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This issue closes the C series for 1988.

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II

(Preparatory Acts)

ECONOMIC AND SOCIAL COMMITTEE

Opinion on the proposal for a Council Directive amending Directive 87/102/EEC for the approximation of the laws, regulations and administrative provisions of the Member States concerning consumer credit ([1])

(88/C 337/01)

On 1 June 1988 the Council decided, in accordance with Article 100A of the Treaty establishing the European Economic Community, to ask the Economic and Social Committee for an Opinion on the abovementioned proposal.

The section for protection of the environment, public health and consumer affairs, which was responsible for the preparatory work, adopted its Opinion on 4 October 1988. The rapporteur was Mr Meyer-Horn.

At its 259th plenary session (meeting of 27 October 1988) the Committee adopted the following Opinion by a majority vote with one abstention.

1. Introduction

1.1. On 2 May 1988 the EC Commission put forward a Directive aimed at amending Council Directive 87/102/EEC of 22 December 1986 on the approximation of the laws, regulations and administrative provisions of the Member States concerning consumer credit. The draft Directive concerns the introduction of a uniform method of calculating the annual percentage rate (APR) of charge for consumer credit. The introduction of such a uniform method was expressly anticipated in the ninth recital and Article 5 of Directive 87/102/EEC.

1.2. The proposed Directive submitted one and a half years later by the EC Commission is, however, concerned only with the mathematical aspects, i.e. the calculation formula, but not the items of charge which have to be taken into account. In the Explanatory Memorandum the Commission notes that there is at present no consensus on these items of charge.

2. General comments

The indication of the annual percentage rate of charge, as provided for in the consumer credit Directive (87/102/EEC) of 22 December 1986, is intended (a) to make the total cost of the credit (expressed as an annual percentage) clear to the consumer and (b) to make it easier for him to compare different offers of credit. Bearing this in mind, the present Commission proposal calls for the following general comments.

2.1. In principle the decision to align the calculation of the annual percentage rate of change in the Member States as far as possible is to be welcomed, especially as it will prevent the future introduction of different formulae in individual Member States.

Care should be taken, however, that this does not prejudice the consumer protection currently provided by national regulations. This is particularly important in areas adjacent to national frontiers. Consumers living in such areas must not be deceived by the mention of a uniform EC method of calculation when comparing offers of credit from their own country and from neighbouring countries, if in fact there are other cost-related and legal conditions which have to be taken into account; these conditions may not be immediately apparent to the consumer and will continue, until they are harmonized, to vary from one country to another.

What is really needed is a thorough alignment of consumer protection, but this will be difficult to achieve as it is generally covered by the laws and regulations

([1]) OJ No C 155, 14. 6. 1988, p. 10.

designed to protect the public interest, and these are organized completely differently from one country to another. Nor does the draft Directive cover all the consumer's problems in calculating interest rates; no account is taken of, for instance, the risk of subsequent changes in rates or of exchange rate fluctuations in the case of foreign-currency credit.

2.2. However, it is not enough simply to have a uniform mathematical formula. There must also be agreement on the factors to be included in the formula, namely the items of charge. Until the items of charge are aligned in a later Directive, it should be ensured that consumers are informed when they take up credit of all charges not (yet) included in the calculation of the APR. These items of charge, which vary from case to case, comprise processing and brokerage fees, credit commissions, discount, and any insurance premiums. To our knowledge, at present Great Britain, France, Belgium and the Netherlands stipulate which items of charge must be included in the calculation and indicated to the customer.

2.3. The inclusion of different items of charge could result in considerable differences in the APR. Depending on whether, and if so which, items of charge are (must be) included, differences result which could be of greater significance than those produced by variations in the formula. Hence the present proposal to align the methods of calculation is an important step towards comparability of the APR. However, for the consumer this goal will not be achieved merely by aligning the mathematical method.

2.4. The danger of aligning only the method of calculation is that consumers will think that the rates quoted are comparable. In reality, they can only be compared if the relevant items of charge are also aligned. So the consumer could be misled, especially as some Member States already stipulate that other costs have to be taken into account.

These items of charge should therefore be stipulated at the same time as a uniform method of calculation is introduced. For consumers, it would be a disadvantage if the uniform method of calculation came into force before the items of charge were standardized.

At any event, the Directive should stipulate that, in addition to the APR, mention must be made of these additional costs. Without such information for consumers it is to be feared that many offerers of credit will gain a competitive advantage by increasing those charges which are not or do not have to be included in the calculation of the APR.

2.5. As the indication of the APR not only makes it possible to compare different offers but is also intended to make the actual total annual cost clear to the borrower, it is necessary from the consumer's point of view that the APR calculation be as simple as possible. It is of no great moment, however, whether the mathematical formula itself is complicated or not. But the consumer does want maximum transparency as to what is being calculated and which factors are included in the calculation.

The method of calculation should therefore give the actual cost to the borrower in a form which he can understand and which he himself, or at least the consumer organizations, can check. This would deter lenders or credit brokers from trying to gain a competitive advantage by stating APRs which are incorrect and difficult for the consumer to check.

As the monthly cost is even more important for the consumer, the aim should be to inform him of the periodic costs in addition to the APR. Only if he is informed of all the costs to which he is liable, especially those not included in the APR, can he compare the various offers of credit, assess the extent of his potential indebtedness and thus estimate correctly whether he will be able to repay the credit.

2.6. It would be to the point to state expressly that Directive 87/102/EEC of 22 December 1986 defines the general legal framework and sets out in particular the way in which the APR is to be indicated and the Directive's scope, which covers all grantors of consumer credit, private as well, including so-called credit brokers.

The redefinition of the Directive's scope is opportune because, since the adoption of the consumer credit Directive 87/102/EEC, the EC Commission has proposed a second Directive [doc. COM(87) 715] on the coordination of banking supervisory regulations under which most banking services can be provided freely (with or without the setting-up of branches) throughout the EC. But many offerers of consumer credit and credit brokers would not be covered by this second coordination Directive because of its narrow definition, which is based on the first Directive on the coordination of banking supervisory regulations (77/780/EEC). See

the Opinion of the Economic and Social Committee (CES No 287/88 fin) on this draft Directive, in particular its point 2.1.

2.7. In some Member States there are regulations against 'usurious' interest rates. In France for instance an interest rate is regarded as 'usurious' if it is more than double the average rate for government bonds. In this and other similar cases the obligatory disclosure under the new Directive of the APR — which in some cases will be calculated differently in future — could lead to legal conflicts in the event of criminal proceedings. As the Commission has no influence on criminal law, a solution must be found to this problem.

3. Comments on the individual Articles

3.1. The purpose of Article 1 of the proposed Directive is to replace the ninth recital of Directive 87/102/EEC by a new text. The Commission expressly states that the formula proposed in the Annex ensures a maximum of precision in the calculation of the annual percentage rate of charge. On the other hand, in the Explanatory Memorandum to its proposal, the Commission admits that the formula is only a first 'useful' step.

It must be reiterated that the consumer cannot compare rates of charge unless the items of charge are aligned too (*cf.* point 2.1 of the general comments). Logically a maximum of precision can only be aimed for after this, as a second step, (or better still, after the two steps are taken together).

3.2. According to Article 1 of the draft Directive, a new Article 1 a is to be inserted into Directive 87/102/EEC. Paragraph 3 of this new Article 1 a states that other methods of calculation are not to be allowed if the resulting annual percentage rate of charge diverges by more than 'one tenth of one per cent'.

If this is intended to mean a fixed tolerance of 0,1 — which can be assumed — the text should read 'one tenth of one percentage point'.

It is important that the consumer is not deceived by an excessively low annual percentage rate of charge and thus induced to accept an offer of credit which is in reality less advantageous than other offers. The indication of a slightly higher rate of charge does not harm the consumer, but the competing offerers of credit. Therefore it would be sufficient for the proposed Directive to prohibit other methods of calculation only if the resulting rate of charge was lower, the 0,1 tolerance being retained. This is what was proposed in the preliminary draft of the Commission proposal (XI/245/87/EEC).

3.3. Under the draft Directive, offerers of credit will be obliged to use one version of an actuarial formula. The version recommended to the Commission by professor E.S. Kirschen in his report of 19 October 1984 clearly has the approval of most of the Member States.

3.3.1. Professor Kirschen's formula, the so-called 'Rule 803', is used internationally in calculating security yields. This formula allows for the continuous reinvestment of income as is normal among businessmen, in this case the crediting of yield from the reinvestment of repayments made by the borrower. In practice, this is how the lender, but not the consumer, assesses the value of the loan. For the consumer, the reinvestment of income on terms obtainable by the lender is deceptive. Taking this starting point it is doubtful whether the Kirschen formula is the ideal way of calculating the APR for consumer credit, where it is important to know the burden on the borrower.

3.3.2. Taking into account the general comments set out in point 2.5, it is therefore suggested that the Commission reconsider whether the method of calculation which it has proposed is really the most appropriate. There are other financially and mathematically sound methods (e.g. the 360-day method used in the Federal Republic of Germany and the proportional or 'nominal' actuarial method which is the only legally valid method in France and whose value is recognized by all the relevant professional organizations in Europe). These methods also supply the necessary precision in the information yielded and each in its own way ensures comparability for the consumer. They have another advantage in that they enable the consumer to check whether the stated rate of charge is correct without a specially programmed computer, e.g. by calculating the credit with the APR so that he can compare these interest rates more easily with the interest on his savings. Consumer protection is enhanced if it is easy to check the veracity of the APR announced by the lender or credit broker.

Consideration could possibly be given to whether such alternative methods — equally sound from the financial and mathematical angle and with the aforementioned advantages — should be allowed at least if the resultant differences are not very significant. Such differences — as long as they are only minor — could be put up with in view of the extra advantages for consumers, i.e. easy checking of the APR.

3.4. In the method of calculation as set out in Annex II, the statement 'n = 1' in the first part of the formula in the left-hand column (The general formula) should be corrected to 'k = 1'.

In the 'simple illustration' in the right-hand column there is an error in the German version of the equation following the sentence 'The equation then appears as follows': the statement in the denominator '(1 = i)' should read '(1 + i)'. In the last sentence of the example in Annex II, the sum of 713,66 ECU should be corrected to read 713,1 ECU.

In the third from last paragraph the value of i is given as i = 0,1306... and then in the next (second from last) paragraph it is rounded off to i = 13,1 or 13,07. The reasons for this apparent inconsistency should be made clear in the draft Directive.

As regards the assumption in Annex III (ii), it should be checked whether the figure given of 200 ECU is correct.

3.5. Article 1 a (4) states that the assumptions set out in Annex III are to be used as a basis for the calculation of the APR for credit on current account, i.e. an overdraft or running account credit. It should be noted that these are not practical examples of a possible taking-up of current account credit. The assumptions are unrealistic for the following reasons:

3.5.1. According to point (b) of Annex III the duration of the credit is assumed to be one year if there is no fixed timetable for repayment. As a rule, if a consumer is overdrawn on his current account there are no special repayment arrangements. Repayment — either in full or in part — is through the regular receipts (usually wages) which are a prerequisite for an overdraft. An overdraft is not only for one year, but for an indefinite period, often many years, provided the consumer does not commit any irregularities under the terms of the credit agreement which result in the termination of the account and the overdraft. If any one-off costs not dependent on the duration of the credit and incurred when the credit was granted (e.g. a processing fee of x%, which is not customary in any case) were to be charged on the basis of only one year, the consumer would be quoted a completely excessive total cost.

3.5.2. According to paragraph (c) of Annex III, it is to be assumed that the current account credit granted is equal to the credit limit and there is no time limit. This is not only unrealistic but impossible in practice as credit cannot be taken up over the limit and the take-up will be reduced automatically by the regular monthly sums paid into the account.

If several statements of account are issued in the course of the year, giving the possibility of charging compound interest, the actual cost to the account-holder may be higher than the nominal interest rate; this only applies, however, if the credit is not redeemed by the date of the statement of account. The amount depends on how long the overdraft remains outstanding. The total cost may, however, be the same as the nominal annual interest rate if the credit is repaid — by the monthly receipts — on the statement date. This depends on the individual case and does not automatically conform to a particular model

Instead of prescribing APRs based on unrealistic examples, perhaps it might be better to have a further set of rules for current account credit: for instance, as well as the real interest rate, the lender would have to state at what intervals statements of account were issued or interest charged to the borrower, and how high this could push the actual cost if a credit line were fully taken up.

3.6. It is open to question whether the justified concerns of the consumer are met by the 'simple illustration' ('a quadratic equation (...) which can be solved by algebra') in the Annex and by the definition in Article 1 of the proposed Directive ('equalizes the present values of the prospective or actual commitments of the lender and borrower'). It would be advisable for the Annex also to contain an example of the calculation of the rate for a period of less than 360 days. An example should also be given of a borrower's monthly repayments and in particular of payments at irregular intervals.

Done at Brussels, 27 October 1988.

The Chairman

of the Economic and Social Committee

Alberto MASPRONE

Opinion on the proposal for a Council Directive amending for the fifth time Directive 74/329/EEC on the approximation of the laws of the Member States relating to emulsifiers, stabilizers, thickeners and gelling agents for use in foodstuffs

(88/C 337/02)

On 1 July 1988 the Council decided to consult the Economic and Social Committee, under Article 100 A of the Treaty establishing the European Economic Community on the abovementioned proposal.

The Committee instructed its sections for protection of the environment, public health and consumer affairs to prepare its work on the matter. The section adopted its Opinion on 4 October 1988. (Rapporteur: Mrs Williams; co-rapporteurs: Mr Riera-Marsa and Mr Saïu).

At its 259th plenary session (meeting of 27 October 1988) the Economic and Social Committee adopted the following Opinion unanimously.

1. General

All the emulsifiers and stabilizers covered by this proposal are currently in Annex II of the Directive 74/329/EEC. This means that Member States may permit their use but need not do so. Only some Member States permit the use of all those substances at present. These differences are due to historical reasons pre-dating the EEC. They also pre-date many of the safety-in-use tests which have now been carried out.

Given the results of safety-in-use tests stretching over many years, the Commission proposes transferring these products to Annex I and making them generally available throughout the EEC. This had already been proposed in 1984 and generally approved by the Economic and Social Committee and Parliament. However, the Council has prevaricated on any action and this new proposal therefore has become necessary. It takes into account further safety-in-use tests carried out since 1984.

The Committee supports the Commission proposal to transfer the substances concerned from Annex II (temporary list) to Annex I (permanent list), thus abolishing Annex II, and with the proposed implementation date of 1 January 1989.

The Committee notes, however, that a further more comprehensive proposal on the conditions of use of these and other substances will be put forward by the Commission in due course and that this will be of significance within the framework of the achievement of the internal market by 1992.

2. Tragacanth gum — E413

2.1. This gum originates from a shrub grown in Iran and Turkey. It is highly resistant to acid and is therefore used in salad dressings and mayonnaise. It also gives a very thick paste, making it useful for flour confectionery.

2.2. Both the Joint Expert Committee on food additives of the World Health Organization (WHO) and of the Food and Agriculture Organization of the United Nations (FAO) (JECFA) and the Scientific Committee for food (SCF) have evaluated it and have given a non-specified (i.e. unlimited) acceptable daily intake (ADI).

2.3. The Committee approves the Commission's present proposal.

3. Karaya gum — E416

3.1. This is a gum from a plant grown particularly in India. While its main use is as a thickener in medicines, it also has a specialized use in a number of foods.

3.2. The SCF has recently given an ADI of 0-12,5 mg/kg body weight, while JECFA has given a non-specified ADI. The reason for the difference is that JECFA was able to include some recent Indian safety-in-use studies in its evaluation.

3.3. The Committee maintains its previous advice [1] endorsing the Commission's proposal, viz. that following further research by the SCF a more extensive authorization of this substance may be allowed and that it can be transferred from Annex II to Annex I.

4. Polysorbates — E432 to E436

4.1. These are a family of esters prepared from polyoxyethylene and fatty acids. They are very efficient emulsifiers for oil in water. The exact properties vary with the fatty acid portion, thus allowing the lipophilic

[1] JO No C 248, 17. 9. 1984, p. 28 and 29.

properties to be adjusted exactly to the food product being manufactured.

4.2. JECFA has evaluated polysorbates at 0-25 mg/kg body weight and the SCF at 10 mg/kg body weight.

4.3. The Economic and Social Committee maintains its previous position endorsing the Commission's proposal, viz. that it notes that the SCF considers that these substances are now acceptable for inclusion in Annex I.

Done at Brussels, 27 October 1988.

The Chairman

of the Economic and Social Committee

Alberto MASPRONE

5. **Thermally oxidized soya bean oil — E479**

5.1. This product consists of mono- and di-glycerides of fatty acids reacted with soya bean oil and is used mainly as an anti-spattering agent for margarine when the latter is used for frying.

5.2. The SCF has given an ADI of 0-25 mg/kg body weight. JECFA has had no request to consider it so far.

Here too the Committee endorses the Commission's proposal

Opinion on:

— **the amendment to the proposal for a Council Directive amending Directive 76/769/EEC on the approximation of the laws, regulations and administrative provisions of the Member States relating to restrictions on the marketing and use of certain dangerous substances and preparations, and**

— **the amendment to the proposal for a Council Directive on the approximation of the laws, regulations and administrative provisions of the Member States relating to the classification, packaging and labelling of dangerous preparations**

(88/C 337/03)

On 12 October 1987 the Council decided to consult the Economic and Social Committee, under Article 100A of the Treaty, on the abovementioned documents.

The section for protection of the environment, public health and consumer affairs, which was responsible for preparing the Committee's work on the subject, adopted its Opinion on 4 October 1988. The rapporteur was Mr Beltrami.

At its 259th plenary session (meeting of 27 October 1988) the Economic and Social Committee adopted the following Opinion unanimously.

The Committee supports the Commission's aims and endorses the proposal.

It does, however, consider that the Regulatory Committee procedure [1] would be more appropriate than the Advisory Committee procedure, as this is the course which has been adopted for all the other Directives on dangerous substances and preparations, including Directives 73/173/EEC, 77/728/EEC, 78/631/EEC and their subsequent amendments, and Directives 79/831/EEC and 88/379/EEC.

It would be unwise to change a procedure which has been established practice for some considerable time and has had positive results.

[1] *Cf.* Council Decision of 13 July 1987 (OJ No L 197 of 17. 7. 1987, p. 33).

Done at Brussels, 27 October 1988.

The Chairman

of the Economic and Social Committee

Alberto MASPRONE

Opinion on the proposal for a Council Directive on a solvency ratio for credit institutions [1]

(88/C 337/04)

On 11 May 1988 the Council decided to consult the Economic and Social Committee, unter Article 57 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 5 October 1988. The rapporteur was Mr Pardon.

At its 259th plenary session (meeting of 27 October 1988), the Economic and Social Committee unanimously adopted the following Opinion.

The Committee approved the proposal Directive, subject to the following comments:

1. General comments

1.1. In tandem with the second Banking Coordination Directive the Commission has submitted a draft Directive on the solvency ratio for credit institutions. Common rules are to be framed on the stipulated, risk-weighted ratio between (a) own funds and (b) assets and off-balance sheet items. The Commission sees this as a key component of harmonization necessary for the achievement of mutual recognition of authorization issued by national authorities.

1.2. Implementation of the draft Directive presupposes the adoption and implementation of a Directive on the definition of own funds of credit institutions [2] since own funds form the numerator of the proposed solvency ratio.

1.3. As pointed out in the ESC Opinion of 29 September 1988, simultaneous implementation of the draft Directive, the Directive on own funds and Community provisions regarding supervision of large exposures and deposit guarantee schemes is decisive for implementation of the second Directive on the co-ordination of laws, regulations and administrative provisions relating to the taking-up and pursuit of the business of credit institutions.

1.4. The proposed ratio expresses the own funds of each credit institution as a proportion of the risk-adjusted value of its assets and off-balance sheet business.

The Commission states that this 'risk-weighting' approach was developed over several years in work carried out for the Banking Advisory Committee established by the first Banking Coordination Directive of 1977.

The ESC hopes that the results of the ongoing calculations will be published before a final decision is taken on the projected 8 % ratio.

1.5. The Commission rightly considers that measurement of, and allowance for, interest and exchange rate risks and other market risks, are of great importance in prudential supervision (7th paragraph of the preamble). It therefore intends to study the available techniques in greater depth and to make appropriate proposals for further harmonization of providential rules relating to these risks.

In its Opinion of 29 septembre 1988 on the proposal for a second Directive on the coordination of laws, regulations and administrative provisions relating to the taking-up and pursuit of the business of credit institutions, the ESC observed that the powers of the competent authorities of the host country to determine market risks constituted a significant derogation from the principle that the competent authorities of the country of origin should be responsible for supervision of subsidiaries. This disrupted the Directive's unified approach, the Committee said (No 2.10.3).

The ESC took the view that it would have been preferable at this stage to provide for the solvency ratio to encompass market risks.

The ESC reiterates its views on this point and requests the Commission to table relevant proposals without delay.

1.6. The definition of standards for own funds is so important for banking activities that over the past few years harmonization has also been studied by a Basel-based committee set up under the aegis of the governors of the central banks of the group of ten. The Commission has been closely involved in this work. The ESC observes that the arrangements adopted last July in Basel are very similar to those contained in the draft Directive.

[1] OJ No C 135, 25. 5. 1988, p. 4.
[2] OJ No C 243, 27. 9. 1986, p. 4, as amended on 15 January 1988, is currently before the Council of Ministers.

The ESC hopes for consistency between the arrangements chosen by the Commission and by the governors of the central banks so as to facilitate the operations of the credit institutions and, most important of all, to avoid putting Community banks at a disadvantage *vis-à-vis* foreign competitors (e.g. United States' and Japanese).

However, more standardized bank accounting can be expected from the application of Directive 86/635/EEC of 8 December 1986 (OJ No L 372, 31 December 1986) and should facilitate certain adjustments, especially as regards own funds, e.g. authorization of an appropriate approach to revaluation reserves and general risks provisions.

In practical terms, the ESC hopes that the two sets of provisions will be sufficiently aligned in form in order to minimize differences in interpretation.

2. Specific comments

2.1. *Article 1 — Scope and definitions*

In its Opinion of 29 September 1988 on the proposal for a second Directive on the coordination of laws, regulations and administrative provisions relating to the taking-up and pursuit of the business of credit institutions, the ESC pointed out that, for purposes of protecting savers and consumers and preserving equal terms of competition, 'credit institutions' needed to be defined more broadly than in the first Directive 77/780/EEC.

The Committee urges that this recommendation be heeded and that Article 1 (1) be amended accordingly.

2.2. *Article 2 — Establishment of domestic/foreign credit institutions*

This distinction is a key factor in the risk-weighting envisaged in Article 6. Under definitions set out in Article 2 however, governments or credit institutions (in the case of a loan period over one year or guarantees) from countries with an unimpeachable credit rating (United States, Canada, Switzerland and Japan, to quote just a few examples) have a risk value coefficient of 5 compared with the weighting risks for the Member States' institutions. Such a situation would generally be a serious constraint on international capital market transactions. It would particularly hit branches of Community credit institutions established in major financial centres outside the Community.

It would therefore be essential to treat all countries of the Organization for Economic Co-operation and Development (OECD) as if they were EEC Member States.

2.3. *Article 3 — General principles*

Ratios are to be calculated on a consolidated basis in accordance with Directive 83/350/EEC and Directive 86/635/EEC.

Unconsolidated ratios are, however, also to be calculated for all credit institutions.

Providential supervision on a consolidated basis is, of course, suited to the complex structure of large banking groups. However, such supervision should not mean that parent institutions and branches in which they hold all, or virtually all, of the capital are simultaneously liable to supervision on an unconsolidated basis.

To meet this requirement, some groups would have to undertake cumbersome restructuring, with considerable tax disadvantages, which would in no way improve overall solvency.

The ESC therefore would recommend that the required supervision on an unconsolidated basis be confined to subsidiaries where the holding is less than 90 %.

The draft Directive seems to be taking this line in specifying that:

> 'However, the competent authorities shall have the discretion to require sub-consolidated rather than unconsolidated ratios for credit institution subsidiaries.'

The ESC also hopes that the conditions for controlling ratios will be interpreted with some flexibility and, in particular, that they will be applied only once a year instead of 'not less than twice each year'.

2.4. *Article 4 — Own funds: the numerator*

In the absence of detailed information on the final rules, the ESC is unable to take a stand for the time being.

Substantial changes have been made to the proposed directive on credit institutions' own funds [doc. COM(86) 169 final].

In view of the numerator's importance in calculating the solvency ratio, the ESC reserves the right to scrutinize the new formula to check whether, as it has recommended, the required consistency between this directive ans the provisions adopted in Basel is ensured.

