

WEEKLY

industry and society

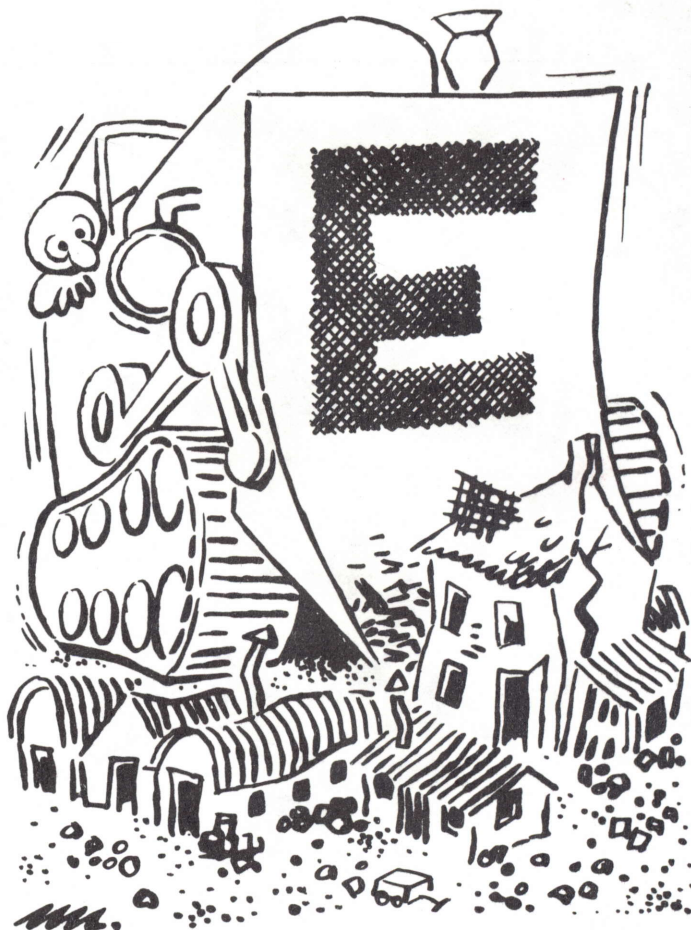
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CONTENTS

- * Action against poverty (p. 1)
- * Content and filling of bottles (p. 2)
- * Duty-free small gifts (p. 2)
- * The Liévin disaster (p. 2)
- * Safety at work (p. 2)
- * EURATOM loans (p. 2)
- * Research and energy (p. 3)
- * The civil aircraft industry (p. 3)
- * Gas appliances (p. 3)
- * Household china ware (p. 4)
- * Water pollution from paper (p. 4)
- * Mountain and hill-farming (p. 4)
- * Distribution in the perfumery trade (p. 5)
- * General Motors - the Belgian subsidiary fined (p. 5)



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The information published in this bulletin covers the European Communities' activities in the fields of industrial development, protection of the environment and consumer welfare. It is therefore not limited to recording Commission decisions or opinions.

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ANNEX 1 describes some of the pilot projects undertaken by the European Commission.

** Every year Community consumers buy tens of thousands of BOTTLES and tins containing EDIBLE FLUIDS. From now on these will be able to move freely without being held up at frontiers by the various national laws on authorized volumes and admissible tolerances, as regards content.

ANNEX 2 gives the gist of two directives on this subject, adopted by the Council of Ministers of the Community.

** The European Commission hopes to encourage personal and family contacts between people living in non-member countries and those living in the Community. It has therefore put forward a proposal for DUTY-FREE SMALL GIFTS, originating in non-member countries. Goods valued at less than 25 u.a. (1 u.a. = US \$1.2), put up in small packages and having no commercial value, will be free of customs duty and taxes if sent by a resident of non-member country to a resident of one of the Community countries.

There will be limits on some items - tobacco will be limited to 50 cigarettes, 25 cigarillos or cigars, or 50 grams of smoking tobacco; the limit for alcoholic beverages will be 1 litre, whilst for perfumes it will be 60 grams or 2 ounces, and for coffee and tea, 500 and 100 grams respectively.

** The Community will be giving FINANCIAL AID to families who suffered in the LIEVIN disaster. Every widow will receive about Bfrs 50 000, every orphan Bfrs 20 000, and each family that lost an unmarried member Bfrs 30 000. It may be recalled that the High Authority of the European Coal and Steel Community (now the Commission of the European Communities) set up the PAUL FINET FOUNDATION in 1965, for the purpose of supporting the orphans of miners and steel-workers, by paying grants to enable them to continue their studies.

