, the President of the Council of Ministers and French Minister for Labour, opened with some comments on the Economic and Social Committee.

He stressed that the Committee's activity and influence had expanded over the years and was largely based on national models.

Its Opinions had become more authoritative as a result of several top-level meetings with the Heads of State or Government : in October 1972 in Paris, the ESC had been given the right to issue Opinions on its own initiative. More recently, the European Council in March had welcomed the Committee's contribution to the study of questions of particular importance.

Without forgetting the specific role played by other bodies in the process of discussion and consultation between the various economic and social interest groups, Mr BOULIN emphasized the ESC's vital role. It represented all the economic and social interest groups and offered them an important forum for information and confrontation. This set it apart from other joint committees or tripartite bodies which were less representative and had a different function to perform.

Mr BOULIN referred to the Committee's desire to be even more effective and have more influence with the Community's decision-making bodies and stated that the Council of Ministers would welcome any suggestions to this effect.

Referring to the economic situation in the Community, Mr BOULIN stated :

"We know that Europe as the world's largest importer and exporter and a major consumer of raw materials and energy, is particularly dependent on the world economic situation and world trade. It is thus particularly vulnerable to the worldwide recession, the major structural changes connected with the new international division of labour and any sudden changes in the economic situation, such as oil prices.

For these reasons, the Community has tried to stabilize economic relations, for example by setting up the European Monetary System.

The recent European Council was an example of the Community's solidarity in the area of energy problems, for which an ambitious Community action programme was agreed on.

The Community has not become inward-looking, in spite of the grave problems of unemployment and internal regional imbalances it faces and the serious effects on employment of the current re-organization of major industrial sectors. While it seeks solutions to its own critical problems, it continues to be a focal point for the outside world : this is borne out by the recent signature of the Treaty of Accession with Greece and the current negotiations on the renewal of the Lomé Convention.

In the field of social questions the Community - which has acquired new instruments whilst at the same time improving the existing ones - is striving to coordinate and harmonize social policies over an increasingly wide field.

The last Council meeting for example was notable for its success in the field of worker protection. In the area of employment and training of young people, the Council adopted a programme for the exchange of young workers.

The Council was particularly interested in and committed to two points :

- organization of working hours
- improvements in worker-employer relations within the framework of the Tripartite Conference.

With regard to the first point, i.e. changes in working hours, the Council had roughed out a number of requirements that needed to be taken into consideration. These were :

- protection of the Community's internal and external competitiveness
- back-up measures
- cooperation between the two sides of industry.

The Council had invited the Commission to continue its studies and analyses with a view to (a) drawing up a Community framework covering the question of working hours and (b) presenting proposals when the time was right.

The Council had stressed the need for Community action in two fields in particular : part-time working (which must not be discriminatory) and the development of sandwich courses and the like.

The Council had thus paved the way for putting working hours on the Community agenda for the first time.

As far as talks on improving worker-employer relations were concerned, the Council had given a positive lead for working out a method that would satisfy all concerned, i.e. :

- more efficient preparations for Tripartite meetings
- greater commitment by all parties
- more concrete application of any conclusions reached at Tripartite meetings.

The Council President also stressed the importance of strengthening the role of joint sectoral committees".

In conclusion Mr BOULIN called for a real move at Community level to change the lot of workers. Workers should be given responsibility, but too often they were still nothing but mere instruments. Future Community social policy would be increasingly based on a very wide consensus from both sides of industry and from all the elements of economic and social activity.

STATEMENT BY MR ORTOLI

Commission Vice-President, Mr ORTOLI, briefly outlined the economic situation in the Community. Last October's prospects for an economic upturn had been clouded by recent developments including the sharp hike in oil prices. At the moment, the business cycle was sluggish. Inflation had taken off again, unemployment was high and public deficits in some Member States had assumed dangerous proportions.

The impact of oil price hikes on payment balances called for energy conservation and the expansion of nuclear energy was essential. Wage inflation should be avoided in order to cushion the effect of higher oil prices. In this situation, convergence of economic policies within the Community was more necessary than ever and common interests militated in favour of a common attitude.

Mr ORTOLI stressed that investment was the key to renewed growth. While technological progress and international competitiveness deserved specific attention, the public authorities also had a responsibility in this area.

Finally the EMS could play a key role by reducing the uncertainty facing the economies of the Member States.

DEBATE

The debates on the economic situation and the development of the social situation in the Community reflected the great concern felt by Committee members about unemployment problems. Employers' representatives stressed in particular that a society that did not manage to provide jobs was liable to be called into question. In order to achieve this aim and ensure sufficient growth with stability which would promote the creation of jobs, it would be necessary to stimulate investment. In this context a positive economic and social strategy was essential in order to activate economic growth forces.

One should also not neglect the role of certain elements of the private sector, such as small- and medium-sized firms, which should be encouraged at Community and national level. It was interesting to note that the Committee was at present preparing a Study on investment.