2.5. *Article 6 — Risk weights*

The ESC broadly endorses the risk weighting principle and understands that a fixed rate is necessary. However, undue distortions must be avoided; here the problems created by the 'domestic'/'foreign' approach should be borne in mind.

The ESC does not wish to go into the details of an inevitably complex set of rules so will confine its comments to the following points.

— On mortgage-linked loans, the ESC regrets that favourable treatment is to be confined to loans to individuals for owner-occupied homes; the risk would not seem to be increased when property is rented out (and anyway, this cannot be checked during the mortgage period). Similarly, it is difficult to justify a difference between property used for professional purposes and residential property. Lastly, property leasing should be subject to the same rules as mortgage-linked loans.

— On tangible assets, the ESC takes the view that possession of such assets usually represents a guarantee for depositors. Consequently zero weighting would be justified. This would also avoid a distinction based on the conditions of their acquisition since, in the event of these assets being 'leased back' to a third party, no account would be taken of them when calculating the ratio.

On banking accounts, the Committee advocates consistency between the recommendation of the Basel committee of governors and the banking accounts directive as regards the method of listing assets on the basis of duration.

2.6. *Article 7 — Regional governments and local authorities*

The above term might give rise to varying interpretations e.g. as to the status of public sector bodies which probably does not correspond to the specified definition.

Further, there is a danger that Article 7 might enable some Member States to encourage regional or local authorities under their control to get into debt.

This is all the more likely because loans and off-balance sheet items specifically guaranteed by a regional or local authority are subject to the same weighting as loans granted to such authorities.

This system involves mutual recognition of the weighting which the supervisory authorities in each Member State consider to be appropriate for their respective regional and local authorities. A procedure challenging this right of each Member State to determine weighting might be considered.

2.7. *Article 8 — Technical modifications*

The Commission is authorized to make 'technical modifications' to the draft Directive, in accordance with the specified procedure.

A list of these 'technical modifications' is given:

— the minimum ratio established in Article 9,

— the weights and assets items in Article 6,

— the list and classification of off-balance sheet items in Annexes 2 and 4 and their treatment in the calculation of the ratio as described in Article 5 and Annexes 1 and 3,

— the extension to foreign countries of the same weights applied to EC domestic central governments, central banks and credit institutions where the risks are considered equivalent, notably in the case of credit institutions due to international agreements,

— extension of the 50% weighting to mortgage-backed loans for the purchase of property in foreign countries.

The ESC feels that the highly technical rules of the proposed Directive must be able to be rapidly updated in line with economic developments and the conditions determining operation of the financial markets. It therefore feels that the proposed procedures could possibly be streamlined and their scope defined less restrictively. The committee referred to in Article 8.3 should be composed of persons responsible for bank supervision in their respective Member States.

2.8. *Article 9*

The competent authorities may establish ratios above 8% as they consider appropriate.

This matter is covered in point 1.6.2. of the Committee Opinion of 29 September 1988 on the proposal for a

second Directive on the coordination of laws, regulations and administrative provisions relating to the taking-up and pursuit of the business of credit institutions and amending Directive 77/780/EEC.

Done at Brussels, 27 October 1988.

The Chairman

of the Economic and Social Committee

Alberto MASPRONE

Opinion on the proposal for a fifth Council Directive on summertime arrangements [1]

(88/C 337/05)

On 2 August 1988 the Council decided to consult the Economic and Social Committee, under Article 100 A 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 12 October 1988. The rapporteur was Mr Haas.

At its 259th plenary session (meeting of 27 October 1988), the Committee adopted the following Opinion unanimously.

1. Introduction

1.1. The Council of Ministers has already adopted four Directives on summertime arrangements. Most recently, on 22 December 1987, it stipulated that in 1989 summertime throughout the Community would begin at 1 a.m. on 26 March 1989 and end at 1 a.m. on 24 September 1989 with the exception of Ireland and the United Kingdom, where it would end at 1 a.m. on 29 October 1989.

1.2. The ESC has always fought hard for harmonization of the beginning and end of summertime throughout the Community, the last occasion being in its Opinion of 16 November 1987.

1.3. The latest Commission proposal once again envisages a continuation of the status quo for 1990, 1991 and 1992, i.e. one date for the ending of summertime in the continental countries of the Community and another for its ending in Ireland and the United Kingdom. However, Ireland and the United Kingdom are free to fall in line with the rest of the Community before 1992.

2. General comments

Further to its previous Opinions, the Committee welcomes the sign that the Commission is also tending towards the objective unceasingly advocated by the ESC, namely a single date for the beginning and a single date for the ending of summertime throughout the Community.

[1] OJ No C 202, 2. 8. 1988, p. 5.

However, the Committee thinks that the subject of summertime should not be linked to possible changes in the standard time in some Member States (viz. the United Kingdom and Ireland), especially as consultations in these countries have not yet been concluded. In addition, in view of the complexity of the problem and the differences within and between Member States it is not likely that the study launched by the Commission into the effects of summertime will produce clear results which will be equally applicable in all Member States.

On the other hand, if summertime were to end on the same day throughout the Community, transport operators, travellers and other branches of the economy would be spared the considerable—and in some cases costly—difficulties caused by the different dates on which the clocks are changed.

The Committee therefore urges that not only the beginning but also the ending of summertime be standardized as soon as possible.

Done at Brussels, 27 October 1988.

The Chairman

of the Economic and Social Committee

Alberto MASPRONE

Opinion on the proposal for a Council Decision adopting a specific programme for the dissemination and utilization of results from scientific and technological research, 1988-1992

(88/C 337/06)

On 16 June 1988, the Council of the European Communities decided to ask the Economic and Social Committee, under Article 130 Q of the Treaty establishing the European Economic Community, for an Opinion on the abovementioned proposal.

The section for energy, nuclear questions and research, which was responsible for the preparatory work on this matter, adopted its Opinion on 7 October 1988. Mr Proença was rapporteur.

At its 259th plenary session (meeting of 27 October 1988), the Economic and Social Committee adopted unanimously the following Opinion.

1. Introduction

1.1. The present Commission communication and proposal for a decision are part of action line 8.4 of the framework programme for Community research and technological development (RTD), 1987-1991.

The proposed programme includes two sub-programmes, which correspond to two of the three areas of research covered by this action line:

— the dissemination and utilization of results from Community RTD, and

— communications networks.

The third area covers the development of computerized translation systems and concerns the continuation of the EUROTRA programme adopted at the end of 1982.

1.2. As well as providing information on Community RTD programmes and projects, the first sub-programme aims to see that findings are used effectively so that the scientific and technological foundations of European industry are strengthened: this would be done through:

— the dissemination of information on RTD,

— the identification, characterization and screening of results,

— the legal protection of results,

— the dissemination of results, and

— the exploitation of results.

1.3. The second sub-programme seeks to improve the efficiency of R & D activities throughout Europe by promoting a common computer communications infrastructure; this would be done through:

— helping the functioning of the RARE association,

— participating in the EUREKA COSINE project, and

— work on requirements for confidentiality and the integrity of Community RTD information.

2. General comments

2.1. We are glad that the present programme is to be implemented, in accordance with our Opinion on the framework programme [1], in which we said:

> 'Slow and ineffective translation of results of RTD into commercial products is a serious deficiency in EC industrial competitiveness. The Community must endeavour to reduce the period of time it takes to promote the utilization of the results of research.'

2.2. We approve the programme's aims, but more clarity is needed on some questions, especially on the way the programme is to be put into effect.

2.3. The programme will have to make a direct and effective contribution towards;

— multiplying the economic and social effects of the framework programme and other EEC action on RTD,

— supporting an RTD strategy coordinated at Community level,

— strengthening internal cohesion, particularly through support for less-developed EEC regions, and

— strengthening the technological base of smaller EEC firms.

Although the Commission refers to these aims in its introductory statements, it must go further and set concrete targets.

2.4. We hope the Commission will operate the programme in such a way that it has a real impact throughout the EEC's geographical area and the various economic and social groups which might be interested.

2.5. The framework Programme's main task is to support pre-competitive research in certain areas of advanced technology where international competition is at its fiercest.

If the results of research are to be commercially exploited more rapidly, there must be close links between this programme and the other programmes affecting the development of the Community's technological base.

2.6. EEC-funded research represents 2 to 3 % of the total research carried out in the Member States because it is felt that this programme should create conditions for an EEC-coordinated effort in the future to use RTD findings, especially through close cooperation with national agencies for utilizing research findings and with other agents who are active in this area at local, regional or national level.

2.7. At present, Community RTD programmes are not very well publicized; industry, especially smaller firms, the scientific community and the general public are largely unaware of the opportunities they offer and of how one can take part in them.

The experiences of some Member States (Denmark and Ireland) which took specific action to publicize such programmes and support participation in them are indicative of the possibilities there are for wider involvement.

The dissemination of programmes is so important that it must be carried out in close liaison with the Member States and with economic and social interests, especially regional groupings and institutions.

2.8. Various ESC Opinions have expressed the concern that the action to be taken in the field of RTD should directly benefit and strengthen smaller firms in the EEC.

Such positions have been expressed in the information report on the importance of research and technological development to small and medium-sized firms, in which specific recommendations were made for promoting technology in smaller EEC firms.

[1] OJ No C 333, 29. 12. 1986.

Particular attention should be given to making the results of Community research and its commercial exploitation available to small firms, in line with the ESC Opinion on the framework programme mentioned earlier [1], which states that:

> 'Research should be carried out as to how to make research results, already available on data bases, more available to SMEs (small and medium-sized enterprises).
>
> There should also be research into the needs of SMEs, if they too are to share fully in the exploitation of the results of Community RTD.'

Large firms generally follow Community RTD programmes, so we think this programme should pay special attention to small firms.

2.9. We must avoid building Europe at two different speeds; special support must be provided for setting up a solid and competitive technological foundation in the less-developed regions (LDR).

We understand this will be a specific aim of the STRIDE programme.

Without prejudicing STRIDE initiatives, there will have to be a study into the best ways of publicizing the aims and opportunities resulting from EEC programmes in the LDRs, so as to create greater awareness of the programmes and help firms benefit from Community RTD programmes.

2.10. The proposal financing of 38 million ECU seems adequate, as it can be reviewed in the light of the first two years' experience and of the proposals put forward in the review.

3. Specific comments

3.1. *Article 1*

As 1 July 1988 has been and gone, the date set for the entry into force of the programme should be reviewed.

3.2. *Article 2 — Sub-programme I*

Dissemination of information and results

3.2.1. The way in which sub-programme I is defined is too restrictive, and does not include action 1.1 provided for in Annex I. The sub-programme's title is 'Dissemination and utilization of the results of Community RTD activites'. But it is not only the results but also the programmes themselves which are to be disseminated.

The title of sub-programme I should therefore be 'Dissemination of Community RTD projects and programmes and the results of Community RTD activities'.

We think it essential that this action be carried out, as it would lead to the setting-up of an information network through the participation of local agents, who would screen the information to be disseminated.

3.2.2. We think a data base should be set up to systematize information about programmes, their implementation and their results; it should include the safeguards necessary to comply with any requests from firms or other participants that the information they give be treated as confidential.

Identification, characterization and screening of results, and the legal protection of results

3.2.3. We consider that the Commission' action as regards actions 1.2 and 1.3 in Annex I must be additional to the obligations incumbent on the contracting parties in connection with contractual research financed by the Community.

3.2.4. The necessary precautions must be taken to prevent work which has had interesting results from being placed under an embargo by researchers or their respective institutions, so that there is no immediate commercial exploitation, or if there is, it is done outside the Member States, thus harming EEC interests.

3.2.5. Moreover, it is essential to clarify and safeguard the scientific copyright of workers involved in research programmes, and of their respective firms or institutions.

Rules must be framed at Community level which defend and motivate scientific workers, and thus beef up the commercial exploitation of results.

Exploitation of results

3.2.6. If results are to be exploited, and if the whole programme is to be assessed fully and the most appropriate action taken, one must first be acquainted with the regulation governing the programme's implementation.

This regulation will have to ensure clearly equality of opportunity for all EEC economic agents, in particular through:

— putting up exploitation rights for open competitive bidding, and

— giving prior notice of the selection criteria to be used for dealing with the various firms interested.

[1] OJ No C 333, 29. 12. 1986.

3.2.7. Community funding, whatever its type, should not generally be open-ended; it should be completely repaid if commercial exploitation results by means of a percentage of the sales of the product or process which has been supported.

3.2.8. When supporting prototypes, pilot projects or demonstration projects, it should not be compulsory for there to be partners from at least two Member States; this should be more of a criterion for selection.

3.2.9. When exploiting results, the Commission will have to assess their impact on firms' competitiveness and the respective economic and social consequences.

3.3. *Article 2 — Sub-programme II*

In general, we endorse sub-programme II and feel it can help towards the development of joint RTD programmes, but it must be made clear how much both the Community and the various Member States are to participate directly in the financing of the RARE association and the EUREKA COSINE project.

Done at Brussels, 27 October 1988.

3.4. *Article 3*

We cannot take a position on the proposed figure of 20 temporary staff. We do wonder if the tasks involved are not of a continuous nature.

As results have to be disseminated, especially in the less-developed regions, one should study the possibility of some staff being located in the Member States, or working in close liaison with local programmes such as integrated Mediterranean programmes (IMP).

3.5. *Article 7*

3.5.1. Article 7 provides for a re-examination of the programme at the end of two years and the presentation of a report and, if necessary, proposals to the Council and the European Parliament; the Economic and Social Committee is not mentioned.

It is requested once more that this lamentable omission be put right and the Economic and Social Committee included.

3.5.2. The same position is expressed as regards the final report on the evaluation of the results achieved, provided for in Article 7 (2).

The Chairman

of the Economic and Social Committee

Alberto MASPRONE

Opinion on:

— **the proposal for a Council Regulation (EEC) amending Regulation (EEC) No 804/68 on the common organization of the market in milk and milk products,**

— **the proposal for a Council Regulation (EEC) amending Regulation (EEC) No 857/84 adopting general rules for the application of the levy referred to in Article 5 c of Regulation (EEC) No 804/68 in the milk and milk products sector,**

— **the proposal for a Council Regulation (EEC) amending Regulation (EEC) No 2237/88 establishing, for the period running from 1 April 1988 to 31 March 1989, the Community reserve for the application of the levy referred to in Article 5 c of Regulation (EEC) No 804/68 in the milk and milk products sector,**

— **the proposal for a Council Regulation (EEC) fixing the intervention price for butter from 1 ... 1988, and**

— **the proposal for a Council Regulation (EEC) amending Regulation (EEC) No 1079/77 on a co-responsibility levy and on measures for expanding the markets in milk and milk products**

(88/C 337/07)

On 23 September 1988 the Council decided to consult the Economic and Social Committee, under Article 198 of the Treaty establishing the European Economic Community, on the abovementioned proposals.

The section for agriculture and fisheries, which was responsible for preparing the Committee's work on the subject, adopted its Opinion on 6 October 1988 in the light of the oral report by Mr Luchetti.

At its 259th plenary session (meeting of 27 October 1988), the Economic and Social Committee unanimously adopted the following Opinion.

1. The Committee takes note of the grounds for the Commission's proposals and of the fact that these proposals are designed to comply with the Court of Justice's judgment of 28 April 1988 by extending Regulation (EEC) No 857 to cover the case of producers in receipt of non-marketing premiums as defined in Regulation (EEC) No 178/77, who therefore did not deliver milk during the reference year selected by the Member State concerned.

1.1. These proposals are also consistent with existing policy in the milk and milk products sector.

2. The Committee understands why the Commission considers that these proposals are interrelated and, as such, require an overall decision. It would, however, question the fairness of the proposed reduction in the intervention price of butter by 2 % from 1 October 1988 as a means of offsetting the 500 000 tonne increase in the Community reserve, which is costing around 93 million ECU.

2.1. It is unreasonable to expect producers to bear the cost, particularly after the start of the farm year, of an operation which has been made necessary because of an error by the Commission.

2.2. Here it is worth mentioning that international minimum prices for milk products of the General Agreement on Tariffs and Trade (GATT) were recently increased as the result of a better market situation, generating savings in EC refund payments.

2.3. Further, the healthier state of the EC budget (European Agricultural Guidance and Guarantee Fund, EAGGF) should make the proposed compensatory savings unnecessary.

2.4. The Committee would therefore urge the Commission to look for alternative measures which do no penalize the Community's producers.

3. Finally, the Committee would draw the Commission's attention to the potentially serious administrative and legal implications of its stipulation that 'SLOM' producers [1] must have applied, unsuccessfully, to the competent authorities in their Member

[1] Translator's note: aggregate of the initials of the Dutch term *Slacht- en omschakelingspremie*.

State for a reference quota between 31 March 1984 and 31 July 1988. In many Member States producers were in fact advised by the competent authorities not to make applications.

Done at Brussels, 27 October 1988.

The Chairman

of the Economic and Social Committee

Alberto MASPRONE

Opinion on the proposal for a Council Regulation (EEC) amending Regulation (EEC) No 1360/78 on producer groups and associations thereof

(88/C337/08)

On 5 October 1988 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 agriculture and fisheries, which was responsible for preparing the Committee's work on the subject, adopted its Opinion on 6 October 1988. The rapporteur was Mr Rea.

At its 259th plenary session (meeting of 27 October 1988), the Economic and Social Committee unanimously adopted the following Opinion.

The Economic and Social Committee endorses the Commission proposal in the light of the following considerations:

Agriculture in Ireland is of significant economic importance accounting for 11% of the gross national product (GNP), 16% of total employment and 27% of total exports.

Irish agriculture is however heavily dependent on agricultural products which are considered to be in surplus in the EEC and subject to a strict price policy and stabilizers (milk, beef and cereals account for 72% of gross agricultural output).

Together with being subject to declining market support, Irish agriculture also suffers from structural deficiencies including distance from the major European market centres, small holdings and high seasonability of production.

Producers are also being placed at a disadvantage through a concentration of suppliers of agricultural inputs and purchasers of agricultural production.

Extending the scope of Regulation (EEC) No 1360/78 to Ireland:

— will provide farmers with the opportunity of benefiting from economies of scale in relation to purchasing of inputs and selling of products,

— will assist in a more cost efficient dissemination of advice and research information,

— will help farmers to become more aware of the changing tastes of the consumer and to supply a higher quality product to satisfy the consumer's requirements,

— will help producers to organize more orderly marketing of production, thereby reducing seasonability and improving returns,

— will assist grain producers to provide on-farm storage and reduce their dependence on the market situation at harvest time (70% of grain is sold ex-farm at harvest time),

— will assist potato producers who incur substantial losses due to price fluctuations and a concentrated retail sector, to provide storage facilities and better market organization at a local level.

The Committee welcomes this proposal but regrets that it has not been extended to include pigmeat and poultry and egg production, two sectors where interest has also

been expressed with regard to establishing producer groups.

The Committee urges the Commission to amend their proposal to include these sectors.

Done at Brussels, 27 October 1988.

The Chairman

of the Economic and Social Committee

Alberto MASPRONE

Opinion on the situation of the herring market

(88/C 337/09)

On 15 december 1987 the Economic and Social Committee, acting under the fourth paragraph of Article 20 of its rules of procedure, decided to draw up an Opinion on the situation of the herring market and market for sardines in the Community.

On 29 September 1988 the Economic and Social Committee decided to split the document into two parts and draw up two separate Opinions.

The section for agriculture and fisheries, which was responsible for preparing the Committee's work on the situation of the herring market, adopted its Opinion on 6 October 1988. The rapporteur was Mr Hancock.

At its 259th plenary session (meeting of 27 October 1988) the Economic and Social Committee unanimously adopted the following Opinion.

1. Market update and introductory remarks

Since the publication of the Commission report on 9 November 1987, the market situation has continued to evolve.

1.1. Total allowable catches for EEC fleets for 1988 were set at 502 900 tonnes [Council Regulation (EEC) No 3977/87] [1] allocated as follows:

Denmark	155 550 tonnes	(30,9 % of EEC total allowable catch)
United Kingdom	107 460 tonnes	(21,4 % of EEC total allowable catch)
Netherlands	88 350 tonnes	(17,6 % of EEC total allowable catch)
West Germany	71 240 tonnes	(14,2 % of EEC total allowable catch)
France	37 670 tonnes	(7,5 % of EEC total allowable catch)
Ireland	33 440 tonnes	(6,6 % of EEC total allowable catch)
Belgium	9 190 tonnes	(1,8 % of EEC total allowable catch).

This was some 47 000 tonnes lower than in 1987 because of a downward revision of scientific projections. These were not so serious, however, as to invalidate the conclusions in the Commission document. It is anticipated that, eventually, available stocks could reach 800 000 tonnes, or more, per annum. The question now arises as to what methods should be employed so that these stocks may be disposed of in a commercial manner.

1.2. Withdrawal prices for 1988 were reduced by 9 % excluding green rate adjustments. From the fourth table in the Annex to the Commission report « Evolution of herring prices », it will be seen that, in 1986, there were wide variations in the average prices obtained in different Member States.

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[1] OJ No L 375, 31. 12. 1987.

In 1987, although official Community figures are still unavailable regarding prices in individual Member States, it would appear that prices stabilized. Returns in United Kingdom (effectively Scotland) improved by 8 % per tonne sold but there were slight declines in Ireland, the Netherlands and Denmark. The average Community price during 1987 was 242,73 ECU per tonne for fresh herring.

It must be pointed out that the talk of average prices is somewhat misleading as what is involved are several different markets, each with its distinctive level of price, product requirement and associated problems.

1.3. At present price levels it is reported that only larger boats, i.e. those with freezing or chilled water storage capacity can operate profitably and that in consequence fishermen are no longer fishing herring and quotas not being fully utilized. Based on provisional figures for quota utilization this would appear too broad a statement. These figures show the levels of quota landed as being:

Belgium	0,4 %
Denmark	89,0 %
France	23,0 %
Ireland	102,0 %
Netherlands	101,0 %
United Kingdom	98,0 %
West Germany	18,0 %

Thus whilst Belgium has virtually ceased to catch herring and France has apparently markedly reduced its activity three countries have used or virtually used their quota. West Germany is a special case in that traders buy herring on international and Community markets because of the particular demands of their processing industry. The unfortunate publicity on nematodes is also likely to have had an effect on quantities fished by West Germany. In the case of Ireland and the United Kingdom major quantities were supplied to Klondijkers (factory ships operating wholly at sea for extended periods). It should be pointed out that these factory ships originate in non-Member States and that the whole operation is difficult to control by the autorities.

Declared deliveries to Klondijkers in 1986 were:

— Vessels of the Union of Soviet Socialist Republics: 53 734 tonnes,

— Vessels of the German Democratic Republic: 12 297 tonnes,

— Polish vessels: 5 165 tonnes,

— Bulgarian vessels: 555 tonnes.

The situation *vis-à-vis* the United Kingdom improved substantially in 1987 in that fishermen stood out for higher prices and delivered lower quantities. This helped to mitigate a continuing downward pressure on Community prices.

1.4. The Commission report, whilst strong on analysis, is less positive in terms of conclusions. Possibly this is because of differences of opinion at the political level. Although this opinion would be better divided between problems that could be dealt with in the short term and those that require a longer perspective, for the sake of clarity it will deal with the points in the same order as in the Commission document. This will be followed by a separate evaluation of some of the social aspects of the herring industry.

2. Control of imports

2.1. Imports are used almost entirely by the processing industry substantially in West Germany. In 1986 they amounted to 108 743 tonnes of which 81 518 tonnes were fresh or chilled, whole, headless or in pieces. The remainder, and the figures do not quite balance, of 21 664 tonnes, was imported frozen.

Principal suppliers of fresh and chilled were:

(39,6 %)	Sweden	32 284 tonnes	(94 % to Denmark)
(53,92 %)	Norway	43 954 tonnes	(67 % to Denmark, 22 % to FR of Germany)
(3,4 %)	Faroes	2 774 tonnes	(all to Denmark)
(96,92 %)			

Principal suppliers of frozen were:

(49,32 %)	Norway	10 685 tonnes	(49 % to FR of Germany, 25 % to United Kingdom, 10 % to France, 10 % to Netherlands)
(23,79 %)	Iceland	5 155 tonnes	(41 % to United Kingdom, 34 % to FR of Germany, 17 % to France)
(23,56 %)	Canada	5 105 tonnes	(78 % to FR of Germany, 7 % to Netherlands, 7 % to United Kingdom)
(96,67 %)			

So, in each category, three countries accounted for over 96 % of total quantities imported.

In 1987 there was an apparent decline in imports of fresh herrings to 72 440 tonnes. This was largely because of a 50 % decline in imports from Sweden. Norwegian herring imports increased to 50 920 tonnes and now account for 70 % of the total. This apparent decline was of little value to Community fishermen in that the imports from Sweden consist of a special variety of herring not available within the Community and required for processing. Thus, competition from Norwegian fresh herring imports actually increased.

