

EUROPEAN COMMUNITIES

BULLETIN

5

ECONOMIC AND
S O C I A L
C O M M I T T E E



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Vice-Presidents:	Bent NIELSEN (Denmark - Workers) André LAUR (France - Various Interests)
Secretary-General	Simon-Pierre NOTHOMB (Belgium)

Origins

The Committee was established by the 1957 Rome Treaties in order to involve the various economic and social interest groups in the establishment of the common market and to provide the institutional machinery for briefing the Commission and the Council on all matters relating to the Community

The Single European Act (1986) and the Maastricht Treaty (1992) reinforced the ESC's role

Membership

The Committee has 222 members (195 men, 27 women) representing economic and social interest groups in Europe. Members are nominated by national governments and appointed by the Council of the European Union for a renewable 4-year term of office. They belong to one of three Groups: Employers (Group I - President Manuel Eugénio CAVALEIRO BRANDÃO - Portugal), Workers (Group II - President Tom JENKINS - United Kingdom), Various Interests (Group III - President Beatrice RANGONI MACHIAVELLI - Italy). Germany, France, Italy and the United Kingdom have 24 members each. Spain has 21, Belgium, Greece, the Netherlands, Portugal, Austria and Sweden 12. Denmark, Ireland and Finland 9 and Luxembourg 6

The Members' Mandate

The ESC members' main task is to issue Opinions on matters referred to the Committee by the Commission and the Council.

It should be noted that the ESC is the only body of its type which advises the EU Council of Ministers directly.

Advisory Role

Consultation of the Committee by the Commission or the Council is mandatory in certain cases, in others it is optional. The Committee may, however, also adopt Opinions on its own initiative. Both the Single Act (17.2.86) and the Maastricht Treaty (7.2.92) extended the range of issues which must be referred to the Committee, in particular the new policies (regional and environment policy). On average the ESC delivers 180 Opinions a year (of which 10% are Own-initiative Opinions). All Opinions are forwarded to the Community's decision-making bodies and then published in the EC's Official Journal.

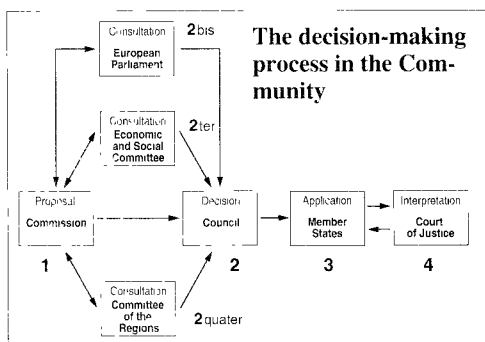
Information and Integration Role

Over the last few years the ESC has stepped up its role in the European Union and has transcended the straightforward duties flowing from the Treaties. Providing a forum for the Single Market the ESC has, in conjunction with other Community Institutions, organized a number of events designed to improve links between the general public in Europe and the European Institutions.

Internal organization

1. Presidency and Bureau

Every two years the Committee elects a Bureau made up of 36 members (12 per Group), and a President and two Vice-Presidents chosen from each of the three Groups in rotation.



The President is responsible for the orderly conduct of the Committee's business. He is assisted in the discharge of his duties by the Vice-Presidents who deputize for him in the event of his absence.

The President represents the Committee in relations with outside bodies.

Joint briefs: relations with EFTA, CEEC, AMU, ACP countries, Latin America and other third countries fall within the remit of the Committee Bureau and President.

The Bureau's main task is to organize and coordinate the work of the Committee's various bodies and to lay down the political guidelines for this work.

2. Sections

The Committee has nine Sections:

- Economic, Financial and Monetary Questions - secretariat tel. 546 94 71 (President: Jean Pardon - Group I - Belgium)
- External Relations, Trade and Development Policy - secretariat tel. 546 93 16 (President: Roger Briesch - Group II - France)
- Social, Family, Educational and Cultural Affairs - secretariat tel. 546 93 02 (President: John F. Carroll - Group II - Ireland)
- Protection of the Environment, Public Health and Consumer Affairs - secretariat tel. 546 92 27 (President: Manuel Afonso Ferreira - Group III - Portugal)
- Agriculture and Fisheries - secretariat tel. 546 93 96 (President: Pete Margalef Masà - Group III - Spain)
- Regional Development and Town and Country Planning - secretariat tel. 546 92 57 (President: Robert Moreland - Group III - United Kingdom)
- Industry, Commerce, Crafts and Services - secretariat tel. 546 93 85 (President: Liam Connellan - Group I - Ireland)
- Transport and Communications - secretariat tel. 546 93 53 (President: René Bleser - Group II - Luxembourg)
- Energy, Nuclear Questions and Research - secretariat tel. 546 97 94 (President: Jose Ignacio Gato Fernández - Group I - Spain)

3. Study Groups

Section Opinions are drafted by Study Groups comprising an average of 12 members, including a Rapporteur, who may be assisted by experts (usually four with a maximum of six).

4. Sub-Committees

Where appropriate, the Committee can set up a temporary sub-committee, which operates on the same lines as Sections.

5. Plenary Session

The Committee meets in Plenary Session as a rule ten times a year. At the Plenary Sessions, Opinions are adopted on the basis of Section Opinions by a simple

majority. They are forwarded to the institutions and published in the Official Journal of the European Communities.

6. Relations with economic and social councils

The ESC maintains regular links with regional and national economic and social councils throughout the European Union. These links mainly involve exchanges of information and joint discussions every year on specific issues.

Moreover, the ESC maintains similar contacts worldwide with other economic and social councils in the "International Meetings" held every two years.

7. Relations with economic and social interest groups in third countries

The Committee has links with economic and social interest groups in a number of non-member countries and groups of countries, including Mediterranean countries, the ACP countries, Central and Eastern Europe, Latin America and EFTA. For this purpose the Committee sets up 15-30 man delegations headed by the President. For links with the countries of Central and Eastern Europe, some meetings will be institutionalized under the European Agreements.

Meetings

The average number of meetings held each year is as follows:

Plenary Sessions	10
Sections	70
Study Groups	350
Group meetings	85
Meetings of sub-groups recognized by the three Groups	160
Miscellaneous	370
Visitors' groups (approx. 8,000 visitors)	200
TOTAL	1,245

Publications

The ESC regularly distributes a number of publications free of charge (Order in writing by mail or fax - 546 98 22) inter alia its main Opinions in brochure format and a monthly newsletter.

Secretariat-General

The Committee is serviced by a Secretariat-General, headed by a Secretary-General, reporting to the Chairman representing the Bureau.

The number of officials (including temporary and auxiliary staff) is as follows:

Category A (Administrators)	59 (48 men, 11 women)
Category B (administrative assistants)	65 (25 men, 40 women)
Category C (secretarial and clerical staff)	237 (59 men, 178 women)
Category D (skilled employees)	48 (36 men, 12 women)
Language Service	121 (67 men, 54 women)

Total: 530 (235 men, 295 women), more than a third of whom are involved in language work, given the need to operate in the Community's 11 official languages. However, as of 1 January 1995, the Economic and Social Committee and the Committee of the Regions will share a common core of services, drawing the bulk of their manpower from the ESC's secretariat.

1995 Budget

The 1995 Budget appropriations total ECU 83,900,000, of which ECU 57,800,000 have been earmarked for the joint services which the ESC shares with the Committee of the Regions.

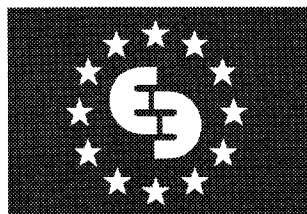
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95

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C O M M I T T E E



This Bulletin reports on the activities of the Economic and Social Committee, a consultative body of the European Communities. It is published by the ESC's General Secretariat (2, rue Ravenstein, B-1000 Brussels) in the official Community languages (10 editions per annum)

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C O N T E N T S

I.	326TH PLENARY SESSION OF 31 MAY AND 1 JUNE 1995	1
1.	Cross-border transfers <i>(adopted unanimously)</i>	1
2.	Common system of VAT (Agricultural outputs) <i>(adopted unanimously)</i>	2
3.	Harmonized consumer price indices <i>(adopted by a majority and 5 abstentions)</i>	2
4.	Dangerous substances (16th Amendment) <i>(adopted unanimously)</i>	3
5.	Cable television networks <i>(adopted by 98 votes in favour, 72 votes against and 4 abstentions)</i>	4
6.	Tourism statistics (Additional Opinion) <i>(adopted unanimously)</i>	5
7.	Fifth Periodic Report <i>(adopted unanimously)</i>	6
8.	Northern Ireland (Additional Opinion) <i>(adopted unanimously)</i>	7
9.	Transport of dangerous goods by rail <i>(adopted by a majority and 2 abstentions)</i>	7
10.	Voice telephony (ONP) <i>(adopted unanimously)</i>	8
11.	Hire vehicles <i>(adopted unanimously)</i>	10
12.	Safety of Ro-Ro vessels <i>(adopted unanimously)</i>	11
13.	European Agency Safety/Health at Work <i>(adopted unanimously)</i>	12
14.	Older People <i>(adopted unanimously)</i>	12
15.	Potato starch <i>(adopted unanimously)</i>	13
16.	Baltic Sea (5th Amendment) <i>(adopted unanimously)</i>	14
17.	Intervention thresholds - fruit and vegetables <i>(adopted unanimously)</i>	15
18.	Fisheries/aquaculture - Tonnage GT <i>(adopted unanimously)</i>	15
19.	Fisheries/aquaculture - Product processing and marketing <i>(adopted unanimously)</i>	16
20.	CMO/Dried fodder (Austria, Finland, Sweden) <i>(adopted unanimously)</i>	16
21.	Cotton <i>(adopted by 91 votes in favour, 36 votes against and 17 abstentions)</i>	17
22.	Structural business statistics <i>(adopted unanimously)</i>	14
23.	Bananas - Quota <i>(adopted by a majority, with 12 votes against and 26 abstentions)</i>	18
24.	Plant variety rights <i>(adopted unanimously)</i>	18
25.	EU/Albania Relations (4th Additional Opinion) <i>(adopted by a majority, with 1 vote against and 2 abstentions)</i>	19

