COMMISSION OF THE EUROPEAN COMMUNITIES

COM (73) 2108

Brussels, 5th December 1973

A PRELIMINARY COMMUNITY PROGRAMME FOR CONSUMER INFORMATION AND PROTECTION

(submitted to the Council by the Commission)

I

S U M M A R Y

of

A PRELIMINARY COMMUNITY PROGRAMME FOR CONSUMER INFORMATION AND PROTECTION

INTRODUCTION (paras 1-5)

Summit call (October 1972) for strenghtening and coordinating action for consumer protection reflects pupular feeling. Time to show human side of Community's development. Consumer not merely a user of goods and services but increasingly concerned with social and environmental issues. Growing emphasis on the quality of life. Need to recognize consumer rights to health, safety and redress (consumer protection and assistance); to be adaquately informed and educated; to be heard (consumer representation). Paper represents a first statement of co-ordinated consumer policy as a basis for a dialogue with the Council, to be expanded and amended in the light of experience.

I. THE CONSUMER AND THE ECONOMY (6-12)

A review of the economic background against which consumerism has evolved.

II. THE EUROPEAN COMMUNITY AND CONSUMERS (13-25)

The legal base for consumer action and a brief note of work already done, under the headings : Harmonization of regulations governing products (17); widened choice of supplies (18); competition policy (19); Prices (20); consumer information (21). Reference is made to the former contact committee of consumers, the establishment of the Environment and Consumer Protection Service, the new Consumers' Consultative Committee and other consultative committee.

III. OBJECTIVES AND OUTLINES OF A COMMUNITY CONSUMER POLICY (26-58)

This section provides a conspectus of consumer needs under the following heads :

1. Consumer Protection (27-41)

   (A) Protection in terms of health and safety (27-29) - e.g. foodstuffs, pharmaceuticals, household utensils and appliances, cars and other consumer durables, packaging.

.../...

(B) Trading practices concerning goods and services (30-38)- hire-purchase, misleading advertising, door to door sales etc., warranty problems, deceptive packaging, services ranging from public health and utilities to credit, catering, tourism; repairs and after sales service.

(C) Prices (39,40) - difference between agricultural and industrial goods, need for stability and explanation to consumers of disparities.

(D) Competition (41) - effective use of Articles 85-86 of the Treaty in consumer interest

2. Consumer Assistance (42-44) - in matters of complaint, advice and redress studies on different procedures and possibilities.

3. Consumer Information (45-55) - labelling, advertising, comparative testing. Information about goods and services and about the work of the Community and its policies. Full use of media and information methods. Consumer education.

4. Consumer Representation (56-58) - consultation, representation and participation at all levels.

IV. IMPLEMENTATION (59-68)

Horizontal application of consumer considerationsin vertical measures; association with other programmes of the Commission. Inter Service Liaison Group. Government experts group. Need for flexibility and policy changes if required.

V. PRIORITIES (69-88)

For action within the next three years :

1. Matters of health and safety - continuing research, regular review of existing community measures, concentration on foodstuffs and dangerous products.

2. Unfair and deceptive commercial practices - co-ordination of studies at all levels and preparation of directives where necessary. Action on misleading advertising, hire-purchase and consumer credit.

.../...

3. Complaint, advice and redress - studies on procedures and services in consultation with Member States and consumer organisations.
4. Consumer Information and Education - criteria for labelling, watch on prices including surveys and research, provision of better, more comprehensible information about the Community and its work on a much wider scale; encouragement of educational programmes.
5. Consumer representation - making full use of the Consumers' Consultative Committee, supporting exchanges of information between Member States.

VI. COLLABORATION WITH OTHER INSTITUTIONS (89-91)

Working with International and European Institutions in all fields connected with consumer wellfare and advancement.

CONCLUSION (92)

Call for action and request for Council approval of resolution.

ANNEX

A selection of measures with a consumer interest passed by the Council or submitted to it by the Commission.

---oOo---

CONTENTS

A PRELIMINARY COMMUNITY PROGRAMME FOR CONSUMER INFORMATION AND PROTECTION

INTRODUCTION

1. The declaration of the Heads of State and Government in Paris in October 1972 that the Community institutions should strengthen and co-ordinate action for consumer protection was a clear reflection and recognition of the mood of the people. The debate in the European Parliament of 20th September 1972 emphasized the need for a coherent, visible consumer policy, and subsequent interventions by the Parliament and the Economic and Social Committee in commenting on various draft directives have shown the increasing need for such a policy.[1] While a measure of consumer protection has been implicit in much of the work of the Community throughout its existence, this has not always been seen to be so by consumers themselves. The time has now come to proclaim and implement a policy which stresses the human side of the Community's development, and draws together a number of fields of action which have not always been recognized as being of immediate application to day to day life.

2. The enlargement of the Community has brought with it new ideas in the consumer field which, together with the many developments which have taken place in all Member States, point the way to a new deal for the consumer, in which a better balance will be achieved in the positioning of his interests. The consumer is no longer seen merely as a purchaser of goods or services for personal or group purposes but also as a person concerned in his capacity as a consumer with the wider facets of social and environmental impact. Consumer interests may be summed up by a statement of certain basic requirements which can be put briefly as:
   - the right to health, safety and redress (consumer protection and assistance);
   - the right to be adequately informed and instructed (consumer information and education);
   - the right to be heard (consumer representation).

