

**Point 4.2** (point 5.2 of the Committee's opinion)*Proposals for the Sugar Sector*

'The Commission has proposed a substantial reduction in the B quota for sugar beet. The Section considers that such a reduction is unjustified when:

- concessions have been made to the signatory countries of the Lomé Convention,
- special advantages have been granted to certain sugar factories,
- the production of isoglucose is not covered by the same taxation and quota system as that applied to sugar production in the Community.'

*Voting*

For: 39; against: 33; abstentions: 8.

**Point 4.3 (second paragraph)** (corresponds to point 5.3, second paragraph, of the Committee's opinion)

The Section also asks that rice be included on the list of products subject to food aid.

*Voting*

For: 37; against: 32; abstentions: 2.

**C. THE FOLLOWING PASSAGE OF THE SECTION'S OPINION WAS WITHDRAWN AFTER AN AMENDMENT ADOPTED DURING THE DEBATE:****Point 1.6.5, third sentence** (corresponds to point 2.7 of the Committee's opinion)

This, together with the fact that producers' prices account for only half of the final consumer price, shows that any increase in common farm prices by a given percentage would, on average, lead to an overall rise in the cost of living of roughly one-tenth of that percentage.

*Voting*

For: 40; against: 38; abstentions: 9.

**Opinion on the proposal for a Council Regulation amending Regulation (EEC) No 816/70 laying down additional provisions for the common organization of the market in wine**

The text referred to the Committee has been published in *Official Journal of the European Communities* No C 9 of 11 January 1979, page 3.

**A. LEGAL BASIS FOR THE OPINION**

On 5 January 1979, the Council referred the abovementioned proposal to the Economic and Social Committee in accordance with Article 43 of the Treaty establishing the European Economic Community.

## B. OPINION OF THE ECONOMIC AND SOCIAL COMMITTEE

The Economic and Social Committee prepared its opinion on the above matter at its 167th plenary session, held in Brussels on 4 and 5 April 1979.

The full text of the opinion is as follows:

## THE ECONOMIC AND SOCIAL COMMITTEE,

Having regard to the Treaty establishing the European Economic Community, and, in particular, Article 43 thereof,

Having regard to the request made by the Council on 5 January 1979 for an opinion,

Having regard to the decision taken by its Bureau on 23 January 1979 instructing the Section for Agriculture to do the preparatory work on the matter,

Having regard to its previous work on the matter,

Having regard to the opinion adopted by the Section for Agriculture on 8 March 1979,

Having regard to the report drawn up by the rapporteur, Mr Masprone,

Having regard to the discussions at its meeting on 4 April 1979 (167th plenary session of 4 and 5 April 1979),

## HAS ADOPTED THE FOLLOWING OPINION

with 1 vote against and 12 abstentions:

1. The Commission proposes the introduction of permanent aids for the purchase of Community-produced musts used for the manufacture of (a) fruit juices and (b) 'British wine' and 'Irish wine'. The aim is to offset the difference between the price of Community musts and world market prices.

The submission of this proposal signifies that Community preference has failed to function satisfactorily in this area.

## 2. Failing unbinding in GATT:

- (a) we endorse the Commission proposal for fruit juices;
- (b) we would point out that the manufacturing process and denomination of British and Irish wines creates

a number of problems, as does the absence of Community rules in this area.

The Committee refers to the comments in the report appended to the present opinion, and in particular to item 4 of that document (CES 242/79 fin).

The Committee is therefore unable to approve this proposal until such time as:

- (a) the Commission submits proposals on the production, labelling and presentation of liqueur wines, vermouths and all the alcoholic drinks falling within heading No 22.07 of the Common Customs Tariff;
- (b) once the proposals under (a) above have been adopted, a further look must be taken — against a background of market transparency and uniform terms of competition for all drinks referred to in (a) above, particularly as regards labelling, presentation and access to raw material — at the question of aid for the purchase of Community musts and concentrated musts which are intended for the manufacture of British and Irish wines.

