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Directorate General of Information
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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.

PRESS AND INFORMATION OFFICES OF THE EUROPEAN COMMUNITIES

BELGIUM

1049 BRUSSELS
Rue de la Loi 200
Tel. 73500 40

DENMARK

1457 COPENHAGEN
4 Gammeltorv
Tel. 14 41 40

FRANCE

75782 PARIS CEDEX 16
61, rue des Belles-Feuilles
Tel. 55353 26

GERMANY

53 BONN
Zitelmannstraße 22
Tel. 2380 41

1 BERLIN 31
Kurfürstendamm 102
Tel. 886 40 28

GREAT BRITAIN

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

IRELAND

DUBLIN 2
41 Fitzwilliam Square
Tel. 66 223

ITALY

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

LUXEMBOURG

LUXEMBOURG
Centre européen du Kirchberg
Tel. 479 41

NETHERLANDS

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

SWITZERLAND

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

UNITED STATES

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

NEW YORK 10017
277 Park Avenue
Tel. 371-3804

** The Community's institutional problems, economic and monetary union, convergence of economic policies, regional policy, employment and energy - were some of the different points mentioned in the final communiqué issued after the Paris SUMMIT meeting, on 9 and 10 December, by the Heads of Government of the nine Member States of the Community, their Foreign Ministers and the President of the European Commission.

ANNEX 1 reproduces extracts from the final communiqué, dealing with the establishment of a A PASSPORT UNION, the special rights which could be given to citizens of the nine Member States as MEMBERS OF THE COMMUNITY, EMPLOYMENT POLICY, and DEVELOPMENT OF THE EUROPEAN REGIONS.

** In all, thirteen million people are employed in trade in the Europe of the Nine. This puts trading second after industry (45.6 million) and ahead of agriculture (10.3 million). The trend in the TRADE AND DISTRIBUTION sector is unvarying - the number of small traders goes on decreasing, whereas the number of supermarkets and hypermarkets is steadily growing.

In order to be able to monitor developments in the situation, the Commission has set up within the Statistics Office a special unit responsible for collecting data on structure and developments in this sector. In addition, the Commission's departments have collated statistics from the data available at European level.

As a general guide, ANNEX 2 gives several extracts from this document.

** To furnish 1 million tons of cereals per year as AID IN KIND - such has been the commitment undertaken by the European Community since 1967, as part of the International Convention on Food Aid. The value of this aid has now risen to some US \$850 million, to which must be added US \$310 million for other contributions (milk, butteroil, eggs, sugar).

ANNEX 3 gives a short summary of the Community's part in supplying food aid.

** If the Council of Ministers of the Community adopts a Commission proposal to eliminate existing differences between national laws on the toxicological classification of pesticides, labelling regulations (symbols and danger warnings, recommendations) and packaging, then the classification, packaging and labelling of PESTICIDE preparations will become uniform throughout the Community. The proposal is to be supplemented by special provisions covering type approval and use of pesticides (these provisions are being drafted in the Commission's departments - see I&S - No 36/74). If the proposal is adopted by the Council of Ministers, the Member States will have to adapt their national regulations to Community provisions, and only pesticides which conform to Community specifications may then be put on the market in

the nine member countries. This will ensure European consumers of better protection, by providing for clear labelling, and specific information on the characteristics of pesticides.

** The large PRICE DIFFERENCES noted for the same product in different member countries are partly explained by structural differences between the various markets (taxes, income levels and consumer habits, for example). Suppliers take advantage of these differences and set their prices accordingly. Where price differences can be attributed to infringements of the Community's competition rules, the Commission naturally helps to correct them, whilst at the same time endeavouring to guarantee importers freedom of action. The Commission is now preparing inquiries to a number of companies, for whose products the price differences are too marked.

** The Commission has just forwarded to the Council a proposal containing emergency measures for dealing with the COMMUNITY SUGAR DEFICIT. In particular, the Commission proposes that sugar production using molasses as a raw material should be encouraged by subsidies (in the past, this method of production produced over 80 000 metric tons of sugar per year, but production is currently falling), and that a certain quantity of sugar beet, currently supplied to distillers, should be redirected to sugar production (in this way, an extra 200 000 metric tons of sugar could be obtained during the 1975/76 agricultural year). The Commission also proposes a study of measures which might persuade growers to bring forward the 75/76 sugar harvest to the beginning of September (instead of the beginning of October). This would increase sugar production by about 500 000 metric tons. With a view to reducing sugar consumption itself, the Commission hopes that Member States will encourage the increased supply of substitute products such as saccharine and some sweeteners, insofar as these do not present any health problems. Finally, the Commission requests Member States to make a special effort to enforce the Community's provisions on regulating the alcohol content of wine by adding sugar, and to take very strict counter measures against the fraudulent use of sugar in wine.

