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Information and Notices

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II

(Preparatory Acts)

ECONOMIC AND SOCIAL COMMITTEE

Opinion on 'making a success of the Single Act: a new frontier for Europe'

(87/C 180/01)

On 4 March 1987 the Commission requested the Committee to deliver an Opinion on the abovementioned document.

The 'New Frontier' sub-Committee (Chairman: Mr W. Poeton), set up by the plenary session to prepare the work on the subject, drew up a draft Opinion on 30 April 1987 on the basis of the report by the rapporteur, Mr Burnel.

At its 246th plenary session (meeting of 13 May 1987) the Economic and Social Committee adopted in a roll-call vote by 113 votes to 25, with 27 abstentions, the following Opinion:

1. Preliminary comment

The Committee has decided to adopt an overall approach in this initial Opinion and reserves the right to follow this up with specific Opinions. The Committee has already taken the initiative of preparing a number of proposals in the social area. Other topics, such as the financing of the Community, the future of the common agricultural policy and the reform of the structural funds, will be studied in depth given their crucial importance.

2. The background

1970: A market without frontiers was to be established under the terms of the Treaty of Rome. This has not been done.

1987: Signing of the Single Act, which promises that a market without frontiers will be established ... by 1992. The document represents the lowest common denominator. 17 years have gone by, and although they have not been completely wasted, the objective (announced 30 years ago) has not been achieved within the deadline initially set. This harmful delay demonstrates clearly the inadequacy — and even absence — of political will on the part of the Member States to enter into commitments towards each other on a permanent and coherent basis. How is the man in the street to become enthusiastic about Europe if nothing changes?

3. And now?

3.1. The Committee notes that the Single Act and the Commission communication outlining the minimum conditions for translating into deeds (i.e. into everyday terms) the hopes embodied in the Single Act are two texts that form a whole, the communication representing the practical implementation of the Single Act.

3.2. The Member States, having signed the Single Act and having had it ratified in their Parliaments (reflecting the wishes of their citizens), are now committed to resolutely building a genuine economic and social Community. This in turn requires a wholehearted commitment on the part of their leaders at the highest level and on the part of all those with a position of responsibility in economic and social life.

3.3. The Committee endorses the Commission's initiative of bringing together in a global strategy both the objectives assigned to the Community under the Single Act and the means to be employed in completing the internal market.

The Committee feels that the economic growth which will come about thanks to the size of the single market should take account of the need for social progress and, in keeping with true Community solidarity, should benefit everyone and thereby help to create a people's Europe in harmonious fashion.

4. Building the Europe of the new frontier

4.1. The Committee will support the steps taken by the Commission to make a success of the Single Act and build a new-frontier Europe within the time limit laid down. This will mean that the potential of the European market can be fully tapped and that Community firms will be able to compete on the international market.

4.2. With this in mind, the Committee lends its support to the Commission's proposal to opt for mutual recognition of standards and rules, as opposed to the perfectionist's ideal of common standards, as a means of speeding up the establishment of free movement for persons, services, industrial and agricultural products and capital. The Committee asks that the Community 'patrimony' and the safety and health objectives laid down in Community framework Directives be taken into account in this harmonization.

4.3. However, the elimination of all barriers, although a pressing need, will not be enough to sustain the cooperative growth strategy for more employment, unless completion of the large internal market is accompanied by the development of a genuine common economic and social area with the following features:

- greater convergence of Member States' economic policies so as to optimize the results of their efforts,
- the will to keep the social dialogue going in accordance with new Treaty Article 118 B (laid down in the Single Act) and to develop Community social legislation on the basis of new Treaty Article 118 A (laid down in the Single Act),
- strengthening of the European Monetary System with a view to expanding the private use of the ECU and promoting it as a European currency,
- an aggressive research and technological development policy to safeguard the future of companies in the Community and prevent a Community scientific and intellectual brain drain,
- a more vigorous Community trade policy.

The Member States, having agreed in the Single Act to assign these objectives to the Community, must provide the Community with the requisite financial and institutional means for their realization.

5. Providing the means necessary to meet the challenges facing the Community

5.1. *Sufficient, stable and guaranteed resources*

5.1.1. The Commission communication devotes a lengthy and politically and technically weighty chapter

to financing problems. The Committee has a few comments to make already at this stage.

5.1.2. Setting out from the general objectives which have been fixed, the first step is to establish the programmes required to resolve the problems and meet the needs — in an order of priority determined by negotiation. The budget resources should be decided in the light of these programmes. Basing programmes on a pre-determined budget would entail the risk of not meeting priority needs properly and could be economically and socially inefficient.

5.1.3. The Committee believes that the financing system must be equitable and must provide the Community with guaranteed stable and adequate own resources to achieve the objective set. All financing must be based on easy-to-understand criteria which are objective, verifiable and involve solidarity; this is incompatible with the concept of balancing budget contributions and receipts. Transparency must be the rule in financial matters and financial administration must be rigorous.

5.2. *A rapid and effective Community decision-making process*

5.2.1. The Committee welcomes the agreement reached in the Single Act to extend qualified majority voting in specific cases to give the European Parliament a cooperative role in the legislative process and to formally recognize the existence of the European Council as an institution.

5.2.2. The Committee feels that this is a step forward, albeit too timid in certain respects. It nevertheless hopes that this will lead to an appropriate strengthening of the Community decision-making process. The Committee trusts that in future each institution will exercise fully the powers vested in it. The Committee itself intends to use the powers assigned to it in the institutional framework to, in particular, ensure the contribution of the economic and social interest groups to the success of the Single Act.

6. Translating speeches about solidarity into everyday realities

Making a success of the Single Act means building a Europe united by a pact of practical solidarity between the Member States, so that greater prosperity will strengthen the Community's internal cohesion and thus its social dimension.

6.1. *Internal cohesion*

6.1.1. Opening up the markets of the new Member States will require measures designed (a) to enable these

States to maintain and increase their active presence in the Community-wide market, and (b) to reinforce the social and economic cohesion of the Community.

6.1.2. Reformed structural funds which are better coordinated and provided with adequate resources must make possible the financing of genuine regional development programmes, based on the Commission's five objectives and covering a period long enough to enable significant results to be achieved.

6.1.3. The Committee recognizes that the inclusion in the Single Act of a title on the environment underlines the importance of this policy for the development of the Community. But it is to be feared that application of the principle of subsidiarity will mean a limitation of the Community's scope for action in this sphere.

6.1.4. The Committee joins the Commission in stressing the importance of a European transport infrastructure policy whose development goes hand in hand with the completion of the large internal market and which should have adequate financing assured at Community level.

6.1.5. Like environment policy, transport and communications policy is one of the major factors determining the quality of life: this is a fact that the Committee has drawn attention to many times.

6.2. *A common agricultural policy based on solidarity*

6.2.1. Agricultural policy is a particularly sensitive area and will give rise to numerous discussions which cannot be confined to the issue of farm prices, however important this may be.

6.2.2. Agriculture must be developed within the framework of the large internal market, which underlines the importance of reforming the common agricultural policy (CAP) to make possible (a) the adjustments required by the world market situation and the Community's relations with third countries, and (b) a reduction in the escalating costs.

6.2.3. Thus it is absolutely necessary to preserve the CAP basic principles, viz. Community preference, the single market and financial solidarity.

6.2.4. As in other areas, every effort must be made to avoid dismantling the CAP, with partial or wholesale 're-nationalization'.

6.2.5. Price policy must be backed up by Community income support policies as part of the necessary development of the socio-structural aspect. The CAP must assign new functions to farmers and forestry enterprises

within the framework of an active policy for improving the quality of life and the quality of the environment, which is essential for the protection of the countryside and our natural heritage.

6.2.6. Among other forms of agriculture, preservation of the family farm must be seen as a necessity and given encouragement. In the country, family farms play the humanizing and invigorating role that in towns is performed by small firms and the local shop.

6.3. *The social dimension of the Community pact*

6.3.1. What is at stake for all Europeans is the ability to continue to forge links of active cooperation and solidarity. The Committee will always seek a social consensus on progress while respecting the identity of the various economic and social partners.

6.3.2. The persistent high level of unemployment is leading to unacceptable personal distress. It is also depriving the economy of useful manpower, particularly in the case of young people, whose integration in working life should be facilitated by appropriate training in the new technologies, which are essential for improving business competitiveness.

Social security policies will never bring a lasting solution. Over a longer period of time benefits will inevitably lead to personal and social marginalization unless they are accompanied by training measures to enhance the job prospects and possibilities of social integration of the unemployed.

6.3.3. The need for a social dimension does emerge vaguely in the Commission's communication. The Committee urges the Commission to show its resolve in explicit terms, since the taking into account of legitimate social aspirations is also a precondition for more sustained economic dynamism.

6.3.4. The Committee stresses that the profound changes in the fabric of industry made necessary by the development of new technologies and the company restructuring inevitably associated with the completion of the large internal market must not lead to more unemployment and must not affect the will to continue social progress and press ahead with measures to create jobs. The Committee points out that negotiated measures in the area of manpower planning, organization of work, adaptation of working time and retraining are essential here.

6.4. *A people's Europe*

6.4.1. The support of public opinion is necessary if a success is to be made of the Single Act.

The Committee therefore urges its members, both individually and collectively, to make a constant effort to inform and convince the groups they represent.

The Community cannot survive simply with the support of its 'militants', however necessary they may be, or of the initiated. The Community must be considered to be everybody's business. Unless there is popular support, political determination is bound to waver.

It is therefore necessary to make a larger impact on public opinion by significant progress towards a people's Europe, so as to gain the public's support and ensure extensive participation in the next European Parliament elections.

6.4.2. In the cultural and educational sphere it is necessary to:

- act in the spirit of the Erasmus and YES programmes and develop Community-level cultural and educational projects for the acquisition of a second Community language before the age of 10 and a third Community language after that age, so that young people will be able to achieve their full potential in the new common area of communications, education and culture opened up by the rapprochement of the peoples of Europe and by the development of the new technologies,
- encourage the further development of European awareness by promoting new history programmes so that young people can become more conscious of their European identity.

7. In conclusion

7.1. The Committee generally endorses the Commission's initiative.

7.2. It would point out vigorously to the governments of the Member States that the strategy proposed by the Commission is a minimum coherent and indivisible set of measures for achieving the objectives they have wittingly set themselves in the Single Act. To adopt only some of the elements of the Single Act or only some of the Commission's proposals would mean renouncing these objectives.

7.3. After 30 years Europe is admittedly still a new idea. This is not any reason or even less an excuse for resting on our oars; this would be all the more disastrous since most of the economic and social problems that the Member States are to varying degrees confronted with cannot be solved by a country on its own or without active solidarity.

7.4. We must therefore resolutely boost job creation policies and maintain social protection systems operating on the principle of solidarity and open to all.

7.5. Making a success of the Single Act poses a dual challenge:

- for firms, the challenge of regaining competitiveness, through, among other things, the internal market, so as to be in a better position to face up to the growing world dimension of business and the international market, whose centre of gravity is moving towards the Pacific,
- for the peoples of Europe, the challenge of affirming the value of a common heritage in terms of civilization and culture, by demonstrating their ability to establish a Community based on progress, solidarity and freedom, open to the world. In this way we shall together assume our responsibilities on the international scene, while respecting the identity of other peoples, and we shall articulate better the complementarity of our national and European identities.

Done at Brussels, 13 May 1987.

The Chairman
of the Economic and Social Committee
Alfons MARGOT

ANNEX 1

The following amendment was rejected during the debate:

Reword the second part of point 3.3 as follows:

'The creation of a harmonious people's Europe must be a key concern. This presupposes increased employment in Community firms. Here the main solution lies in the building of a new-frontier Europe within the time limit laid down so as to tap the potential of the European market to the full and enable Community firms to compete on the international market. This is a prerequisite to maintaining social standards in the Community and paving the way for further social progress.'

Delete point 4.1.

Voting

For: 36, against: 92, abstentions: 14.

ANNEX 2

The following members, present or represented, voted in favour of the Opinion:

Mr ALEXOPOULOS	Mr GEUENICH	Mr PERRIN-PELLETIER
Mr ARENA	Mr GLESENER	Mr PETROPOULOS
Mr ARETS	Mr VAN GREUNSVEN	Mr POETON
Mr ASPINAL	Mr HAAS	Mr PROENÇA
Mr ATAIDE	Mr HANCOCK	Mr QUEVEDO ROJO
Mr BAZIANAS	Mr HILKENS	Mr RAFTOPOULOS
Mr BENTO GONÇALVES	Mr HOUTHUYS	Mr RAMAEKERS
Mr BERNASCONI	Mr HÖRSEN	Mrs RANGONI-MACHIAVELLI
Mr BLACK	Mr HOVGAARD JAKOBSEN	Mr RIBIERE
Mr BLESER	Mr JASCHICK	Mr RIERA MARSA
Mr BOISSEREE	Mr KAZAZIS	Mr ROBINSON
Mrs BREDIMA	Mr KELLY	Mr ROLÃO GONÇALVES
Mr BRIGANTI	Mr KRÖGER	Mr ROMOLI
Mr BURNEL	Mr LAKA MARTIN	Mr ROSEINGRAVE
Mr CALVET CHAMBON	Mr LANCASTRE	Mr ROUZIER
Mr CAMPBELL	Mr LANDABURU	Mr SAÛU
Mr CASHMAN	Mr LAUR	Mr SALMON
Mr CEBALLO HERRERO	Mr LOJEWSKI	Mr SCHMITZ
Mr CEYRAC	Mr LUCHETTI	Mr SCHNIEDERS
Mr CLAVEL	Mr MACHADO von TSCHUSI	Mr SCHOEPGES
Mr COLLAS	Mr MAINETTI	Mr SOLARI
Mr ALVES CONDE	Mr MARGALEF MASIA	Mr SPEIRS
Mr CORTOIS	Mr MARTIN ALMENDRO	Mr SPIJKERS
Mr van DAM	Mrs MARTIN CASTELLA	Mr STAEDELIN
Mr DASSIS	Mr MARVIER	Mr STAHLMANN
Mr DELHOMENIE	Mr MASPRONE	Mr STORIE-PUGH
Mr DE TAVERNIER	Mr MEYER HORN	Mr STRAUSS
Miss DODD	Mr MORELAND	Mr TAMLIN
Mr DONCK	Mr MORSELLI	Mr TERMES CARRERO
Mr DROULIN	Mr MOURGUES	Mr TIEMAN
Mrs ELSTNER	Mr MUHR	Mr TUKKER
Mr EMO CAPODILISTA	Mr MULLER	Mr VASSILARAS
Mr ETTY	Mr MUNIZ GUARDADO	Mr VIDAL
Mr EULEN	Mr NIERHAUS	Mr WAGNER
Mr FLUM	Mr NIEUWENHUIZE	Mrs WILLIAMS
Mr FORJAS I CABRERA	Mr NOORDWAL	Mr WHITWORTH
Mr FRESI	Mr de NORMANN	Mr ZUFIAUR NARVAIZA
Mr GERMOZZI	Mr PELLETIER	

The following members, present or represented, voted against the Opinion:

Mr AMATO	Mr GIACOMELLI	Mr SMITH A. R.
Mr BODDY	Mr GOMEZ MARTINEZ	Mr SMITH L. J.
Mr LOBO BRANDÃO	Mr HAMMOND	Mr SPRINGBORG
Mr CARROLL	Mr JENKINS	Mr TIXIER
Mr CAVAZZUTI	Miss MADDOCKS	Mr VALLEJO CALDERON
Mr CHRISTIE	Mr NETO DA SILVA	Mr VELASCO MANCEBO
Mr CURLIS	Mr ORSI	Mr VERCELLINO
Mr DRILLEAUD	Mr SALOMONE	
Mr DUNET	Mr SILVA	

The following members, present or represented, abstained:

Mr APARICIO BRAVO	Mr DELLA CROCE	Mr KENNA
Mr BAGLIANO	Mr DOS SANTOS	Mr MURPHY
Mr BELTRAMI	Mr FRANDI	Mr NIELSEN B.
Mr BERETTA	Mr GARDNER	Mr NIELSEN P.
Mr BOS	Mr GORIS	Mr PARDON
Mr BRIGANTI	Mrs GREDAL	Mr PEARSON
Mr CORELL AYORA	Mr GREEN	Mr PRONK
Mr COYLE	Mr HAGEN	Mr PROUMENS
Mr von der DECKEN	Mr KAARIS	Mr SKOVBRO LARSEN

Opinion on the Commission communication on adult training in firms

(87/C 180/02)

On 12 February 1987 the Commission decided to consult the Economic and Social Committee under Article 198 of the Treaty establishing the European Economic Community on the abovementioned document.

The Section for Social, Family, Educational and Cultural Affairs, which was responsible for preparing the Committee's work on the subject, adopted its Opinion on 8 April 1987 in the light of Mr Nierhaus's report.

At its 246th plenary session (meeting of 14 May 1987) the Economic and Social Committee adopted the following Opinion unanimously:

1. Comments on matters of general principle

1.1. It is not easy to generalize about the further training of workers in the Community. Apart from the fact that the present Commission communication has not yet put forward any concrete proposals, the very diversity of the background to and general conditions governing further training in the Member States of the Community no doubt explains why the document in question is largely confined to general statements and observations. The same is also true of some of the Commission's proposed solutions which are not sufficiently clear about its function and line of approach in creating the equivalent conditions needed to promote training in firms.

The scale and content of training in firms depend to a considerable extent on the following factors:

- the activities, programmes and legal framework existing in individual Member States,
- regional particularities (conurbations, disadvantaged regions),
- sectoral particularities,
- the specific skilled manpower requirements of individual branches of the economy,
- the size and financial capacity of firms,
- the specific commitment of business, professional and workers' organizations which cooperate in various ways to also operate inter-firm training facilities

1.2. The Commission communication nevertheless rightly draws general attention to the growing importance of vocational further training. This is an inevitable consequence of the increasing pace of technological change and the high level of skills required of workers if firms are to survive in the increasingly harsh climate of world competition. Demographic factors (e.g. an increase in the average age of the working population) are also cited as a reason why vocational training for adults is tending to grow in importance.

1.3. In addition to the fact that further training takes different practical forms in each Member State, the Commission document contains a number of woolly terms which makes communication across national borders difficult even if some of the haziness of the terminology used can be put down to differences in the educational systems of the Member States. We have therefore defined the basic terminology used in the rest of this Opinion. The definitions are also intended to help in the task of trying to standardize educational terms in the European Community.

1.3.1. Vocational training (*Berufsausbildung*) is provided after completion of general school education and is the period of initial vocational preparation for employment in a particular occupation. It can be given in universities, other state or private educational establishments, as well as in private or public sector firms, and generally ends with a vocational qualification.

1.3.2. Further training (*berufliche Weiterbildung*), which is synonymous with vocational training for adults, follows on from school education, vocational training and occupational experience, and is an organized form of instruction for adults. In content and objectives it is aimed at improving vocational skills.

1.3.3. Training in firms (*betriebliche Weiterbildung*) consists of further training schemes initiated and as a rule also financed by public or private sector firms to improve the skills of their employees. Strictly speaking, training in firms needs to be distinguished from (a) short-term training designed to initiate workers in the specific but narrow skills required for a given work practice, and (b) external and inter-firm further training organized by a third party (state, public benefit organizations, associations of several firms) and partly financed by the participants themselves.

1.3.4. Distance learning is the systematic dissemination of knowledge, skills and proficiency over a distance. It is characterized, in particular, by the following features:

- physical distance between teacher and learner during all or most of a study course,
- use of the media as a means of instruction in order to bridge this gap,
- targeting of studies at a particular goal,
- student guidance and help from markers of test papers, distance teachers, tutors,
- monitoring of progress.

Face-to-face contact (working groups, tutorials, etc.) has also proved useful and to some extent necessary because of the social dimension of learning and because certain types of skills cannot be taught otherwise than through direct contact.