II.	FUTURE WORK	20
III.	PRESENCE AND INFLUENCE OF THE ECONOMIC AND SOCIAL COMMITTEE	22
IV.	FACT-FINDING VISITS	23

The complete texts of the Opinions summarized in this brochure can be obtained either in the Official Journal of the European Communities, Office for Official Publications, 2, rue Mercier, L-2985 Luxembourg, or directly from the ESC Public Relations Division (Fax: +32.2.546.98.22)

I. 326TH PLENARY SESSION OF 31 MAY AND 1 JUNE 1995

The 326th Plenary Session of the Economic and Social Committee of the European Communities was held in Brussels on 31 May and 1 June 1995, under the presidency of Mr Carlos Ferrer.

On 1 June 1995, Commissioner Karel van Miert attended the session for the debate on the use of cable television networks.

During this Plenary Session, the Economic and Social Committee adopted the following Opinions :

1. CROSS-BORDER TRANSFERS

Opinion of the Economic and Social Committee on the *Communication to the European Parliament, the Council of the European Union, the European Monetary Institute and Economic and Social Committee on EU Funds' Transfers: Transparency, Performance and Stability*
(COM(94) 436 final - 94/0242 (COD))

(CES 573/95)

Rapporteur: Mr Umberto Burani (Italy - Employers)

Introduction

The Committee has already issued a number of Opinions on the system of making cross-border payments in the EU - the most recent one was issued in July 1994 - and it is now considering the matter once again, on the basis of a document drawn up by the Commission. Guidelines drawn up by the banking sector with a view to promoting transparency, performance and stability in the field of cross-border transfers have been in force since the end of 1992. In the intervening time two studies have been carried out into the effectiveness of these guidelines. As the second of these surveys echoed the findings of the first in demonstrating that inadequate improvements had been carried out, the Commission decided to submit a Proposal for a Directive. In so doing the Commission is diverging from the policy of self-regulation which it has hitherto followed in this field and which was endorsed by the ESC in its Opinion of July 1994.

Gist of the Commission document

The Commission's communication comprises a detailed introductory report, a Proposal for a Directive and a draft Notice on the application of EC competition rules to cross-border transfers.

The introductory report underlines, once again, the importance of introducing measures as soon as possible to ensure that cross-frontier payment systems become as effective as the internal systems. These measures are all the more necessary with a view, in particular, to the introduction of a single currency in the EU and economic and monetary union.

The Proposal for a Directive sets out a number of essential requirements for ensuring the transparency and performance of cross-frontier transfers. The Proposal for a Directive constitutes a general framework leaving a high degree of leeway in respect of contracts with a view to encouraging banks to improve the performance of their systems.

The draft Notice explains the approach which the Commission is planning to pursue when assessing whether cross-border transfer systems are compatible with EU competition policy. The Notice replaces and updates competition policy principles laid down by the Commission in 1992.

Gist of the Opinion

The Proposal for a Directive, which seeks to regulate procedures for carrying out transfers within the European Union (rather than "cross-border" transfers), is linked to the fundamental problem of competition policy.

The Opinion welcomes the Commission's efforts to improve the transparency and quality of implementation of such transfers by providing a minimum frame of reference and general rules in accordance with the principles of the internal market. However, it notes that in one respect the Proposal differs significantly from the plans repeatedly expressed by the Commission: it seems that the aim is not to assist consumers and SMEs to transfer funds easily in the internal market, but to improve cross-border transfer services for citizens and businesses, which means that the Directive should be extended to all payments, including high-value and urgent transfers.

The Opinion also points out an inconsistency between the declared aim of the Proposal - which is to prepare the way for Economic and Monetary Union - and its scope, which includes credit transfers denominated in third-country currencies; such currencies will not be absorbed by the single currency.

There is a legal impediment to the Directive applying to credit transfers denominated in a currency other than those of the EU countries or the ecu; such transfers necessarily involve a bank which is located in a third country and is therefore not subject to Community laws.

The Committee therefore asks that the scope of the Directive be confined to the currencies of the EU countries, including the ecu, and to credit transfers sent from one EU country to another EU country.

It also proposes that some of the Articles in the Proposal be clarified, especially as regards the definition of the term "intra-Community payment", the information to be provided prior or subsequent to a transfer, the setting of time-scales for execution and the procedures for providing compensation or refunds in cases of late or non-completed transfers.

On the **draft notice** the Committee notes that in various parts of the document terms and concepts are used which are too vague and likely to give rise to doubts, rather than certainty. It therefore recommends that the text be reviewed in order to make it clearer and leave minimum scope for interpretation by the parties concerned. Moreover, competition rules should apply not only to banks but also to any other institution offering payment services to the public.

Finally, the Committee welcomes the Commission's decision to continue studies on the practical problems connected with the introduction of a **single currency** and recommends that it include the EMI among its regular discussion partners.

2. COMMON SYSTEM OF VAT (AGRICULTURAL OUTPUTS)

Opinion of the Economic and Social Committee on the *Proposal for a Council Directive amending Directive 77/388/EEC on the common system of Value Added Tax (taxation of agricultural outputs)*
(COM(94) 584 final - 94/0324 CNS)

(CES 574/95)

Rapporteur working alone: Mr Camille Giacomelli (Luxembourg - Employers)

Gist of the Commission Proposal

The aim of the Commission proposal is to harmonize taxation in the internal market in agricultural outputs other than foodstuffs (i.e. flowers, plants, wool, wood for industrial uses, wood for use as firewood) by eliminating distortions of competition which have arisen as a result of structural imbalances in the level of VAT rates currently applied by Member States to supplies of these products.

Since the adoption of Directive 92/77/EEC of 19 October 1992, some Member States which already applied a reduced rate have been allowed to retain this rate, while those which applied the standard rate have been unable to apply a reduced rate. The purpose of the proposal is to abolish the prohibition contained in Article 12(3)(d) of the abovementioned Directive and to permit the provisional application by all Member States of a reduced VAT rate for deliveries of the products in question.

Gist of the Opinion

The Committee approves the proposed Directive as necessary for the smooth functioning of the internal market.

3. HARMONIZED CONSUMER PRICE INDICES

Opinion of the Economic and Social Committee on the *Proposal for a Council Regulation (EC) concerning Harmonized Consumer Price Indices*
(COM(94) 674 final - 95/0009 CNS)

(CES 575/95)

Rapporteur working alone: Mr Giampaolo Pellarini (Italy - Workers)

Gist of the Commission document

Under Article 109 of the EC Treaty, the Commission reports to the Council on progress made in the Member States' fulfilment of their obligations regarding the achievement of economic and monetary union. One criterion of convergence is price stability, assessed in relation to inflation in the best performing Member States.

In order to measure inflation on a comparable basis, the proposed Regulation is intended to authorize the Commission to introduce a number of measures designed to achieve, in three stages (1996-1998), both **comparable consumer price indices** and a Community consumer price index facilitating the operation of economic and monetary union.

Gist of the Opinion

The Opinion endorses the proposed Regulation but points out that the statistical data omitted in the first stage must be included in the second stage so that the convergence criteria provided for in the EU Treaty can be assessed fairly.

As regards the Monetary Union consumer price index, the inclusion of a larger basket of products would enhance its value as a statistical instrument.

4. DANGEROUS SUBSTANCES (16th Amendment)

Opinion of the Economic and Social Committee on the Proposal for a European Parliament and Council Directive amending for the sixteenth time 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
(COM(94) 570 final)

(CES 576/95)

Rapporteur working alone: Mr Nikolaos Lerios (Greece - Employers)

Gist of the Commission proposal

The aims of the proposal are, firstly, to harmonize restrictions on the use of hexachloroethane (HCE) in the non-ferrous metals industries so as to avoid creating obstacles to trade, secondly, to provide a high level of protection to the environment and, thirdly, to assure respect by the Commission of its obligations under the PARCOM Convention.