** Various loans have been made by the European Community for NORTH SEA OIL AND GAS RESEARCH AND EXPLOITATION. These are:

- three loans by the European Investment Bank (amounting to a total of over 51 million u.a. - 1 u.a. = approx. US \$1) for the construction of natural gas extraction installations, the acquisition of semi-submersible platforms, and the purchase of an ore-carrier;
- grants from the European Social Fund (amounting to a total of some 900 000 u.a.) for training technicians (welders, divers, and highly-specialized divers) and financing pilot schemes;

- aid included in the general budget of the Communities to help finance Community projects in the oil and gas sector (25 million u.a. have been appropriated in the general budget for 1974, 1975 and 1976). Finally, 58.86 million u.a. have been provided for 22 technological development projects in the oil and gas sector. If the Commission's proposal is approved by the Council, aid will be provided for three years.

- ** The Commission recently put forward a proposal to coordinate provisions laid down by law, regulation or administrative action, concerning BANK CONTROLS, in order to protect bank customers, particularly depositors, from loss. Among other points, the Commission proposes setting up a committee which will include representatives of all those responsible for bank controls in the nine Member States. What is needed is to develop effective collaboration between these authorities, to counteract the effects of a bank crisis in the Community. This further step towards a common market bank is the result of implementation of the principle of non-discrimination, which was the subject of a directive in 1973.

- ** The Commission recently decided to grant financial aid to certain SURVEYS carried out by CONSUMER organizations active at European level. They deal with various subjects, such as:
 - educating consumers at school
 - after-sales service and repairs
 - use of the mother-tongue in labelling
 - relations between consumer organizations and public authorities
 - perfecting consumer education techniques
 - labelling chemical products for use in the home
 - consumption patterns among the socio-professional categories.

- ** According to preliminary information available, FARMERS' INCOMES showed a marked decline in 1974. They have remained roughly at the 1973 level, which means that farmers' purchasing power has not increased. This is the finding of a report on the agricultural situation in the Community recently published by the Commission. It would seem that the farms affected most are those concentrating on pigmeat and poultry production. Incomes from general farms engaged in mixed farming and cattle rearing have also decreased considerably. Only farms devoted to farming in general have been less seriously affected.

- ** In THE NETHERLANDS several events have occurred in recent months on the CONSUMER PROTECTION front. The following article was sent to us by the Consumentenbond (Dutch consumer association):

The Committee which controls newspaper and magazine advertising has reached two important decisions:

- (a) Cigarette advertising: frequent use of the adjective "mild" is no longer permitted, except where the context makes it obvious that the word "mild", as in English usage, refers to the taste of the cigarette. The word "mild" in Dutch conjures up the idea of harmlessness.
- (b) Use of the word "guarantee" in advertising: if an advertisement uses the word "guarantee", its scope, duration, and meaning must, from now on, be clearly stated.

A building guarantees institute has recently been set up. Through a system of registering building contractors, the institute is pursuing several aims - contracts will be signed which are not to the detriment of either the contractor or the future owner - there is to be quality control of individual houses put up for sale, contractors are to use standard contracts, and there is to be provision for completing buildings where a contractor goes bankrupt.

** The aim of the third "ERGONOMICS AND READAPTATION" programme is to promote, over the next five years, the safety and well-being of those working in the coal and steel industry. The programme has received the approval of the ECSC Consultative Committee and the Council of Ministers, and has just been authorized by the Commission (see I&S - No 32/74). The two previous programmes successfully completed in these areas led to new developments in safety for many jobs in the coal and steel industries. Plans are to spend a further 9 million units of account, under the new programme, to help the ergonomics team and scientific institutes to achieve new advances in fitting the job to the worker.