** As part of the SAFETY AT WORK campaign, the Commission has decided to grant financial support to a project being carried out by the Laboratoire de Psychologie industrielle (industrial psychology laboratory) of the Free University of Brussels. A preparatory seminar, held at Pont-a-Mousson and attended by various trade union organizations, showed that trade unionists were interested in, and supported, the movement towards greater safety at work. The industrial psychology laboratory of the Free University of Brussels plans to put its technical knowhow at the disposal of trade union organizations interested in starting up training activities concerned with safety at work.

** As part of the common energy policy, the Commission has forwarded a proposal to the Council of Ministers for making a LOAN of roughly 500 million units of account (1 u.a. = US \$1.2) per year, to EURATOM. In order to ensure greater European self-sufficiency in the matter of energy, as is the aim of this policy, considerable investment

will be made in nuclear power stations. This will cause certain problems in the undertakings concerned. By mobilizing capital to which electricity companies do not usually have access, these Euratom loans will provide an additional means of finance. The financing of atomic energy by the European Community will be based largely on the experience which the Commission was in a position to acquire over the twenty years of operation of the EAEC Treaty. The conditions attached to the loan will therefore be negotiated by the Commission to the best advantage, having regard to market conditions and those imposed by the period of the loan. The sums borrowed will be redistributed in the form of loans to electricity companies, which will be required to give the normal bank guarantees. The conditions governing interest rates, term and guarantee will entirely cover servicing so that, in theory, there should be no extra charge on the Community budget.

- ** Two programmes for RESEARCH in the field of ENERGY, involving a total expenditure of 74 million u.a. (1 u.a. = US \$1.2), have been forwarded by the Commission to the Council of Ministers. The first programme will run for four years and will deal with energy saving, the production and use of hydrogen as a new energy vector, the use of solar and geothermic energy, and draw up energy supply schemes. The second programme planned by the European Commission covers the treatment and disposal of radioactive waste. It will run for five years.

- ** THE CIVIL AIRCRAFT INDUSTRY is to be the subject of permanent consultation between the public authorities of the various Member States. This resolution, adopted by the Council of Ministers of the Community, provides for the various governments to consult each other on the new programmes which will soon be required, if civil aircraft fleets in Europe are to be renewed. In addition, Member States have indicated that they are in favour of a structural alignment for aircraft firms in the various Community countries. The Commission is preparing a report on the situation in the European aviation industry and will be forwarding this to the Council of Ministers in the next few months. This will make it possible to pinpoint precisely those measures which are needed to develop an industry which is at present going through a worldwide crisis.

- ** At present APPLIANCES USING GAS FUELS, particularly water heaters, cannot circulate freely owing to the safety standards at present current in the different Member States of the Community. It was to remove this impediment that the Commission finalized both a proposal for an "outline" directive, which will ease intra-Community trade in gas appliances as soon as it becomes effective, and a proposal for a "specific" directive, which aims to harmonize safety standards, whilst at the same time tackling current problems in energy-saving. "Gas appliances" comprise all cookers, heaters, water heaters, refrigerators, and lighting and laundry equipment, including safety devices, controls and couplings. Consumers will appreciate the standardization of marks near taps - the different tap positions regulating the gas flow into the burner, and the pilot

light, will have to be clearly and indelibly marked. A dot will indicate the closed position; a spark signal will show the position for lighting the pilot light, if there is one; while large and small flame signs will indicate respectively the rated burner flow or the low burning position, if there is one.

** In order to make further improvements in protecting the health of consumers it has been decided that CHINA WARE intended to come into contact with foodstuffs (plates, dishes, etc.) is to be subjected to stricter regulation. The Commission has therefore forwarded to the Council of Ministers a draft directive which, in particular, regulates the content of lead and cadmium used in the glazing and decoration of china ware. The first known law on the subject is German and was passed in 1887, but progress in methods of analysis, and the increasingly specific needs of consumers, have led to general revision of the laws current in the various Member States of the Community. The Commission's efforts to harmonize these laws pay particular attention to plates specially designed for young children - here the tolerance is no more than 0.25 milligrams per litre for lead, and 0.025 milligrams per litre for cadmium.