.../...

[1] OJ No 153, September 1972, pp. 24-33.

These rights are seen within the context of a general consumer right to the primary satisfaction of basic needs and freedom of individual choice for the expenditure of discretionary income.

3. It is true to say that the priority at the time the Treaty of Rome was signed in 1957 was to raise standards of living by the creation of a common market, and a feature of the Community to date has been the achievement of an unprecedented rate of economic growth, coupled with a marked increase in intra-community trade. Now there is a growing emphasis on the quality of life in the context of the aims of the Common Market. The Communities are developing new policies for agricultural prices, social affairs, energy, transport and environment, among others, all of which need to be looked at from a consumer point of view. Apart from the strengthening of measures for consumer protection, the other and, in some ways, more difficult task will be the co-ordination of action on behalf of the consumer. This paper addresses itself to both these points.

4. The programme presented by the Commission is a first statement of co-ordinated consumer policy, establishing priorities, which the Council is asked to adopt after receiving the views of the European Parliament and the Economic and Social Committee. The Commission will present appropriate proposals to the Council in the light of these dialogues.

5. The objectives and priorities of this first phase have been limited so as to make them capable of practical achievement and to provide a firm base from which to move forward in later phases. There is much to be done, but all cannot be accomplished at once. The priorities set out are only the beginning of what needs to be done. As progress is made and needs become more clearly defined, plans can be prepared for future action.

.../...

I. THE CONSUMER AND THE ECONOMY

6. The position of the consumer has not been maintained as set out by Adam Smith when he wrote in "The Wealth of Nations" in 1776: "... the interest of the producer ought to be attended to only so far as it may be necessary for promoting that of the consumer". Since that day, technology has evolved to a highly sophisticated point of development, distribution methods have changed completely and government intervention has become necessary in a wide area of commercial life.

7. Nevertheless, the consumer is still the basis of the market although his role is changing. From being a selective individual purchaser in a small market place or a local shop, the consumer is coming to be regarded as a mass market, the target of mass production, mass distribution and mass media advertising. The consumer may continue to select his supplier, but the producer selects his market. However, to maintain his ability to make individual selections of value, the consumer needs more help in information upon which to make a choice. He also needs proper redress when the goods or services supplied are not up to the quality or standard demanded. These requirements reflect the desire to attain a higher standard of living and a better quality of life. Even more essential is the adequate provision of basic needs, to which reference was made in para 2 above.

8. The concept of consumer protection is comparatively recent, and has developed primarily in response to the perplexities and frustrations arising from the very abundance of choices offered by way of goods and services and their complexity on an ever-widening market. The benefits of a mass market are great but in the course of its development the consumer has "been confronted by a vastly greater range of goods, more complex and designed to meet a great variety of specific uses; produced in anticipation of demand rather than in response to it; promoted by more vigorous and sophisticated selling techniques; bringing into play a more elaborate range of services".[1]

.../...

---

[1] Report on Consumer Policy in Member Countries (of OECD) - OECD, Paris 1972.

9. The economic theory of supply and demand is based on the supposition that there is a certain balance between the economic strength of the supplier (producer/wholesaler/retailer) and that of the buyer. The tendency has been for that balance to become upset in favour of the supplier as market conditions have changed, through technological and scientific progress. The discovery of new materials, new methods of manufacture, new means of communication or the development of existing means, the widening of markets, changed methods of retailing, acceleration of transport - all these factors have had the effect of increasing the production and supply and demand of an immense variety of goods and services. Mergers, cartels and certain self-imposed restrictions on competition have also created imbalances.

10. Just as the nature of products and services has changed, so have trade practices, contractual terms, the whole field of credit trading, from hire-purchase to credit cards, and the very concept of competition itself. For example, matters which were once regarded in many countries as unfair competition (such as misleading advertising) are now looked upon also as an aspect of fair trading, in which honest dealing is vital both for consumers and for competitors. Increasingly, there is a tendency to question and to challenge positions which were once considered to be the prerogative of producers. The informed consumer is demanding that his legitimate and vital interests should be taken more into consideration in the processes of production, distribution, and regulation of the market place. Those less able to look after themselves are upset and bewildered by many frustrations but are not in a position to organize themselves for their own protection.

11. The development of the role of the consumer has been subject to constant change and expansion in recent years. Starting within the area of competition and economics, such as price policies and comparisons, investigations into the quality and behaviour of various goods by way of comparative testing and surveys, there have followed studies on rationalising work in the home and calls for a greater participation in decision-making. There has been increased demand for better information to equip the consumer to utilize his resources to best advantage and to influence pricing, product development and the market trends.

.../...

12. As the consumer came to see himself as an individual with very little bargaining power, it was inevitable that consumers should begin to group together in organizations, to press their cause and to spur governments into action on behalf of consumers as a whole. Thus arose a form of consumer politics whose aims have been summarized in paragraph 2 of this paper.

II. THE EUROPEAN COMMUNITY AND CONSUMERS

13. The preamble to the Treaty of Rome gives one of the basic aims of the European Community as "the constant improvement of the living and working conditions of their peoples". This aim is elaborated in Article 2 of the Treaty which includes among the tasks of the Community "harmonious development of economic activities, a continuous and balanced expansion, an increase in stability, an accelerated raising of the standard of living".