All Member States, with the exception of Italy, Greece and Luxembourg, and the Community, are Contracting Parties to the PARCOM Convention (Convention for the Prevention of Marine Pollution from Land-Based Sources (1974 Paris Convention)). In the absence of further action PARCOM 92/4 would be applied by nine Member States and PARCOM 93/1 would be applied by seven Member States. Clearly the result would be a fragmented Internal Market for HCE and a level of protection of the marine environment of the North-East Atlantic lower than agreed upon in the framework of the Paris Convention.

The effect of the proposed 16th Amendment would be to transpose PARCOM Decisions 92/4 and 93/1 into Community law without any substantial change.

HCE is one of the substances included in LIST (1) - the Black List of Council Directive 76/464/EEC on pollution caused by certain dangerous substances in the aquatic environment. HCE has been used mainly for degassing of molten metals, notably aluminium and magnesium alloys. Use has decreased in recent years as metal processors moved to other less environmentally damaging methods of degassing.

The effect of the 16th Amendment will be to replace HCE by substitutes which are environmentally benign.

Gist of the Opinion

The ESC recognizes that the proposed Directive harmonizes restrictions on the use of HCE in non-ferrous metal manufacture in order to:

- a) avoid the creation of barriers to trade with EU states which are not party to PARCOM;

- b) ensure a high level of environmental protection; and
- c) enable the Commission to fulfil its legal obligations arising from the PARCOM Convention.

The ESC therefore agrees with the proposed 16th Amendment.

5. CABLE TELEVISION NETWORKS

Opinion of the Economic and Social Committee on the Draft Commission Directive amending Commission Directive 90/388/EEC regarding the abolition of the restrictions on the use of cable television networks for the provision of telecommunications services
(OJ No. C 76 of 28 March 1995, page 8)

(CES 577/95)

Rapporteur: Mr Roger Ramaekers (Belgium - Various Interests)

Gist of the Commission document

Under Directive 90/388/EEC telecommunications services other than voice telephony to the general public and those services specifically excluded from the scope of the Directive (the telex service, mobile communications and radio and television broadcasting to the public) were opened to competition. The effectiveness of the measures liberalizing the telecommunications sector, and in particular the liberalization of data communications, value added services and the provision of data and voice services to corporate users and closed user groups, was questioned by many service providers and users of such services.

The regulatory restrictions preventing the use of alternative infrastructure for the provision of liberalized services are the main cause of this continued bottleneck situation, and in particular the restrictions on the use of cable TV networks. To remedy this problem, the European Parliament called upon the Commission to adopt as soon as possible the necessary measures to take full advantage of the potential of the existing infrastructure of cable networks for telecommunications services and to abolish without delay the existing restrictions in the Member States on the use of cable networks for non-reserved services.

The measures granting exclusive rights to the telecommunications organizations for the provision of transmission capacity and the resulting regulatory restrictions on the use of cable TV infrastructure for the provision of telecommunications services already open to competition are therefore a breach of Article 90 in conjunction with Article 59 of the Treaty.

The mere creation of a dominant position within a given market by granting an exclusive right is not, as such, incompatible with Article 86. A Member State is, however, not allowed to maintain a legal monopoly where the relevant undertaking is compelled or encouraged to abuse its dominant position in a way that is liable to affect trade between Member States.

The current restrictions on the use of CATV-networks for the provision of innovative services, such as telebanking, distance-learning and computer-aided marketing, therefore create a situation in which the mere exercise by the telecommunications organization of their exclusivity to provide transmission capacity for public telecommunications services delays, in the sense of Article 86(b) of the Treaty, the emergence of, in particular, new applications such as pay-per-view, interactive television and video on demand, as well as multimedia-services in the Community, combining both audio-visual and telecommunications, which cannot adequately be provided on the networks of the telecommunications organizations.

The exclusive rights granted to the telecommunications organization to provide transmission capacity for telecommunications services to the public and the resulting restrictions on the use of cable TV networks for the provision of liberalized services are therefore incompatible with Article 90(1), in conjunction with Article 86 of the Treaty. Article 90(2) of the Treaty provides for an exception to Article 86 in cases where the application of the latter would obstruct the performance, in law or in fact, of the particular tasks assigned to the telecommunications organizations.

Besides the case of voice telephony, no other restriction is justified under Article 90(2).

The Directive is to come into force on 1 January 1996.

Gist of the Opinion

The Committee acknowledges that the abolition of restrictions on the use of cable television networks will enable new telecommunications networks to be developed.

The Committee does, however, take the view that the restrictions should not be abolished until a clearly-defined regulatory framework has been established, primarily with regard to the universal service.

In the Committee's view, the financing of the universal service is a matter of fundamental importance; before any steps are taken to liberalize the use of cable television infrastructures, it must be clearly specified which service providers will have to contribute to the fund for financing the universal service.

The Committee considers that it is particularly important to determine the contribution of mobile communications suppliers to the funding of the universal service before liberalizing the use of cable television networks.

The Committee points to the different penetration levels of cable networks in the various EU Member States and the very patchy impact that the proposed Draft Directive would have. Implementation of the Directive would also even create unfair competition for some national telecommunications undertakings; some of them would be exposed to real competition, while others would only be theoretically exposed to competition, as there are no cable television networks in their countries.

The Committee notes that the implementation schedule was discussed by the Council on 17 November 1994. The Council did not take a decision on the abolition of the restrictions on the use of cable television before 1 January 1998.

For all the above reasons, the Committee considers that it would be premature to bring the Directive into force by 1 January 1996.

Bearing in mind the decision taken by the Council of Ministers, the different stages of development of cable television networks in the various Member States and the different impact which the Draft Directive would have on the various Member States, the Committee takes the view that each Member State should be free to decide whether it wishes to implement the proposed measure before 1 January 1998.

6. TOURISM STATISTICS (Additional Opinion)

Opinion of the Economic and Social Committee on the *Proposal for a Council Directive on the collection of statistical information in the field of tourism*
(COM(94) 582 final - 95/0002 (CNS))

(CES 578/95)

Rapporteur: Mr Giannino Bernabei (Italy - Employers)

Gist of the Opinion

The Committee largely endorses the Commission proposals to establish a harmonized information system at Community level on tourism supply and demand, and considers that they represent a further step forward in standardization of definitions and the compilation of complete, reliable statistics on tourism. However, the Committee feels that there may be a case for introducing instruments which are more binding than a Directive, in order to achieve standardization of definitions and provide common, consistent reference categories.

Furthermore, the Committee feels that the proposed measures could provide a preliminary frame of reference for the establishment of a reliable subsystem of macroeconomic variables in order to assess the economic contribution of tourism at regional, national and Community level, and to encourage the closer integration of tourism policies with other EU activities.

This positive endorsement is accompanied by more specific comments on the various Articles of the draft Directive.

7. FIFTH PERIODIC REPORT

Opinion of the Economic and Social Committee on the *Fifth Periodic Report on the Social and Economic Situation and Development of the Regions of the Community*
(COM(94) 322 final)

(CES 579/95)

Rapporteur: Mr Campbell Christie (United Kingdom - Workers)

Gist of the Commission document

The report is "periodic" as it only appears every three years or so. It provides a snapshot of the current state of the regions and examines the reasons behind the changes which have occurred since the previous report. It is also increasingly forward looking, as the many statistical analyses which it contains provide a basis for forecasts.

In short, the report is a key document which has even been termed the "bible" of regional development. It includes a ranking of the relative wealth of the Community's regions, using such indicators as employment, per capita income, investment and demography. The present report also contains interesting analyses of trends in the new German Länder and the economic situation in neighbouring Northern and Eastern European countries.

The Committee was consulted on the four previous reports, issued in 1981, 1984, 1987 and 1990.

The Opinion on the periodic report has always triggered a wide-ranging debate within a large study group. It provides an opportunity to consider the whole range of regional development issues and to give the Committee's views on all the regulations and programmes currently in force, with an eye to steering future legislation in the direction favoured by the social partners.

Gist of the Opinion

The Opinion includes general observations on the following main aspects: the degree of convergence of per capita GDP at Member State and regional levels, the rate of unemployment in the EU as a whole and at the regional level, and the impact of the reformed Structural Funds on cohesion.

In this Opinion the Economic and Social Committee calls on the Commission to include in subsequent Periodic Reports a general commentary showing the impact of national policies on economic and social cohesion.

Specific observations deal in greater depth with disparities in per capita GDP, inter-regional disparities in unemployment rates, determining factors in regional economic performance, the role of Foreign Direct Investment, and the role of services in the creation of lasting economic activity.

The Opinion also includes comments on the problems of peripheral regions, the question of transition to monetary union, future enlargement of the EU and the impact of enlargement towards the East.

In its conclusions the Committee invites the Commission to present more explanation of the actual pattern of economic development in the Objective 1 and 2 regions, and to pay further attention to the development of the Structural Funds in the context of national economic measures and external economic developments.

The next Periodic Report should also contain a deeper analysis of the regional consequences of monetary union and enlargement, both internally and on our external partners.

