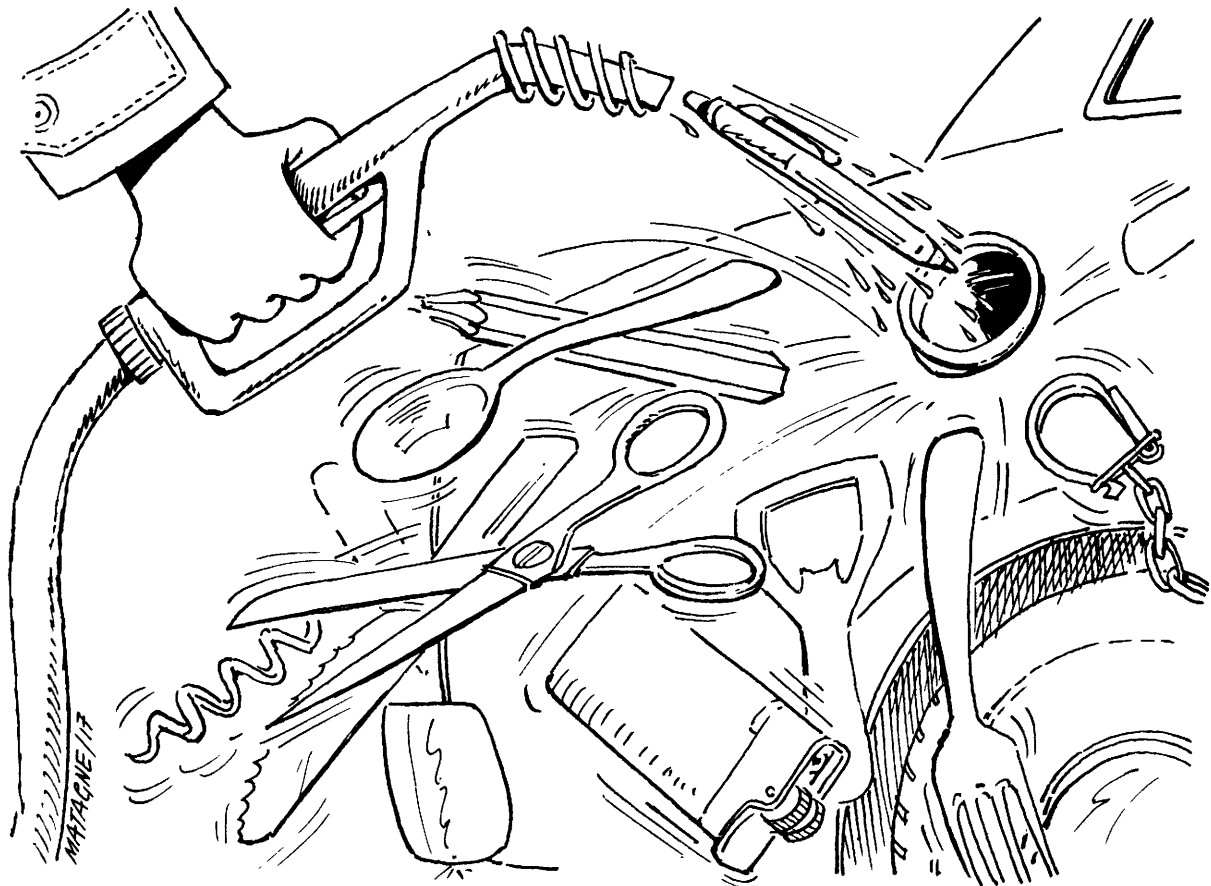


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europa day by day

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**Free gifts have become a little excessive in the Community
(see page 3)**

X/312/77 -

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Commission of the European Communities
Directorate General of Information
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Editor and coordinator : Jean Pirlot

++ SELLING AND FREE GIFTS

"To everyone who buys a safety belt we shall give away a new car!". There has been no shortage of jokes since free gifts with purchases became the fashion. But the problem is serious.

In Annex 1, Euroforum takes a closer look at the conclusions of a study produced by Mr. Claude Bloch of the Centre for political economy and analysis at Strasbourg's Louis Pasteur University.

++ GOLDEN RUBBISH

Everyone in the European Community produces about 280 kilos of waste a year. In times such as these, such waste should become a crime and waste collection a civil duty.

