European Communities

EUROPEAN PARLIAMENT

Working Documents

1980 - 1981

8 October 1980 DOCUMENT 1-450/80

Report

drawn up on behalf of the Committee on the Environment, Public Health and Consumer Protection

on the Communication from the Commission of the European Communities to the Council (Doc. 222/79) concerning an action programme of the European Communities with regard to consumers

Rapporteur: Mr John O'CONNELL

By letter of 11 July 1979 the President of the Council of the European Communities requested the European Parliament to deliver an opinion on the communication from the Commission of the European Communities to the Council concerning an action programme of the European Community with regard to consumers.

The President of the European Parliament referred this communication to the Committee on the Environment, Public Health and Consumer Protection.

On 25 September 1979 the Committee on the Environment, Public Health and Consumer Protection appointed Mr. O'Connell rapporteur.

It considered the communication at its meetings of 5 September, 11 October, 22 November, 29 November 1979, 29 May, 24 June and 24 and 25 September 1980. It held a public hearing of the communication on 26 and 27 February 1980. At its meeting of 24 and 25 September 1980 it adopted the motion for a resolution by 13 votes to 10.

Present: Mr Collins, chairman; Mr Alber and Mr Johnson, vice-chairmen; Mr O'Connell, rapporteur; Mr Adam (deputizing for Mrs Weber), Mr Ceravolo, Mr Combe, Mr Forth (deputizing for Sir Peter Vanneck), Mrs Fuillet, Mr Ghergo, Miss Hooper, Mrs Krouwel-Vlam, Mrs Lentz-Cornette, Mr Mertens, Mr Muntingh, Mr Remilly, Mrs Roudy, Mrs Schleicher, Mrs Seibel-Emmerling, Mr Sherlock, Mrs Spaak, Mrs Squarcialupi and Mr Verroken.

CONTENTS

			<u> </u>	age
A. N	l oti	.on	for a resolution	5
в. І	Expl	ana	atory Statement	10
ı.	Con	mur	nity Consumer Policy: A failure of Political Will	10
II.	The	. Se	econd Consumer Action Programme	12
	1.	Ger	neral Remarks	12
		a)	Scope and presentation of programme	12
		b)	Public hearing of the Second Consumer Action	
			Programme	13
		c)	Voluntary codes of conduct	14
	2.	Imp	plementation of New programme	15
		A.	Health and safty	15
		в.	Protection of economic interests of consumers	16
			1. Prices	16
			2. Common agricultural policy	17
			3. Services	17
			a) After sales service	18
			b) Public services	19
			c) Commercial services not connected with products	20
		c.	Advice, assistance and right to seek legal remedy	21
			Consumer information and education	22
			l. Labelling	22
			2. Consumer Information	24
			3. Consumer Advice Centres	24
			4. Consumer education	25
			5. Product testing	27
			6. Adult education	27
		Ε.	Promotion of consumer interests	27
			1. The role of the Consumers Consultative Committee	28
			2. Aid to consumer associations	29
			3. Consumers and energy	30
			4. Combatting waste	31
			5. Consumers in the telematic age	32
TTT	Co	י 1 י	usion - Urgent need for an effective consumer policy.	33
			and the state of the street of companier botton.	-

Annex I: Resources needed for consumer policy

Annex II:List of participants at public hearing

The Committee on the Environment, Public Health and Consumer Protection hereby submits to the European Parliament the following motion for a resolution together with explanatory statement:

MOTION FOR A RESOLUTION

embodying the opinion of the European Parliament on the communication from the Commission of the European Communities to the Council concerning an action programme of the European Community with regard to consumers