14. The consumer is recognized in Article 39 of the Treaty, for after setting out objectives of the common agricultural policy as being to guarantee the security of supply and the stabilisation of markets, a specific requirement is "to ensure supplies to consumers at reasonable prices".

15. Within the rules of competition, Article 85(3) requires the provision of "a fair share" of resulting benefits as one of the criteria for permitting certain agreements between undertakings and concerted practice and Article 86 gives as an example of improper practices "the limitation of production, markets or technical development to the prejudice of consumers".

16. A brief survey of action taken so far on behalf of consumers is called for. Recognition of consumer needs and aspirations has not always been reflected in the satisfaction of the former or the attainment of the latter, but the very nature of the problems is such that, given the structure of the Community and the differing interests of the Member States and their peoples, complete accord is not always possible, so that compromise solutions must always bring some disappointment to the advocates of diverse policies. That being said, it should be recognized that progress has been made in a number of directions as follows:

.../...

(a) Harmonization of regulations governing products

17. Although progress has been necessarily slow, in view of the widely differing provisions obtaining in the various Member States, it has nevertheless been perceptible. A number of regulations and directives have incorporated some measure of consumer interest, examples of which are set out in the Annex to this paper. This interest is shown in three main areas, namely health, safety and information about products. While these matters are always borne in mind it is equally important to note the need to preserve a range of consumer choice and to see that this is not lost in standardization processes. A widening of the range of consumer choice is also an essential goal of the Commission's efforts to eliminate technical barriers to trade.

(b) Widened choice of supplies

18. Consumer choice has also been enlarged through a more diversified and steadier supply of food brought about by the free movement of agricultural and food products. In other sectors, too, there has been a widening of the range of goods upon the market.

(c) Competition Policy

19. The contribution of competition policy to the achievement of an integrated market for consumers in the Community is directed primarily to keep down prices as well as to eliminate price differentials by enforcing the competition rules in Articles 85 and 86 of the Treaty. The continuing implementation of these rules is now helping to create a market mobility for consumer products which is likely to have ultimate effects also in further reducing such price differentials which are mainly attributable to structural difference between individual markets.

(d) Prices

20. While the most recent price trends have been caught within the world phenomenon of the inflationary spiral, the first and second reports on competition policy indicate that some modest advances have been made in reducing prices generally within the Community (of the Six) in certain sectors and achieving a certain harmonization of price levels in others.[1] It is too soon to apply these criteria to the Nine Member States as a whole but continuing observation of trends will be an ongoing part of the

.../...

[1] First Report on Competition Policy (annexed to the "Fifth General Report on the Activities of the Communities") and
Second Report on Competition Policy (annexed to the "Sixth General Report on the Activities of the Communities").

surveys and studies already being made, so as to reflect more closely consumer needs for comparative information. Food prices are a primary consideration and people feel the need to understand better the workings of the agricultural policy (see also paras 39 and 40 post).

(e) Consumer Information

21. It is of the greatest interest to consumers to have adequate information about their rights, needs, products and services and social welfare, general information about the Community and its work and explanations of the significance of particular regulations and directives in a consumer context. Some information on these points has been given in varying degrees of depth and by different methods but in general is felt by the majority of consumers to be inadequate.

22. The four fields of activity outlined in paras 17 to 20 above formed the principal areas of concern studied by the former Contact Committee of Consumers of the European Community which existed for ten years between 1962 and 1972 and was recognized by the Commission as the representative body for consumers in the Common Market. Owing to difficulties of coordination, inadequate financing and the nature of its constitution, this Committee was unable to achieve the aims it set itself and was wound up. It did, however, make a number of policy statements and continually stressed the need for adequate and timely consultation with consumers on all measures concerning their interests.

23. The Commission has now established the Environment and Consumer Protection Service with a separate division for consumer information and protection. The gap left by the disappearance of the former Contact Committee has been filled by the setting up by the Commission of a Consumers' Consultative Committee (Decision of 25th September 1973), which met for the first time on 19th November 1973.

24. There are, of course, also other consultative committees upon which consumers, together with producers and other interests are represented, particularly in the agricultural sector, and also in the [illegible] and customs sectors.

25. In accordance with the decision of the Summit Conference, and in view of the clear need to recognize the consumers' right to a more positive role, it has appeared necessary to the Commission to draw up a coherent consumer policy and to fix certain priorities.

.../...

26. III. OBJECTIVES AND OUTLINES OF A COMMUNITY CONSUMER POLICY

26. The objectives of a Community consumer policy should be to secure :

- better protection for the consumer against health and safety risks and a fair deal in the supply of goods and services;
- more complete, accurate and objective information about these goods and services so as to enable consumers to obtain the things they need at the best prices;
- more explanations of the policies and measures of the Community itself;
- a greater degree of consultation, representation and participation in matters having a direct bearing on consumer interests.

Such a policy combines with other social and environmental policies of the Community, referred to in para 3 above, in aiming to achieve higher standards of living and a better quality of life.

27. This section of the paper also aims at providing a conspectus of the whole field in which action of one kind or another has been, is being, or may be taken by the Communities and by the Member States on behalf of the consumer.