1.4. All the parties concerned — employers, workers, trade associations and public authorities — agree about the general need to further expand the facilities for the further training of workers in the Community. There are, however, differences of emphasis regarding form, content, scope and responsibilities, depending on the specific objectives of each of the parties concerned. Sometimes the priorities converge, sometimes they diverge:

- Workers consider that the primary function of further training is to safeguard their jobs, further their careers and generally facilitate access to employment. It must also enable them to keep up with technological advances.
- Employers consider that training in firms is a necessary instrument to secure an improvement in labour as a factor of production — such improvements being increasingly important because of the breakthrough of new technologies.
- The state and society as a whole take the view that further training is a means of enabling adult, emancipated workers to be properly involved in economic and social decision-making processes at all levels.

As far as training in firms and its encouragement by the Community is concerned, this means two things:

- (a) Training in firms is of great importance but it would be going too far to expect it to cover the full range of workers' further training requirements. It is first and foremost a non-material business investment, which is what gives it its special distinguishing features and aspects. Training in firms is part of a further training system which also embraces government initiatives (e.g. the laying down of uniform conditions regulating the participation of workers in the implementation of firms' training schemes), public educational establishments, the further training facilities provided by employers' associations, workers' organizations and other public benefit organizations, and finally private schools (= further training outside firms).
- (b) With training in firms, as elsewhere, the interests of all parties have to be reconciled as far as possible.

The Commission rightly points out for example that an innovative further training policy of the national authorities 'should not be limited to a dialogue between the employers and the State'. Workers and their representatives must also be involved in the dialogue. Training in firms will indeed be ineffectual unless the workers can be motivated to participate. The Commission lists the conditions needed to achieve success. Some of these conditions have been met, though with regional and sectoral differences. They are:

- recognition of the role of workers as partners, through systematic information and consultation within the framework of the social dialogue,
- real access to further training activities not confined to the firm's specific, temporary and short-term requirements,
- implementation of financing systems and/or subsidies or tax arrangements,
- recognition of skills which have already been acquired.

1.5. In the view of the Committee the means at the disposal of Community policy must also be used to first create the right conditions. Probably, however, this would to some extent transcend the framework of training in firms, being of relevance to the general scope for the basic and advanced training of workers in the Member States of the Community. The Committee nevertheless underlines in principle the importance of these conditions for the motivation of workers.

1.6. The Committee also considers that consultations with workers and their trade union organizations on matters connected with training in firms must not be purely academic but should also take place at the planning and implementation stages; the Committee likewise considers that the qualifications obtained should be taken into consideration when it comes to promotion within firms.

2. General comments

2.1. The aim of the planned Community actions is (a) to give an impetus to training in firms and (b) to facilitate the provision of aid so that, through innovation, the obstacles impeding the development of training in firms can be overcome. The Committee supports this general objective as well as the following proposed fields of action:

- support for setting up integrated further training operations,
- the creation of a large number of partnerships between firms and trainers in order to develop new training materials,
- support for the development of individualized training systems.

2.2. The Committee would emphasize the particular need to provide specific support for the exchange of information between both sides of industry on the consequences of the increased use of new technologies. Balancing different interests, and thereby promoting acceptance for new technologies, is as much of a challenge for all concerned as the promotion of technological change itself. How the challenge is met will ultimately determine the dynamics of technological change and its social acceptability.

2.3. The Committee is accordingly particularly keen on the Commission's proposal to support the efforts of both sides of industry to show the advantages of further training, both in terms of career prospects for workers and the increased technological competitiveness of firms.

3. Specific comments

3.1. The Committee considers that the promotion of distance learning is a particularly interesting task. It therefore welcomes the Commission's proposal to support the development of new teaching and learning methods. Teaching materials should be focussed on relating technical and commercial knowledge to social skills in the context of a firm's working environment. Teaching materials could be developed by external and inter-firm organizations and used when trainees come together for face-to-face periods of study with their trainers.

3.2. The Committee agrees in principle with the Commission that the new information, telecommunications and audio-visual technologies can make a bigger contribution to the development of further training insofar as a satisfactory solution is found to the problem of standards in the Community. But language barriers pose a particular problem at European level, e.g. in cases where common data bases are used in telecommunications. A central role could nevertheless be played by the promotion of audio-visual media since these could be brought out in several different European languages. All this would require the cooperation of firms, universities and the further training establishments of both employers and trade unions — wherever possible from different European countries.

3.3. The Committee regards as particularly promising the proposal that firms should cooperate with training centres to develop practical training materials on, for example, new technologies in firms. But if in-firm training is to be of maximum efficiency in both form and content, the trainers themselves must be sufficiently well-qualified to be able to provide the necessary foundations. If 'increasing general public awareness of the

new technologies, especially that of workers' is to be successful, then the social groups concerned will also have to be involved in projects right from the planning stage.

3.4. The Committee likewise welcomes the Commission's proposal to support the efforts of both sides of industry to show the advantages of further training. This should involve, in particular, the promotion of seminars providing intensive information about the regional possibilities of further training. As far as training in firms is concerned, pilot schemes should be developed; these could then be made available to firms via employers' organizations.

3.5. Insofar as the Community's support programmes draw on EEC funds, priority should be given to encouraging projects aimed at groups of workers who have so far been under-represented on training schemes in firms, i.e. principally the least qualified workers who accordingly often need special and individual help.

3.6. Generally speaking the Committee feels that it is unrealistic to limit support to training in firms. External or inter-firm further training establishments also fulfil an important role in certain individual Member States of the Community, complementary and extending the scope of training in firms. Training establishments not operated by individual firms are in fact an essential component of a comprehensive system of further training, particularly in respect of the professional and geographical mobility of workers. Nor should it be forgotten that the longer-term training courses (particularly those dealing with the application of new technologies at the workplace) which are needed by workers in order to keep their jobs or advance their careers, are often attended outside working hours at weekends or in the evenings. In providing new skills such courses serve the interests of all branches of industry and individual workers alike. They should therefore also be included in the Community's programmes of support.

3.7. In the view of the Committee the planned measures should be directed primarily at providing aid for further training in SMEs. SMEs have much greater problems than large firms, many of which already have a well-developed further training infrastructure of their own. Joint initiatives between SMEs and external and inter-firm training establishments might for example be an appropriate approach towards solving the training problems of SMEs and SME workers. SMEs' own financial capacities and organizational infrastructures are insufficient to tackle training problems on their own.

3.8. Interested parties are still insufficiently informed about the general legal framework, the scale and the diversity of the various types and systems of further training in the Member States of the Community. This

makes any discussion about the creation of equivalent starting conditions for workers in the Community difficult. The Committee therefore proposes that Cedefop intensifies its research in the field of in-firm training.

Done at Brussels, 14 May 1987.

The Chairman
of the Economic and Social Committee
Alfons MARGOT

Opinion on the proposal for a Council Directive amending Directive 84/538/EEC on the approximation of the laws of the Member States relating to the permissible sound power level of lawnmowers⁽¹⁾

(87/C 180/03)

On 14 January 1987 the Council decided to ask the Economic and Social Committee to deliver an Opinion, in accordance with Article 198 of the EEC Treaty, on the abovementioned proposal.

The Section for Industry, Commerce, Crafts and Services, which was responsible for preparing the Committee's work on the matter, adopted its Opinion on 7 April 1987. The rapporteur was Mr Pearson.

At its 246th plenary session (meeting of 13 May 1987) the Committee unanimously adopted the following Opinion:

1. General comments

1.1. The Committee understands the obligation for the Commission, to table, in accordance with the request of the Council of December 1984, the current proposal amending Directive 84/538/EEC on the permissible sound power level for lawnmowers.

1.2. The basic Directive now being amended is based on the emission control principle. It sets a sound power level for lawnmowers: mowers exceeding this level cannot be put on the European market. It is now proposed to amend this Directive with a requirement that has the character of an immission control: the sound pressure as measured at the ear of the sound recipient is fixed at 92 dB(A). Immissions are the sum of all emissions of a certain kind, after dispersion, physical interaction and degradation, as they affect the ecology and are, as far as sound is concerned, usually expressed as the sound pressure L_{pa} . The result however is confusion: the sound measurements in the Directive would be based on two different principles of which the dB numbers are not directly comparable. The Committee feels that the present proposal, as a result of using two control principles, will lead to confusion for the customer and limit the environmental effectiveness of the proposed measure.

1.3. The Committee recognizes that the present Directive is intended to prevent barriers to trade at the point of sale for a particular group of lawnmowers — those having a seat attached with a cutting width exceeding 120 cm — rather than to limit the noise dose received by the operator. The limited scope of the amendment becomes apparent when bearing in mind that the basic Directive excludes *inter alia* motorized cylinder mowers and agricultural and forestry equipment.

1.4. On the basis of the abovementioned comments the Committee questions the utility of the present proposal: it would have preferred to see it integrated in a forthcoming proposal from the Commission dealing globally with the larger question of barriers to trade and noise emissions from lawnmowers of all categories.

1.5. Though agreeing with the Commission that this particular noise category has to be enforced by local authorities, the Committee invites the Commission to initiate and support efforts at Community level aimed at informing the public as to the meaning of technical particulars used in describing noise, as to how to prevent noise annoyance and not least, the consequences of exposure to excessive noise levels.

1.6. Although the Committee recognizes that the requirements under Directive 84/538/EEC are applicable as from 1 July 1987 it finds it unrealistic to expect the current proposal to become operative from that date. Many models will already be with the stockists for the coming spring-summer season and should be permitted to continue on the market. Likewise this date does not permit the individual Member States enough time to make the necessary amendments to national legislation. The Committee therefore proposes the normal two-year implementation period for the present Directive.

2. Specific comments

2.1. If the Directive is to be adopted by the Council in the present version the title of the proposed Directive should be changed in accordance with the comments under 1.2, as it refers only to 'permissible sound power level of lawnmowers' although both sound powers and sound pressure levels are now involved.

2.2. The proposed Directive states in Annex I that the methods of measurement are applicable to lawn-

⁽¹⁾ OJ No C 20, 27. 1. 1987, p. 2.

mowers with a cutting width in excess of 120 cm 'and having a seat attached'. Article 1.1 of the new proposal should be worded accordingly, i.e. '... lawnmowers with a seat attached and with a cutting width ...'

2.3. The 'mark model' label as shown in Annex II needs to be modernized to accommodate both sound power and/or sound pressure limit level of the machine.

It should be specified that the label must be sited so that it is visible at the operator's position.

2.4. The 'certificate of conformity' form as laid down in Annex II of the basic Directive (84/538/EEC) needs to be amended to include a line to accommodate the now introduced 'guaranteed sound pressure level'.

Done at Brussels, 13 May 1987.

The Chairman
of the Economic and Social Committee
Alfons MARGOT

Opinion on the proposal for a Council Directive amending Directive 83/182/EEC on tax exemptions within the Community for certain means of transport temporarily imported into one Member State from another ⁽¹⁾

(87/C 180/04)

On 13 February 1987 the Council, acting under Article 198 of the Treaty establishing the European Economic Community, asked the Economic and Social Committee for an Opinion on the abovementioned proposal.

The Committee instructed its Section for Industry, Commerce, Crafts and Services to prepare the Opinion. The Section adopted its Opinion, based on the report by Mr Broicher, on 7 April 1987.

The Committee unanimously adopted the following Opinion at its 246th plenary session (meeting of 13 May 1987):

1. General comments

1.1. The Committee endorses the Commission proposal as a practical, encouraging step towards:

- greater flexibility in cross-frontier vehicular traffic, and consequently
- the achievement of the objective of a Europe without frontiers set out in the Commission's white paper on the completion of the internal market by 1992.

1.2. The EEC-EFTA Ministerial Conference held in Luxembourg in April 1984 called for the establishment of a dynamic Western European economic area. The

Committee therefore recommends that the proposed arrangements be put on a broader basis via an agreement with EFTA.

2. Specific comments

Although the Committee broadly welcomes the Commission proposal, it fears that the new arrangements under Article 4 may lead to abuse of temporary import concessions in respect of company cars. On the one hand the unlimited exemption from taxes specified in Article 1 is tantamount to permanent importation; on the other there is no guarantee of a business connection between the company in whose name the vehicle is registered and the company employing the person who has temporarily imported it. As a result persons unconnected with the company may also benefit from the concessions.

⁽¹⁾ OJ No C 40, 18. 2. 1987, p. 7.

Done at Brussels, 13 May 1987.

The Chairman
of the Economic and Social Committee
Alfons MARGOT

Opinion on the proposal for a Council Directive amending for the third time Directive 83/181/EEC determining the scope of Article 14 (1) (d) of Directive 77/388/EEC as regards exemption from value added tax on the final importation of certain goods⁽¹⁾

(87/C 180/05)

On 20 February 1987 the Council, acting under Article 100 of the Treaty establishing the European Economic Community, asked the Economic and Social Committee for an Opinion on the abovementioned proposal.

The Committee instructed its Section for Industry, Commerce, Crafts and Services to prepare the Opinion. The Section adopted its Opinion, based on the report by Mr Broicher, on 7 April 1987.

The Committee unanimously adopted the following Opinion at its 246th plenary session (meeting of 13 May 1987):

1. The Committee approves the draft Directive.
2. The proposal is concerned only with minor reliefs which will make very little impact on overall trade. Nevertheless they entail improvements which appear to be necessary and which, in the Committee's view, could also be countenanced at national level.

The Committee feels, however, that the arrangements under Article 1 (1) could have been somewhat more generous.

Done at Brussels, 13 May 1987.

The Chairman
of the Economic and Social Committee
Alfons MARGOT

⁽¹⁾ OJ No C 53, 28. 2. 1987, p. 9.

Opinion on the proposal for a Council Directive amending Directive 74/150/EEC on the approximation of the laws of the Member States relating to the type-approval of wheeled agricultural or forestry tractors ⁽¹⁾

(87/C 180/06)

On 28 January 1987 the Council decided to consult the Economic and Social Committee, under Article 100 of the Treaty establishing the European Economic Community, on the abovementioned proposal.

The Section for Industry, Commerce, Crafts and Services, which was responsible for preparing the Committee's work on the subject, adopted its Opinion on 7 April 1987 in the light of the report by Mr Masprone.

At its 246th plenary session (meeting of 13 May 1987) the Economic and Social Committee adopted the following Opinion unanimously:

1. The Committee approves the Commission proposal subject to the following comments.

1.1. The present proposal follows on from the 'Declaration on the powers of implementation of the Commission' adopted by the Conference of the representatives of the Governments of the Member States on the occasion of the signing of the Single European Act. Under this proposal the new decision-making process which gives the advisory committee procedure a 'pre-dominant place' is introduced into current Community legislation on agricultural and forestry tractors.

1.2. The Committee recognizes the need for speed and efficiency in the decision-making process in the Commission. Nevertheless, it is necessary to ensure

that the relevant organizations (industry, employers, farmers, small businessmen, consumers and workers' representatives) are consulted on all matters affecting safety and health. The Committee also takes note of the fact that the new procedures deriving from the Single Act and the Community's new approach to technical harmonization do not affect consultation of the Economic and Social Committee pursuant to Article 100a (1) of the Treaty in its amended form.

1.3. The Committee also welcomes the proposal to substitute verification of the particulars supplied by manufacturers for the Community rules governing the granting of EEC type-approval in respect of certain parts or characteristics which are now used less and less frequently or have been replaced by others which have since become obligatory.

⁽¹⁾ OJ No C 88, 3. 4. 1987, p. 10.

Done at Brussels, 13 May 1987.

The Chairman
of the Economic and Social Committee
Alfons MARGOT

Opinion on the Commission proposal amending Directive 85/210/EEC on the approximation of the laws of the Member States concerning the lead content of petrol⁽¹⁾

(87/C 180/07)

On 17 March 1987 the Council decided to consult the Economic and Social Committee, under Article 198 of the Treaty establishing the European Economic Community, on the abovementioned proposal.

The Section for Industry, Commerce, Crafts and Services, which was responsible for preparing the Committee's work on the subject, adopted its Opinion on 6 May 1987, in the light of the report by Mr. Poeton.

At its 246th plenary session (meeting of 13 May 1987) the Economic and Social Committee adopted the following Opinion by a large majority with two abstentions:

The Committee welcomes the Commission's proposal subject to the following comments:

1. The maximum permitted lead content of motor fuels was regulated for the first time at Community level in 1978 (Directive 78/611/EEC) in order to eliminate obstacles to trade which might have resulted from differing national legislations on this issue in the various Member States. In 1985 this Directive was amended by Directive 85/210/EEC in order to introduce unleaded petroils and gradually eliminate leaded fuels. The present Commission proposal aims to give Member States the right to forbid the distribution of leaded regular petrol on their national market. The Committee would point out, however, that everything must be done to ensure that this proposal is a success. For a mere change from leaded regular to leaded premium might not by itself result in a reduction of lead in the environment in line with the stated objectives of the proposal.

2. In its Opinion⁽²⁾ on Directive 85/210/EEC the Committee suggested that the scheme for introducing unleaded petroils be rationalized and accelerated in line with economic and technological possibilities. Therefore, the Committee can only congratulate the Commission on this new initiative which is fully in line with this Opinion.

3. The Committee is aware that, strictly speaking, national bans on the sale of leaded regular petrol represent an obstacle to trade. Despite this, the Committee believes that the present proposal is justified above all by the protection of the environment and of public health, and for its beneficial effect in terms of an accelerated introduction of unleaded petrol in the Community, not least because of the rather theoretical nature of such trade restrictions. In fact, regular petrol is only in significant demand in a few Member States (Federal Republic of Germany, Denmark, Greece, Netherlands) and in some of these States (Denmark, Netherlands) leaded regular fuel has virtually disap-

peared from the market as a consequence of differentiated taxation.

4. The Committee, however, invites the Council to call on Member States to proceed with this elimination of leaded regular petrol from their national market in close consultation with the interested parties, and in particular the mineral-oil industry, in order to permit coordination between this urgent measure and industrial planning.

5. The Committee is of the opinion that the national restrictions on the sale of regular leaded petrol inherent in the present proposal could raise problems with regard to the achievement of an internal market by 1993. However, it is to be expected that by 1993, market forces and the restrictions applied in the meantime will most likely have completely eliminated demand for leaded regular petrol.

6. The Committee is pleased to note that the Commission has studied the implications of its proposal for small and medium-sized enterprises. It agrees with the Commission, that the proposal will in fact be beneficial for the petrol distribution sector, because it gives the possibility to reduce the number of pumps and tank systems from four to three (premium leaded, premium unleaded, regular unleaded) in countries where there is demand for regular petrol.

7. The Committee also agrees with the Commission's assurance that some motorists will be faced with a slight increase in costs, which however in the Committee's opinion is justifiable as a direct consequence of the move towards a significant reduction in the pollution of the atmosphere. An important percentage of cars which use regular petrol are able to run on unleaded petrol, which — in some countries at least — is cheaper than leaded regular petrol due to tax incentives. The Committee in this context wishes to recall that it in 1984 agreed with the idea of Article 13(2) of Directive 85/120/EEC stipulating that Member States should grant a favourable tax treatment to unleaded petroils.

8. Moreover, the Committee is of the opinion that measures should be taken by the Community, the national governments and the industries concerned to

⁽¹⁾ OJ No C 90, 4. 4. 1987, p. 3.

⁽²⁾ OJ No C 25, 28. 1. 1985, p. 46.

ensure an appropriate level of information of motorists on the ability of their vehicles to use unleaded petrols. The effects of banning the use of leaded regular petrol in small petrol-driven appliances should also be brought to the notice of the consumer by means of suitable information.

9. In this context, the Committee repeats its proposal that unleaded petrol should become effectively available throughout the Community earlier than in 1989 as is mandatory under the terms of Directive 85/210/EEC.

