

WEEKLY

industry and society

REPRODUCTION AUTHORIZED

Brussels, 11 November 1975

No 39/75

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** The first success scored by the European Community's CONSUMER PROTECTION AND INFORMATION programme has been the establishment of closer links between consumers' associations and the

X/619/75-E

This bulletin is published by the

Commission of the European Communities
Directorate General of Information
Division for industrial information and consumers
Rue de la Loi 200
B-1049 - Brussels - Tel. 735 00 40

Further information is available from the Commission's press and information offices in the countries listed on the inside cover.

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 244
Tel. 735 00 40

DENMARK

1457 COPENHAGEN
4 Gammeltorv
Tel. 14 41 40

FRANCE

75782 PARIS CEDEX 16
61, rue des Belles-Feuilles
Tel. 553 53 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
29 Merrion Square
Tel. 76 03 53

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

European Commission through the promotion of a two-way flow of information, ideas and personal contacts.

Progress towards attainment of the consumer's five fundamental rights is described in ANNEX 1.

** The European Commission has calculated that sums allocated to RESEARCH AND DEVELOPMENT will jump from 97 million units of account (1 u.a. = \pm US \$ 1.3) in 1975 to over 230 million u.a. in 1980.

ANNEX 2 indicates the objectives and priorities of the Community's R&D policy.

** Does ENVIRONMENT policy affect relations between EUROPE AND THE DEVELOPING COUNTRIES and, if so, how? This is the subject of a study which the Commission entrusted to CIRED, an international centre for research on the environment and development located in Paris.

ANNEX 3 gives the broad outlines of the CIRED study.

** Cooperation between CANADA and the EUROPEAN COMMISSION in matters concerning the ENVIRONMENT is to be strengthened following a recent exchange of "letters of cooperation" between Mr Marcel Cadieux, Head of the Canadian Mission to the European Communities, and Mr Scarascia Mugnozza, Vice-President of the European Commission. This has given the green light for the organization of visits by technical experts and those responsible for environmental policy and a two-way exchange of views and information on such subjects as the objective evaluation of pollution hazards as they affect man and his environment; the definition of quality objectives with reference to environmental pollution in general and water pollution in particular; and protection of the natural environment.

** A EUROPEAN PASSPORT valid in all Member States could be introduced in the near future. This is one of the main points to emerge from a report to be presented by the European Communities' Council of Ministers to the Heads of State and Government at the "European Council" to be held in Rome on 1 and 2 December. Passport controls within the Community can not be abolished overnight however. The complex task of harmonizing national legislation must be dealt with first.

** TOURISM IS AN INDUSTRY LIKE ANY OTHER and as such is subject to the rules laid down in the Treaty of Rome. A Member of the European Parliament expressed concern at the situation of a Danish tourist agency which considered itself to be the victim of unfair competition. The European Commission confirmed, in answer to his question, that it is illegal, in the tourist industry as elsewhere, for one or more undertakings to abuse a dominant position by excluding competitors from the market. It told him that it had already investigated one case, but had found that the prima facie presumption of infringement was not borne out.

- ** The European Commission has taken a keen interest in the work of the European Organization for Research on TREATMENT OF CANCER (EORTC) since its inception. Financial backing from the Commission amounts to 225 000 units of account, a sizeable proportion of the organization's total budget of 628 000 u.a. (1 u.a. = approx. US \$ 1.3).
- ** Producers of CONSUMER information programmes on the Community's major TELEVISION NETWORKS met in Dublin on 22, 23 and 24 October at the invitation of the Information Services of the European Commission. A selection of national consumer protection programmes was presented by courtesy of Teleffs Eireann, the Irish television network; this was followed by a wide-ranging discussion on topics and presentation techniques for programmes of this kind.
- ** The COURT OF JUSTICE of the European Communities has upheld an appeal by the next-of-kin of Mr Petroni, an Italian worker who spent part of his working life in Belgium, the remainder in Italy. The Court ruled that Mr Petroni was entitled to the entire pension due to him in respect of periods worked in both countries. After working in Belgium for a number of years, Mr Petroni returned home and worked in an employed capacity in Italy for a further seventeen years. After his death his next-of-kin instituted proceedings against the Belgian institution responsible for payment of workers' pensions when it invoked a Community regulation limiting the aggregation of benefits due in different Member States to reduce the benefit payable to Mr Petroni in Belgium. The Belgian institution had in fact applied the principle whereby a migrant worker is entitled, in respect of insurance periods in the different countries in which he has worked, to a total pension equivalent to the highest benefit he would have received had he spent his entire working life under the legislation of one or other of these countries. The Belgian institution contended that this sum represented a maximum but the Court of Justice held that the purpose of the regulation was to guarantee the worker a minimum pension. It considered that it would be unjust to deprive a worker of acquired social security rights which had, in a manner of speaking, been promised him by the legislation of the host country.
- ** "Our problem is to reconcile the SOCIAL PROGRESS which energy has made possible with the FIGHT AGAINST POLLUTION", Mr Henri Simonet, Vice-President of the European Commission, told a group of journalists from the nine Member States attending a working meeting in Brussels organized by the Commission's information service on Community activities in the field of nuclear safety. In reply to various questions on the energy situation in Europe, Mr Simonet emphasized that the European Commission was convinced that Europe had the technical and human resources to ensure that nuclear energy would contribute to the energy supply thus avoiding the inevitable political, economic and social consequences of failure in this area.

