

Conference of Consumers in the European Community Group.

London, 3rd November 1980.
Speech by Mr. Richard Burke,
Member of the Commission of the European Communities.

The title you have given your organisation is one which proclaims simply but effectively the purpose for which your constituent bodies have associated themselves. Your raison d'être lies in the fact that the members of those bodies - numbering many millions of consumers, as your descriptive leaflet states - affirm through their representatives in CEEG their common acceptance of the need to regard the European Community as "an everyday event in the lives of ordinary citizens", the phrase which President Jenkins used when he addressed the European Parliament at the beginning of the four year mandate of the Commission in which I have the honour to be the member responsible for consumer affairs. That same leaflet of yours says that CEEG is needed because "decisions affecting UK consumers are no longer made only in Whitehall, Westminster or at regional level" but also in Brussels, since the accession of your country to the European Community. I feel it right that I should commend, at the outset of this address, what is at once a realistic and an enlightened attitude, namely that your members are citizens of that Community, who have a right to have their voice heard in its councils and a readiness to use that voice whenever their interests as consumers are affected by actions at European level.

You may wonder that I seem to lay stress on the obvious. I do so because I find it too often the case that the basic purposes enshrined in the Treaty of Rome, expressed by Article 2 in terms of "a harmonious and balanced expansion" and an "accelerated raising of the living standards of all citizens", are obscured in tangled argument about the merits, demerits, and the technical complexities of this or that piece of consumer legislation as it wends its slow and tortuous passage through the inter-institutional and other consultative procedures undergone by the great majority of Commission proposals. The basic purposes of the Community are too easily forgotten.

I also find it particularly opportune to be here with those people in the UK who have been most closely concerned with Community policy throughout my present mandate as Commissioner. I near the end of that mandate which has coincided largely with the period of implementation of the First, sometimes called the preliminary, programme for a consumer protection and information policy. I think it more deserving of the former description than of the latter. We have engaged in more than preliminaries. A substantial amount of legislation, particularly in the field of consumer health and safety, is already on the Community statute book. We have also seen the Council of Ministers approve two important measures proposed by the Commission in matters of information, namely those dealing with food labelling and with price-marking of foodstuffs.

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But looking back over my four years as Commissioner for Consumer Affairs, and sharing my impressions with an informed audience like this one, I must confess I find some grounds for regret and disappointment. It is of course no secret that the Community as a whole has had to accustom itself to a rather slower rate of progress in the legislative field during the last decade than was the case in the bright, confident days of the 1960s. But, even so, the pace of development in consumer protection has been exceptionally sluggish, and this can only be a source of dismay.

Too few directives have found their way to the statute books, and those which remain locked in the legislative process are among the most important we have launched. I would, for example, have hoped that by now we would have been able to agree on the directives regarding misleading advertising, product liability, consumer credit and doorstep sales. True, they continue to advance, but at a pace so wearily slow as almost to give the process of legislation a bad name. I am sometimes tempted to believe that the "instances of the Council", as they are so graciously called, have more in common with the Dickensian court of Chancery than with any modern legislature - with this singular difference, that in "Bleak House" the lawyers at least were able to enrich themselves, whereas in the wasteful process I am describing we are all impoverished.

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I regret particularly the failure so far, in the quite long history of Consumer Protection as a Community policy, to hold a single Council of Ministers devoted to this subject. On this at least I agree with Mrs. Oppenheim. She and I might disagree on many things, and might look for rather different results from such a Council, but we do concur that a Council is long overdue. Indeed I believe that the failure even to hold one is a scandal, and that a policy which is persistently judged unfitting for ministerial attention at Community level is a policy in danger of being sold short.

I earnestly hope that if we do not see a Council in my remaining weeks as a Commissioner we shall see one soon afterwards. Consumer protection is a political question; it is not simply a matter for administrative bargaining. If we had a Council the question would be raised to its proper political plane. The issues would come into clear focus, as they never can when they are joined only at official level. The long and inconclusive debates of the past few years would be resolved. The consumer dimension in Community affairs would be acknowledged, as it never has properly been, I believe, since the Paris Summit of 1972 gave us our first, and very encouraging impulse.

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So let us hope that this glaring deficiency in the treatment of consumer policy will soon be remedied. For I believe that the continued failure to hold a Consumer Council would be, as was wittily said on another occasion, not only a crime but a mistake. There is no question in my mind as to the political urgency of such an initiative. For one thing - the most important thing - people want it. In a European opinion poll taken in 1974, 40% of those questioned felt that consumer protection was a very important objective. But a recent survey conducted by the French newsmagazine "Le Point" suggested that this percentage has now risen to 83.

An even more striking proof of the political urgency of this question is provided by the great hormone controversy. Leave aside the particular merits of the case; leave aside the successful resort to the extreme weapon in the consumers' arsenal, the boycott: the fact that comes ringing through is the sheer power of consumer protest when it is mobilized on an issue which is seen as vital and simple.

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It has been impressive to see how rapidly governments and the Community have reacted to meet the grievance of the hormone protestors, and to put things right. I rejoice in the urgency shown: clearly it is the right, the only response. But how much better it would be if we had a consumer policy which was consistently given the seriousness it deserves, so that it did not require the desperate measures invoked by your counterparts in France and Italy to be given effect! The impact of those measures has been spectacular, but it only points up the failures of our general approach. If we had a system where the legislation was right, and the process of consultation between consumer and producer seriously established, then the boycott, the weapon of last resort, need never be employed. Instead we tend to have a policy of the last outcry, moribund when no great scandal looms, then jerking erratically into life in response to the next disaster or threat of disaster.