The Committee also stresses that:

- British and Irish wine products already benefit from discriminatory taxation compared with similar products derived from wine,
- these products use terms like 'wine' or 'sherry' which wrongly evoke a product or an origin,
- it is contrary to the principles of the Treaty to grant aid to industrial products, while excluding some Member States from the benefits of this aid,
- the finished products which would benefit from the aid use very little vinic raw material and therefore do not represent a major outlet for Community agriculture,
- on the contrary, the granting of aid and the sanctioning by the Community of products which up until now have merely been tolerated, above and beyond the existing preferential treatment, could be the first step towards a considerable expansion of the output of these products to the detriment of products derived from wine,

- the products concerned do not specify their composition on the label,
- the reasons why musts from third countries should be replaced by Community musts are not entirely well-founded since these third countries include some which will probably join the Community shortly. Furthermore, it would hardly be very astute to suppress Greece's traditional outlets during the final phase of the accession negotiations, only for this country to be given them back after accession,
- aid granted under these circumstances to such products seem so unreasonable that it could not be agreed to unless it were extended to all the other uses of musts and concentrated musts apart from normal wine production.

The Committee considers that the proposals made in (a) and (b) above would provide producers of British and Irish wines with sufficient incentive to buy Community-produced musts.

Done at Brussels, 4 April 1979.

This should soon enable uniform Community-wide application of Regulation 816 in its entirety, in particular Article 28 which specifies the conditions for the use of non-Community musts in the manufacture of fermented alcoholic beverages.

3. The Committee emphasizes the need to ensure market transparency and uniform terms of competition for all the products concerned, especially with respect to conditions of access to the raw material. This should be done as soon as possible.

4. Lastly the Committee takes this opportunity to stress yet again that the Commission should as soon as possible undertake precise commitments to eliminate the excessive — and often discriminatory — taxes levied in some Member States which prevent the consumption of wine products from developing normally.

*The Chairman  
of the Economic and Social Committee*

Fabrizia BADUEL GLORIOSO

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ANNEX

to the opinion of the Economic and Social Committee

**Rejected amendments**

The following amendments, were rejected by the Committee:

**Page 2**

Delete paragraph 3 (b).

*Reasons*

British and Irish wines are adequately controlled by the UK and Irish Governments and cause no problems in these Member States. They do not exist in the other Member States.

*Voting*

For: 18; against: 38; abstentions: 11.

**Page 3**

Delete the fifth indent: 'on the contrary, . . . . derived from wine;'

*Reasons*

These wines are primarily drunk by the older generation of the working-class. Their production has not increased in 10 years. In 40 years I have only met one person who admitted to drinking them. There is no question of their expanding because the Community sanctions them, a consideration which influences very few drinkers.

*Voting*

For: 20; against: 33; abstentions: 12.

The following passage in the Section for Agriculture's opinion was deleted as the result of an amendment approved by the Committee:

- '2. The Section therefore considers that the Commission should concentrate on ensuring adequate Community preference for musts. To this end, the Community customs duties on imported musts should be unbound in GATT; the appropriate procedures should be set in hand immediately.'

*Voting*

For: 34; against: 30; abstentions: 7.

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**Opinion on the proposal for a Council Regulation amending regulation (EEC) No 974/71 with regard to the calculation of monetary compensatory amounts in the wine sector.**

The text referred to the Committee has been published in *Official Journal of the European Communities* No C 55 of 1 March 1979, page 11.

A. LEGAL BASIS FOR THE OPINION

On 23 February 1979, the Council referred the abovementioned proposal to the Economic and Social Committee in accordance with Article 43 of the Treaty establishing the European Economic Community.

B. OPINION OF THE ECONOMIC AND SOCIAL COMMITTEE

The Economic and Social Committee prepared its opinion on the above matter at its 167th plenary session, held in Brussels on 4 and 5 April 1979.

The full text of the opinion is as follows:

THE ECONOMIC AND SOCIAL COMMITTEE,

Having regard to the Treaty establishing the European Economic Community, and, in particular, Article 43 thereof,

Having regard to the request made by the Council of the European Communities on 23 February 1979 for an opinion,

Having regard to the decision taken by its Bureau on 26 February 1979, instructing the Section for Agriculture to prepare the Committee's work on the matter,

Having regard to the opinion issued by the Section for Agriculture at its meeting on 21 March 1979,

Having regard to the oral report made by the rapporteur, Mr Guillaume,