Euroforum describes some of the problems involved with waste collection and recycling in Annex 2.

++ THE ART OF LIVING

One in every two people in the Community subscribes to at least one association or club. In Annex 3, Euroforum reveals some of the facts uncovered by Eurobarometer opinion poll on such European participation.

++ EMPLOYMENT UNTIL 1980

During the last few years part-time jobs have become much more general in most Community countries. In Germany, for example, they have increased from 2.5% of the workforce in 1960 to 8.5% in 1975, illustrating the preference for this kind of employment. In the present situation the problem is not only to reduce unemployment but also to transform the nature of employment itself, taking into account, for example, the improvement of working conditions and a greater choice and a more flexible labour market.

The Standing Committee for Employment in the Community, which consists of representatives of government, employers, workers and the European Commission, has just turned its attention towards changes in employment from now until 1980. The Committee is preparing for the Tripartite Conference which is to take place in Luxembourg on the 27th of June and the European Council of Heads of Government which will be held on London on the 29th and 30th of June coming.

The Committee stressed that all measures concerning the labour market cannot be considered in isolation, they constitute one

element of economic policy as a whole and it is important to develop a good macro-economic policy if the Community wishes to draw up a more efficient labour market policy.

This is the problem. It is important that the cost of the proposed measures does not harm competition, investment or employment in general.

++ CONSUMER PRICE INDEX

Below, Euroforum presents the latest consumer price index issued by the Community's Statistical Office covering March 1977. (1970 = 100) :

	<u>March 1977</u>	<u>Variation Feb/Mar 1977</u>	<u>Variation Mar 1976/Mar 1977</u>
Germany	145.2	+ 0.3%	+ 3.9%
France	177.1	+ 0.9%	+ 9.1%
Italy	228.5	+ 1.2%	+ 21.0%
Netherlands	172.8	+ 0.8%	+ 7.3%
Belgium	171.3	- 0.1%	+ 7.4%
Luxembourg	164.2	+ 0.4%	+ 8.3%
U.K.	240.3	+ 0.9%	+ 16.7%
Ireland	240.6 (1)	+ 3.8% (2)	+ 16.7% (3)
Denmark	181.5	+ 1.5%	+ 8.7%

(1) 15.2.77

(2) variation 15.11.76/15.2.77

(3) variation 15.2.76/15.2.77

++ OIL AND COMPETITION

The European Commission has condemned the behaviour of three BP oil subsidiaries in the Netherlands during the most acute period of the oil crisis from November 1973 to March 1974.

The Commission takes the view that the oil shortage in the Netherlands during the crisis of 1973/74 was provoked by

outside factors. Independently of these outside factors the Dutch market differed from others through the existence of minimum prices fixed by the Government at a lower level than the international market. This price fixing made it economically impossible to import into the Netherlands without the buyers making significant losses.

The large integrated oil companies refining in the Netherlands had thus held a dominant position during the most acute period of the crisis vis-à-vis their respective clientele in the Netherlands.

The Commission considers that during the shortage, Dutch companies of the BP group abused their dominant position. They reduced their deliveries of petrol to the company A.B.G. (Aarolie Belangen Gemeenschap B.V.), a large and traditional client, in a discriminatory way with regard to their other clients in a similar position. The three BP subsidiaries had thereby threatened the very existence of A.B.G.

The condemnation pronounced by the Commission is not accompanied by a fine. It takes account of measures taken by the Dutch authorities and the uncertainties which reigned at the time with regard to the application of the rules of competition for oil products.

++ INQUISITIVE EUROPEAN PARLIAMENTARIANS

1,434 questions were asked by European Parliamentarians in the course of the session 1976-77, of which 1,142 were addressed to the European Commission, 270 to the Council of Ministers, and 22 to the Council of Foreign Ministers. Parliamentarians may pose their questions either in written or in oral form during the session (with or without debate) or even during "question time" - a new procedure introduced at the initiative of British parliamentarians, directly inspired by the Westminster tradition. A breakdown of these questions is set out below.