Workers' representatives expressed their disquiet about the present situation. Everything that had been achieved in the social sphere including the standard of living seemed to be at risk. In the face of these problems choices would have to be made, such as better work-sharing, for example through a reduction of working time. As regards investment for the creation of new jobs, competitiveness should not be the sole criterion, but a certain policy would have to be pursued. The goals in the area of employment had not been achieved so far. So as not to aggravate the situation any further, any reductions in the deficits of public authorities would have to be made with caution.

Speakers belonging to the "Various Interests" Group drew attention to the special situation of agriculture, which had suffered from the isolation of the Common Agricultural Policy. The European Monetary System was a hopeful element in this area.

The Committee was unanimous about the need to save energy and came out in favour of measures to achieve this aim. The current socio-economic problems would have to be solved within the framework of an international dialogue in which the Community Institutions had a very special responsibility. The seriousness of the problems called for better coordination to find solutions to the crisis and a change of behaviour. A convergence of ideas would be needed over and above convergence of policies.

Speaking in reply, Mr BOULIN first of all thanked the Committee. He warned it against the false solutions that were liable to present themselves. Instead of work-sharing without a cut in income, it would be better to stimulate investment, research, studies and innovation and even better human productivity.

The Opinion urges a review of Community economic and social objectives, paying particular attention to the striking of a balance between the traditional policy of maximizing economic growth on the one hand and optimizing overall living standards on the other.

Another plea the Opinion makes in the same general area is that the right balance must also be struck between the size and importance of the market sector and the public sector respectively.

2. DEVELOPMENT OF THE SOCIAL SITUATION IN 1978

Development of the Social Situation in 1978.

Gist of the Commission's document

As in previous years, the Commission has asked the Committee for its Opinion on the development of the social situation in the Community in 1978 using the Commission's Report on the same subject as the main basis for its work.

Opinion of the Committee

The Economic and Social Committee adopted its Opinion by 62 votes for, 7 votes against and 14 abstentions.

In the first part of its Opinion, which took an overall look at the social situation in 1978, the Committee stressed that the rate of unemployment continued to remain high (particularly among women and young people) and considered the main factors contributing to this trend.

It was noted that the Community institutions had made the fight against unemployment part of an overall strategy based on the three objectives of growth, stability and jobs. Such a strategy had been judged likely to produce positive effects provided that (i) it was fully recognized that its three objectives were interdependent, (ii) consideration was also given to the qualitative aspects of growth and (iii) monetary stability was based on developing investments and safeguarding real incomes. But so far there had been no effect on the level of unemployment.

In the Committee's view it was essential to achieve a greater degree of convergence between Member States' economic and social policies, to direct all Community policies towards achieving the objectives of the overall strategy and to see that a more constructive dialogue was developed in the appropriate forums between Community-level representatives of the two sides of industry, with the emphasis on economic and social problems.

Turning to the Community's social, wages and social security policies, the Committee noted first of all that the social situation would be increasingly dependent on Community policy, both as a result of the pledge by the Member States to align their economic policies to a greater extent and because of the entry into force of the European Monetary System.

After expressing the hope that free negotiations between the two sides of industry could also develop at Community level and advocating joint sectoral meetings the Committee urged that the Social Fund be increased and called upon the two sides of industry to carry out a general assessment of the Community's budgetary policy.

The last part of the Opinion dealt with measures to help employment. Among those considered by the Community were :

- making better use of the employment opportunities offered by agriculture and the service industries;
- enacting concrete measures to help smaller businesses and the crafts;

- providing greater public and private investment for protecting the environment and improving the quality of life;
- taking coordinated action at Community level to improve the distribution of available work, such action to be consistent with the need to maintain productivity and remain competitive; and
- taking more effective steps at Community level to ensure that alternative work was provided when jobs were shed as the result of industrial restructuring.

This Opinion was based on material supplied by the Section for Social Questions under the chairmanship of Mr HOUTHUYS - Belgium - Workers. The Rapporteur was Mr PIGA - Italy - Various Interests.

3. ENLARGEMENT (own-initiative Opinion)

Application of Greece, Portugal and Spain for membership of the European Community.

Opinion of the Committee

In its Opinion, adopted by a large majority with 3 votes against and 1 abstention, the Economic and Social Committee is mindful of the fact that the second enlargement of the European Community (from nine to twelve members) is in keeping with the preamble of the EEC Treaty in which the signatories "call upon the other peoples of Europe who share their ideal to join in their efforts". The

Committee is of the opinion that enlargement will help to bring about political stability and strengthen democracy in southern Europe, thus consolidating the democratic system throughout Europe.

The Committee considers that the Community Institutions must make a comprehensive, in-depth study of ways in which their internal structures and administrative machinery can be adapted to the new dimension of the Community. In the enlarged Community the aim should be efficient and comprehensible European Institutions. In other words, the Community must be organized in such a way that it can function properly; decision-making practices that impede applications of the Treaties should be abandoned.