Similarly, the regional consequences of CAP reform and the trade liberalization measures agreed on at the Uruguay Round should, in the Committee's opinion, be addressed in some detail.

8. NORTHERN IRELAND (Additional Opinion)

Opinion of the Economic and Social Committee on the *Draft notice to the Member States laying down guidelines for an initiative in the framework of the special support programme for peace and reconciliation in Northern Ireland and the border counties of Ireland*
(SEC (95) 279 final)

(CES 580/95)

Rapporteur: Mr Göke Frerichs (Germany - Employers)

The aim and reasons behind this Opinion

The Communication under discussion was drafted by the Commission on the basis of a report prepared by the Task Force set up in September 1994 for the purpose of identifying further ways of providing practical assistance to Northern Ireland and the Border counties of the Republic. The principle of a special programme for Northern Ireland and the Border areas of the Republic, with funding of ECU 300 million for 1995-1997, was endorsed by the European Summit in Essen in December last year.

The Communication identifies five priority areas: employment, urban and rural regeneration, cross-Border development, social inclusion and productive investment and industrial development. It also proposes a list - which is not exhaustive - of eligible measures for these five priority sectors.

The Commission indicates that the operational programme is to be financed jointly by the European Union and the Member States concerned, and it details the arrangements for implementing this Initiative.

Gist of the Opinion

The Economic and Social Committee issued an Opinion on the Irish Border areas 12 years ago. When drafting the current Opinion the Committee decided to hold on-the-spot consultations to secure a firm foundation for its Opinion. The Committee is therefore on solid ground in supporting the Commission Initiative, which it considers will make a major contribution to the economic and social underpinning of the peace process, promote reconciliation and tolerance between the communities, and have a positive impact on the European Union as a whole.

For procedural reasons, the Committee issued a summary Opinion at the April Session in order to endorse the Commission decision. The detailed background to the Initiative and to the ESC's recommendations is set out in the additional Opinion which is down for debate at the May Plenary. The Opinion will be publicized at a Press Conference and then distributed throughout Ireland.

The Opinion highlights the following points: the Initiative focuses, needless to say, on job-creation and on social inclusion. First and foremost, it calls for action in the following areas: long-term unemployment (which in many cases has affected several generations of the same family), education and training, steps to involve local socio-economic interest groups in establishing priorities for action; finally the Committee warns against spreading resources too thinly and advocates substantial flexibility in allocating them. This is necessary in order to cater for the widely-differing situations between the communities and between urban and rural environments.

The Committee calls for the partnership principle to be used to the full in order to involve not only the trade unions, but all private sector and statutory voluntary bodies in implementing the Commission initiative; the Committee singles out the voluntary sector for its vitality and dedication.

9. TRANSPORT OF DANGEROUS GOODS BY RAIL

Opinion of the Economic and Social Committee on the *Proposal for a Council Directive on the approximation of the laws of Member States with regard to the transport of dangerous goods by rail*
(COM(94) 573 final - 94/0284 (SYN))

(CES 581/95)

Rapporteur: Mr Helmut Giesecke (Germany - Employers)

Gist of the Commission proposal

The international transport of dangerous goods by rail is currently governed by the Regulations concerning the International Carriage of Dangerous Goods by Rail (RID)¹ which only cover transport **between** Contracting States. Consequently, such transport at national level falls outside its scope.

The multiplicity and diversity of the various national laws applicable to the transport of dangerous goods at national level, particularly those concerning safety, constitute a serious obstacle to the free circulation of goods. This situation is further aggravated by the existence of agreements made on a bilateral or multilateral basis between Member States or with third countries.

This proposal is the result of a wide-ranging consultation with Member States, industry and the social partners. Its aim is to find a solution to these problems by extending the RID rules to national transport.

The proposal takes as its basis a series of parallel measures in respect of the transport of dangerous goods by road. The Committee has already had the opportunity to state its views on these².

Gist of the Opinion

The Committee welcomes the plan to adapt national provisions to the international provisions applying to international transport - provisions which already apply to 34 contracting States under the RID.

The draft Directive under consideration is largely in line with the Directive on the transport of dangerous goods by road, and the Committee hopes that, by analogy with that mode of transport³, the Commission will soon present a draft Directive on the monitoring of the transport of dangerous goods by rail.

It also encourages the Commission to present, without delay, the draft Directive on the transport of dangerous goods by inland waterway, which is still awaited and which would facilitate multimodal transport considerably.

On Article 1(1) of the draft Directive the Committee recommends that the Member States be left free to decide whether the transport of dangerous goods by vehicles belonging to national armed forces or used by them is covered by this Directive or not, while ensuring that the safety standards applied to this type of transport are not lower than those applying to civilian transport.

Finally, given that the restructuring described by the Commission (Directive 91/440/EEC) will involve differing responsibilities for firms responsible for operation and for those responsible for track, the Committee takes the view that these distinct responsibilities should be mentioned and defined in the Directive.

10. VOICE TELEPHONY (ONP)

Opinion of the Economic and Social Committee on the Proposal for a European Parliament and Council Directive on the Application of Open Network Provision (ONP) to Voice Telephony
(COM (94) 689 final)

(CES 582/95)

Rapporteur: Mr Bo Green (Denmark - Employers)

¹ Annex I to Appendix B of the Convention concerning International Carriage by Rail (COTIF).



Gist of the Commission proposal

This Draft Directive - introduced as part of the policy of open network provision established in Council Directive 90/387/EEC⁴ - incorporates the key provisions of the Directive proposed by the Commission in September 1992⁵. Since this matter comes under the co-decision procedure introduced by the Treaty on European Union, the European Parliament exercised its right to reject the Directive at its July 1994 session, mainly on account of the problem of comitology.

The aim of the new proposal is to:

- establish the rights of users of the telephone service;
- provide open, non-discriminatory access to the telephone network for all users, including companies offering competitive services;
- enhance Community-wide provision of voice telephony services.

The Directive sets out the basic features necessary for a universal public telephone service for all users in the European Union (respect for published installation periods, itemized billing and independent arbitration procedures for billing disputes).

Since the European telecommunications sector is moving towards fully deregulated competition in telephone services and infrastructure, it is important to ensure that all users - and in particular private customers - continue to have access to a basic, affordable telephone service, and that facilities such as public call boxes, directory services and special charge rates for certain social groups continue to be available.

The proposed Directive also invites national telecommunication authorities to assume responsibility for the management of the national numbering programmes in order to ensure fair, transparent allocation of numbers to all market players.

This is the second Directive concerning ONP; a Directive on leased lines was adopted in June 1992⁶.

Gist of the Opinion

The Committee agrees with the Commission that there is a need for a Directive on ONP for voice telephony, and that a minimum set of pan-European service aspects should be defined and should be supported by important service providers.

The Committee accepts the articles in the proposal which refer to special network access and interconnection as initial measures, and looks forward to a future, more comprehensive set of proposals in a separate proposed Directive.

The Committee also:

- expects the services and facilities detailed in Annex III(2) of the proposal to be introduced on a Community-wide scale as soon as possible, subject to technical feasibility and economic viability. This would seem necessary if the universal service is to be achieved;
- emphasizes the importance of the application of the principles of cost orientation and cost allocation (Articles 12 and 13) and the fact that these principles must make proper allowance for a capability to invest in the introduction of new technologies;
- believes that the Commission should report to the EP, the Council and the ESC no later than two years after the deadline for implementation (ref. Articles 31 and 32).

⁴ OJ L 192, 27.7.1990, p.1

⁵ COM(92) 247 final - OJ C 263, 12.10.1992, p.20
ESC Opinion (CES 1342/92) - OJ C 19, 25.1.1993, p.126

⁶ OJ L 165, 19.6.1992, p.27

11. HIRE VEHICLES

Opinion of the Economic and Social Committee on the *Proposal for a Council Directive on the use of vehicles hired without drivers for the carriage of goods by road*
(COM(95) 2 final)

(CES 583/95)

Rapporteur: Mr Daniel De Norre (Belgium - Employers)

Gist of the Commission document

Directive 84/647/EEC concerning the use of vehicles hired without drivers for the carriage of goods by road⁷, amended by Directive 90/398/EEC⁸, provides for restrictions in two precise areas:

- the vehicles may only be hired in the Member State of establishment;
- the Member States may exclude from the scope of the Directive own-account transport operations involving vehicles with a total permissible laden weight of more than six tonnes.

Subsequent Community legislation in the field of road transport⁹ has produced a new market situation. Moreover, the Commission White Paper on the future development of the common transport policy (1992)¹⁰ had already suggested that further harmonization in the field of hired vehicles be introduced.

The proposal removes the two restrictions referred to above, in that:

- it introduces the freedom to hire vehicles in any Member State to carry out transport of goods between Member States. However, given the fact that road transport taxation has not yet been sufficiently harmonized, and in order to avoid any fiscal distortion in international road transport, the validity of the contract for hiring vehicles in Member States other than the one in which the lessee is established may be limited. The period limiting the maximum duration of the contract of hire may not in any case be less than two months¹¹;
- no distinction is made between own account and transport for hire or reward; both are subject to the same criteria for hiring vehicles.