** EMPLOYMENT trends in the TEXTILE INDUSTRY reflect its present economic difficulties: 3 000 French workers were made redundant during the first four months of 1975, 5 100 British workers sharing the same fate in the first three. According to figures supplied by the Coordination Committee for the Textile Industries in the EEC (COMITEXTIL), employment has been falling steadily over the last four years:

	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>
Denmark	21 000	21 900	20 900	17 000
Germany	481 500	458 100	434 000	390 000
France	411 000	390 100	386 200	381 600
Belgium	121 558	118 602	107 792	107 000
Netherlands	66 100	62 400	58 700	55 200
Ireland	24 100	23 000	23 000	21 700
Italy	453 040	429 745	426 550	420 000
United Kingdom	552 600	522 600	515 400	487 100
Total	2 130 898	2 026 447	1 972 542	1 879 600

** Community exports to the OIL-PRODUCING COUNTRIES of the MIDDLE EAST in 1974 were well up on 1973. The percentage increase for each exporting country is given below:

	<u>To rest of world</u>	<u>To Middle Eastern oil-producing countries</u>
Germany	+ 39.3%	+ 111.7%
France	+ 37.6%	+ 74.3%
Italy	+ 49.1%	+ 84.0%
Netherlands	+ 46.2%	+ 80.0%
Belgium/Luxembourg	+ 41.0%	+ 55.8%
United Kingdom	+ 24.9%	+ 68.0%
Ireland	+ 30.7%	+ 137.5%
Denmark	+ 30.9%	+ 102.7%
EUR 9	+ 37.4%	+ 84.7%

** The European Commission is taking a keen interest in investigations being carried out, notably in Germany, into DISTRICT HEATING NETWORKS. One of the expert working parties set up by the Commission in connection with the Community programme on the rational use of energy is currently considering the possibility of making increased use of combined heat and power production for industrial and district heating purposes. Priority is being given to the problem of using nuclear power stations to feed district heating networks. Technical, economic and financial aspects must be analysed in detail when each project is being assessed. Supply and environmental considerations must also be taken into account.

- ** The International Cinema Festival - "Nature, Man and his Environment" - has awarded its ECOLOGY PRIZE to the COMMISSION OF THE EUROPEAN COMMUNITIES in recognition of its pioneering work on a coherent international policy to protect the environment and conserve man's natural, cultural and human heritage. The prize, which has been awarded annually since 1971, will be presented to the European Commission at a ceremony in Padua on 6 December 1975.
- ** In 1970 a Community regulation made it compulsory for recording equipment to be installed and used in certain categories of vehicle so that working conditions in ROAD TRANSPORT could be monitored. The design of the appliance and the procedure to be followed to secure EEC type approval was defined in the regulation. The European Commission has now proposed a number of amendments to this 1970 text to take account of experience gained since its adoption. One of its suggestions is that a special committee be appointed to ensure that the basic regulation is constantly adapted to technical progress.

CONSUMER PROTECTION AND INFORMATION: WHAT HAS THE COMMUNITY DONE SO FAR?