** PAPER PULP FACTORIES raise a particular WATER POLLUTION problem - for centuries no fundamental technological changes have been made in the paper pulp manufacturing process, which requires a large amount of water. The waste from paper pulp factories often contains fairly large quantities of solids in suspension, which have toxicological properties and may drastically alter the oxygen content of a water course, discolour the water and cause the formation of foam. However, the pollution potential varies from factory to factory, and there are over 200 paper pulp factories in Europe. In order to combat these hazards without rendering the European factories uncompetitive in a difficult market, the Commission has drawn up a proposal for a directive for the Council of Ministers which aims to reduce the pollution caused by this industry and to harmonize the national laws regulating this area. The proposals put forward by the Commission cover standards for acceptable emissions for each manufacturing process. Some flexibility in the application of these standards will be permitted and, in the case of companies which would run into difficulties as a result of adhering to the standards, financial aid from the relevant state will be available.

** MOUNTAIN AND HILL-FARMING AREAS and various other less-favoured areas (for example, islands or regions suffering from depopulation) are to benefit from a special system of financial aid. The European Commission plans to set aside 160 million u.a. per year (1 u.a. = US \$1.2) for this scheme. This method of support has long been sought - about 1 million farms in these areas cultivate 25% of the total cultivated surface of the Community, but account for only 10% of total Community production. A detailed list of the regions and areas which are to benefit is included in a file of over 500 pages, which the Council of Ministers and the European Parliament will be examining in January 1975.

** As a result of objections put forward by the European Commission, the French perfume companies, Christian Dior and Lancôme, have altered their distribution systems to make them more favourable to consumers. THE DISTRIBUTION OF PERFUMES, beauty and toiletry products made by these two companies was based on exclusive dealing arrangements with general agents in the various countries of the Community, and on distribution agreements concluded between its general agents and the local retailers approved by Dior and Lancôme. The provisions of the contracts challenged by the Commission obliged retailers to sell only to final consumers (which amounted to an indirect export prohibition), to obtain supplies only from the general agent for their country (which amounted to an indirect import prohibition), and to adhere to maintained prices even in respect of re-imported or re-exported products. Now that the contentious clauses have been deleted, consumers will be able to benefit from the competition which will occur even within the Dior and Lancôme sales networks. It is even likely that there will be a progressive approximation of retail prices between the different Member States of the EEC for the products in question.

** The European Commission has fined GENERAL MOTORS OF BELGIUM a total of 100 000 u.a. (1 u.a. = US \$1.2). The Commission is of the opinion that G M Belgium has abused its dominant position and contravened Article 86 of the Treaty of Rome. For example, G M charged an exaggerated fee for examining a vehicle to ensure that it complied with vehicle licensing regulations and for issuing identification plate which it alone is authorized to supply by way of issuing the road-worthiness and proof that new Opel cars bought and imported from other countries conform to local standards. The operations challenged by the Commission cover the period from 15 March to 31 July 1973.

ACTION AGAINST POVERTY

The Community will never fully achieve its goals unless its ANTI-POVERTY ACTIVITIES are rigorously followed through. One of the priorities in the field of improving living and working conditions for the peoples of the Community is to implement various specific anti-poverty measures by drawing up pilot projects with the cooperation of Member States.

Since its inception, the Community has promoted the material prosperity of the population in general; its chief aim has been to ensure economic progress, and its social policy has been mainly directed towards individuals in their capacity as active or potential workers. However, there are still some vulnerable sectors of the population, in which large numbers of people suffer poverty, at different stages of their lives. A fairly sizeable minority never manages to emerge from this condition. In such circumstances the loss of a parent, or a chronic mental or physical disease, or simply old age, becomes such a traumatic experience that the victims find themselves cut off from the ordinary life and activities of society.

The programme proposed by the European Commission comprises twenty projects which were approved after consultation with representatives of governments and independent social organizations. The chief aim of the programme, tailored to present limited resources, is to identify the main causes of poverty and to indicate what type of action would be most effective in stemming it.

The total expenditure planned for 1975 is 2 500 000 u.a. (1 u.a. = US \$1.2). The total planned for 1976 is 2 750 000 u.a. It is intended that the twenty or so projects will each run for about 2 years. However, in 1977 it will be necessary to turn to a different method of financing. The sum set aside will also make it possible to finance new projects from 1975 on, as long as they fulfil the approved criteria.

The main criterion with which a project must conform to obtain Community aid is that it must be innovative, with an anticipated effect on policy developments at national or other levels. Again, all projects encouraged by the Community must involve the participation, as far as possible, of those concerned, both when the preparatory work is being done and when the project is actually being implemented. In addition the Commission will accord priority to projects which are of specific Community interest. Projects falling into this category would be those which tackle problems arising in more than one Member State. The Commission plans to promote one, if not several, cross-frontier (i.e., intra-Community) projects. It will also encourage projects involving multidisciplinary cooperation between sociologists, social workers, psychologists, etc.