In its capacity as the Community's socio-economic consultative assembly, the ESC hopes that the process of setting up the developing democratic organizations representing economic and social interest groups in the acceding countries will soon be completed.

Aquis communautaire

Greece, Portugal and Spain must accept the "aquis communautaire", including all Community objectives and policies at the particular stage they have reached at the time of accession and at the end of the transitional period.

In other words acceding countries must be prepared to dismantle existing trade barriers and eliminate distortions of competition; this includes the withdrawal of subsidies that distort competition.

As far as Spain is concerned, setting a timetable for the introduction of equal terms of competition and adoption of the Community's VAT system, is a matter of compelling urgency. Agreement on two-way safeguard clauses is also vital.

It is also imperative that concrete progress be made in aligning, in accordance with the Treaty of Rome, the legal, economic and social conditions that form the framework for relations between the Nine and Spain. These adjustments should then become a key element in developing a dialogue with a view to accession.

Transitional period

Unlike the situation when the EEC was enlarged for the first time, the entry of Greece, Portugal and Spain will pose a large number of difficult transitional problems and solutions will have to be found to the problem of how to integrate countries which, in socio-economic terms, fall well behind the Community average. The transitional measures adopted will therefore have to be such :

- that the Community is not slowed down, can be consolidated and can make new progress;
- that sectoral and regional problems currently plaguing the Community, and which frequently occur in the acceding countries as well, are not aggravated after enlargement.

The question of the nature and scope of adjustments should therefore be tackled as soon as entry negotiations begin. Solutions to transitional problems will need to be sufficiently flexible.

After the transitional period, freedom of movement for workers must apply to workers from acceding countries without restriction. A relatively long transitional period might be needed, however, because of structural and cyclical unemployment in the Community. This applies in particular to Spain and Portugal.

The Committee considers that it basically makes more sense to bring jobs to the unemployed rather than to oblige the unemployed to emigrate in order to find work.

Important policies

Regional policy

Estimating how much money needs to be earmarked for the Regional Fund cannot be disassociated from the need to monitor the Fund's effectiveness. The more effective financial assistance is as a means of achieving the Community's regional policy aims, the sooner increased funds will be made available to the Regional Fund. This will probably entail a shift in the use of the Community's financial instruments.

It is necessary to avoid giving the impression that the areas receiving assistance are in fact to be subsidized indefinitely.

Industrial policy

The Committee considers that the acceding countries must adopt existing Community provisions and mechanisms concerning structural adjustments, particularly as

regards steel, shipbuilding, textiles and the leather industry. It is essential that the acceding countries should feel obliged - even during the negotiation period and not simply after agreement has been reached - to abstain from acts detrimental to the interests of the Community, in keeping with the principles laid down in Article 5 of the EEC Treaty.

Measures to enhance the competitiveness and efficiency of small and medium-sized enterprises and craft industries will be particularly expedient from the point of view of maintaining and creating jobs in this sector.

The ESC would like to see a harmonization of sectoral and regional policies (a) to avoid over-capacity in certain sectors, (b) to avoid strong competition for support measures that produce hardly any extra employment and (c) to prevent the dilution of measures to stimulate the economies of the very poorest regions in the Community.

Energy policy

Since the enlarged Community's dependence on energy imports is going to become more and more pronounced, a fresh political impetus must be given to Community measures to reduce this dependence.

Transport policy

Transport problems arising out of the geographical distances in the enlarged Community will have to be

resolved in accordance with fair competition and the principles underlying the Community's structural policy.

The Community underlines the need for early implementation of Community solutions to maritime safety problems (in particular protection against ecological disasters ensuing from accidents involving supertankers).

The vessels of acceding countries are older than those of the Nine and greater risks attach to these older vessels.

Some significant figures :

- mean annual loss ratio of EEC countries :
0.13% of total tonnage per year;
- mean annual loss ratio of acceding countries :
0.51% of total tonnage per year;
- mean annual loss ratio of typical flag-of-convenience countries such as Liberia, Panama, Singapore and Cyprus
1.25% of total tonnage per year (accounted for mainly by supertankers).

Common Agricultural Policy

The Committee proposes in-depth and long-term measures. During the transitional period it proposes in particular that :

- provision should be made for the possibility of implementing specific safeguard clauses for the various branches of production and the most vulnerable products; and
- short-term measures be adopted that are designed to :
 - . improve the socio-structural Directives;
 - . bring about Community programmes for particular areas and/or particular production sectors;
 - . bring about integrated regional development operations using a combination of several financial instruments (ERDF, EIB, Social Fund, EAGGF) in geographically limited areas;
 - . coordinate financial measures;
 - . revise and adapt various market organizations in order to tackle the new production-consumption relationships for Mediterranean products and enable all the producers affected (fruit and vegetables, wine, olive oil, durum wheat) to enjoy better security of income;
 - . define overall market rules for processed products;
 - . implement aid and investment programmes for initiatives which partake of both agriculture and tourism.

