

ECONOMIC AND SOCIAL CONSULTATIVE ASSEMBLY

# BULLETIN

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## 255th Plenary Session

The 255th Plenary Session of the Economic and Social Committee of the European Communities was held at Committee headquarters, Brussels, on 27 and 28 April 1988 under the chairmanship of the Committee Chairman, Mr Margot.

The Session was attended by Mr Andriessen, Vice-president of the Commission, who took part in the debate on farm prices.

### Extracts from the speech given by Mr Andriessen

Mr Andriessen said that agriculture should be seen as a major element for developing the European Community as a whole, to lead to more integration, better solidarity and ultimately to a unified policy. The farm prices proposals should be seen in this light. The common agricultural policy had become the victim of its own success: overproduction, high stocks, rising costs, farmers' incomes under great pressure.

We had to base our policy on three premises: the state of the markets, the international situation and the limitations of the budget, he said. The Commission had proposed the concept of the stabilizers to control production. In its Opinion, the Committee urges flexibility but that could only be considered in those sectors where production was effectively reacting to the imposition of stabilizers.

The present Commission proposals were a freeze on prices in nominal terms which meant a drop in prices in real terms, certainly in those countries where inflation is above Community average. Secondly it had proposed a number of related measures which would also in general have a negative effect, producing a downward trend.

On the question of dismantling Monetary Compensatory Amounts, Mr Andriessen said it would be unjust to give the wrong signals to agriculture this year because in the case of negative MCAs it is coupled to price rises in agricultural commodities. However, positive MCAs will be phased out.



*Mr Margot, President of the ESC (left) and Mr Andriessen, Vice-president of the Commission, on the podium at the Plenary Session of the Economic and Social Committee.*

The price package will depress farming incomes, he continued. Supplementary income support will have to be made available to needy farmers, a support which should be supplied by the increase in the Community structural Funds.

As for budget guidelines, these were now more soundly based on the assumption of a weak dollar and low prices for agricultural products. We now had the guarantee, under the new budgetary discipline, that the amount available under the fixed ceiling would be available to finance agricultural policy. Mr Andriessen took US trade policy to task for being aggressive and added that the Community was not prepared to adopt unilateral measures curbing output if others were not ready to act likewise. The Community had to find solutions which fitted into the world context. This did not mean concessions but worldwide consensus which would improve the situation worldwide, not for part of it nor to the detriment of one part.

## Debate

In the debate, several members raised the question whether the Commission was sufficiently emphatic in insisting in the international debate, particularly in the GATT round, on others introducing curbs on production and on imports to the EC. Among these speakers were Mr Yverneau (France — Various interests), Mr Rolão Gonçalves (Portugal — Employers' Group), Mr Nieuwenhuize (Netherlands — Workers' Group), Mr Bento Gonçalves (Portugal — Various interests) and Mr Hilken (Netherlands — Various interests). Others underlined the decline of farmers' incomes and the need for measures to help them. These speakers were Mr Fresi (Italy — Employers), Mr Rouzier (France — Workers), Mr Bento Gonçalves (Portugal — Various interests), Mr Serra Caracciolo (Italy — Various interests) and Mr Lowjewski (Germany — Workers) who also pointed to job losses which will arise from the set-aside policy and budgetary stringency. The financial burden which the Community had to bear as a result of the fall in the dollar's value was mentioned by several speakers in the debate. Some members also expressed their regret at the low levels at which prices had been fixed.

Mr Andriessen replied that the Community could not put up barriers against imports because that meant breaking GATT agreements. As for farm products, it was essential to strive for quality, not for high prices. If prices decline, incomes will have to be supported.

## *ADOPTION OF OPINIONS*

### 1. FARM PRICES

**Commission proposals on the prices for agricultural products and on related measures**  
[COM(88) 120 final]

#### **Gist of the Commission proposals**

These proposals confirm the reforming line which has been taken for some years now in order to take more account of the economic and social constraints upon the agricultural sector. As a whole, the proposals now drawn up cannot, therefore, be disassociated from the adaptation measures recently introduced, and in particular the 'agricultural stabilizers' adopted at the last European Council meeting in February 1988.

#### **Price levels**

Given the market conditions both at Community and at international level, the Commission proposes that a restrictive pricing policy be continued in the coming marketing year. This means maintaining prices at the current level for most products, while for some of the remaining products the prices must be changed to allow for the specific character of the markets concerned.

The incidence of these proposals on the support prices of agricultural products for the Community is 0.00% (in ECU) and 0.29% (in national currencies).

#### **Related measures**

These are an essential complement to the price proposals, and make it possible to enhance and adjust the impact of those proposals.

Among the related measures for the next marketing year are the arrangements for implementing the agricultural stabilizers for a number of products. These arrangements supplement the provisions adopted as a result of the last European Council meeting in Brussels.

Thus, for FRUIT AND VEGETABLES, because of production trends and marketing difficulties, the Commission proposes:



- (i) the introduction of a single intervention threshold for oranges, lemons and peaches (fresh products), exceeding which in one marketing year would mean a reduction in the purchase price for the following year;
- (ii) maintenance of the system of thresholds and of the limitation on the overall quantity benefiting from the aid for processed tomato-based products;
- (iii) the introduction of a threshold for quantities benefiting from the aid for peaches in syrup.

For TOBACCO, the Commission proposes the maximum quantities guaranteed by variety or group of varieties, on the basis of the estimated overall maximum quantity for the 1988, 1989 and 1990 harvests.

In addition, in order to simplify the instruments and/or procedures in force, the Commission proposes for CEREALS, RICE AND OILSEEDS that intervention should no longer depend on establishing the level of prices in certain markets. Thus intervention would be automatically open to the whole period specifically envisaged by each of the market organizations concerned. In the case of FRUIT AND VEGETABLES, the Commission proposes the concept of 'representative market' be clarified in order to obtain a more reliable basis for information.

To reduce the risk of fraud, the Commission calls for a constant strengthening of checks. In practical terms it proposes, for example, that the import of peas and field beans into the Community be made subject to a guarantee which would be lifted only when the products had reached a marketing stage which excluded the possibility of benefiting from Community aid.

The other related measures proposed come under four headings:

**(a) Adjustment of co-responsibility**

collecting the co-responsibility levy on cereals when they are put on the market (rather than at the first processing stage).

**(b) Adjustment of intervention or support mechanisms**

- (i) a reduction in the monthly increases for cereals, rice, olive oil and oilseeds;
- (ii) adjustment of the intervention system in force for beef and veal in order to eliminate certain provisions which encourage the sending of huge quantities into intervention;

- (iii) extending use of the Community grading system for beef and veal under the private storage aid scheme;
- (iv) improving the advance fixing system for soya seed aid, in view of this product's importance in the Community.

**(c) Quality standards**

- (i) maintaining the price increase granted for rye and wheat of breadmaking quality;
- (ii) reducing reconversion aid for 'indica' varieties from 330 ECU to 300 ECU per ha;
- (iii) maintaining the bonus to be applied to the intervention price for '00' colza.

The Commission also confirms its intention from 1991/92 onwards, to reserve aid for '00' colza.

**(d) Taking account of special cases**

- (i) maintaining aid designed to compensate small-scale cereal producers for having to pay the basic co-responsibility levy and introducing a similar aid to offset the additional levy which would be collected if the guaranteed maximum quantity were exceeded (the budgetary sum earmarked for this measure is therefore raised from 120 million ECU to 220 million ECU);
- (ii) increasing aid for durum wheat to partially offset the proposed lower intervention price for this cereal;
- (iii) introducing Community aid to offset the reduced refinery margin for sugar due to the increased intervention price for sugar during 1985/86 without any change in the intervention price for white sugar (this aid replaces the possibility of advance fixing of the MCAs for preferential sugar);
- (iv) ceiling on national aid in the United Kingdom for white sugar of 0.50 ECU per 100 kg, so as to increase the refinery margin of raw cane sugar from ACP countries (this aid will be co-financed by the Community to the tune of 25%).

**Agri-monetary measures**

In line with the Council decisions of 30 June 1987 for 1987/88, the negative MCAs for EMS currencies have been dismantled by around a half on average. In addition, as a result of the same decisions, there will be no more positive MCAs for stable EMS currencies from 1988/89 onwards.