The European Parliament,

- having regard to the preliminary programme of the European Economic Community on consumer information and protection.
- having regard to the Brégégère report on Community consumer policy, 2
- having regard to the communication from the Commission of the European Communities to the Council,³
- having been consulted by the Council (Doc. 222/79),
- having regard to the opinion of the Economic and Social Committee (CES 1466/79) and the opinion of the Consumers' Consultative Committee (ccc/44/79),
- having regard to the public hearing on the action programme of the European Community with regard to consumers, held in Dublin, February 1980.
- recognizing the urgent need to continue to pursue an effective consumer policy within the Community,
- alarmed by the failure of the Council of Ministers to adopt key Commission proposals under the preliminary programme for consumer information and protection,
- having regard to the report of the Committee on the Environment, Public Health and Consumer Protection (Doc. 1-450/80),
- 1. Welcomes the broad objectives of the draft consumer action programme with particular regard to its new emphasis on the active promotion of consumer interests while at the same time considers that the proposals for realizing these objectives must be made more concrete and explicit;

¹ O.J. No C 92, 25.4.1975

² O.J. No C 241, 10.10.1977, p. 23

³ O.J. No C 218, 30.8.1979

- 2. Considers it imperative that realistic targets be set in the Second Action Programme so that the proposals can be implemented within the period envisaged, especially as it is still not clear what is to happen to those directives stemming from the first programme which have not yet been adopted;
- 3. Considers that the Commission must encourage industrial codes of conduct which take account of the interests of consumers and that it should also promote consultation between the consumers, industry and traders with a view to the conclusion of agreements, on the understanding that both codes of conduct and agreements complement legislative provisions;
- 4. Urges that adequate appropriations be made available to implement the consumer policy provided for in the Second Action Programme; care must also be taken to ensure that the funds for staff and equipment are used for projects which really need to be tackled at Community level and that there is a sensible balance between costs and benefits;
- 5. Considers it advisable that:
 - (a) the Council of Ministers should inform and consult Parliament when planning measures to implement consumer policy,
 - (b) practical cooperation between the ministers responsible for consumer affairs should be encouraged and the Commissioner responsible should present a report at least every two years on the action he has taken to implement the Community's consumer policy;
- 6. Considers that the Community should continue its financial aid to European consumer associations;
- 7. Believes that in making proposals to harmonise national consumer protection legislation the Commission should not only seek to promote high standards which take account of progress and innovation in this field, but should also be sensitive to existing national practices and preferences, and, wherever possible, seek to legislate by "framework" directives which allow flexibility to the Member States;
- 8. Calls upon the Commission to include a clear statement of the cost, to public authorities, producers, traders and consumers, of each new proposal under the Second Programme, as they appear;

- 9. Stresses that consumer interests should be taken into account and promoted by the Commission in all areas where Community measures affect the price, quality or choic∈ of goods and services; such measures should be accompanied by consumer impact statements;
- 10. Calls upon the Commission, in line with its emphasis on the promotion and not merely the protection of consumer interests, to do the following:

Health and safety

- (a) introduce Community measures aimed at reducing the consumption of tobacco, alcohol and addictive drugs in general;
- (b) ensure proper representation of consumers on official standards organizations at a national and European level;
- (c) continue to pursue Community measures to harmonize laws on advertising medicinal products;
- (d) ensure that once Community legislation on health and safety measures is adopted it is properly enforced by national public authorities;
- (e) consider effective means of preventing dangers to consumers' health and safety arising from new products or established by scientific or technical advances;

Protection of economic interests of Consumers

- (f) the part of the programme dealing with prices should be placed under this section and not under 'information and education' as at present;
- (g) the Commission should support the publication of comparative price surveys to be carried out more frequently at regional level and ensure that the details are made available to all sections of the population;
- (h) the Commissior should propose to the Member States the introduction of appropriate techniques for consultation or representation of users' interests in the principal public services (electricity, transport, communications);
- (i) the Commission should draw up a directive on consumer rights in the field of after-sales service and seek the most appropriate means of implementing this directive in each Member State;
- (j) the Commission should draw up a directive establishing consumer rights in the service industries under the heading 'commercial rights not connected with products';
- (k) the Commission should also draw up a directive on unfair contract terms;