Written questions:

to the Commission	847
to the Council of Ministers	154
to the Council of Foreign Ministers	<u>5</u>

1,006

Oral questions (with or without debate):

to the Commission	79
to the Council of Ministers	31
to the Council of Foreign Ministers	<u>5</u>

115

Question Time:

216

85

12

313

1,434

++ A BELGIAN BARRISTER GOES TO PARIS

Mr. Thieffry, a Belgian, is a Doctor of Law from the University of Louvain. Having practised in Brussels, he set up in Paris with recognition by the University of Paris of his doctorate in Belgian law as equivalent to a degree in French law. He was able to pass aptitude tests for a professional certificate from the French CAPA. But when Mr. Thieffry wanted to practise at the bar, the Council of the Order of Barristers of the Court of Paris refused him, since he does not possess a degree or doctorate in French law as required by the law. The case was finally brought before the European court of Justice in Luxembourg.

The Court of Justice ruled in favour of Mr. Thieffry and cleared the way towards the right of establishment of barristers. According to the Court, diplomas recognised by a University must allow professions to be practised. The recognition of Mr. Thieffry's Belgian diploma by the University of Paris consequently gave him the right to practise in Paris.

But his case is an exception. The mutual recognition of diplomas is still not a reality. But barristers from the different Community countries wanting to set up in a country other than their own can at least plead their case before any court on Community territory. In two years time however, a Community directive will come into force on the free movement of practising barristers.

++ PRECIOUS SLUDGE

'Sludge could be a potential resource rather than a waste' was the positive approach recommended by the Community's Economic and Social Committee during its latest session. A Community programme proposed by the European Commission and studied by the Committee plans to coordinate research work undertaken in Community countries on sewage sludge, stabilisation, the problems of odour, dewatering, classification and environmental problems connected with its use on the soil and in agriculture.

The Economic and Social Committee feels that if an outlet for sludge has to be found in agriculture, then it is essential to ensure that it is acceptable to farmers. It suggests setting up a closer exchange of information between agricultural organisations and those authorities responsible for sewage disposal.

++ CHEESE AT SEA

Some sellers and shrewd housewives have been profiting from a gap in the rules, and buying agricultural products marked for export on board ship, taking care not to declare them again when landing. To put an end to this, the Community has limited the amount of agricultural products able to be bought in this way. The provisions a traveller is now allowed must not be more than 1 kg of butter, 1 kg of cheese, 1 kg of meat (including prepared or cooked meat and sausages), 2 litres of wine (including sparkling wines and liqueurs), and a total of 2 kg of other products or merchandise allowed by the Common Agricultural Policy. These sprees must now be restricted to an occasional trip and cannot therefore become a profession. And purchases must only be for personal or family use or destined as presents.

++ COMMUNITY OIL TANK

The European Commission has proposed a large 'common tank' for stocking crude oil and oil products in the Community.

There are already intergovernmental agreements in existence by which a firm established in one country of the Community can keep stocks on the territory of another Member State. But the surplus capacity for storing oil in the Community is not always put to optimum use. The Commission feels that a common storage capacity, coordinated at the Community level and available to all firms in Community States would improve the use of this capacity.

The cost of storing oil means a considerable financial burden for firms, especially for small and medium companies and especially after the increase in oil prices. The Commission proposes setting up storage organisations in Member States

which would be financed by fees collected on oil sold on the home market.

++ EUROPEAN AWARDS FOR BETTER URBAN HOUSING

The Commission is collaborating with Member States in setting up a competition for the best recent urban development.

Government experts will work with a group of independent experts appointed by the Commission. They will select five to ten fully or partly completed housing projects in each of the nine Community countries. The list would then be reduced to two projects per country and those finally selected would be made the subject of a detailed report, with summary and comment on the most effective means of solving development problems.

++ SCHOLARSHIPS FROM THE PAUL FINET FOUNDATION

The Paul Finet Foundation has given 307 study scholarships worth about 2,733,000 Belgian francs to children of workers in the coal and steel sector who have died in industrial accidents or of occupational diseases.

The work accomplished to date by the Foundation is quite impressive. Since its creation in June 1965, 9,416 applications have been examined and 6,623 financial grants given, making a total of 54,740,000 Belgian francs.

Thanks to aid from the Foundation, 1,762 scholars have been able to complete their secondary and university studies and vocational training in better circumstances.

++ EUROPOLIS

A French archivist, Mr. Herbert Lamm, has proposed that cosmopolitan towns in Belgium, France and Denmark - such as Brussels - that are European, be termed as Europolitian (as opposed to metropolitan). The Europolis would welcome artists and men of science while maintaining normal services, industry and crafts. Mr. Lamm can be contacted at 2 Square du Rhône, 75017 Paris.