Figures for frozen differed little, increasing slightly from 21 664 to 22 683 tonnes. Iceland shipped less but Norway (+769 tonnes) and Canada (+1 688 tonnes) shipped more.

A reservation has to be entered about the accuracy of the statistics in respect of importations. Under the customs nomenclature it is impossible to distinguish between whole herring and herring flaps. So although the total weight is accurate one herring flap is the same in terms of useable weight as two whole herrings. Thus the figures do not account for the weight of useable material entering the Community. This could be increasing whilst imports are apparently declining. This is clearly an unsatisfactory situation and it is recommended that the nomenclature be altered so that import statistics can be both accurate and useable.

In addition quotas of the General Agreement on Tariffs and Trade (GATT) should be expressed in terms of whole equivalent.

2.2. To limit imports could bring some help to the Community herring market. Indeed questions can be raised about the real need for some of these imports. It is possible that some of the blame be laid at the door of the Community fishing industry for not trying harder to meet the real needs of the processing sector, although this could easily be exaggerated; transport costs are probably an equal factor. A total allowed catch (TAC) allocated in zone 2a would also help to improve the overall quality of Community landings.

2.3. It is further maintained, by the General Committee for agricultural co-operation in the EEC (COGECA), that a considerable quantity of the fresh herring imported from third countries does not meet the specific quality standards of the processing industry. If correct, this can only serve to depress prices as these substandard supplies must be diverted to the fresh market.

Clearly greater attempts must be made to enforce quality standards on imports, particulary those arriving by road transport.

2.4. Some Member States would like the obligations for the importation of herring under GATT renegotiated. Whilst this is possible the process would be time consuming and almost certainly require reciprocal concessions in other fields. In any case, this would not solve the problem. Neither would the fixing of a reference price for fresh herring flaps and pieces. In 1986 imports of whole herring greatly exceeded the duty free quotas and customs duties were paid on the excess quantities. The problem of the past is that, during a period of shortage, arrangements were made whereby substantial additional quantities can be imported duty free at certain times of the year. This leads to a situation where 90 % of all imports are allowed to enter the Community duty free. These arrangements are no longer necessary in that adequate Community supplies are now available and these arrangements could and should be re-negociated.

2.5. It has been suggested that reference prices which now apply only to fresh or chilled herring should also include frozen, particulary now that Norwegian purse seiners are beginning to now both fillet and freeze on board. This could only be of value if:

— the reference price system was altered from that laid down under Article 21 of the basic Regulation (EEC) No 3796/81. Presently, the reference price is equal to the withdrawal price and is a maximum of 90 % of the guide price. For 1988 the reference price for fresh herring (size 1) is 199 ECU per tonne. It has been noted that the average Community price in 1987 was 242,73 ECU per tonne. This would indicate that even if the present reference price was genuinely charged on imports, users could buy substantial quantities, even paying duty at 15 % and still be better off, particularly as transport costs from the peripheral regions can substantially exceed the amounts levied in import duty.

Evidence suggests that the reference price (withdrawal price) effectively becomes the market price. This is going to have a long term effect on the efficiency of the Community fleet in that fishing will be insufficiently profitable to allow for investing in new and improved fishing vessels. The average age of the Danish fleet is now 30 years.

2.5.1. It is alleged that prices shown on invoices covering imports are, in some instances, only *proforma* prices and that those actually paid were somewhat less. This could be clearly possible in the case of Norway where subsidies to the fleet are believed to amount to 100 million ECU per annum. The Commission has never been provided with concrete evidence regarding such allegations. This is hardly surprising as the only way that such infractions could be discovered would be by spot checks being carried out by the customs

authorities of a Member State on the actual premises of an importer. There would have to be grounds for reasonable suspicion but such checks are already being carried out in the case of raisins where a minimum import price applies. Consequently, it is recommended that equally stringent checks be carried out in relation to the importation of herrings. These checks must include better policing of quantities actually landed as opposed to those declared as being landed.

If all third country registered vessels landing fish in Community ports had to be calibrated in the same way as are Community vessels, this would make such checking easier.

2.5.2. Whilst a countervailing duty can be applied, based on the difference between the reference price and the free at frontier price (as defined under Article 21.4 of the basic Regulation) difficulties arise in that imports from a specific third country must remain below the reference price for three consecutive market days. In turn a duty is laid on Member States to promptly report the actual prices at which herring are being imported. Otherwise no action is possible. In practice, by the time reports are received and collated, the market has already been disturbed and it is too late to take action.

2.5.3. As the present system does not work it is suggested that an examination be made of possible changes such as:

— disturbance being based on quantity and/or price and applied to the market in each Member State,

— that there be a reference price for each Member State, as far as imports are concerned,

— that disruption can be said to have been caused even if supplies originate in more than one country,

— how Member States be empowered to apply the countervailing duty promptly.

2.5.4. Nevertheless, as any changes in the reference price system will only make a small contribution to resolving the problems of the herring market, care must be taken to see that they do not cause difficulties in respect of the importation of other species necessary for the efficient operation of the Community processing industry.

2.5.5. Finally, it has to be pointed out in respect of reference prices that, despite strong suspicions that fleets catching herring subsequently imported to the Community are being subsidized, the Community does nothing to counter what, if true, are clearly distortions of free competition.

After an investigation, the government of the United States closed its borders to Canadian fish until subsidies were removed. The Committee does not know what the situation is in relation to Canada and the EEC. However, it cannot be fair that whilst Canada can export to the Community, Community fleets are excluded from Canadian waters.

It is recommended that an investigation be mounted into subsidization of all those fleets which enjoy quotas allowing them to send supplies to the EEC. Should unfair practices be discovered then supplies from that country should be excluded or, subjected to a countervailing duty, until the matter is remedied. The alternative, should this prove impractical and conciliation procedures fail, would be for the Community to request the establishment of a GATT panel to investigate this matter.

2.5.6. The Norwegian system whereby arrivals and landings by Community vessels are controlled does appear to have had a substantial effect on returns in that country. It would therefore seem both sensible and logical to apply the system in reverse.

2.6. It would appear that negative solutions, of whatever kind, will not provide more than a marginal answer. What is needed are more positive attempts by Community producers to supply the quality that processors require.

Historically, most herring used for processing was caught in the North Sea (zones IV and VII d). A best estimate of the annual requirement of the Community processing industry is plus or minus 300 000 tonnes. Claims are made that up to 40 to 50 000 tonnes would be of a quality to provide a suitable alternative to imports, were the situation pointed out in 2.4 properly resolved.

More investigations are clearly needed in respect of this matter.

2.6.1. This raises the question as to whether, in a situation of overabundant supply, there is still a need for quotas to be allocated to individual states in those areas where supplies are abundant. A case could be made for setting an overall TAC in those waters and allowing those states who have genuine outlets i.e. deep frozen herrings for export, to have the opportunity to catch their total requirements. Council, with whom the ultimate decision lies are asked to examine this question.

In view of the very real difficulties that would lie in reaching a decision, an intermediate solution would appear the negotiation of quota swaps between the Member States concerned, with or without reciprocal concessions.

In any case with a complete review of the quota system due in time for the end of 1992, it might be better to leave more fundamental decisions until the commencement of such a review.

2.6.2. The question of size does raise a problem in that the North Sea herring, which was at one time widely used for kippering, is now regarded as too small for this purpose and imports are used in their stead.

Attention must be directed as to how consumers can be made aware of the good flavour of the North Sea herring so that processors once again have an incentive to use them.

2.6.3. Size is not the sole criteria when it comes to processing. Fat content is all important. Also important is handling on board ship (protection against sunlight, wetting and fast chilling and careful handling) rancidity being a problem with herring. Attention is drawn to Table 2 of document COM(84) 629 final, which clearly explains the varying requirements of the industry.

2.6.4. Although there are notable exceptions, it is unlikely that the industry will carry out the necessary measures to improve standards of their own volition. The Commission's intention to table proposals in the area of fish hygiene and marketing are therefore welcomed in principle. Perhaps also, consideration should be given to the introduction of a quality mark, as has been done for fruit, which gives the consumer confidence in product quality.

2.6.5. It is also recommended that much stricter policing of landings and quality standards for all herrings be carried out by Member States.

3. Development of intra-Community trade and of domestic consumption

3.1. The Commission makes several concrete proposals under this heading.

3.1.1. Introduction of a regional withdrawal price as provided for in Article 12.2 of Regulation (EEC) No 3796/81, to assist those producers in landing areas far distant from the main centres of consumption. This would particularly enable them to supply processors at competitive prices and still obtain a proper return for their activities and such a system has previously been applied to a number of species including mackerel and at one time to herring.

There would appear to be both political and commercial objections on the grounds that:

— it would distort competition,

— it would only have a marginal effect upon the problem,

— it would be a step backward from the principle of unified prices in the run up to 1992.

The second objection may have merit but the other two are flawed. In considering the first, the distortion of competition, it must be remembered that there are groups of wholesalers and processors who are in a strong position in relation to producer organizations and can in consequence force prices down to uneconomic levels. This incidentally also has the serious effect of reducing the incentive of the fishermen to present their fish in the best possible manner. Clearly such interests would like the present situation to persist. Additionally, it should be pointed out that the main problem now and in the forseeable future is with distortions caused by third country imports.

It cannot be said that regional variations in price would be a step backward in a situation where they already exist: between 288 ECU per tonne in Denmark and 165 ECU in the United Kingdom in 1986. This situation is likely to persist whilst the market price roughly equates to the withdrawal price as the difference is largely accounted for by the cost of transport to major markets.

On the other hand such a major departure should not be contemplated without the most exhaustive evaluation of cost/benefit effects. The Commission are therefore recommended to define the regions affected and to undertake the necessary studies with the least possible delay.

Preferably the study should be widened to see if measures under Regulation (EEC) No 355/77 and successive legislation to induce the establishment of more processing facilities where surplus stocks exist might prove either a more cost effective solution or one that might be complementary. The fact that the herring would have had value added through processing might lead to a situation where transportation costs became more bearable when expressed as a percentage of product value.

3.1.2. Widening the fourchette or margin of tolerance on the withdrawal price.

There is currently a 5% positive and 10% negative margin although it has now been agreed to extend this at the positive end. This question clearly cannot be separated from that of regional withdrawal prices. In the absence of the latter there would appear to be a case for a widening of the margin to 10% positive and as much as 20% negative, even though this would be difficult with the financial compensation limit set at 85% of the withdrawal price. Nevertheless, whilst providing some assistance, this would only have a marginal effect on the problems of the industry, possibly even

shifting the problems within the Community to different areas.

3.1.3. It is noted that the Council has agreed to include herring in the list of species to which the carryover premium can apply. Nevertheless it is not felt that this will deal with the real problem. In addition, 80% of the quantities taken into consideration for the carryover premium are included in the financial compensation scheme when fish are withdrawn from the market.

Presently the rules governing the carryover premium are extremely restrictive (see Article 14 of the basic Regulation). Only 15% of annual quantities landed can qualify, also various processing methods have to be used which could cause difficulties. Such facilities cannot be maintained on the basis that they will be used infrequently and in an unpredictable manner. Consequently the facility of the carryover premium has seldom been used for species presently covered.

Whilst a review of the regulation covering the carryover premium may be overdue, it is doubtful whether any changes would materially assist the stabilizing of the herring market. Where supplies with the correct fat content and other characteristics are being landed, processors are already buying in stocks to enable them to continue processing throughout the year. Thus, even were sufficient storage capacity available, it is more unlikely that a better market situation would exist when stocks were put back onto the market.

On the contrary, in view of the over-supply, after some time newly-landed catches would face competition from herring which had benefited from the premium. The overall effect of this would be to depress prices.

Thus any further change or refinement in the Regulation would only be effective if brought into force at the same time as measures to improve the capacity of the processing industry. It is important that any successive arrangements to those laid down in Regulation (EEC) No 355/77 maintain the same width of application, preferably with enhanced funding.

3.2. Other alternatives being canvassed include:

3.2.1. More research into how to improve quality standards. This is essential if consumers are to have more confidence in the product. The Danish and Dutch are already carrying out research in this field. It would appear that a complementary Community research programme, in this area, would be beneficial.

3.2.2. Easing the effects, even temporarily, of the system of degressive payments. Having examined the problem it has been concluded that a widening of the fourchette, as recommended in 3.1.2, is a much more responsive mechanism and consequently preferable.

3.2.3. The problem of klondijking has to be addressed particularly as it has led to a reduction of export opportunities, particularly in Eastern Europe. Nevertheless, it is important that the Community does not over-react.

Although it is true that prices obtained in selling to Klondijkers are not high, they do, given sensible controls, provide a safety valve in conditions of abundant supplies. Also the geographical location of some of the herring ports means that there is no substitute for factory vessels if the catch is to be processed. During the last twelve months a tripartite committee has been in operation in Ireland. This has representatives of catchers, processors and the Government. Licences for Klondijkers are only issued when it is agreed that a situation of over-supply exists. Even then licences are only for a period of 24 hours, stipulate the port where loading can take place and specify the vessels which can make supplies. Such system, if it were generally applied, taking into account that different regions have different problems, could bring a beneficial system of control into effect.

A growing number of EEC fishing concerns are beginning to practice klondijking. Both advantages and disadvantages arise from this situation, which will need the urgent attention of the Commission and the Council.

3.2.4. The basic problem with the Community herring market is that except for a limited period of the year when there is a good demand for the supply of matjes or virgin herring for processing, there is an unhealthy dependence on one Community market. Whilst no blame can attach to the Member State in question, it is an inevitable consequence of such a situation where there is one predominant customer that there is a degressive effect on prices. Consequently the major priority must be to broaden the market which will, of itself, increase competition between processors and therefore market returns for the catchers.

3.2.5. It is important that arrangements be made to counter the damage to consumer confidence caused by misleading media comment as in the case of nematodes. To this end, contingency plans should be made in conjunction with Member States to enable rapid counter-action to be taken.

4. Introduction of promotional measures with a view to increasing domestic consumption

This would seem a positive avenue to explore. The world 'promotional' as used in the Commission report

should perhaps be replaced by 'marketing' as research and new product development, as well as the improvement of raw material standards already referred to, would all play a part. Advertising alone is unlikely to be a solution. To revive the consumption levels of the early 70's would help (circa 640 000 tonnes in 1975) but, in some markets there has been a secular decline in fresh and smoked herring consumption since the first two decades of this century.

It must also be remenbered that we may be seeing the need in the future to dispose of up to 800 000 tonnes per annum.

In such a situation, there must be surprise at the Commission's lack of urgency in trying to improve the climate by promotional measures. In particular why it took until 26 July 1988 to table implementary measures under Articles 29 (3) and 31 (2) of Regulation (EEC) No 4028/86 although the Council had earlier agreed to the allocation of promotional funds.

It is to be hoped that now action has been taken, funds allocated will be sufficient to achieve the necessary objectives. Looking at the size of the fisheries budget this would appear doubtful. Consequently, the importance to the peripheral regions of this programme should be taken into account and perhaps additional funds allocated from the enlarged regional and social funds.

It would also seem logical that they be extended to cover sales outside the Community. If it is felt that this goes beyond the purpose of the original Regulation, then perhaps national aids could be allowed for this purpose, subject always to prior Commission approval.

4.1. If herring consumption is to be increased then new products have to be introduced that meet the desires of today's consumers. Market research has shown that younger housewives do not like handling and preparing certain forms of whole wet fresh fish in the kitchen. This particularly applies to herring with its definite aroma. Older housewives lost the habit of purschasing fresh herring during the shortages of the 1970's. Thus there is no realistic chance of reviving traditional consumption levels of fresh herring. Additionally, other developments in the field of hygiene regulations will make it impossible to place fresh herring on the market in at least one Member State, previously a major consumer.

4.1.1. The only realistic options are:

— the development of new convenience foods which have herring as a major ingredient,

— the introduction of herring in a form whereby it is ready for cooking i.e. whole but gutted and prepared, with added garnish such as peppercorns, etc.

In the meantime only limited generic advertising with a high below-the-line component (in-store demonstrations, etc.) is likely to prove cost effective.

4.1.2. It has to be recognized that these products will be trying to enter a highly competitive market, i.e. that for grocery where buying is highly centralized. Only if major supermarkets and catering outlets are prepared to stock these items will significant additional sales result. In turn, especially in the case of supermarkets, they will only place the goods on their shelves if they believe that they will attract the housewife and they are supported by a heavy level of promotional activity. In practice this means that only if major food manufacturers see that this is a profitable area to exploit will this exercice be successful.

4.1.3. This process is too important to be left to chance. The Commission is recommended to fund product development research in independent institutes. When products emerge from this process pilot market research studies should be carried out to guage consumer response. When favourable in respect of a particular product or product group, the test results should be communicated on a transparent basis to all associations of food manufacturers within the Community.

4.1.4. When products are introduced following the above exercise it will be for the Commission to judge whether or not further support is required in order to ensure the successful lauch of the products in question. This is likely to have to be decided on a case by case basis.

4.2. Claims have been made that a substantial market for herring, of the correct quality, could exist in southern Member States. This is felt to be questionable as the product would have to be frozen and, as such, compete with locally caught fresh fish. Nevertheless, no potential market opportunities should be dismissed without investigation.

It would seem feasible for the Commission to have a market study undertaken to judge the true potential. Great care, however, must be taken to ensure that a market for herrings is not developed purely at the expense of other varieties in surplus such as sardines. Some concern must be expressed at the potential advertising costs of developing what is effectively a new market.

5. Export refunds and the encouragement of exports

5.1. The recent export achievements of one Member State, made on a fully commercial basis, show that

a widespread scheme of export refunds is probably unnecessary. On the other hand evidence has been presented which shows that if there was a limited scheme providing export refunds on a reducing basis over a five year period, this could be of value. Processors once engaged in exports would be likely to continue as they have with mackerel on a marginal cost pricing basis but would not sell at such prices in the first instance when they would have all the additional costs of establishing a market.

5.2. There is a case for considering the provision of funds for the general advertising of herring to the trade and consumers in both new markets and those where Community sales are presently at a low level.

5.3. Such funds should only be allocated for frozen products from shore-based processors using fish caught by Community vessels or both caught and processed on board the same Community vessel.

5.4. Additionally it would seem that there are markets for frozen and canned herring in both undeveloped and Middle East markets where an unsatisfied demand exists. On the other hand serious problems of finance and, in some countries, difficulties with receiving authorities effectively prevent this trade materialising. The financial problem could probably be overcome by some form of insurance scheme partially or wholly financed by premiums payable by the exporters. Those with receiving authorities clearly need attention from the Council and Commission so that they can enter into bilateral negotiations with those markets where the problem exists.

6. Industrial fishing

6.1. Whilst industrial fishing for herring is only occurring in one area on an informal basis, it would be more satisfactory if this were properly regulated and provision made for future industrial fishing.

6.2. If in future a point is reached where there is a TAC, purely as an example, of 700 000 tonnes in Community waters with an underutilized portion in excess of perhaps 100 000 tonnes, the situation would be different. Particularly as the fishmeal industry is developing products with a higher added value and in consequence has a brighter economic future in the medium term.

6.3. Even so, full account will have to be taken of environmental considerations as well as those of fishery conservation. The situation in regard to the North Sea sprat will have to be taken into account at the time.

6.4. The strictest control measures are already and in the future clearly necessary and should, as a minimum, include the following provisions:

— The administration should be clearly under national control.

— Boats should be individually licensed.

— These boats should be engaged in normal fishing but allowed an additional quota which can be supplied for industrial purposes.

— All deliveries to fishmeal plants should be regarded as being of herring and counted against this quota unless the vessel in question requests specific inspection to show that another species, i.e. gurnard is being landed.

7. Alternative uses

The Committee is not in a position to make a major contribution in this area. For example, it is unable to comment on the Commission's imaginative suggestion regarding the use of herring gonads in the treatment of Aids.

On the other hand, there are certain areas in which positive action could be contemplated;

7.1. Making the knowledge of the possibility of using herring instead of white fish in the production of Surimi more widely known, as this is a rapidly growing market.

7.2. The encouragement and even possible support of the research already being conducted into the wider use of fish oils for pharmaceutical purposes. In New Zealand and in Canada successful advertising campaigns have been carried out to the public to promote the varieties of Omega H3 in lowering cholesterol levels, etc. which had a positive effect on the consumption of fish oils. This would be particularly useful in the utilization of smaller-sized fish.

7.3. It is understood that there may be a greater use of fish oils as an ingredient in food products because of considerations of health. Investigations should be carried out to see how this could be encouraged.

7.4. The increase in fish farming, particularly of salmon, means that there is an increasing need for fishmeal to feed the stock. At current rates of growth, Ireland, in two years' time, will need 150 000 tonnes of herring if this were used as the sole feedstock. This would obviously provide an additional usage providing a high value product even at second hand.

8. Social factors

In all matters related to fisheries, it is to be remenbered that one fisherman at sea supports six jobs on shore. When looking at the herring market particularly in Ireland and Scotland, which accounts for over 95 % of the United Kingdom catch, and Northern Denmark, this activity is being conducted in peripheral regions. It is therefore a vital source of both employment and revenue. In Northern Denmark it would appear that at least 25 % of all employment is dependent on the herring industry.

Through various factors including the problems with nematodes in Germany, the Irish industry is also facing grave problems to the extent that at least two processing factories have closed their doors. There is virtually no alternative employment in this area.

8.1. The Community has to decide whether it is going to allow the present virtually unrestricted level of imports (70 % of these are landed in Denmark) so allowing the local industry to gradually wither away, or take action. If not, it will then be faced with the problem of spending considerable sums of money in order to try to attract alternative employment.

8.2. It would seem better whilst avoiding wholesale subsidy to see what could also be done through the Regional and Social Funds to prevent this totally unsatisfactory situation arising.

9. Conclusions

This investigation has clearly demonstrated that there are no instantaneous or miracle solutions. Nor that tinkering with the Community mechanisms governing the herring market will have more than a marginally beneficial effect. Our recommendations are:

9.1. The customs nomenclature should be altered so as to distinguish between whole herring and herring flaps.

9.2. GATT quotas should be expressed in terms of whole equivalent.

9.3. A TAC should be allocated in zone 2 a where herring of the quality required by the processing industry are located.

9.4. Greater attempts should be made to enforce quality standards on imports, particularly those arriving by road transport.

9.5. Arrangements whereby substantial quantities of herring, over and above GATT quotas, are permitted to be imported duty free, should be renegotiated.

9.6. Customs authorities of the Member States should carry out stringent checks on the premises of importers to see that the regulations regarding the reference price are being observed.

9.7. All vessels from third countries landing fresh or processed on board fish at Community ports should have to be calibrated in the same manner as Community vessels.

9.8. To avoid disturbance of the market by imports, changes of the nature of those suggested in 2.5.3 should be examined.

9.9. Either investigations should be instituted into unfair subsidisation of imports or a request should be made for the establishment of a GATT panel to examine the matter.

9.10. There should be a system of control on the arrivals and landings of fishing vessels from third countries.

9.11. A quality mark, as in the case of fruit, should be instituted for herrings meeting strict quality criteria, so increasing consumer confidence. This should go hand in hand with the much stricter policy, of existing quality standards.

9.12. The Commission should examine the cost/benefit effects of introducing a regional withdrawal price system as provided for in Article 12.2 of Regulation (EEC) No 3976/81. This should be combined with a study as to whether the encouragement of more processing facilities in areas where surplus stocks exist might be helpful.

9.13. A widening of the fourchette as suggested in 3.1.2.

9.14. Measures to make the carryover premium more effective by encouraging the expansion of the capacity of the processing industry should be instituted.

9.15. A Community research programme into the improvement of quality standards should be instituted.

9.15.1. To inhibit a repetition of misleading scares like that concerning nematodes, the Commission in conjunction with Member States should devise a contingency plan for bringing the truth rapidly before the public.

9.16. Licensing of Klondijkers, in a manner roughly equivalent to that used in Ireland, should be considered, as should the situation relating to Community Klondijkers.

9.17. As funds under Articles 29 (3) and 31 (2) of Regulation (EEC) No 4028/86, for promotional measures are likely to prove insufficient, additional amounts from the Regional and/or Social Fund should be allocated in qualifying regions.

9.18. The scope of the promotional programme should be extended to allow the use of funds with proper safeguards, outside the Community.

9.19. The Community should fund research into the development of new consumer products based on herring and the results should be communicated to associations of food manufacturers in Member States.

9.20. The claim that a market for herring exists in southern Member States should be examined by means of market research.

9.21. Export refunds should be provided under the conditions recommended in sections 5.1 to 5.3.

9.22. Means of overcoming the obstacles to the export of frozen and canned herring to Middle Eastern markets and underdeveloped countries should be devised.

9.23. Provision should be made for the possibility of industrial fishing be allowed in the future and the existing system regulated.