Since these latest decisions, currencies have been fairly calm. There has been no change for stable EMS currencies, while for some currencies not respecting the 2.25% fluctuation margin (floating currencies) monetary divergencies have decreased (pound sterling and peseta) or slightly increased (lira and escudo). Only the drachma has suffered a major fall.

In view of this and the limits imposed on farm prices by market surpluses, the Commission proposes, for Greece alone, a dismantling of the existing negative MCAs. This would be by 10 points, so that prices do not increase by more than 7.2%.

The price proposals and related measures for the next marketing year have been drawn up in the light of the conclusions of the last European Council.

According to these conclusions, the reference base for calculating the annual guideline is the sum of expenditure for 1988, i.e. 27 500 million ECU and the rate of increase of the guideline is equal to 74% of the GNP growth rate between 1988 and the year under consideration.

This means in practice that in 1988 there is no room for manoeuvre between the budget (which is still at the draft stage) and the guideline. The Commission considers that it is essential to respect this guideline.

The adoption of the present proposals will bring savings of around 18 million ECU for 1988, which would not be enough to finance any major additional expenditure. Estimated savings for 1989 are around 36 million ECU.

### **Gist of the Committee Opinion<sup>1</sup>**

The Economic and Social Committee of the European Communities considers that the measures to curb overproduction and agricultural spending, although necessary, and the implementation of stabilizers mean big sacrifices for farmers (particularly in the case of family farms and all farms in the disadvantaged regions). The social situation of the majority of those gainfully employed in agriculture has deteriorated. The Committee makes this point in its Opinion adopted unanimously (3 abstentions). The Committee goes on to stress that everything possible should be done to avoid a further loss of income for farmers.

<sup>1</sup> CES 457/88.

The Committee accepts in principle the efforts to maintain budgetary discipline and restore balance to the market. It accordingly approves the freezing of intervention prices. It has, however, serious reservations about the proposed related measures, since they will result in a further fall in market prices.

The Committee points out that efforts to stabilize agricultural markets can be frustrated by imports from non-Community countries which have not taken similar measures to curb production. This can mean increased expenditure on the storage and export of Community products. The Committee, therefore, urges the Commission to ensure that the Community's measures with respect to prices and quantities are given due consideration in the context of the Uruguay Round.

The Committee draws attention to the fact that the stabilizers lack flexibility and it asks the Commission to submit proposals on ways of balancing out surpluses and shortfalls in production over a number of years so as to take account of the biological cycles of certain crops.

Greater efforts should be made to improve marketing and processing structures, transportation and infrastructure, agricultural credit, support for individual farm projects, job opportunities outside agriculture, and the utilization for other ends (e.g. fibre plants, ornamental plants, wood, etc.) of agricultural resources no longer needed for food production.

The Committee is in favour of the adoption of appropriate measures to link all Member States' currencies so closely by 1992 that common farm prices will no longer be threatened by upward or downward adjustments of exchange rates. It proposes that a decisive step be taken towards dismantling the MCAs. Finally, the Committee deals in detail with a number of individual products (cereals, peas and field beans, dried fodder, tobacco, fresh and processed fruit and vegetables, cotton, soya, sunflowers and oilseeds, beef and milk.

*This Opinion was drawn up in the light of the paper produced by the Section for Agriculture, chaired by Mr Laur (France — Various interests) The rapporteur was Mr Schnieders (Germany — Employers).*

## 2. FRAMEWORK DIRECTIVE TO IMPROVE THE SAFETY AND HEALTH OF WORKERS

**Proposal for a Council directive on the introduction of measures to encourage improvements in the safety and health of workers at the workplace**  
[COM(88) 73 final]

### **Gist of the Commission proposal**

The object of this directive is the introduction of measures to encourage improvements in the safety and health of workers at the workplace. The directive contains general principles concerning, in particular, the prevention of occupational risks, the protection of safety and health and the informing, consultation and training of workers and their representatives, as well as general principles concerning the implementation of such measures.

The directive constitutes an overall social complement to various technical harmonization directives designed to complete the internal market, and it supplements the provisions of Directive 80/1107/EEC of 27 November 1980.

A comparative analysis of the laws and regulations existing at present in Member States shows that a significant part of the field covered by the present directive is already covered in various national laws and regulations. Nevertheless, none of the national legislations covers all the aspects of the organization of safety at the workplace outlined in the present directive. Furthermore, such measures as do exist are often not comparable.

Accordingly, and taking into account the objective of harmonizing conditions for the health and safety of workers while maintaining the improvements made, as laid down in paragraph 1 of Article 118A, the Commission proposes, in accordance with paragraph 2 in Article 118A, a set of measures designed to improve prevention of risks and protection of health at work.

The main measures proposed include:

- (1) Establishing the responsibility and obligations of the employer for safety and health at the workplace, notably as regards:
  - (i) combating the risks at source;
  - (ii) adapting the work to the man;
  - (iii) adapting technical progress;

- (v) developing a coherent overall prevention policy based on technology, organization of work, working conditions and human relationships;
  - (vi) evaluating risks, providing maximum protection and promoting ergonomic principles at the workplace;
  - (vii) designating supervisory staff or enlisting the services of competent outside agencies or individuals in order to organize measures for the prevention of occupational risks;
  - (viii) possessing adequate information on such risks;
  - (ix) providing appropriate information to workers, and ensuring their proper consultation and training.
- (2) Establishing the obligations on workers as regards:
- (i) the correct use of machinery, of protective equipment and of safety devices;
  - (ii) notifying the employer immediately of any safety or health hazards;
  - (iii) cooperating with the employer on safety and health matters;
  - (iv) performing tasks in accordance with relevant training.
- (3) The adoption of individual directives laying down specific provisions concerning:
- (i) workplace;
  - (ii) work equipment;
  - (iii) personal protective equipment;
  - (iv) work with visual display units;
  - (v) handling of heavy loads involving risk of back injury.

The directive is to be complied with by 1 January 1991.

## Gist of the Committee Opinion<sup>1</sup>

The draft framework directive on health and safety at work has been described by the Economic and Social Committee as a first step on social aspects of the internal market.

The full Committee adopted its Opinion after a heated debate. 93 members voted for the Opinion, 49 voted against and 18 abstained. The split among Committee members was mainly attributable to disagreement between workers' and employers' representatives as to the correct interpretation of EEC Treaty Article 118a on social policy.

The draft framework directive is considered by the Committee to be an important instrument, in connection with the completion of the internal market, for putting the quality of the working environment — a vital aspect of social policy — on a par with economic harmonization. It will also help to reduce social security costs in the Community in the medium and long term. Moreover, a decent working environment is a *sine qua non* for effective environmental protection in general.

The Committee agrees that the aim should be to provide the same level of health protection for all workers. Member States will, however, have to be flexible in order to allow for the differing structures of companies. They will also have to provide assistance to small businesses, in particular, to help them protect the health of their workers. This will include advice to employers and workers or their representatives. Furthermore, Member States should encourage inter-company cooperation on occupational safety and health. The Committee therefore considers that Member States' obligations in this area must be specified in the directive.

Apart from marking the first beginnings of occupational safety and health legislation at Community level, the directive is to act as a framework directive on which all the individual occupational safety and health directives will be based. Only a self-contained package of this kind can prevent legislation from becoming fragmented within the Community.

<sup>1</sup> CES 454/88.

The proposal will not just help to improve the quality of the working environment: it is also important as a measure for reducing distortions of competition.

The Committee urges the Member States not only to retain any more far-reaching provisions already on their statute books, but also to extend the protection of workers' health.

*This Opinion was drawn up in the light of the paper produced by the Section for Social, Family, Educational and Cultural Affairs, chaired by Mr Carroll (Ireland — Workers). The rapporteur was Mr Flum (Germany — Workers).*

### 3. MINIMUM SAFETY AND HEALTH REQUIREMENTS FOR THE WORKPLACE

**Proposal for a Council directive concerning the minimum safety and health requirements for the workplace**  
[COM(88) 74 final]

#### **Gist of the Commission proposal**

This is the first individual directive emanating from the framework directive on measures to encourage improvements in the safety and health of workers at the workplace.