Done at Brussels, 13 May 1987.

The Chairman
of the Economic and Social Committee
Alfons MARGOT

In particular because a steadily increasing number of cars which require unleaded petrol (those equipped with catalytic convertors) are already being sold in the Community. But also because the Commission has submitted a proposal concerning the application of new EEC emission standards for cars over 2 000 cc by 1 October 1988 which imply the use of catalytic convertors as of this date.

10. Finally, the Committee wishes to reiterate the desirability of a complete elimination of lead from petrol.

Opinion on the proposal for a Council Decision on the provisional application between the Community and Switzerland of Sections II and III of the Agreement on the international carriage of passengers by road by means of occasional coach and bus services (ASOR)

(87/C 180/08)

On 14 April 1987, the Council decided to consult the Economic and Social Committee, under Article 75 of the Treaty establishing the European Economic Community, on the abovementioned proposal.

The Section for Transport and Communications, which was responsible for preparing the Committee's work on the subject, adopted its Opinion on 8 May 1987, in the light of the report by Mr Bleser.

At its 246th plenary session (meeting of 13 May 1987) the Committee adopted the following Opinion by a majority vote, with one abstention:

1. The Economic and Social Committee approves the Commission's proposal to accept Switzerland's request to bring forward the date on which the provisions of Sections II and III of the ASOR are to apply to Switzerland.

2. The Committee agrees with the Commission that there are good grounds for bringing forward this date

by four months. Above all, the implementation of the provisions on 1 August, i.e. in the middle of the tourist season, would cause practical and economic problems.

3. However, the Committee cannot accept the new date proposed, viz. 1 April 1987, and suggests 1 June 1987 instead so that the Council can consult the Committee and the European Parliament before taking its decision.

Done at Brussels, 13 May 1987.

The Chairman
of the Economic and Social Committee
Alfons MARGOT

Opinion on the proposal for a Council Directive amending Directive 79/693/EEC on the approximation of the laws of the Member States relating to fruit jams, jellies and marmalades and chestnut puree⁽¹⁾

(87/C 180/09)

Acting under Article 198 of the EEC Treaty, the Council asked the Economic and Social Committee on 27 January 1987 for an Opinion on the abovementioned proposal.

The Committee instructed its Section for Agriculture to prepare its work on the matter. The Section adopted its Opinion, based on the oral report made by the rapporteur, Mr Proumens, on 7 May 1987.

The Committee adopted the following Opinion, by a unanimous vote, at its 246th plenary session held on 13 and 14 May 1987 (meeting of 13 May):

1. General observations

1.1. The Committee notes with interest the submission of the draft Directive, updating certain data in Directive 79/693/EEC. Broadly, the proposed amendments are in accordance with recognized technological developments.

1.2. The Committee does, however, note that the Commission has based the draft Directive solely on Article 43 of the Treaty. The Committee would point out that the Commission based the recent draft Directive on fruit juices and certain similar products (75/726/EEC) on both Articles 43 and 100 of the Treaty.

The Committee finds it hard to explain the different treatment given to two similar and concurrent draft Directives.

1.3. The Committee expresses its concern over the proposed change in the way in which the Standing Committee on Foodstuffs operates, and in particular the proposed abolition of the vote by the Committee on matters referred to it by the Commission.

1.3.1. This change would give additional powers to the Commission since the parties involved in the consultation would no longer be able to express a majority view.

1.4. The proposed new Article 13 of Directive 79/696/EEC would abolish the majority vote provided for in Article 13 (2) and leave it to the Commission to assess the views expressed in the Standing Committee's Opinion. It would no longer be absolutely certain whether the matter referred met with the approval of the majority of the economic and social interest groups, including consumers.

2. Specific observations

2.1. Ninth recital

2.1.1. The Committee draws attention to the need to correct the wording of this recital in order to bring it into line with the amendment proposed in Article 1 (15) of the Directive. The wording should be amended to read as follows: '... not only of 'extra' jams but also of jams made from certain red fruit'.

2.2. Article 1 (3)

2.2.1. The Committee wishes to point out, first of all, that the sulphur dioxide referred to is not used to preserve the finished product, it is a residue of a fruit preservation process employed prior to jam production and authorized for jams and jellies not classified as 'extra'.

2.2.2. Although consumers are right to be concerned about the effects which sulphur dioxide may have on the human organism, the quantities liable to be found in the products covered by the current draft Directive are minimal, as is clear from the production process referred to above.

2.2.3. The accumulation of this sulphur dioxide in various foodstuffs and in various non-processed agricultural products may, however, pose a problem.

2.2.4. The Committee therefore considers that the Commission should encourage manufacturers to remove sulphur dioxide from foodstuffs, inasmuch as this is possible (perhaps the compulsory inclusion of sulphur dioxide in the list of ingredients is an incentive in itself). The Committee also urges the Commission to consider drawing up a draft Directive on traces and residues resulting from the processing of agricultural products into foodstuffs. This draft Directive would include a specimen residue accumulation table based on a normal diet. Such a Directive could be prepared by the Scientific Committee for Food as part of its current work.

2.2.5. If the proposed wording is retained, consideration should, in the Committee's view, be given to setting margins of tolerance and the Commission should obtain assurances from the Member States that their national authorities have the technical and administrative resources to carry out the inspections.

2.3. Article 1 (13)

2.3.1. The Committee proposes that the words 'if appropriate' be inserted before the words 'with the

⁽¹⁾ COM(86) 747 final.

endocarp removed'. This would bring the provision into line with manufacturing processes currently authorized in a number of Member States and with the practice in some Member States (arising, in particular, from the fact that this type of product is produced by small and medium-sized firms).

2.4. Article 1 (16)

2.4.1. The Committee considers that the conditions of use with regard to pectin and amidated pectin should be amended to read as follows: 'the finished product must not contain more than 1% of pectin, amidated pectin or a mixture of these two products'.

2.5. The Committee stresses the need to retain consistency between the new provisions set out in the draft Directive under review and draft Directive 86/747/EEC on the inspection of foodstuffs⁽¹⁾.

2.6. The Committee underlines the difficulties encountered with the term 'marmalade'. This is not just a problem of vocabulary. It is rather a problem of semantics involving, to be more precise, the interpretation of the word in the various Member States.

2.6.1. In this particular case the problem is complicated by the fact that the word 'marmalade' is used in

the various Community languages — the only difference being one or two letters — but because of well-established food traditions it refers to different products.

2.6.2. The Committee therefore proposes that a table be inserted in the draft Directive setting out, opposite the definitions given in Directive 79/693/EEC, a list of the various corresponding terms currently used in the various Member States.

2.7. The Commission should make provision for consumer information on this matter in order to avoid confusion over the understandings of a word which is very similar in the various languages and in order to prevent consumers becoming frustrated or distrustful with regard to the product in question.

2.8. This issue is very important in Spain and Portugal, where there are many jam and marmalade manufacturing plants and these are, for the most part, small family businesses.

2.9. Article 2

The Committee stresses the need for the wording of this Article to be the same in all Community languages.

⁽¹⁾ OJ No C 25, 3. 2. 1987, p. 8.

Done at Brussels, 13 May 1987.

The Chairman
of the Economic and Social Committee
Alfons MARGOT

Opinion on the draft proposal for a Council Regulation laying down maximum permitted radioactivity levels for agricultural products and drinking water

(87/C 180/10)

On 10 February 1987 the Commission of the European Communities decided to consult the Economic and Social Committee, under the Treaty establishing the European Atomic Energy Community, and in particular Article 31 thereof, on the abovementioned proposal.

The Section for Energy, Nuclear Questions and Research, which was responsible for preparing the Committee's work on the subject, adopted its Opinion on 4 May 1987. The rapporteur was Mr Saiu.

At its 246th plenary session (meeting of 13 May 1987), the Economic and Social Committee adopted the following Opinion unanimously:

1. Introduction

1.1. Following the Chernobyl nuclear accident, the Community was faced with the major problem of the radioactive contamination of foodstuffs and the absence of Community or international standards setting contamination limits for foodstuffs that can be placed on the market after an accident of this nature.

1.2. Because of the serious shortage of information, the Commission was unable to assess the potential risks from the radioactive contamination of the atmosphere and of foodstuffs, and was prevented from assuming its responsibilities under the Euratom Treaty. Above all it was prevented from adopting the Directives which the emergency situation required under Article 38 of the Euratom Treaty.

1.3. The Community was able to take some emergency measures to regulate agricultural imports. But because of disagreement among the Member States, the Council was unable to lay down radioactive contamination limits for intra-Community trade in foodstuffs.

1.4. The differences between the national protective measures taken, and the lack of coordination of these measures and of the information distributed between the Member States and in some cases even within Member States, cannot be explained simply by the differences in contamination levels. Questions have been asked about whether the Member States really want to put the need to protect the various categories of the population (particularly young children and pregnant women) above all other political, economic or commercial considerations.

1.5. For these reasons, as well as to preserve the unity of the common market and prevent deflections of trade, it is of crucial importance to lay down tolerance limits for the radioactive contamination of foodstuffs

in advance of any incident, so as to avoid controversy in the event of an emergency; such limits would apply equally to all Community and all imported products.

2. General comments

2.1. The Committee is pleased that the Commission has submitted a proposal on 'a permanent system for establishing limits for the radioactive contamination of drinking water and agricultural products in the case of a nuclear accident'. Generally, the Committee approves the draft proposal for a Regulation, in which the Commission states its intention of laying down maximum permitted radioactivity levels for agricultural products and drinking water.

2.2. The proposal is an innovation, and the action taken by the Community could serve as a reference on which to base work at international level, notably within the International Atomic Energy Agency (IAEA).

2.3. However, the Committee would point out that at present it is being asked for an Opinion on an incomplete proposal, as the Commission has not yet formulated proposals — to be set out in an Annex to the Regulation — on the maximum permitted radioactivity levels to be adopted.

Such a situation is detrimental to the Committee's ability to properly carry out the consultative duties assigned to it by the Euratom Treaty, and particularly Article 31 thereof.

2.4. The present Opinion is therefore only an initial viewpoint. Only at a later date will the Committee take a stand on the full draft Regulation (which the Commission will be forwarding to it for an Opinion), and make its views known, in particular on the maximum permitted radioactivity levels which by then will have been adopted by the Commission. The latter should be submitting proposals in the course of May 1987.

2.5. The Committee understands the Commission's concern to base such proposals on the most recent scientific data, and achieve the widest possible inter-

national consensus, but keenly regrets the procedure followed and the timetable agreed with the Council.

The Committee would stress that when laying down limits, it is essential to observe the following principles:

- maximum permitted radioactivity levels must be tailored to the needs of particularly endangered groups in the population,
- maximum permitted radioactivity levels should not be used to invalidate minimum legal requirements for irradiation. The advertising and sale of slightly irradiated food should not be stopped,
- maximum permitted radioactivity levels must be harmonized with existing legal standards for radiological protection, as there can no longer be any talk of short-term contamination one year after Chernobyl. It is inadmissible to expect the general public to absorb higher annual levels of contamination than workers in radiation areas,
- the establishment of maximum permitted radioactivity levels means taking various health policy factors into account, which requires legal measures to be taken also at national level.

2.6. The Committee notes with satisfaction the link which the Commission has established between the present proposal for a Regulation and the proposal for a Decision on a Community system of rapid exchange of information in cases of unusually high levels of radioactivity or of a nuclear accident, which the Committee approved on 25 February 1987⁽¹⁾.

This link is justification, if any were needed, for the request made by the Committee in its earlier Opinion, namely that in the event of a nuclear accident or when unusually high levels of radioactivity are recorded, the Member States should also be required to transmit information on the monitoring of radioactivity in foodstuffs and drinking water.

2.7. The Committee emphasizes that the setting-up of this intra-Community system for the rapid exchange of information is essential to the smooth operation of the 'permanent system for establishing limits for the radioactive contamination of drinking water and agricultural products in the case of a nuclear accident' proposed by the Commission.

The Committee therefore calls upon the Council to adopt the draft Decision submitted to it by the Commission as soon as possible.

2.8. The Chernobyl nuclear accident has shown that because of the possible dispersal of radioactive substances in the atmosphere, it is highly probable that the Community will be affected by the consequences of a nuclear accident in a third country. It is therefore essential that the Community be informed rapidly of any such accident so that it can implement without delay any import controls on foodstuffs justified by the situation and rapidly lay down maximum permitted levels of radioactive contamination beyond which such imported foodstuffs, as well as agricultural products from the Community, can no longer be placed on the market or exported.

2.9. The Community must therefore be informed directly and by right of any accidents or events on the territory of third countries; for this to happen the Community must join the Convention on the rapid notification of a nuclear accident drawn up under the aegis of the IAEA and in force since 27 October 1986.

The Committee calls upon the Council to rapidly adopt the draft Decision approving the conclusion of a Convention on the rapid notification of a nuclear accident submitted to it by the Commission in January 1987.

2.10. The Committee feels that the draft proposal for a Regulation under discussion must be seen against the background of a nuclear accident whose consequences could affect vast or scattered areas of the Community. Such a situation calls therefore for across-the-board measures applicable to the whole of the Community's territory.

The Committee considers that in the event of accidental and limited leaks of radioactive materials, the introduction of continuous monitoring of the radioactivity levels of agricultural products, particularly in the vicinity of nuclear power stations, would make it possible to counter rapidly the effects of such leaks and, in particular, seal off the area which might be affected and take without delay the requisite steps to inform and protect the public.

2.11. The implementation of Articles 35 and 36 of the Euratom Treaty should therefore be reviewed and their scope extended. In addition, protocols on sampling checks and the presentation of findings should be harmonized. The Commission should be given the means necessary to exercise its right of access to monitoring facilities to verify their operation and efficiency, as provided for by Article 35 of the Euratom Treaty.

2.12. In its Opinion of February 1987 (see point 2.6 above), the Committee stressed that urgent measures were required 'to restore and rebuild public confidence in the field of information' and that the introduction

⁽¹⁾ OJ No C 105, 21. 4. 1987, p. 9.

of a Community system for the rapid exchange of information in cases of unusually high levels of radioactivity or of a nuclear accident would only be a first step in this direction.

The Committee asked that there be some serious thinking in areas such as the dissemination of information to the public, training and informing people on how to behave — especially in a post-Chernobyl-type situation and whenever initiatives or decisions were taken.

2.13. The Committee repeats this request and emphasizes the need for the public to be fully and appropriately informed about the risks of consuming contaminated foodstuffs, the precautions to be taken and the behaviour to be adopted (a) in the event of agricultural products and drinking water being contaminated as a result of a nuclear accident or any other event, and (b) in the event of any contamination from chemicals resulting from such an accident or event.

At the same time, in-depth studies should be undertaken into the effects of consuming contaminated foodstuffs.

2.14. The Committee also feels that the setting-up of a permanent system for establishing limits for the radioactive contamination of drinking water and foodstuffs in the case of a nuclear accident should be backed up by the formulation and implementation at Community level of an emergency plan which would include safety measures to be taken by the public authorities, producers, traders and the general public, depending on the degree to which agricultural product were contaminated.

As soon as a decision has been taken to go ahead with such a plan, a massive public information campaign should be launched by the appropriate authorities (particularly the regional and local authorities) under the responsibility of the Member States in question.

2.15. While reiterating its support in principle for the draft proposal for a Regulation, the Committee would like to make certain more specific comments and suggests the following:

3. Specific comments

3.1. The Committee feels that more stress should be laid on the link between the draft proposal for a Regulation and the Commission's proposals on a Community system for the rapid exchange of information. Explicit reference should be made to this in the actual text of the Regulation.

3.2. In the event of a nuclear accident on the territory

of a third country, the Committee considers that the Member States should monitor the radioactivity of agricultural products imported from the country in question or from other third countries which are or may be affected. Imports of farm produce exceeding the maximum permitted levels of radioactivity laid down by the Commission should be banned.

Such checks and the import bans or restrictions that might follow should not, however, be allowed to unduly jeopardize trade between the Community and third countries. Measures should be imposed in consultation with the third countries concerned taking into consideration the degree of contamination in the country of origin as well as any import bans or restrictions imposed by the third countries themselves.

3.3. The Commission's draft proposal does not solve the question of agricultural products imported into the Community after the expiry of a Regulation laying down maximum permitted levels of radioactivity. The Committee feels that there should be much hard thinking about this matter.

3.4. The Committee recognizes that it is inopportune to lay down rigid radioactive contamination limits for drinking water and agricultural products beyond which such products can no longer be placed on the market or exported, because of the whole range of real emergencies that could arise. It is satisfied that the procedure proposed will enable the Commission to immediately adopt a Regulation rendering applicable the maximum permitted levels of radioactivity set out in the basic Regulation and, if necessary, adapt these limits in the light of the real situation created by the accident or other event (Article 2 of the draft proposal for a Regulation).

3.5. But the Committee is concerned about the procedure proposed for adapting the limits, and wonders if it is appropriate for dealing with a real emergency (Articles 3 and 4 of the draft proposal for a Regulation).

3.6. Such a procedure must be precise and reliable and enable decisions to be taken quickly. Consultation of the Group of Experts mentioned in Article 31 of the Euratom Treaty and of the Standing Committee for Foodstuffs must take place as quickly as possible so as not to let a situation arise where the Member States would be encouraged to adopt unilateral national measures.

3.7. It would also be inappropriate in this context if the Commission could postpone enactment of a Regulation adjusting maximum permitted radioactivity levels where such a Regulation was not in accordance with the Opinion of the Standing Committee for Foodstuffs. The Council should, in such a case, be encour-

aged to take a decision, even if it were different, as rapidly as possible.

3.8. In an absolute emergency the Commission should be authorized to immediately adopt a Regulation adjusting maximum permitted levels of radioactivity. The Group of Experts mentioned in Article 31 of the Euratom Treaty would simply be consulted.

3.9. The Committee recognizes that any decision on the monitoring of agricultural products, and especially the laying down of maximum permitted levels of radioactivity, has major economic, social and commercial consequences. Any measures involving controls on production, processing, distribution and the importing of agricultural products into the Community would be complex. New protective measures would also mean extra costs and would raise questions of partial or total compensation. The criteria of eligibility for such compensation would have to be studied by the Commission in consultation with the Member States and the socio-occupational groups concerned.

But the Committee feels that such factors should not take precedence over the need to protect the public when the Commission adopts a Regulation rendering applicable or adapting the maximum permitted levels of radioactivity.

3.10. The Committee should be informed of any Regulation enacting or adapting the maximum permitted radioactivity levels so that, when the time comes, it can express its views on the efficiency of the system in operation and, if necessary, recommend changes which it feels would improve the operation of the basic Regulation.

3.11. The Committee would stress the importance of ensuring some degree of coordination of the measures

to be taken by the Member States so that agricultural products which are not in compliance with the maximum permitted radioactivity levels laid down by the Commission are neither placed on the market nor exported. In this context the Commission should carefully examine the possibility of introducing a system for the labelling or marking of contaminated products so that the latter cannot be placed on the market after expiry of the Regulation laying down maximum permitted levels of radioactivity.

Such coordination would not only ensure a uniform level of protection for the public throughout the Community but also guarantee the unity of the common market and prevent deflections of trade.

3.12. The measures to be taken by the Member States should include provisions for feeding farm animals in pasture, a ban on feeding farm animals with contaminated fodder or other agricultural products, and a requirement that highly contaminated agricultural products, should be destroyed or stored in the same way as radioactive waste, with compensation being paid to the producers and traders concerned, in accordance with the criteria referred to in paragraph 3.9.

3.13. Without calling into question its support in principle for the present draft proposal for a Regulation, the Committee is of the view that the general and specific comments in this Opinion call for many and, in certain cases, substantial amendments by the Commission to the provisions of the draft. The drafting changes proposed by the Committee to this end are set out in the Annex to this Opinion.

Done at Brussels, 13 May 1987.