- the Commission should continue and intensify its policy of waste recycling;
- (m) the Commission should promote the important role of the consumer in energy policy by Community information campaigns on energy saving;
- (n) the consumer interest must be taken fully into account in the evolution of the common agricultural policy with consultation of consumer representatives at the earliest stages of price-fixing negotiations and with future agricultural policy development concentrating on the attainment of a more balanced relationship between supply and demand through greater emphasis on the structural and marketing element rather than on across-the-board price increases;

Advice, assistance, and the right to seek legal remedy

(o) the Commission should encourage Member States to establish as a matter of priority, advisory, conciliation and arbitration bodies to resolve disputes between consumers and purveyors of goods and services in Member States;

Consumer information and education

- (p) the Commission should ensure that a co-ordinated approach to food and energy labelling is adopted in the Community;
- (q) the Commission should undertake a survey in good time before the current action programme expires, to provide a basis for planning the next action programme;
- (r) all reports of the Consumers' Consultative Committee should be sent to Parliament;
- (s) the Commission should produce a communication on consumer education in schools and for adults, which seeks to establish basic minimum standards for an effective consumer education programme while taking account of the wide diversity of educational systems in Member States;
- (t) the Commission should prepare a discussion paper on the interest of consumers in access to data assembled by means of new communications technology (micro-processors etc.);
- (u) the Commission should provide an overall view of the work of consumer organizations in the various countries so that a comparison can be made with a view to extending outstanding examples of consumer work to other countries;
- (v) the Commission should encourage and promote specific established programmes for particularly deprived sections of the population;

- 11. Requests the Commission to incorporate the above amendments in its proposal pursuant to Article 149, second paragraph, of the Treaty;
- 12. Instructs its President to forward this resolution and the report of its Committee to the Council and the Commission of the European Communities, and to the governments and parliaments of the Member States.

EXPLANATORY STATEMENT

I. COMMUNITY CONSUMER POLICY: A FAILURE OF POLITICAL WILL

At the Paris meeting of the European Council in 1972, recognition was given to the fact that 'economic development is not an end in itself but rather it must, as a priority, help to reduce the differences in living conditions and tend to improve both the quality of life and standard of living.'

Out of this commitment to improve the quality of life for Europe's 260 million citizens, sprang the Preliminary Programme for Consumer Information and Protection.

The Preliminary Programme marked a milestone in the attempt to put a 'human face' on the European Community - to make the consumer a partner in the economic process. Unfortunately, five years have passed and most of the goals and aspirations of the first Programme have not been translated into practical achievements.

Given the very limited success of the first Programme and the current shift in Community priorities away from issues like consumer protection - Community consumer policy is now in crisis.

The basic cause of this crisis is the total lack of political will (particularly in the Council of Ministers) to implement pragmatic and effective measures which protect and promote consumer interests.

This lack of political will is evident in the following areas:

1. The refusal of the Council of Ministers to adopt outstanding Commission proposals under the Preliminary Programme for Consumer Protection and Information

These include proposals for directives on product liability (sent to Council in September, 1979), door-to-door sales (sent to Council in January, 1977), correspondence courses (sent to Council in August, 1977), misleading and unfair advertising (sent to Council in March, 1978), and consumer credit (sent to Council in February, 1979).

2. The lack of resources allocated to the Environment and Consumer Protection service of the Commission which has seriously impaired the preparation and submission of consumer legislation.

3. The excessively lengthy procedures for drawing up consumer legislation caused by the absence of full cooperation from Member States. The average amount of time for preparation and final adoption of a directive on consumer affairs in 5-6 years. A fair balance must be established between the need to carry out large-scale consultations and the need to submit proposals to the Council within a reasonable period of time.

Unless these three major problems are resolved, the Second Consumer Action Programme will inevitably follow the path of the first - good intentions but few concrete results. Consumer policy will be exposed as a mere facade and not a genuine attempt to make the consumer a 'full partner in the preparation and implementation of economic decisions which are important to him'.