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SELLING AND FREE GIFTS

"To everyone who buys a safety belt, we shall give away a splendid new car". There have been no shortage of jokes since free gifts with your shopping became the fashion. The problem for the European consumer is, however, serious. To investigate the problem, the European Commission requested the Centre for political economy and analysis at Strasbourg's Louis Pasteur University to undertake a study.

Euroforum presents below the conclusions drawn up by Mr. Claude Bloch, author of the study. Naturally enough, they do not necessarily reflect the views of the European Commission.

Profound differences

German and Luxembourg legislation has practically eliminated the use of free gifts as a selling technique. The only type of gifts allowed have to be very small and unlikely to influence consumers' buying habits. However, sales promotion and the use of free gifts is not restricted in the United Kingdom as long as certain ethical rules are observed. The regulations in the Netherlands, Italy, Belgium and France (in order of increasing severity), fall between these two extremes.

Germany and France forbid the use of free gifts all through the distribution chain, whilst the legislation in other countries looked at, only covers the bonuses offered to final consumers.

Between 1971 and 1974, the French administration started proceedings against more than 400 violators of the law concerning free gifts.
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The wide divergence in legislation concerning sales gifts, encourages one to question whether any regulation is required at all. The results of this study confirm however, that this sort of regulation is not only desirable but necessary.

The British experts maintain that a liberal approach to sales gifts, as currently exists, is ideal since it encourages competition and consequently benefits the consumer. They forget, however, that among other advantages, strict regulation of the use of free gifts can itself protect consumers from certain undesirable manoeuvres by advertising and marketing organisations, for whom free gifts are only a less expensive way of seducing and captivating consumers. The attraction of free gifts is frequently irrational, and only the limit to the use of sales gifts can reestablish a proper market balance between buyers and sellers.

In Belgium the law concerning free gifts contains many exceptions. Nothing, for instance, prevents a retailer offering three articles for the price of two in an attractive packaging containing also a sample of another product, as well as a coupon giving him the right to take part in a promotional competition!

It is evident that certain small gifts cannot realistically influence consumers' buying decisions. Nevertheless, the authorities should always encourage traders or advertisers who wish to promote their products, to select an operation which reduces prices rather than give away free gifts. A price reduction enables the consumer to make an objective estimate of the real value of the goods he is buying, whereas when a free gift is offered, he is likely to overestimate the value of the gift and the real value of the purchase. Children, in particular, tend to overestimate the value of free gifts.

In Germany during 1975, there were around 3,700 requests for termination of sales gifts or equivalents. The demands came from producers, distributors or groups representing them. In most cases the organisations involved complied with the request rapidly.

To help resolve this problem, the European Commission should concentrate its work in the following two directions.

For the sake of fair competition and the protection of consumers, the Commission should encourage those countries that do not have sufficiently strict regulations governing the commercial use of free gifts, to introduce legal restrictions, even if, as in the case of the UK, such a legal innovation would go against the liberal tradition which is at the root of their commercial legislation. Only 'small' gifts can be tolerated, and only then if they are not a decisive influence on consumers' purchasing decisions.

In Italy, selling with free gifts is accompanied by promotional games and competitions. In 1974 the administration authorised some 583 such games and competitions, and in 1975, 617. In the same year authorisations for sales gifts amounted to 765 and 907 respectively.

Secondly, the Commission should encourage the introduction of severe penalties for violation of the laws on sales gifts, so that fraudulent operators can be systematically tracked down and punished throughout the Community.

According to the statistics of the 'Incentive Marketing and Sales Promotion' magazine, the UK had close to 6000 campaigns with free gifts or equivalent in 1975, of which 1700 were promotional competitions.

Harmonisation of the national legislations covering sales gifts is necessary. Only small gifts which do not influence purchasing habits should be tolerated. Violators of the existing laws and regulations should be vigorously dealt with to ensure observance of the law. Care has to be taken, however, that substitute practices do not arise when the restriction of sales gifts starts to take effect.

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GOLDEN RUBBISH

Each person in the European Community produces about 280 kilos of waste a year. Given today's economic situation, this wastage should become a crime and waste recuperation a civil duty.