The Chairman
of the Economic and Social Committee
Alfons MARGOT

ANNEX

to the proposal for a Council Regulation laying down maximum permitted radioactivity levels for agricultural products and drinking water*Article 1*

1. This Regulation lays down the procedure for determining the maximum permitted levels of radioactive contamination of drinking water and of agricultural products which may be placed on the market or exported following a nuclear accident or any other event which has led to significant contamination of agricultural products or drinking water.

2. Agricultural products are products fit for human or animal consumption either immediately or after processing.

Article 2

1. In the case of a nuclear accident or any other event within the meaning of Article 1 of Decision (...) ⁽¹⁾, and without prejudice to the provisions of Articles 35 and 36 of the Euratom Treaty, under which abnormally high radioactivity levels in agricultural products and drinking water are recorded, the Commission, at the request of a Member State or on its own initiative:

- (a) shall immediately adopt a Regulation rendering applicable the maximum permitted radioactivity levels for agricultural products and drinking water which may be placed on the market or exported, laid down in Annex I; and
- (b) shall, if necessary, adopt a Regulation adapting the maximum permitted levels defined in Annex I to the development of the situation created by the accident or incident, in accordance with Articles 5 and 6.

2. In adopting the Regulation referred to in paragraph 1(b) the Commission shall take into account the basic standards laid down by Directive 80/836/Euratom ⁽²⁾, as amended by Directive 84/467/Euratom ⁽³⁾, in accordance with Articles 30 and 31 of the Euratom Treaty, and in particular shall apply the principle that all exposures shall be kept as low as reasonably achievable, taking account, above all, of the need to protect the health of different population groups, most notably young children and pregnant women.

⁽¹⁾ Decision on a Community system of rapid exchange of information in the event of unusually high radioactivity levels or a nuclear accident (not yet adopted by the Council).

⁽²⁾ OJ No L 246, 17. 9. 1980, p. 1.

⁽³⁾ OJ No L 265, 5. 10. 1984, p. 4.

The maximum permitted radioactivity levels must also take account of the long-term radiation dose, and therefore be consistent with the radiation-protection standards laid down by law.

3. The Economic and Social Committee shall be informed of the Regulations adopted in pursuance of paragraph 1. The Commission shall also forward to the Committee the Opinions issued in pursuance of Articles 5 and 6.

Article 3

1. In the case of a nuclear accident within the meaning of the Convention 'on the rapid notification of a nuclear accident' in the territory of a third country, the Member States:

- (a) shall carry out checks on the radioactivity of agricultural products imported from that third country, as well as from other third countries which have been or may have been physically affected within the meaning of Article 1 of the above Convention; and
- (b) shall inform the Commission of the results of such checks.

2. The Commission shall lay down the period during which the Member States must carry out the checks provided for in paragraph 1(a) and the frequency with which the information referred to in paragraph 1(b) must be forwarded to it.

Article 4

1. The Commission, after considering the information forwarded to it in accordance with Article 3 (1) (b), and if the circumstances so require, shall implement the procedure provided for in Article 2 (1) (a) and (b).

2. When implementing this procedure, the Commission shall also take into account import bans or restrictions which might be imposed by any third country.

Article 5

1. The Regulation referred to in Article 2 (1) (b) shall be drawn up by the Commission after it has obtained the opinion of the Group of Experts referred to in Article 31 of the Euratom Treaty (hereinafter called 'the Group of Experts').

2. When seeking the opinion of the Group of Experts, the Commission shall set a time limit within

which such opinion shall be given, depending on the urgency of the Regulation to be adopted. No vote shall be taken. However, any member of the Group of Experts may demand that his or her views be set down in the minutes.

Article 6

1. The Commission shall submit to the Standing Committee for Foodstuffs (hereinafter called 'the Committee') a draft of the Regulation referred to in Article 5, together with the opinion of the Group of Experts.

2. The Committee shall deliver its opinion on the draft within a time limit which the Chairman shall lay down according to the urgency of the Regulation to be adopted. However, this time limit may not exceed five days. The opinion shall be delivered by the majority laid down in Article 118 (2) of the Euratom Treaty. The votes of the representatives of the Member States within the Committee shall be weighted in the manner set out in that Article. The Chairman shall not vote.

3. The Commission shall adopt the Regulation, which shall apply immediately. However, if the Regulation is not in accordance with the opinion of the Committee, it shall forthwith be communicated by the Commission to the Council. Such communication may not lead to the application of the Regulation being deferred.

The Council, acting by a qualified majority, may take a different decision within one month.

4. In an absolute emergency, the Commission shall adopt directly the Regulation adjusting the maximum permitted radioactivity levels defined in Annex I after it has obtained the opinion of the Group of Experts, in accordance with Article 5.

This Regulation shall be directly applicable. However, this Regulation shall forthwith be communicated to the Council. The Council, acting by a qualified majority, may take a different decision within one month.

Article 7

1. Any Regulation adopted in pursuance of Articles 2 and 3 shall be limited in time.

2. The duration of any Regulation adopted in pursuance of Articles 2 and 3, the list of agricultural products which it covers, and the maximum permitted levels laid down in any Regulation referred to in Article 1 (1) (b) may be amended in accordance with the procedure provided for in Articles 5 and 6.

Article 8

1. In order to ensure that the maximum permitted levels laid down in Annex I take account of any new scientific data becoming available, the Commission shall periodically seek the opinion of the Group of Experts.

2. The maximum permitted levels laid down in Annex I may be revised or supplemented at the request of a Member State or at the Commission's initiative, in accordance with the procedure laid down in Article 31 of the Euratom Treaty.

Article 9

1. The Member States shall check compliance with the maximum permitted levels laid down by a Regulation adopted by the Commission in pursuance of Article 4.

2. When a Member State, after carrying out checks in pursuance of paragraph 1, notes that agricultural products originating in a third country do not comply with the maximum permitted levels, that Member State shall ban imports of the agricultural products in question.

3. Member States shall provide the Commission with the results of the checks carried out in pursuance of paragraph 1, and in particular all cases of non-compliance with the maximum permitted levels.

Article 10

Each Member State shall provide the Commission with the names of the bodies responsible for carrying out the checks provided for in Articles 3 (1) (a) and 9 (1) and for forwarding the results of such checks.

Article 11

1. Member States shall take any measures to ensure that agricultural products not in compliance with the maximum permitted levels laid down in any Regulation adopted in accordance with Article 2 shall not be placed on the market or exported.

For the purposes of applying this Regulation, agricultural products imported from third countries shall be considered to be placed on the market when they are introduced into the customs territory of the Community other than under a customs transit procedure.

2. Member States shall inform the Commission of the measures that they have planned in order to implement paragraph 1. The Commission shall list such measures.

3. On seeing such a list, and if the circumstances warrant it, the Commission, together with the appropriate national authorities in the Member States, shall coordinate such measures. The Commission shall make any recommendations in this respect to the Member States.

Article 12

Each Member State shall provide the Commission with all information concerning the application of this Regulation, in particular cases of non-compliance with the maximum permitted levels.

The Commission shall communicate such information to the other Member States and shall regularly inform the Economic and Social Committee.

Article 13

The arrangements for applying this Regulation and any amendments to be made to the list of minor foodstuffs contained in Annex II shall be adopted in accordance with the procedure provided for in Articles 5 and 6.

Article 14

This Regulation shall enter into force on the day following its publication in the *Official Journal of the European Communities*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Opinion on the Council resolution on the continuation and implementation of a European Community policy and action programme on the environment (1987 to 1992) ⁽¹⁾

(87/C 180/11)

On 28 October 1986 the Council, acting under Article 198 of the EEC Treaty, asked the Economic and Social Committee for an Opinion on the following abovementioned draft document.

The Committee instructed its Section for Protection of the Environment, Public Health and Consumer Affairs to prepare its work on the matter. The rapporteur was Mr. Boisseree. The Section adopted its Opinion on 23 April 1987.

The Committee notes that the Council of Ministers at its meeting of 19/20 March 1987 expressed its intention to take a further decision on the individual proposals contained in the fourth action programme on the environment once it has received the Opinions of the European Parliament and the Committee and the Commission's proposals. In view of this decision the Committee expects the following Opinion to have an impact on the Council of Ministers' discussion.

The Committee adopted the following Opinion at its 246th plenary session (meeting of 13 May 1987) by 81 votes to 42, with 17 abstentions:

1. General comments

1.1. The Committee welcomes the fourth environmental action programme and the draft Council resolution on the continuation and implementation of the environment policy, bearing in mind:

- the importance of protective and preventive environmental measures from the point of view of safeguarding the fundamental prerequisites of life and the quality of life of all of the Community's inhabitants,
- the fact that environmental protection concerns all areas of life, specialist interests and responsibility and the fact that everyone both influences and benefits from the environment.

In future the Community should determine standards for a progressive environmental policy; the Member States should be called upon to play their part in achieving this aim.

1.2. The Committee supports the political objectives of the programme, in particular the intention to use the facilities and powers made available under the Single European Act and to take account, from 1992, of the common internal market in the formulation of environmental policy.

The Committee does, however, regret the failure of the programme to include a clear appraisal of the implementation of the earlier action programmes on the environment, in particular the third Community action programme.

1.3. The projected further development and upward alignment of substantive European environmental law is welcomed. The Committee sees this as a step towards strengthening the principle of taking preventive action, a principle which:

⁽¹⁾ OJ No C 70, 18. 3. 1987, p. 3.

- starts with measures to tackle the source of pollution or damage,
- brings existing older plants and products within the scope of the protective measures,
- requires resources to be used sparingly and damage to the environment to be avoided,
- also makes economic sense as preventive measures are generally less expensive than subsequent action to remedy environmental damage.

In line with the principle of taking preventive action, environmental protection measures should be put into effect at an early stage, even though all scientific doubts have not yet been fully cleared up.

1.4. The Committee supports the decision taken by the Council of Ministers on 24 November 1986 and calls for the action programme to concentrate on priority measures which can be implemented within the proposed time scale and which because of their European-wide dimension, can only satisfactorily be resolved at Community level.

The Commission should therefore draw up a concentrated plan of action for the period 1987 to 1992 based on the comprehensive presentation contained in the fourth environmental action programme. The plan of action should include the following:

- an accurate description of the current situation, referring to the provisions and Directives laid down by the Community and describing how they have been applied in the individual Member States; a list of the authorities and bodies responsible for the various aspects of environmental protection in the Member States; a summary of regional and local experience in particular problem areas,
- a list and appraisal of the results of the earlier action programmes, in particular, the third action programme,
- a survey of environmental problems which — especially because of their trans-frontier nature — are best tackled at Community level and of problems which it is thought should be dealt with at Member State level,
- a timetable for the individual Community measures, an explanation of the criteria used in determining the order of priority for these measures and an assessment of their overall impact (including their impact on the financial contribution and staff services to be provided by the Community).

Without wishing to anticipate the decisions to be taken by the Commission, the Committee regards it as important for the list of priority measures to include the following:

- the monitoring and assessment of the already existing environmental protection provisions and the adjustment of these provisions to technical progress, taking account of the economic, social and employment impact,

- the inclusion of the environmental protection factor in all relevant policy areas and Community financial instruments,
- precautionary measures, involving non-Community countries, to protect the Community against large-scale, international environmental pollution, e.g. the spread of sulphur and nitrogen compounds as a consequence of atmospheric pollution,
- environmental protection measures in frontier regions (eg. in cases of discharges of heat or pollutants into rivers running through several countries), brought about by promoting increased cooperation and participation on the part of those involved,
- workers should be informed about environmental problems affecting businesses in order to enable them to participate in solving the problems.

1.5. Bearing in mind the relevance of this environmental programme to economic, social and employment policy, the Committee urges the Commission, in connection with the implementation of the programme, to involve employers' and workers' organizations and representative consumer and environmental group. The groundwork should be done at Community level for collaboration at national, regional and local level.

2. Specific comments

2.1. General policy orientations

2.1.1. Amendments to the Treaty of Rome

2.1.1.1. The Committee wants extensive use to be made of the powers set out in the Single European Act, in order to supplement Community environmental law. In order to make more rapid progress in the environmental sector the Committee calls upon the Council of Ministers to make use of majority voting wherever possible (Article 100a and 130s of the EEC Treaty).

2.1.1.2. The Committee welcomes the proposed measures for improving environmental reporting at Community level. It is important to concentrate on essentials. The quality of national and Community environmental provisions and the success of their implementation can most effectively be judged in terms of the effective progress of the environmental situation. Data on this matter should therefore be compiled on an ongoing basis for publication in a 'Community state of the environment report' and the data should be regularly assessed.

2.1.1.3. This would require an adequate number of permanently operating measuring stations recording the most significant damage to the environment at relevant places. To enable their findings to be assessed at Community level, it will be necessary to standardize the measuring procedures, assessment criteria and staff training.

2.1.1.4. The Committee also supports the Commission's intention to change the agreement on the provision of information into a binding Community instrument in order to improve its procedures for obtaining information about environmental measures planned by the Member States. The new powers provided for in the Single European Act impose a strict obligation to provide such information.

2.1.1.5. In order to prevent Community standards from impeding the introduction of more advanced solutions in individual Member States it may be necessary for particular reasons to lay down expressly that these standards are to be regarded as 'minimum standards' (Article 130t of the EEC Treaty, added under the Single European Act).

2.1.2. Implementation of Community Directives

2.1.2.1. The programme rightly draws attention to the incorporation of Community environmental law, particularly Community Directives, into the laws of the Member States. The Committee deplores the fact that a large number of the environmental Directives have not been incorporated at all or only partially incorporated. The Committee calls for a comprehensive stock-taking of the situation (to include a survey of the infringement procedures instituted in this matter under Article 169 of the EEC Treaty) which should be made available to the public. In order to eliminate difficulties with regard to incorporation and subsequent implementation, more importance should be attached by the Commission (from the time it drafts proposals) and by the Council of Ministers (when adopting Directives) to the readiness with which provisions can be incorporated into national law and implemented by the Member States.

2.1.2.2. The Committee agrees with the Commission that the effective implementation of the environmental legislation will be particularly important in the future. The Committee supports the Commission's proposals (a) for improving the flow of information between the Community and the Member States and between the Member States themselves and (b) for improving the publicity given to protection of the environment.

2.1.2.3. The Commission's idea of introducing 'Community environment inspectors', could be important from the point of view of providing the Member States with information and advice and helping them to exchange information on their experiences. In this connection it should however be borne in mind that the implementation of environmental legislation — whether European, national or regional — is a matter for regional or national authorities and must remain so. Steps should be taken to prevent duplication of the work of the Community Inspectors and the national authorities. The Commission should consider dropping the term 'environment inspector' and replacing it with, say, 'environment observer'.

2.1.2.4. Special attention should be paid in this respect to company environmental protection officers (in-house specialists). Their role should to some extent be standardized under Community law. The rules regarding the use of company environmental protection officers and their qualifications should differ according

to the size of the company in question. The status of these specialists should be enhanced.

The 'environmental careers' to which environmental protection tasks — including those undertaken by company environmental protection officers — give rise require their own courses of study, eg. in the fields of geography, medicine, biology, technology, ecology, geology, chemistry and physics. Particular importance should be attached to integrated environmental science courses. The Commission should draw up training criteria in order to create freedom of movement with regard to these professions within the Community.

2.1.3. Integration of environmental policy with other Community policies

2.1.3.1. The Committee supports the programme for integrating environmental protection with other Community policies. In general the main principles of the Community 'environmental impact assessment'⁽¹⁾ should be applied to all relevant Community measures and policy areas. For instance, the explanatory memoranda to draft legal instruments should define the environmental impact of the proposed measures (the indication of the probable budgetary consequences of legal instruments set out in draft texts).

2.1.3.2. This applies in particular to the Community's common agricultural policy which must seek to ensure that agriculture and forestry are compatible with the environment, that the countryside is preserved as an area where people can live and as a setting for economic activity, and that the public is provided with high quality agricultural products. The European Structural Fund designed to assist agricultural measures should also be used more than has hitherto been the case. For preserving farming activities compatible with environment protection considerations. It is assumed here that agricultural and forestry undertakings are subject to the general laws on the environment and planning.

2.1.3.3. Environmental protection should also receive more attention in transport policy and there should be a greater emphasis on promoting public transport, including transfrontier local transport. Community safety provisions with regard to the transport of dangerous materials or other materials of significance to the environment should bear in mind, more than has hitherto been the case, environmental hazards as a result of accidents.

2.1.3.4. The programme rightly places special emphasis on the coordination of environmental policy and regional policy. The Committee would draw attention in particular to the potential environmental conflicts arising from the planned Community-funded infrastructure projects of European interest (see COM(86) 722 final and working document CES 42/87) in the event of a failure to coordinate the measures at the right time.

⁽¹⁾ Council Directive 85/337/EEC (OJ No L 175, 5. 7. 1985, p. 40).

The Committee supports the use of the Regional Fund to finance the environmental rehabilitation of inner city areas and old industrial areas.

2.1.3.5. With regard to the coordination of environmental policy and energy policy, the Committee highlights the urgency of the measures to improve the efficiency of energy conversion and energy use. Improved efficiency is essential here if environmental protection and resource-conservation are to be compatible with maintenance of living standards. Measures to secure an economically sound and environmentally acceptable combination of heat and power production in electricity generation should be promoted.

Concessionary tariffs for increased consumption of power, heat, water, etc., should be discontinued. The Commission should draw up draft models for a tariff structure geared to the environmental requirements of the Community. This does not of course mean that the Committee wants to see tariffs for major consumers abolished.

2.1.3.6. The Committee attaches particular importance to the linking of the protection of the environment and protection of the consumer. The Commission should devise policies for promoting the marketing and use of products which are not harmful to the environment. What is particularly necessary is the introduction of a system of marking products to show that they are not harmful to the environment. Such a system already exists in some States. It is likewise necessary to make it obligatory for products' instructions to indicate how the products may be used and disposed of without damage to the environment. The contribution which the individual may make to the effective protection of the environment is very inadequately recognized. The press, radio and other media should be called upon to give greater publicity to products which are not harmful to the environment and to the use (and disposal) of products in a way which is not environmentally damaging. They should also be urged to pay more attention to warning against the use of products which are harmful to the environment. This educational work by the media must also cover people's leisure activities.

The Commission and the Council of Ministers should work closely together with consumer associations and environmental associations at all relevant levels.

2.1.3.7. The Committee draws attention to the interrelation between environmental protection and industrial safety. Every effort must be made to ensure that the working environment is not adversely affected by measures to prevent pollution of the external environment, and vice versa.

The same applies to housing. In this connection attention is drawn to the damage to the environment, health and safety caused by building and industrial materials, and by household appliances; appropriate instructions and warnings should be provided. Building materials recognized as health hazards must be prohibited. Similarly, there should be a ban on construction on dangerous sites.

2.1.4. Economic and employment aspects of environmental policies and actions

2.1.4.1. The Committee fundamentally supports the Commission's views on economic and employment aspects of environmental protection. The Committee supports in particular medium and long-term measures designed to ensure continuous progress. Businesses can calculate the impact of such environmental protection policies in advance and they are therefore more likely to have a beneficial effect on employment than precipitous changes in environmental laws. Experience has also shown that the failure to implement environmental measures or their late implementation places jobs in jeopardy.

The Commission is requested to compile and publish details of experiences and other data concerning the impact of environmental protection on economic growth and employment in the Community and elsewhere.

The Committee would draw attention to the following examples of ways in which environmental protection can create jobs:

- the reconversion of old industrial plants,
- insulation, rehabilitation and restoration of buildings,
- building and maintenance of sewage treatment plants and water treatment plants,
- research and development,
- establishment of leisure facilities in rural areas.

2.1.4.2. As studies carried out by the Committee in various regions of the Community have demonstrated, the enhancement of the landscape and living conditions as a result of improvements in environmental protection will have a beneficial effect on tourism, thereby contributing to economic strength of these regions. Care should, however, be taken to ensure that tourism does not develop on lines harmful to the environment.