The first success scored by the European Community's Consumer Protection and Information Programme (see I&S No 15/75) has been the establishment of closer links between the European Commission and local, national and European consumers' associations through the promotion of a two-way flow of information, ideas and personal contacts.

Progress towards attainment of the five fundamental rights listed in the Community's programme is described below.

1. The right to protection of health and safety

The position with regard to the various items selected for priority treatment under this heading is as follows:

Foodstuffs: The Scientific Committee on Foodstuffs, a high-level, independent advisory body, has given its views on erucic acid level in colza oils and a draft directive on the subject is now being discussed by the Council of Ministers. It has also dealt with mercury in fish, not a primary risk in Europe, and with authorized colouring matters for inclusion in a positive list.

A Consultative Committee on Foodstuffs was set up this year to give representatives of farmers, manufacturers, distributors, trade unions and consumers a chance to meet and air their views. This supplements the twenty or so advisory committees on specific commodities (poultry, cereals, vegetables and so on). This new Committee has already discussed the question of food labelling and oils and fats and is to discuss colorants and plastics coming into contact with food.

The Community directive on chocolate is being revised while the directives on fruit juices and on jams and marmalades are being discussed at Council level. At Commission level texts on mustard, non-emulsified sauces, fine pastry products and malt extracts are being prepared.

Cosmetics: A directive setting standards and certain labelling requirements for cosmetics is still being discussed at Council level. No agreement has been reached on a negative list of ingredients but the draft does include a declaration of intent on a positive list, a long-standing consumer request.

Household cleaning products: A draft directive is almost ready for preliminary discussion. A directive of aerosols was adopted this year.

Consumer durables: A Commission working party is studying draft directives on gas cookers and water heaters.

Utensils: The draft directive on lead and cadmium in table-ware is being discussed at Council level.

Cars: The draft directive on safety belts and headrests is at the same stage. No agreement has been reached on safety glass.

Toys: A draft directive is being prepared on the basis of information supplied by the European Committee for Standardization.

Dangerous substances: The draft directives on classification, labelling and packaging of pesticides, dangerous substances, paints and varnishes, and solvents are being discussed at Council level.

Materials coming into contact with foodstuffs: Two directives are under discussion at Council level - one dealing with general principles, the other with ceramics. A Commission working party is studying a draft directive on plastics and glass.

Fertilizers: A directive on the harmonization of laws relating to fertilizers should be adopted by the Council of Ministers before the year is out.

Veterinary products: Existing directives have now been codified.

Animal feedingstuffs: Amendments to existing directives are proposed systematically in the light of experience and the findings of scientific research.

2. The right to protection of economic interests

The state of play here is as follows:

Consumer credit: A new draft directive is being prepared. In fact the Consumers' Consultative Committee recently gave its views on the text to the European Commission.

Misleading advertizing: The European Commission has been working on a directive which combines the civil law approach (unfair competition) with the penal law approach (consumer protection).

Door-to-door sales: A revised draft of the directive will be discussed at a meeting of government experts in the near future.

Correspondence courses: At the request of the European Parliament the European Commission has prepared a draft directive which will be referred to government experts shortly.

Unit pricing: Comparison shopping is difficult when goods are offered for sale in different presentations at different prices. A draft directive is being prepared in an attempt to solve this problem, in conjunction with the associated problem of prepackages.

Range of standard prepackages: Is the consumer to be offered a kilo, a litre or a cubic decimetre of a given product? A draft directive has been referred to government experts and to the Consumers' Consultative Committee for comment.

Product liability: Who is responsible for damage caused by a specific product - the manufacturer, the carrier, the wholesaler or the retailer? A draft directive is now under discussion and the Consumers' Consultative Committee has been asked for its views.

3. The right to advice, help and redress

Priorities have still to be identified in this relatively unexplored field. Work is continuing however and a symposium on legal procedures, small claims courts and arbitration is to be held at Montpellier in December.

4. The right to information and education

The position here is as follows:

Information concerning goods and services: The label is the consumer's main source of information at the point of purchase, which is why labelling is being studied in great detail by the European Commission. A proposal for a directive on food labelling is being redrafted in the light of comments from government experts and the Consultative Committee on Foodstuffs. The Consumers' Consultative Committee has been consulted too, and one of its working parties recently produced a report on voluntary informative labelling.