External Relations of the Community

The Community is convinced that the Twelve will have greater responsibility in all matters connected with the safeguarding of peace and economic development in this area.

The Committee hopes that every effort will be made in the near future - and if possible before Greek accession - to put an end to any latent conflict between Turkey and Greece.

The Committee also supports the Council's endeavours to establish a sustained and constructive dialogue between the Community, the Arab world and the countries of Africa.

Community development aid policy

Entry into the EEC of three less economically developed countries must not mean that the Community's trade policy towards developing countries will be more protectionist or that the financing of enlargement through regional and sectoral policies will be at the expense of the Community's development aid.

Community Budget and VAT

The Committee recommends that all budgetary provisions be adopted and that VAT be introduced in all Member States.

Financial planning

The Committee considers that it is urgently necessary for the Commission to draw up a plan of action dealing with all the issues involved in the enlargement of the Community. An analysis of the costs involved would have to be appended to the plan.

The increase in funds from "own resources" would also have to be planned.

Financial instruments

The Committee is against the setting up of an ad hoc enlargement Fund. It favours instead the drawing up of an action plan on enlargement with a view to solving all the problems affecting both particular regions and sectors of the existing Community and of the acceding countries. This action plan should provide the framework for coordinating measures taken with financial aid from the Community.

This overall plan for tackling the problems of enlargement should be worked out as the negotiations with the acceding countries progress.

The logical consequence of drawing up this overall plan should be an increase in the funds available to the EEC financial instruments to enable them to meet the new circumstances. The Economic and Social Committee considers it very important in this respect to make a detailed calculation of the appropriations needed so that the general public in the Community of Twelve knows what price has to be paid for the political and economic benefits to be derived from enlargement.

This Opinion was based on material prepared by the Sub-Committee on Enlargement under the chairmanship of Mr S. JONKER - Netherlands - Employers. The Rapporteur was Mr PFEIFFER - Germany - Workers. Co- Rapporteur : Mr EMO CAPODILISTA - Italy - Various Interests.

STATEMENT BY MR NATALI

Mr NATALI first of all expressed satisfaction with the political point of departure of the Committee's Opinion, which meant a fair apportionment among the various countries of the burdens arising out of the new enlargement of the Community.

Any new country joining the Community had to accept the entire "acquis communautaire", as had been the case with Greece. This did not of course rule out progressive adaptation during a transitional period geared to the needs in question. One could mention, by way of example, the difficult problem of the free movement of workers, which would have to be solved within the context of an overall social policy.

The other problem given special attention by Mr NATALI was the future of the Common Agricultural Policy and more specifically the difficulties that were liable to arise in connection with enlargement (viz. structural problems, the development of rural employment, the treatment of certain Mediterranean products and the consequences for existing preferential agreements, as well as the danger of creating additional structural surpluses). The question of finance arose since the Community had practically exhausted its own financial resources.



In the centre, Mr NATALI, Vice-President of the Commission. To the right Mr ROSEINGRAVE, Vice-President of the Committee and to the left, Mr RENAULT, Vice-Chairman of the Committee.

Mr NATALI concluded that enlargement would have to be accompanied by a mobilization of all Community resources, particularly in the regional, social and industrial spheres.

He welcomed the Committee's proposal that a conference be called of the economic and social interest groups in the applicant countries so that they could exchange views with Committee members on the whole range of problems posed by enlargement.

4. SOCIAL SECURITY FOR MIGRANT WORKERS

Proposal for a Council Regulation amending Council Regulations (EEC) Nos. 1408/71 and 574/72 on the application of social security schemes to employed persons and their families moving within the Community.

Proposal for a Council Regulation amending the Annexes to Regulations (EEC) Nos. 1408/71 and 574/72 on the application of social security schemes to employed persons and their families moving within the Community.

Gist of the Commission's Proposal

The proposed amendments to Regulations Nos. 1408/71 and 574/72 are limited in scope and aimed at improving the rights of migrant workers, simplifying the procedures and removing the practical difficulties confronting them. The proposal is also aimed at simplifying the procedure for amending the Annexes to Regulation 574/72 so as to make it possible to amend them by means of a Regulation adopted by the Commission at the request of the Member State(s) concerned.

With regard to the amendments to the Annexes, account should be taken of changes in the internal financial administration within the Federal Republic of Germany, the changes that have been made in United Kingdom legislation and recent agreements concluded between Member States. The proposal is also intended to improve the procedure for the payment of certain arrears.

Opinion of the Committee

In its Opinion, adopted unanimously, the Economic and Social Committee supports the Commission's proposals since they are intended to improve the protection of the workers concerned and to simplify the relevant procedures.

However, it points out that it has on several occasions insisted on the need to eliminate the barriers which still impede the mobility of workers within the Community, particularly self-employed workers, and draws the attention of the Community authorities to the urgent need to codify the provisions relating to social security for migrant workers and their families.

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 BORNARD - France - Workers.