9.24. The encouragement of alternative uses for herring and herring oil in surimi, pharmaceutical products and foodstuffs should be undertaken positively.

9.25. The use of herring as a feedstock for fish farming requires consideration.

9.26. Early attention must be given to the social problems that would arise in the peripheral regions due to a further decline in the herring industry and appropriate measures taken as a matter of some urgency. Particularly as it will take time for the adoption of the majority of the other recommendations to take effect.

Given the imagination and the will of both Commission and Council it is believed that a positive programme can be developed in respect of the Community herring market. It is essential that such a valuable food resource providing vital employment in peripheral areas is not allowed to go to waste.

Done at Brussels, 27 October 1988.

The Chairman

of the Economic and Social Committee

Alberto MASPRONE

Opinion on the demarcation of wine-growing zones in the Community

(88/C337/10)

On 28 January 1988 the Economic and Social Committee, acting under the fourth paragraph of Article 20 of its rules of procedure, decided to draw up an own-initiative Opinion on the demarcation of wine-growing zones in the Community.

The section for agriculture and fisheries, which was responsible for preparing the Committee's work on the subject, adopted its Opinion on 6 October 1988 in the light of the report by Mr Margalef-Masia.

At its 259th plenary session (meeting of 27 October 1988), the Economic and Social Committee adopted the following Opinion with no votes against and 2 abstentions.

1. The future classification of EC wine-growing zones must not merely reinforce the present situation but constitute a basic instrument of future wine-sector policy.

2. The purpose of this classification is to pave the way for the development of a policy on the siting of Community vineyards which, taking into account the climatic features of the various zones, results in natural, high-quality products and a wine-growing potential which is in balance. It is therefore basically a means of differentiating production conditions in the various zones.

3. This is of capital importance in protecting zones particularly suited to wine-growing, but with due regard for traditional practices in the various zones.

The rules of enrichment and on minimum natural alcoholic strength will therefore be graded so as to avoid excess output, and thus ensure a better balance on the market.

4. Although the terms zone and category must not be confused, their inter-relationship has to be borne in mind.

5. The first element to be taken into account is the ability of the vine to complete its growth cycle and produce sufficiently ripened grapes in the various wine-growing zones.

6. Although the quality of the wine derives from several factors: acidity, aroma, polyphenol, dry extract, etc., the natural alcoholic strength, which depends on the degree of ripeness and the quantities produced per unit of surface area, is especially important when setting zone boundaries.

7. Therefore the Committee attaches particular importance to the climatic conditions which combine to produce the minimum natural strength as a guide for the demarcation of zones.

8. Although classification would seem, in the light of the preceding comments, an excessively complex undertaking, the Committee hopes that it will be possible to avoid any undue complexity which would delay unreasonably the demarcation of zones in the Community of 12.

8.1. Account must be taken of the experience gained from the zone classification carried out before the enlargement of the Community and which was well received.

8.2. The general principles which guided this classification should therefore be used as a basis for extending the classification to the new Member States. Fairness must be a primary concern, as stressed in the Committee's previous Opinion on the subject, but for a twelve-member Community, and in the interests of fairness, the criteria should be refined to take account of the specific features of the new Member States.

8.3. The Committee attaches special importance to the following classification criteria, in alphabetical order:

— altitude,

— latitude,

— rainfall,

— sunshine, and

— temperature.

9. The Committee regards those vineyards classified as quality wines produced in specific regions (psr) as special cases.

9.1. The demarcation of quality wines psr areas has for a long time been carried out on the basis of traditions and practices and has resulted in unique products much sought after the consumer.

9.2. Vineyards producing quality wines psr situated in the various wine-growing zones must, however, be suitable for producing wine meeting at least the minimum criteria (as regards in particular sugar content) from grapes used for producing table wines in the zone in question.

The fact that the specific rules covering certain quality wines psr call for distinctly stricter criteria does not imply a change of zone.

10. The Committee would like the Commission to draw up a preliminary report to speed up the work. It has the following proposals to make regarding the method required to classify and demarcate the wine-growing zones within a reasonable period:

— Establishment, with the assistance of institutes and associations specialized in climatology, of uniform climatic zones taking particular account of factors mentioned in point 8.3.

— Comparison of these zones with present EC demarcation.

— Review of anomalies between the two zone demarcations.

— Corrections to be made to present prescribed demarcation by means of accurate geographical maps with a projection of existing wine-growing zones.

— Application of the same demarcation methods and criteria to new Member States.

— Notification of proposed zone demarcation and classification or corrections to national and regional authorities and non-governmental organizations.

— a) Establishment of a general EC zone demarcation map;

— b) Establishment of more precise zone-by-zone maps with superimposition of those areas under vine when the map was prepared.

10.1. From the information provided by the Commission on the state of preparatory work, the Committee has the impression that things are going too slowly.

The Committee calls upon the Commission to speed things up as much as possible so that the new rules are ready for presentation within one year.

11. The Committee considers that monitoring changes in the area under vine in the various EC zones could be a considerable help in controlling the EC's wine-growing potential.

12. Of course, the Committee reserves the right to issue a detailed Opinion on the matter once the Commission has presented its proposals for a regulation, and to express its views before then if the Commission decides to produce any background and/or discussion documents.

Done at Brussels, 27 October 1988.

The Chairman

of the Economic and Social Committee

Alberto MASPRONE

Opinion on the proposal for a Council Directive on the approximation of the laws of the Member States relating to machinery [1]

(88/C 337/11)

On 15 January 1988, the Council decided to consult the Economic and Social Committee, under Article 100 A 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 September 1988. The rapporteur was Mr Perrin-Pelletier.

At its 259th plenary session (meeting of 27 October 1988), the Economic and Social Committee adopted the following Opinion by 119 votes to 2 with 15 abstentions.

The Economic and Social Committee endorses the proposal for a Directive and an amendment on woodworking machines submitted in the course of its work, subject to the following comments:

1. General comments

1.1. Since the adoption by the Council on 7 May 1985 of a Resolution on a new approach to harmonization, the Commission has submitted several proposals under the programme set out in the White Paper. Some of these (pressure vessels, toys) have already been adopted by the Council, while others are still under discussion.

The sector covered by the draft Directive under review is vital for completion of the barrier-free market and for the development and application of the new approach.

Application of the principles laid down in the Council Resolution has varied considerably so far. Apart from the Resolution setting out options, the Commission proposals take account of each sector's specific features.

1.2. The aim of the draft Directive under review is to ensure free movement of the machinery and other apparatus which it covers. The Committee is aware that this is very important for completion of the single Community market by 1 January 1993. At the moment trade is hampered by the differences between national rules and regulations governing the design and manufacture of machinery. These rules and regulations, which generally come under labour law, supplement the rules and regulations governing working conditions.

However, since the draft Directive is based on the 'inherent safety' concept and reflects the new policy of restricting Community legislation to the definition of essential health and safety criteria that are entirely preventive in nature, the Committee considers that the draft Directive is also a vital ingredient of Community social policy.

Nonetheless, it goes without saying that this social policy will not bear fruit unless the Commission does as it says it will in its explanatory and financial memoranda and creates the funds required for the standardization work and the procedures required for informing and consulting the social partners.

The Committee welcomes the fact that the Commission is proposing a series of Directives, including one on the minimum health and safety requirements for the use by workers of machines, equipment and installations. These interrelated Directives will have to be fully consistent so as to ensure a high level of safety at the workplace.

The Commission's determination to ensure this high level of safety can be seen from the fact that the 'essential requirements' are to be based on the concept of 'inherent safety', by which hazards are eliminated during the design and manufacturing stages. This principle has two consequences which the Committee feels it must underline subject to the comments made below in 2.3 and 2.5:

— Firstly, the possibilities available during the design and manufacture of new machines are not necessarily available after manufacture. Thus, the Committee has reservations about the provisions in the proposal which might be interpreted to mean that existing machinery can be made to conform with the Directive; the end of Article 2 (4) or Article 4 (2), in particular, could be interpreted in this way.

At a more general level, making the importer (or the manufacturer's authorized representative in the Community) or even the user responsible for a machine's conformity prior to the affixing of the EC mark would be a serious derogation from the 'inherent safety' principle. Therefore the manufacturer himself, whatever his country of origin, and not an intermediary, should bear sole responsibility for the declaration of conformity [Art. 8 (b)] and the affixing of the EC mark (Art. 9).

[1] OJ No C 29, 3. 2. 1988, p. 1.

— Secondly, by definition, machines in service before the Directive's entry into force and old machines put on the market after that date cannot be made to conform. The Committee notes that improvements to machines in operation come under the machine users' proposal and that the Commission plans to draw up another proposal for second-hand machines.

1.3. The proposal's field of application is very wide and vague.

The Committee notes that some of the equipment excluded is to be re-inserted in accordance with Article 149 (3) of the Treaty. It would point out, however, that not all machines are intrinsically dangerous to the same extent. Thus, extremely dangerous machines should be covered by their own essential requirements and be subject to advance checks by third parties. In this respect the Committee is pleased to note the Commission's amendment with regard to wood-working machines. The Committee would also ask to be consulted on any amendments in the same way that it has been consulted on the Directive, especially as the procedures for proving conformity may very well be amended, and the question of whether special procedures ought to be considered for the most dangerous equipment may arise.

The Committee also thinks that it would be advisable to be more specific about the fields of application of the present proposal and other Community Directives containing safety and health requirements relating to the design and use of equipment and, in particular, Directive 73/123/EEC of 19 February 1973 on the approximation of Member States' laws relating to electrical equipment for use within certain voltage levels (Low Voltage Directive).

1.4. The proposal is based on the 'new approach', the principles of which were laid down in the Resolution of 7 May 1985. The Committee would have liked to have at least a rough idea of the date by which the essential requirements (Annex I) will be covered by harmonized standards. The Commission is not able to provide a reasonably precise answer to this question; however, even in the best possible case the transitional period preceding the full entry into force of the 'new approach' should stretch way beyond the 1992 target date according to the Committee. The 'administration' of the Directive, especially during the transitional period, is thus of capital importance.

1.4.1. The Resolution of 7 May 1985 specifies that 'the essential safety requirements which must be met in the case of products which can be put on the market shall be worded precisely enough in order to create, on transposition into national law, legally binding obligations which can be enforced'. The Committee is aware that the direct application of the essential requirements may pose difficulties and in the final analysis may even create barriers if the prohibitive measures provided for in Article 7 are applied too frequently as a result of restrictive interpretations of the Member States' inspection authorities (a possibility mentioned by the Commission in the sixth paragraph of Section I, Chapter 4, of the Explanatory Memorandum).

1.4.2. Nevertheless, the Committee thinks that generally speaking the Commission proposal should make it possible to apply these requirements directly, even in the absence of standards.

1.5. At a practical level, the Committee proposes the following measures:

1.5.1. In order to simplify matters for both firms and inspectorates during the transitional period when most of the equipment coming under the proposal will not be covered by complete standards per machine category, the European Committee for Standardization (CEN) should, where necessary and when authorized by the Commission, draw up explanatory documents for each category of machine in accordance with the customary procedures indicating the essential requirements applicable (as expressly provided for in Article 8 (a)(i) and Annex I, preliminary observations, first paragraph) and, possibly, the national standards regarded as being equivalent (Art. 5).

Such a document would not only be extremely useful for manufacturers' design offices and Member States' inspectorates; it should also be a major help to the drafters of complete product standards (type C standards) for which it would form the basis.

1.5.2. Finally, the Committee would ask the Commission to establish all the conditions necessary for the planned cooperation with CEN and the European Committee for Electrotechnical Standardization (Cenelec). It awaits with interest the Commission's thoughts on how to involve the social partners more closely in the work of CEN/Cenelec.

1.6. The Committee recognizes the difficulty of assessing the economic impact of such a Directive, especially for small and medium-sized enterprises. However, such an assessment cannot simply cover the cost of non-Europe and the benefits for manufacturers of harmonized rules and regulations—and hence identical products—throughout the Member States. Con-

sideration must also be given to the important social consequences which the use of inherently safe machines will have.

This having been said, the Committee feels obliged to make a couple of comments on the matter.

1.6.1. From the manufacturer's point of view, the uniform application of the essential safety requirements will amount to the abolition of barriers to the freedom of movement between Member States. The Committee does not consider it feasible to make a distinction between Member States' products according to their level of industrialization or between products from large and small firms.

1.6.2. On the other hand, in return for users having a right to these safety standards, it is vital that these standards be respected, regardless of the origin of the equipment and especially if it comes from a non-Community country.

1.7. The Committee thinks that in order to implement the Directive a special standing committee (as provided for in the Resolution of 7 May 1985) should be established with the participation of 'experts or advisers' representing the social partners.

In the Committee's view the considerable importance which the Commission itself attaches to this proposal fully justifies the establishment of such a committee instead of simply resorting to a specialist working party of the committee set up by Article 5 of Directive 83/189/EEC laying down a procedure for the provision of information in the field of technical standards and regulations. Such a standing committee has also been proposed by the Commission for other Directives and, in particular, the proposal for a Directive on construction products. In the latter case, the Committee not only approved the initiative but also asked the Commission to ensure that interested parties, and particularly manufacturers and users, were involved in the administration of the Directive.

2. Specific comments

2.1. *Article 1 (3)*

2.1.1. In respect of Article 1 (3), some of the exclusions such as 'mobile-site equipment' are somewhat vague and could give rise to doubts as to whether some machinery do or do not fall within the scope of the Directive. For this reason the definitions could usefully be more specific.

2.1.2. In the course of its work the Committee received an amendment adding wood-working machines to the Directive's field of application. The Committee welcomes this addition and thinks that the list of exemptions should be reduced as soon as possible after the relevant trades have been consulted. It is also necessary to clarify the links with other Directives, especially the Low Voltage Directive. The Committee therefore proposes the following wording for the last indent of Article 1 (3).

> 'All machinery corresponding to the above definition and covered by an EC Directive containing essential safety requirements or technical design and construction requirements relating to health and safety in respect of the hazards covered by such a Directive.'

2.2. *Article 2*

The free movement of machinery for test purposes should be covered by a new fifth paragraph worded as follows:

> '5. Member States shall not impede the free movement and operation of machinery which does not comply with the Directive's provisions if this machinery is to be used for test purposes and not for normal production operations.'

2.3. *Article 2 (4)*

Trade fairs and exhibitions are concerned with selling, often on international markets. The display of equipment intended for non-Community countries and hence in compliance with these countries' rules and regulations must therefore be permitted.

Consequently, the Committee proposes that the scope of the fourth paragraph be extended, and suggests the following wording:

> '4. At trade fairs, exhibitions, etc., Member States shall not prevent the showing of machinery which does not conform to the provisions of this Directive, provided that an appropriate sign clearly indicates that such machinery does not conform and that prior to its purchase or use in a Member State:
>
> — either the machinery must be brought into conformity by the manufacturer or by the exhibitor if it has been partially dismantled for the purpose of being exhibited or demonstrated,
>
> — or a model complying with the requirements of this Directive must be supplied if the exhibit has been designed and manufactured for supply to a third country.'

2.4. *Article 3*

The Committee would point out that the essential requirements referred to in Article 3 and set out in

Annex I are applicable only to machines which, in accordance with Article 2, are placed on the market after the date of the Directive's entry into force. This should be made clear in Article 2 or 3.

2.5. *Article 4 (2)*

In order to dispel any doubts about the interpretation of this paragraph, it should be stated that machinery designed to be incorporated in a larger unit but which can also function by itself must be issued with a declaration of conformity by the manufacturer and bear the EC mark.

On the other hand, when a machine or an assembly of machines (within the meaning of Article 1) can only operate as part of a larger unit, the certificate of conformity and the affixing of the EC mark shall be the task of whoever is ultimately responsible for the design and/or assembly of the whole unit.

2.6. *Article 5*

2.6.1. In order to conform with Article 8, Article 5 (1) should be worded as follows:

> 'Member States shall presume conformity with the essential safety requirements referred to in Article 3 in respect of machinery bearing the EC mark and accompanied by an EC declaration of conformity issued by the manufacturer.'

2.7. *Article 6*

In accordance with 1.7 above, the Committee thinks that it is not enough to resort to the standing committee set up by Directive 83/187/EEC which does not have the powers to 'administer' the Directive. Provision must be made instead for a special standing committee of the type referred to in the Resolution of 7 May 1985.

The Committee is interested to note that it is the Commission's intention to involve the social partners in this administration. It is conceivable that the latter may wish to have a vote on this body, but it is equally desirable not to overburden this body unduly by appointing too many members.

The Committee therefore proposes that this standing committee should:

— consist of representatives appointed by the Member States,

— be assisted by manufacturers' and workers' representatives (and by consumers' representatives insofar as their interests are affected),

— be chaired by a Commission representative.

The committee shall perform the tasks assigned to it by the Commission and, in particular, must be consulted on all matters relating to the Directive's implementation. It should function within the framework of procedure III, variant (a) of the Council Decision of 13 July 1987.

2.8. *Article 7*

In the Explanatory Memorandum the Commission refers to Article 7 as a safeguard clause. This term (which is also used in the Resolution of 7 May 1985) is unclear.

The term 'safeguard measure' is in fact used in the French version of Article 226 of the Treaty to mean a 'protective measure' (and is also used as such in Article 91 with reference to dumping practices and in Article 115 with reference to commercial policy).

It would be regrettable if Member States were to regard and use Article 7 as a means of protecting their national markets. Hence the need to delete Article 7 (1) (c).

2.9. *Article 8*

2.9.1. The Committee thinks that the content of the file must be simplified to take account of the following facts:

— The development of new working conditions in design offices gives data processing the edge over written documentation.

— Is is vital for the manufacturer to retain his know-how and his manufacturing secrets. This rules out the publication of documentation not strictly necessary to prove the proper application of essential requirements and the communication of the file to authorities not qualified to know the content and not bound by professional secrecy.

2.9.2. The Committee would also point out that the expression 'authorized representative established in the Community' has a limited meaning in law and does not cover importers in most cases. Consequently, the precise location where the file can be requested should be expressly indicated in the EC declaration of conformity.

2.9.3. Finally, the Committee would question the possibilities available for applying these provisions to products from non-Community countries. However, when standards cover the 'essential safety requirements', they should permit frontier checks in application of the agreement of 12 April 1979 on technical barriers to trade and the international convention of

21 October 1982 on the harmonization of goods checks at frontiers.

2.9.4. This will undoubtedly be the case when harmonized standards are applicable to machines (or parts thereof) coming under the Directive.

2.9.5. At all events, only the manufacturer should be able to issue the declaration of conformity, as stated above (1.2, penultimate paragraph).

2.9.6. Consequently, the Committee proposes:

— the deletion of 'or his authorized representative' in the first paragraph, and in the second paragraph under (b),

— the deletion of the first part of the first sentence in the last paragraph ('When neither the manufacturer nor (...) in the Community').

2.10. *Article 9 (1)*

The next text for Article 9 (1) [proposed by the Commission under Article 149 (3)] stipulates that with regard to equipment submitted for type approval, the EC mark is to be accompanied by the identifying mark of the approved body which issued the certificate.

This approach has its dangers insofar as it may favour certain practices which encourage the purchase of equipment approved by national certification bodies and which hamper the use if not the free movement of equipment. Hence the question of whether this indication must be made expressly on the machine or only in the instruction handbook. Accordingly, it is proposed that the end of the first paragraph be amended to read:

> '... and, where appropriate, a special abbreviation indicating that the machine has undergone an EC type examination.'

2.11. *Article 9 (3)*

2.11.1. With regard to the ban on the 'affixing to machinery of marks or inscriptions that are likely to be confused with the EC mark' the Committee wondered about the possibility of using safety marks if, of course, these marks are adapted to confirm the precise application of the Directive's essential requirements.

2.11.2. The retention of existing marks could be a particularly dangerous barrier to trade, not because they would impede free movement in principle but because they could dissuade the user in view of the importance attached to them by firms' inspectors.

2.11.3. On the other hand, the safety mark regarded as proof of conformity by the Resolution of 7 May 1985 cannot be imposed on the Member States under the proposal (*cf.* Explanatory Memorandum, II.2. conformity certification).

2.11.4. However, there are reasons for asking whether, as a compromise solution between certication by the manufacturer (the basis for the Directive) and certification by a third party (as proposed for the most dangerous machines), a safety mark issued under conditions defined by the Commission to manufacturers who so wish (and therefore non-obligatory) would not permit sound implementation of the Directive without imposing undue constraints on manufacturers.

2.11.5. *Article 9 (3)*

Add a fourth paragraph worded as follows:

> '4. If a mark issued by a third party mainly serves to indicate conformity with the Directive's essential requirements, it must be approved by the Commission after the opinion of the standing committee has been sought.'

2.12. *Article 10*

Add 'or an approved body' after 'Any decision taken by a Member State'.

The legal redress offered to manufacturers in the event of a Member State contesting the proper application of the essential requirements is dissuasive, especially for small and medium-sized enterprises. So that the latter can defend their legitimate interests, a readily accessible and unbureaucratic Community procedure ought to be established.

To this end, the Committee suggests two solutions, viz.

— either the Commission is asked to propose a special Directive which will establish a Community procedure applicable to all Directives where similar problems may arise, or

— provision should be made in the present Directive for a procedure under which the manufacturer could refer the matter in the first instance to the standing committee (referred to in 2.7 above) and appeal to the European Court of Justice, the whole procedure being simplified and completely in writing if the applicant so wishes, without an obligation to call on the services of a lawyer.

2.13. *Annex I*

This annex, which lists the essential requirements to be laid down under the 'new approach', calls for few

comments on the part of the Committee, which welcomes their comprehensive coverage. However, the Committee considered that the following comments should be made:

2.13.1. The title of 1.1.2 'Principles of safety integration' must be understood in the widest sense, i.e. since safety is concerned with the protection of physical wellbeing, it covers both accident and health risks. This is explicitly stated in paragraph (a).

2.13.2. Add 'and to the uses which it is reasonable to expect' at the end of paragraph (d) of 1.1.2.

On the other hand, Chapter 2 'Additional essential safety requirements for certain categories of machines' also concerns consumer health and this should be made clear in the title by adding 'health and' after 'essential'.

2.13.3. Point 1.1.4, Lighting: the Committee proposes 'Machinery must be designed and constructed so that the working area can be properly lit ...'

2.13.4. Point 1.7.4, (b): Directive 86/118/EEC on noise will not enter into force until 1 January 1990. New measures on this subject ought not therefore to be introduced, since Article 8 of this Directive makes provision for 'informative labelling' on machines.

The texts of the two Directives should, at the very most, be consistent and the sound pressure level should be 85 dB(A) as stipulated in Directive 86/118/EEC and not the 80 dB(A) laid down in 1.7.4 (f).

2.13.5. Point 2.1, (d): Bearing in mind that a Directive should fix an aim but not how this aim is to be achieved (which is the purpose of standards), the words 'have curves of a radius sufficient to' should be deleted in the second sentence.

2.13.6. Point 2.1, (f): The stipulation may be impossible to implement. What is necessary is that all parts of the machine are accessible for cleaning so as to remove stagnant liquids or insects which may have become lodged there despite the precautions taken.

2.14. *Annex II*

'EC Declaration of Conformity (1)

The manufacturer .....(2)

.....

declares that the new machine described hereafter (3)

..... is in conformity:

(4) with the regulations transposing Directive ...../EC.

(5) with the machine which is the subject of EC certificate of conformity No ..... issued by
(6) ..... with standard No .....

— The file provided for in Article 8 may be obtained by the competent national authorities from ..... (7)

— The manufacturer declares that he/she has given permission to ..... to represent him/her in the Community with regard to the rights and obligations stemming from the regulations transposing the Directive (8).

Done at ..... on .....

Signature (9)

1. This declaration must be drawn up in the same language as the Instruction Handbook (see Annex I, paragraph 1.7.4), either typewritten or handwritten in block capitals.

2. Business name and full address of the manufacturer.

3. Description of the machinery (mark, type, serial number, etc.)

4. Delete in the case of application of the procedure set out in Article 8 (2) (b).

5. Delete in the case of application of the procedure set out in Article 8 (2) (a).
6. Name and address of the approved body.
7. Name and full address of the enterprise or person where the file can be obtained.
8. Business name, name and full address of the authorized representative.
9. Name and position of the signatory.'

2.15. *(new) Annex III*

Under B. 'Model to be used in the case of the application of the procedure set out in Article 8 (2) (b)' replace the identifying mark of the approved body next to the CE markt by an abbreviation (e.g. ET) indicating that the machine has undergone a type examination.