Comparative tests: The European Commission is represented on the International Standards Organization working party responsible for producing harmonized guidelines for comparative testing. It is pleased that consumer associations have been consulted in this connection.

Information on prices: An inter-departmental working party has been set up by the European Commission to investigate ways and means of providing more comprehensive and speedier information on prices. A group of government experts is also working on the harmonization of price statistics. The Consumers' Consultative Committee has been studying the common agricultural policy and has forwarded a report to the European Commission on price formation as it affects agricultural products.

Information policy of the European Commission: In addition to the information published weekly in "Industry and Society", the information services of the European Commission organize regular meetings with the press and with radio and television broadcasters and producers specializing in consumer affairs.

Education: This is very much a national preserve but a number of studies are being carried out by consumers' associations grouped at Community level. In addition the European Commission has created a special administrative unit to deal with consumer education and specialized information for consumers' associations.

5. The right to consultation and representation

The European Commission is fully aware of the importance of consumer representation. The Consumers' Consultative Committee is consulted on all subjects involving consumers and is now playing a full part in the Community's action programme. A study on the representative nature of consumers' associations has also been commissioned from the Universities of Louvain and Montpellier.

OBJECTIVES AND PRIORITIES FOR COMMUNITY RESEARCH 1976-1980

The European Commission has calculated that sums allocated to research and development will jump from 97 million units of account (1 u.a. = $\frac{1}{4}$ US \$ 1.3) in 1975 to over 230 million u.a. in 1980. This emerges from a communication it has addressed to the Community's Council of Ministers on objectives, priorities and resources for a common research and development policy. National ministers responsible for scientific research and technology will probably examine the communication in the first half of December.

Objectives

The long debate on scientific research and technological development has made it possible to define two lines of approach to guide the choice of Community research activities; research activities should either promote the fulfilment of the objectives laid down in policies (e.g. agriculture, energy) already adopted by the Community, or help map out new policies (e.g. raw materials, town planning).

Seen in this light the Commission considers that the following sectors and sub-sectors should be given priority between now and 1980: energy (energy conservation, production and use of hydrogen, solar energy, geothermal energy, thermonuclear fusion, radiation protection, reactor safety, waste processing, use of plutonium ...), agriculture (animal leucosis, beef and veal production, vegetable protein production ...), raw materials (inventory of Community resources, recycling ...), the environment (potentially toxic chemicals, information management, reduction and prevention of pollution and nuisances, improvement of the natural environment ...), industry (data processing, aeronautics, textiles, footwear, iron and steel ...), and the life of society (urban development, biomedical research, transport and telecommunication systems ...).

Side by side with activities to be selected and developed to satisfy requirements in these priority areas, the Community will have two continuing functions to discharge. The first will be a public service function (e.g. Community Reference Office). The other will be a general "information management" function: the Community will have an increasing role to play in the dissemination of scientific and technical information and documentation and, more generally, the optimum utilization and transfer of knowledge. The developing countries should gradually benefit from this.

Criteria

The actual choice of projects within the priority areas would be dictated by the answers to the following questions:

- (i) Will the project contribute directly to the implementation of an existing Community policy? (agriculture or energy for example)

- (ii) Is the project one which must be carried out by the Community because of the human and financial resources involved? (the fusion programme for example)
- (iii) Will the project create an outlet to a large market? (aeronautics or data processing for instance)
- (iv) Is the project essentially transnational? (the answer would be "yes" for transport and telecommunication systems, scientific and technical information and documentation)
- (v) Will the project meet requirements which are common to the Member States? (environment, town planning, biomedical research)

Utilization of research results

Dissemination and utilization of the results of Community research need to be as well-organized as the research itself. Before committing itself to a programme, the Community must consider how this can best be done.

With social research (biomedical sciences, environment, town planning, education, etc.) is it generally enough to disseminate the information acquired but the efficiency and speed of the methods used must be increased. Research results must reach the decision-makers so that they can be taken into account in the formulation of common policies.

In the case of industrial research carried out under contract, there is no reason why the policy hitherto followed by the Community should change. The firm carrying out the research will remain the owner of the new products, equipment and processes invented and will be given priority when it comes to industrial exploitation.

With a number of complementary research projects converging on cognate results, the firms concerned would however have to sign agreements on the assignment of research tasks and cooperation in industrial exploitation.