This first proposal lays down minimum requirements for the workplace and aims to constitute a social element with a view to promoting the conditions for equal competition within the internal market of the Community, as regards existing and future workplaces.

The proposal makes a distinction between new workplaces — from the entry into force of the directive — which must conform to a number of minimum conditions (Annex I); modified or converted workplaces, which must, as far as is reasonably practical, satisfy these same minimum requirements; and existing workplaces which must be brought into line, within a period of five years from the entry into force of the directive, with specific minimum requirements (Annex II).

The minimum requirements in Annex I relate to: structure and stability; electrical installations; emergency exits; fire detection and firefighting; ventilation of enclosed workplaces; temperature; natural and artificial lighting; floors, walls and ceilings of rooms, and windows and skylights, doors, gates and automatic doors; traffic



routes — dangerous areas; escalators and travelators; loading ramps; room dimensions and airspace in rooms and freedom of movement at the workstation; rest rooms; sanitary equipment; first aid installations; and facilities for the handicapped. Special provisions are laid down for outdoor workplaces.

The minimum requirements in Annex II concern the same matters but are expressed in terms of objectives to be achieved.

A number of the provisions require technical clarification.

The Commission will ask the standardization bodies to draw up technical reports, ensuring that the two sides of industry are properly involved in the work, to make it easier to establish whether measures taken at national level conform to the minimum requirements in Annex I.

### **Gist of the Committee Opinion<sup>1</sup>**

In its Opinion, adopted by 58 votes for, 12 votes against and 13 abstentions, the Committee welcomes the Commission's proposed directive on minimum safety. It considers it necessary to give practical effect to the framework directive on the introduction of measures to encourage improvements in the safety and health of workers at the workplace.

*This Opinion was drawn up in the light of the paper produced by the Section for Social, Family, Educational and Cultural Affairs, chaired by Mr Carroll (Ireland — Workers). The rapporteur was Mr Flum (Germany — Workers).*

## **4. EUROPEAN FINANCIAL AREA**

### **Creation of a European financial area [COM(88) 550 final]**

### **Gist of the Commission communication**

This communication follows on from that on financial integration submitted to the Council in April 1983. This was followed in May 1986 by a programme for the liberalization of capital movements.

The first stage of that programme was put into effect by the Council in November 1986 when it adopted a Directive which entered

<sup>1</sup> CES 455/88.

into force in March 1987 extending the list of liberalized transactions.

The programme adopted in May 1986 stipulates that the Commission will study with the Monetary Committee and the Committee of Central Bank Governors the implications of financial integration for monetary cooperation and on the liberalization of financial services. It also stated that proposals for a directive establishing the full liberalization of capital movements will be submitted to the Council in 1987.

The informal meeting of Ministers in Nyborg in September 1987 approved a package on the strengthening of the EMS and welcomed the Commission's intention to send its proposals for the implementation of the final stage of the liberalization of capital movements to the Council meeting of November.

The first part of this document outlines the main options on which those proposals are based.

The second part considers the following three complementary questions, which have been posed during the Commission's considerations on the implications of the full liberalization of capital movements and in the notes sent by the President of the Commission to the President of the Council for the informal meetings of the Finance Ministers.

- (i) How should the programme to liberalize capital movements fit in with the programme to harmonize national supervisory structures, whose purpose is to facilitate the full freedom of financial services while ensuring the protection of savings and the conditions for fair competition between financial intermediaries?
- (ii) With no restrictions, capital movements will be determined to a greater extent by fiscal considerations. What measures may be necessary to ensure that there is no misallocation of capital; and to combat a possible increase in fiscal evasion?
- (iii) Maintaining stable exchange rates is necessary both for achieving and preserving the large internal market. What relationship is there between financial integration and participation in the exchange rate mechanism of the EMS?

## Gist of the Committee Opinion<sup>1</sup>

The complete liberalization of capital movements is essential not just for the free movement of goods and persons, but also for completion of the internal market and the improved economic competitiveness of the Community. It is becoming more and more difficult to conduct a coordinated Community policy with floating exchange rate and fixed parity currencies co-existing side by side. At the same time as capital flows are liberalized the remaining non-EMS currencies should be brought into the system, subject to the commonly agreed margins of fluctuation.

Such are the main points of the Opinion, which has just been adopted unanimously (one abstention) by the Economic and Social Committee.

The liberalization of capital flows also presupposes greater economic cohesion at the earliest possible stage through greater coordination of the Member States' economic policies. The aim of this economic coordination and liberalization should be to promote job-creating growth. This purpose can be served by helping to facilitate business investment; international monetary and tax initiatives are also required. It will be necessary to develop the role of the ECU. The Community needs a common reference and reserve currency and a common means of payment. If the ECU is to fit the bill its role needs to be strengthened in two areas:

- (i) as a unit of account and medium of exchange which will help bring about greater stability in international trade;
- (ii) the ECU would probably also be more suitable than other currencies for intervening in external foreign exchange markets without accentuating the strains within the EMS.

Finally, there is the question of a Community institution to manage this policy. The role of this institution and its relations with national and Community bodies, and with the central banks of the Member States, need to be defined. The need to resolve these and other questions will probably mean the setting up of a European Central Bank is a long-term project. But steps in this direction can be envisaged in the shorter term, e.g. a different system for issuing ECU and the setting-up of a European Monetary Fund.

Liberalization of capital movements should also help put small businesses and the cooperative sector, which are the main sources

<sup>1</sup> CES 446/88.

of new jobs, on a more equal footing with big business as regards access to capital. Improved provision of information is vital. This can be achieved via Community information centres, but also via information networks set up by the various professional organizations.

*This Opinion was drawn up in the light of the paper produced by the Section for Economic, Financial and Monetary Questions, chaired by Mr Goris (Netherlands — Various interests). The rapporteur was Mr Delhomenie (France — Workers).*

## 5. NEW CULTURAL IMPETUS

**Commission communication on a fresh boost for culture in the European Community**  
[COM(87) 603 final]

### **Gist of the Commission communication**

The Commission is convinced that increased Community activity in the cultural sector is a political and economic necessity given the twin goals of completing the internal market by 1992 and progressing from a people's Europe to European union.

To ensure that the principles of action — cultural action in framework of the Community system, coordination and cooperation even in specific frameworks or projects not necessarily covering all Member States — are implemented in an articulate and efficient way, the Commission intends setting up a Permanent Committee on Culture presided over by the Commission which would permit the study of appropriate proposals taking into account all the specific characteristics of the sector.

It is to be hoped that the Council too will establish appropriate structures to prepare in the most efficient way discussions in the Council.

The draft framework programme which the Commission is proposing for the period 1988 to 1992 covers five fields:

- I. Creation of a European cultural area
- II. Promotion of the European audio-visual industry
- III. Access to cultural resources
- IV. Training for the cultural sector

## V. Dialogue with the rest of the world.

I. The Commission is proposing that Community action geared to the creation of a European cultural area should concentrate on four priorities:

- (i) enabling the cultural activities and those engaged in them to adjust to the requirements of the large market, in the light of technological change;
- (ii) providing better information on cultural Europe by developing a reliable statistical tool and devising a programme of studies and surveys in association with the Council of Europe;
- (iii) encouraging the development of European sponsorship accessible to small business and industry by promoting the creation, development and coordination within the Community of 'Foundations for the promotion of the arts';
- (iv) actively promoting a publishing policy that maintains a balance between the legitimate interests of authors, publishers, distributors and readers.

II. As regards the promotion of the European audio-visual industry, at present the campaign is based on three initiatives:

- (i) the proposal for a Directive on broadcasting (Chapter II) which provides for a percentage of programming time to be reserved for programmes of Community origin;
- (ii) the multiannual Media programme (Measures to encourage the development of the audio-visual industry) which concentrates on the production, distribution and funding of audio-visual material;
- (iii) European Cinema and Television Year (1988), mounted in close cooperation with the Council of Europe, which sets out to heighten awareness of the nature and importance of the audio-visual industry within the industry itself, in political circles, and amongst the general public.