2.16. *(new) Annex V*

The requirement in Annex V that the technical construction file should include 'a description of the methods adopted to eliminate hazards presented by the machinery' highlights the absolute terms used on a number of occasions within this proposal. It is frequently impossible to foresee all hazards in that some may arise from unreasonable or temporarily irrational behaviour on the part of the operator of the machinery in question. It would consequently be more realistic to add a qualification such as 'to eliminate, as far as is reasonably practicable, hazards' both at this and other similarly appropriate points in the text.

Paragraphs 1 and 2

Delete 'or his authorized representative in the Community'.

Paragraph 3

Add 'named in the declaration of conformity' after 'or his authorized representative in the Community'.

2.17. *(new) Annex VI*

This annex defines the EC type examination—a procedure which is already to be found in other texts and, in particular, Directive 84/528/EEC and Directive 84/532/EEC. For the sake of Community regulations' credibility, it would be extremely desirable for procedures bearing the same name to be identical or at least to be harmonized. The Commission has every right to lay down and update rules and regulations in the light of experience but there should be no disparities between texts which are bound to raise doubts or create misunderstandings.

Article 9 (1) talks about 'the approved body which issued the EC type certificate'.

The term 'approved' should therefore be used throughout the Directive, and be substituted for 'agreed' in point 9 of Annex VI.

In the second paragraph of point 2 add 'or, if necessary, by an indication of the place where the machine can be examined' after 'a machine representative of the production planned'.

Done at Brussels, 27 October 1988.

The Chairman

of the Economic and Social Committee

Alberto MASPRONE

Opinion on the proposal for a Council Directive on the aproximation of the laws of the Member States relating to personal protective equipment [1]

(88/C337/12)

On 28 April 1988, the Council decided, in accordance with Article 100A of the Treaty establishing the European Economic Community, to consult the Economic and Social Committee on the abovementioned proposal.

The section for indusrty, commerce, crafts and services was instructed to prepare the work on this topic and adopted its Opinion on 5 October 1988. Rapporteur· Mr Pearson.

The Economic and Social Committee, at its 259th plenary session, meeting on 27 October 1988, adopted unanimously with 2 abstentions the following Opinion:

1. Introduction

1.1. The Committee welcomes the Commission's intentions in tabling proposals on this important matter and in giving detailed consideration to the problems of implementing the approximation of similar levels of personal protective equipment (PPE). It supports the Commission's efforts in line with the fulfilment of the single European market and recognizes that they are also in line with, and a major step forward towards, the social aspect of the Single European Act (SEA). It nevertheless sees practical problems in the implementation of many measures.

1.2. The Committee believes that small and medium-sized industries should not have problems in accepting the standards which will apply in their area of operation.

1.3. The Commission's proposals are in conformity with the 'new approach towards technical harmonization and standards' within the Community. Standards, whether they be set by the European Committee for Standardization (CEN), the European Committee for Electrotechnical Standardization (Cenelec) or other competent bodies, need to be developed on the basis of the requirements of the Directive. These standards are then implemented in each Member State. In the setting of such standards, employers, workers and consumers should be involved.

1.4. The proper protection of users of this equipment is of prime importance and the justification in the introduction to the Commission document is neither precise enough nor convincing in certain detailed areas. In its concern to ensure the free circulation of goods and the withdrawal of barriers to trade within the Community by 1993 the Commission's introductory remarks fail to give adequate consideration to the minimum requirements for the health and safety of persons which are of paramount importance.

1.5. The Committee is pleased that there is a proposed parallel Directive [doc. COM(88) 76] dealing with the social, health and safety aspect of the use of personal protective equipment, believing that the relationship between Articles 100A and 118A of Treaty of Rome as modified by the Single European Act is important to be maintained.

1.6. The Committee noted that the Commission had conducted a survey which, it states, revealed considerable differences between Member States on the subject of personal protective equipment. The Committee believes that it would be of value if the facts of this survey were to be made public together with insurance claim statistics, in order that a close assessment can be made of the most vulnerable situations, enabling an improvement in safety and protection of the users.

1.7. The Directive requires the removal from the market of equipment which could compromise safety. It fails however to point out the penalties which should apply when such products are nonetheless placed on the market. The liability of the manufacturer may not be sufficient if the item is produced to a specification not of his design. It is still not clear where the legal liability for defective products lies in relation to certification [2] and it needs to be clearly stated who must bear responsibility for payment of compensation in such cases.

2. General comments

2.1. The Committee sees the current position as one where each Member State has its own range of Regulations which vary in degree and level between those Member States Other « new approach » Directives provide for a single Standing Committee (the Directive 83/189/FFC Committee) to advise the Commission on implementation of the Directives The Economic and Social Committee has consistently recommended the

[1] OJ No C 141, 30 5 1988, p 14

[2] OJ No C 169, 8 7 1985, p 15

creation of a separate more specialized Advisory Committee for each major Directive and recommends that such a Committee be set up in this instance with the participation of the social parties referred to in 1.3 above.

2.2. It is likely that at the outset any such specialized Advisory Committee will have to advise on levels which may be higher than those required in some Member States and lower in others. The Committee believes that the transitional period and compromise levels set at the stage can only be considered as the first step towards the objectively established higher level which should be approached as soon as possible.

2.3. The Committee sees a considerable difficulty in that the measures proposed are not confined to the workplace. It agrees with this approach. It must then consider however that the exemptions as defined in Annex I lead to confusion. The draft Directive is unclear too as to how far pharmaceutical and medical apparatus is included and there is no indication as to the relationship with other Community provisions for personal protection that are in force or are being contemplated by the Commission.

3. Specific comments

3.1. *Article 1.2.*

The definition of personal protective equipment should be expanded to make clear which medical protective aids and apparati are included, bearing in mind the draft Directive on 'Single-use medical devices' which is shortly to be tabled.

3.2. *Article 2.3.*

Whilst the Committee understands that an organization or a citizen of the Community may wish to display at 'Trade Fairs, exhibitions and the like' protoypes which may not yet have received the necessary validation of conformity, it nevertheless should be clear that any such prototypes should not be displayed unless they meet the minimum safety protection requirements for that prototype.

3.3. *Article 3.3.*

The transitional period up to 31 December 1992 for those products and equipment for which harmonized standards have not been agreed must be used with diligence so that the large range of items are included by that deadline.

3.4. *Article 6*

The penultimate recital states '... steps must be taken to ensure adequate consultation of the two sides of industry and in particular the workers' organizations in the context of the standardizations and administrative activities associated with this Directive'. Article 6 refers only to the Standing Committee created by Directive 83/189/EEC [1]. The Committee considers that the 'Advisory Committee on safety, hygiene and health protection at work' should be involved in order that the intentions quoted above are fulfilled.

3.5. *Article 7*

3.5.1. The Committee considers that the third paragraph of Article 7.1 should also include the requirement under Article 2.1 concerning, as it does, both the health and safety of individuals, domestic animals or goods.

3.5.2. Article 7.3 should make it clear that PPE not in conformity with the 'EC' mark, whether due to being below the minimum specifications required or by being wrongly marked should have the 'EC' mark withdrawn and notification of such withdrawal be published in the Official Journal and made generally known to the public.

3.6. *Article 8.3.*

In the second paragraph, footnote examples should be given to make the wording clearer—for example 'solar radiation' is intended to mean 'sunlight' and 'gardening activities' is not very precise.

3.7. *Article 13.2*

This needs redrafting to remove any requirement to keep the packaging.

3.8. *Annex I - 1, 2 and 3*

The Committee considers that as the draft Directive is intended to include all persons (see 2.3 above) then the only exclusion should be that of the combattant sections of the armed forces; those involved in the maintenance of law and order should be included. The exclusions given at paragraphs (2) and (3) are not seen as acceptable without any explanation being given.

3.9.1. *Annex II - 1.1.2.*

The Committee suggests a further sentence to this indent, such as 'In any event adequate protection for

[1] OJ No L 109, 26. 4. 1983, p. 8.

the level of risk compatible with health and safety must be provided.'

3.9.2. *Annex II - 1.4.*

The Committee draws attention to the Committee's Opinion [1] on the parallel Directive [doc. COM(88) 76] which deals with the information to be supplied by the manufacturer in relation to the use of PPEs: it considers the relationship between the manufacturer and the user to be important to achieve the most effective personal protection.

3.10.1. *Annex III - Chapter I - 1*

There can be confusion here as while Article 8.1 requires that a manufacturer draw up a file, there is no obligation on the manufacturer to present the file once it is prepared. Articles 10 and 11 do require such presentation in relation to verification and to conformity.

The wording of clause I.1 b) should be altered to read '... the manufacturer's file must include sufficient data to enable the ...'.

3.10.2. *Annex III - Chapter I - 2 (a) (English version)*

The sentence should read: '(a) its conformity to the harmonized standards or other technical specifications referred to in Article 5.'

3.11. *Annex III - Chapter II*

The Committee endorses the minimum criteria set out for the Member States in appointing inspection bodies. It reiterates earlier Opinions however that mutual recognition between Member States of the testing stations and inspestion bodies should exist on a legal Community basis.

[1] OJ No C318, 12. 12. 1988.

Done at Brussels, 27 October 1988.

The Chairman

of the Economic and Social Committee

Alberto MASPRONE

Opinion on the proposal for a Council Regulation laying down provisions for implementing Council Regulation (EEC) No 2052/88 as regards coordination of the activities of the different structural funds between themselves and with the operations of the European Investment Bank and the other existing financial instruments

(88/C 337/13)

On 8 August 1988, the Council decided to consult the Economic and Social Committee, under Articles 123, 130 E and 198 of the Treaty establishing the European Economic Community, on the abovementioned proposal.

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 18 October 1988. The rapporteur was Mr Serra-Caracciolo and the co-rapporteur was Mr Amato.

At its 259th plenary session (meeting of 27 October 1988), the Economic and Social Committee unanimously adopted the following Opinion.

1. **Foreword**

1.1. The draft Regulation submitted by the Commission falls within the general context of measures taken in furtherance of Title V of the Single Act: 'Economic and Social Cohesion'.

More specifically, Article 130 A states that in order to promote its overall harmonious development, the Community shall strengthen its economic and social cohesion by 'reducing disparities between the various regions and the backwardness of the least-favoured regions'.

1.2. In line with its previous positions on this issue, the Committee wholeheartedly endorses the objective of achieving balance between the regions. This target must be pursued via a quantitatively and qualitatively appropriate investment policy capable of narrowing development and income-level gaps in the Community.

1.3. While the structural funds are merely instruments designed to remedy regional imbalances, their reform—along with new administrative criteria—is a major precondition for attaining Community-wide economic and social cohesion.

1.4. The Committee therefore reiterates that the main pillars of genuine reform of structural policies are:

— Coordination of all Community, national and regional policies, with a direct impact or at least substantial repercussions, in particular as regards employment at regional level.

— Guarantees for effective, efficient partnership with the regional and local authorities and with the operators and representatives of economic and social interests.

— Simplification, harmonization and flexibility of procedures.

2. General comments

2.1. The Committee finds it regrettable (a) that the framework Regulation has ignored a number of points raised in Committee Opinions [1] and (b) that these points have not been incorporated in the new proposals either.

2.2. However, the Committee welcomes certain provisions of the Commission proposal.

Firstly it welcomes Article 9 which provides for qualitative and quantitative additionality, backed up by arrangements to ensure its effective implementation. The concept of 'corresponding increases in total public expenditure' must be clarified to ensure that additionality does not constitute an additional burden for some Member States. The annual increase in appropriations for the Community funds must thus be matched by a net increase in public expenditure investment within each Member State.

The Committee also welcomes Article 27 (2) which provides for ex ante and ex post assessment of Community structural measures. The wholesale introduction of advance assessments is undoubtedly a step forward. Nevertheless there is a need to improve and clarify the entire supervisory arrangements.

2.3. The Committee is however concerned that a number of points to be amended are unclear, while others have been omitted.

3. Partnership: consultation and concerted action

3.1. Previous ESC Opinions on the reform of the structural funds had requested that:

— the decentralized authorities should be consulted not only when plans are being drafted and submitted, but also when Community support frameworks are being formulated,

— consultation with the economic and social partners should be extended to all structural policies.

3.2. While empowering the Member States to stipulate which authorities are to take part in consultations, Article 4 (1) of the framework Regulation does not exclude the representatives of economic and social interests.

It is unfortunate that this provision has not been incorporated and pursued in the draft Regulation.

3.3. The Committee stresses that:

— the proposal should expressly require local and regional authorities to take part in drafting national plans linked to the five objectives, in defining Community support frameworks and in follow-up and assessment procedures,

— the present Regulation must ensure that the economic and social operators are consulted on all three levels of the decision-making process (plans, Community support frameworks, operational programmes).

3.4. Economic and social operators at national, regional and local level must be involved in Community-level consultations. In defining these consultations, the Commission could expand and draw on experience with the Regulation on the integrated Mediterranean programmes (IMP).

3.5. The list of the representative bodies consulted, and possibly their Opinions, must be included in the plans submitted by the Member States, in the Community support frameworks and in the monitoring and supervisory phase.

[1] OJ No C 356, 31. 12. 1987, p. 13, and OJ No C 175, 4. 7. 1988, p. 56.

4. Committees

4.1. Previous ESC Opinions had wholeheartedly supported the establishment of a single Committee with responsibility for the three funds and for all five objectives. This Committee, the ESC felt, should be representative of all interested bodies at Community, national, regional and other levels, as well as the economic and social partners.

4.2. It has, however, been decided to set up three different committees.

The ESC deplores the ambiguities which will undoubtedly arise in linking the three committees to the three structural funds. This arrangement does nothing to solve the problem of tailoring aid from the three funds to the five objectives. It also curtails the role of the economic and social forces in the Social Fund Committee (Article 124 of the EEC Treaty).

4.3. It is essential to remedy these two shortcomings. The ESC therefore calls for the definition of a body with responsibility for assessing to what extent structural assistance is coordinated with the five objectives, while respecting the principle of partnership within the Community support frameworks. At the very least, this calls for an advisory committee, bringing together the Commission and the socio-economic interest groups.

4.4. A legal basis for such involvement could be provided in respect of the Committees concerned with objectives 1, 2 and 5 by assimilating the definition of 'representatives of the Member States' to the definition set out in Treaty Article 124 ('representatives of Governments, trade unions and employers' organizations').

4.5. In connection with the monitoring and assessment committees provided for in Articles 26 and 27 of the proposal, experience with IMPs could be used and improved with regard to the involvement of the economic and social operators.

4.6. The ESC feels that the present Regulation should focus more sharply on following points:

— The levels at which the Committees come into play, while also ensuring their involvement at regional level.

— The qualifications of the members of these committees, in the context of wider partnership.

— Arrangements for determining the physical and financial indicators to be used by the Commission for monitoring and assessing the impact of Community assistance.

— The reports to be submitted in connection with monitoring (their content is rather unclear).

5. Criteria

5.1. On the issue of the criteria for deciding which regions should receive structural assistance, the ESC notes the indications supplied for objectives 1 and 2. It stresses however that:

— as regards objective No 2 in particular, account should be taken of the arrangements provided for in Article 9 (2), second sub-paragraph, third indent of the framework Regulation (job losses—restructuring of the steel industry and other ailing industrial sectors);

— the criteria for objective 5 b should be reviewed because there are too many of them, they are not sufficiently clear-cut, and they run counter to the principle that assistance should be concentrated.

The Committee therefore refers to its earlier Opinion which proposed in respect of regions falling under objective 5 b and not covered by objectives 1 and 2, that the European Regional Development Fund (ERDF) and the European Social Fund (ESF) aid should be focused on disadvantaged islands and upland areas.

5.2. The ESC concedes that the Commission must retain a minimum of flexibility but feels that this must be exercised within well-defined parameters.

6. The integrated approach

6.1. The Committee would reiterate its support for arrangements which permit the maximum degree of synergy at regional level in terms of both partnership and coordination and multi-annual management and concentration.

6.2. As in previous Opinions, the Committee trusts that the use of this kind of structural assistance will be specifically encouraged. The proposed amendments concerning (i) the incorporation of the five objectives into the regional plans, (ii) partnership and (iii) coordination, reflect the concern to maximize the number of beneficiaries from such an approach, for example by promoting mixed regional and local economic and employment development agencies for the purpose of achieving the objectives. Moreover it should be specified that while remaining within the remit of the regional authorities, integrated operations must as a rule be geographically confined to NUTS III level whenever horizontal structural assistance is involved.

6.3. From this point of view, the Committee believes the Commission should be given more latitude in taking decisions on this approach.

7. The new procedures

The Committee demands that the various phases of the new procedure should be more clearly distinguished from one another. Clarity must be the paramount concern in the Regulation. It must be comprehensible and applicable as soon as it is published without the need to refer to subsequent implementing instruments.

7.1. *Plans*

7.1.1. The absence of a single regional plan for the five objectives is regrettable. The regions covered by objectives 2 and 5 should be incorporated into regional planning.

7.1.2. Although the framework Regulation provides for a national plan for objectives 3 and 4, there is nothing to stop them being broken down by region.

7.1.3. The level at which plans are to be drawn up should be clarified. The 'geographical level deemed to be most appropriate' can be too widely interpreted. The Committee proposes that plans concerning only one region should have to be drawn up at regional level by the regional authorities. Where a plan covers several regions or a sectoral aspect of the development of several regions, the State and all regional and sub-regional authorities concerned should, in line with the rules on partnership, be involved in drafting the plan for submission to the Commission. Article 5 (2), third paragraph, should therefore be amended: the term 'expenditure' should be replaced by 'the actions and expenditure in respect of each of the regions ...'.

7.1.4. The fact that certain issues are dealt with at NUTS III level does not prevent them from being incorporated into the regional plan, or being coordinated with regional programming where there is no regional plan.

7.1.5. Objective 5 a poses the most serious problem. The programming principle covers all objectives without exception. The prior, deliberate exclusion of objective 5 a from the new procedures is therefore unacceptable.

7.1.6. In view of the deadlines stipulated in the framework Regulation, the ESC calls for a rapid review of the agricultural regulations. In undertaking the review, the Commission and the Council should give consideration to coordinating and integrating objective 5 a more closely with the other objectives, at both plan and Community support framework level.

7.1.7. The deadline stipulated in Article 6 for submitting plans is too tight. It should be aligned on the deadlines for objectives 3 and 4 (1 June 1989).

7.2. *The Community support frameworks*

7.2.1. Although the Committee considers the Community support frameworks (CSF) to be a key component of the reform, it deplores the vagueness surrounding their legal definition. The term 'sent as a declaration of intent to the Member State' does little to guarantee the results of consultation with the parties concerned.

7.2.2. The Committee requests that the review procedure for the Community support frameworks should provide for the consultation of all interested parties.

7.2.3. It is essential to ensure that Community support frameworks tie in with the plans. The impact and significance of the CSFs will in fact vary considerably depending on whether each plan has its own CSF or whether one covers several plans or just part of a plan. The Commission proposal should further clarify the content of CSFs.

7.2.4. In the Spanish version of Title III of the draft coordinating Regulation, *Estructuras Comunitarias de Apoyo* should read *Marcos Comunitarios de Apoyo,* in line with Article 8 (5) of Council Regulation EEC No 2052/88 of 24 June 1988.

7.3. *Forms of assistance*

7.3.1. Operational programmes

The Committee attaches fundamental importance to the instrument of operational, possibly integrated, programmes.

7.3.2. Programme contracts

The Committee deplores the fact that the Commission proposal makes no reference to the programme contracts which have been successfully tried out in IMP. The Committee reiterates the importance which it attaches to this instrument and considers that programme contracts should be specified for each operational programme. They should be supported not only by the Community, the Member State and the regional or local authority concerned, but also by the other public bodies involved in the implementation of the programme.

7.4. *Assistance from the Fund*

7.4.1. The Committee is critical of the arrangements for coordination between the Funds which will in practice lead to separate administration of finances. Global programming of development needs at regional level would make for the gradual coordination of assistance by guaranteeing the requisite synergy, in particular with the European Agricultural Guidance and Guarantee Fund (EAGGF), Guidance Section.

7.4.2. The Committee deplores the absence of statistics on the contribution to objective 1 of ESF and EAGGF resources.

7.4.3. Article 14 (1) does not clearly define the connection between applications for financial assistance and the type of measures to be financed. The legal definition of 'specific operation' must be clarified and replaced by the definition of 'forms of assistance' set out in Article 5 of Regulation (EEC) No 2052/88.

7.4.4. There is some confusion between Article 13 of the framework Regulation and Article 18 of the current proposal dealing with the differentiation of rates of contribution from the Funds, since the rates can only be indicative and not mandatory.

7.4.5. Steps should be taken to ensure that proposed operations and measures proposed for funding conform to the relevant Community support framework. [The current wording of Article 14 (3) provides for conformity 'where appropriate ...'.]

Done at Brussels, 27 October 1988.

8. **Specific comments**

8.1. The Committee believes that the proposal should focus more closely and make adequate provision for a number of other points, in particular:

8.1.1. Article 3's provisions for coordinating structural fund aid and aid from the European Investment Bank (EIB) with other Community financial instruments are unsatisfactory since they do not make any practical proposals to ensure such coordination.

8.1.2. Article 33 (publicity) should give the Commission more mandatory powers *vis-à-vis* the Member States.

8.1.3. Greater emphasis should be placed on the need to focus technical assistance for regions on the most disadvantaged regions and to apply it compulsorily from the moment the plans are drafted, so that these regions derive the maximum benefit from Community assistance.

8.1.4. At no time is it suggested. that the opportunities created by Commission action in the area of financial engineering must contribute to the effectiveness of structural assistance.

8.2. With a view to the coordination of Community structural policy, the Committee stresses the need for linked deployment of all the financial instruments, in order to achieve the widest possible creation of new jobs.

8.3. When the reform is being implemented, the Commission must ensure clear-cut organizational forms providing the requisite coordination to secure the efficiency of the new structural aids.

The Chairman

of the Economic and Social Committee

Alberto MASPRONE

Opinion on the proposal for a Council Regulation laying down provisions for implementing Council Regulation (EEC) No 2052/88 as regards the European Regional Development Fund

(88/C 337/14)

On 8 August 1988, the Council decided to consult the Economic and Social Committee, under Articles 123, 130 E and 198 of the Treaty establishing the European Economic Community, on the abovementioned proposal.

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 18 October 1988 (rapporteur: Mr Amato; co-rapporteur: Mr Serra-Caracciolo).

At its 259th plenary session (meeting of 27 October 1988), the Economic and Social Committee unanimously adopted the following Opinion.

1. Foreword

The proposed Regulation contains no reference to the role to be played by regional policy in consolidating economic and social cohesion to comply with guidelines laid down in Article 130 A of the European Single Act.

The Committee's Opinion [1] on the framework Regulation confirmed that the Community's regional policy should cover:

— the running of structural activities in the abovementioned regions,

— the coordination of all Community policies with a regional impact [beginning with the common agricultural policy (CAP) and the policy for completion of the internal market],

— the coordination of Member States' regional policies,

— the coordination of national aids.

The above Opinion therefore called on the Commission to propose the legislation and procedures needed to enable Community regional policy to carry out this task. The European Parliament had made a similar request.

The Committee considers that such legislation should have been adopted in conjunction with the reform of the structural funds to make this reform more complete.

Such provisions should be urgently proposed by the Commission, which is falling behind in the implementation of Article 130 A of the Single Act (economic and social cohesion).

[1] OJ No C 356, 31. 12. 1987, p. 13.

2. General comments

2.1. The Committee endorses the Commission's proposals for boosting the effectiveness and efficiency of aid from the European Regional Development Fund (ERDF). These proposals also seem consistent both with the aims specified in Regulation (EEC) No 2052/88 and the desired complementarity and coordination of aid.

2.2. However, the Committee observes that a number of changes need to be made to the proposed Regulation to bring it closer into line with the Fund's aims and role.

2.3. The broadest possible consensus and the active support of key social and economic groups are a *sine qua non* for the success of operations, and not merely a procedural complication. Provision should therefore be made for the participation and regular consultation of these groups at the various levels and at all stages (planning, implementation, assessment). At Community level, the socio-economic groups should be representred on the advisory committee for objectives 1 and 2 to be set up under Article 17 of Regulation (EEC) No 2052/88.

3. Scope of assistance and priorities (Article 1)

3.1. The criteria governing ERDF aid should be spelled out in greater detail. Absolute priority should be given to the intensive, rapid creation of new jobs, particularly in areas of high unemployment. Specifications to this effect should be included in points a, b and c of Article 1 [2].

3.2. Investment in firms should give priority to schemes which have the greatest impact on employment, and which aim to modernize production.

3.3. Infrastructure financing in regions designated under objective 1, should place emphasis on activities designed to create 'external economies' (telematics and telecommunications networks, research centres, regional planning, etc.). However, it should not rule out projects which further social development, the quality of life, environmental conservation, or the enhancement of sites of historic, artistic or cultural interest. In certain circumstances, these are pre-requisites for economic development. As a general rule, infrastructure financing should create enough jobs, in the short term, to produce a significant drop in unemployment in the regions covered by objective 1.