** We would like to draw attention to the following items from the OFFICIAL JOURNAL OF THE EUROPEAN COMMUNITIES (from 22 October 1974 to 30 November 1974):

1. Industrial affairs

- Proposal for a Council Decision establishing a programme of technological research in the textile sector (forwarded to the Council by the Commission on 19 September 1974 - OJ No C 133 of 29 October 1974)

2. Social affairs

- Composition of the Economic and Social Committee for the period of 17 September 1974 to 17 September 1978 (OJ No C 148 of 27 November 1974)
- Administrative Commission of the European Communities on Social Security for Migrant Workers (OJ No C 143 of 27 November 1974)

3. Approximation of legislation

- Proposal for a directive relating to anchorages for motor-vehicle safety belts (OJ No C 144 of 21 November 1974)

4. Environment

- Industrial loans at reduced rates (under the ECSC Treaty) for safety and hygiene purposes and in particular for the prevention of pollution (OJ No C 146 of 25 November 1974)

5. Consumers

- Council Regulation of 18 November 1974 on advertising and publicity campaigns to promote the consumption of meat (OJ No L 311 of 22 November 1974)

We would like to remind readers that the Official Journal is available from the Office for Official Publications of the European Communities, P.O. Box 1003, Luxembourg.

MEETING OF HEADS OF GOVERNMENT OF THE MEMBER STATES OF THE COMMUNITY ON 9 and 10 DECEMBER
IN PARIS

(Extracts from the final communiqué)

The Community's institutional problems, economic and monetary union, convergence of economic policies, regional policy, employment and energy - these were some of the different points mentioned in the final communiqué issued after the Paris Summit meeting on 9 and 10 December, by the Heads of Government of the nine Member States of the Community, their Foreign Ministers and the President of the European Commission.

Below we reproduce several extracts from the final communiqué covering respectively:

1. Passport union

A working party will be set up to study the possibility of establishing a Passport Union and, in anticipation of this, the introduction of a uniform passport.

If possible, this draft should be submitted to the governments of the Member States before 31 December 1976. It will, in particular, provide for stage-by-stage harmonization of legislation affecting aliens, and for the abolition of passport control within the Community.

2. Special rights for Community citizens

Another working party will be instructed to study the conditions and the timing under which the citizens of the nine Member States could be given special rights as members of the Community.

3. Convergence of economic policies

The Heads of Government reaffirm that the aim of their economic policies continues to be to combat inflation and maintain employment. The cooperation of both sides of industry will be essential if this policy is to succeed. They emphasize that in the present circumstances high priority must be given to economic revival in conditions of stability, i.e., action aimed at preventing a general economic recession and restoring stability. This must not involve any recourse to protectionist measures which, by setting up a chain reaction, could jeopardize economic revival.

4. Employment

The effort needed to combat inflation and the risks of recession and unemployment must accord with the imperatives of a progressive and equitable social policy, if it is to receive support and cooperation from both sides of industry, both at national and Community level.

In this respect, the Heads of Government emphasized that the Community's Economic and Social Committee can play an important role in associating both sides of industry in the definition of the Community's economic and social aims.

Above all, vigorous and coordinated action must be taken at Community level to deal with the problem of employment. This means that Member States, in conjunction with the organizations concerned, must coordinate their employment policies in an appropriate manner and set priority targets.

When the time is ripe, in the light of experience gained and with due regard to the problem of the regions and categories of workers most affected by employment difficulties, the Council of the Communities will consider whether, and to what extent, it will be necessary to increase the resources of the European Social Fund.

Being convinced that, in this period of economic difficulty, special emphasis should be placed on social measures, the Heads of Government reaffirm the importance which they attach to implementation of the measures listed in the Social Action Programme approved by the Council in its Resolution of 21 January 1974.

The Heads of Government make it their objective to harmonize any changes in social security afforded by the various Member States, but this does not imply the aim that all the social security systems now in force shall become identical.

5. Regional Development in the Community

The Heads of Government decided that the European Regional Development Fund, designed to correct the principal regional imbalances in the Community resulting notably from agricultural predominance, industrial change and structural underemployment, will be put into operation by the institutions of the Community with effect from 1 January 1975.

The Fund will be endowed with 300 000 000 u.a. in 1975 and 500 000 000 u.a. for each of the years 1976 and 1977, i.e., 1 300 000 000 u.a. (1 u.a. = approx. US \$1).