III. On access to cultural resources the Commission proposes that the Community effort should concentrate on three areas:

- (i) improving knowledge of languages in Europe by promoting multilingualism;
- (ii) supporting the promotion of culture in the regions by encouraging European cultural events in the most representative sectors of cultural activity, particularly within the framework of the 'European cities of culture' programme;

(iii) introducing a 'young people's pass' in line with the Council's resolution.

IV. The Commission intends to create a specific mechanism designed to boost its general training effort and tailor it to the cultural sector.

Pending the creation of this mechanism, the Commission intends to launch a Community operation giving priority to the training of:

- (i) cultural administrators,
- (ii) sound and vision specialists,
- (iii) journalists and programme planners,
- (iv) translators and interpreters,
- (v) restoration specialists.

V. Dialogue with the rest of the world should be pursued on two levels:

- (i) Externally, Community action could be coordinated from the outset by working through the cultural attachés in the diplomatic representations of the Member States, the Commission's external offices and national cultural centres. With on-the-spot coordination and cooperation, this action should allow European cultural events to be organized in non-member countries by combining initiatives hitherto mounted independently by the Member States.
- (ii) Internally, and also on the initiative of non-member countries, the coordinated organization of travelling festivals presenting one or more aspects of the cultural life of non-member countries in the Community's regions should be supported by national and regional authorities in the Member State visited, by the Embassies and Consulates of the other Member States in the non-member country concerned and by the Information Offices of the Commission and Parliament, whose cultural role should be expanded.

## **Gist of the Committee Opinion<sup>1</sup>**

The economic, social and cultural areas are inextricably linked, and essential if the idea of the 'European citizen' is to get off the ground. Civilization, culture and society are interlocking.

The Committee in its Opinion, adopted by a large majority and two votes against, argues that the debate on culture and the management of cultural resources should not be restricted to 'insiders', 'professionals' and financial sponsors. Culture is a right and, as such, should be guaranteed to all.

The prime objective of the Commission programme is to create a European cultural area. In this connection, the Committee proposes, *inter alia*, that:

- (i) artists' living and working conditions should be improved;
- (ii) cultural workers should be accorded proper social rights and tax status;
- (iii) business sponsorship should be encouraged along appropriate lines;
- (iv) authors' and publishers' copyrights need more attention, and ways of promoting the publishing of European anthologies should be studied;
- (v) the development and competitiveness of the European audio-visual industry should be given priority, in order to help preserve European culture and encourage European programmes especially for young people.

*This Opinion was drawn up in the light of the paper produced by the Section for Social, Family, Educational and Cultural Affairs, chaired by Mr Carroll (Ireland — Workers). The rapporteur was Mr Burnel (France — Various interests).*

## **6. TWELFTH ANNUAL REPORT ON ERDF**

### **Gist of the report**

The Commission's 12th annual report on ERDF activities in 1986 has the same format as in previous years.

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<sup>1</sup> CES 460/88.

For Community regional policy 1986 was, like 1985, a watershed. It was the second year the new ERDF Regulation had been in operation and was, in this sense more significant than 1985, which had been a real year of transition. 1986 also saw the accession of Spain and Portugal which, although they have already benefited from ERDF assistance, are still 'running-in' as regards making full use of, and adjusting to Community regional policy. In 1986 the European Single Act was also adopted providing for a new and important reform of the ERDF and the other structural Funds.

In 1986 a third five-year programming period (1986-90) was initiated for the coordination of regional development policies. During the year, the Commission examined the Regional development programmes (RDP) of most Member States.

In line with the second ERDF Regulation in its second year of operation in 1986, the Commission also continued its works on a method for assessing grant applications according to their interest to the Community. This method will have to be used at the end of the three-year period 1986-88 to determine how available budgetary funds are to be distributed between the Member States.

ERDF operations in 1986 absorbed 3 186 million ECU. The Community programmes STAR and Valoren were adopted by the Council at the end of 1986. 47 grant applications relating to national programmes of Community interest were received as opposed to 17 in 1985. 2 600 million ECU were spent on infrastructure, representing 87% of the total assistance allocated for projects, i.e. an increase of 5 points as against 1985.

In 1986, the ERDF continued to finance specific Community measures in line with the original 1975 Regulation and continued to participate in integrated development programmes and operations. Business and Innovation Centres (BIC) were a new Commission initiative in 1986, the aim being to organize at local level advisory services and material infrastructure for those wishing to set up a business. This was a new form of Community assistance and of indisputable importance for regional development.

Half of the ERDF grants were allocated to 10 regions, five of which are in Spain or Portugal. Campania again received the most assistance while Central and Western Macedonia, Ireland, Basilicata and Scotland were also among the 10 regions.

The 12th annual report ends with a new chapter not contained in previous reports which surveys the operations of the ERDF since its creation (1975-86).



The bibliography in Appendix B includes the ESC Opinions on the 10th ERDF annual report and the STAR and Valoren programmes and the Own-initiative Opinion on national regional development aid.

### **Gist of the Committee Opinion<sup>1</sup>**

The Opinion urges the Commission to make an immediate assessment of the impact the single market will have on regional disparities as from 1992, as they are liable to increase unless growth rates in the most disadvantaged regions are reinforced.

If, as the Opinion, adopted unanimously, less one abstention, maintains, regional development is not only the result of specific regional policies, it would be extremely interesting for the Commission to measure the regional impact of funding from all Community instruments in the most disadvantaged regions.

The Committee fully endorses the transition from the project-financing stage to programme-financing (Community programmes and national programmes/schemes of Community interest). The Commission is called on to provide all possible technical support to those Member States who may experience difficulties in devising such programmes.

The Committee stresses its concern that far fewer applications have been submitted for immediately productive projects than in previous years.

The appropriate use of Community funds in these regions should serve as a model for Member States and local authorities, illustrating how each can contribute effectively to regional development.

*This Opinion was drawn up in the light of the paper produced by the Section for Regional Development and Town and Country Planning, chaired by Mr Dassis (Greece — Workers). The rapporteur was Mr Black (United Kingdom — Various interests).*

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<sup>1</sup> CES 453/88.

## 7. SOUND LEVEL OF MOTORCYCLES

**Proposal for a Council directive amending Directive No 78/1015/EEC on the approximation of the laws of the Member States relating to the permissible sound level and exhaust system of motorcycles**  
[COM(88) 6 final]

### **Gist of the Commission document**

The proposed directive seeks to amend Directive No 87/56/EEC, which was adopted by the Council on 18 December 1986. The main aim is to introduce specifications for replacement silencers, given the need for further measures to reduce noise caused by motorcycles.

Article 3 requires Member States to adopt and publish legislation to comply with this Directive before 1 October 1988 for implementation from 1 October 1988.

### **Gist of the Committee Opinion<sup>1</sup>**

In a unanimous Opinion, the Committee approves the Draft Directive laying down the same maximum sound levels for replacement silencers as for the original equipment.

It draws attention to the fact that only asbestos-free replacement exhaust systems should be marketed.

Whilst urging the Council to adopt the proposed Directive without delay, the Committee feels that the 1 October 1988 deadline for complying with the Directive is unrealistic. It proposes that the deadline be set six months after the Council decision and that the dates for issuing certificates of conformity, national type-approval and (where necessary) for preventing motorcycles from being put on the road be adjusted accordingly.

*This Opinion was drawn up in the light of the paper produced by the Section for Industry, Commerce, Crafts and Services, chaired by Mr Kazazis (Greece — Employers). The rapporteur was Mr Flum (Germany — Workers).*

<sup>1</sup> CES 448/88.

## 8. GOODS TRANSPORT BY ROAD — INTERNATIONAL REMOVALS

**Proposal for a Council directive amending Directive No 65/269/EEC concerning the standardization of certain rules relating to authorizations for the carriage of goods between Member States**  
[COM(88) 10 final]

### **Gist of the Commission's proposal**

Removals between Community Member States are governed by Council Directive 65/269/EEC of 13 May 1965 concerning the standardization of certain rules relating to authorizations for the carriage of goods by road between Member States. Pursuant to that directive, removals by road between Member States are not subject to any quota system but are subject to authorization, to be granted by the Member State on whose territory the carrier is established. The authorization entitled the carrier to carry out international removals throughout the Community.