The various projects approved by the European Commission are based on different approaches - e.g., geographical, individual category, or relating to new services, or reorganized existing services.

The "geographical" approach aims to rehabilitate areas particularly affected by poverty, or sinking into poverty. Examples are the Community development project in the Marolles district in Brussels, the social assistance programme to help certain inhabitants of the Christianshavn district in Copenhagen, the Community development project in some regions of Ireland, the "cultural pivot" programme launched in the Cureghem and Maelbeek districts in Brussels, and a Community development project in the Heuvel district of Breda.

The approach based on "individual categories of people" aims to meet needs created by chronic poverty. Examples are the project whereby socially handicapped persons are supported by Danish institutions, the project for the homeless in the Ruhr, the project for persons of no fixed address in Germany, the project for under-privileged children in Luxembourg, and one for young children in socially handicapped families in Paris.

New services are to be planned and implemented to meet the needs of special pre-school training in three poor working-class districts in France, whilst what is called for in the United Kingdom are "day care" centres in various socially under-privileged regions.

Several existing services are to be reorganized to meet new conditions. For instance in Ireland there is concern over the effectiveness of the Welfare system, whereas Italy is anxious to rationalize and administer various services more efficiently at local level.

Finally, there are three pure research projects supported by the Commission. The aim of the first is to "pin down and assess poverty in an affluent society" (Luxembourg); the second is to establish a "regional observatory" in Mulhouse (France) to check on under-privileged individuals, families and groups, with the aim of proposing either remedial or preventive measures. The third project is an international comparative enquiry into poverty (United Kingdom, France, Germany), to be conducted by three research institutes, with a view to determining the precise composition of the categories referred to as poor, and easing the task of the social services.

A programme of pilot projects on its own will never abolish poverty, but it may help to gain clearer insight into a complex problem, and lead to experiments in new techniques for overcoming it, thereby contributing to a more informed and effective policy for the future.

PRE-PACKING OF LIQUIDS AND THE CONTENT BY VOLUME OF BOTTLES

Every year Community consumers buy tens of thousands of bottles and tins containing edible fluids (wine, beer, oil, vinegar, fruit juice, mineral waters, etc.). From now on these will be able to move freely throughout the Community without being held up at frontiers by the various national laws on authorized volumes and admissible tolerances, as regards content.

Following a proposal by the European Commission, the Council of Ministers of the Community recently adopted two directives on "the putting up for sale by volume of certain pre-packed liquids", and on "bottles used as measuring recipients".

These rather imprecise terms cover decisions whose industrial and commercial importance will affect everyone, representing as they do agreement on the content scales and tolerances which will be accepted in all Community countries.

These are not decisions that have been easily achieved, since traditions in this field are difficult to alter, even if they involve only a few centilitres, or if their justification has long since been forgotten (who, for instance, still remembers that mineral water is sold in France in 90 centilitre bottles, and in Italy in 94 centilitre bottles because, in the past, bottle-washing left much to be desired, and this was a way of ensuring that such bottles were not mixed up with wine bottles when it came to refilling?).

It was inevitable that the differences obliged every manufacturer to adapt his production to the laws on the product concerned and that, consequently, consumers did not profit at all from the large-scale savings which the Community's market should have represented, or from the competition which should have arisen between producers who had often been confined previously to the national market.

It should be noted that the directive does not aim to make all products uniform, but merely requires Member States to accept products manufactured in accordance with the directive's regulations.

Hence glass manufacturers, canners and bottle-filling operators interested in extending their production would be well advised to dimension their pre-packaging in terms of the content by volume laid down in the Council decision - they will then be certain that their products will not be held up at some frontier. The decisions should come into force in most Member States within the next eighteen months; but the Anglo Saxons, who are always faced with the special problem of changing over to the metric system, have requested a longer adaptation period.

It should also be recorded that the Commission is continuing its harmonization effort in this field with regard to other products - a third proposal for a directive is currently being discussed by the Council Working Party on Economic Questions, and a further proposal is being drawn up by the Commission's departments.

Consumers must hope that, despite the resistance to change shown by some national administrations, and in spite of the efforts of some industries to protect their markets, the adoption of these first directives, which signals a victory for common sense, will lead to Council approval of the other proposals.