The quantities of waste produced by the Community every year are impressive : agricultural waste 1,000 million tonnes per year, mining waste 300 million tonnes, chemical waste around 40 million tonnes, food waste 100 million tonnes. With the exception of agricultural and food wastes, these substances are not recovered for the most part, but are eliminated as simple waste.

Other sorts of industrial waste (metal, paper, rubber, plastic, textiles and glass) probably exceed 70 million tonnes per year. Only a low proportion is recovered and recycled to reduce raw material depletion.

The volume of household waste is around 72 million tonnes per year as found in municipal wastes and around 55 million tonnes of other difficult wastes such as metals, tyres, waste oil, etc. Municipal waste amounts to about 37 million tonnes per year of recuperable waste (metals, paper, plastic, rubber, textiles) and another 10-20 million tonnes a year of organic residues, dust, ash, etc. Only a small proportion of these are recovered.

In relation to total consumption of materials, it would seem that the largest amounts of available waste are paper (66%) and glass (46%). The amount of ferrous metals which are not recuperated is somewhat smaller (7-15%).

The value of recycling

According to the European Commission's own data, the most valuable materials to recuperate (in terms of net value per tonne) are non-ferrous metals, good quality paper, thermoplastics and tyres, certain textiles, waste oils and straw (for producing paper mache).

The least economic materials to treat, from the financial point of view, are those for the production of fuel or compost, the use of plastics for reinforcing construction materials, and clinker and ash for use in construction and ballast.

The cost of waste recuperation is influenced by a wide variety of factors. In some urban areas it is impossible to request the inhabitants to sort their rubbish before collection. The processing industries would find it impossible to sort the rubbish themselves without having to invest considerably in new plant.

Other criteria

Recycling, however, involves more than purely financial considerations. It also can help in reducing raw material imports which can be of great benefit to the Community's balance of payment.

The efficient use of secondary materials also gives rise to certain savings in 'rare resources', particularly metals and oil-based products.

Recuperation of secondary materials can, in certain cases, lead to a reduction in overall pollution, particularly in raw material extraction and where primary treatment is relatively polluting.

Community directive

As part of the Community's Environment Action Programme, the Council adopted a directive in July 1975 on waste disposal. The directive will be applied by Community countries after July 1977. It defines waste as all substances or objects a person has disposed of or is obliged to dispose of, by virtue of national regulations already in force. Elimination is taken to mean the collection, sorting, transport and processing of waste, as well as storage and dumping. It also includes the processing necessary for its re-use, recuperation and recycling.

Among other requirements, Community States are obliged to take appropriate measures to promote the recycling and processing of waste, the extraction of raw materials and possibly energy from it, and any other methods that enable waste to be reused.

This directive is the basis of a programme on waste proposed by the Commission in its draft Environment Action Programme 1977-82 (see Euroforum N° 38/76).

THE ART OF LIVING

One in every two people in the Community subscribes to at least one club or association. Europeans, it would seem, have a real taste for organising themselves, defending their interests and joining in sport and cultural activities.

A Eurobarometer opinion poll carried out for the European Commission has produced some detailed results on the tendency of Europeans to join clubs and associations. The results show a strong variation between countries. Denmark (67%) has twice as many people joining clubs or associations as Italy (37%). Top of the list comes Luxembourg (71%). In addition, it seems likely that the tendency to join clubs is cumulative, i.e. in the countries where the most people join at least one club, we also find a higher percentage to join several.

SUBSCRIBERS TO ONE OR MORE ASSOCIATIONS (October 1975)

	B	DK	D	F	IRL	I	L	N	UK	EEC (1)
Subscribers to:	%	%	%	%	%	%	%	%	%	%
- one association	36	39	32	26	30	28	32	22	32	29
- several associations	22	28	22	25	29	7	39	42	21	21
total	58	67	54	51	59	35	71	64	53	50
- no association	40	31	42	48	36	35	26	30	45	47
- no reply	2	2	4	1	5	62	3	6	2	3
Total	100	100	100	100	100	100	100	100	100	100

(1) weighted average according to proportion of the population aged 15 years and above.

What sort of clubs or associations do Europeans join?