(Second Community Programme for Consumers, Bulletin of the European Communities, 4/79, pg. 5; point 4).

To demonstrate that they have the political will to implement a full-blooded consumer policy, the Council of Ministers should immediately set deadlines for the adoption of all outstanding proposals from the Commission. There must also be a meeting of a Council of Consumer Ministers at least once a year to ensure that proper priority is given to the advancement of consumer policy within the Council of Ministers. Parliament should have an annual debate on consumer affairs in order to highlight the lack of progress in this field.

Before this debate takes place, the Council should be required to produce a brief outline of the action they have taken to implement consumer policy.

For its part the Commission must establish a time-table for the implementation of the major proposals contained in the Second Consumer Action Programme. Given the present scarcity of staff and resources, it is understood that such a time-table must be a flexible one. Nevertheless, some rule or measure of Commission progress in the field of consumer policy is essential. It must be pointed out, however, that in their vote on the draft motion for a resolution a majority in the Committee rejected the call for a timetable, called only for practical cooperation between the ministers responsible for consumer affairs, and asked for a report to be made by the Commissione: responsible at least every two years. The proposal for an annual debate in Parliament was not upheld.

The staff and resources allocated to consumer policy in the Community must be substantially increased if any of the major proposals contained in the Second Consumer Action Programme are ever to be implemented (at the moment, there are a mere 20 Commission officials working on consumer policy - compared to 664 working on Agricultural policy!). An immediate expansion of staff and resources in the area of consumer policy must take place along the lines outlined in Annex I. Consideration should also be given to the establishment of a Directorate General for Consumer Affairs in order to give consumer policy the institutional recognition and priority it deserves. A majority in the Committee, however, when considering the draft motion for a resolution, weakened this call for more staff and resources, requesting only "adequate appropriations" to implement consumer policy.

Member States must adopt a more serious approach to preparatory discussions and consultations on proposed Community legislation in the consumer field. The present time scales for these negotiations are unacceptably long and constitute a significant barrier to progress.

II. THE SECOND CONSUMER ACTION PROGRAMME

1. General remarks

(a) Ecope and presentation of the programme

The broad objectives of the Second Consumer Action Programme are to be welcomed, particularly the new emphasis on the active promotion, (and not the mere protection) of consumer interests.

The priorities of the programme (prices and services) are also well chosen given that these two areas are of primary importance to Europe's 260 million consumers.

However, the problem does not arise with the goals and aspirations of the programme, but rather with the lack of concrete proposals for their realization. The format of the programme is along the lines of a 'discussion document' rather than an action programme. There must be some doubt as to whether the programme in its present vague form provides a credible basis for creating the political will necessary for its implementation.

The phrasing of the proposals contained in the programme lacks conviction and determination, as can be seen by the frequency with which words like 'endeavour', 'encourage', 'should', 'agree', are used to define Commission proposals. The use of such indefinite language only serves to create the inpression that the Second Consumer Action Programme lacks concrete proposals for specific action.

The same problem arises with the new emphasis in the Second Consumer Action Programme on the promotion and not merely the protection of consumer interests. While we would all agree that the interests of consumers need to be promoted across the whole spectrum of Community policy, the second action programme fails to spell out in clear and precise terms what practical form such action is to take.

The Second Consumer Action Programme needs to be given a backbone of concrete proposals particularly in the areas of prices, public and after sales services, legal redress, and promotion of consumer interests.

(b) Public hearing on the Second Consumer Action Programme

The public hearing of the European Parliament on the Second Consumer Action Programme (held in Dublin in February, 1980) was a very useful vehicle for the expression of opinions by consumer and Committee members had the opportunity to producer interests. examine the positions of these two major groups on such crucial aspects of the programme as codes of conduct versus legislation, the advisability of setting time limits for the programme, the need for Community action in the area of services, prices, labelling, and consumer education in schools. The public hearing and the questionnaires circulated in advance thereof represented a watershed in public involvement in the Community decision-making As Rapporteur, I benefited enormously from the exchange of views of the different groups on the important issues involved in the Second Consumer Action Programme.