The proposal does not provide for the use of hired vehicles for carrying out cabotage operations, due to the discrepancies between Member States in the field of taxation and roadworthiness tests.

Gist of the Opinion

The Committee considers that the proposal should be assessed in the context of overall transport policy, its impact and implications, especially on the social level, and in the light of the conclusions of the Group of Experts on the carriage of goods by road.

From this standpoint, while supporting the objective pursued by the Commission, the Committee believes that the proposal makes only a partial contribution to the aim of harmonizing and liberalizing the market in vehicles hired for the carriage of goods by road.

⁷ OJ No. L 335 of 22.12.1984, p. 72

⁸ OJ No. L 202 of 31.7.1990, p. 46; ESC Opinion (OJ No. C 124 of 21.5.1990, p. 20)

⁹ Regulation 881/92/EEC (OJ No. L of 9.4.1992, p. 1) and Regulation 3118/93/EEC (OJ No. L 279 of 12.11.1993, p. 1)

¹⁰ COM(92) 494 final

¹¹ **Translator's note:** The wording here is taken from Article 3 on p. 17, not section C of the Explanatory Memorandum on p. 10, the English version of section C is wrong - "should not exceed two months".

Moreover, the Committee is unsure how the Member States could enforce compliance with Article 2(5)(b), which stipulates that proof must be provided that the vehicle hired is driven by the lessee or by a driver employed by the lessee, and stresses the importance of this provision and, in particular, the need to ensure that hiring vehicles without a driver does not lead to an increase in casual and undeclared employment.

Further, the Committee recommends harmonization of monitoring arrangements in this area, as otherwise unfair forms of competition will flourish.

Lastly, the Committee appreciates the fact that this proposal involves a recasting of existing legislation, which should ensure greater clarity of texts.

12. SAFETY OF RO-RO VESSELS

Opinion of the Economic and Social Committee on the Proposal for a Council Regulation (EC) on the safety management of Ro-Ro passenger vessels
(COM(95) 28 final)

(CES 584/95)

Rapporteur: Mr Francis J. Whitworth (United Kingdom - Employers)

Gist of the Commission proposal for a Regulation

In February 1993, the Commission submitted to the Parliament and the Council its Communication on a Common Policy on Safe Seas¹², which included an action programme relating also to the enhancement of the safety of passenger vessels. A number of measures have been adopted but one important element is still missing: safety management of Ro-Ro ferries.

Work carried out in the International Maritime Organization (IMO) has led to the adoption of IMO Resolution A.741(18) on the International Management Code for the Safe Operation of Ships and for Pollution Prevention (ISM Code). The Code is not, however, mandatory and it will apply to Ro-Ro ferries only from 1 July 1998.

In its Resolution of 22 December 1994¹³, the Council called upon the Commission to submit a proposal providing for mandatory and earlier application of the ISM Code to all scheduled services provided by Ro-Ro passenger vessels.

The proposal for a Council Regulation under review provides for (a) **mandatory** application of the Code two years earlier than the planned date and (b) inspection of safety management systems by the Member States.

Gist of the Opinion

The Committee unreservedly supports the proposal to make the ISM Code mandatory for passenger ferries with effect from **1 July 1996**. It believes that any derogation from this requirement should be kept to an absolute minimum and limited to small companies operating domestic services in sheltered waters for a period of short duration.

Particular importance is attached to compliance with Part 6 of the Code concerning Resources and Personnel.

Before accepting Documents of Compliance and Safety Management Certificates issued by non-EU Administrations or Classification Societies, Member States' administrations should be entirely satisfied that the issuing authority requires standards of compliance similar to their own.

¹² COM(93) 66 final - ESC Opinion No. CES 1170/93 (OJ No. C 34 of 2.2.1994, p.47)

¹³ OJ No. C 379 of 31.12.1994, p.8

13. EUROPEAN AGENCY SAFETY/HEALTH AT WORK

Opinion of the Economic and Social Committee on the *Draft Council Regulation (EC) No. .../95 amending Regulation (EC) No. 2062/94 establishing a European Agency for Safety and Health at Work* (COM(94) 651 final) (Council 4824/95)

(CES 585/95)

Rapporteur working alone : Mr Thomas Etty (The Netherlands - Workers)

Gist of the draft Council Regulation

Council Regulation (EC) No. 2062/94 of 18 July 1994 establishing a European Agency for Safety and Health at Work needs to be adjusted to take account of the accession of Austria, Finland and Sweden. In particular, the Administrative Board should be enlarged from 27 to 48 members to include 15 members respectively representing governments, employers' and employees' organizations, and three for the Commission. Government representatives would have two votes each.

Gist of the Opinion

The Committee is pleased that employers and workers from each Member State will now be represented on the Administrative Board, but considers that double voting rights for government representatives should only apply to budgetary matters.

14. OLDER PEOPLE

Opinion of the Economic and Social Committee on the *Proposal for a Council Decision on Community Support for Actions in favour of Older People* (COM(95) 53 final and final/2 - 95/0062 (CNS))

(CES 586/95)

Rapporteur: Mr André Laur (France - Various Interests)

Gist of the Commission document

In response to the requests of the European Parliament and the Economic and Social Committee (which is explicitly mentioned) for a follow-up to the European Year of Older People and Solidarity between Generations (1993), the Commission proposes a series of actions to be carried out from September 1995 to December 1999.

These actions are intended to assist Member States by enabling them to meet the challenges posed by the ageing of the European population and mentioned in the White Paper on European Social Policy - A Way forward for the Union.

The priority areas for action are as follows:

- 1) to identify ways to develop the role and potential of the active retired population;
- 2) to promote best practice in relation to:
 - a) improving the situation of older women;
 - b) management of an ageing workforce;
 - c) transition from work to retirement;
 - d) care and access to care for dependent older people;
- 3) to strengthen solidarity between generations and the integration of older people in danger of isolation.

Gist of the Opinion

The Economic and Social Committee welcomes the Proposal for a Council Decision on Community support for actions in favour of older people. However, it regrets that not all the proposals and suggestions made in its Own-initiative Opinion of 25 November 1993¹⁴ have been taken up by the Commission.

Nonetheless, the Commission document follows up some of the recommendations made in the Committee Opinion of 25 November 1993 on older people in society. Similarly, the 1990 Opinion¹⁵ stressed that the European Year should promote real "action" and should set up an effective "European network on innovative experiences".

The Committee has reservations about, and is critical of, the restricted framework of the planned Community action, and its limits in relation to the scale of the problems facing older people and the requests made in a number of its earlier Opinions. It hopes that the Commission's action relating to older people will be included in other Community programmes, e.g. the public health programme (preventive measures to ensure good health in old age), Community transport programmes (measures to encourage access to transport for older people with reduced mobility), or Community measures to encourage tourism.

The specific comments principally cover:

- the development of exchange networks on precise themes, as a way of ensuring the spread of best practice at European level and contributing to greater cohesion in our societies;
- attention to special needs, particularly those of older people living in a rural environment and of older migrants, and to the essential role of older people in the transmission of knowledge and skills;
- associating the representatives of the various socio-economic categories, and particularly the representatives of older people's organizations and of professional and voluntary organizations, in the implementation of the Decision.

15. POTATO STARCH

Opinion of the Economic and Social Committee on the Proposal for a Council Regulation (EC) amending Council Regulation (EEC) No. 1766/92 on the common organization of the market in cereals and Council Regulation (EC) No. 1868/94 establishing a quota system in relation to the production of potato starch (COM(95) 24 final - 95/0024 (CNS))

(CES 587/95)

Rapporteur: Mr Antoon Stokkers (The Netherlands - Various Interests)

Gist of the Commission proposal

This Regulation extends the quota system for the production of potato starch to the new Member States.

At the same time, the present version of the Council Regulation is adapted:

- to ensure that the compensatory payment paid to farmers is limited to the quantity of potatoes corresponding to the sub-quota of the starch manufacturer;
- to correct an error which could lead to false interpretations of the quantity that must be compulsorily exported without qualifying for a refund.

¹⁴ OJ No. C 34 of 2 February 1994, page 61.

¹⁵ OJ No. C 225 of 10 September 1990.

Gist of the Opinion

The Committee approves the Commission proposal subject to a few minor comments:

It regrets that the Commission has not used the necessary adaptation of the present Regulation to tailor the quota system more closely to the needs of the potato starch sector. Greater flexibility in the application of the measures, as already recommended by the Committee in its farm prices Opinion (OJ No. C 148 of 30 May 1994), would enable a starch producer in particular to:

- utilize, in addition to his quota for a marketing year, more than the present 5% of his next year's quota (e.g. 10%);
- take up any part of his previous year's quota which he was not able to use because of a shortfall in the potato harvest, since potato production can vary considerably from one year to the next on account of the weather.