5. EXCHANGES OF YOUNG WORKERS

Proposal for a Council Decision (EEC) on Setting up a second joint programme of exchanges of young workers within the Community.

Gist of the Commission's proposal

This second joint programme of exchanges of young workers is aimed at expanding these exchanges and making a number of adjustments to take into account experience gained from the first programme, started in 1964. The Commission also proposes setting up an Advisory Committee to promote the programme and assess its impact.

Opinion of the Committee

This Opinion was adopted unanimously. The first part consists of general comments on the need to respect the basic aims of the exchanges and to overcome in the second programme the difficulties encountered in implementing the first programme. Three points are given special emphasis :

- the need to extend the programme to as many productive sectors as possible;
- the need to ensure that participants are given the same social security protection as other workers in the host countries;
- appropriate steps must be taken to provide ample information on the aims and content of the programme.

The Committee then makes some specific comments designed to improve the proposed measures :

- it emphasized the importance of language training for participants;

- it stresses that promoting organizations should always work in close liaison with the national authorities and with both sides of industry at the national and European levels;
- it endorses the setting up of the Advisory Committee referred to in the proposal, but calls for greater participation by representatives of the various economic and social interest groups.

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 SAVINI - Italy - Employers.

6. DANGEROUS SUBSTANCES

Proposal for a Council Directive supplementing the Annex to Council Directive 76/769/EEC on the Approximation of the Laws, Regulations and Administrative Provisions of the Member States relating to Restrictions on the Marketing and Use of Certain Dangerous Substances and Preparations and the

Proposal for a Council Directive amending for the Second Time the Annex to Directive 76/769/EEC on the Approximation of the Laws, Regulations and Administrative Provisions of the Member States relating to Restrictions on the Marketing and Use of Certain Dangerous Substances and Preparations.

Gist of the Commission Proposals

The Commission is proposing that further bans on the use of certain substances in manufactured articles be

added to the Annex to the Basic Directive 76/769/EEC, i.e. bans should be imposed on the use of tris phosphate in textile articles coming into contact with the skin and the use of trichloroethylene, tetrachloroethylene and carbon tetrachloride in lamps and other ornamental objects.

These provisions have been made necessary by the Member States' differing attitudes towards the use of these substances.

Opinion of the Committee

In its Opinion, adopted unanimously, the Economic and Social Committee approves these two proposals. It requests that the Commission be immediately notified of any provisions adopted by one Member State with regard to dangerous substances so that these provisions can, if necessary, be extended to cover the whole of the Community and the risk of existing stocks being imported into countries with less strict legislation is avoided. The Committee also underlines the need to ensure that stocks are not exported or re-exported to non-EEC countries.

Furthermore, the Committee regrets that the Commission is not able to act on its own initiative in application of Article 100 when a public health problem arises and that it can only do so when a technical barrier is created or is in danger of being created.

This Opinion was based on material prepared by the Section for Protection of the Environment, Public Health and Consumer Affairs under the chairmanship of Miss ROBERTS - United Kingdom - Various Interests. The Rapporteur was Mr FASSINA - Italy - Workers.

7. NUTRITIVE VALUE OF FOOD

Proposal for a Council Decision adopting a Concerted Action Project of the European Economic Community on the Effects of Thermal Processing and Distribution on the Quality and Nutritive Value of Food.

Gist of the Proposal

The Commission's proposal is designed to coordinate research work into the effects of processing and distribution on the quality and nutritive value of food, priority being given to freezing and preservation by heat treatment.

The results of this research will help to solve some major problems concerning the present food system, i.e. the quality of processed products, their nutritive value and the presence in foods of substances that are believed to be toxic.

The results will be communicated to legislators and to the general public and will serve as a basis for measures to improve processing and the methods of distribution in order to maximize both quality and nutritive value.

Opinion of the Committee

In its unanimous Opinion, the Committee approves the proposal but notes that, in view of the scope of the programme, it would have been advisable to consult the representatives of parties specially interested in this matter and, in particular, the representatives of consumers, manufacturers, farmers and the distributive trades.

The Committee hopes that, in future, the Commission will consult these parties in good time.

This Opinion was based on material prepared by the Section for Protection of the Environment, Public Health and Consumer Affairs under the chairmanship of Miss ROBERTS - United Kingdom - Various Interests. The Rapporteur was Mr LOUGHREY - Ireland - Employers.

8. CASEINS AND CASEINATES

Proposal for a Council Directive on the Approximation of the Laws of the Member States relating to Edible Caseins and Caseinates.

Gist of the Commission's Proposal

In order to eliminate conditions of unfair competition between users of caseins and caseinates which arise from the fact that not all the Member States have laws defining their composition and manufacturing characteristics, the Commission proposes that Community-wide rules for the composition and labelling of these products be laid down. This proposal concerns only edible caseins and caseinates.

Opinion of the Committee

In its Opinion, adopted unanimously, the Economic and Social Committee approves the Commission's proposal.