The public hearing was a practical example of how we can achieve a 'better dialogue and close consultation between representatives of consumers, producers, and distributors' (Second Consumer Action Programme op.cit. page 6, paragraph 9).

The public awareness of the Second Consumer Action Programme was greatly heightened in Ireland and the Community at large by the public hearing, with increased public anticipation of a programme which will yield concrete benefits for consumers.

The organizations which attended the hearing are to be found listed in Annex II. Reference should also be made to the verbatim report of the Public Hearing (PE 63.673).

(c) Voluntary codes of conduct

There is a difference of opinion between consumer and producer groups on the value of voluntary codes. Those in favour say they are a cheap and rapid form of consumer protection and ideal for those areas which are not amenable to legislation (advertising, after-sales services).

Those opposed question whether consumers and producers can possibly 'negotiate' on an equal footing given the different resources available to each group (access to information for They also cite the difficulties with monitoring those example). codes and the fact that the Commission is unwilling to take any active role in ensuring they are enforced. Voluntary codes have no basis in Community law; therefore the Commission cannot take There is the additional problem that offenders to court. Parliament would have no role in the agreements aside from being advised as to their terms etc. Opponents of voluntary codes ask the question: If consumer and producer can reach agreement on a code why not have a Community regulation to enforce it? (Verbatim report of the public hearing on the Second Consumer Action Programme, PE 63.673, pages 99-129).

Parliament wishes to reaffirm the point that voluntary codes should never substitute for legislation which is the most effective proven means of consumer protection.

Voluntary codes might be considered in areas where legislation is not feasible (detailed aspects of after-sales services and some aspects of advertising).

There are three basic minimum requirements for any voluntary code:

- (a) That the code be <u>negotiated</u> between consumer and producer interests (and not self-imposed or self-regulatory).
- (b) That the code has in-built mechanisms for consumer redress (i.e. a conciliation and arbitration board, representing the consumer and producer interests to deal with complaints).
- (c) That the Commission take an active role in evaluating the effectiveness of the code.

The wording in the draft motion for a resolution - that wherever voluntary codes could not be agreed on or adequately implemented, legislation should be the alternative - was changed by a majority

in the Committee to say the the Commission should encourage industrial codes of conduct "on the understanding that both codes of conduct and agreements complement legislative provisions".

2. Implementation of new programme

A. Health and safety

The Commission proposals in this area are sound, particularly the priority given to the safety of toys and textiles.

However, a more positive approach to the promotion of consumer health must be taken, with reference to the advertising of tobacco and alcohol.

The harmful effects of tobacco have been well documented in Member States and by advisory bodies within the Community itself (Report of Consumers' Consultative Committee CCC/55/77/REV.1) and also by the Council of Europe (Council of Europe Report and Draft Recommendation, on prohibition of tobacco and alcohol advertising, Document 3323). The in-depth study on tobacco undertaken by the CCC resulted in a call for a total ban on tobacco advertising within the Community (CCC/57/77/REV.4) and for initiatives to be taken at Community level to discourage smoking.

With tobacco killing four times as many people as road accidents within the Community, the European Parliament believes that the Commission should draw up a proposal for a directive on tobacco advertising, as a priority measure.

- (a) All tobacco advertising to be strictly prohibited in the media (press, radio, T.V., posters, magazines, etc.).
- (b) Total ban should be placed on smoking in public areas.
- (c) The sale of cigarettes from automatic vending machines should be banned.

The Commission should consider a similar measure with regard to alcohol, given its effect on health. In its consideration of the draft motion for a resolution, however, the Committee found a majority of its members in favour of removing the reference to the need to limit the advertising of tobacco and alcohol and replacing it with a call for Community measures aimed at reducing the consumption of tobacco, alcohol and addictive drugs in general.