16. BALTIC SEA (5th Amendment)

Opinion of the Economic and Social Committee on the *Proposal for a Council Regulation (EC) amending for the fifth time Regulation (EEC) No. 1866/86 laying down certain technical measures for the conservation of fishery resources in the waters of the Baltic Sea, the Belts and the Sound*
(COM(95) 70 final - 95/0068 (CNS))

(CES 588/95)

Rapporteur: Mrs Maria Luísa Freire de Andrade Santiago (Portugal - Various Interests)

Gist of the Commission proposal

The Commission proposal is based on the recommendations of the International Baltic Sea Fishery Commission made at the twentieth session of the Commission, which took place in Gdynia/Poland on 12 to 16 September 1994.

Under the Convention on fishing and conservation of the living resources in the Baltic Sea and the Belts, to which the Community acceded by Council Decision 83/414/EEC, the proposed measures must be incorporated into Community law. In accordance with Article XI of the Convention the recommendations on which agreement has been reached will be binding from 1 January 1995. However, for some recommendations covering mesh sizes, provision is made for an adjustment period up to 1 June 1995.

The proposed measures mainly concern the strict application of the ban on the keeping on board of gear other than that with a mesh opening authorized for the cod fishery, adjustments to mesh sizes for the cod and flatfish fisheries, technical provisions concerning the selectivity of fishing gear and the introduction of restrictions on the percentages of the by-catches of cod in order to ensure better use of existing fishing opportunities for that species.

This proposal contains the amendments to Regulation (EEC) No. 1866/86 required for that purpose.

Gist of the Opinion

The Committee approves the proposal since it fits in with a rational fisheries policy which is in tune with the resources available.

It recommends that fitting and effective measures be adopted to monitor vessels from all the contracting parties which fish in the area.

The Committee regrets that despite the EU accounting for 65% of catches in the area it only has one vote with which to defend Member States' interests. It recommends that this procedure be changed so that the number of EU votes is properly representative of the Member States.

17. INTERVENTION THRESHOLDS - FRUIT AND VEGETABLES

Opinion of the Economic and Social Committee on the *Proposal for a Council Regulation (EC) amending Regulations (EEC) No. 1035/72, (EEC) No. 2240/88 and (EEC) No. 1121/89 as regards the intervention threshold mechanism in the fresh fruit and vegetables sector*
(COM(95) 83 final - 95/0072 (CNS))

(CES 589/95)

Rapporteur: Mr José Bento Gonçalves (Portugal - Employers)

Gist of the Commission proposal

In the light of the accession of Austria, Finland and Sweden, the intervention threshold mechanism must be adjusted from 1 January 1995 to take account of the production of these three new Member States. This amendment only concerns tomatoes, apples, cauliflowers and peaches, since these are the only products cultivated in the new Member States for which thresholds exist.

In the case of apples, the adjustment must be made with effect from the 1994/95 marketing year.

The thresholds and steps need only to be adjusted from the 1995/96 marketing year on, in the case of tomatoes, cauliflowers and peaches.

Gist of the Opinion

The Committee endorses the proposed Regulation.

18. FISHERIES/AQUACULTURE - TONNAGE GT

Opinion of the Economic and Social Committee on the *Proposal for a Council Regulation (EC) amending Regulation (EC) No. 3699/93 laying down the criteria and arrangements regarding Community structural assistance in the fisheries and aquaculture sector and the processing and marketing of its products*
(COM(94) 568 final - 94/0281 (CNS))

(CES 590/95)

Rapporteur-General: Mrs Maria Luísa Freire de Andrade Santiago (Portugal - Various Interests)

Gist of the Commission proposal

Implementation of the provisions of the London Convention (ITC 69) concerning the remeasurement of the tonnage of fishing vessels in gross tonnes (GT), as well as the extension of its provisions to all EU fishing vessels following the adoption of Regulation (EEC) No. 2930/86 require the Commission to modify certain provisions of Regulation 3699/93, as follows:

- The amendment of Article 8 and of Annex III of the FIFG Regulation seeks to replace the expression in GRT of the tonnage threshold for access to certain measures by its expression in GT.
- In Article 5, the reference to the committee which allows the adoption of the multiannual guidance programmes must be changed.
- The modification of the scales of assistance relating to fishing fleets in Annex IV of the FIFG Regulation aims to eventually replace premium scales expressed in ECUs/GRT by premium scales expressed in ECUs/GT.

Gist of the Opinion

The Committee endorses the Commission proposal.

19. FISHERIES/AQUACULTURE - PRODUCT PROCESSING AND MARKETING

Opinion of the Economic and Social Committee on the *Proposal for a Council Regulation (EC) amending Regulation (EC) No. 3699/93 laying down the criteria and arrangements regarding Community structural assistance in the fisheries and aquaculture sector and the processing and marketing of its products* (COM(95) 55 final - 95/0058 (CNS))

(CES 591/95)

Rapporteur-General: Mrs Maria Luísa Freire de Andrade Santiago (Portugal - Various Interests)

Gist of the Commission proposal

Council Regulation (EC) No. 3699/93 of 21 December 1993 lays down the criteria and arrangements regarding Community structural assistance in the fisheries and aquaculture sector and the processing and marketing of its products.

The fishing industry is currently undergoing major changes in the context of a serious crisis, and the necessary adjustments to the industry entailed by the application of the common fisheries policy are creating a need for an extensive range of accompanying measures of a socio-economic nature.

The Commission therefore proposes an amendment to Regulation (EC) No. 3699/93 to insert the new measures. These should be optional, at the discretion of Member States, and applicable exclusively in the context of measures for the permanent cessation of activity of fishing vessels within the meaning of Article 8(2) of Regulation (EC) No. 3699/93 or in the context of setting up joint enterprises within the meaning of Article 9(3) of that Regulation.

The Commission plans to implement the new measures under existing FIFG allocations.

Gist of the Opinion

The Committee views the proposed measures as a first step towards the establishment of a proper social policy for the fisheries sector, at a time when the Community fleet is faced with far-reaching restructuring measures. The early retirement scheme goes some way towards rectifying the existing shortcomings, although the Committee considers that the scope of the support is too narrow.

20. CMO/DRIED FODDER (Austria, Finland, Sweden)

Opinion of the Economic and Social Committee on the *Proposal for a Council Regulation (EC) amending Council Regulation (EC) No. 603/95 on the common organization of the market in dried fodder* (COM(95) 96 final - 95/0073 CNS)

(CES 592/95)

Rapporteur working alone: Mr Rudolf Strasser (Austria - Various Interests)

Gist of the Commission proposal

The accession of Austria, Finland and Sweden to the European Union has led the Commission to propose certain amendments to Regulation (EC) No. 603/95. These concern the determination of their national guaranteed quantities (NGQs) of dried fodder, in accordance with the procedure adopted for the other Member States, and the corresponding adjustment of the maximum guaranteed quantities (MGQs) for the Community as a whole.

Gist of the Opinion

The Committee broadly endorses the Commission proposal.

It notes that the Austrian NGQ for dried fodder largely satisfies production requirements. However, the Finnish and Swedish NGQs should be re-examined, since these two Member States produced considerably more artificially dried fodder in the years preceding the 1992/1993 reference period.

21. COTTON

Opinion of the Economic and Social Committee on the *Proposal for a Council Regulation adjusting, for the fifth time, the system of aid for cotton introduced by Protocol 4 annexed to the Act of Accession of Greece* (COM(95) 35 final - 95/0061 (CNS))

(CES 593/95)

Rapporteur: Mr Vassilis Zarkinos (Greece - Various Interests)

Gist of the Commission document

The Commission proposes that the guaranteed maximum quantity (GMQ) should in future be split between producers in Spain and Greece, on the basis of their average production in the last period of three consecutive years in which climatic conditions can be regarded as having been normal, i.e. the years 1990/91 to 1992/93. Average Community production in this period was 947,000 tonnes, of which 698,000 tonnes were in Greece and 249,000 in Spain.

The penalties to be applied should the increased GMQ be exceeded would be partly applied at a Community level and partly at a Member State level. Thus the first 10% of any excess (i.e. 5% penalty) could be applied equally to producers in both of the Member States concerned. Beyond that, any further penalty would be shared in proportion to the extent to which either or both Member States' production had exceeded their national guaranteed quantity (NGQ) by more than 10%.

Gist of the Opinion

The Committee regrets that it was not consulted with a view to a comprehensive Opinion on the modification of the common organization of the markets in cotton, but that the referral is restricted to the proposal concerning the distribution of the Guaranteed Maximum Quantity of cotton between the two producer countries (Greece and Spain).

The Committee endorses the Commission's proposal to maintain the current system for aid for cotton production, which it considers to be a significant part of the agricultural sector in the regions concerned.

However, the Committee considers that the considerable shortfall of cotton in the EU, the probable expansion of cotton production in other EU countries, its socio-economic importance in certain EU regions, its non-food nature and the increased demand for cotton on world markets demand a higher GMQ of cotton in the EU. The Committee believes that cotton production in the southern EU countries needs to be encouraged, and that this could be achieved with a system which strengthens current production or at least keeps it close to present levels. In the Committee's view, the GMQ for each marketing year should be increased to 1,338,500 tonnes of unginned cotton.