The same directive also stipulates that, where goods are carried by road between Member States by means of a coupled combination of vehicles whose individual parts are registered or admitted to free circulation in a Member State, the necessary authorization shall be issued in respect of the tractor and shall cover the entire combination of coupled vehicles, i.e. the tractor and the trailer or semi-trailer.

On 21 and 22 May 1986 the ECMT member countries, except Turkey and Yugoslavia, adopted Resolution No 47 concerning the system of issuing licences for international transport operations by road between ECMT member States.

This Resolution introduces for the ECMT countries except Turkey and Yugoslavia the same system of issuing authorizations for tractors as that in force between Member States of the Community.

The aim of the present proposal is therefore to ensure that an authorization that is valid for removals between Community Member States may also be used for international removals on the territory of the ECMT member countries which are not members of the Community; for the carriage of goods by road between Member States by means of a vehicle combination of which the tractor is registered in a Member State, the authorization also covers a trailer or semi-trailer registered or admitted to free cir-

cultation in a non-EEC member country of the ECMT which has accepted the abovementioned system for issuing authorizations for tractors (excluding Turkey and Yugoslavia).

### **Gist of the Committee Opinion<sup>1</sup>**

In its Opinion adopted unanimously, the Committee endorses the Commission proposal and refers to earlier ESC Opinions on the subject. However, it regrets that the Commission has not taken account of the Committee's previous proposal that multilateral authorizations for removals be introduced under a separate directive rather than by amending the initial directive. This may cause confusion, particularly in the present case, since multilateral authorizations for removals are to be valid in all ECMT Member States, whereas authorizations for the carriage of goods by means of vehicle combinations (tractor and trailer) are to be valid in all ECMT Member States with the exception of Yugoslavia and Turkey.

As regards the position of those two countries, the Committee calls upon the Commission and Council to do all in their power to ensure that Yugoslavia and Turkey drop their objections.

*This Opinion was drawn up in the light of the paper produced by the Section for Transport and Communications, chaired by Mr L. J. Smith (United Kingdom — Workers). The rapporteur was Mr Eulen (Germany — Workers).*

## **9. DANGEROUS SUBSTANCES**

**Proposal for a Council directive amending for the eighth time Directive 76/769/EEC on the approximation of 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 proposal**

Basic Directive 76/769/EEC concerns the harmonization of regulations on the marketing of dangerous substances; the said substances being listed in an Annex.

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<sup>1</sup> CES 449/88.

To date there have been seven amendments to the original directive, dealing with such substances as benzene, asbestos, PCB, etc.

The present proposal covers various chemical substances of a carcinogenic nature used in the manufacture of decorative objects, tricks, jokes, etc.

### **Gist of the Committee Opinion<sup>1</sup>**

The Committee approves the Commission's proposal, but has several suggestions to make of a technical nature.

*This Opinion was drawn up in the light of the paper produced by the Section for Protection of the Environment, Public Health and Consumer Affairs, chaired by Mr Jaschick (Germany — Various interests). The rapporteur was Mr Proumens (Belgium — Employers).*

## **10. GREEN PAPER ON TELECOMMUNICATIONS**

**Communication from the Commission entitled: 'Towards a competitive Community-wide telecommunications market in 1992 — implementing the Green Paper on the development of the common market for telecommunications services and equipment — state of discussions and proposals by the Commission'**

### **Gist of the Commission document**

In its communication the Commission sets out the progress made in the discussions on the implementation of the Green Paper<sup>2</sup> and outlines the development of the common market for telecommunications services and equipment with a view to the establishment of a competitive EC market for these products by 1992.

The Commission believes that since the publication of the Green Paper broad consensus has been reached on the guidelines which it contained, thereby enabling the Commission to work out an accurate plan for the progressive opening of the telecommunications market to competition.

<sup>1</sup> CES 450/88.

<sup>2</sup> The Committee issued its Opinion on the Green Paper on 18 November 1987 (rapporteur: Mr Rouzier).

The Commission thus intends to submit specific proposals covering, *inter alia*, the following aspects:

- (i) the opening of the national equipment market;
- (ii) the opening of the telecommunications services markets;
- (iii) mutual recognition of type approval of terminal equipment;
- (iv) the opening of the market for Receive-only satellite antennae;
- (v) the establishment of a European Telecommunications Standards Institute;
- (vi) telecommunications tariffs;
- (vii) transparency in financial relations and the abolition of fiscal frontiers;
- (viii) the application of competition rules to the telecommunications sector.

In other fields a policy consensus has yet to be achieved and discussions will be continued with a view to working out an EC strategy by the end of 1988.

The fields involved are as follows:

- (i) the future regulation and development of satellite communications in the EC;
- (ii) the promotion of Europe-wide services and the convergence of tariff structures;
- (iii) the definition of a European position on the major international questions in telecommunications;
- (iv) the consideration of social issues.

### **Gist of the Committee Opinion<sup>1</sup>**

In an Opinion, adopted by 85 votes for, 8 against and 25 abstentions, the Committee makes the following points:

Given the long type-approval procedures which appear to be necessary if the terminal market is to be fully opened to competition, the proposed transitional period (up to 31 December 1990) would appear to be inadequate as it still will not give the less-favoured regions (those having a lower telephone density) the time

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<sup>1</sup> CES 458/88.

they need to carry out the essential development of their network infrastructures.

### **Telecommunications services**

The Committee regrets the decision to confine the exclusive or special rights of telecommunications administrations to voice telephony. This may jeopardize the original role of the public service. Furthermore, the proposed deadline for opening the market for all the other services to competition (31 December 1989) seems too short. A longer transitional period should have been set so as to permit the establishment of regimes which would guarantee the future supply of telex services and public data transmission services.

### **Social dialogue**

In the Committee's view it is of vital importance to achieve consensus on the 'social dialogue'. It is also essential that this dialogue be further broadened in order to enable the many social problems to be taken into consideration.

*This Opinion was drawn up in the light of the paper produced by the Section for Transport and Communications, chaired by Mr L. J. Smith (United Kingdom — Workers). The rapporteur was Mr Rouzier (France — Workers).*

## **11. FRANCHISING AGREEMENTS** (Additional Opinion)

### **Draft Commission Regulation (EEC) on the application of Article 85(3) of the Treaty to categories of franchising agreements (OJ C 229/87)**

### **Gist of the Draft Regulation**

Article 85(1) of the EEC Treaty prohibits all agreements between undertakings which may affect trade between Member States and which have as their object or effect the distortion of competition within the common market.

Under Article 85(3) of the Treaty this prohibition may be declared inapplicable. Regulation 19/65/EEC empowers the Commission to apply Article 85(3) by Regulation.

The draft Regulation has been published in the *Official Journal of the European Communities* as part of the customary procedure in such cases, namely:

- (1) publication in the OJ in order to elicit comments from interested parties;
- (2) consultation of the Advisory Committee on Restrictive Practices and Dominant Positions;
- (3) final adoption of the Regulation by the Commission.

Franchising agreements are agreements whereby an undertaking, the franchisor, confers on another, the franchisee, in exchange for a financial consideration, the right to exploit a franchise to retail goods and/or provide services to end users. A distinction can be drawn between producer's franchise, concerning the retail of goods manufactured or selected by the franchisor and bearing the franchisor's name or trade mark, distributor's franchise, concerning the retail of goods manufactured by third parties and selected by the franchisee in collaboration with the franchisor, and lastly service franchise, concerning the provision of services according to the franchisor's instructions and a subsidiary basis the supply of goods directly linked to the provision of the services.

The draft Regulation defines the categories of franchising agreements which fall under Article 85(1) but can normally be regarded as satisfying the conditions laid down in Article 85(3); this is the case for franchising agreements whereby one of the parties supplies goods or provides services to end users; on the other hand, industrial franchise agreements are not covered by the Regulation.

### **Gist of the Committee Opinion<sup>1</sup>**

By 74 votes for, 34 votes against and 6 abstentions, the Committee adopted its Opinion on this subject.