2.1.4.3. * The five-year Community programme of demonstration project⁽¹⁾ envisaged by the Commission provides an opportunity to promote Community environmental policy — particularly for the benefit of more disadvantaged regions of the Community. The Committee therefore supports the proposed programme.

2.1.4.4. The Committee would refer to the Committee's comments on cost-benefit assessments of environmental policy measures as set out in its Opinion on the second action programme for the environment⁽²⁾. The assessment criteria will however be controversial, as account is taken of the great variety of legitimate points of view.

⁽¹⁾ COM(00) of 2. 3. 1987. The ESC will publish an Opinion on this paper in the course of 1987.

⁽²⁾ OJ No C 281, 27. 11. 1976, p. 23.

2.1.5. Economic instruments of environment policy

2.1.5.1. The Committee welcomes the intention to make greater use of economic instruments in the environmental policy. This will make it possible to promote environmental protection measures taken by those concerned on their own initiative, without prejudice to the legal instruments. The sale of environmental utilization permits is frequently mentioned in this context. The Committee has fundamental reservations over this type of measure which has so far not proved to be practicable anywhere.

When assessing the economic impact of environmental protection measures it should be borne in mind that, in the final analysis, it is the consumer who has to meet all or part of the costs.

2.1.5.2. In the section dealing with economic instruments the Commission proposes greater use of the Regional Fund in reducing environmental pollution. The Committee endorses the proposal, provided that such aid goes primarily to those who take environmental protection measures extending beyond what is prescribed. In cases where the Regional Fund is used for environmental protection schemes particular attention should be paid to involving regional and local authorities, associations and initiatives.

2.1.5.3. The Committee is pleased that the Commission is contemplating extending the 1975 Community framework provisions on Member States' aid for environmental protection measures. Consideration should, however, be given to making such extension conditional upon aid being restricted to measures which (a) go beyond the minimum requirements laid down by law or set out in European standards, or (b) incorporate state-of-the-art developments or enable these developments to be put into practice before the statutory deadline.

2.1.5.4. The Committee notes with interest the Commission's views on the legal provisions governing liability and compensation in respect of damage to the environment. It draws attention to the problems involved in compensation for trans-frontier damage and to the need to make insurance cover mandatory, should liability regardless of fault (absolute liability) be introduced. Attention is also drawn in this context to the importance of implementing Directive 85/374/EEC⁽¹⁾ on liability for defective products.

In cases where it is not possible to attribute individual responsibility for damage to the environment to individual agents — as, for example, with regard to contaminated sites (old-established dumps), damage to forests and water pollution — the State is not to be called upon to meet the cost of rehabilitation work from the outset. Consideration should also be given to whether and to what extent the cost of redressing such damage can be met by regional or sectoral funds. A further idea for consideration is the formation of associations

bringing together the agents of pollution and product users in joint financing ventures. Where possible such solutions should be organized on a transfrontier basis.

2.1.5.5. The pollution charges referred to in the programme merit consideration. These charges should be high enough to avoid an incentive for those concerned to take their own measures to avoid environmental pollution. The Committee proposes the organization of a comprehensive exchange of experience — involving both Community and non-Community countries — on the impact of such charges upon environmental protection and on difficulties involved in collecting them.

In the case of environmental pollution which endangers public health there can be no question of charges replacing environmental protection measures.

2.1.6. Information and education

2.1.6.1. The Committee attaches considerable importance to environmental education, the provision of information on the environment and the training of teachers.

2.1.6.2. The Committee proposes that, in particular in the European Year of the Environment, the pilot schools project should not be brought to an end but continued and extended to higher education⁽²⁾. An appraisal of the measures carried out to date should be undertaken and published. The Committee is particularly interested in seeing information on the environment incorporated into school curricula. The Commission should look into the feasibility of providing environmental teaching material for use in the Member States. The Committee draws attention to the practice in some Member States whereby schools and adult education organizers work together with outside organizations specializing in environmental protection and environmental education.

2.1.6.3. It is also a part of the environmental education to provide young people undergoing vocational training with all the necessary information on environmental protection (eg. manufacturing processes and environmental protection techniques; the selection of environmentally-compatible materials; and a knowledge of environmental protection provisions). Further vocational training courses should also keep students abreast of the latest developments and provisions in the field of environmental protection and make them aware of the current desiderata of environmental policy. The Commission is urged to draw up models for this kind of job-related environmental information.

⁽¹⁾ Council Directive of 25 July 1985 on the approximation of Member States' legal and administrative provisions on liability for defective products (OJ No L 210, 7. 8. 1985, p. 29).

⁽²⁾ See also the Comett project (proposal for a Council Decision on an action programme of the Community in education and training for technology (1986 to 1993)) — (ESC Opinion of 27 November 1985 (OJ No C 344, 31. 12. 1985, p. 4)) and the Erasmus project (proposal for a Council Decision on the European Community action scheme for the mobility of university students) (ESC Opinion of 23 April 1986 (OJ No C 189, 28. 7. 1986, p. 8)).

2.1.6.4. The Committee advocates an open debate on the environment and a high level of public participation in the environmental decision-making process. In the case of projects which have repercussions in other countries, special attention should be paid to ensuring that the local communities in those countries are involved at an early stage and on an equal footing in decision-making.

2.1.6.5. The Committee supports the Commission's proposals for the provision of more information on the environment and for improved cooperation with environmental associations, non-governmental organizations and other bodies involved. With this aim in view it is important to give the members of the public concerned an insight into the preparatory work on environmental protection undertaken by the Commission and into the results of the monitoring at European level of environmental protection measures.

2.1.6.6. The following points should also be borne in mind with regard to the provision of environmental information by both the Community and the Member States:

- As the impulse for maintaining and improving the Community's environment must, in the final analysis, be borne by its inhabitants, the importance of improving environmental awareness by informing and educating people cannot be over-estimated.
- Citizens of the Community as beneficiaries of environmental policy should be aware that all the measures have financial consequences and should recognize that both private and public finances are limited. Environmental information should therefore be provided which enables people to recognize the priorities of the various areas of policy and to help in implementing them.

2.2. *Measures to prevent and control environmental pollution*

2.2.1. In line with the political objectives of the action programme, the 'general principles for the prevention and control of pollution' have, in the Committee's view, the following implications:

- the various approaches to environmental protection should not be regarded as alternatives but, depending on the problem concerned, should be brought into play cumulatively; in this context the setting of quality objectives for the individual sectors of the environment must not jeopardize the validity of emission limits,
- consistent application of the principle of taking preventive action entails giving priority to measures to tackle the source of pollution,
- the responsibility for implementing these measures must lie with the polluter; where several polluters are involved, there is a case for specifying the joint responsibility of all concerned. Parties suffering damage or loss as a result of environmental pollution must not be placed at a disadvantage in cases where more than one polluter is involved; therefore a 'reversal of the burden of proof'.

When these principles are being implemented account should be taken of the fact that environmental problems

are not infrequently triggered by work on local development projects. In such cases the responsibility of local and regional authorities should be particularly stressed.

2.2.2. The Committee welcomes the emphasis placed by the Commission on 'state of the art' methods in determining emission limits. The Committee would, however, draw attention to the following points:

- This term should be taken to imply the use of advanced processes, equipment and operating methods which seem well suited to promoting environmental protection; account should be taken in this respect of experience outside the Community.
- The 'state of the art' is constantly progressing; such progress can be speeded up by setting deadlines for the objectives to be met under Community environmental protection standards;

2.3. *Action in specific sectors*

2.3.1. *Atmospheric pollution*

2.3.1.1. The Committee shares the Commission's view that the prevention of atmospheric pollution must be one of the main goals of Community environmental policy, especially in the light of trans-frontier air pollution. The Community should therefore aim, by introducing higher emission standards in respect of the major pollutants and industries, to launch a clean air policy which would also cover existing plants. The Directive on large combustion plants is a first step in the right direction. The Committee urges the Council of Ministers to adopt this draft Directive taking account of the Committee's Opinion, without further delay.

2.3.1.2. High priority should, of course, also be given to measures to further reduce motor vehicle exhaust emissions. The technical progress which has been made in many areas enables stricter standards to be introduced.

2.3.1.3. The Community should play a constructive role in international policy to prevent air pollution. This applies in particular to the work in connection with agreements on long-range, transfrontier air pollution and the supplementary protocol under which signatory countries undertake to reduce their sulphur dioxide emissions by at least 30 % by 1993.

2.3.1.4. There are grounds for suspecting that chlorofluocarbons are endangering the earth's ozone layer. The Committee considers that after years of largely fruitless debate it is now really imperative to take measures in the short term to bring about a sharp reduction in the use of chlorofluocarbons and to set a timetable for achieving a complete ban on their use. The compromise reached following international consultations does not go far enough to make an effective contribution to stopping further destruction of the ozone layer. Only harmless substances can be considered as replacements for chlorofluocarbons.

2.3.2. Fresh water and sea water

2.3.2.1. In order to prevent pollution of inland waterways the Committee feels that emission standards and quality standards, which have hitherto been regarded as alternative or 'parallel' instruments should in future be applied cumulatively (point 4.2.3 of the action programme). The fixing of emission ceilings for the various industries on the basis of the best available technology is regarded as feasible and as a matter of urgency. Particular importance should be paid in this context to the protection of ground water; such measures save the need for costly water. The Commission should give priority to the protection of rivers and waterways against pollution as a result of accidents.

The Committee points out that there are cases of agricultural pollution of waterways, e.g. from silo units, and that these should be avoided.

2.3.2.2. High priority should also be attached to measures to prevent and reduce pollution of seas, coastal waters and bathing waters. The seas surrounding the Community, in particular the Mediterranean and the North Sea, are sensitive ecosystems which the Community must make strenuous efforts to protect. The following areas in particular need to be looked at:

- an Action Programme for the Mediterranean and for the North Sea on the basis of the first Conference on the Protection of the North Sea,
- the reduction of land-based marine pollution conveyed via rivers and the atmosphere,
- the reduction of the dumping of waste at sea and an end to waste incineration at sea,
- the prevention of pollution caused by accidents; eg. measures should be taken to prevent largescale environmental damage as a result of shipping accidents; this would involve setting up a round-the-clock tug standby service at strategically located harbours and ensuring that damaged ships were swiftly towed to port,
- legal measures to permit ships which are themselves not in a sufficiently safe state or have cargoes which are not in a sufficiently safe state to be detained in port if this is necessary in view of the weather situation.

The Community should take steps to ensure that all international agreements on the prevention of marine pollution are swiftly ratified and enforced by the Member States.

2.3.3. Chemicals

The Committee endorses the Commission's proposal, as part of the measures to provide protection against dangerous or harmful chemicals, to devise a new procedure for the risk assessment of existing chemicals. Using the EINECS list (European inventory of existing chemical substances), classification of dangerous substances should be undertaken. This classification, which

would take the form of a list of priorities as regards timing and toxicological levels, should draw on existing test findings, such as those obtained in the US.

In assessing the toxicity of chemicals, eg. those used in agriculture, account should be taken of the cumulative effects of repeated use and the interaction between substances used simultaneously.

2.3.4. Biotechnology

The Committee welcomes the interest shown by the Commission in tackling problems of biotechnology — as regards its effect on people and the environment — and in developing mandatory Community provisions in this field. As yet, none of the Member States has comprehensive legislation in this area. Community legislation could, therefore, serve as a model in this respect. The effectiveness of the proposed plan of action can only be assessed, however, after the Commission has put forward definite proposals.

2.3.5. Noise

2.3.5.1. The Committee shares the Commission's view that noise abatement is an important aspect of environmental protection, because of the number of people severely affected.

2.3.5.2. Community anti-noise measures should concentrate on limiting noise at source and should cover appliances and vehicles which create noise. Controls should not simply apply to the noise emitted from a single source but should also take into account the combined noise level emitted by a number of appliances of the same or of different type.

The Community 'quality objectives' for noise referred to in the Commission document should be the maximum levels in accordance with physiological requirements, given that views differ in the various Member States as regards tolerable levels of noise.

2.3.5.3. The possibility considered by the Commission of using special charges to discourage noisy products is interesting as an example of an environmental policy instrument with an economic angle. The Committee has already set out its basic views on this matter in its Opinion on the protection of workers against the risks related to exposure to chemical, physical and biological agents at work: noise⁽¹⁾.

⁽¹⁾ ESC Opinion of 23 November 1983 (OJ No C 23, 30. 1. 1984, p. 30); see also OJ No C 283, 27. 12. 1979, p. 19, and the Committee's Opinion of 20 October 1986 which will be published in the course of 1987.

2.3.6. Nuclear safety

The Committee would refer to the Opinion of the Economic and Social Committee on Nuclear Safety⁽¹⁾ and to the Committee's Opinions currently in preparation⁽²⁾.

2.4. Management of environmental resources

2.4.1. Conservation of nature and natural resources

2.4.1.1. The Community should work towards a European nature conservation strategy, e.g. by adopting the 1980 World Conservation Strategy drawn up by the United Nations Environment Program (UNEP) in conjunction with other organizations. The Committee draws particular attention to the need to support European nature conservation areas.

2.4.1.2. There is an inter-relation between nature conservation and other policies, in particular agricultural policy.

2.4.1.3. Conflict may arise between nature conservation and agriculture — not least as a result of Community aid schemes — for the following reasons:

- the Community's agricultural policy leads to the intensive use of available farmland; an effective nature conservation policy, on the other hand, often demands that ecologically important areas be left unfarmed,
- preservation of wetlands is an important aspect of nature conservation.

2.4.1.4. The Committee welcomes the animal welfare and protection measures provided in the programme and particularly wishes to see them implemented.

2.4.2. Protection of the soil

The inclusion of protection of the soil is welcomed. This subject deserves to be treated as an important aspect of Community environmental policy. Here, too, there is a close inter-relation with agriculture, in particular as regards:

- intensive husbandry (eg. problem of excessive use of liquid manure as a fertilizer),
- the use of artificial fertilizers,
- authorization and use of plant protection products, and defoliant,
- measures to prevent erosion of farmland, and forestry land, including the risk of desertification, eg. of the kind which can be caused by widespread forest fires,
- even if it is brought about by natural causes, desertification is a pressing problem in some regions and one which will require — in the short term — very considerable efforts to be made in all fields (research, finance, infrastructure work, etc.).

Attention is drawn to the importance of area and town planning for protection of the soil ('sealing of the landscape' through the use of land for road and urban area construction).

2.4.3. Waste management

2.4.3.1. The Committee believes that waste management⁽³⁾ has become an increasingly important aspect of environmental policy. It calls for a 'waste strategy' with the following priorities:

- waste avoidance,
- waste processing and recycling of valuable materials,
- waste disposal (less waste; dumping in ways which are not harmful to the environment and do not constitute a health hazard).

As part of the strategy for avoiding waste, measures should be taken to promote the use of durable products and re-usable or recyclable packaging. 'Clean' technologies should also be developed and promoted. The inculcation of environmentally conscious attitudes has a particular role to play in reducing the generation of rubbish and resulting environmental pollution.

2.4.3.2. The cleaning-up of contaminated sites (especially old dumps) is a particular waste management problem. This is a very live issue in many Member States. The Committee welcomes the inclusion of these problems in the Council Regulation on Community action on the environment⁽⁴⁾. Encouraging the Member

⁽¹⁾ ESC Opinion of 25 February 1987 on Community measures in pursuance of Chapter III of the Euratom Treaty, namely the establishment of a Community system of rapid exchange of information in cases of unusually high levels of radioactivity or of a nuclear accident (OJ No C 105, 21. 4. 1987, p. 9).

⁽²⁾ ESC own-initiative Opinion on the consequences of the Chernobyl nuclear accident and ESC Opinion on (a) the proposal for a Council Regulation (EEC) extending Regulation (EEC) No 1707/86 on the conditions governing imports of agricultural products originating in third countries following the accident at the Chernobyl nuclear power station and (b) a permanent system for establishing limits for the radioactive contamination of drinking water and agricultural products in the case of a nuclear accident. These two ESC Opinions are expected to be adopted in mid-1987.

⁽³⁾ See ESC Opinion of 24 May 1984 on the Community action programme on the management of waste (avoidance, recycling, disposal) (OJ No C 206, 6. 8. 1984, p. 62), and the Section for Protection of the Environment, Public Health and Consumer Affairs' report on the matter.

⁽⁴⁾ Council Regulation (EEC) No 1872/84 (OJ No L 176, 3. 7. 1984, p. 1) is to be amended accordingly, cf. the Commission proposals set out in COM(00), of 19 December 1986 and the ESC Opinion to be adopted in June 1987.

States to exchange experiences would also be very useful. The Committee also draws attention to the particular problem of poisonous waste. The transport and disposal of this waste requires transfrontier cooperation, to include, *inter alia*, the registration of transport undertakings operating in this field.

2.4.4. Urban areas, coastal and mountain zones

The proposed measures to clean up derelict industrial areas and inner cities are of particular interest. Regional policy could have a role here. This also applies to areas having a single industrial structure and high pollution levels. Steps should be taken to ensure that society as a whole, and not just individuals, benefits from the financial advantages provided by rehabilitation work promoted by public funds. Funds should be derived from the increased value of the amenities for spending on the programme of further rehabilitation measures.

The Committee draws the Commission's attention to the special environmental problems of islands. For geographical and hydrographic reasons these are at particularly high risk.

2.5. Research

2.5.1. The Committee would refer to the Committee's Opinion adopted in November 1986⁽¹⁾ on the Community framework programme in the field of Research and Technological Development (1987 to 1991). Energy technology (R & D) is of particular interest for environmental policy; this should include promotion of the development of fuel cells and electrically powered vehicles.

2.5.2. The coordination of environmental research in the Community is essential in order to prevent duplication of work, fill research gaps and make research results comparable. To this end, the Community should exploit the Member States' research capacity effectively, eg. by the award of EEC research contracts.

2.6. International action

2.6.1. Action taken in international organizations and with non-EEC countries

The Committee is in favour of increased cooperation with international organizations and non-EEC countries. In so far as is possible, the Community should become a party to further international agreements. The Section underlines the need to avoid duplication of work, especially as regards research and development and the pooling of experience. Improved coordination is therefore needed between the various programmes.

Joint action programmes should be worked out and promoted by the Community and international organizations (eg. the FAO).

2.6.2. Cooperation with developing countries on environmental matters

2.6.2.1. The Committee welcomes the fact that the Commission wishes the Community's development policy to take more account of environmental matters and wants the experiences and views of environmental organizations in developing countries to be taken into consideration. Every project for cooperation with the developing countries must be vetted from the point of view of its impact on the environment.

2.6.2.2. One of the main aims of development aid should be to promote techniques suited to the circumstances of the developing countries, such as developing straightforward methods of providing supplies of fresh water.

2.6.2.3. The Committee wishes to draw attention to the problem of the export to non-member countries of European products, the use of which is banned or restricted within the Community to protect health or the environment.

The export of these products should in principle be prohibited. Where in exceptional cases the export of these products is not banned, however, steps should be taken at Community level to ensure that purchasers are informed of the known risks associated with them and that their attention is drawn to the legal restrictions. It must then be the responsibility of the importing country to take appropriate measures where necessary.

2.7. European Year of the Environment

2.7.1. The Committee has welcomed the European Year of the Environment. It regards EYE as an outstanding opportunity to disseminate information on serious environmental problems and promote awareness of the environment. This objective can be served by stepping up the dialogue between the various parties affected by environmental problems.

2.7.2. The Committee has therefore considered the European Year of the Environment in its work programme, laying stress on:

- promoting awareness of the environment through information and training,
- opening up new markets, by informing (a) firms and employees about progressive environmental protection techniques and (b) consumers about non-polluting products,
- job creation initiatives by the 'environmental industry' and in the wake of the economic dynamism generated by the rehabilitation of areas suffering from environmental damage,

⁽¹⁾ ESC Opinion of 27 November 1986 (OJ No C 333, 29. 12. 1986, p. 45).