The Committee considers that the GMQ should be equitably divided between the Member States in the form of guaranteed national quantities (GNQ) based on normal production levels, as follows:

- for Greece: 987,000 tonnes
- for Spain: 347,000 tonnes
- for Italy: 3,000 tonnes
- for Portugal: 1,500 tonnes

22. STRUCTURAL BUSINESS STATISTICS (Own-initiative Opinion)

Own-initiative Opinion of the Economic and Social Committee on the *Draft Council Regulation (EURATOM, EC) concerning structural business statistics* (COM(95) 99 final - 95/0076 CNS)

(CES 594/95)

Rapporteur working alone: Mr Vasco Cal (Portugal - Workers)

Objective and Gist of the Commission Document

The need for harmonized statistics on businesses has gradually increased as the single market has developed. It is not the aim of the proposed Regulation to harmonize the systems for compiling data, but to establish a common legal framework for the collection, transmission and development of structural business statistics in order to produce data which is comparable between the Member States.

The Member States are responsible for collecting the data. The basic thinking behind the proposed Regulation, which the Committee endorses, is to take full advantage of existing systems and to reduce the number of variables which require direct collection in businesses.

The draft Regulation contains a common module with the variables which should be included in structural business statistics in all sectors, together with two modules which deal with structural statistics in industry and in the distributive trades.

Gist of the Own-initiative Opinion

The Opinion approves the draft Regulation and hopes that the module dealing with financial services will be proposed as quickly as possible. Furthermore, additional data are required for the statistics in the distributive trades module.

Finally, the Opinion considers that the European Parliament's idea that EUROSTAT become an autonomous body could help to clarify the division of duties between EUROSTAT and the Commission.

23. BANANAS - QUOTA

Opinion of the Economic and Social Committee on the Proposal for a Council Regulation (EC) adapting Regulation (EEC) No. 404/93 as regards the volume of the annual quota for the import of bananas into the Community following the accession of Austria, Finland and Sweden (COM(95) 115 final - 95/0086 (CNS))

(CES 595/95)

Rapporteur-General: Mr José Rodríguez de Azero y del Hoyo (Spain - Employers)

Gist of the Commission proposal

The purpose of the proposal is to amend the volume of the tariff quota fixed by Regulation (EEC) No. 404/93 for the import of third country bananas and ACP non-traditional bananas to take account of the needs of the new Member States. These needs have been assessed on the basis of figures for average net imports during the last three years for which figures are available (1991-1993). The adjustment involves 353,000 tonnes (net weight).

Gist of the Opinion

The Committee approves the proposal.

24. PLANT VARIETY RIGHTS

Opinion of the Economic and Social Committee on the Proposal for a Council Regulation (EC) amending Council Regulation (EC) No. 2100/94 on Community plant variety rights (COM(95) 144 final - 95/0091 CNS)

(CES 596/95)

Rapporteur-General: Mr Giuseppe Pricolo (Italy - Employers)

Gist of the Commission proposal

Council Regulation (EC) 2100/94 on Community plant variety rights established a Community system for granting a specific form of industrial property right to breeders of new plant varieties.

The present proposal amends some inaccuracies in the German and English versions of the Regulation, and clarifies the provisions relating to the proceedings which may be instituted before the Courts. The aim is to align the relevant provisions with those already established in comparable fields, notably in Article 63 of Council Regulation (EC) No. 40/94 on the Community Trade Mark. The alignment should be made by 27 April 1995, as this is the date on which the new Community system is to become fully operative.

Gist of the Opinion

The Committee approves the proposal.

25. EU/ALBANIA RELATIONS (4th Additional Opinion on Relations between the European Union and the Countries of Central and Eastern Europe)

Additional Opinion of the Economic and Social Committee on Relations between the European Union and Albania

(CES 597/95)

Rapporteur: Mr Ettore Masucci (Italy - Workers)

Reasons for drawing up an Additional Opinion

Albania strengthened its ties with the Community by signing a "first generation" commercial and economic cooperation agreement on 1 December 1992. Given the weakness of Albania's economic structures, the agreement is of a largely political character. Rather than trade, the main planks of cooperation with Albania are the Phare programme, food and emergency aid, and above all balance-of-payments aid, which is 50% financed by the EC (50% by the other G24 nations).

Albania is in a transitional stage between a planned socialist economy and a market economy.

Gist of the Additional Opinion

The Opinion gives a number of important reasons why the EU should devote special attention to Albania. These include: Albania's geographical situation and its importance for the balance of the Balkan region; the structural fragility of the economy, which threatens the democratization process; the risks of ethnic and religious conflicts aggravated by the weakness of Albania's democracy; and the risks to stability posed by the spread of mafia and organized crime.

The Committee takes the view that closer relations between Albania and the EU must provide concrete solutions to the problems facing Albania today.

Despite the considerable strides made towards political democracy over the last three years, a number of foreign observers have identified a risk of political backsliding. Similarly, while the March 1993 law on human rights guarantees respect for minority rights, the position of the Greek minority in southern Albania remains a thorny issue and is at the root of disputes with Greece. It should also be noted that although the new penal code has now been approved, the approval of the new Constitution has been put on hold since the proposed draft was rejected by referendum.

The Committee feels that the EU would be wrong to threaten to discontinue aid because of the shortcomings still evident in the democratization process. A more positive approach to aid conditions would be more effective.

As part of its transition to a market economy and economic democracy, Albania has liberalized its wholesale and retail prices and its foreign trade. These moves have had some adverse effects. Albania has also resolutely embraced privatization.

The privatization of agriculture which began in 1991 is now almost complete. This process was designed to woo the 60% of the population who live in rural areas and encourage them to remain there so as not to worsen the country's social situation. However, the Committee wonders whether these two objectives could not have been pursued by a reform that did not jeopardize the future efficiency of Albanian agriculture.

While the privatization of small and medium-sized enterprises is also almost complete, that of the big State-owned companies is more problematic. The Committee notes that Albania's route to a market economy is failing to secure a parallel transition to economic democracy.

In the Committee's view, Albania's social transition will call for mammoth efforts on three fronts: training, collective bargaining, and social policy. To this end, the country needs help to adapt its education and training system.

Despite some recent progress, the Albanian economy remains extremely fragile. Its social situation is a particular cause for concern, and unemployment has rocketed. Albania is a seriously underdeveloped country, and foreign aid remains vital. The effectiveness of this aid will depend on appropriate economic development decisions being taken by the Government.

Between 1991 and 1993, Albania received international aid to the tune of MECU 1,227 (44% of which took the form of emergency aid, mainly as food aid). The EU was the chief donor. However, Albania still needs to plough massive resources into investments. The Committee therefore considers that since Albania has facets both of a central/eastern European country and a Mediterranean country, it should also be included in Mediterranean policy.

EU financial assistance, set within the wider context described above and also embracing investment, could therefore be targeted at the following: economic restructuring and sectoral development, infrastructure, EU private investment in Albania, job creation, development of human resources, decentralized cooperation, inter-regional cooperation, and Balkan regional cooperation.

The Committee considers that the reinforcement of political dialogue between the EU and Albania should foster convergence on shared values, membership of a common strategic framework and the definition of common guidelines for peace and cooperation.

The establishment of social dialogue between the EU and Albania is long overdue. The Committee proposes the setting-up of a joint advisory committee of EU and Albanian socio-economic interest groups, with a remit to promote dialogue and cooperation.

Lastly, the Committee thinks that the time has come to begin preparations for a Europe agreement similar to those concluded with other central and eastern European countries.

II. FUTURE WORK

Environment Section

- Quality of water destined for human consumption
COM(94) 612 final - 95/0010
deadline: September
- Community Action Programme in the field of civil protection
COM(95) 155 final - 95/0098 CNS
deadline: September
- Food additives other than colouring or sweeteners
COM(95) 177 final - 95/0114 COD
deadline: October
- Shipments of waste within, into and out of the European Community
COM(95) 143 final - 95/0107 SYN
deadline: October

Industry Section

- Media II
COM(94) 523 final - 95/0026 SYN - 95/0027 SYN
deadline: July
- 3rd Annual Report on European SME Observatory
deadline: October/November
- XXIVth Report on competition policy
COM(95) 142 final
deadline: November

- Implementation of information-society applications and the guidelines for trans-European telecommunications networks
COM(95) 224 final
deadline: to be determined

Transport Section

- Access to the groundhandling market at Community airports
COM(94) 590 final - 94/0325 SYN
deadline: September
- Driving licences
COM(95) 166 final - 95/0109 SYN
deadline: September
- Restructuring in inland waterway navigation
COM(95) 200 final
deadline: September
- Transport of goods or passengers by inland waterway between Member States
COM(95) 167 final - 95/0106 CNS
deadline: September/October
- Set of guidelines for trans-European telecommunications networks
COM(95) 203 final
deadline: October
- Organization of the market in inland waterway transport and flanking measures
COM(95) 199 final
deadline: October/November
- Development of Community postal services
COM(95) 227 final
deadline: to be determined

Social Section

- Profession of lawyer in a Member State other than that in which the qualification was obtained
COM(94) 572 final - 94/0299
deadline: July
- Community action plan in the field of cultural heritage (Raphael programme)
COM(95) 110 final - 95/0078
deadline: July
- Equal treatment for men and women in occupational social security schemes
COM(95) 186 final - 95/00117 CNS
deadline: October

Ecofin Section

- Green paper on the Single Currency
deadline: October

Energy Section

- Promotion of energy efficiency in the Community: SAVE programme
COM(95) 225 final
deadline: to be determined

Agriculture Section

- Technical conservation measures in the waters of the Baltic, the Belts and the Sound
COM(95) 211 final
deadline: to be determined
- Technical measures for the conservation of fishery resources
COM(95) 212 final
deadline: July/September

OTHER WORK

Industry Section

- Technical standards and mutual recognition of tests and certification (Additional Opinion)
deadline: October/November
- Public contracts (Additional Opinion)
deadline: October/November

III. PRESENCE AND INFLUENCE OF THE ECONOMIC AND SOCIAL COMMITTEE

Activities of the Presidency

On 3 May 1995 meeting in Brussels with Commissioner Marcelino Oreja.