3.4. It should be specified that infrastructure for areas in industrial decline (objective 2) can be built in order to create new economic activities outside the 'derelict industrial sites' themselves, provided that they are within the areas covered by objective 2.

3.5. As regards the development of indigenous potential, further clarification is needed of ERDF assistance in the setting-up and operation of organizations and corporations to stimulate economic development, promote business and innovation, and make economic use (in particular by means of tourism) of historic, artistic or cultural assets.

4. **Regional plans** (Article 2)

4.1. The regional plans covering objective 1 should, as a rule, relate to a single region at NUTS level II. Provision should also be made for plans encompassing regions in different Member States. These plans could be promoted via a joint initiative from the regional authorities concerned (or other bodies designated by the Member States) or via a Commission initiative, drawing on the pilot schemes mentioned in Article 10 of the proposed Regulation.

4.2. Plans relating to objective 2 should specify the link between operations planned in the zone in industrial decline (NUTS III) and overall development of the region (NUTS II). Consequently, a plan should be drawn up for each region (NUTS II), possibly grouping together the various zones concerned.

4.3. The plans (in the case of both objectives 1 and 2) should cover a period ranging from 3 to 5 years.

5. **Operational programmes** (Article 3)

5.1. This Article should specify that ERDF aid should give priority to integrated programmes. By its very nature, the ERDF can achieve optimum impact with an integrated approach.

5.2. All operational programmes should be run on the basis of programme contracts.

5.3. The European Parliament and the Economic and Social Committee should be consulted on programmes carried out on the Commission's initiative to comply with existing practice and thereby facilitate broader consultation of key socio-economic groups.

5.4. The Committee repeats its recommendation that the operational programmes carried out on the Commission's initiative should include a specific programme for upland areas.

6. **Part-financing of aid schemes** (Article 4)

6.1. National aid arrangements often fail to give sufficiently clear definitions of objectives and priorities regarding sectors, employment potential or the quality of investment. The Commission should require the definition of such objectives and priorities, of which Article 4 makes no mention.

6.2. The Committee agrees that decisions on how incentives are to be apportioned must take account of firms' locational disadvantages. For this reason, priority should be given to less-favoured upland and island areas.

7. **Major projects** (Article 5)

7.1. Applications for assistance to major projects should include information and data to help assess the 'social profitability' of the actual investment (also in the case of investment in firms), starting with its impact on employment and innovation. The implementing arrangements should (as in the case of operational programmes) take the form of a 'programme contract' (between the Commission, the Member State, the regional and local authorities, and the public organizations or enterprises concerned).

8. **Global grants** (Article 6)

8.1. The term 'organizations' should be understood in the widest sense, including bodies of differing legal status—such as semi-public companies. At all events, these organizations must be recognized by the relevant regional autorithies (or other autorithies designated by the Member States).

8.2. The involvement of key socio-economic groups in local development programmes funded by global grants is a *sine qua non* at all levels (planning,

implementation and assessment). These groups should therefore be consulted on the procedures referred to in Article 6 (2). Such procedures should also be agreed to by the regions concerned.

9. **Technical assistance and preparatory measures** (Article 7)

9.1. Technical assistance activities relating to the formulation and implementation of programmes should receive 100 % funding, when the Commission receives applications from a national, regional or local authority, especially if particularly disadvantaged areas are involved.

10. **Regional policy guidelines** (Article 8)

10.1. More attention should be paid to the importance and role of the regional policy guidelines which should govern the choices to be made in the Community support frameworks, and guide the coordination of all policies which have a regional impact (see Foreword).

10.2. Such guidelines should therefore be referred to the European Parliament and the Economic and Social Committee for an Opinion.

10.3. As regards the development strategies referred to in Article 8 (3), the Committee would stress the importance of upland areas, not least in order to re-establish a territorial balance within individual regions.

11. **Reports and statistics** (Article 8)

11.1. The Commission's commitment to base the Report on updated and comparable statistics should be supported by an effort to ensure that all the statistics used to establish socio-economic indicators are completely reliable.

12. **Regional partnership** (Article 9)

12.1. Procedures should be laid down for close collaboration between the Commission, the Member State concerned and the regional authorities (or other authorities designated by the Member State), both at the preparatory stage and when measures are implemented and assessed. Among other things, this is requiered by Regulation (EEC) No 2052/88.

Done at Brussels, 27 October 1988.

The Chairman

of the Economic and Social Committee

Alberto MASPRONE

Opinion on the proposal for a Council Regulation laying down provisions for implementing Council Regulation (EEC) No 2052/88 as regards the European Agricultural Guidance and Guarantee Fund (EAGGF), Guidance Section

(88/C 337/15)

On 8 August 1988, the Council, acting in pursuance of Article 198 of the EEC Treaty, asked the Economic and Social Committee for an Opinion on the abovementioned proposal.

The section for agriculture and fisheries, which was responsible for preparing the Committee's work on the subject, adopted its Opinion on 6 October 1988 (oral report of Mr Strauss).

At its 259th plenary session (sitting of 27 October 1988), the Economic and Social Committee adopted the following Opinion with no votes against and one abstention.

On 28 April 1988 the Committee adopted an Opinion welcoming proposals for a comprehensive Regulation on the reform of the three structural funds [1].

This Opinion covers the more detailed proposals which lay down provisions for implementing Council Regulation (EEC) No 2052/88 as regards the EAGGF, Guidance Section.

General

1. The Committee broadly supports the Commission's proposal which redefines the role of the EAGGF, Guidance Fund, (hereafter called the Fund) and the activities which the Fund may finance. However, the Committee has certain reservations about the priorities and proposed operation which will be set out below.

2. The Committee believes that the Fund must be closely coordinated with other EC structural funds. But the Fund is an integral part of the mechanisms of the common agricultural policy (CAP) and must therefore be operated in conformity with the overall policy objectives of the CAP. The Committee notes that there could be conflicts between the need to improve the structures and incomes of farmers and certain regions, and the need to ensure that this does not aggravate the market imbalances for agricultural products. But within these constraints priority should be given to farmers in the most disfavoured regions.

3. To minimize this potential difficulty, integrated operational programmes, global grants and individual grant aid should be directed to measures which reduce production costs by improving sectoral and individual farm infrastructures, improve processing and marketing, diversify agricultural production, encourage quality production where specific markets exist, reduce production potential, improve the environment and encourage non-agricultural rural pursuits. In view of the great regional diversity of European agriculture the application of EAGGF measures must be sufficiently flexible to allow actions appropriate to specific regional circumstances.

4. The Committee supports the increased concentration on operational programmes, including integrated operational programmes, in promoting structural development and assistance in all regions of the Community.

5. The Committee also welcomes the operational changes proposed under which there will be a closer partnership between the Commission, national governments and regional authorities. But the Committee is seriously concerned that not all regions may have the necessary administrative resources and expertize to draw up adequate plans in the required time to benefit from the facilities which will become available. It is therefore suggested that Community funds should be made available to enable regional authorities where necessary to employ experts who can assist and if required train local people, in drawing up the plans which will be required. In addition the Commission should state that it is willing to respond positively to all requests for information and technical help.

6. The Committee doubts whether it will be possible for the authorities in all cases to submit development plans by 31 March 1989 as required in Article 6 in the proposed horizontal regulation. The Commission must be prepared to give national governments some latitude.

7. It is important to recognize that the Fund has a double role: first, it is an integral policy instrument of the common agricultural policy; secondly it is a vehicle, with the other structural funds, for redistributing

[1] OJ No C 175, 4. 7. 1988, p. 47.

resources within the Community. The Committee accepts that in future more emphasis will be placed on redistribution, but the other role is important and should be maintained. The other structural funds will play the greater role in achieving better regional balance.

8. The Committee recognizes that in future measures in the less developed regions and other specific areas will become increasingly important, but wishes to emphasize that general measures applicable throughout the Community, such as less favoured areas (LFA) assistance, which are funded by EAGGF, must be able to continue at an adequate level. Indeed, there is nothing in the proposal that conflicts with the traditional functions of the Fund. The Committee also draws attention to the fact that the progressive adaptation of the CAP could affect all regions of the Community.

Financial provisions

9. The apportionment of the increased resources between the three structural funds has yet to be made. At present the fund accounts for only about 16 per cent of the total. The Committee would not like this proportion to be reduced in future.

10. Indeed, the proportion should be raised, in view of the importance of agriculture and forestry for improving the balance between the less developed and other regions. New measures, notably for woodlands and the future of the rural world must be financed through additional appropriations, entered under a suitable heading.

Title I

11. The Committee has reservations about possible applications of the procedure laid down in Article 2 (1) of the Commission proposal. It feels that the general procedure should also be followed for the measures under Title I: regional plan, Community support framework, forms of assistance envisaged by Article 5 of the Regulation (EEC) No 2052/88 (operational programmes, system of national aids, etc.).

12. The Committee approves the suggested common measures listed in Article 2 (2) of the proposed regulation. The Committee particularly supports the wider use of financial assistance for less intensive farming methods, encouragement of traditional farming practices and measures to protect the environment and safeguard the landscape. These actions could help to reduce production surpluses while at the same time improving farm income; they also link in well with farm tourism and other non-agricultural rural pursuits.

13. Naturally, any actions will have to be tailored to the specific circumstances, ecology and demography of the regions concerned, while also conforming with the overall policy objectives of the CAP.

Title II

14. The Committee supports the implementation of operational programmes and, in particular, integrated operational programmes. While the experience so far has been generally encouraging, there have been difficulties in implementing integrated mediterranean programmes (IMP), for example, and this again points to the need for the administration to be sufficiently flexible and adapted to regional needs.

15. As far as the specific measures in Article 5 are concerned, the Committee recognizes the benefits which would accrue to producers from land or pasture improvement and small irrigation schemes, but insists that such actions be handled with extreme prudence so that they are coherent with the CAP and that the environment is safeguarded.

16. The Committee approves a proposal for action for restoring agricultural production potential after natural disasters. Such disasters are infrequent and are not confined to the less developed regions. This help should therefore be available throughout the Community.

Title IV

17. The Committee welcomes the proposal for the Fund to assist in carrying out pilot projects, technical assistance and preparatory studies and demonstration projects. The Committee urges that the results of such studies and projects be widely disseminated.

18. The Committee notes that Regulation (EEC) No 355/77 will expire on 31 December 1989. It lays great emphasis on the need for Community assistance for the processing and marketing of agricultural, forestry and fishery products. Such action would give producers a greater opportunity to participate in food processing and distribution. The Commission's proposals suggest that in future such assistance will be more limited in scope in areas other than less developed regions and designated rural zones. The Committee stresses that the action in question should relate to the whole of the Community.

19. The Committee further notes that, while some regional targeting will be necessary, it is the intention of the Commission to propose modifications to other

existing structural measures in due course. It insists that all the structural measures operated by the Community must be coherent with each other and that they must contribute to the general reform of the CAP.

Done at Brussels, 27 October 1988.

The Chairman

of the Economic and Social Committee

Alberto MASPRONE

Opinion on the proposal for a Council Regulation laying down provisions for implementing Council Regulation (EEC) No 2052/88 as regards the European Social Fund (ESF) [1]

(88/C 337/16)

On 8 August 1988, the Council decided to consult the Economic and Social Committee under Article 130 E and 123 of the Treaty establishing the European Economic Community on the abovementioned proposal.

The section for social, family, educational and cultural affairs, which was responsible for preparing the Committee's work on the subject, drew up its Opinion on 13 October 1988. The rapporteur was Mr Beretta.

At its 259th plenary session (meeting of 27 October 1988), the Economic and Social Committee adopted the following Opinion unanimously.

1. General comments

1.1. The Committee broadly endorses the Commission proposals for implementing the Regulation on the European Social Fund, regarding them as consistent with the aims of the reform of the Structural Funds.

1.2. Indeed, these proposals,

— by providing for aid to horizontal and multi-annual programmes, encourage the coordination and concentration of Community contributions,

— by retaining for the transitional period the flexibility which makes it possible to finance individual projects where these are necessary and when they correspond to Community aims, are consistent with the intentions behind the increase in the resources available to the Fund,

— by confirming the priorities and the detailed measures laid down for the most disadvantaged regions, contribute to the development of initiatives to restore balance in the context of efforts to establish the single internal market.

1.3. The Committee therefore thinks that, as a whole, the Communities' action should contribute to achieving the five priorities, and in particular should help to combat long-term unemployment and help young people to find their first jobs.

1.4. However, the role of the socio-economic groups does not seem sufficiently well-defined or appreciated.

1.4.1. The drawing-up of integrated programmes for specific regions, mobilizing local, regional, national and Community resources and intended to modify the socio-economic structure of the regions concerned, cannot and must not take place without the participation of the social forces which will later be involved in their implementaiton.

1.4.2. Moreover, given the importance of the contribution of ESF resources to activities coordinated with the other Community instruments, the Committee maintains that:

— the powers of the consultative committee of the ESF should be safeguarded and strengthened,

[1] OJ No C 256, 3. 10. 1988, p. 16.

— the Commission should be obliged to submit to the Economic and Social Committee (in accordance with Articles 127 and 130 A, B, D of the Treaty) periodic reports on the activities of the committee set up under Article 17 of the draft Regulation (EEC) No 2052/88, making an overall assessment of the socio-economic impact of the programme's measures, primarily with a view to assessing the quantitative and qualitative consequences for employment.

2. **Specific comments**

2.1. To facilitate understanding of the Regulations, they should carry a footnote setting out the five priorities again in full.

2.2. It should be stated explicitly that any revision of the Regulation on the ESF must be coordinated at Council level with the provisions of the general Regulation (EEC) No 2052/88.

2.3. There should be suitably defined provision for aid to literacy training should this prove necessary for the activities needed to implement the programmes.

2.4. Because of the ever wider applications of new technologies which increasingly blur the occupational distinctions between agricultural and industrial activities, it would be desirable to provide for specific training measures directed to safeguarding and enhancing soils and to improving the quality of agricultural products.

2.5. On the individual provisions for implementing the ESF Regulation, the Committee has the following comments to make:

Article 1 (2) (c)

This should include the back-up measures to train and find jobs for specialized development agents; such measures are necessary in order to start implementing integrated programmes.

Article 1 (4)

This should also cover the regions referred to in objective 2, which in fact include those undergoing structural decline, in which training must meet the requirements of restructuring and converting the production plant.

Article 1 (5)

— In the first indent, it should be laid down that aid for apprenticeship will be granted only when enough time is allocated for training outside the firm and when it is necessary to adapt the techniques in use in order to bring training in line with activities envisaged in the programmes and to ensure compliance with their deadlines.

— In the second indent, it should be specified that only the regions in greatest need of them, where vocational training structures are not yet adequate, should benefit from its provisions.

— Finally, the possibility of providing aid for training and job-creation schemes should be indicated.

Article 1 (6)

Recruitment subsidies should be granted for new jobs of at least 12 months' duration, except for seasonal activities, for which the minimum duration of 6 months could be confirmed. These incentives should be available to all workers regardless of age.

Article 2 (a)

This should include workers who are unemployed for more than twelve months.

Article 2 (c)

This should be redrafted in line with the proposal above for Article 1 (5). Persons employed in projects to meet community needs should be included.

Article 4 (3)

A sentence should be added acknowledging the priority to be given to measures with a high technological content. Particular attention should be given to encouraging the integration or retraining of the most disadvantaged categories on the labour market, e.g. women, handicapped people and migrant workers, and this should be coordinated with Community measures which are or soon will be enshrined in suitable directives.

Article 6

It would be desirable to lay down, in line with point 1.4.1 above, that the statements required on conversion and restructuring activities should be accompanied by assessments made by the social forces concerned.

Article 9

The transitional provisions should provide for the possibility of the deadlines for the presentation of programmes being extended, without prejudice to the

implementation of the new provisions, so that their benefits will be accessible even to those who, for purely technical reasons, are unable to comply with the deadlines.

Done at Brussels, 27 October 1988.

The Chairman

of the Economic and Social Committee

Alberto MASPRONE

Additional Opinion on the proposal for a Council Regulation amending Regulation (EEC) No 3820/85 on the harmonization of certain social legislation relating to road transport and Regulation (EEC) No 3821/85 on recording equipment in road transport [1]

(88/C 337/17)

On 11 May 1988 the Bureau of the Economic and Social Committee, acting under the third paragraph of Article 20 of the rules of procedure, decided to draw up an Opinion 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 12 October 1988. The rapporteur was Mr von der Decken.

At its 259th plenary session (meeting of 27 October 1988), the Committee adopted the following Opinion by a large majority with 1 abstention.

1. Introduction

1.1. The Committee expressed reservations about the aforementioned Commission proposal in its Opinion of 2 June 1988 [2], because not enough information had been provided about the real reasons for the amendments. It therefore announced its intention to produce an additional Opinion, which would deal mainly with the new proposals amending Regulation (EEC) No 3820/85 and Regulation (EEC) No 3821/85.

2. General comments

2.1. The basic aim of the Commission's proposed amendments of 24 March 1988 [doc. COM(88) 21 final] is to eliminate the difficulties which have supposedly arisen with regard to the interpretation and monitoring of Regulations (EEC) No 3820/85 and (EEC) No 3821/85—which did not enter into force until 29 September 1986—and also with regard to cooperation between Member States on this matter. To support its case, the Commission lists a number of reasons, which do in fact go beyond this limited objective and call to question the very substance of the Regulations.

2.1.1. Even after giving further careful consideration to the purpose of the technical adjustments to the social legislation governing Community road transport it is not clear to the Committee why Regulations (EEC) No 3820/85 and (EEC) No 3821/85 are to be amended. It considers that the new definitions for driving periods, breaks and rest periods will be of little use for the monitoring. The Commission will not achieve what it hopes to achieve; the new definitions will not benefit transport or social policy and do not make any sense in administrative terms.

2.2. The Committee also fails to see the Commission proposals providing an indirect stimulus, which, in a roundabout way, might make for more social progress in Community road transport in the medium or long term or make the social legislation easier to accept.

[1] OJ No C 116, 3. 5. 1988, p. 15.
[2] OJ No C 208, 8. 8. 1988, p. 26.

2.3. The Committee considers that the proposed amendments are not suitable for eliminating or even alleviating the problems involved in observing and monitoring the social legislation. Therefore it cannot endorse these amendments even though it has advocated [1], and still advocates [2], the objective and a number of measures for simplifying, streamlining and standardizing the monitoring of the legislation.

The Committee's own recommendations of 27 February 1985 were accepted by both the European Parliament and the Commission as a reasonable basis for more effective enforcement. The Economic and Social Committee stands by these recommendations and calls for them to be re-introduced.

2.4. The reasons for the Committee's response are as follows:

2.4.1. The Commission has undoubtedly attempted to obtain from the Member States all the information required for pinpointing the real reasons for the alleged difficulties with regard to the social legislation. Nevertheless, according to the Committee, there is a decisive gap in information available about the whole problem so that the significance of the Commission's new initiative cannot be assessed in full.

The two Regulations did not enter into force until 29 September 1986 and have not yet been fully implemented in all Member States. The Commission's reports so far about the application of the social legislation and its consequences therefore do not provide a full picture for the Community as a whole; they are also of little use for a conclusive appraisal of the legal situation and the position with regard to competition because their statistics are based on data from 1984 and 1985, prior to the Regulations' entry into force. The Committee considers this in particular to represent a failure to pinpoint the problem; it is therefore unable to deduce why provisions which did not enter into force until 1986 have to be amended again after only one and a half year.

2.4.2. The Committee also thinks that there are no factual or policy reasons for the technical revision of the social legislation at this stage:

— Legally justifiable reasons, e.g. the need for more equality before the law (same legal status), greater legal certainty or improved administrative procedures, are not quoted by the Commission as being to blame for the difficulties. The Committee cannot therefore understand the legal reasons for the Commission's move.

— Policymaking reasons e.g. more protection of legal rights or of occupational health and safety, improved road safety or a better competitive footing for smaller carriers and their drivers are hardly taken into consideration or are merely mentioned as background.

— The concerns of interested parties are also not an apparent reason. At any rate the section is not aware of any current moves on the part of trade unions or employers' associations to amend the Regulations along the lines proposed by the Commission.

— There is also no clear justification to be found for the new technical proposals in the programme for the completion of the barrier-free Community market. The sole aim of the proposals is to simplify the interpretation of social legislation, checking procedures and the exchange of information by authorities, and the Commission can clearly think of no good reason why the proposals should represent a major contribution towards the completion of the barrier-free market.

2.4.3. The Committee is definitely aware of the problems associated with the establishment of uniform and unifying social legislation in Community road transport, but thinks that first of all the use of Community Directives (as proposed by the Commission) and national implementing provisions should and could be explored in full as a means of achieving the uniform interpretation which is required for monitoring purposes.

2.5. The Committee agrees basically with the Commission that uniform, clear and applicable provisions with regard to driving periods, breaks and rest periods are required in a common barrier-free market. If legislation is to be applied properly, it must be simple enough to be monitored and enforced uniformly and effectively

2.6. However, this means standardizing the measures which make the monitoring effective and provide for sanctions. It is not only legally self-evident and vital for the monitoring procedures but also necessary for the social legislation per se to have uniform powers to impose sanctions which are governed by the same or comparable stipulations. The Committee would there-

[1] Simpler, more efficient and uniform checks were called for by the Committee in its Opinion of 27 February 1985 on the proposal amending Council Regulation (EEC) No 543/69 (OJ No C 104, 25. 4. 1985, p. 4).

[2] Its approval of and views on the objective of implementing uniform checks in all Member States as quickly as possible have been voiced by the Economic and Social Committee, in particular in its most recent Opinion on the proposal for a Council Directive on the uniform application of Regulations (EEC) No 3820/85 and (EEC) No 3821/85 (Opinion of 2 June 1988, p. 2).

fore stress once again that technical provisions which are adopted for monitoring purposes lose their real meaning if no provision is made for appropriate sanctions and bodies with sufficient powers. This is missing at the moment in the Commission's proposals and is thus a point against them.

2.7. The Commission also does not refer to the connections between driving and rest periods and the safeguarding of health when making out its case for its new technical provisions. However, this matter will be of fundamental importance in the Committee's view when questions relating to working conditions in road transport are eventually voted on in a barrier-free Community market. One question which should be discussed in due course is to what extent the uniform restriction of working hours might serve road safety and occupational health and safety. It is impossible to imagine a barrier-free Community market in which working hours are not regulated.

2.8. After weighing up the factual and political arguments for and against the Commission's legal proposals, the Committee thinks it would be wise to comment on a number of details in the proposed Regulation.

3. Specific comments

3.1. *Article 1*

3.1.1. For the Committee, the main proposal being made is that each driver should work a moveable week. The moveable week worked by the driver is to be a period of seven consecutive days which no longer coincide with the calendar week. Each driver is to be bound individually by this general concept.

3.1.2. The Committee thinks that the present definition of a week in Article 1 (4) of Regulation (EEC) No 3820/85 is clear and should not be changed. This norm is practical and recognized worldwide; it seems to be acceptable to both sides of industry and complies with convention 153 of the International Labour Organization (ILO), which however has not been ratified by the EC Member States. The introduction of a moveable rolling week would merely create confusion and give drivers two weekends, viz. the weekend belonging to the normal calendar week and the weekend which is part of their moveable driving week. In the long run this may be to the disadvantage of drivers 'and crews' working and private lives.

The moveable week also reduces the flexibility which Regulation (EEC) No 3820/85 was meant to introduce. For example,

— rest not taken one week cannot be compensated for the following week because a weekly rest period which has not been taken may not be carried forward to the following week, or

— driving for the maximum permissible number of hours one week can reduce the time which may be spent at the wheel the following week. There is no way in which this can be justified in terms of road safety or occupational health and safety. Instead of the average 45 hours only 34 hours may be worked in such instances.

Checking procedures would not be made any easier for the authorities. Drivers and crews want to stick to the calendar week. The Committee rejects the proposal not only for this reason but also because the calendar week is the unit of time generally adopted by shipping agents, customers and the authorities.

3.2. *Article 2*

The Committee also rejects the amendment to Article 4 (6) of Regulation (EEC) No 3820/85, because private carriers working for public authorities cannot be treated differently to private carriers with private customers.

3.3. *Article 3*

This new provision is the logical consequence of Article 1 and should accordingly be rejected.

3.4. *Article 5*

There is no recognizable need for this proposal, which is linked to the moveable driving week.

3.5. *Article 6*

The Committee supports the line taken in this proposal. The Directive presented by the Commission and already approved by the Section would achieve this.

3.6. *Article 7*

The annual report on the social regulation's implementation should be forwarded not only to the Council and the European Parliament but also to the Economic and Social Committee.