'he European Commission should also draw up guidelines for the proper representation of consumers on standards organizations at a national and European level. It should be noted here that consumer associations will require greatly increased financial resources if they are to develop the expertise that participation in the work of these organizations requires. The Commission should also propose a directive on the advertising of medicines with consideration given to the opinion of the CCC (CCC/46/78).

Figarding the general issue of product safety, the Commission should take a stronger hand in ensuring that existing Community legislation on health and safety is actually being applied in Member States.

B. Protection of economic interests of consumers

This section, dealing as it does with public services and after sales services, unfair terms in contracts, etc. is the heart of the programme. Yet the problem with this section, as with so much of the Second Consumer Action Programme, is that it fails to set out clear proposals for the protection of economic interests of consumers.

1. Prices

The hesitant approach adopted by the Commission is evident from the fact that the part of the programme dealing with prices is placed under 'Information and Education' and not here, under 'Protection of Economic Interests', where it belongs. Although prices are mentioned as a priority in the general guidelines of the programme (Second Consumer Action Programme, op.cit. page 5, paragraph 3), they receive scant attention. Surveys alone do not constitute a viable Community approach to prices. Pricing information must be linked, where appropriate, to Community action which will benefit the consumer.

The Consumers Consultative Committee has suggested that a body on prices and competition should be established, with strong consumer representation.

The Commission should establish the Consultative Committee on Prices and Competition in order to:-

- combat cartels and monopolies (Articles 95 and 86 should be strictly applied and all practices interfering with market transparency should be penalized),
- investigate price structures and profit margins of multinationals, which are largely responsible for distortion of competition mechanisms,
- undertake regional price surveys,
- price discrepancies within the Community which cannot be accounted for by transport costs, energy costs, quality differences etc. should not only be exposed but eliminated,
- the Committee should ensure that all the work done by the Community regarding prices (surveys, studies, investigations) is made available to the public,
- undertake a comparative study of National Price Control Bodies and make results known to consumer organizations so that pressure can be brought to bear for improvements at a national level,
- undertake an investigation into the effect on prices of the control of the supply of raw materials in the Community.

A majority in the Committee, however, voted to delete any reference in the motion for a resolution to a consultative committee on prices and competition.

2. Common agricultural policy

In line with the emphasis in the programme on dialogue and consultation between consumer and producer interests, consumer representatives should be consulted at the earliest stages of price-fixing negotiations under C.A.P.

Parliament's opinion on the structure and functioning of the Common Agricultural Policy is well known. Parliament would like to refer again to Article 39 (e) of the Treaty, which states that one of the objectives of the Common Agricultural Policy is 'to ensure that supplies reach consumers at reasonable prices'. The consumer interests must be taken fully into account in the evolution of the C.A.P. Policy development for the future must concentrate upon the attainment of a more balanced relationship of supply and demand by a greater emphasis on the structural and marketing element, rather than on across-the-board price increases.

The interests of small farmers also require much more attention and support under the Common Agricultural Policy than they receive at the present time.

Services

Public and after-sales services have been chosen by the Commission as areas of priority in this programme on the grounds that they constitute 'an ever-growing share of household expenditure'. (Second Consumer Action Programme op.cit. page 5, paragraph 3). The current economic crisis in the Community makes it imperative that consumers obtain value for money in terms of the quality of goods and services purchased.

Parliament again agrees with the Commission's choice of priorities, but would like to see a more concrete set of proposals to advance consumer rights in this field.

(a) After sales service

In the area of <u>After Sales Services</u>, the Commission should prepare a broad directive setting out consumer rights, taking as its guideline the resolution on after sales service adopted by the Committee of Ministers of the Council of Europe (Resolution (78) 38, September 27th, 1978).