— measures to tackle regional environmental problems — including those of a transfrontier nature — involving cooperation between not merely state and local authorities but also both sides of industry, consumer associations and environmental associations. The press and the other media should also play a role in this respect. These measures should include exchanges of experience and information between such regions which, whilst geographically dispersed, suffer from similar problems.

2.8. *Cooperation on future environmental policy developments*

The Committee expects the present fourth environmental action programme to be followed by other environmental action programmes. The Committee calls on the Commission, when it is drawing up these programmes and the related rules, to cooperate not only with government departments but also with employers' and workers' organizations and representative environmental and consumer groups.

Done at Brussels, 13 May 1987.

The Chairman
of the Economic and Social Committee
Alfons MARGOT

ANNEX 1

Rejected amendments

The following amendments, tabled in accordance with the Rules of Procedure, and based on the Section Opinion, were rejected in the course of discussions:

Point 2.1.2.1

Delete the last three sentences (while retaining the first sentence).

Reason

Without effective supranational (i.e. Community) inspection, the Directives could not be applied in most regions or Member States.

Voting

For: 31, against: 84, abstentions: 8.

Point 2.2.1

(b) In the fourth line of the third indent, delete the words 'therefore a "reversal of the burden of proof"'.

Reason

The purpose of the second part of the amendment is to prevent uncritical acceptance of a principle (which in itself is uncontroversial) being applied in a way which puts it in serious conflict with the legal systems of the Member States.

Voting

For: 50, against: 72, abstentions: 11.

ANNEX 2

The following members voted in favour of the Opinion:

Mr AMATO	Mr FRANDI	Mr MUÑIZ GUARDADO
Mr ASPINALL	Mr GEUENICH	Mr MURPHY
Mr ATAIDE	Mr GLESENER	Mr NIELSEN P.
Mr BENTO GONÇALVES	Mr FORGAS	Mr NIEUWENHUIZE
Mr BERETTA	Mr GOMEZ MARTINEZ	Mr ORSI
Mr BLESER	Mr GORIS	Mr PROENÇA
Mr BOISSEREE	Mrs GREDAL	Mr QUEVEDO ROJO
Mr BOS	Mr GREEN	Mr RAMAEKERS
Mr BRIGANTI	Mr van GREUNSVEN	Mr ROSEINGRAVE
Mr LOBO BRANDÃO	Mr HAAS	Mr ROUZIER
Mr CALVET CHAMBON	Mr HAGEN	Mr SALOMONE
Mr CARROLL	Mr HAMMOND	Mr SANTILLAN CABEZA
Mr CAVAZZUTI	Mr HILKENS	Mr SCHMITZ
Mr CEBALLO HERRERO	Mr HÖRSKEN	Mr SCHOEPGES
Mr CHRISTIE	Mr HOVGAARD JAKOBSEN	Mr SILVA
Mr ALVES CONDE	Mr JASCHICK	Mr SMITH A.R.
Mr CURLIS	Mr JENKINS	Mr SMITH L.J.
Mr van DAM	Mr KAARIS	Mr SOLARI
Mr von der DECKEN	Mr LAKA MARTIN	Mr STAEDELIN
Mr DELHOMENIE	Mr LANDABURU	Mr STRAUSS
Mr DELLA CROCE	Mr LOJEWski	Mrs TIEMANN
Mr DOS SANTOS	Miss MADDOCKS	Mr TUKKER
Mr DRAGO	Mr MAINETTI	Mr VANDEN BROUCKE
Mrs ELSTNER	Mr MEYER HORN	Mr VIDAL
Mr EMO CAPODILISTA	Mr MORSELLI	Mr VELASCO MANCEBO
Mr ETTY	Mr MOURGUES	Mr VERCELINO
Mr EULEN	Mr MUHR	Mr ZUFIAUR NARVAIZA

The following members voted against the opinion:

Mr APARICIO BRAVO	Mr HANCOCK	Mr PERRIN-PELLETIER
Mr ARENA	Mr KELLY	Mr PETROPOULOS
Mr BAGLIANO	Mr KENNA	Mr PROUMENS
Mr BELTRAMI	Mr LANCASTRE	Mr RIBIERE
Mr BROICHER	Mr LAUR	Mrs ROBINSON
Mr CASHMAN	Mr LOPEZ DE LA PUERTA	Mr ROLÃO GONÇALVES
Mr CEYRAC	Mr MACHADO v. TSCHUSI	Mr ROMOLI
Mr CLAVEL	Mr MARGALEF MASIA	Mr SAÛU
Mr COLLAS	Mr MARTIN ALMENDRO	Mr SCHNIEDERS
Mr COYLE	Mr MARTIN CASTELLA	Mr SPRINGBORG
Mrs DODD	Mr MASPRONE	Mr TAMLIN
Mr DROULIN	Mr MORELAND	Mr WAGNER
Mr GARDNER	Mr PEARSON	Mr WHITWORTH
Mr GIACOMELLI	Mr PELLETIER	Mr YVERNEAU

The following members abstained:

Mr ARETS	Mr KRÖGER	Mr POETON
Mr BLACK	Mr LÖW	Mr RIERA MARSÀ
Mr CAMPBELL	Mr NETO DA SILVA	Mr SPEIRS
Mr CORELL AYORA	Mr NOORDWAL	Mr TIXIER
Mr DUNET	Mr de NORMANN	Mr WICK
Mr FRESI	Mr PARDON	

Opinion on the proposal for a Council Regulation laying down the conditions under which non-resident carriers may operate national road haulage services within a Member State⁽¹⁾

(87/C 180/12)

On 18 December 1985 the Council decided to consult the Economic and Social Committee, under Article 75 of the Treaty establishing the European Economic Community, on the abovementioned proposal.

The Section for Transport and Communications, which was responsible for preparing the Committee's work on the subject, adopted its Opinion 11 March 1987, in the light of the report by Mr Bleser.

At its 246th plenary session (meeting of 13 May 1987) the Economic and Social Committee adopted the following Opinion by a majority vote in favour and two votes against, with one abstention:

1. General comments

1.1. The Judgment of the European Court of Justice of 22 May 1985 in Case 13/83 brought by the European Parliament against the Council of Ministers ('failure to act' case) has spurred the Council into action in the field of transport policy, while the publication of the white paper on completing the internal market led the transport ministers of the Community on 14 November 1985⁽¹⁾ to lay down policy guidelines which were confirmed by the Council on 30 June 1986.

1.2. With regard to the Community transport master plan the Council states that 'it is necessary to examine transport problems in an overall context with the aim of improving efficiency and profitability in that sector and with a view to consolidation of the internal market, harmonious integration, economic convergence and social progress'.

1.3. Attention must be focussed on the importance of achieving a free market in the transport sector by the end of 1992, without however losing sight of the political and economic interplay which exists between the different modes of transport. It has still not been possible to define a common policy for transport as a whole or for the individual modes; at present all that exists are embryonic and sectoral arrangements.

1.4. The Committee notes that Article 3 of the draft Regulation stipulates that non-resident — like national — carriers are subject to the laws, regulations and administrative provisions in force in the Member State in which the transport operations are carried out. In other words, the repercussions of a national market which is liberalized, subject to quotas or regionalized will be passed on equally to non-resident carriers and will still prevent the alignment of the various national policies on road haulage capacity.

1.5. The sole aim of the Commission draft is equal treatment between national and non-resident carriers. In practice this will have the following consequences:

- foreign carriers can carry out non-quota cabotage operations in markets without quotas (Benelux, Denmark, Ireland, Great Britain),
- in road haulage markets where a distinction is made between short-haul and long-haul operations complex changes could take place. In short-haul markets not subject to quantitative restrictions for resident firms, no such restrictions may be imposed on foreign carriers who offer their services. For long-haul operations subject to quotas, a special quota may be introduced, in the Federal Republic of Germany, France or Italy for instance.

1.6. The Committee is convinced that the effects of the admission of non-resident carriers (cabotage) to the national markets of Member States will be far from negligible. Firstly, the proposal will have an impact on unladen journeys, estimated at between 24 and 30% according to Member State; secondly, adverse economic and social repercussions can be expected. The Commission's present approach will result in completely different *de facto* rights for carriers in the various Community transport markets due to the varying degrees to which the relevant national markets are regulated.

1.7. In the grounds for its Judgment the European Court of Justice stated that the introduction of the freedom to provide transport services could not legally be made subject to the prior harmonization of conditions of competition. At its meeting on 14 November 1985 the Council of Transport Ministers did, however, establish a political link between the liberalization of the transport markets and the harmonization of key conditions of competition. This was clearly because in exercising the freedom to provide transport services, carriers are only subject to some of the laws of the Member State on whose territory they are operating; they are not subject to that Member State's laws in respect of, for instance, commercial vehicle taxes and

⁽¹⁾ OJ No C 349, 31. 12. 1986, p. 26.

charges, company taxation, vehicle inspections, monitoring of compliance with social provisions at their registered place of business, registration fees and third party vehicle insurance.

1.8. If the transport markets are to be integrated it is necessary to align the different national laws, regulations and administrative provisions; otherwise it would in practice be difficult for non-resident carriers to exercise the freedom to provide services. Cabotage traffic is subject to national laws, regulations and administrative provisions, e.g. as regards insurance, liability, shipment, transport of dangerous goods. National tariff provisions must also be complied with. Furthermore, some Member States can be expected to impose quotas on cabotage operations. At all events it is important for the non-resident carrier to know which are the relevant national authorities and which administrative procedure has to be followed. The need to have a knowledge of the different national laws, regulations and administrative provisions will alone in many cases constitute an almost insuperable barrier to non-resident carriers. Accordingly, the Commission should also make provision for an information and advisory procedure which would make it easier for non-resident carriers to provide their services and ensure that they are not put at a disadvantage.

1.9. As part of the drive to eliminate distortions of competition between the Member States, it should be pointed out that Directive 74/561/EEC, on admission to the occupation of road haulage operator, is not applied correctly in all the Member States or is applied differently.

1.10. For this reason the Committee cannot give its unqualified approval to the Commission proposal. Some changes are required and these are examined in greater detail in chapter 2.

1.11. So as to eliminate existing distortions of competition between the Member States and avoid creating new ones, adoption of the draft Regulation must be accompanied by progress in key areas of harmonization, e.g. relevant taxes and toll fees. The Committee therefore calls on the Commission to place the Council in a position where it can take a decision on the above-mentioned harmonization measures concurrently with the draft Regulation. This is simple political common sense as otherwise, in view of the interests represented in the Council, the Commission proposal could encounter a number of difficulties. Such an approach is also consistent with the outcome of the Council meeting of 14 November 1985 and in line with the Commission Communication to the Council of 23 December 1985 on intra-Community road haulage.

1.12. The Section calls on the Commission to present forthwith an overview, on which the Committee would be consulted, containing the following information:

1.12.1. A list of all the liberalization measures to be taken in the transport sector by 1992;

1.12.2. A list of the concurrent harmonization measures required for the sound development of the transport market;

1.12.3. A timetable for the phased implementation of harmonization and liberalization measures;

1.12.4. An analysis and assessment of the possible social, economic and technical consequences of these measures in the individual Member States for the different modes of transport and the drawing-up of a programme of social back-up measures.

1.13. Finally, the Committee would ask the Commission to study the effects of the policies of certain non-member transit countries as they affect the Member States of the Community. The Committee considers that the implementation of the principle of the freedom to provide services within the Community could in fact be considerably impeded if transit is not guaranteed equally for all Member States.

2. Specific comments

2.1. Article 1

2.1.1. The Commission proposes that the right to engage in cabotage be confined to road hauliers for hire or reward who are established in a Member State and satisfy the conditions for admission to the occupation. It should be made clear that, for international transport operations, solely the national authorization of a Member State is necessary to engage in cabotage in that State. There is still a need to clarify what is meant by the temporary pursuit of transport activities on the national transport market of another Member State. Article 60 of the EEC Treaty refers to 'temporarily pursue ... activity' in another Member State. Clarification is important also because the motor-vehicle tax exemption agreements make provision only for activity of a limited duration in another Member State and account also has to be taken of the customs provisions relating to the import of means of transport. In principle therefore the carrier should be free to decide whether he avails himself of the right under the EEC Treaty to exercise the freedom to provide services or establishes a branch in another Member State. Hence, if the freedom to provide services is to become a reality in the transport sector, there must be no time limits on the right to exercise this freedom.

2.1.2. The Committee regrets that Directive 74/561/EEC has still not been applied in some Member States; as a result the road hauliers of these States are

unable to supply the proof that they fulfil the conditions required for participation in the cabotage arrangements.

2.2. Article 2

2.2.1. In the Commission's view the freedom to provide services is to be granted to natural persons who are a national of one of the Member States; in the case of legal persons, only carriers which fulfil certain conditions relating to company law and capital holdings are to be allowed to benefit from the freedom to provide services. This means that not all carriers established in a Member State will be able to exercise the freedom to provide transport services. The Commission is seeking to avoid a situation in which the admission of non-EEC carriers could disrupt the market in some Member States. Similar provisions have already been adopted with regard to participation in Rhine transport (additional protocol and protocol of signature). This action has doubtless been taken in order to prevent possible threats to transport markets in the Member States as a result of competition from Comecon and other third country carriers. The Committee notes with satisfaction that Article 5 (2) of the Commission's proposal on access to the market for the carriage of goods by road between Member States even provides for a suspension of the right to carry out national road haulage operations in a Member State where the market in question is seriously disturbed.

2.2.2. The restrictions proposed by the Commission with regard to the freedom to provide services are unsatisfactory. Where particular carriers are not to be admitted to transport operations in particular Member States, this should be covered by provisions based on the right of establishment which would apply to activities on all transport markets in the Community. Under the existing provisions carriers which are controlled from non-EEC countries may be excluded from cabotage in other Member States whilst at the same time being able to provide transport services, without restrictions, both in the Member State in which they are established and also in international traffic.

2.2.3. Under the Commission's proposals the Member State in which a carrier is established may grant derogations in respect of company law and capital requirements, provided that this is not likely to disturb the transport market. The prior conditions to be met in this case have still to be defined as has the extent to which the arrangements would depend on market observation systems, which exist, however, only in some cases.

2.3. Article 3

2.3.1. Member States are only to be required to eliminate discrimination on the grounds of nationality from the cabotage provisions. National rules on capacity and rates may be retained. This may in practice lead, however, to discrimination against hauliers established in a particular Member State, e.g. in respect of compliance with tariff and social provisions, as it is

preferable that hauliers should be subject to the laws, regulations and administrative provisions of the Member State in which they are established. For this reason — in addition to the fundamental problem that the measures proposed by the Commission could exacerbate the division in the market between national and international transport — it would be preferable to adopt an integrated approach which would approximate the laws, regulations and administrative provisions of the individual Member States.

2.3.2. At all events the Committee believes that an information and advisory procedure is necessary to inform non-resident carriers about the legal and administrative provisions with which they must comply as regards liability, insurance, authorization, tariffs, the transport of dangerous goods (derogations from the Agreement on the carriage of dangerous goods by road), national differences from EEC social provisions. The aim should be the alignment of national laws, regulations and administrative provisions and their harmonization with the relevant international transport provisions, in particular with regard to the provisions of the Convention on the contract for the international carriage of goods by road (CMR), social provisions and the transport of dangerous goods.

2.3.3. To ensure that carriers receive equal treatment in practice on all the markets of the Member States, the Community authorizations could form part of an integrated Commission plan. Initially the holders of Community authorizations could be allowed to carry out cabotage operations, the number of firms authorized in this way being increased progressively as the Council's conclusions of 30 June 1986 are implemented. This would make it possible to link the growth in international capacity with the growth in domestic capacity in the individual Member States. Possession of a Community authorization should in future entitle a carrier to offer services on all the Community transport markets. Real equality of treatment, however, also presupposes free transit through third countries. Transit is of fundamental importance for the peripheral Member States especially which do not have common borders with other Member States.

2.4. Article 4 (new)

2.4.1. There is no point in laying down the conditions under which non-resident hauliers may perform national transport operations unless these conditions are effectively enforced.

To guarantee this, a new Article 4 (the present Article 4 becomes Article 5, etc.) should be inserted in the draft Regulation.

2.4.2. This Article could read as follows:

1. The competent national authorities, or those to be set up and provided with suitable resources, shall ensure that the conditions set out in the preced-

ing Articles are respected and shall take action against offenders. The competent authorities shall assist each other in the case of infringements of national transport rules by non-residents.

2. The Commission will draw up appropriate provisions governing checks on infringements and the intensity of these checks. In the case of infringements, non-resident carriers must not be discriminated against.

3. In all the Member States the amount of the penalties shall exceed the economic benefit accruing from an infringement of the relevant provisions.

4. In the event of convictions for repeated serious infringements, the authorization of the carrier in question shall be withdrawn for international transport operations.'

2.5. Article 4

2.5.1. Carriers must be allowed to select a fictitious registered place of business. This provision is aimed at the various restrictions linked with location (e.g. short-haul transport regulations) applied by some Member States. It should be made clear what conditions the fictitious registered place of business must fulfil if restricted regional markets still exist.

2.6. Article 5

2.6.1. Independently of a general right to engage in cabotage, Member States are in future to permit hauliers from other Community Member States to carry out two transport operations, without quantitative or qualitative restrictions, as 'follow-on' cabotage. The intention of the Commission in putting forward this proposal is to reduce the number of unladen journeys

in international traffic. A stipulation, however, is that an international transport operation should have been carried out first. The Committee wonders how the Commission intends to check the precise number of cabotage operations. The qualitative restrictions which may not be imposed by the Member States have also still to be determined. Given the considerable volume of traffic between Member States, a large proportion of national transport operations could in future be performed outside the scope of national rules on capacity and could, in conjunction with higher Community quotas, lead to a substantial and volatile increase in traffic.

2.6.2. For this reason the Committee recommends the complete deletion of Article 5 of the Commission proposal, especially as, with the mandatory introduction of the freedom to provide services pursuant to the Court of Justice's Judgement of 22 May 1985, there is no legal obligation to introduce follow-on cabotage.

2.7. Article 8

2.7.1. On the basis of its preceding comments and since the Member States still have to take the measures necessary to implement the Regulation (under Article 7), the Committee thinks that the date for its entry into force should not be before 1 January 1988.

2.7.2. At the same time the Commission should submit a precise timetable for the measures to be taken regarding the harmonization of conditions of competition. This could make for a smooth and gradual adjustment to a Community transport market regime.

3. In conclusion the Committee approves the Commission's proposal provided that account is taken of the general and specific comments set out above.

Done at Brussels, 13 May 1987.

The Chairman
of the Economic and Social Committee
Alfons MARGOT

Opinion on the proposal for a Council Regulation amending Regulation (EEC) No 3164/76 on the Community quota for the carriage of goods by road between Member States⁽¹⁾

(87/C 180/13)

On 6 April 1987 the Council decided to consult the Economic and Social Committee under Article 75 of the Treaty establishing the European Economic Community on the abovementioned proposal.

The Section for Transport and Communications, which was responsible for preparing the Committee's work on the subject, adopted its Opinion on 8 May 1987, in the light of the report by Mr L.J. Smith.

At its 246th plenary session (meeting of 14 May 1987) the Committee adopted the following Opinion with no votes against and nine abstentions.

1. In its Opinion of 26 November 1986⁽²⁾ the Committee stated that 'the Community would suffer no harm if the Commission proposal for a 40% increase... were not put into force precipitately on 1 January 1987' and that one should first see what proposals the Commission has to make on harmonization. Indeed there is a causal relationship between liberalization and the need for harmonization of important conditions of competition.