3.7. *Article 8*

This provision would certainly be endorsed as being appropriate and necessary for the monitoring if the

moveable week were considered desirable and advisable. However, it must be rejected since the Committee regards the moveable week as being as retrogressive step if the aim is greater simplicity and flexibility.

Done at Brussels, 27 October 1988.

The Chairman

of the Economic and Social Committee

Alberto MASPRONE

Opinion on the current state and future prospects of the GATT/Uruguay Round negotiations as regards agriculture and the agro-food sector

(88/C 337/18)

On 31 May 1988 the Economic and Social Committee, acting under the fourth paragraph of Article 20 of its rules of procedure, decided to draw up an Opinion on the current state and future prospects of the GATT/Uruguay Round negotiations as regards agriculture and the agro-food sector.

The section for external relations, trade and development policy, which was responsible for preparing the Committee's work on the subject, adopted its Opinion on September 1988. The rapporteur was Mr Clavel.

At its 259th plenary session (meeting of 27 October 1988), the Economic and Social Committee unanimously adopted the following Opinion.

1. The Punta del Este declaration of 20 September 1986, which launched the new round of multilateral trade negotiations, gave an important place to negotiations in the agricultural sector. The course of the initial phases of the negotiations and the attitudes and proposals of the contracting parties concerning the conduct of the negotiations in the agricultural sector, as well as the deliberations at the major intergovernmental meetings, have tended to add to this importance. That is why the Committee with the ministerial meeting in Montreal in mind, considers it appropriate to make known its views on the conduct of these agricultural negotiations, it being understood that the general aspects of the multilateral trade negotiations, which concern also agriculture, are covered by the Committee Opinion on the current state and future prospects of the GATT/Uruguay Round negotiations [1].

General points

2. After two years devoted to identifying problems of presentation and to examining various proposals and objectives concerning the agricultural negotiations, the ministerial session scheduled for 4 and 5 December in Montreal would seem to be extremely necessary in order to draw up a balance sheet at the mid-way stage of the negotiations.

This session should also be the occasion for finally entering into a genuine dialogue, for taking stock of the points on which convergence is discernible and, on the basis thereof, for mapping out, if possible, the broad outlines of negotiations in the coming two years aimed at establishing a better balance between supply and demand.

3. In this connection it is necessary to reaffirm the principle that the negotiations form part of a whole, as laid down in the Punta del Este declaration: 'The launching, the conduct and the implementation of the outcome of the negotiations shall be treated as parts of a single undertaking.'

[1] ESC of 29 September 1988 (OJ No C 318, 12. 12. 1988).

That is why the Montreal session should be concerned in particular with the progress required on tropical agricultural products and on the services connected with farming.

4. The Community should point out at Montreal that multilateralism is an essential rule of the General Agreement on Tariffs and Trade (GATT) and that this rule therefore applies to the present negotiations.

Even if it is considered that a final agreement cannot be arrived at until the United States and the EEC have reached an understanding on certain points, the negotiations must amount to more than just a quarrel between these two parties. Other countries are interested in finding a better balance in the agricultural sphere.

Certain countries (e.g. Japan and Korea) with ambitious programmes for the development of their agricultural production should open their frontiers, too, and join in any concerted production limitation moves that may be decided on.

5. The Committee has noted that other practices are at variance with the principle of multilateralism: the bilateral agreements for the supply of sugar and beef for the United States market and most recently the agreements concluded between the United States and Japan, or the transnational interests of commercial operators which are taking the place of the States.

The Montreal session provides an opportunity to initiate efforts to limit excesses in this area.

6. The Community should pay particular attention to preserving the special nature of the agricultural negotiations:

— first of all because all attempts to solve the problems relating to trade in agricultural products and to expand trade in this sector have been unsuccessful where they failed to take account of this special nature, which is due to the characteristics of agricultural production and the agricultural markets: climatic uncertainties, difficult preservation of products, disparate production structures, market inelasticity, desire for security of supply, widespread application of support policies, disorderly world markets..., and

— also because this is the only way to safeguard the specific features of European agriculture: all the Member States and the neighbouring countries in Europe have similar agricultural structures and have a common interest in preserving their agriculture as an element in the structure of their society and in their physical planning, and as part of the environment and the landscape: all in fact have a cultural tradition closely linked with rural life and thus with agriculture,

— these common features set European agriculture completely apart from agriculture in the new countries with a much greater area and a much lower population density, which are thus very different in historical and structural terms. This means that the principle of comparative advantage can never become the sole criterion for the operation of the agricultural markets at world level.

7. The Committee notes also that the ministerial declaration of the Organization for Economic Co-operation and Develoment (OECD) of March 1987, the Venice Summit in June 1987, the proposals made by the various countries or groups of countries and finally the conclusions of the Toronto Summit introduce a major new element into the multilateral negotiations as far as the agricultural sector is concerned: the negotiations will not be confined to trade barriers, rather an attempt will be made to reduce the support that most contracting parties give to their agriculture. The negotiations will therefore go beyond trade negotiations in the strict sense of the term and deal with the content of agricultural policies, which is another manifestation of the special character of the agricultural negotiations. This ambitious objective cannot be achieved unless the agricultural negotiations are approached with a great deal of realism and account is taken of the diversity of the situations in this area.

Agro-food sector

8. The Community should also pay attention to the special needs of the agro-food sector (which directly employes 4 000 000 EC workers). This sector has a vital interest in freer trade and therefore in the success of the GATT negotiations.

Besides the subjects covered in the agricultural group negotiations, impediments to EC agro-food exports include also excessive tariffs and such non-tariff barriers as administrative and customs procedures, food compositional requirements, and sanitary and phyto-sanitary measures.

Lastly, there is also a great deal of counterfeiting of high quality EEC products (misappropriating intellectual property in GATT terms).

9. Within GATT these are dealt with to varying degrees by the agriculture and by other negotiating groups. It is essential that a procedure is created where the problems of the agro-food sector are treated as a

whole so that the consequences for the sector's competitive position are always taken properly into account by the Community's negotiators.

Rights and obligations of the Community

10. The Community will have to assert its rights during the negotiations:

— A high price was paid for the fundamental principles of the common agricultural policy (CAP) during the previous negotiations (Dillon Round, Tokyo, Round, XXIV-6 negotiations). These principles, particularly levies and refunds, cannot be called into question.

— The Community is the world's leading importer of agricultural products, and it should turn this position to good account. But its partners should not expect it to be able to continue to increase its imports while embarking on a programme for the restriction of its own agricultural production.

— The Community is the world's second largest exporter of agricultural/food products. It therefore has an interest in discussions of the problems relating to market access, particularly since a reduction in support will reduce export costs. It is of the utmost importance that the Community should continue to be able to export agricultural/food products, on account of its agricultural production potential and because of balance of trade considerations.

— While internal prices are higher than world ones, it is absolutely essential to have compensation for this difference on exports.

— Lastly, the Committee would point out that the European Council held on 11-12 February 1988 called on the Commission 'to ensure, in the context of the Uruguay Round and having regard to the provisions of the GATT, that the Community's measures with respect of prices and quantities are taken into due consideration'.

11. No progress will be possible in the negotiations unless efforts are made by each of the contracting parties in a spirit of reciprocity. A better balance between supply and demand will not be achieved unless all the countries concerned make their contribution to limiting production and improving access; and no headway will be made on the reduction of support to agriculture unless all the countries concerned give equivalent undertakings in this area. The Community should of course require guarantees from its partners as to the effectiveness of their commitments.

12. For all these reasons, the Committee stresses the absolute necessity for the Community to maintain the greatest possible cohesion throughout the negotiations. The Member States should avoid initiatives which could break up the united Community front and be exploited by third countries. There is therefore a need for sectoral cohesion, as well as cohesion among the Member States and between the Commission and the Council. The Community's credibility hinges on the resoluteness it shows in the stands it adopts. Too often in the past the EEC has been unable to respond when it was the subject of unjustified attacks. The Community should be aware of the economic strength and bargaining power of a single market of 320 million consumers.

13. In view of the importance of what is at stake, the Committee urges the Commission to take the steps needed to ensure full, accurate and regular briefing of Community public opinion on the GATT negotiations and the reasons underpinning the various positions, particularly in talks on key matters.

14. At the same time, given the role it plays at international level, the Community should be alive to the responsibility it has for bringing about a better balance on the markets for agricultural products. The negotiations will certainly lead it to revise some of the CAP instruments, which will have consequences both for producers and for the very balance of society in the Member States. That is why the Community should adopt a pragmatic attitude at all times, while seeking to identify possibilities for longer-term agreements.

15. The present course of the negotiations gives the impression of a certain confusion and stagnation. The excessive use of panels as soon as there is disagreement with the EEC completely upsets the balance of the negotiations and alters their spirit.

The many calls for panels, which increasingly involve the interpretation of GATT rules, make recourse to neutral arbiters more and more difficult. This leads to politicization of the panels, which is unacceptable. The Community should denounce any unfair use of the GATT rules aimed at judgment before negotiation.

The political principles of the agricultural negotiations

16. The Community's proposals are aimed at:

— better control of production by appropriate means, including a progressive reduction in support with a direct or indirect effect on trade in agricultural products,

— making agriculture more sensitive to market signals,

— a greater role for direct aids not linked to the volume of production.

The Committee approves these proposals, since the prime aim of the negotiations should be to establish more orderly conditions for international agricultural trade by creating a better balance on the markets. This better balance cannot be achieved without a concerted effort to control production.

17. But pursuit of these objectives must not lead to a severe drop in farm incomes in the Community, which would accelerate the flight from the land to an unacceptable degree, unbalance the fragile economy of certain regions and have detrimental consequences for the environment and the landscape.

18. Insofar as the Community has to make greater use of direct aids (idea of decoupling supported by the United States), the Committee would point out that the CAP has to take account of 7 million farms, whereas the United States has only 2 million farms on a utilized agricultural area that is four times greater. The social as well as the financial consequences of decoupling must therefore be taken into consideration, and the difficulties that certain countries will face in setting up approriate administrative machinery must not be forgotten.

The Committee would also point out that aids and subsidies not linked to products are not necessarily neutral in terms of production and prices; they should therefore also be included in the negotiations.

The Committee would also stress that a reliable method of measuring agricultural support will have to be agreed on if the reduction in support is to be well balanced.

19. Subject to the above comments, the Committee also approves the approach suggested by the Community, viz.:

19.1. A phase of short-term action comprising on the one hand emergency measures on several major products and on the other hand a concerted limitation of support with as basis the 1984-1985 marketing year.

19.1.1. The critical situation in which farmers find themselves (incomes, financial position,...) in many developed and developing countries warrants the adoption of concerted emergency measures to restore equilibrium and stability on the international agricultural markets.

19.1.2. The Committee considers that adoption of these measures is a test of the goodwill and credibility of the contracting parties. It goes without saying that account will have to be taken of all the agricultural policy measures introduced by the various contracting parties since the above date, as well as the many support programmes that certain countries have been unable to do without and the mandatory reforms.

19.2. The above form the preconditions for embarking upon a second, more decisive phase in a significant, concerted reduction of agricultural support. This would make it possible to rectify the production situation internally and would appreciably improve the situation on the markets. The Committee supports this approach.

19.2.1. Priority should be given to the abolition of scaling down of policies and measures that have contributed to agricultural surpluses and create barriers to international trade or distort it.

19.2.2. In this connection the Committee thinks that the Community should obtain from the United States a formal undertaking concerning the abolition of the derogations (waiver secured in 1955 in order to comply with Article 22 of the Agricultural Adjustment Act of 1933) which enable it to impose quotas, as it sees fit, on such important products as the majority of milk products, groundnuts, cotton and sugar, with a view to making its policy of support for these products effective. The Community must take the standpoint that there can be no true reciprocity or balanced commitments unless these derogations are abolished; the Community must make it clear to GATT that this is a vital issue on which the success of the negotiations depends.

19.2.3. As regards the reduction of agricultural support, the Committee considers that all the contracting parties should enter into firm commitments as binding as those relating to customs tariffs. These commitments should come under close surveillance by GATT.

19.2.4. The situation of the developing countries would be examined in this phase of the discussions and a special degree of flexibility would be shown here since it is only a question of short-term measures. At all events, the developing countries would benefit from such commitments, since they should lead to a general improvement in conditions on the world market which should ensure normal market access for these countries.

20. In conclusion, the Committee hopes that the ministerial meeting in Montreal will make it possible, through a combination of immediate measures and long-term objectives, to find a way out of the impasse in which the negotiations have been for too long.

Whatever their extent and whatever the reasons behind them, the differences of view regarding the approach to be followed for the agricultural negotiations must not form a pretext for inactivity; the Committee considers that these differences of view must be overcome at Montreal if the objectives agreed at Punta del Este are to be fully achieved.

21. In parallel with the efforts that the contracting parties must make to find a compromise that will lead to clearer and more effective rules for agricultural trade,

the governments must take resolute action to improve the functioning of the international monetary system if they wish to realize the aspirations underlying the Uruguay Round. There would be no point in seeking to reduce agricultural support if a simple change in the interest rate, magnified in its repercussions on the various currencies, would make it possible to provide new support at any time.

Balanced national budgets and monetary and financial cooperation are preconditions for the success of the Uruguay Round, particularly in the agricultural sector.

Done at Brussels, 27 October 1988.

The Chairman

of the Economic and Social Committee

Alberto MASPRONE

Opinion on the proposal for a Council Directive on the burden of proof in the area of equal pay and equal treatment for women and men [1]

(88/C 337/19)

On 16 June 1988, 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 social, family, educational and cultural affairs, which was responsible for preparing the Committee's work on the subject, adopted its Opinion on 13 October 1988. The rapporteur was Mr Gomez Martinez.

At its 259th plenary session (meeting of 27 October 1988), the Economic and Social Committee adopted the following Opinion by 72 votes to 10, with 5 abstentions.

1. General comments

1.1. The Committee endorses the Commission proposal subject to the following comments.

1.2. The Committee is pleased that the Commission was prompted to issue this proposal inter alia by the arguments expressed by the ESC Opinion on equal opportunities for women, medium-term Community programme, 1986-1990, which was adopted unanimously on 24 April 1986.

1.3. Basically, the reasons put forward by the Committee in April 1986 are still valid:

a) ensuring the more effective application of existing Community provisions;

b) contributing to redressing the continuing infringement of equality of rights;

c) remedying the imbalance between the number of legitimate cases brought before the courts and the real incidence of discrimination which is very much higher;

d) encouraging and stimulating the implementation of good employment practices and modern personnel techniques;

e) the legal application of the Directive should provide Member States with room for manœuvre and enough flexibility to forestall possible abuses by interest groups.

1.4. Equal opportunities for women should be one of the main objectives of a People's Europe. To achieve this end, an effort will be required in all social spheres, including above all, the promotion of suitable employment and educational policies.

While legislation is important, it plays a more decisive role in amending individual rather than general situations.

1.5. Current Community legislation on equality between men and women as laid down in the following must be implemented more effectively.

— Article 119 of the EEC Treaty,

— Council Directive 75/117/EEC: Equal pay for men and women,

[1] OJ No C 176, 5. 7. 1988, p. 5.

— Council Directive 76/207/EEC: Access to employment, vocational training and promotion, and working conditions,

— Council Directive 79/7/EEC: Social security,

— Council Directive 86/378/EEC: Occupational social security schemes (not yet in force),

— Council Directive 86/613/EEC: The exercise of an activity, including agriculture, in a self-employed capacity, and protection during pregnancy and motherhood.

1.6. The Directive is to apply to all Community measures on equality. The Committee stresses the need to maintain the exception in respect of criminal procedures, where modification of the burden of proof could impose criminal liability on individuals.

1.7. In view of the different stages of legal proceedings and the differences between legal institutions, the Directive should define in each case who the complainant is and who the respondent.

1.8. In the interests of a flexible and fair implementation of the Directive and its Articles, the Committee believes that the last sentence of the first paragraph of Article 3 and the expression 'if not rebutted' should be deleted.

The Commission's comments on Article 3 of the draft Directive indicate that the complainant has to establish a rebuttable presumption (presumption is *iuris tantum*), asserting that less favourable treatment has occurred on grounds of sex and providing evidence enabling the judge to establish whether discrimination has taken place. The *iuris tantum* presumption of discrimination is established at this stage and before the respondent is required to rebut the presumption; the burden of proof is then transferred to the respondent who must prove that there were unbiased, legitimate grounds for unequal treatment. It is the responsibility of the court or competent authority to decide whether this proof is sufficient or not to refute the presumption of discrimination.

1.9. The Committee considers that the presumption of discrimination must be based on facts which give grounds for supposing that direct or indirect discrimination has occurred. This will enable the Directive to be applied flexibly and effectively, avoiding distortions or improper use which would weaken it in the medium term.

1.10. The Committee welcomes the concept of discretion to protect confidential information in the possession of one party which could, if disclosed, substantially damage the other party for purposes other than the litigation concerned.

The protection should be extended to both parties jointly and without distinction, and to any other parties involved.

1.11. The Committee recommends that the three-yearly progress report on implementation of the Directive should be accompanied by an assessment of the effectiveness or otherwise of the practice of Member States who either now or in the future totally reserve the burden of proof in Community equality legislation.

1.12. Indirect discrimination is a relatively new area of jurisprudence. It covers situations which, although apparently neutral, have a disproportionate impact on the members of one sex, leading to unjustified (albeit unintentional) unequal treatment.

1.13. Given the Committee's stated interest and constructive views on the subject, referred to in the Commission Explanatory Memorandum, the ESC feels that it should also be consulted on progress made in the implementation of the Directive.

2. Specific comments

2.1. A new Article is required to define the concepts of complainant and respondent in line with the general comment under 1.7.

2.2. *Article 3 (1)*

The words 'shall ensure that' in the original English version have to been accurately translated in some versions (e.g. Spanish). Failure to correct this could create legal problems.

2.3. *Article 3*

The last sentence of Article 3.1 and the phrase 'if not rebutted' in Article 3.2 should be deleted, in line with the general comment under 1.8.

2.4. *Article 5 (1)*

The word 'disproportionately' should be deleted. Indirect discrimination cannot be directly ascribed to identifiable circumstances or facts. It would be even more difficult if the adverse effect had to be of a specified magnitude ('disproportionate'). Furthermore the current wording implies that a 'proportionate' adverse effect is permissible, and this is wrong.

2.5. *Article 5 (2)*

The entire paragraph should be replaced by the following:

'In determining whether the principle of equality has been infringed in any individual case, indirect discrimination may be deemed to have occurred even if this was not the respondent's intention.'

This would clarify the respondent's rights.

2.6. *Article 6*

Add at the end: '... employment agencies, training establishement, etc.'.

2.7. *Article 8 (2)*

After the words 'European Parliament' insert: '...and the Economic and Social Committee'.

Done at Brussels, 27 October 1988.

The Chairman

of the Economic and Social Committee

Alberto MASPRONE

Opinion on the education in the European Community, medium-term perspectives, 1988-1992

(88/C 337/20)

On 25 May 1988, the Commission decided to consult the Economic and Social Committee, under Article 198 of the Treaty establishing the European Economic Community, on education in the European Community, medium-term perspectives, 1988-1992.

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 13 October 1988. The rapporteur was Mr Nierhaus.

At its 259th plenary session (meeting of 27 October 1988) the Economic and Social Committee unanimously adopted the following Opinion.

I. General comments

1. The Committee takes the view that the time has come for both national and Community educational policies to face up to the challenges confronting the educational system and the people of Europe, as the Member States grow even closer together, This is particularly relevant against the background of the completion of the Internal Market and the accompanying changes designed to create a citizens' Europe and optimum economic and social conditions.

The Commission's initiative is to be particularly welcomed since no guidelines for the educational and cultural sectors can be derived from the Treaty of Rome. The Commission has correctly chosen to present its document in the form of a Communication.

2. The Committee also believes that greater continuity is needed in cooperation on educational policy, given its increasing importance for furthering and fleshing out the process of European unification. Medium-term priorities for subjects to be dealt with and action to be taken must be established to this end.

3. The Committee therefore considers the Communication to be an important document on three counts:

3.1. Firstly, it provides a further stimulus to reflect on certain basic objectives for the education of the rising generation with a view to furthering the cultural and economic integration of the Member States, with the opportunities and challenges which this entails. An intensive information exchange with the aim of establishing a broad consensus between those responsible for educational policy at national and Community

level is an essential prerequisite for far-reaching concrete measures.

3.2. Secondly, the Communication specifies the most pressing tasks which must be coordinated and dealt with as a prerequisite for freedom of movement and freedom of establishment throughout the Community. The Committee attaches great importance to the announced work schedule for the period up until 1992 in conjunction with completion of the Internal Market.

3.3. Finally, the Communication takes stock of all current programmes and activities relating to educational policy. In the Committee's opinion, this assessment could be pursued later in greater depth, possibly in a separate Commission Communication and with a summary of interim results. The individuals and bodies involved at national and Community level would thus have access to the latest information available on existing programmes.

4. Unfortunately, we have to agree with the Commission that the various measures taken by the Community in the educational sector over the past few years have tended to be piecemeal and fragmentary. One reason for this is that certain projects which relate to education and training are frequently subsumed under more comprehensive programmes—e.g. those connected with the development of new technologies—and financed accordingly (as in the context of ESPRIT).

II. Specific comments

1. A first step towards common educational objectives in the schools of the Member States lies in responding to the economic and social challenge posed by the development and dissemination of the new technologies in all the highly industrialized countries. This creates a growing need for highly skilled personnel in a labour market which is overall becoming more complex. Less-skilled and disadvantaged groups run the risk of losing any prospects of employment and becoming marginalized.

This kind of polarization into high living-standard groups and marginal groups would in the long term put unacceptable economic and social strains on society which could have adverse repercussions for European policy.

The less-developed regions of the Community would be harder hit by such a trend.

The Committee therefore endorses the Commission's view that educational policy, too, should play a major role in reducing regional and social inequalities, while providing, in general terms, the key to full participation in society.

National initiatives and also Community aid from, for example, the regional and social funds, must be further stepped up in the medium-term up until 1992.

2. The technological challenge also calls, however, for another response. At the last European Council in Hanover, the Heads of State and Government particularly stressed the social dimension of economic integration, for which a consensus between all economic and social groups was required.

The acceptance of the new technologies with their different, higher job performance requirements means changed skill profiles. In order to meet these new requirements, primary and compulsory school education must include the all-round development of the personality with a view to the acquisition of social skills. The objectives of the educational and training system must lay equal emphasis on the production of vocationally skilled manpower and the development of individuals with creative, artistic, linguistic and social skills. Such objectives are entirely compatible with the demands made on people at work, in society and in the personal sphere.

The Commission document barely mentions this aspect of educational policy. It is, however, an important precondition for encouraging a spirit of enterprise and adaptability by overcoming the traditional distinction between general education and vocational or technical training. The Commission should devote more attention to this aspect and tackle it separately. In this and where appropriate, other contexts, the opportunities held out by the European Centre for the Development of Vocational Training (Cedefop) should be used.

3. The European Community is not merely a network of formal regulations, political stratements of intent and market mechanisms. However important these may be for integration, they are not in the final instance the cause but can in the long-term only be the result of a growing European consciousness among young people.

Starting from this premise, the Committee supports all measures designed to lay more emphasis on the European dimension in school curricula.

Although there is virtually no scope for binding provisions in this area, the Community should make proposals and provide effective incentives for to national educational and training authorities. The Commission should, in particular, devise syllabus modules and educational material conveying an objective image of the Community geared to the goals of the Treaty of Rome. While generally positive in their attitude to the Community, young people do not—according to the survey quoted—have sufficient information, and the Community emphatically supports the further measures planned (*cf.* point 3.10 of the Communication) in

addition to existing programmes (EURYDICE, ERASMUS, COMETT, etc.).

4. In this context, the Committee would also stress the significance of the «YOUTH for Europe» programme, since the best way to raise European consciousness would be for young people from the different Member States to get to know each other. In view of the Community-wide interest in completing the internal market by 1992, the Committee considered that the funding for this programme should be considerably stepped up and that the application of this programme should inter alia be strongly directed to those already in work as well as to those in education.

The generation now actively involved in creating Europe should be aware that young people are also following with a critical eye precisely those efforts towards economic and political unification which have not been a convincing success to date. The European content of school curricula will be all the more effective and persuasive if the state of the Community and its impact and legislation are seen positively by all European citizens, and young people in particular.

The Committee cannot but fully endorse the Commission's view that young people must be equipped to exercise their right to vote in the direct elections to the European Parliament. Young people are, however, awaiting a convincing response to the question as to what decision-making powers the directly-elected Parliament has. It is in fact a two-way process; what we may not be able to achieve, we hope that the young people educated to be true Europeans will transform into reality.