On 9 May 1995 President Carlos Ferrer attended the inaugural conference of the Madrid Diplomatic College and made a speech on "The challenges of Europe: the role of civil society".

On 10 May 1995 Mr Ferrer attended a meeting in Madrid of the Study Group on the Economic Situation in Spain (Section for Economic, Financial and Monetary Questions).

On 11 May 1995 Mr Ferrer spoke in Brussels on "The challenges of Europe: the role of civil society". Mr Ferrer, who was accompanied by several ESC members, was addressing the VII Congress of the European Trade Union Confederation which took place on 9-12 May 1995.

On 11 May 1995 Mr Ferrer attended a conference in Brussels on "Democracy, Transparency, Efficiency; the necessary institutional reform within the EU", organized by the Konrad-Adenauer Foundation at the European Parliament.

On 15 May 1995 Mr Ferrer had talks in Brussels with Mr Papathanassiou, President of the Athens Chamber of Commerce.

On 15 May 1995 Mr Ferrer hosted a reception for Irish President Mary Robinson.

On 18 May 1995 Mr Ferrer had talks with Mr Durán López, President of the Spanish Economic and Social Council.

On 25 May 1995 Mr Simon-Pierre Nothomb, ESC Secretary-General, attended a meeting in Lisbon of the General Secretaries of the Economic and Social Councils of the European Union.

On 26 and 27 May 1995 Mr Carlos Ferrer gave a speech on youth unemployment during the IVth international meeting of Economic and Social Councils and similar institutions.

On 29 May 1995 Mr Ferrer had a meeting in Brussels with Mr Carlos Westendorp y Cabeza, Spanish Minister for European affairs.

On 29 May 1995 Mr Ferrer met a delegation from the Tripartite Secretariat for social dialogue in Romania.

On 31 May 1995 Mr Ferrer spoke at a conference on "Business Participation in Designing Policies accompanying the Single European Currency", organized by the Association for European Monetary Union.

Other activities

On 3 and 4 May 1995 the ESC organized a conference in Galway, Ireland, on the Citizen's Europe, in conjunction with University College, Galway; the conference was attended by Mr Fintan Coogan, Mayor of Galway, Mr Michael D. Higgins, TD, Irish Minister for Arts, Culture and the Gaeltacht, Mr Dónal Carey, TD, Minister of State at the Department of the Taoiseach and Mr J.C. Eeckhout, Director at the European Commission.

On 2 May 1995 Commissioner Emma Bonino addressed the Section for Protection of the Environment, Public Health and Consumer Affairs. Commissioner Bonino, who is responsible for fisheries, consumer policy and humanitarian aid, spoke on Community priorities in the area of consumer protection.

On 3 May 1995 Mr Bernard Molitor, President of the group for legislative and administrative simplification, gave a progress report on the Group's work.

On 4 May 1995 Commissioner Emma Bonino addressed the Section for Agriculture and Fisheries on the state of fisheries policy in the European Union.

On 8 May 1995 President Ferrer attended an Open Day organized by the European Parliament to commemorate the 45th anniversary of the Schuman Declaration and the 50th anniversary of the end of World War II.

From 9-12 May 1995 an ESC delegation attended the VIIth Congress of the European Trade Union Confederation.

On 11 May 1995 Mr Jan van Rens, Director of CEDEFOP, addressed the 262nd meeting of the Section for Social, Family, Educational and Cultural Affairs.

On 18-19 May 1995 the Section for External Relations, Trade Policy and Development organized a symposium for representatives of economic and social interest groups in the EU and in Central and Eastern Europe (Poland, Hungary, Czech Republic, Slovakia, Romania, Bulgaria) on the "Assessment of the PHARE Programme".

On 26-27 May 1995 an ESC delegation attended the IVth International Meeting of Economic and Social Councils and similar institutions in Lisbon.

From 29-31 May 1995 the Committee hosted a delegation of the Tripartite Secretariat for Social Dialogue in Romania, comprising Mr P. Zara, President and representative of the Romanian Employers Association, Mr I. Stefan, representative of workers, Mr O. Predescu, representative of the Government and Mr O. Partenie, Secretary of State responsible for social dialogue.

IV. FACT-FINDING VISITS

The following groups visited the Economic and Social Committee in May:

- 2 May 1995 Albertus-Magnus-Gymnasium (with a group of Finnish students), Bensberg (Germany).
- 2 May 1995 Bildungsdienst, Sozialwerk und Akademie des Deutschen Beamtenbundes (BISOWE des DBB), Bonn (Germany)
- 4 May 1995 INSINÖÖRILIITTO (Union of Professional Engineers in Finland), Helsinki
- 5 May 1995 Politisches Bildungswerk: Verantwortung in Staat und Gesellschaft, Reichshof (Germany)
- 10 May 1995 Bildungsdienst, Sozialwerk und Akademie des Deutschen Beamtenbundes (BISOWE des DBB), Bonn (Germany)
- 10 May 1995 KEY TO EUROPE (Tinbergen MEAO), Netherlands
- 10 May 1995 KUNTAKOULUTUS OY (Local Government Training Ltd.), Helsinki (Finland)
- 10 May 1995 Landesarbeitskreis "Frauen" des Industriegewerkschaft Bau-Steine-Erden, Berlin (Germany)
- 11 May 1995 Regional Journalists attending the ETUC Congress

- 11 May 1995 Bundesakademie für öffentliche Verwaltung im Bundesministerium des Innern, Bonn (Germany)
- 11 May 1995 Deutschland- und Europapolitisches Bildungswerk Nordrhein-Westfalen, Tecklenburg (Germany)
- 11 May 1995 SACO - Sveriges Akademikers Centralorganisation (Swedish Confederation of Professional Associations), Stockholm (Sweden)
- 12 May 1995 European Institute of Public Administration, Maastricht (Netherlands)
- 12 May 1995 Ausschuß für EG- und Integrationsfragen des Oberösterreichischen Landtages, Linz, Austria.
- 12 May 1995 Politische Akademie Biggensee, Attendorn (Germany).
- 12 May 1995 Centre de Formation et de Promotion des Maisons Familiales Rurales (MESLAY), La Guyonnière (France)
- 15 May 1995 Socialdemokratiet Fyns Amt (Denmark)
- 16 May 1995 Irish Institute for European Affairs, Leuven (Belgium)
- 16 May 1995 Landeszentrale für Politische Bildung Sachsen-Anhalt, Magdeburg (Germany)
- 16 May 1995 Universidad del país vasco - Facultad de Ciencias sociales y de la información, Bilbao (Spain)
- 16 May 1995 Kenan Flagler Business School - The University of North Carolina (United States of America)
- 16 May 1995 Mission d'appui aux programmes communautaires, Montpellier (France)
- 17 May 1995 Finnish Institute of Public Management, Helsinki (Finland)
- 17 May 1995 Instituto de Estudios Europeos y Derechos Humanos - Universidad Pontificia, Salamanca (Spain)
- 18 May 1995 Högskolan i Växjö - Institutionen för samhällsvetenskap (Växjö University) (Sweden)
- 18 May 1995 Landeszentrale für Politische Bildung Schleswig-Holstein, Kiel (Germany)
- 18 May 1995 European Institute of Public Administration, Maastricht (Netherlands)
- 19 May 1995 Männerarbeit der Evangelischen Kirche von Westfalen, Dülmen (Germany)
- 19 May 1995 Ministry of Education and Science, Stockholm (Sweden)
- 23 May 1995 FTF -Funktionærernes og Tjenestemændenes Fællesråd, Copenhagen (Denmark)
- 24 May 1995 Stratford-upon-Avon College, (England)
- 24 May 1995 Polish Delegation (MAFE Departments, Agencies and Agricultural Organizations)
- 30 May 1995 Metalskolen jørlunde, Slangerup (Denmark)
- 30 May 1995 Commission of the Swedish EU-strategy on Consumer Policy