Particular attention needs to be paid to strengthening consumer rights in the following areas:-

- Information: Manufacturers and suppliers should provide information on the durability of goods and the availability of after sales service.
- Guarantees: Any guarantee given by a manufacturer or supplier must be transparent and define mutual rights and obligations in clear language which is easily understood by consumers. As recommended at the public hearing, the Commission might compare legislation on guarantees in Member States, with a view towards harmonizing such legislation within the Community in a way which would be of most benefit to the consumer (verbatim report of the public hearing on the Consumer Action Programme, op.cit. page 143). The importance of guarantees in the field of consumer protection was amply illustrated by the volume of comment and discussion on this topic at the public hearing (verbatim

report of the public hearing, op.cit., pages 140-155). This high level of interest should act as a pointer to the Commission for action in this area.

- Estimates and Invoices: Manufacturers and suppliers should be obliged to provide estimates for repairs. If actual costs exceed the estimates the consumer should be asked specifically to authorize any additional amount involved. Consumers should have the right to receive invoices which separate costs into labour charges, charges for spare parts and other costs.
- Spare Parts: The availability of spare parts and aftersales service should be made a precondition for the marketing
 of goods by producers. In particular, the consumer should
 be informed as to minimum periods for which spare parts are
 available. Manufacturers should produce parts that are
 interchangeable wherever possible and produce these in
 smaller units when this leads to less expensive after-sales
 service.
- Quality of Repairs: Consumers should have the right of redress to public bodies, arbitration or conciliation boards, or small claims courts if they are dissatisfied with the quality of repair. After sales service should be provided as speedily as possible with suppliers providing a substitute product without charge when the original is unusable for a long period.

(b) Public services

There is widespread feeling among consumers that public services should meet the same standards of efficiency and reliability as private services. Consumers are also anxious to see action taken to improve the clarity of information given to consumers by public utilities, the methods of consumer representation on public utilities, and the improvement of complaints procedures (verbatim report of public hearing, op.cit., pages 158-162).

Parliament believes that the Commission could address itself to these issues by proposing the introduction of '<u>Users Councils</u>' which would allow for consumer representation and redress in the field of public services (electricity, telephones, transport etc.).

These Councils representing consumers would aim to ensure that full information on the cost and supply of public services is readily accessible in clear, comprehensible language; that the quality of service provided is adequate; that delays in provision of services are investigated and rectified; that consumers have access to effective complaints machinery; and that the users of Public Services can influence, in a practical way, the policies of these public services to ensure they respond to consumer needs.

A majority in the Committee removed the reference to Users
Councils from the draft motion for a resolution, preferring to refer
to "appropriate techniques for consultation or representation of
users' inerests".

(c) Commercial services not connected with products

The Commission has stated that priority will be given to 'services linked with movement of persons, goods, and capital' (Second Consumer Action Programme, page 12, paragraph 35).

Estimates show that over 20 million organized travel holidays are now booked in the nine European Community countries each year.

Tour operators are able to change the price, travel arrangements, and standard of accommodation for holidays at short notice, with consumers having little, if any, comeback. The information contained in holiday brochures and other forms of advertising often has no connection whatever to the actual accommodation and amenities provided. Worst of all, the consumer usually has no way of effectively obtaining redress from a tour operator who has failed to deliver the holiday that was promised.

In the light of the growing frustration of consumers over such problems, the Commission should draw up a proposal for a directive along the following lines:-

- Tour operators should be regarded as a producer or seller of holidays, and as such responsible for the end product (he is not merely a 'middleman').
- Full costs of package holidays must be made clear to consumers with prices quoted in brochures constituting 'all in' costs (i.e. including airport tax, fuel surcharge, insurance, etc.).

- If changes effecting the arrangements made for a holiday are inevitable, the consumer should be free to chose whether he wishes to accept the proposed changes or be released from the contract with immediate full compensation.
- Advertising brochures describing accommodation and amenities should be treated as contracts so that consumers have a legal claim against travel agents who engage in false or misleading advertising.
- Exclusion clauses (that a tour operator is not liable for non-fulfilment of obligations of hotelians etc.) should be prohibited.
- The cost of currency fluctuations should be passed on to the consumer.