2. The Committee has therefore consistently taken the view that increases in capacity should not occur automatically (as envisaged in Article 2 of the abovementioned draft Regulation on access to the market for a four-year period from 1 January 1988) but should be economically justified; the Committee has also advocated that such increases should take due account on progress in harmonization.

3. The Council has clearly taken account of the Committee's views in two respects. Through Decision 86/647/EEC of 16 December 1986⁽³⁾ it has confirmed Commission Decision 86/491/EEC of 30 September 1986⁽⁴⁾, with a slight correction to the Belgian share of the Community quota⁽⁵⁾. In addition, at its March 1987 meeting, it postponed the decision on a further increase in the quota until its June meeting, evidently in order to await the outcome of the further discussions of the Commission communication on tax harmonization in road haulage.

4. At the moment the Committee is also assessing the Commission proposals on access to the market and tax harmonization; its work on these is almost completed.

5. The Committee notes that the Commission has been led to abandon its earlier approach and to present an *ad hoc* proposal reflecting a more pragmatic approach pending further discussion on the Commission documents on market access and tax harmonization. The Commission proposal under consideration is thus concerned solely with an increase in the Community quota in the course of 1987 (the deadline of 1 April 1987 in the Commission document has now passed).

6. The Committee takes a positive view of this proposal for the following reasons:

6.1. The Commission document envisages an overall increase of 55,1% in relation to Regulation (EEC) No 3677/85⁽⁶⁾ (11 535 authorizations as compared with 7 437), but in relation to Commission Decision 86/491/EEC (11 535 as compared with 9 386) the overall increase is only 22,9%. If the Council were to bring the Commission proposal into force by 1 July 1987, the expansion of capacity linked with the increase in the Community quota could be reasonable.

6.2. The Committee assumes that when the Council has to decide on the Commission document at its June meeting it should have further information on tax harmonization which could make it appropriate to arrive at a decision.

6.3. The Section for Transport and Communications also plans to adopt its Opinions on market access and tax harmonization at its meeting on 10 June 1987 and send them to the Council for information before the latter's June meeting.

6.4. Finally the Committee draws the attention of the Council to the implications that even a once-only increase of this size in the Community quota, without any accompanying progress in harmonization, will have on the normal operation of the market.

⁽¹⁾ OJ No C 87, 2. 4. 1987, p. 16.

⁽²⁾ Opinion on Article 2 of the proposal for a Council Regulation on access to the market for the carriage of goods by road between Member States (OJ No C 333, 29. 12. 1986, p. 19).

⁽³⁾ OJ No L 382, 31. 12. 1986, p. 2.

⁽⁴⁾ OJ No L 285, 8. 10. 1986, p. 29.

⁽⁵⁾ Increase of 15 (26,2%).

⁽⁶⁾ OJ No L 354, 30. 12. 1985, p. 46.

Done at Brussels, 14 May 1987.

The Chairman
of the Economic and Social Committee
Alfons MARGOT

Opinion on the eleventh annual report (1985) to the Council by the Commission — European Regional Development Fund

(87/C 180/14)

On 6 November 1986 the Commission decided to consult the Economic and Social Committee, under Article 198 of the Treaty establishing the European Economic Community, on the abovementioned document.

The Section for Regional Development and Town and Country Planning, which was responsible for preparing the Committee's work on the subject, adopted its Opinion on 11 March 1987, in the light of the report by Mr Della Croce.

At its 246th plenary session (meeting of 13 May 1987), the Economic and Social Committee adopted the following Opinion by a large majority, with two abstentions:

1. Introduction

1.1. The eleventh Commission annual report to the Council on the European Regional Development Fund is of considerable interest. It is longer and more detailed than its predecessors, which were valuable nonetheless.

The eleventh annual report provides a large number of precise data, illustrates in detail the workings of the Fund, gives a full picture of Community regional development measures, and forms a basis for a detailed assessment of Community policy. However, the report shows that the situation regarding regional policy commitments is unsatisfactory.

Taken overall, the analyses, proposals and reflections contained in the report deserve the Committee's appreciation.

1.2. Nevertheless, the report has a few shortcomings which may be usefully highlighted.

Firstly, there is no attempt at a scientific assessment of the results achieved by the programmes and projects part-financed by the Fund. The means to provide a proper assessment are either non-existent or inadequate, making it impossible for the eleventh report to tackle this important aspect. Secondly, the description of the economic environment in which regional measures operate appears inadequate. The Commission postpones discussions of this until the third periodic report on the situation of the regions, to be drawn up shortly.

However, some advance information and analysis would have been useful, in order to assess the adequacy of the Fund's operating criteria detailed in the report, and the efficiency of the schemes financed.

2. General comments

2.1. Despite the innovations and adjustments which have been made during the 11 years of the Fund's operation, it has to be said that Community regional development policy is insufficient for the priority goal of bringing incomes and living conditions in the less advantaged regions closer to those in more economically developed regions.

2.2. It is disappointing to note that regional disparities in unemployment rates have again worsened. The report suggests that 'it is possible that the deterioration in the unemployment situation may not have been accompanied by a more general widening of differences'. However, no precise figures are given to bear this out.

2.3. It is worth referring back to the Commission's 1986/87 economic report, which stated that:

- (1) there was a considerable increase in absolute disparities;
- (2) unemployment disparities between regions are greater than those between the individual Member States;
- (3) in no Member State did regional income disparities fall significantly;
- (4) in 1976 the average unemployment rate in the 25 least favoured regions was 8%, as against 2,4% in the richest regions; in 1985 the respective figures were 21,1% and 6,6%.

On the basis of these figures, in the same report the Commission states that the disadvantaged regions need to register a growth rate which is higher than the Community average. Suitable measures are needed from the national and regional authorities, and from the Community. The Community can help by means of its own financial instruments, investment can come from the European Investment Bank, and the EIB's financial instruments can supplement the action of the disadvantaged region's authorities.

2.4. We must also remember that without a proper European 'economic and social area' (of which regional policy is one of the cornerstones), the completion by 1992 of the internal market will worsen the economic and social conditions of the economically weakest regions by further reducing their competitiveness.

2.5. Since 1985, the European economic situation has been improving, thanks to the major drop in inflation,

the halving of oil expenditure, lower exchange rates, and, in some ways, the marked weakening of the dollar. Conditions are thus ripe for a vigorous boost to Community and Member State regional development policies. But the opportunity does not seem to be being taken.

2.6. The percentage of the Community budget allocated to regional policy has remained stationary for the past six years, at just over 7%. As the overall results of intervention provide scant comfort, a change in the relative proportions of the various budget lines seems necessary to give greater priority to regional policy support.

2.7. Even if it is improved, Community regional policy will not be able to solve the various problems of the existing imbalances unaided. It needs to be closely linked to Member State policy. It is unfortunate to have to note here that Member State intervention has fallen as a result of the restrictive policies pursued over the past few years.

2.8. Not only must Member States allocate sufficient spending to regional development; they must also rethink this spending, to avoid the mistakes and failures of the past. Just as the Community has seen fit to amend the Regulation of the European Regional Development Fund (ERDF) and with it the intervention criteria, the Member States would probably do well to review the legal provisions for their own regional policies and adapt them to the current situation.

The goals of restoring regional balance and creating greater cohesion within the Community cannot be met by regional policy alone. This means that all Community policies must play a part in improving the position of the regions.

SPECIFIC COMMENTS

3. The economic environment for regional action (Chapter 1, point 1, of the eleventh report)

3.1. As stated above, the description of the economic environment is rather brief, being limited to a few general comments focusing on the employment situation. This is expected to improve slightly after 1985 in general terms, although regional disparities are expected to worsen still further.

3.2. The report repeats the statement made in the second periodic report that enlargement has meant an increase in regional disparities within the Community. Whilst it is undoubtedly true that other disadvantaged regions have now joined the Community, it is also true that disparities have worsened between the regions

which were part of the Community before enlargement. The accession of Spain and Portugal makes the problem more extensive, so that greater attention and more resources need to be devoted to it.

4. Coordination of regional policies (points 2 to 6 of the report)

4.1. Coordination of national regional policies and Community regional policy is vital to the achievement of good results. All the programmes must be in keeping with the goals of the Community. The means which the Commission deems necessary for this coordination are clear and detailed.

The analysis of the regional impact of the main Community policies is useful, but it needs to be carried out using precise methods familiar to all the bodies involved.

4.2. The reports which the Member States should send the Commission under Article 2 of the ERDF Regulation would provide a useful tool for assessing regional development programmes. However, the Commission notes with regret that Member States met this obligation 'less than adequately' in 1985. More cogent rules on this must be drawn up, and ways found to ensure that Member States comply with them.

4.3. To judge the Fund's effectiveness, we must be able to assess the results achieved. Faced with the undeniable difficulties of a serious assessment, the Commission merely makes a number of — admittedly interesting — general points; it does not attempt to examine results.

Detailed surveys need to be made in at least some intervention areas, as analysis of results is essential if regional policy is to be improved.

4.4. The Commission's view that sectoral policies (agriculture, industry, etc.) influence regional policy is correct. This is precisely what makes integration of the various Community and national economic policies so vital.

5. The new Regulation (Chapter 2 of the report)

5.1. Chapter 2 gives a detailed illustration of the principles behind the new Regulation. This is to be welcomed, but it is regrettable that a truly indicative picture of the impact of the new Regulation still cannot be provided two and a half years after its adoption.

The Commission limits itself to a recapitulation of the main points of the Communication presented at the Luxemburg meeting of 21 April 1986. Whilst the eleventh report inevitably refers to 1985, it is difficult to assess the results of the new Regulation in the light of only the first year of application.

5.2. The new system of ranges, clearly described in the report, seems better designed to allow Member States to make the best possible use of the Fund. With the introduction of the new system, the amounts applied for rose substantially. However, the rise was not uniform throughout the Member States. It would be interesting to consider this point in more detail. Is it just coincidence that amounts increased with the new Regulation, or is there a causal connection? Why have the Member States reacted so differently?

5.3. The Commission has devised a rigorous method for assessing grant applications *ex ante*. This method is satisfactory and acceptable. However, it requires a larger number of skilled staff than before. Yet the Commission itself notes the understaffing of the assessment departments. It is deplorable that steps have not yet been taken to improve the situation. The Committee must repeat the proposals put to the Council in the past (Point 5.3 of the Opinion on the ninth report).

5.4. The workload has increased now that grant applications are being made by Spain and Portugal. It would be helpful if the Commission could issue a communication on the current position regarding applications received and examined from these two countries.

6. Use of ERDF resources (points 15 to 30 of the report)

6.1. Since 1981 the Fund's share of the total Community budget has remained virtually unchanged. ERDF resources represent less than 0,1% of Community GDP. The inadequacy of fund intervention becomes immediately clear when we note elsewhere in the report that the 10 most disadvantaged regions have received an annual average of 17 ECU *per capita* from the ERDF, while in terms of *per capita* GDP the gap between these and the most developed regions is over 10 000 ECU. Such low expenditure cannot achieve significant results.

Commenting on the budget allocation, the Commission points out the multiplier effect of ERDF intervention. It notes that ERDF grants account for a significant percentage of public infrastructure expenditure, particularly in certain Member States.

This is undeniable, but the Community's main concern should be for the continuing and worsening disparities.

It must thus adopt a more dynamic regional policy endowed with adequate financial resources.

6.2. The Commission assures the less prosperous Member States that in 1986 they will qualify for at least as much ERDF aid as the minimum guaranteed for 1985. Detailed figures are not yet given, but everything suggests that the trends mentioned in the previous paragraph are not taking the direction recommended by previous Committee Opinions.

6.3. It is particularly pleasing that virtually all the available resources were used. The take-up level (99,3%) could scarcely have been bettered. It may also be noted that payments are lower than commitments because projects take several years to implement. However, the payments: commitments ratio has improved slightly.

6.4. 1985 also saw a quite significant increase (three percentage points) in the proportion of resources allocated to productive investment. This is to be welcomed, and the Commission is to be congratulated on its efforts to further increase investment in industry and services.

6.5. The geographical distribution of resources showed a very marked concentration in the four Member States which contain the regions with the most serious problems. This concentration increased slightly in 1985, from 79,6 to 82%. The proportion of resources going to regions with priority status also increased.

The concentration of assistance strengthens the impact on development, and is thus to be supported.

However, it is worth noting that use of the Fund in all Member States which suffer regional imbalance would allow all the Community's citizens to better appreciate the Fund's objectives, which must be perceived as economic rather than based on solidarity. The favourable psychological impact would provide a platform for launching a more dynamic regional policy, particularly if backed by examples of obviously successful assistance.

6.6. The Commission recognizes the great importance of making ERDF grants additional to, rather than a substitute for national financial assistance.

'Additionality' (topping-up) is one of the most delicate aspects of the relation between the Community and the individual Member States. Public opinion, economic operators and trade groupings always ask whether the programmes carried out with Community support

would not have been funded anyway by the national and regional authorities. Such a question is neither simple nor out of place.

Irrespective of the difficulties of assessing whether Community grants are really additional to national funding, an instrument has to be found to oblige national governments to make the Community contribution truly additional.

The Committee appreciates the fact that the Commission has correctly identified the problem, but must also urge it to provide the means of solving it.

6.7. The Commission states that the Member States have refused to apply individual additionality in the case of industrial and service projects. Whilst such additionality is possible under Article 36 of the ERDF Regulation, Member States feel that it could both waste public money and distort competition.

The Member States' position is unconvincing.

The results are disappointing because there is still insufficient private investment. This shows that production in underdeveloped regions cannot compete with that in developed regions. Reference to competition problems is therefore out of place.

6.8. The Commission is quite right that programme financing will help strengthen additionality.

6.9. The Commission is also right about the need to publicize the Community's assistance. Active involvement of the two sides of industry in the planning and implementation of projects would be even more useful here.

7. Exploiting local development potential (points 39 to 40)

7.1. To seek to exploit a region's own development potential is a sensible path to take. The Committee therefore endorses the Commission's support for the financing of measures to help small and medium-sized enterprises in industry, tourism and the service sector. However, programme and project schemes must be worked out in advance, to provide a reliable system for the small firms involved.

7.2. The lack of applications for measures to exploit local development potential is disappointing. As the Commission is aware of the difficulties which are preventing national authorities from using the instruments made available to them, it should do what it can to interest small firms directly, partly via their representative organizations and associations.

8. The ERDF and employment (points 41 to 44)

8.1. The creation of new jobs through ERDF intervention must be considered a priority goal.

The data given by the Commission on the likely effects on employment are highly reassuring, but legitimate doubts may remain as to whether forecasts will be realized. A precise ex post assessment of results is not provided.

Nevertheless, it is desirable that when assessing applications the Commission should continue to take special account of employment forecasts. Priority must be given to programmes involving investment calculated to produce the maximum number of direct or indirect jobs.

9. Investment on infrastructure projects (points 45 to 47)

9.1. ERDF support for infrastructure is certainly necessary, especially in some regions, as lack of infrastructure is one of the main factors in underdevelopment. On the other hand, some areas are in decline even though they have adequate infrastructure. The problem thus has to be examined in more detail, pinpointing ways to achieve an optimum balance between measures to provide infrastructure and those for productive investment. The Committee fully endorses the Commission's priority support for economic infrastructure, particularly for infrastructure linked to vocational training, and technological research and development.

9.2. However, the need to increase the percentage of spending on productive investment must never be forgotten. It must increase steadily, particularly once basic infrastructure is in place.

10. The integrated approach (points 50 to 55)

10.1. The integrated approach is of considerable interest: the carefully targeted joint use of the various financial instruments for a programme which forms an organic whole, and the synergies which result from this, can produce highly favourable results. The Committee would refer back to earlier Opinions on this subject, particularly the recent one on Integrated operations.

10.2. However, the integrated approach is not yet being applied decisively enough. The only integrated

operations implemented so far remain the pilot operations in Naples and Belfast. Even the IMPs are not proceeding as swiftly as was hoped.

10.3. Of course, integration of the various instruments and authorities is not easy. Yet it has to be acknowledged that the legal framework for the integrated approach is still incomplete; that overall procedures are inadequate or uncertain; and that the Commission services are not as well equipped as they might be to provide the necessary coordination.

10.4. The co-existence of integrated operations, programmes, approaches and measures and their relationship to national programmes of Community interest is confusing, particularly to potential applicants in Member States. The Commission should simplify and clarify the definitions and distinctions involved.

11. Relations with national, regional and local authorities (points 57 and 58)

11.1. The Commission's intention to extend the dialogue with Member States and with regional and local authorities deserves particular support. Regional and local authorities in particular need to be involved in Community activities, as they alone can bring projects to public notice and ensure proper involvement of the various economic and social groupings.

11.2. The Commission is pursuing the right objectives: joint agreement on priority sectors, promotion of co-financing through the programmes, clear generally-available information on the sources of finance, joint guarantees that the necessary resources will be available.

12. ERDF operations in 1985 (Chapter 3 of the report)

This whole chapter, detailing ERDF operations in 1985, is of considerable interest. The Commission is to be congratulated in particular for the completeness of the information and the clarity with which it explains the criteria and methods on which the decisions were based.

12.1. Assessment of grant applications (point 65)

The criteria for assessing applications cannot be faulted. However, the order in which they are placed gives cause for concern, even though this is derived from the Regulation itself. The integrated deployment of

Community instruments appears in seventh (penultimate) place; and frontier, island or peripheral location comes last of all. These two elements deserve greater consideration.

12.2 (point 69 of the report).

The Commission states here that during the eleven years of the Fund's operation, the ERDF Committee has not delivered a single negative opinion. Although this may bear out the accuracy of the vetting procedures at the Directorate-General for Regional Policy, it also suggests that vetting may be too strict and selective.

12.3. The Regional Policy Directorate-General (DG XVI) was reorganized following the adoption of the new Regulation. This obviously had to be done immediately. At the same time, however, staffing should have been increased in line with the new duties. If the commitment to improve regional development activity is real, efficient services and operating instruments must be provided.

13. Programme financing (points 72 to 88)

13.1. The gradual move from project financing to programme financing seems well advised, as programmes provide more comprehensive and coherent assistance. It should be noted however that even though this is only the first year of the implementation of the new Regulation, the change-over is proceeding too slowly, largely owing to the lack of initiative shown by some Member States.

13.2. The Community programmes are of great importance. The criteria which the Commission puts forward for their implementation are satisfactory; telecommunications and energy policies must make a determined effort to involve the less developed regions in the creation of a high-technology Europe.

13.3. The national programmes of Community interest must also be supported, as by nature they can link regional policy with the main Community policies. The emphasis here must be on coordination, integration and coherence of the programmes with the development goals of the Community economy as a whole and the strengthening of advanced technologies.

13.4. Of particular interest is the fact that the programmes are being monitored by coordination committees made up of representatives of the agencies responsible for the programmes at local, regional and national level and of the Commission. So far this only applies to the first three UK programmes; the system should be made general.

13.5. The Commission has adopted decisions on parts of the integrated operations submitted for certain

regions of France. In the absence of detailed information, it is impossible to criticize or praise this action, but it is fair to ask why an overall decision was not taken. Integrated operations need to be assessed as an overall package, and the various structural funds used together to produce an effect of synergy.

14. Grant applications (point 90)

14.1. 1985 saw a marked rise in grant applications (53%). A careful analysis of the reasons for this rise would be interesting. It is probably partly due to the provisions of the new Regulation, but it is also a sign that awareness of regional imbalances is growing.

15. Spain and Portugal (point 101)

15.1. The start of Fund activity in Spain and Portugal is to be welcomed. However, too few proposals were received in 1985 to represent a full-scale launch. A Commission preparatory study on activities in these two countries would be useful.

16. Grants for productive investment (points 108 to 116)

16.1. The Committee appreciates the Commission's work to increase the percentage of grants going to industrial and service investment projects to create permanent jobs in economically sound sectors. However, it should be noted that infrastructure grants and projects still outstrip those for industry and services.