It thinks, however, that "milk proteins" would be a better expression than "caseins and caseinates" since it is likely to be more meaningful to the consumer.

The Committee also underlines the need for international organizations, such as the International Dairy Federation and the FAO, to lay down uniform definitions for caseins and caseinates.

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

9. RICE AND CEREALS

Proposal for Council Regulations

- amending the Regulation on the Common Organization of the market in Rice and Cereals
- amending the Regulation on Production Refunds in the Cereals and Rice Sectors

Gist of the Commission document

The aim of the Commission proposals is to maintain for a further marketing year at their present rates :

- production refunds on maize groats and meal, broken rice and other starch products used in brewing;
- production refunds on quellmehl used in breadmaking;
- the potato starch premium.

Opinion of the Committee

In an Opinion, adopted unanimously, the Economic and Social Committee approves the Commission's proposal and calls on the Community's institutions to take account of the particular problems of potato starch production in the Community.

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 SCHNIEDERS - Germany - Employers.

10. CITRUS FRUIT

Proposal for a Council Regulation Amending Regulation (EEC) No. 2511/69 Laying Down Special Measures for Improving the Production and Marketing of Community Citrus Fruit.

Gist of the Commission's proposal

As it is now clear that it will not be possible fully to implement the operations of switching over from citrus fruit production and improving marketing and processing facilities set out in Regulation (EEC) No. 2511/69 (OJ No. 318 of 18 December 1969) by the proposed deadline of 31 December 1978, the Commission proposes that the deadline be extended by seven years.

Opinion of the Committee

In its Opinion, adopted unanimously, the Economic and Social Committee, approves the Commission's proposal though it urges that in the restructuring operations envisaged by the Commission more account be taken of the need to improve marketing and processing structures.

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 RENAUD - Italy - Various Interests.

11. RAW TOBACCO

Proposal for a Council Regulation (EEC Laying Down Special Measures in the Raw Tobacco Sector in Respect of the Perustitza and Erzegovina varieties.

Gist of the Commission's Proposal

The Commission notes that since the 1976 harvest, there have been very large intervention stocks of Perustitza and Erzegovina tobacco. It therefore proposes to implement Article 13(1) of Regulation 727/70 of 21 April 1970 by reducing the intervention price for these two varieties for the 1979 and 1980 harvests.

Opinion of the Committee

The Economic and Social Committee adopted its Opinion with no votes against and 4 abstentions. It does not approve the Commission's proposal in its present form for the following reasons :

- the Commission's proposal has been submitted to the Council at a time when the Italian tobacco organizations and growers are doing all they can to make the situation of the Perustitza and Erzegovina varieties on the Community market less difficult;
- the Commission's proposal penalizes equally all the producers of these varieties, whereas - while taking into account the fact that recourse to intervention is to be exceptional - it should have considered the efforts made by those producers who normally sell their output on the open market and who sell to the intervention agency only intermittently and in situations that are very difficult in objective terms;

- the proposal does not make any provision for varying the reduction in the intervention guarantee given to growers according to the percentage of their output which they sell to the intervention agency.

The Committee therefore calls on the Commission to review its proposal in the light of the present situation on the tobacco market.

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

12. AID FOR THE MARKETING AND PROCESSING OF MILK PRODUCTS

Proposal for a Council Regulation (EEC) on Investment Aid at the Marketing and Processing Stage of Milk Products.

Gist of the Commission's Proposal

The Commission notes that aid from public sources to investment in the marketing and processing of milk products has encouraged the continuous expansion of milk deliveries to dairies within the Community and thus hampered the efforts undertaken by the Community to improve the milk market situation. It therefore proposes to prohibit all encouragement of such investment; however, exceptions would be allowed in favour of certain outlets, certain small undertakings and research as well as encouraging energy savings and the protection of the environment.

Opinion of the Committee

In its Opinion, adopted by a large majority with 6 abstentions, the Economic and Social Committee expresses serious reservations about the Commission's proposal.

It believes that milk processing and marketing firms must be modernized even with the present surpluses. Such modernization should aim at achieving the following three things in particular :

- a rationalization of plant, so that marketing and processing costs per kilo of treated milk can be brought down;
- a switch to new and better products, so as to boost sales within the Community;
- the construction of plant to produce products that will provide greater sales opportunities in non-EEC countries with different consumer habits.

Such measures should therefore continue to receive aid provided that the structural changes proposed do not increase the productive capacity in the Community. To ensure this, restructuring plans are necessary. The Committee therefore suggests that the Commission has another look at its Proposal, bearing these needs in mind.

The Committee emphasizes that the Commission's proposal is particularly inadequate for Community regions where milk production is low, such as hill and mountain areas and certain regions of Italy.

It would further point out that it is inconsistent to allow aid in the future for the development of new products when these can only be produced by reducing the output of what is produced now.

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 SCHNIEDERS - Germany - Employers.