The resources of the Fund will be divided along the lines envisaged by the Commission:

Belgium	1.5%
Denmark	1.3%
France	15 %
Ireland	6 %
Italy	40 %
Luxembourg	0.1%
Netherlands	1.7%
Federal Republic of Germany	6.4%
United Kingdom	28 %

Ireland will in addition be given another 6 000 000 u.a. which will come from a reduction in the shares of the other Member States, with the exception of Italy.

TRADE AND DISTRIBUTION IN THE COMMUNITY

In all, thirteen million people are employed in trade in the Europe of the Nine. This puts trade second after industry (45.6 million) and ahead of agriculture (10.3 million). The trend in the trade and distribution sector is unvarying - the number of small traders goes on decreasing, whereas the number of supermarkets and hypermarkets is steadily growing. This can be deduced from the data available at European level which has been gathered and collated in statistical tables by the Commission's departments.

The Commission's analysis of the figures highlights the trading sector's contribution to the growth of the gross domestic product (GDP) during the decade 1961-71. In the Europe of the Six, the rate of growth in trade resulting from value added tax, has been 4.9% per year on average, whilst the growth rate for the overall gross domestic product was 5.1% per year on average. An estimate for the entire unit which was to become the Europe of the Nine shows that the growth rate for the trading sector is 4.2% whilst the annual growth rate for the gross domestic product as a whole is 4.5%.

With the exception of the United Kingdom, the number of people employed in trade is constantly growing. What is more, the rate of increase is faster than for the economy as a whole. But the increase is mainly for wage earners - the number of self-employed tends to decrease, except in Italy. The last complete set of figures available covers the Europe of the Six for the period 1961-71. According to these, the figure for the total number employed has increased by 0.2% per year, whilst in the trading sector the number of wage earners has increased by 2.2% per year, and the number of self-employed fell by 0.4% per year, a trend which corresponds to an increase of 1.1% per year in the number of jobs available.

In spite of the growth of composite trading (chain stores, department stores, consumer cooperatives, mail order companies), traditional trading outlets still accounted for the larger proportion of retail trade in 1971. The table given below shows how trading activity as a whole at that date (= 100%) was split between composite trading and traditional trading outlets respectively. In order to prevent their livelihood being threatened, a large number of traders formed purchasing groups, or voluntarily joined up to form chain stores. The same table therefore gives the proportion of those who accepted this type of organization and those who did not, and is based on turnover.

Countries	Composite trading in %	Traditional trading outlets of which:		
			Traders in groups	Independent traders
Germany	32.6	67.4	39.6	27.8
France	28.7	71.3	15.6	55.7
Italy	8.8	91.2	5.6	85.6
Netherlands	29.1	70.9	24.7	46.2
Belgium	21.3	78.7	7.0	71.7
Luxembourg	3.2	96.8	10.0	86.8
United Kingdom	50.3	49.7	10.0	39.7
Ireland	21.7	78.3	13.2	65.1
Denmark	23.2	76.8	16.7	60.1

What proportion of trade is taken up by the various forms of composite trading? This is shown in the next table, and given as a percentage of turnover for the entire trading sector (= 100%) for 1971.

Countries	Chain stores	Department stores and popular shops	Consumer cooperatives	Mail order sales
Germany	14.6	10.3	3.0	4.7
France	15.2	9.5	2.9	1.1
Italy	3.0	3.9	1.7	0.2
Netherlands	20.3	6.3	1.6	0.9
Belgium	9.9	8.2	2.4	0.8
Luxembourg			3.2	
United Kingdom	29.1	10.3	7.1	3.8
Ireland	10.2	11.3		0.2
Denmark	6.0	5.6	11.4	0.2

The importance of the trading sector for the various national economies varied in 1971 between 8.9% for the United Kingdom and 13.2% for Belgium. On average, for the Europe of the Nine as a whole, wholesale and retail trade accounted for 10.8% of the total gross domestic product, whilst industry accounted for 45% and agriculture, and forestry and fishing together accounted for 4.6%. The importance of the trading sector speaks for itself.