1. Consumer Protection

A. Protection in terms of health and safety

There has been a long history of public protection in the legislation of the Member States, designed to protect consumers against products that are unsafe and endanger health, and to secure more effective safety standards. The Community has also been active in this regard, in the standardization and harmonization of provisions in the agricultural and industrial fields. The following are some of the products which have been and continue to be of concern to consumers;

(a) Foodstuffs - their composition, preservation, description, prices and so on
(b) Animal foods, fertilisers, pesticides and the like
(c) Pharmaceuticals, cosmetics and detergents
(d) Household utensils and appliances, textiles, toys, etc.
(e) Cars and other consumer durables.

.../...

28. Measures dealing with these items are already in the general programme under harmonization or elimination of technical trade barriers procedures, and as they are dealt with in the individual categories according to their specific nature, it is necessary to apply general consumer protection criteria at the same time, particularly in regard to health and safety. The number of subjects which have already been examined within the framework of this programme and the experience acquired will facilitate the drawing up of guidelines to be applied to particular sectors, and to prepare rules for horizontal application, setting out general principles of particular interest to consumers. Among these principles will be those relating to the protection of health, covering control measures - a priori and a posteriori - essential to safeguarding users, and to informative labelling. Safety standards are also necessary in the interests of the consumer. Prototypes of machines, electric and electronic instruments and appliances should, in appropriate cases, be checked by governmental or independent institutes before being declared safe for public use.

29. As to packaging and other materials in contact with foodstuffs, the consumer needs to be assured that the properties of the product itself are in no way detrimentally affected by the particular packaging material used. Safety closures for children are another problem, as is the effect on the environmental of the disposal of packaging material.

B. <u>Trading practices concerning goods and services</u>

30. A most important field, in which work has already started within the Commission is that of hire-purchase and consumer credit. From the studies made within the Commission and the pattern of legislation in the Member States and in other parts of the world, it is clearly recognized that the consumer needs more help in this field. Under the general headings of credit availability, truth in lending and legal protection, action needs to be taken to regulate a situation where credit facilities have become increasingly available while the conditions under which those facilities are granted have come under increasing criticism for their one-sideness (against the consumer), their obscurity, their harshness and their tendency to burden consumers with a greater weight of credit than they can or should carry.

.../...

31. Among other trading practices which are being investigated with a view to Community action are those which fall under the law of unfair competition which as mentioned in paragraph 10 above, has also acquired a consumer connotation in terms of fair trading. The work which has already started within the Commission on harmonization of the law of unfair competition, which covers a range of marketing practices, will be directed first towards the subject of misleading advertising, and it is essential that its prejudicial effect upon consumers should be considered equally as much as its interference with fair competition between traders.

32. Other commercial practices which require investigation because either they are deceptive in themselves or they lend themselves to abuse are such matters as door-to-door sales, the supply of unsolicited goods and premium offers.

33. Warranty problems arising out of economic losses on defective goods which fail to meet consumers' expectations, and guarantees which are meaningless, worthless or actually deprive the consumer of legal rights have increasingly been the subject of legislation in the Member States and will require study by the Commission.

34. Allegations of deceptive packaging call for investigation and to assist the consumer to make a reasonable comparison of price and value, there is a case for standardization of pack sizes.

35. Another important subject is products liability, which is concerned with the degree of responsibility of a supplier or distributor for defective goods. The problem is being discussed in most Member States and results of these studies will be carefully considered as to their application at Community level.

36. Services range from those supplied by public authorities and utilities such as medical services, power, light and transport to the supply of credit, insurance, accommodation, catering, tourism and the like. A separate field is that of repairs and after-sales maintenance for many household and family requirements, cleaning and laundering services, house decoration, to name but a few. Each has its problems, but, despite the many difficulties involved, the increasing importance of these matters demands that action be taken on behalf of consumers.

.../...

37. The approaches to these matters will differ according to their nature. One way may be the requirement of certain skills and knowledge which can be checked by examinations and tests, particularly in artisan, distributive and professional services, bearing in mind the need to keep up to date with the latest ideas and techniques. Information by notice, leaflet or other method is increasingly necessary in many fields. The regulation and display of charges for services is another important consumer need. So too is investigation into unfair forms of contract.

38. In this complex field of services, voluntary codes and complaint procedures can be helpful, to be backed where necessary by legislation. There is wide scope for study in the whole of this field. Indeed, the Nordic Committee on Consumer Matters has recently completed a comprehensive study which could provide a good basis for the Communities to build upon. The best models which exist in the Member States could, perhaps, be adapted to the needs of the Community as a whole, so as to achieve the highest standards.

C. Prices

39. The main objectives of a prices policy from the consumer point of view is to achieve stability through proper regulation of price structures, adequate information and correct functioning of supply and distribution. The differences between industrial and agricultural products call for different treatment of these categories. There is a clear need for ways to be found whereby convincing explanations can be given to consumers for price disparities between countries and between markets within countries. Research is to be carried out to this end.

40. Re-appraisals of agricultural policy in the light of changing world and European circumstances are part of the process of seeking to achieve stabilization of prices in this sector. An example of such action is the Commission's communication to the Council on Improvement of the Common Agricultural Policy.[1]

.../...