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EXTERNAL RELATIONS

ESC ENERGY SECTION MEETS IN LONDON

At the invitation of Sir Derek EZRA, Chairman of the National Coal Board (UK), and of Mr Joe GORMLEY, President of the National Union of Mineworkers and a member of the Committee, the ESC Energy Section led by its Chairman, Mr Paul HATRY, held a meeting in London from 19 to 21 June 1979.

Among the subjects discussed was methods of encouraging a larger consumption of coal throughout the Community as a means of reducing its dependence on imported oil.

During their stay in England, members of the Energy Section visited the Daw Mill colliery near Nuneaton. They also met Mr David HOWELL, Secretary of State for Energy, who was host at a reception given in their honour at Lancaster House on 20 June.

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NEW CONSULTATIONS

During the month of May the Council requested the Committee to deliver Opinions on :

Proposal for a Council Directive Amending, for the First Time, Council Directive 76/768/EEC of 27 July 1976 on the Approximation of the Laws of the Member States relating to Cosmetic Products (Doc. COM(79) 250 final)

Proposal for a Council Decision on the Adoption of a Programme of Technological Research in the Field of Clay Minerals and Technical Ceramics (Doc. COM(79) 273 final)

Amending the Amended Proposal for a Council Regulation on the Common Organization of the market in Ethyl Alcohol of Agricultural Origin and Laying Down Additional Provisions for Certain Products Containing Ethyl Alcohol (Doc. COM(79) 237 final)

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PROVISIONAL PROGRAMME OF FUTURE WORK

July 1979

Opinions requested by the Institutions

- Cocoa
- Building materials
- Measuring instruments
- Textiles/Clothing
- Lawn mowers
- Risks associated with genetic manipulations
- Fresh poultrymeat (chilling)
- Trade in fresh poultrymeat
- Emulsifiers used in food

September 1979 Plenary Session

Opinions requested by the Institutions

- Structural policy - Agriculture
- Own-account road haulage
- Relief from customs duty
- Protection of workers
- Programme of the Joint Research Centre
- Company taxation
- Securities
- 10th VAT Directive

Study

- Yugoslavia

October 1979

Opinions requested by the Institutions

- Consumer credit
- Research Programme on Protection against Radiation
- Weight of road vehicles
- Second European Social Budget (Additional Opinion)
(October or November)
- Changes in working hours
- Migration policy vis-à-vis third countries
- Units of measurement
- Simple pressure vessels
- Aquatic environment
- Chlorofluorocarbons

Initiative Opinion

- Influence of regional authorities

Later Plenary Sessions

Opinions requested by the Institutions

- Powered industrial trucks
- Annual Report on the Economic Situation
- Energy objectives for 1990 (Supplement)

- Cosmetics
- Technological research - clay minerals
- Technological research
- Ethyl Alcohol
- Generalized preferences - 1980

Initiative Opinions

- Technical barriers
- Structural aspects of growth
- Investment guarantees in developing countries
- International standards for working conditions
- Use of medicines

Study

- Cereal substitutes

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MEMBERS' NEWSESC MEMBERS ELECTED TO THE EUROPEAN PARLIAMENT

Some past and present members of the Economic and Social Committee are among those elected to the new European Parliament, namely :

Mrs Fabrizia BADUEL GLORIOSO (Italy), member of the ESC since September 1970 and Chairman since October 1978

Mr Aldo BONNACINI (Italy), member of the ESC since January 1978

Mr Mario DIDO (Italy), member of the ESC since April 1972

Mr Michel DEBATISSE (France), member of the ESC from May 1965 to May 1972

Mr Karl Heinz HOFFMANN (Germany), member of ESC since May 1966

Mr Heinz Oskar VETTER (Germany), member of the ESC from 1966 to 1970

Mr Karl HAUENSCHILD (Germany), member of the ESC from August 1970 to September 1978

Mr Basil de FERRANTI (United Kingdom), member of the ESC since January 1973 and Chairman from 1976 to 1978

Mr Sjouke JONKER (Netherlands), member of the ESC since June 1976

Mr T.J. MAHER (Ireland), member of the ESC from January 1973 to September 1978

Furthermore, Mr Robert JACKSON (United Kingdom),
Chef de Cabinet to Mr Basil de FERRANTI during the latter's
chairmanship, was also elected.

Mr RENAUD, Committee Vice-Chairman, bestowed the
Committee medal on five members who have been elected to
the European Parliament : Mr BONACCINI, Mr DIDO,
Mr de FERRANTI, Mr HOFFMANN, Mr S. JONKER and Mrs BADUEL
GLORIOSO (who was absent).

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Handelsblatt 29. 30. 6. 79

Neuer Vorsitzender im Wiso-Ausschuß der EG

c.a. BRUSSEL. In dem für die laufende Sitzungsperiode (1978-1981) von der Arbeitnehmersseite gestellten Vorsitz im Wirtschafts- und Sozialausschuß der EG ist ein Wechsel vollzogen worden: Der italienische Gewerkschaftsführer (CUIL/UIT) Raffaele Vanni wurde zum neuen Präsidenten gewählt. Er ist Nachfolger von Frau Fabrizia Baduel Glorioso, die ihren Rücktritt erklärt hat, nachdem sie (auf der Liste der Kommunistischen Partei Italiens) in das neue europäische Parlament gewählt worden ist.