What part do trading activities, expressed as a percentage of turnover, play in the nine member countries? The answer can be seen in the table below:

Countries	Composite trading	Traditional trading outlets	Total
Germany	9.30	19.23	28.53
France	6.52	16.20	22.71
Italy	1.36	14.10	15.46
Netherlands	1.53	3.74	5.27
Belgium	0.92	3.41	4.33
Luxembourg	0.00	0.15	0.15
Europe of the Six	19.64	56.82	76.46
United Kingdom	10.15	10.03	20.18
Ireland	0.14	0.51	0.65
Denmark	0.63	2.08	2.71
Europe of the Nine	30.56	69.44	100.00

(Base year: 1971)

By contrast to the decreasing number of small traders, supermarkets and hypermarkets are always on the increase. To take only the German Federal Republic, the number of supermarkets increased from 2 981 on 1 January 1971 to 3 888 on 1 January 1973, whilst the number of hypermarkets increased from 370 on 1 January 1972 to 442 on 1 September 1973. In 1971 there was an average of 1 supermarket for 20 700 inhabitants, whilst in 1973 it had become 1 supermarket per 15 900 inhabitants.

In the coming months, the Commission of the European Communities will be concentrating on both the economic and the social problems of the distribution sector.

FOOD AID GIVEN BY THE COMMUNITY

To furnish 1 million tons of cereals per annum as aid in kind - such has been the commitment undertaken by the European Community since 1967, as part of the International Convention on Food Aid. This contribution which has remained constant since 1968 has now, as a result of the Community's enlargement, risen to 1 161 million tons in 1972/73, and 1 278 million tons in 1973/74. It is now equivalent to some US \$850 million, to which must be added US \$310 million for other contributions (milk, butteroil, eggs, sugar). Under the combined pressure of agricultural surpluses, and the needs of non-member countries with a particularly high deficiency in foodstuffs (particularly substances rich in protein, and having a high calorific value), the Community extended its field of activities to products other than cereals (skim milk powder, butteroil, egg products, sugar, etc.).

These activities were the result of an independent decision by the Community and are over and above any international commitment. They have always been directly linked to the availability of the products on the Community market. With regard to such products, the Community has therefore not been able to practise the regular and continuous type of policy followed in the case of cereals.

Since it is aware that Community food aid must be made less dependent on fluctuations in stocks of farm products, the Commission has begun the necessary preliminary work to define overall policy in this field, the aim being to make possible continuous programmes covering a variety and range of products. If the relevant proposals are accepted, this will enable the Community to react more effectively than has hitherto been possible, to the quantitative and qualitative needs of the developing countries.

Community food aid, which is always in the form of a gift to the States or bodies involved, aims to:

- come to the aid of countries which have been victims of natural catastrophe;
- raise the food levels of populations in countries of the third world;
- aid the economic development of these countries, directly.

These objectives have resulted in the Community organizing three different types of intervention:

1. Emergency action

Such action, which by its very nature is exceptional, is designed to help in famine situations, brought about by natural catastrophes (e.g., earthquakes, floods, unusual drought etc.) or by internal or international conflict.

For instance, the Community came to the help of the victims of the Sahel drought, with 112 955 metric tons of cereals, and cooperated in providing food aid to victims of the war between Nigeria and Biafra, and to Bengali refugees in India following the recent Indo-Pakistan war.

In this type of action, the Community generally pays the cost, not only of supplying the products concerned, but also of their transport and distribution to the affected population. In principle, therefore, products supplied under this type of programme are distributed to the needy free of charge by the governments or specialized agencies through which the Community operates.

2. Specific food action

Such action is mounted when there is a serious shortage of foodstuffs, in a country or group of countries, which affects or is likely to affect certain sections of the population, such as children, the sick, the aged or refugees.

3. Action to aid development

This is the type of action the Community is most frequently involved in.

Whilst helping to make up any deficiency in needy countries, this type of action aims above all to promote economic and social development in the countries concerned.

Aid given by the Community under this heading goes to countries which, through lack of foreign currency, are not in a position to import agricultural produce to cover the needs of their population, or which are faced with the dilemma of either reducing to the strict minimum, use of their international currency resources for the purchase of food products, or of using such resources for food purposes, and giving up the acquisition of the materials and equipment they need in order to develop.

In this instance the governments which receive aid in kind are obliged to sell the products on the national market, the funds thus acquired being used to finance development projects.

Such projects are selected by the governments of the recipient countries, and subsequently approved by the Community.