[1] Paper COM(73)1850 dated 31 October 1973.

D. Competition

41. The maintenance of an effective competition policy has always been regarded by the Community as one of the weapons to be used on behalf of consumers to stabilize prices, within the framework of competition policy, the continuing implementation of Articles 85 and 86 of the Treaty is playing an essential part in creating a uniform market. Outside the operation of these articles, attention is also paid to unfair acts by individuals which might upset the mechanism of competition.

2. Consumer Assistance

42. In this context, consumer assistance is considered in relation to matters of complaint, advice, and redress.

43. Consumer complaints tend to take on a similar pattern everywhere and the experience gained in one area may well be applied elsewhere. Exchange of information is both necessary and helpful, particularly where multinational suppliers are concerned. It is desirable that further studies be made into the pattern of complaints and how they may be dealt with and into methods of running consumer advisory services. One long range possibility worthy of investigation might be the use of large-scale computer links between the Member States and centralized sources of information.

44. One problem of redress is to find suitable means which are not so expensive as to be disproportionate to the costs of the product or service in-question, and are readily available to all consumers, whatever their means or wherever they may live. The following are some of the lines which are being pursued in the Member States, actively or as subjects of study: small claims Courts, legal aid provisions, class actions by consumer or other organizations for themselves or on behalf of individuals, and test cases in the Courts. Arbitration procedures before complaints boards either of voluntary or official bodies, outside the Courts, are another means of redress.

.../...

3. Consumer Information

45. The problems facing consumers in an increasingly complex society have been touched on in Part I of this paper. An equally great problem is how the less educated and informed person can be given guidance in evaluating the vast range of goods and services on offer.

46. The information given at the point of sale on labels and packs is of primary importance and attention has already been drawn to the need for better information.

For labelling,[1] there is a clear need for measures for consumer protection to be applied in a comprehensive and coherent way to particular products. These considerations should be applied in addition to the particular requirements of specific product categories.

47. A fundamental requirement is that all labelling should be clear, unambiguous and easily readable. As regards foodstuffs, in particular, it will be necessary to determine a policy to govern the selection of those items which should, as a matter of principle, be stated on labels. Section V, part 1, below, gives further details on this subject. Whatever requirements are finally agreed upon, their supervision and enforcement will be most necessary to ensure that the consumer is properly informed and protected.

48. Advertising and other forms of publicity need to take better account of their informative role in advising the consumer about what is available on the market, and deceptive practices must be eliminated (see also paras 74 and 75 post).

49. Comparative testing of products is another source of information. These tests may be carried out by state financed organizations, private bodies or a mixture of the two. The subject has been studied by OECD[2] and within the Commission and much will be gained by a co-ordinated exchange of information.

.../...

[1] Labelling may also be considered within the context of health and safety matters because of its importance in that regard.

[2] "Labelling and comparative tests - OECD - PARIS - 1972".

50. To establish an integrated policy on consumer information, more needs to be known about consumer behaviour and attitudes, and the coordination of studies in these fields is an important task for the experts engaged in this work. The Commission already conducts a continuing consumer survey concerning the economic situation of the Community, and thought is being given to ways in which this valuable service might be adapted and enlarged to include wider questions on consumer needs.

51. Two other requirements are:
- information and instruction as to consumer goods and services generally and as to consumers' rights and remedies
- information and instruction as to the activities of the Community, with particular reference to explanations of the content and effect of those directives and regulations which affect consumers and their interests.

52. The first of these objectives can be carried out at national level in conjunction with consumer organizations and other bodies whose aim is consumer enlightenment, and the second through the information services of the Commission, in the interests of the Community as a whole. In the information services of the Commission, consumer information is now a specific activity together with industrial information and it is planned to make the widest use of the mass media channels of television, press and radio both in specially consumer orientated programmes and articles, and also in general presentations. Participation in exhibitions, seminars, colloquia and conferences will be a necessary part of this programme, as will the publication of brochures, leaflets and other material.

53. Much study has been given to the problem of consumer education by working parties of the Council of Europe and certain specific programmes are being developed by the International Organization of Consumers Unions. In order to supplement the advance of consumer education by guidance and advice at Community level, additional studies will need to be made by the Commission in cooperation with the Member States and consumer organizations,

54. The provision of instruction for those who instruct others is a necessary task upon which there are a number of ideas, as for instance, the setting up of centres in the Member States at which instruction of this kind can be provided for lecturers, demonstrators and officials, the exchange of ideas, programmes, staff and students, between such centres, or the establishment

.../...

of an international centre to which nationals of all countries can go. The Commission is prepared to play a co-ordinating role in this regard.

55. In the field of free movement of workers and the liberal professions, consumers' needs will have to be taken into account by setting down norms for training and qualification to ensure that all concerned with serving the public attain a level of competence and understanding which can provide consumers with the help they need from particular professions and trades.

4. Consumer Representation

56. There are three elements under this heading - consultation, representation and participation. The Community has long recognized the right of consumers to be heard on matters affecting them, and the Commission has expressed this recognition by providing for consumer representation on a number of consultative committees, as already stated. In order to give a positive expression of its desire to avail itself of the knowledge and experience of consumer organizations, the Commission has set up a Consumers' Consultative Committee. Through the medium of this Committee and by continuing contact with the individual consumer organizations, it should be possible for consumer views to be ascertained in the very early stages of preparation of regulations and directives so that policies can be framed in the light of information received at the same time from producer and consumer representations.