24 IL SOLE 29.6.79

Raffaele Vanni presidente del Cee

BRUXELLES - Raffaele Vanni, segretario della Cgil, è stato eletto ieri a Bruxelles presidente del Comitato economico e sociale della Cee (Cees) un organismo consultivo formato dai rappresentanti dei lavoratori, degli imprenditori e delle categorie agricole e artigianali. Vanni succede a Fabrizia Baduel Glorioso, che ha presentato le dimissioni in quanto eletta al Parlamento europeo quale indipendente nelle liste del Partito comunista italiano.

Lane heads EEC economic survey

A special survey on the economy of the Common Market is to be carried out by the EEC's Social and Economic Committee.

The IFA President, Mr. Paddy Lane, has been appointed chairman of the Committee, which will meet in Brussels every 10 days.

Their work will involve visits to every country in the EEC.

FINANCIAL TIMES 22. 6. 79

UK coal hopes rise over EEC proposals

BY JOHN LLOYD

BRITAIN'S coal industry could gain an export market worth between £50m and £75m a year if proposals outlined yesterday by the Economic and Social Committee of the European Community are agreed by the EEC Council of Ministers.

Such proposals have been put to the Council for the past three years, but have failed to win agreement. However, Sir Derek Ezra, the National Coal Board chairman, said yesterday that there was now a better chance of the ideas being accepted because of the oil crisis.

The plan was drafted by the committee's energy section, which has been meeting in London over the past three days.

Mr Paul Hatry, the energy section's chairman, said that agreement on the committee's package of proposals to subsidise coal burning was likely to depend on some display of willingness on the UK's part to share its oil reserves with the rest of the Community, together with a general agreement by all member states to move more rapidly down the nuclear power road.

The proposals, identical to those which have failed to get agreement in the Council of Ministers for the past three years, are: a subsidy of £8.35 on each tonne of steam coal

traded between member states, running over a three-year period at a cost of £63m; grants to cover 30 per cent of the cost of installing coal-fired capacity in power stations, running over 12 to 15 years at a cost of £300m; subsidies on pit-head stocks of coal and coke.

Sir Derek Ezra said that the NCB could supply initially between 2m and 3m tonnes of coal to the EEC, some of it drawn from stock, more than the 1.7m tonnes at present exported.

Mr Joe Gormley, President of the National Union of Mineworkers and also a committee member, said that the plan was designed to cut down on imports of coal from non-EEC countries on long-term contracts.

"Energy needs a long-term approach - you have to think of what will happen 10 years from now. Australian coal won't be cheap any more then."

Mr Hatry, however, pointed out that not all EEC countries felt hostile to substantial imports. He said that the coal industries of West Germany, France and Belgium - the other coal producers in the EEC - were all declining, though West Germany might be able to stabilise production in the near future.

Irish Independent 29.6.79

**PUBLICATIONS OBTAINABLE FROM THE ECONOMIC
AND SOCIAL COMMITTEE**

Periodical

- Bulletin (monthly publication)

General Documentation

- The Economic and Social Committee (leaflet) (January 1975)
- The Economic and Social Committee (April) 1975 (A descriptive brochure) 16 p.
- Annual Report (1977) 70 p. (1976) 80 p.
- Directory (January 1979) (List of Members) 41 p.
- The Right of initiative of the Economic and Social Committee (October 1977) 124 p.
- 20th Anniversary of the Economic and Social Committee (May 1978) 19 p.

Opinions and Studies

- The Community's Relations with Spain (June 1979) (Study) 112 p.
- Community Shipping Policy Flags of Convenience (April 1979) (Opinion) 170 p.
- Employee Participation and Company Structure (September 1978) (Opinion) 116 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 (Study) (June 1978) 135 p.
- Monetary Disorder (Opinion) (June 1978) 98 p.
- Small and Medium-sized Enterprises in the Community Context (April 1978) (Opinion) 29 p.
- Industrial Change and Employment (November 1977) (Opinion) 98 p.
- EEC's Transport Problems with East European Countries (December 1977) (Opinion) 164 p.
- Community Nuclear Safety Code (July 1977) (Study) 50 p.
- Regional Development - Unemployment and Inflation (June 1977) (Opinion) 130 p.
- Research and Development (November 1976) (Study) 35 p.
- Systems of education and vocational training (August 1976) (Study) 114 p.
- Regional Policy (March 1976) (Opinion) 11 p.
- European Union (July 1975) (Opinion) 33 p.
- Progress Report on the Common Agricultural Policy (February 1975) (Study) 52 p.
- The Situation of Small and Medium-sized Undertakings in the European Community (March 1975) (Study) 69 p.