5. The Commission Communication correctly stresses the specific importance of cooperation between schools and industry. In the training and furhter training sector, cooperation of this kind is particularly essential and could contribute significantly to improving workers' skills. This applies, for example, to dual vocational training systems, cooperation between industry and further training establishments or universities at local level and the integration or practical training periods in industry into teacher-training and further training courses. Since theory is becoming increasingly important in training programmes (due in particular to the penetration of the new technologies into many vocational fields) and since the implementation of training programmes at the workplace is subject to rapid change, schools and firms must cooperate closely on training and further training in order to equip workers with the necessary skills.

The Committee therefore awaits with great interest the initial proposals for a Community strategy on continuing training and training in firms, which should be consolidated as part of workers' rights, especially since the Commission intends to investigate in particular what contribution vocational training can make to combatting unemployment.

The depressing level of unemployment in the Community is in itself an economic and social problem of the highest order. It could also be an obstacle to the "acceptance of foreigners" in the context of the freedom of establishment which it would be difficult for educational policy alone to deal with.

6. One of the Community's main problems which may become more apparent in the context of 1992 is its multilingualism. The Committee welcomes and supports all Community efforts to improve teaching of Member State languages in schools. Some command of Community languages is becoming one of several essential qualifications for virtually the entire working population and knowledge of Community languages will be of considerable use to all Community citizens. The Committee would appeal in particular to the Member States here, since Community action and programmes can provide no more than a stimulus and a back-up. The Community should request and even require the Member States to publish the steps which they are taking to ensure that young people are given every opportunity to develop linguistically, in particular by providing sufficient teachers and teaching materials. The mass media should be used here.

There is a case for introducing compulsory tuition in some Community languages. The provision of tuition in all official EC languages in national educational systems would, however, be an extremely ambitious long-term objective.

Member States should at all events be urged to introduce, where they have not already done so, the compulsory or at least optional teaching of a Community language in primary schools.

The Commission correctly expresses concern that the children of migrant workers could become a new disadvantaged group if language barriers prove to be an insurmountable obstacle to integration in schools and society. Apart from bilateral cultural agreements, the Community must use existing Community Directives [1] more effectively to ensure that the children and young people concerned are given the chance to integrate linguistically in the host country.

[1] *Cf.* Directive of 25 July 1977 on the education of the children of migrant workers (OJ No L 199, 6. 8. 1977).

7. The improvement of all aspects of environmental protection will be one of the major problems, if not the major problem, facing the Community in the coming decades. It is essential to instil and develop an awareness of the environment amongst the younger generation, if the technical regulations and political decisions in this area are to be accepted. The Committee regrets that the Communication merely skirts around this important educational objective and does not accord in the priority which it deserves amongst the common objectives of educational policy.

The Committee therefore recommends that the Commission should in its "medium-term perspectives" establish links with its "proposal for a Council Decision on preventing environmental damage by the implementation of education and training measures", [doc. COM(88) 202 final] with a view to coordination and additions as appropriate.

8. Besides the more fundamental problems of a common educational policy, certain practical measures are urgently required. The Commission Communication states that Council decisions are pending on these. A major requirement in connection with the completion of the internal market is the mutual recognition of educational and vocational diplomas. The Committee would expect the following matters to be tackled vigorously or further and earnestly pursued:

— the reciprocal recognition of university-entrance qualifications,

— the reciprocal recognition of school-leaving qualifications, particularly for compulsory education,

— the reciprocal recognition of professional or vocational qualifications,

— the reciprocal recognition of third-level qualifications ([1]).

([1]) Common position adopted by the Council on 30 June 1988 with a view to the adoption of the Council Directive on the general system for the recognition of higher education diplomas awarded on completion of professional education and training of at least 3 years' duration.

The Committee is aware that this will be a difficult undertaking, since such recognition will not be preceded by the harmonization of educational systems, which might in fact not even be desirable in all sectors. The recognition of qualifications cannot therefore be a pure formality—the education/training they reflect will have to be assessed and weighted accordingly. Since purely bilateral agreements will not be adequate in connection with the completion of the internal market, the Community itself should initiate the necessary Community-wide arrangements.

9. The Committee also believes, however, that the Commission should address and implement a number of important initiatives in the short term. These would include:

— the inclusion of European policy issues in teacher training and further training, in particular, in order to secure highly qualified teachers and instructors,

— the exchange of tried and tested training systems and their reciprocal use in the different Member States,

— the use of suitable new techniques in training and further training,

— the stepping-up of educational and vocational guidance in connection with the completion of the internal market in 1992.

10. Since school-leavers in 1992 will be confronted with a Community-wide labour market, schools must begin immediately to provide information on opportunities for vocational training and employment within the Community.

Done at Brussels, 27 October 1988.

The Chairman

of the Economic and Social Committee

Alberto MASPRONE

Opinion on the proposal for a Council Recommendation to the Member States to promote cooperation between public electricity supply companies and auto-producers of electricity [1]

(88/C 337/21)

On 1 June 1988 the Council decided to consult the Economic and Social Committee, under Article 235 of the Treaty establishing the European Economic Community 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 7 October 1988. The rapporteur was Mr Mainetti.

At its 259th plenary session (meeting of 27 October 1988) the Economic and Social Committee adopted the following Opinion by a majority, with 1 abstention.

The Committee fully supports the Commission's objectives and approves the new draft Recommendation, which it sees as an expression of political will and an indication of how these objectives are to be achieved.

It would, however, draw attention to the problems which might arise when the Member States implement the Recommendation alongside existing policies, and suggest how the development of RWC [2] energy sources might be encouraged.

1. Introduction

1.1. The draft Council Recommendation sets out to promote cooperation between public electricity supply companies and auto-producers of electricity [3]. It is consistent with Community energy policy objectives [4] whose priorities include reducing dependency on imported oil and protecting the environment by conserving energy and diversifying sources.

1.2. The present proposal complements Council Recommendation 77/714/EEC of 25 October 1977 on promoting combined heat and power production and exploiting residual heat [5].

2. Observations

2.1. There is still a keen interest in these sources of energy. Production should be encouraged for environmental and energy policy reasons, though the Commission itself increasingly doubts whether these forms of energy will contribute significantly to the Community's energy supply by 1995 (it is only after the year 2000 that they are expected to meet roughly 5 % of the Community's primary energy requirements).

2.1.1. The long-term role which hydrocarbons are expected to play in the Community's energy consumption pattern is also likely to cause delays: as a result of recent worldwide discoveries, known deposits have increased from 71 275 million tonnes in 1970 to 121 554 million tonnes at the end of 1987 in the case of oil, and from 32 540 million tep to 87 160 million tep in the case of natural gas. Even allowing for restrictions imposed by environmental policy, this will probably lead to an increase in hydrocarbon supply, with a consequent adjustment in prices.

2.1.2. This is a further reason for making every effort to overcome the obstacles which have hitherto hampered the development of renewable sources of energy.

2.1.3. There are good grounds for offering incentives to promote the use of renewable sources of energy where there is hard evidence that such sources will sooner or later become economically viable; otherwise, efforts should be concentrated on research and demonstration programmes.

2.1.4. This is the message of the Economic and Social Committee's Opinion of 21 May 1986 on 'A Community orientation to develop new and renewable energy sources' [6].

2.2. The importance of hydroelectric power as a renewable source of energy is firmly established in some Member States.

2.2.1. In 1986, this sector produced 177 634 GWh (Community of 12), of which approximately 23 000 GWh was supplied by auto-producers. Total electricity production was 1 518 731 GWh.

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[1] OJ No C 172, 1. 7. 1988, p. 9.

[2] Renewable energies, Waste energy and Combined heat and power.

[3] For a definition of auto-producers, see p. 4 (11) of the Recommendation of 4 May 1988.

[4] Council resolution of 16 September 1986 concerning new Community energy policy objectives for 1995 and convergence of the policies of the Member States (OJ No C 241, 25. 9. 1986).

[5] OJ No L 295, 18. 11. 1977.

[6] OJ No C 207, 28. 8. 1986, No 11.

2.2.2. It is important to make maximum use of this source of energy, hence the case for constructing mini power stations.

2.3. The growing interest in wind energy is also significant. It is already competitive in electricity production in the remotest and most isolated regions where there are favourable wind conditions, i.e. sufficiently high average wind velocities and the absence or extreme rarity of violent gusts.

2.3.1. Worth mentioning here is the case of Denmark, which probably leads the field in the introduction of aerogenerators. In December 1985 there were 1 400 aerogenerators in Denmark with a total capacity of 62 MW. Wind farms have also been built, each with a 750 kW generator (e.g. Masned Windmollepark); others with a 2 000 kW capacity are currently under construction. At the last conference on wind energy, held in Herning, it was announced that over the next fifteen years additional generators with a capacity of over 3 000 MW would be installed, mainly in Denmark, the Netherlands and the United Kingdom. The PAOLO programme, part of Spain's energy plan, is also significant.

2.4. Tidal power plants on the other hand pose serious problems as they could profoundly alter the environment.

2.5. Waste combustion also presents serious ecological problems and is therefore unlikely to be widely used as a source of energy. Detailed studies are currently being carried out at Community level.

2.5.1. Nevertheless, it is vital to find ways of using waste combustion in electricity generation, the energy supply aspect being less important than the fact that it would offer a solution to environmental problems; work in this area should therefore be encouraged.

2.5.2. Training programmes should also be introduced to provide specialists with technical expertise in the installation and operation of power stations. Cooperation with Member States which have already found solutions to this problem would be desirable.

2.6. Of the types of electricity examined by the Commission, combined heat/power production by local electricity companies and industry offers obvious advantages (a yield of up to 80 % of primary energy input, as opposed to only 35-40 % in condensing power stations). Its development is, however, dependent on a number of factors, notably the need to find uses for the heat/steam produced.

2.6.1. It has been singularly successful in terms of energy conservation, the electrical engineering industry, environmental protection and job creation.

2.7. The use of agricultural products as renewable energy sources is still a thing of the future. The Community is currently looking into this possibility.

2.8. The upshot of this state of affairs is that the draft Recommendation's provisions are principally of relevance for the production of hydroelectricity, residual heat in industry and combined heat/steam and power.

2.9. The importance of the draft Recommendation —and its economic consequences—means that Member States must take due account of likely/potential trends in electricity consumption by the various categories of user within the Community.

2.9.1. In recent years there have been widespread signs of a recession in heavy industry: restructuring plans in various industrial sectors (steel, mechanical engineering, chemicals and refineries) are one indication of this.

2.9.2. The manifold and complex causes of the recession do not fall within the scope of this paper.

2.9.3. One cause which does deserve mention, however, as it has a bearing on others and is a useful piece of background information for our present discussions, is the problem of surplus production capacity at a time of sluggish, and, in the case of some countries, shrinking demand (partly attributable to expansion in other geographical areas).

2.9.4. Although large amounts are still used in some processes, the level and 'natural' growth rate of the electricity consumption of large-scale industry has been curbed by energy conservation measures, amongst other factors.

2.9.5. On the other hand, as a result of—and reaction to—the recession in some parts of industry, small and medium-sized firms have been mushrooming. This should boost demand for electricity in the short and medium term.

2.9.6. Again, it would be reasonable to assume that there will be a general increase in demand on the part of domestic users, though this will fluctuate from one Member State to another.

2.10. It should be borne in mind that the proposed cooperation must result in an equitable share-out of responsibilities and benefits between auto-producers and companies operating the national grid.

2.10.1. In this respect it has to be remembered that public supply companies would be entirely responsible for guaranteeing the quality (voltage and frequency) and quantity (reserve generating capacity and cables) of supply to the national grid (this is recognized by all parties).

2.10.2. If a fair balance is to be struck between auto-producers and public supply companies, differences must be foreseen and forestalled and their impact assessed, though measures should be neither over-prudent nor over-optimistic.

2.11. Without upsetting the balance between public electricity supply companies and auto-producers, the most careful consideration should be given here to the other services which public supply companies may provide under this kind of arrangement.

2.11.1. Particularly important are:

— the transmission of auto-produced energy by the public grid, from the point of production to the point of use,

— the provision of additional and emergency supplies.

2.11.2. In short, the public grid should provide an energy-bank function to ensure that maximum use is made of all energy resources.

2.12. As for the price of electricity sold to the public network, (point 3.2 of the Recommendation) measures to encourage greater production of electricity from RWC should include (a) an allowance proportionate to the variable costs which have been saved (the equivalent fuel costs), according to usual practice in the Member States and (b) an allowance for the fixed costs which have been saved, the actual percentage depending on the reliability of the supply to the public network.

2.12.1. Nevertheless, other incentives should also be introduced by national governments to encourage, for example:

— the use of indigenous energy sources,

— diversification of fuels,

— energy conservation, and

— the least harmful effect on the environment.

2.12.2. These elements, which should be adopted to conditions in individual Member States, would also contribute to the clarity and transparency of data.

2.13. Electricity output could also be boosted by providing specific financial assistance—particularly in the area of combined heat and power—for installation of gas turbines by auto-producer industries which use large quantities of steam to power their plants.

2.13.1. If the extra electricity produced is sold to the public network, the cost of repowering [1] should be taken into account in the price offered by the public supply company to the auto-producer. The two parties should therefore agree in advance on repowering, to ensure that their programmes are compatible, in the general interest.

3. Conclusion

3.1. The prerequisite for cooperation of any kind is a willingness on both sides to explore new avenues with the aim of deciding jointly on the objective with the greatest potential.

3.2. Economic interests will prevail in the case of auto-producers, whereas the public supply company has also to take into consideration its commitment/responsibility to meet the needs of the community. The two sets of aims thus are not entirely comparable and the variety of constraints (legal, administrative and technical) in the Member States will not make it any easier to reconcile them. The Member States should then ensure that these constraints which restrict the incentive for public company to use the supply from auto-producers are removed and that, as far as practical, the interests of the supply companies and the auto-producers are reconciled.

3.3. When it comes to applying the Recommendation, steps will also have to be taken to ensure that fixed-term programmes, no matter how justifiable, do not upset the balance of the respective roles, and hence the stability of the cooperation process.

[1] Repowering: the up-grading of a conventional thermal power station (fuel, steam, electricity) by installing gas turbine sets in order to (1) increase the amount of electricity generated; (2) improve the overall efficiency of the stations by recuperating the head contained in the waste gases from the gas turbines: instead of being released into the atmosphere, these gases are harnessed to generate steam (which in turn powers the steam turbine sets).

3.4. In other words fundamental objectives will have to be achieved through flexible measures sensitive to the fluctuating demand for and supply of electricity.

Done at Brussels, 27 October 1988.

The Chairman

of the Economic and Social Committee

Alberto MASPRONE

Opinion on the proposal for a Council Directive on informing the population about health measures to be applied and steps to be taken in the event of a radiological emergency

(88/C 337/22)

On 30 June 1988, the Commission of the European Communities decided to consult the Economic and Social Committee, under the provisions of the Treaty establishing the European Atomic Energy Community, 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 7 October 1988. The rapporteur was Mr Saïu.

At its 259th plenary session (meeting of 27 October 1988) the Economic and Social Committee adopted the following Opinion by a majority with 1 abstention.

The Committee approves the objective of the Commission proposal, namely introduction of public-information procedures and measures with a view to improving the practical health protection provided in the event of a radiological emergency. In the Committee's view, however, the ways and means proposed are inadequate at the present time and do not meet public expectations, especially in the wake of the Chernobyl nuclear accident. The Commission is urged to heed the comments and proposed amendments set out in this Opinion.

1. Preliminary comments

1.1. The Committee would first express its concern over the tight deadline for the present Opinion: this has prevented it from carrying out essential consultations in a field which has assumed special importance following the Chernobyl accident. The Committee has already protested strongly in the past against this state of affairs which makes it difficult for it to carry out properly its advisory duties under the Euratom Treaty, Article 31 in particular.

1.2. The Committee reserves the right to carry out later a detailed examination of all the measures taken by the Community pursuant to Chapter III of the Euratom Treaty regarding health protection; the Commission undertook to take these measures in its Communication of August 1986.

2. Comments

2.1. The situation prevailing after the Chernobyl nuclear accident, which has already been described many times, made it essential that measures and procedures for informing the population be drawn up and implemented and that they improve the practical health protection provided in the event of a radiological emergency. This accident has shown that, as far as exposure to radioactivity is concerned, the whole population of the Community is in effect living in the vicinity of a nuclear power station.

2.2. Hence the drawing-up of joint principles and specific provisions regarding information—supplementing the Council Directive of 15 July 1980 [1], as amended by the Directive of 3 September 1984 [2], laying down the basic safety standards for the health protection of the general public and workers against the dangers of ionizing radiation—cannot but meet the wishes and expectations of public opinion in the Community to be informed not only as fully as possible but also coherently and reliably. It must once again be stressed that such information should be comprehensible. It would be advisable for the Commission to consider, in accordance with Article 32 Euratom Treaty, revising or supplementing the basic standards as defined in Article 30 so that they can be understood by the whole population and become public knowledge, and so that the Commission can coordinate the information.

2.3. To this end the Member States should be asked, in accordance with Article 33 Euratom Treaty, which states that each Member State shall take the necessary measures with regard to teaching, education and vocational training, to introduce measures aimed at including the basic concepts of radioactivity, its evaluation and units of measurement in their school curricula, alongside the traditional systems of weights, measures and volumes. In this way people will become accustomed to these concepts from an early age.

2.4. The Committee therefore approves the Commission's objective and welcomes a Directive which will give tangible form to several recommendations which it has itself made, in particular in its Opinion of 25 February 1987 on a draft proposal for a Council Decision on a Community system of rapid exchange of information in cases of unusually high levels of radioactivity or of a nuclear accident [3]; in this Opinion the Committee stated that 'urgent measures are required to restore and rebuild public confidence in the field of information'.

2.5. In the same Opinion the Committee called for initiatives to be taken in such areas as the public dissemination of information, readily understood information in particular, and preventive information/education.

2.6. Furthermore, the adoption of a Directive on informing the public is in accordance with and supplements Article 3 of the Council Decision of 14 December 1987 on Community arrangements for the early exchange of information in the event of a radiological emergency [4].

2.7. The Committee would point out that informing the population about various technological or other risks, be they nuclear, chemical, biological or natural, and about the health-protection measures to be applied and steps to be taken in an emergency, is not simply a matter of laws and regulations. In other words, it is not enough to decide that the public is or will be informed for this to actually be the case, unless the necessary measures are taken at the same time to ensure that this information is actually received and understood by all. People living in the vicinity of a nuclear power station must be able to familiarize themselves with the protection measures and emergency plans.

2.8. Admittedly the aim of the Commission proposal is only to lay down certain principles upon which the provision of public information should be based, but it must be stressed that the effectiveness of such a Directive implies, above all, that:

— the practical arrangements for its implementation ensure that the public actually benefits from the information,

— the public can rely on the channels through which the information is disseminated and on the information itself,

— the information is credible, which means that it must be complete, comprehensible, consistent, appropriate to the accident in question, disseminated in time and based on the latest situation.

2.9. The Committee considers that these conditions, to which the Commission does not attach sufficient importance, will only be met if the whole population is in general encouraged to give its active support. For this, the employers' and trade union organizations in the relevant sectors, environmental protection and consumer organizations and associations, must be involved in the preparation of the information, its dissemination and updating. These organizations could in fact act as effective relays in passing on the information.

2.10. The present proposal seems to be guided by certain principles introduced in Directive 82/501/EEC on the major accident hazards of certain industrial activities [5] (the so-called Seveso Directive), which made a distinction between preventive/educative information and more specific information in the event of a radiological emergency.

[1] OJ No L 246, 17. 9. 1980, p. 1.
[2] OJ No L 265, 5. 10. 1984, p. 4.
[3] OJ No C 105, 21. 4. 1987, p. 7.
[4] OJ No L 371, 30. 12. 1987, p. 76.
[5] OJ No L 230, 5. 8. 1982, p. 1.

2.11. While approving this distinction, the Committee considers that the parallel thus established between the two Directives points the need for a coordinated and consistent approach to information and prevention *vis-à-vis* the various types of major accident risks, whatever their origin, particularly so as to avoid a proliferation of public information networks. Such a proliferation could reduce the impact of the information disseminated by these networks and hence reduce the overall effectiveness of the measures taken to prevent and control existing risks.

2.12. Not only does the Committee regard as insufficiently clear the distinction drawn in the Commission proposal between the two types of information referred to in point 2.10, but it also considers that, in the case of a radiological emergency, an adequate link is not established between the present proposal and Decision 87/600/EURATOM on Community arrangements for the early exchange of information in the event of a radiological emergency [1], with which it is nevertheless closely connected.

2.13. The Committee considers it inadvisable to differentiate, as the Commission does, 'sections of the population' or to define 'the population concerned', for whose protection the Member States plan to take information measures. Such distinctions, which would be left to the discretion of the Member States, could result not only in divergencies in the application of the Directive, but could also perpetuate the chaotic situation which occurred in the aftermath of Chernobyl and impair the reliability of the information disseminated to the public.

2.14. Consequently the Committee considers that this Directive must cover all members of the public within the meaning of Directive 80/836/EURATOM.

2.15. Where necessary, specific information for sections of the population liable to be more affected should supplement this basic information. This means, in particular, the population near the accident site, infants, unborn children, pregnant women.

2.16. For the abovementioned reasons the Committee does not regard the provisions of the Commission's proposal as sufficient. In accordance with Article 31 of the Euratom Treaty the Commission is urged to amend its proposal in line with the general and specific comments set out in this Opinion.

3. Specific comments

3.1. *Article 1 (2)*

3.1.1. The definition given in paragraph 2 a) is not satisfactory and should be supplemented by the provisions of Article 1 (1) of the Council Decision of 14 December 1987 (87/600/EURATOM).

3.2. *Article 1 (2)*

3.2.1. The definition given in paragraph 2 b) refers only to emergencies involving the Member States. It should also be stated that installations and activities as defined in Article 2 of Council Decision 87/600/EURATOM of 14 December 1987 are covered. It would also be advisable to mention transfrontier problems.

3.3. *Article 1 (2)*

3.3.1. The definition given in paragraph 2 c) must distinguish between general information for the whole population and specific information for sections of the population for whose protection the Member State plans to take emergency measures in the event of a radiological emergency.

3.4. *Article 2 (2)*

3.4.1. As paragraph 2 of this Article refers to Annex 1, the first paragraph should concern the whole population.

3.5. *Article 2 (3)*

3.5.1. The whole of the population is to be informed without any request being made.

3.6. *Article 2 (4)*

3.6.1. Coordination is highly desirable to avoid chaos such as that which followed the Chernobyl catastrophe; to ensure this, the Member States must not only update and circulate the information regularly, but also forward it to the Commission.

3.7. *Article 3*

3.7.1. Article 3 should refer to Article 3 of the Decision of 14 December 1987.

3.8. *Article 4*

3.8.1. To ensure that any action taken is as effective as possible, the civil defence personnel and staff of the administrations concerned must also be informed of the procedures, instructions and methods of the internal security services of the installations in question.

[1] OJ No L 371, 30. 12. 1987, p. 76.

3.9. *Article 6*

3.9.1. The competent authority or authorities shall be responsible not only for collecting, recording, processing, selecting and disseminating the information, but also for ensuring coordination with those employers', trade union, consumer and ecological organizations which could actively help to relay the information.

3.9.2. The information referred to in Articles 2 and 3 must be disseminated via those information channels most appropriate in each Member State. In the event of a radiological emergency, the population should know the signal which would tell them to listen out for the information on what action they should take.

3.10. *Article 7*

3.10.1. In the event of a radiological emergency, the Commission should also receive the information which a Member State disseminates to its own residents under Article 3 and, in the framework of bilateral relations, to other Member States whose populations are likely to be affected.

3.11. *Annex II — Point I B*

3.11.1. Point I B should also refer to Article 3 of the abovementioned Decision of 14 December 1987.

Done at Brussels, 27 October 1988.

The Chairman

of the Economic and Social Committee

Alberto MASPRONE

3.12. *Annex II — Point II*

3.12.1. Regarding the attitude towards foodstuffs and drinking water, reference should be made to advice on the harvesting, transport and processing of agricultural products and on stockrearing.

3.13. *Annex II — Point III*

3.13.1. The information on evacuation plans should, in the event of a serious accident, include arrangements for the evacuation firstly of people near to the accident site, then of those in a wider radius.

3.13.2. In this second zone, a distinction must be made between two groups:

— infants, unborn children, pregnant women, who are more sensitive to the effects of radiation,

— the rest of the population.

3.13.3. There must be checks on the carrying-out of the evacuation plans to ensure that they are as effective as possible.

3.13.4. It would also be desirable for Member States to communicate their evacuation plans to the Commission as well as to other States likely to be affected.

3.13.5. The emergency plans should also cover the reception of evacuees so that they are reassured, helped over the stock and cared for. To this end, special vocational training should be provided for the reception personnel.

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