Whilst appreciating the positive side of franchising, it draws attention to the following weak points:

- (i) franchising may distort competition, placing independent retailers at a disadvantage in that they do not have access to the know-how and commercial assistance available to members of a franchised network. It is important to ensure that such competition be fair and in the interests of the consumer;
- (ii) social problems may arise as a result both of the franchisee's weak contractual position *vis-à-vis* the franchisor and of the

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<sup>1</sup> CES 456/88.



position of the franchisee's employees, who are directly affected by this contractual relationship.

As franchising agreements vary greatly in practice, the Committee asks whether there is a sound case for block exemptions for franchising.

Where the franchisee has to sell products manufactured exclusively by the franchisor or by third parties designated by him and the franchisor refuses to designate suppliers proposed by the franchisee in the interests of protecting the reputation of the franchised network, the onus of proving that the network's reputation is at stake should fall on the franchisor.

The length of the ban on competition should be more clearly specified.

The wording of the requirement to describe know-how and other rights which are the subject of franchise 'in as much detail as possible' is too vague and could lead to legal uncertainty. Stricter criteria need to be laid down.

Finally, the draft Regulation should contain a clause protecting the rights of the franchisee's employees to social security.

*This Opinion was drawn up in the light of the paper produced by the Section for Industry, Commerce, Crafts and Services, chaired by Mr Kazazis (Greece — Employers). The rapporteur was Mr Hilkens (Netherlands — Various interests).*

## 12. GENERAL SAFETY REQUIREMENT FOR PRODUCTS (Own-initiative Opinion)

### **Gist of the Committee Opinion<sup>1</sup>**

Immediate legislation on consumer product safety is demanded by the Economic and Social Committee. 'It is essential for all those involved in the manufacture, supply and sale of goods to have a legal obligation to comply with a general safety requirement'. This is the objective of an Own-initiative Opinion, adopted unanimously by the Economic and Social Committee. The urgency of the matter is underlined by the implications for consumers of the completion

<sup>1</sup> CES 451/88.

of the single market by 1992 and the consequences for them of the free movement of goods.

There is particular need for action on three points:

- (i) to move hazation in face of the growing amount of national legislation which differs in scope and content from one Member State to another;
- (ii) to remove technical barriers to trade; and
- (iii) to dissuade Member States from using spurious health and safety standards to hinder free trade.

In this latter context, it is important to note that Article 36 of the EC Treaty states that, though barriers may be justified to protect the health and safety of citizens, they must not 'constitute a means of arbitrary discrimination or a disguised restriction on trade between Member States'.

Specific legislation on particular subjects (i.e. 'vertical' directives) already exists in the Community. These vertical directives are limited in number, and though they include safeguard clauses which allow Member States to intervene in cases of danger, these protective measures apply only to the specific products which these directives cover.

This still leaves a wide variety of products uncovered. As it is virtually impossible to adopt vertical directives for every product, there is a need for a broadly based horizontal framework directive to deal with those products for which vertical directives do not at present exist, and also deal with loopholes and inadequacies in existing legislation.

In the enlarged market, sound modern safety standards (or norms) which are equivalent in all Member States will be essential for consumer products on sale and in use throughout the Community.

This Opinion, then, is the means of urging the Commission into action and into producing a Draft Directive as a matter of the utmost urgency. It is not, however, the task of the Committee to produce the text for Community legislation whether in the form of a Directive or a Regulation or a combination of both. The Committee's role is;

- (i) to draw thention of the Commission to a number of differing perspectives derived from the views of both producers and consumers;
- (ii) to provide practical suggestions for action;

- (iii) to outline the procedures necesfor achieving a much greater degree of consumer product safety which will benefit all citizens throughout Europe.

*This Opinion was drawn up in the light of the paper produced by the Section for Protection of the Environment, Public Health and Consumer Affairs, chaired by Mr Jaschick (Germany — Various interests). The rapporteur was Mrs Williams (United Kingdom — Various interests).*

### 13. UPLAND AREAS (Own-initiative Opinion)

#### A policy for upland areas

#### Gist of the Committee Opinion<sup>1</sup>

The Economic and Social Committee (ESC) of the European Communities recommends that the reform of the structural Funds (the social, regional and agricultural guidance funds) should include specific action to assist upland areas. These areas should be given a priority position among the less-developed regions in order to enable them to benefit from the EC's development policies. Financing should be channelled through integrated upland development programmes (IUDP) within the regions.

Upland development policy can and should fit in with the environment, complementing it rather than damaging it.

The special nature of upland areas means that incentives are not enough; they require a policy designed to change their overall relations with the economy and with society. Such a policy has so far been lacking at both national and EC level. In the Own-initiative Opinion adopted by 35 votes to 1 with 3 abstentions the ESC proposes an upland policy tailored to the various specific situations, rather than a centralized policy.

The aims of a Community upland policy should be: to save the upland heritage; to halt the depopulation of upland areas; to pursue a development strategy which tackles the causes of imbalance and not just the effects, to achieve 'competitive' living conditions in the uplands; and to boost employment.

<sup>1</sup> CES 461/88.

The Community's role should be to coordinate, standardize and encourage action by the Member States.

Lastly, the Opinion notes that adjustments will have to be made to other Community policies if they are to promote upland development. These include the common agricultural policy and the policies on forestry, regional development, tourism, energy, the environment, research and technological innovation, and employment.

*This Opinion was drawn up in the light of the paper produced by the Section for Regional Development and Town and Country Planning, chaired by Mr Dassis (Greece — Workers). The rapporteur was Mr Amato (Italy — Worker).*

#### 14. RELATIONS BETWEEN THE EEC AND STATE-TRADING COUNTRIES (Own-initiative Opinion)

##### **Relations between the European Community and the (European) State-trading countries**

##### **Previous work**

Economic and Social Committee study on relations between the Community and State-trading countries.  
Rapporteur: Mr van Campen, July 1978 ( CES 845/78).

The EEC's external relations — Stocktaking and consistency study, Chapter V,  
Rapporteur: Mr Aldo Romoli, January 1982 (CES 440/81 fin.).

##### **Reasons for and aim of work**

Recently, the USSR expressed the hope that relations between Comecon and the Community would become closer, and that State-trading countries, including the Soviet Union, would participate in the work of GATT. These developments and others have made it necessary for the Community to define its position. The Economic and Social Committee should play some part in deciding this position.

The matters to be examined are:

- (i) trade problems:
  - (a) trade flows, trade barriers, barter transactions;

- (b) GATT and Comecon member countries;
- (c) how relations between the Community and Comecon will affect the institutions;
- (ii) obstacles to financial and industrial cooperation;
- (iii) new prospects for joint ventures;
- (iv) cooperation with professional organizations in State-trading countries (are they really worthwhile?);
- (v) problems relating to transport between European State-trading countries and Western Europe (road, rail and air transport);
- (vi) other services.

### **Gist of the Committee Opinion<sup>1</sup>**

This Opinion was adopted by 74 votes for, 11 votes against and 15 abstentions.

Trade relations between the Community and the European State-trading countries have not developed satisfactorily in recent years, and economic cooperation has remained limited. The problems still to be solved in order to improve the situation include dumping operations, barter transactions, delivery dates, respect for patent rights and the sale of advanced technology.

Apart from the Community/Comecon 'joint declaration', the Community should negotiate trade and cooperation agreements with each of the European member countries of Comecon to open up new possibilities for Community firms. However, the opening of the Community's markets to those countries should not take place without adequate reciprocal arrangements. The list of restricted high-technology products should be revised.

The liberalization of trade in the services sector is one of the possible aims of these cooperation agreements. Moreover, transport is a field of special interest for Community operators, in which an effort to achieve reciprocity should be the rule in negotiations with State-trading countries.

Finally, the Committee takes the view that Soviet accession to the GATT, the World Bank and the IMF — however desirable — still raises problems of various kinds.

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<sup>1</sup> CES 459/88.