It is clear that politicians - and I speak as a politician - are tempted to regard consumer groups as somehow "not serious" in the political process. Politicians are accustomed to dealing with fixed blocks in society, compact interest groups clearly defined socially or by ideology - parties, classes, churches, unions, national minorities, the business community and so on. There is

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a satisfying solidity about these blocks; they may be as stable as the state itself, perhaps more so. Consumers on the other hand are what the American jargon - and it is a very useful jargon - calls "issue-oriented". Deal with their issue, or their set of issues, the comfortable politician feels, then they will disappear, or regroup and pop up somewhere else. The estates of the realm keep their course and their substance, almost regardless of the issues; consumers, on the other hand, are long on issues and short on substance.

Such, I believe, is something like the theory at work, however unconsciously, in the mind of government. I think it is a very mistaken one, and that it quite misjudges the kind of society we have developed into over the last thirty years. But I think the prevalence of the theory tells us a lot about why we have, on the one hand, no consumer Councils in the Community and, on the other, intermittent high drama like that of the veal hormones.

Let me now say a few words about the Second Programme for Consumer Protection, which is now, as I hope, nearing adoption in the Council. The Programme poses the necessity for a recognition of mutual interdependence between market agents, which is the vital characteristic for the good order of its affairs. It recognises honestly that there is a dis-equilibrium between the

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resources at the command of consumer and producer interests, and pledges itself to work for a better balance, so far as Community capacity permits. It looks to consumer representatives to play an active and constructive part in the development of economic decisions. It appeals to member states to ensure that, since so many of those decisions occur in the public sector, consumers will have due opportunities, on a continuous basis, to make their views known and to have the influence of those views brought to bear in the places where they can be given their due weight.

The underlying principle of the programme as a whole is that of active promotion, rather than passive protection, of consumer welfare, through a judicious combination of laws which provide the basic protective structure, and voluntary agreements more readily adaptable to changing circumstances. It expects that the voluntary dimension will be underpinned with effective means of redress when the provisions of codes of conduct are not respected. This is new territory for the Community to traverse and it remains to be seen how far we can hope to go and what problems we may encounter in the course of exploring the terrain and consolidating our settlements within it. We harbour no illusions in this respect. We recognise that our part has to be a limited one of support for actions undertaken by the principal partners, and of monitoring the results of those actions.

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The challenge will be, as I said on another platform last week, to get the right blend of the voluntary and the mandatory.

We are still quite some way from establishing the full extent of the mandatory dimension. The issue is complicated by the different stages of progress of our member states along the road to a reasonably comprehensive body of consumer protection legislation. Your country has already gone a long way on that road. I, for one, am favourably impressed by the volume of legal enactment here in the sixties and early seventies, a period of unprecedented assertion of consumer power and of public authority response to it on both sides of the Atlantic. But those of our member states, who, generally or regionally, are still at earlier stages of economic development, as well as those states of imminent or prospective accession to our Community have much of the journey still to travel. In addition to that, we have had different perceptions of how best to implement principles and evolve procedures, in particular on matters of consumer concern, such as unfair terms in consumer contracts or methods of counteracting misleading advertising. Where should the limits of Community intervention lie in these circumstances?

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There is no easy answer to that question. Clearly we cannot settle for pious expressions of principle. Neither can we pre-ordain the detailed administrative practices which member states will apply in translating Community law into national law. We have to look at each domain of action pragmatically and work from the facts as we find them. The justification for Community intervention lies not only in facilitating the free flow of goods and services. That is assuredly part of our aim, but it does not of itself fulfil the true purpose of the Treaty of Rome to which I referred earlier, notably the broad commitment of Article 2. There are still too many people who want to draw the line short of that goal. This limitation of Community ambition is unacceptable.

We must maintain the freedom of the market as it exists now and seek incessantly to expand those freedoms, not only in the interests of trade, but also of those who are its object, namely our ordinary consumers. So long as we stop short of that view of things and take refuge in the belief that freedom of trade will take care of the rest, so long will we fail to realise the best hopes of our declared policy. Let those amongst our member states who have made the greater progress in the consumer interest seek actively to support the development of

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rights to comparable recognition of that interest in the others. The UK has an obvious leading role to play in this respect. One need not look further for an example than your consumer credit legislation which has provided a model for us in drafting its Community counterpart. It serves no useful purpose to resort to technical argument as to the extent to which the Treaty of Rome permits or fails to permit the intervention of our Institutions in that or similar domains. One can only regret that precious time has been lost in that sterile exercise in the past and is still to some degree being lost. The limited resources of which we dispose in the consumer promotion field deserve better of the other interests concerned than to be frittered away in rehearsals of the same negative chorus.

It is for this reason that one rejoices to find an organisation like yours active in the Community affairs of the consumer. When the hurly-burly's done and the battle lost or won in Brussels, it is you who must count the cost for your own members. I would like to think that you will regard that cost at times as worth the paying - if real advances are made on behalf of your consumer counterparts in the other member states. If you do not, then assuredly, there will be few others to do so.

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I think you have done much in the two short years of your existence to help to get the right perspective on Community activity brought home to your members, and to your public authorities up to government level. You came to meet us on our home ground last year, you take part in the important conferences at European level of consumer bodies themselves, you have met our Consumers' Consultative Committee, you have in short done much in a little time to try to see the Community view and where you have found merit in it, you have not hesitated to say so. Where differences of view persist, you remain in dialogue with us, as today's occasion amply testifies. I ask you to maintain, with all the vigour you can muster, the goodwill you have begun, the unique and responsible role, as I see it, that you have set out for yourselves in relation to the future of consumer affairs in the Community. May success continue to attend you.