57. At a national level, the Member States have different methods for providing consultation with consumers in matters such as transport, post and telecommunication and other public utilities, as well as in wider governmental and local government matters. This area of activity may provide a field of study for harmonization of methods at a larger stage.

58. Some Member States, in existing or projected legislation, provide for certain rights to be granted to consumers within the structure of company law as, for example, by requiring companies to provide proper methods for dealing with consumer complaints. As the harmonization of company law proceeds within the Community, these matters will be studied as possible subjects for action.

.../...

IV. IMPLEMENTATION

59. The ways in which the Community can implement its consumer policy depend upon both the nature of the action called for and the state of the work already in progress throughout the Community.

60. The Commission has already prepared programmes in the internal market, agricultural, social and other sectors which cover much of the ground in which action is envisaged. This paper indicates how the consumer interest may be associated with these other initiatives.

61. The Commission will ensure that its consumer policy will be taken into account when formulating its proposals to the Council. These proposals will be based on the appropriate Articles of the EEC Treaty including, if necessary, Article 235.

62. Within the Commission, an inter-service liaison group has been set up to secure co-ordination of action in matters of consumer information and protection.

63. Also, a group of government experts of the Member States has been convened to consider the ways in which co-ordination of consumer matters may be carried through, and to discuss those areas where Community action can best supplement or be supplemented by national legislation, education or guidance.

64. As has already been made apparent, various international and European organizations are concerned with, and have done a great deal of work on many of the matters of consumer interest which are set out in this paper. All this activity is taken into account by the Commission, which participates in much of the work. The objective is to ensure that the work in this very wide field is co-ordinated in such a way that it is harmonized and implemented in the interest and well being of the mass of consumers.

65. It is clear that such of the requirements for consumer protection and assistance, information and representation more particularly set out in part III above as have not yet been taken into account as Community policy cannot all be met at once or all started simultaneously.

.../...

Consumer policy is of increasing importance, raising new problems all the time and the pressures for action demand varying degrees of urgency.

66. Thus, whatever plans are made in advance, sudden events or discoveries, particularly in the field of health and safety, may call for sudden action. Similarly, existing plans may need to be modified or enlarged in the light of experience.

67. The Commission thought it wiser not to attempt to put forward an action programme covering the entire area of the problems set out in Part III of this paper, but to concentrate instead on a limited number of objectives which require implementation, while acting by way of guidance, co-operation and co-ordination in the remainder. A short list of priorities selected for immediate action follows in the next section.

68. This paper may therefore be regarded as a pilot scheme for a more comprehensive programme which might need to be developed at a later date. The Commission reserves the right to examine other proposals in due course or, in the light of circumstances, to present further proposals.

V. PRIORITIES

69. In addition to the normal work connected with the continuing harmonization and standardization programmes, the following items have been taken as priorities for action to be concentrated on within the next three years:

1. Matters of health and safety

70. Objectives

- to preserve the health and safety of consumers by requiring adequate precautions in the production and distribution of goods, particularly foodstuffs, and the use of pesticides, fertilisers and the like;
- to lay down minimum standards, where necessary, as to the composition of foodstuffs;
- to prescribe safety criteria for products which include substances that may have inherent toxic, inflammable, explosive or corrosive properties.

.../...

71. Method

- to continue to study the results of ongoing research into the many substances used in connection with the matters set out in para 70;
- to have under regular review and to amend, where necessary, existing Community measures in this field, and to make proposals where appropriate;
- to apply the principle of positive lists of accepted substances in such matters, for example, as food additives;
- to encourage the widening application of systems of authorization of new products in sensitive areas such as food and pharmaceutical products before their sale is permitted, and to study the possibilities for Community action in this regard.

2. Unfair and deceptive commercial practices

(a) General

72. Objectives:

- to determine possible Community action in eliminating those commercial practices in the supply of goods or services which are unfair to or are intended to deceive the consumer, for example the supply of unsolicited goods and certain forms of door-to-door selling and unfair contracts.
- to provide means for preventing the spread within the Community of commercial practices for the supply of goods or services which are condemned within some individual Member States as being contrary to the interest of consumers.[1]

73. Method:

- to co-ordinate studies which have already been made in this field and to supplement them with supplementary information rom the Member States, consumer organizations and other sources;
- to make proposals, if necessary, to give effect to the declared objectives.

.../...

[1] Certain practices are already subject to legislation within the context of unfair competition between one trader and another.

(b) Misleading Advertising

74. Objectives:

- to lay down criteria for judging the extent to which advertisements may be considered to be deceptive or misleading;
- to provide safeguards for the consumer within the Community against exploitation by deceptive or misleading advertising;
- to prevent the spread of such advertising across frontiers and to work with Member States to achieve effective methods of putting a speedy and to misleading advertising campaigns;
- to provide guidance in methods of monitoring and control.

NOTE: The above objectives for consumer protection move in parallel with those within the law of unfair competition for the protection of one trader against another.