16.2. The Committee also endorses the provisions to make Fund operations more flexible by lifting the restrictive requirements of the old Regulation.

16.3. The 50% ceiling for ERDF contributions to aid granted by national and regional authorities could probably usefully be raised as already occurs in certain cases. The ceiling reduces aid potential precisely in the least developed areas, which have fewer resources at their disposal.

16.4. Contributions should preferably give priority to production sectors creating jobs at little cost. However, this must be compatible with the need to move towards new technologies.

16.5. It is disappointing to note that the share of contributions going to the service sector has fallen when the role of this sector in the world economy is growing. However, the increase in contributions for research and development activities is encouraging.

17. Conclusions

17.1. The Committee confirms its favourable opinion of the eleventh ERDF report. The report provides a clear and exhaustive picture of all the Fund's operations in 1985, and sets out clearly the criteria which the Commission intends to use for implementing the detailed points of the new Regulation.

The Committee's assessment of Community and Member State regional policy as a whole has to be less favourable, as the results achieved so far are unsatisfactory.

17.2. The ERDF has insufficient resources at its disposal. The Fund's share of the Community budget is inadequate to the scale of the problems needing solution.

17.3. The Single European Act places regional policy amongst the fundamental activities of the Community. It is to be hoped that this heralds a major shift of approach which will have a corresponding impact on the resources problem.

17.4. To make regional policy more effective, links need to be strengthened between the Commission and the Member State, regional and local authorities. The shift from projects to programmes makes this particularly necessary.

17.5. Also vital is the active involvement, at all stages of activity, of business circles, the general public, employers and unions, and all the representative social interest groups. The success of the various measures depends largely on the participation of all interested parties, and on their being satisfied that useful instruments are at hand to solve the serious problems facing them.

17.6. In addition to the reorganization which has already taken place, the Commission regional development services still need strengthening. Flexible procedures are also needed to coordinate these services with those dealing with the other Community policies which affect regional development.

17.7. The Commission says that it attaches priority to the integrated approach; this approach must be effectively used for a larger number of operations.

17.8. The Committee welcomes the gradual move from project financing to programme financing. This new system has the potential to solve many problems: in the preparation and finalization of measures, in the involvement of the various tiers of authority, in the participation of the two sides of industry, in additionality, and in the coordination of the various policies.

The Community programmes merit keen interest and priority treatment. It is to be hoped that their number will increase.

Done at Brussels, 13 May 1987.

17.9. The actual results of the operations carried out with ERDF support must be measurable, and must be made known to those involved and to the public at large.

This need cannot go unmet. Of course, there are many obstacles to the collection of data and preparation of conclusions, but these must be overcome.

Lastly, it is desirable that the third periodic report on the situation of the regions should provide a complete picture of the economic environment in which regional policy operates.

The Chairman

of the Economic and Social Committee

Alfons MARGOT

Opinion on the proposal for a Council Decision adopting an action programme for the training and preparation of young people for adult and working life⁽¹⁾

(87/C 180/15)

On 3 April 1987 the Council decided to consult the Economic and Social Committee, under Article 128 of the Treaty establishing the European Economic Community, on the abovementioned proposal.

The Economic and Social Committee decided to appoint Mr. Nierhaus rapporteur-general to prepare work on the matter.

At its 246th plenary session (meeting of 14 May 1987) the Economic and Social Committee adopted the following Opinion unanimously:

1. Introduction

1.1. Economic development in the highly-industrialized countries is characterized on the one hand by an increasing shortage of jobs for lower-skilled workers — due in the main to the deployment of new technologies — and on the other by a relative increase in the demand for well-trained and skilled specialists in all sectors of the economy. It is this, plus the related fact that human tasks (particularly those at lower-skill levels) are being replaced by electronic information and communication systems in almost all areas of administration and production, which largely contributes to the high level of structural unemployment seen today. An alarmingly high proportion of such unemployment is accounted for by youngsters on the threshold of

working life. Relatively speaking, it is still young people with a good school education and a vocational qualification who stand the best chance of finding a job. Vocational training itself, however, should not be confined to imparting purely specialist knowledge, but should also have a social content.

In cases in which general school education does not include a practical understanding of such subjects as social security, health and environmental protection, tax and money management, then ways must be found of including these within the context of vocational training.

1.2. For the rest of this Opinion on the proposal for a Council Decision adopting an action programme for the training and preparation of young people for adult and working life, we have agreed on the following definition of 'training', or more precisely 'vocational training':

⁽¹⁾ OJ No C 90, 4. 4. 1987, p. 4.

— Vocational training (Berufsausbildung) is provided after completion of general school education and is the period of initial vocational preparation for employment in a particular occupation. It can be given in private or public-sector firms but also in universities or other state or private educational establishments, and generally ends with a vocational qualification.

1.3. The European economy will not be able to compete at all on world markets unless Europe's human potential is fully exploited and well-trained specialists are turned out at all levels and in all branches of the economy and society. Accordingly there is no alternative but to pursue the following vocational-training policy objectives — which the Commission also endorses — in the Member States of the Community:

- the creation of sufficient training places to enable every young person who so desires to receive vocational training for at least one to two years,
- a constant improvement in the quality, and continuous updating of the form, content and objectives of existing training schemes, and the introduction of new training courses geared to changing needs,
- greater 'transparency' of vocational training schemes for young people through improvements in the types of information provided and comparable end-of-course examinations recognized at both national and Community level.

1.4. At Community level there is broad agreement between the two sides of industry and national governments about these European vocational-training policy objectives. A realistic examination of the problems involved, however, shows that the following factors cannot be left out of consideration:

- To move closer to achieving these objectives, substantial financial resources need to be found; but because of the size of the sums involved and the present structure of the Community, by far the greater part of the funds will have to be raised by the Member States. What makes matters worse is the fact that in some cases there are still considerable differences between the Member States in terms of the development of an efficient vocational training system. The Commission should therefore give priority to funding training activities which concern the structurally weaker regions of the Community.
- Vocational training comes under different regulatory systems in the Member States and legislation on the matter varies greatly in form and degree of detail. Vocational training is provided by many different state and private establishments, by schools, universities as well as by public and private-sector firms. Because of this, the state's powers and responsibilities for promoting and regulating vocational training are often less clear-cut than they are in the case of general school education. On the other hand the multiplicity of vocational training facilities and the range of courses on offer are a guarantee of flexibility. Flexibility, however, does

not preclude state regulation of such things as conditions of access to vocational training and comparable end-of-course examinations.

- Comparable vocational qualifications recognized throughout the Community are of vital importance if a single domestic market is to be established and workers are to enjoy freedom of movement within the Community. But, in turn comparable qualifications cannot become a reality unless the objectives and content of vocational training have first been harmonized so that the different forms and establishments of vocational training (e.g. firms, state, schools, private establishments) can compete with each other in terms of quality. Achieving this goal requires single-minded determination on the part of all those involved (national governments, the two sides of industry, Community bodies). In this connection the Community has a vitally important role to play in the fields of coordination, the dissemination of information and the promotion of appropriate initiatives to help secure Community-wide acceptance for additional vocational qualifications.

2. General comments

2.1. The Committee by and large agrees with the Commission's analysis of the present situation and shares its evaluation of vocational training requirements in the Member States of the Community. It also approves in principle the proposal for a Decision along with the planned measures appended thereto.

2.2. The Committee nevertheless also recognizes the very limited scope of the proposed measures in terms of achieving the abovementioned general objectives of a widely-recognized vocational training policy in the Member States, or the beginnings of a coordinated Community policy. The Committee would therefore appeal to the Member States to look beyond the proposal for a Decision and make every effort to seek quantitative and qualitative improvements in vocational training opportunities for young persons, harmonizing them at the highest possible level. The aim is to secure the mutual recognition of end-of-course qualifications.

2.3. We would emphasize, however, that the transition from vocational training to the labour market poses particularly difficult problems for a large number of young people. Indeed, however apparent the need for practical and high-quality vocational training, this still cannot solve the quantitative problems of the labour market (particularly that of youth unemployment) especially since the latter is also bound up with the regional economic structure in question. Vocational training policy can therefore neither dispense with, nor replace, an active labour-market policy.

2.4. The Committee would strongly emphasize that the vocational skills imparted must also be related to labour-market needs, just as they must also take particular account of regional possibilities and requirements. Success in imparting vocational skills often depends on the background against which the training takes place.

3. Specific comments

3.1. The Committee sees in the Committee to be set up under Article 3 of the draft Decision a particularly good opportunity (a) to embark on a high-level exchange of information about vocational-training systems and requirements in the Member States, (b) to develop proposals aimed at securing qualitative and quantitative harmonization, and (c) to ensure that the experiences of individual Member States can be used to the benefit of others.

3.2. With regard to the proposed 'partnership initiatives', support should be given in particular to the establishment of links between highly developed and disadvantaged regions of the Community with the aim of initiating an intensive exchange of ideas that can be put to practical use. Another aim of transfrontier partnerships might be to draw up proposals on the further development of national regulatory systems covering vocational training.

3.3. A particular problem is posed by the fact that vocational-training facilities and regulatory systems are highly developed and structured in some regions of the Community but less so in others. This means that not only funds but also information and specialist advice in particular are needed if vocational training opportunities for young people are to be further developed and gradually harmonized. The Committee therefore regards as particularly important and promising the proposal that specialist assistance be provided through the sending of teams of advisers. Success nevertheless depends on intensive planning and a clear statement of the innovatory objectives of the projects.

3.4. The Committee also calls for the inclusion of activities which are likely to reduce language barriers in the Community, thereby facilitating the Community-wide use of vocational-training qualifications.

3.5. The proposed review of vocational qualifications should clearly revolve round comparisons of curricula and course content. The aim of the review should be to harmonize end-of-course vocational qualifications so that they are recognized across national borders.

3.6. In the context of the proposed action programme the Committee would generally expect to see

clear priorities for implementing the fundamental objectives of a Community-wide vocational-training policy aimed at improving and also harmonizing at the highest possible level the financial, legal and pedagogical parameters for national vocational-training policies. In the case of the proposed projects, however, it is not always clear what the priorities are — apart from the fact that there is altogether a blatant incongruity between the problems that have to be surmounted in the field of vocational training in the Community, and the actual size of the funds earmarked for Community action.

3.7. The Committee considers that one of the most effective ways of boosting employment is to promote training activities which create job opportunities in small and medium-sized enterprises and give people greater motivation to set up in business on their own.

3.8. Young women in almost all countries of the Community are particularly affected by vocational training and labour-market problems. The Committee therefore welcomes the measures to be taken by the Commission to help this particular target group. Such measures must be given high priority.

3.9. The form and content of vocational-training courses can only be of maximum effectiveness if instructors are sufficiently well qualified. The measures to improve instructor training provided for in the Commission programme are therefore strongly supported by the Committee.

3.10. The Committee considers that it makes extremely good sense to involve Cedefop in (a) providing the necessary scientific and statistical data for the Commission's activities, and (b) monitoring the comparability of vocational qualifications. The Committee also assumes that Cedefop has already accumulated experience which may be extremely important from the point of view of achieving the Commission's objectives within the framework of the action programme.

3.11. The Committee requests that it also be sent the interim and final reports referred to in Article 4 of the draft Council Decision.

Done at Brussels, 14 May 1987.

The Chairman
of the Economic and Social Committee
Alfons MARGOT

Opinion on the proposal for a Council Directive on the own funds of credit institutions

(87/C 180/16)

On 1 October 1986 the Council decided to consult the Economic and Social Committee, under Article 198 of the Treaty establishing the European Economic Community, on the abovementioned proposal.

The Section for Industry, Commerce, Crafts and Services, which was responsible for preparing the Committee's work on the subject, adopted its Opinion on 7 April 1987, in the light of the report by Mr. Pelletier.

At its 246th plenary session (meeting of 14 May 1987), the Economic and Social Committee adopted the following Opinion by a large majority with seven votes against and 10 abstentions

The Committee approves the proposal, and takes this opportunity to present some considerations which it hopes will prove constructive.

mission's action and authority. The committee stresses the need to ensure that the provisions of this agreement conform with those of the Directive once this has been adopted.

General comments

1 The Committee trusts that all the conditions for the completion of a real European internal market will soon be satisfied. It supports any proposal aimed at achieving this goal effectively while taking account of economic and social realities

2 Given that the harmonization of Community rules is an important element in the completion of the internal market, it is essential to have a common basis for the definitions which are to be included in such rules. Own funds are of particular importance, forming the basis for many ratios and playing a large part in ensuring that credit institutions compete with each other on equal terms. The Commission itself stresses this in the explanatory memorandum which accompanies the proposal

2.1 A large number of banks, particularly in the United States, have encountered very serious difficulties, largely because their own funds have proved insufficient for their commitments. This, combined with the fact that credit institutions are currently facing much greater risks, justifies the special attention which the Commission is according this matter.

3 The Committee has learnt of a draft agreement between the United Kingdom and the USA on the establishment of common procedures for the calculation of an assets risks ratio, with substantially the same aim as the present proposal. The agreement was made public by a Bank of England communique of 8 January 1987. Apart from the inconsistencies which it has noted between the provisions of this agreement and those of the present proposal, the Committee feels that this unilateral action by a Member State shows a regrettable confusion about the scope of the Com-

4. The Commission originally intended to harmonize the own funds of credit institutions by means of a recommendation. The question arises as to whether this would have been a more effective instrument than the directive now being proposed. The political decision has no doubt been made on the grounds of effectiveness, but it may bring difficulties if the text has to be adapted after the initial implementation period. A recommendation almost certainly makes adaptation easier, although it is less effective as an instrument of harmonization. On balance, therefore, the Committee supports the use of a Directive. Article 5 of the proposal takes some account of the need for adaptation, by stating that not more than three years after the notification of the directive, the Commission will review the situation and if necessary will, after consulting the Advisory Committee, adopt the necessary amendments.

5 The Committee considers that Article 5 delegates the legislative power of the Council to the Commission, allowing the latter to amend the Directive after simply consulting the Advisory Committee. In the Committee's view, the Commission should also have to consult the European Parliament and the ESC, the latter under Article 198 of the Treaty of Rome.

6. The Committee feels that the proposal's distinction between internal and external elements stems from an admirable concern to present clearly the various parts of own funds and to encompass the maximum number of the various elements comprising own funds in the Member States. Unfortunately, however, some ambiguities remain: this method restricts potential har-

monization, in that Member States are free to omit some of these elements from their national definition or to fix lower ceilings. This could be contrary to equal competition between credit institutions.

On the other hand, it is noted that the aim of the proposal is to standardize and strengthen controls of own funds, and that the proposal is adequate to this objective.

7. While listing the various elements which may constitute own funds, the proposal does not mention the deductions that are usually made from gross own funds to calculate net own funds, which are used as the basis for prudential regulations.

8. The Committee rejects the Commission proposal that guarantees extended by statutory authorities to certain credit institutions should be excluded from own funds. It notes that external own funds include the liabilities of cooperative credit institutions insofar as four Member States included them in this category as of 31 December 1984, taking account of the specific character of cooperatives.

The Committee points out further that some language versions refer to 'public credit institutions', while the French text covers all credit institutions.

9. The stipulation that the total of external elements shall not exceed 50% of the total of internal elements is felt to be over-restrictive, or at least to be a goal which cannot be achieved until after the proposed deadline of 1 January 1995.

10. In conclusion, the Committee considers that it is up to the Community authorities to solve the problems mentioned above, and align Member States' legislation and regulations so that the credit institutions which operate on the Community market can compete fairly.

Specific comments

Article 1 (2)

The scope of the Directive is defined by a reference to that of the First Council Directive 77/780/EEC. The problem thus arises of institutions which are defined as credit institutions in national legislation even though they do not meet the definition of the First Directive. With a view to harmonization and clarification, the Committee feels that the scope should be clearly limited to the definition used in the First Directive.

Article 2 (1) (a) (i)

The Portuguese agricultural credit institution poses a special problem. Although according to the Treaty it will not be subject to the present Directive until 1993, allowing time for it to be restructured under the aegis of a central body, the problem is still likely to arise after this date. The above paragraph could therefore be worded as follows:

'Paid-up capital plus share premium account, minus the credit institution's holdings of its own shares, except where these come from the incorporation of reserve capital which, by law or by the articles of association, may not be distributed to members.'

The provision to allow Member States to defer application of the Directive to mortgage credit institutions seems inadequately justified, if not actually excessive, when the Commission does not indicate the special rules covering these institutions.

Article 2 (2)

The wording of this Article is unclear in some language versions. It should be amended to read as follows:

'The concept of own funds as defined in this Directive represents a maximum of elements and of the relative proportions of these elements. Member States may decide whether to exclude some elements, or to provide lower ceilings.'

Article 3 (a)

This could be drafted more clearly to state that the other internal elements of own funds are to cover possible risks whose costs cannot yet be determined.

Clear indication is also needed that these internal elements may, without particular limitation, include mutual guarantee funds, in so far as they meet the conditions laid down in Article 3 (a), (b) and (c).

Article 4

Greater precision is needed in this Article:

— The sole aim of Article 4 (2) is to specify that by 1 January 1995 external elements must not exceed 50% of the internal elements of own funds. It does not mean that a credit institution would be obliged to repay the part of its subordinated loans which exceeds this limit.

- Article 4 (3) is unclear as to what amount of the liabilities of members of cooperative credit institutions may be included in external own funds. The Committee notes that the Commission intended the principle to be inclusion of the maximum sum fixed according to the law as at 31 December 1984, rather than the amount which was actually counted at that time. The Committee urges that this point be clarified.
- The gradual reduction in external elements described in Article 4 (5) (c) seems both unnecessarily complicated and unfair: the funds involved remain fully liable for losses if the institution goes into liquidation right up until their repayment date.

Article 4 (4) states that Member States shall not include guarantees which they or their local authorities extend to public credit institutions. The recital states that 'the special dispensation which presently exists in one Member State may continue pending further coordination of that practice'.

The Committee cannot understand the reasoning behind this derogation, which contradicts the actual provision contained in the Directive. It would like to see a clear indication of the Member State and institution which are to benefit from this derogation, along with a justification for this.

Article 5

The Committee thinks that the possible amendments to the Directive should be referred to the European Parliament and the ESC. It considers that the present wording of this Article is not consistent with the Treaty of Rome.

Article 10 of the Single European Act amending Article 145 of the Treaty, which gives the Commission authority to implement the rules established in the measures adopted by the Council, should not mean that the Council can delegate its legislative power to the Commission by allowing it to amend a Council Directive.

Done at Brussels, 14 May 1987.

*The Chairman
of the Economic and Social Committee*

Alfons MARGOT

COMMISSION OF THE EUROPEAN COMMUNITIES

THE SINGLE ACT:

A new frontier

PROGRAMME OF THE COMMISSION FOR 1987:

Statement by Jacques Delors, President of the Commission, to the European Parliament,
Strasbourg, 18 February 1987

Bulletin of the European Commission. Supplement 1/87

The Single Act: A new frontier for Europe

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If it is to succeed in its new responsibilities, the Community must first complete the reforms undertaken, especially since 1984, with the aim of adapting old policies to new conditions: reform of the common agricultural policy, reform of the structural Funds, and reform of the financing system. Once these reforms have been implemented, the Community will have to be given the resources needed to achieve the objectives of the Single act.

By amending the Treaty of Rome in this way, the Member States have set a new frontier for European integration. They have made a qualitative leap forward which must be turned to good account to equip our economies so that they can meet the challenges from abroad and return to more vigorous, job-creating growth.

For this reason, the Commission feels that it should set out the conditions to be met if this great venture is to succeed. This is the thinking behind the proposals it is laying before the Council and Parliament. They are set in a medium-term context, looking towards 1992, the deadline for completion of the large frontier-free market.

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