*This Opinion was drawn up in the light of the paper produced by the Section for External Relations, chaired by Mr Kenna (Ireland — Employers). The rapporteur was Mr Briganti (Italy — Various interests).*

## 15. ACP INDEBTEDNESS (Information report)<sup>1</sup>

### **Reasons for and aim of the work**

Following the implementation of Article 23(2)(h) of the Lomé III Convention, which provides for consultation of the economic and social sectors by the ACP/EEC Council of Ministers, the Economic and Social Committee can expect to play a larger role in ACP/EEC cooperation. But for a proper understanding of the background to the specific questions on which the social and economic organizations will be consulted, it is necessary to examine the extremely complex problem of ACP indebtedness.

The debtor countries form a highly disparate group as regards level of development and production machinery. Differences also exist in the relative size of their debt in relation to GDP or exports, and in the composition of the debt. While in some debtor countries the crisis arises from a liquidity problem which can be resolved over the short term by firm measures, the heavily indebted ACP countries suffer from a structural problem which can only be solved by internal reforms. As there can be no universal remedy to the debt repayment crisis, a case-by-case approach is essential.

### **Gist of the Information report**

The socio-economic representatives of the Economic and Social Committee, sensitive to the problems faced by their counterparts in the ACP countries, have drawn up an information report on ACP debts.

The world recession, fluctuating interest rates and international monetary instability have aggravated the underlying decline in value of ACP exports, consisting in the main of raw materials for which demand is shrinking in industrialized countries.

<sup>1</sup> CES 567/87 fin + Appendix.

The report has been drawn up in accordance with certain principles, for example the principle that loans must be repaid, even though emergency solutions have to be found in some instances. The problem must be settled through negotiation and not unilateral action. Capital flows to ACP countries cannot last forever, so the aim should be to attain self-sustaining growth within 30-40 years.

A solution to the problem of debt in ACP countries will also require adjustments to their national economies and monitoring of capital invested. However, if debt is to be stabilized and balance restored to external trade in these countries, the value of their exports will have to increase by 8% per year, with priority going to self-sufficiency in food production. The Commission of the European Communities should coordinate Member State activities in the field of ACP indebtedness and cooperation designed to strengthen the structure of their economies. This could be one of the objectives of the next Lomé Convention.

The Committee decided by 29 votes to 17 with 2 abstentions to forward the Information report to the Council and the Commission.

*It was drawn up in the light of the paper produced by the Section for External Relations, chaired by Mr Kenna (Ireland — Employers). The rapporteur was Mr Neto da Silva (Portugal — Employers).*

## 16. EXCHANGE OF INFORMATION ON CONSUMER PRODUCTS

**Proposal for a Council Decision amending Decision 84/133/EEC introducing a Community system for the rapid exchange of information on dangers arising from the use of consumer products**

### **Gist of the Commission proposal**

On 2 March 1984 the Council adopted a Decision approved by the ESC at the time introducing a Community system for the rapid exchange of information on dangers arising from the use of consumer products.

The period of validity of this system was four years, ending in March 1988.

The Commission has now submitted a report on this four-year period with a request for another Decision that the period of

validity of the rapid exchange system be extended by a further six years, making a total of 10.

### **Gist of the Committee Opinion<sup>1</sup>**

The Committee approves unanimously the Commission's proposal to extend for a further six years the validity of the Community rapid exchange system for information on dangers arising from the use of consumer products.

*This Opinion was drawn up in the light of the paper produced by the Section for the Protection of the Environment, Public Health and Consumer Affairs, chaired by Mr Jaschick (Germany — Various interests). The rapporteur was Mrs Williams (United Kingdom — Various interests).*

## **17. THE COMMUNITIES' OWN RESOURCES**

### **Gist of the Commission document**

The own resources are somewhat changed when compared with the original proposals [COM(87) 100, 101 and 420]. No change is made in the own resource made up of the levies, premiums, additional or compensatory amounts and other duties established within the framework of the common agricultural policy (see Article 2(1a) of this document). Nor is there any change in the own resource constituted by the CCT duties, to which must be added customs duties on products coming under the ECSC Treaty (Article 2(1)b of this document); this is in line with the initial proposals [COM(87) 100, 101 and 420] approved by the ESC in its Opinions of 19 November 1987 and 27 January 1988.

The Member States will continue to retain, by way of collection costs, 10% of the abovementioned amounts; this is contrary to the original proposals (Article 2(3)).

The maximum rate to be applied to each Member State's uniform base for VAT is fixed at 1.4% (instead of 1% in the original proposals), but, to take account of Member States' ability to pay, which was a concern voiced by the ESC in its previous Opinions, this assessment base will be limited to 55% of GNP for each Member State; this reduces accordingly the contribution of those

<sup>1</sup> CES 451/88.



whose percentage of GNP accounted for by the VAT base exceeds this limit.

The difference between the maximum amount of own resources, corresponding to 1.2% of the total of the Member States' GNP for the year at market prices, and the other own resources listed above will be established by the application of a rate — to be determined — to the sum of all the Member States' GNP (Article 2(1)(d); this rate applies to the GNP of each Member State (Article 2(4).

### **Gist of the Committee Opinion<sup>1</sup>**

In its unanimous Opinion, the Committee can only regret the changes made to the original drafts. It would, at the very least, have been desirable for the Commission to give reasons for the new choice of bases for the rates and of distribution of resources among the various components, and for it to explain more fully the effects of this choice.

Nevertheless, this compromise, in so far as it prevents a standstill in Community policy and enables the internal market to be completed, with all that this implies, can only be approved in the Community's current situation. The momentum which it provides should enable the legitimate aspirations of all Community citizens to be fulfilled in due course.

*This Opinion was drawn up in the light of the paper produced by the Section for Economic, Financial and Monetary Questions, chaired by Mr Goris (Netherlands — Various interests). The rapporteur was Mr Pardon (Belgium — Employers).*

## **18. FRAMEWORK REGULATION ON THE REFORM OF THE STRUCTURAL FUNDS**

### **Gist of the Committee Opinion<sup>2</sup>**

In an Opinion, adopted unanimously, with 2 abstentions, the Committee welcomes the amended proposal for a Council Regulation on the tasks of the structural Funds. The new proposal clarifies and confirms major points in the light of the agreements reached at the European Council in Brussels on 11-13 February 1988.

<sup>1</sup> CES 447/88.

<sup>2</sup> CES 462/88.

The Committee is pleased to note that the Commission has taken account of several suggestions contained in the Committee's Opinion of 19 November 1987 (rapporteur: Mr Serra Caracciolo), in particular:

- (i) the references in the recitals to action designed to strengthen cohesion, including the coordination of economic and social policies;
- (ii) the reference to the 'decisive importance' of the European Social Fund for the 'promotion of consistent employment policies'.

The Committee nevertheless again stresses the need:

- (i) to concentrate the Funds' resources;
- (ii) to work out more specific criteria for this purpose;
- (iii) to extend and strengthen the integrated approach by turning to good account the commitment of regional and local authorities and economic and social operators;
- (iv) to promote new forms of share-holding capable of stimulating development in less-favoured regions.

*The rapporteur-general for this Opinion was Mr Dassis (Greece — Workers).*

## 19. RESOLUTION ON ISLANDS

The Economic and Social Committee adopted a Resolution calling for a 'European Year of the Islands', one of the years before 1992, to encourage the Community and Member States to take a series of specific measures to reduce the development gap between mainland and less-favoured island regions.

This Resolution was adopted by 31 votes in favour, 1 against and 4 abstentions.

## **External relations**

### **Tunisian delegation at the ESC**

A delegation from the Tunisian Economic and Social Council visited the ESC from 12 to 15 April. The delegation comprised Mr Ennaceur, former Minister for Social Questions and President of the Tunisian Economic and Social Council, Mr Hahroun, representative of the public sector, Mr Ben Amara, representative of employers, and Mr Terras, representative of the agricultural sector. The delegation had discussions with the ESC Chairman and Secretary-General, and also with the Study Group on the south and east Mediterranean. The delegation also attended a meeting of the Section for External Relations.

Further discussions were held at the Belgian Central Council of the Economy, the Belgian National Labour Council, Unice, COPA and the ESC. A lunch was given in honour of the delegation by the cabinet of Mr Cheysson, Commissioner.