75. Method:

- to build upon the work done and information compiled by the Council of Europe, OECD and other bodies and to complete a study on the objectives set out above;
- to proceed with the work being done in connection with the harmonization of the laws on unfair competition;
- to cooperate with Member States in in elaborating an effective control system within the Common Market;
- to make the appropriate proposals to the Council.

(c) Hire-Purchase and Consumer Credit

76. Objectives:

- to ensure that the consumer is not deceived or misled concerning the nature of agreements being entered into for hire-purchase or credit facilities or as to the obligations being incurred;
- to prevent false or misleading advertisements and offers by requiring full disclosure of the terms offered, in particular the full cost of credit, including true rate of interest;
- to provide safeguards for the retention of goods bought by consumers under hire-purchase agreements;
- to study the wide implications of the credit field with a view to preventing the exploitation of consumers.

.../...

77. Method:

- to complete studies already being made by the Commission and to prepare a first draft directive or other appropriate measure for submission to the Council.

3. Complaint, Advice and Redress

78. Objectives:

- to provide within the Member States of the Community a basis for redress for consumers which is fair, uncomplicated and inexpensive so that persons with justified complaints are not cheated or deprived of remedies;
- to lay down the framework throughout the Community of a complaint and advice service, whereby consumers may have a proper channel for legitimate complaints about goods or services, particularly those which cross frontiers, and a means of obtaining advice as to how they may proceed in cases of difficulty.

79. Method:

- to collate within a Community context the studies already made in this field by OECD, the Council of Europe, consumer organizations and other bodies, bringing them up to date by supplementary studies;
- to explore the possibilities of submitting a proposal for principles which ensure swift, inexpensive and effective dealing with consumer complaints by the Courts;
- to consult with Member States, consumer and other organizations on the possibilities and extent to which redress may be obtained by arbitration methods outside the Courts or how advice may be given;
- to consult with Member States, consumer and other organizations on the different kinds of complaints and advice services, particularly as to classification of types of complaint and the exchange of information throughout the Community between bodies already doing this work;
- to make appropriate proposals to the Council.

.../...

4. Consumer information and education

(a) Labelling

80. Objectives:

- to give clear, unambiguous, easily readable and complete information about products,
- to provide recommendations which should apply in a general way (horizontally) to be taken into consideration (and given formal acknowledgment in the appropriate preamble) in the preparation of all specific (vertical) regulations or directives which have a consumer connotation;
- insofar as foodstuffs are concerned, to state the nature and exact composition of the product, its weight or volume, the identity of the person selling it or being otherwise responsible and if necessary, the requirements for satisfactory conservation. Variations on these points would be subjects of study for non-food products, with additional items such as unit pricing and unit weight being common to both.

81. Method:

- to follow through the study already in hand by the Commission on the labelling of foodstuffs. Interested parties, including consumers and the Member States, will be consulted on the need for a draft directive. Such consultation will be close and continuous. Research will be made into consumer understanding of labels. After these consultations and research the appropriate services of the Commission will submit a proposal to the Council;
- to make proposals to the Council, where appropriate, regarding products other than foodstuffs.

(b) Prices

82. Objectives:

- to provide consumers with information on price differences at Community level to help them make the best use of their disposable income;
- to encourage consumers to make use of price comparison information given in Member States at local level;
- to explain Community policies affecting prices, particularly in relation to agriculture and competition, in the fight against inflation.

.../...

83. Method:

- to make the fullest use of the Commission's information services and to co-operate with all bodies, including consumer organizations, at national and local level;
- to institute and develop continuing price studies and research at Community level as well as co-operating in such studies being made within the Community.

(c) Consumer information and education generally

84. Objectives:

- to define the categories of consumer information which are most needed within the Community in terms of the supply of goods and services and, within those definitions, to work towards harmonization of action taken by individual Member States;
- to provide an increasing amount and range of information on consumer matters being dealt with by the Community and to explain to consumers in clear and simple terms the effect of those Community measures which affect them in relation to the supply of goods and services;
- to encourage the efforts of all those organizations within the Community who are already engaged on the work, in cooperation with the Member States;
- to encourage through the educational programmes within the Member States the spread of consumer education within schools, universities and further education establishments.

85. Method:

- to collate and analyse the growing number of studies already made in the field of consumer information and to prepare therefrom a basic document for guidance within the Community;
- to assist in the development of the work done by comparative testing organizations within the Community and to study further the standardization of criteria and methods of testing;
- to accelerate and expand the production and dissemination of informative material on consumer questions and to cooperate closely with Member States and consumer and other organizations in this regard;
- to use fully the resources of mass media communication through whatever channels may be provided and to encourage the coordination of TV, press, radio, cinema and other presentation of programmes and articles on consumer topics;

.../...

- to instigate and encourage seminars, colloquia and exhibitions on general and specific consumer topics;
- to conduct and participate in surveys by questionnaire or other methods, if necessary in co-operation with Member States, consumer and other organizations, into consumer needs and behaviour within the Community;
- to publish an annual report on steps taken within the Community in the consumer interest, whether by way of legislation, information, guidance or co-ordinating action.