<u>Type of association</u>	<u>Out of 100 persons interviewed</u>	<u>Out of 100 persons subscribing to at least one association</u>
1. Trade Union or health insurance	27%	56%
2. Sport	16	33
3. Religious or philosophical	11	21
4. Educational (parents' associations or youth movements)	7	14
5. Artistic or cultural	7	14
6. Political	6	12
7. Old boys' associations	4	9
8. Consumer protection	1	3
9. Others	5	7

The trade union or health insurance associations account for between 20% (Italy) and 40% (Belgium, Denmark) of the persons interviewed. The sports clubs account for between 6% (Italy) and 32% (Netherlands, Luxembourg). Religious or philosophical associations only seems to have a large following in Ireland (29%) and the Netherlands (27%). Educational, artistic and cultural associations have a combined total of between 10% (Denmark) and a little over 20% (Luxembourg, Netherlands, France). The maximum percentage of subscribers to political associations does not rise above 10% throughout the whole population.

Interest in club life seems to vary according to age and sex.

DISTRIBUTION OF MEMBERSHIP ACCORDING TO AGE

	Male age					Female age				
	Total	15/ 24	25/ 39	40/ 55	55+	Total	15/ 24	25/ 39	40/ 55	55+
≠	<u>1. Out of 100 subscribers</u>									
A.	57%	42%	57%	67%	56%	54%	50%	58%	63%	39%
B.	32	46	37	29	21	33	39	38	29	24
C.	19	9	15	24	25	24	15	18	24	38
D.	27	19	28	32	23	30	24	32	34	23
E.	14	13	15	11	17	10	8	11	9	10
	<u>2. Out of 100 persons interviewed</u>									
A.	32%	20%	37%	44%	26%	24%	20%	31%	33%	12%
B.	18	22	24	19	10	14	16	20	15	7
C.	10	4	9	16	12	10	6	9	12	12
D.	15	9	18	21	11	13	10	17	17	7
E.	8	6	9	7	8	4	3	6	5	3

≠

A. : Trade Union or health insurance	Type
B. : Sport	of
C. : Religious or philosophical	club
D. : Educational, artistic or cultural	or
E. : Political	association

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PRESS AND INFORMATION OFFICES OF THE EUROPEAN COMMUNITIES

BELGIUM

1049 BRUSSELS
Rue Archimède 73
Tel. 735 00 40/735 80 40

DENMARK

1045 COPENHAGEN K
4 Gammeltorv
Postbox 144
Tel. 14 41 40

FRANCE

75782 PARIS CEDEX 16
61, rue des Belles-Feuilles
Tel. 553 53 26

GERMANY

53 BONN
Zitelmannstrasse 22
Tel. 23 80 41

1 BERLIN 31
Kurfürstendamm 102
Tel. 8 92 40 28

IRELAND

DUBLIN 2
29 Merrion Square
Tel. 76 03 53

ITALY

00187 ROME
Via Poli, 29
Tel. 68 97 22 à 26

LUXEMBOURG

LUXEMBOURG
Bâtiment Jean Monnet B/O
Plateau du Kirchberg
Tel. 430 11

NETHERLANDS

THE HAGUE
29, Lange Voorhout
Tel. 070-46 93 26

UNITED KINGDOM

LONDON W8 4QQ
20, Kensington Palace Gardens
Tel. 727 8090

CARDIFF CF1 1WF
4 Cathedral Road
P.O. Box 15
Tel. 371 631

EDINBURGH EH2 4PH
7, Alva Street
Tel. (031) 225.2058

CANADA

OTTAWA, Ont. K1R 7S8
350 Sparks St.
Suite 1110
Tel. 238 64 64

CHILE

SANTIAGO 9
Avenida Ricardo Lyon 1177
Casilla 10093
Tel. 25 05 55

GREECE

ATHENS 134
Vassilis Sofias 2
Tel. 743 982/83/84

JAPAN

102 TOKYO
Kowa 25 Building
8-7 Sanbancho
Chiyoda-Ku
Tel. 239-0441

SWITZERLAND

1202 GENEVA
37-39, rue de Vermont
Tel. 34 97 50

TURKEY

ANKARA
Kavaklidere
13, Bogaz Sokak
Tel. 27 61 45/46

UNITED STATES

WASHINGTON, D.C. 20037
2100 M Street, N.W.
Suite 707
Tel. (202) 872-8350

NEW YORK, N.Y. 10017
245 East 47th Street
1 Dag Hammarskjold Plaza
Tel. (212) 3713804