In return for priority in industrial exploitation, firms would have to undertake to utilize the results in line with Community requirements. The European Commission intends to exercise stricter control over this obligation and will retain the right to grant licences to third parties if it is not complied with.

In certain fields the author of the research or his licensees will be required to pay royalties to the European Community in consideration of its contribution.

After 1980

The European Commission is continuing its work on analysing and considering long-term objectives and priorities for the 1980s. A preliminary series of proposals may be laid before the Council as early as 1976.

THE ENVIRONMENT, EUROPE AND THE DEVELOPING COUNTRIES

Does environment policy affect relations between Europe and the developing countries, and if so, how? This is the subject of a study which the Commission entrusted to CIRED, an international centre for research on the environment and development located in Paris.

The CIRED team led by Ignacy Sachs considers that the European Community could develop international cooperation with developing countries along new lines and at the same time reduce environment problems caused by industrial development in Europe. Would it just be a question of exporting Europe's most polluting industries to the developing countries? The answer is not as simple, nor as antisocial, as that.

The environment and the developing countries

Historically, environmental awareness came to the industrialized countries first. The fact is that environmental problems are largely a consequence of industrial development. For far too long, industrialized countries have treated this planet as an inexhaustible supply of resources and a limitless dumping-ground. Many developing countries saw ulterior motives behind this view of nature: to them, it was no more than an excuse for the richer countries to limit the development of the poorer countries and prolong their own economic domination. Representatives of the developing countries rightly insisted that their main environmental problems - malnutrition, accommodation and health problems, disease and natural disasters - were a consequence of under-development, not of over-industrialization, and could only be resolved by raising living standards and speeding the development process.

However, the United Nations Conference on the Environment in Stockholm in June 1972 urged the developing countries to consider the environmental problems caused by the development process itself and learn from the mistakes of the industrialized world. Concern for the environment is not a prerogative of the rich. Wasted resources cannot be replaced. The destruction of potentially renewable resources and the impoverishment of the human environment are not compatible with viable, sustained development. Indeed some urban areas in the Third World are now faced with two sets of environmental problems: those caused by under-development and those caused by development.

The environment and the economic crisis

In some quarters it is feared that the energy and raw materials crisis, followed by the severe economic crisis, has led to a relaxation of efforts to protect the environment. But in actual fact the crisis is forcing man to take more care of his environment because it has brought him face-to-face with the problem of the long-term management of resources. In this context waste prevention and improved management of the environment are complementary: all forms of pollution not only attack the environment but also waste natural resources.

The crisis has also sparked off a complete reassessment of world economic relations and in particular of development aid policy. It is clear that the raw materials crisis has given some developing countries an opportunity to improve their position in the international division of labour. Producer countries have been urging for a long time now that industries be developed in their own countries to process their raw materials. The raw materials crisis means that some of them can now put this policy into effect.

Their ambition is quite compatible with that of some industrialized countries who are keen to reduce their pollution and over-industrialization problems by relocating certain primary industries in developing countries. Japan had begun to move in this direction, but the economic crisis dampened enthusiasm for interdependence. The industrialized countries, faced with balance of trade problems and rising unemployment, are no longer attracted by the idea of transferring industries to the developing countries.

Industrialized countries are now faced with a choice: they can retreat into "isolationism" or opt for "redeployment". Basically, the problem is whether industries processing raw materials at a high cost in terms of energy should remain where they are or be relocated in producer countries.

The CIRED research team selected three industries - the aluminium, iron and steel and petrochemical industries - for detailed study.

For aluminium "isolationism" would mean that industrialized countries could ease their balance of payments problems and maintain full employment, but at the cost of a deteriorating environment, enormous energy dependence and tense relations with the bauxite-producing countries of the Third World. "Redeployment" by contrast would ease the environmental problems and give industrialized countries more time to convert to nuclear energy, but at the cost of higher balance of payments deficits and increased traffic on already congested seas.

For iron and steel the choice is not so much between "isolationism" and "redeployment" as between two forms of redeployment offering similar financial advantages. Ecological considerations could tip the scales here.

For petrochemicals, the bargaining position of the oil-producing countries is so strong that "redeployment" could be forced on the industrialized countries.

More generally, there is little doubt that in years to come, ecological considerations will weigh more and more heavily in favour of the developing countries' plea for more industry to boost their economies.