5. Consumer Representation

86. Objectives:

- to ensure that there is proper consultation between the Community and consumers, particularly with regard to the preparation of measures affecting the latter, in due time for their views to be taken into account;
- to seek to secure appropriate consultative channels and procedures in the Member States whereby consumers will have comparable opportunities to state their views in decision-making processes which affect them in the provision of goods and services, and the contracts and trading methods connected therewith.

87. Method:

- to give every assistance to the Consumers' Consultative Committee and to encourage widely based consultation with all organizations and persons able to contribute in consumer information and protection;
- to support the exchange of information between Member States as to the most appropriate form of consumer representation at various levels of action;
- to help consumers' organizations in co-ordinating efforts to obtain consumer representation where it is needed.

88. It should be stressed that although the foregoing five items have been selected with a view to containing the programme within a feasible, realisable framework, no opportunity will be lost to encourage initiatives along the whole broad front of the fields of interest set out in Part III of this paper. With so wide an area to be covered, the role of the Commission as a co-ordinator is as important as its motivating role in preparing draft measures.

.../...

VI. COLLABORATION WITH OTHER INSTITUTIONS

89. Concern for the consumer and the realisation of the need for action in the fields set out in the foregoing sections of this paper are recognized facts in most parts of the world. With increasing international cooperation and attention to consumer matters of all kinds, a wide range of such problems within individual states are being studied and solved at international level.

90. Collaboration between the institutions of the Community and other international organizations at European or world level should make it possible to avoid duplication of effort and expense and will enable the Community to benefit from work already done by these organizations. The importance of such collaboration cannot be over-stressed, and every effort will be made to maintain and develop the close and harmonious relationships which have been and are being established in consumer matters.

91. At the same time, it has always been recognized that international solutions on a world plane, themselves the results of compromise, usually need refinement or modification when transformed into Community action. It is likely, therefore, that the establishment of consumer information and protection measures within the Common Market may from time to time differ from those set down by the various international bodies, either because of the acceptance of higher standards or because of requirements peculiar to the Community.

.../...

Footnote: The international bodies with which collaboration will be maintained are, among others, the following: United Nations; United Organizations for Education, Science and Culture; World Health Organizations; Food and Agriculture Organizations and Codex Alimentarius; Organization for Economic Cooperation and Development; Council of Europe; Nordic Committee on consumer matters; International Organization for Standards and International Electrotechnical Commission; European Committee for Standardization and European Committee for Electrotechnical Standardization.

CONCLUSION

92. The pursuit of this consumer programme marks a new phase in the development of the Community and further recognition of its social consciousness. The co-ordination of hitherto fragmented efforts, and the injection of a fresh impetus in the interests of all consumers will call for energetic action on the part of all Community institutions. This will not be lacking for so worth-while an objective. The accomplishment of these first-phase tasks within a period of three years will be a great step forward in the Community's progress.

This communication is forwarded to the Council for consideration in the confident hope that it will be accepted by the adoption of the resolution which is attached.

ANNEX

A selection of measures with a consumer interest which have been passed by the Council or submitted to it by the Commission

Foodstuffs

Colourants - Directive of 23 October 1962 as amended

Preserving agents - Directive of 6 November 1963 as amended and directive of 26 January 1965 as amended

Anti-oxygena agents - Directive of 13 July 1970

Cocoa and chocolate - Directive of 24 July 1973

Pesticide residues covering several agricultural products

Emulsifiers, stabilisers, gelifiants and thickeners

Dietetic foods

Various foodstuffs and drinks including bread, sugar butter, margarine, jams, fruit juices, mineral waters, beer, condensed milk, ice-cream.

Non-foods

Classification, packaging and labelling of dangerous substances - Directive of 27 June 1967 as amended

Crystal glass - Directive of 15 December 1969

Solvants - Directive of 5 May 1973

Textiles (definitions) - Directive of 26 July 1971

Detergents - Directive of 19 December 1972

Fertilizers

Prepacked liquids

Safety glass for cars

Cosmetics

Aerosols

Draft resolution of the Council of the European Communities on a Preliminary Programme of the European Economic Community on Consumer Information and Protection

---

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community;

Having regard to the Communication from the Commission on a preliminary programme of the European Economic Community on Consumer Information and Protection;

Having regard to the opinion of the European Parliament;

Having regard to the opinion of the Economic and Social Committee;

Whereas, in accordance with Article 2 of the Treaty, the task of the European Economic Community is "to promote throughout the Community a harmonious development of economic activities and a continuous and balanced expansion and an accelerated raising of the standard of living";

Whereas the improvement in the quality of life is one of the fundamental tasks of the Community and this task implies protection of the health, safety and economic interests of the consumer ;

Whereas the fulfilment of this task requires the implementation at Community level of a consumer information and protection policy;

Whereas the Heads of State or of Government who met in Paris on 19 and 20 October 1972 confirmed this necessity by calling upon the institutions of the Community to strengthen and coordinate measures of consumer protection and to draw up a programme of action by January 1974;

.../...

Whereas the projects included in this programme must be implemented in accordance with the provisions of the Treaty;

Approves the objectives and priorities of the Community consumer information and protection programme;

Notes that the Commission will implement the programme using the ways and means set out and that it will subsequently put forward, if necessary, suitable proposals for their execution;

Undertakes to decide on these proposals within a period of nine months from the date of their communication by the Commission.

For the Council

The President