### **Activities of the Chairman**

Mr Margot, accompanied by Mr Burnel, Mr Ceyrac and Mr Staedelin (ESC members) attended an enlarged plenary session of the Bourgogne Economic and Social Council at Dijon on 30 March.

On 7 April, Mr Margot attended the world food conference held in Luxembourg by the European Parliament.

### **Other activities**

Mr Moreau, Secretary-General, attended a meeting of the association of the European cinema and television year 1988. The meeting was held in Paris on 29 March. The chair was taken by Mrs Simone Veil.

On 30 March, Mr Moreau attended a round table conference organized by the French Democratic Confederation of Labour in Paris. The subject was '1992: Women's Europe'.

On 29 and 30 March, Mr Löw, ESC member, attended a workshop held in Dublin by the European Foundation.

Mr de Normann, Mr Aspinall and Mr Moreland, all ESC members, attended a Madrid conference on 'European-concerned actions on magnets'. The conference was organized by the Commission and the Spanish Higher Council for Scientific Research.

Mr Moreau, Secretary-General, discussed various issues at the International Labour Office in Geneva on 18 and 19 April.

Mr Morales and Mr de Normann, ESC members, attended a symposium held in Lisbon on 19 and 20 April by the European Centre for Studies and Documentation and the International Association of Students of Economics and Commerce. The subject was: 'Europe and the technological challenge'.

On 19 April, Mr Varfis, Commissioner responsible for coordination of the Community structural Funds, attended a meeting of the ESC Section for Regional Development and Town and Country Planning. Mr Varfis spoke on the reform of the Regional Development Fund, the Social Fund and the Agricultural Guarantee Fund.

The Study Group on the Economic Situation in the Community held a working meeting in Frankfurt on 21 and 22 April. A press conference was given on 22 April.

## New consultations

Since the last plenary session, the Economic and Social Committee has been consulted on the following questions:

**Proposal for a directive on package travel, including package holidays and package tours**

[COM(88) 41 final]

**Proposal for a Council directive amending for the second time Directive 82/501/ESC on the major-accident hazards of certain industrial activities**

[COM(88) 124 final]

**Proposal for a Council Decision on the plan for economic science 1989-92**

[COM(88) 98 final]

**Amendment of the proposal for a Council directive amending for the eighth time the Directive of 23 October 1962 on the approximation of the rules of the Member States concerning the colouring matters authorized for use in foodstuffs intended for human consumption**

[COM(88) 132 final]

**Proposal for a Council Regulation (EEC) amending Regulation (EEC) No 3820/85 on the harmonization of certain social legislation relating to road transport and Regulation (EEC) No 3821/85 on recording equipment in road transport and the proposal for a Council directive on standard checking procedures for the implementation of Regulations (EEC) Nos 3820/85 and 3821/85**

**Report to the Council by the Commission on the granting of aids for combined transport (Article 3(1)(e) of Regulation (EEC) No 1107/70 in the version of Regulation (EEC) No 1658/82) and proposal for a regulation modifying Regulation (EEC) No 1107/70 on the granting of aids for transport by rail, road and inland waterways**

**Proposal for a Council directive on the protection of workers from the risks related to exposure to biological agents at work**

**Amended proposal for a Council Regulation (EEC) on the control of concentrations between undertakings**

## Future work programme

### May/June 1988 plenary session

#### *Opinions*

Economic situation in mid-1988

Social developments in 1987

Approximation of indirect tax rates and harmonization of indirect tax structures  
[COM(87) 320 final/2]

Approximation of VAT rates  
[COM(87) 321 final/2]

Removal of fiscal frontiers  
[COM(87) 322 final/2]

VAT clearing mechanism for intra-Community sales  
[COM(87) 323 final]

Excise duties on alcoholic drinks  
[COM(87) 328 final]

Protection of workers against carcinogenic agents  
[COM(87) 641 final]

Proprietary medicinal products  
[COM(87) 697 final]

Protection of the ozone layer  
[COM(88) 58 final]

Major accident hazards  
[COM(88) 124 final]

Air pollution — motor vehicle engine gases  
[COM(87) 706 final]

Control of concentrations  
[COM(88) 97 final]

Agricultural statistics in Ireland  
[COM(88) 183 final]

Dangerous substances  
[COM(88) 190 final]

Colourants

[COM(88) 132 final]

Social provisions — road transport

[COM(88) 21 final]

Charging of transport infrastructure costs

[COM(87) 716 final]

Wine sector/quality wines psr

[COM(87) 642 final]

Nematodes (Additional Opinion)

[COM(88) 47 final]

*Own-initiative Opinion*

Fourth Lomé Convention

*Information report*

EEC/Mediterranean relations

**Subsequent plenary sessions**

*Opinions*

Convergence of VAT rates

[COM(87) 324 final]

Labelling of tobacco products

[COM(87) 719 final]

Tar content of cigarettes

[COM(87) 720 final]

Admission to the occupation of transport operator

[COM(88) 95 final]

Aids for combined transport

[COM(88) 117 final]

Minimum safety and health requirements for the use of machines

[COM(88) 75 final]

Minimum health and safety requirements for the use of personal protective equipment

[COM(88) 76 final]

Minimum safety and health requirements for work with visual display units

[COM(88) 77 final]



Minimum health and safety requirements for handling heavy loads

[COM(88) 78 final]

Package travel

[COM(88) 41 final]

Municipal waste incineration

[COM(88) 71 final]

Access to credit institutions

[COM(87) 715 final]

Inland waterway transport

[COM(88) 111 final]

Taxes on cigarettes and tobacco

[COM(87) 325 and 326 final]

Excise duties on mineral oils

[COM(87) 327 final]

Equal treatment of men and women (burden of proof)

Protection of workers against biological agents

Consumer credit

Approximation of legislation — machinery

[COM(87) 564 final]

One-man companies

[COM(88) 101 final]

Technical ground operations at airports (Additional Opinion)

Reservation systems (Additional Opinion)

Scheduled air services (Additional Opinion)

Spear programme

SPES programme

[COM(88) 98 final]

#### *Own-initiative Opinions*

Social aspects of sea-fishing

Energy policy — completion of the internal market

Sardines and herrings

Demarcation of wine-growing areas in the Community

#### *Information reports*

Poverty

Assessment and follow-up of IMPs (integrated Mediterranean programme)

Training and supply of researchers

GATT/Uruguay Round

## Personal notes

### Appointments

The Council has appointed two new members of the ESC. Dr Giovanni Mantovani (Italy) replaces Mr Eco Capodilista, who has resigned. Mr Mantovani belongs to the National Farmers' Confederation.

Mr Joseph Rea replaces Mr Donal Cashman, who has resigned. Mr Rea is president of the Irish Farmers' Association.



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

## **General documentation**

The other European Assembly, January 1987 (CES 87-004)

## **Opinions and studies**

National regional development aid (Opinion) (Brussels 1986)  
Demographic situation in the Community (Information report) (Brussels 1986)  
Consumer-producer dialogue (Opinion) (January 1985) (ESC 84-011)  
Irish border areas (Information report) (February 1984) (ESC 84-002)  
Transport policy in the 1980s (Opinion) (March 1983) 99 pp. (ESC 83-003)

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

Community Advisory Committee for the Representation of Socio-Economic Interests (UKL 8.50)  
European interest groups and their relationship to the Economic and Social Committee (UKL 25)

**Obtainable from Editions Delta, 92-94 Square Plasky, 1040 Brussels:**

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The right of initiative of the ESC (BFR 400)

**Obtainable from Kogan Page Ltd, 120 Pentonville Rd, London N1**

Directory of European agricultural organizations (UKL 39)

**Office for Official Publications of the European Communities**

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Effects of the CAP on the social situation of farmworkers in the European Community (Brussels 1987) (ECU 3.40)  
European environment policy: Air, water, waste management (Brussels 1987) (ECU 3.50)  
Community Rail Policy (ECU 7.40)  
EEC maritime transport policy (Brussels, June 1986) (ESC 86-008-EN) (ECU 3.40)  
EEC air transport policy (October 1985) (ECU 5.50)  
The economic and social situation of the Community (1986) (84-015) (ECU 4)  
GATT — towards a new round (Opinion) (Brussels 1986) (ECU 2.20)  
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