The whole area of mutual conditions of contract in the tourist industry is one which should be the subject of dialogue between tour operators and consumer organizations, at the earliest possible date.

C. Advice, assistance and right to seek legal remedy

The Commission must realize that giving more rights to the consumer, has practical impact only if consumers themselves have the means at their disposal to actually assert those rights. For this reason, the consumer's access to redress (of a judicial or quasi-judicial nature) is crucial.

In the preliminary consumer programme, the Commission undertook not only to study the laws of Member States but to submit, where necessary, appropriate proposals for improving the existing systems and putting them to better use.

The Second Consumer Action Programme only refers to the continuation of the studies and the possible drafting of a discussion paper. This is a step backwards and more action is called for, given the widespread demand for an initiative in this area (Brégère Report on Consumer Policy, 1977, Consumer submissions at the Montpellier symposium, the Hilkens Report for ESC in 1979 and the Opinion of the ESC on the Second Consumer Action Programme).

The European Parliament would therefore suggest that the Commission submit a proposal for a directive on the simplification of legal procedures relating to consumer matters (Small Claims Courts). Such a directive would be a broad statement of principles (so as not to interfere with the specific legal structure of any Member State) including the following points:-

- The procedure should only be used for civil cases where the value of the claim is a fairly small sum.
- 2. A clerk of the court helps the parties to draft complaints and gives advice on the drawing up of a common-sense defence.
- 3. The case should be dealt with orally by a single judge who has the freedom to conduct the proceedings in the way most likely to produce amicable agreement. It should be an informal affair with the judge picking out the main points at stake.
- 4. For the purposes of simplification and the reduction of legal costs, there should be no obligation to be legally represented in the hearings (no advantage should accrue to the party who should choose to be legally represented); expert investigation should be availed of only when absolutely necessary and in such cases should be paid for by the court; and the right to appeal should be limited.
- 5. Measures should be enacted to ensure that decisions are actually carried out.

In this broad directive, the Commission should deal with 'class actions' of 'general interest'. The directive should indicate the general principle that representative consumer organizations can defend consumers' rights at law and outline what actions these groups could bring and the general criteria which consumer associations would have to meet to be considered 'representative'. (Economic and Social Committee Report on Second Consumer Action Programme, CES, 1322/79 fin. n/WGM/JOC, page 27).

A majority in the Committee voted to delete from the draft motion for a resolution the call for "a directive establishing broad guidelines for the simplification of legal procedures relating to consumer matters (small claims courts) and for collective legal action by consumer organizations".

Finally, the Commission should put forward Community measures for the setting up of conciliation and arbitration bodies to resolve disputes between consumers and producers of goods or services without recourse to the courts.

D. Consumer information and education

l. <u>Labelling</u>: The most important and basic form of consumer information is product labelling, and the Commission should ensure that a co-ordinated approach to labelling is taken at a European and international level. The Commission should work closely with International Standards Organizations to ensure such an approach, since the consumer's understanding of labelling codes (for the care and washing of clothes etc.) is being hampered by a diverse approach to labelling. Another problem is that of selectivity of information - whether too much information is contained on the labels, thus confusing rather than informing the consumer.

At the public hearing the view was expressed that the demand for more information could be counter-productive. (Verbatim Report of the Public Hearing, op.cit., page 168-169, page 175-176).

While believing that the Commission should bring forward proposals for energy and nutritional labelling, Parliament recognizes that there is a limit to the amount of information which can be effectively placed on a label. With this in mind Parliament believes that Commission surveys are necessary to measure the effectiveness of informative labelling and the consumer's understanding of labelling codes.

The Community has of course, adopted an important directive on the labelling of foodstuffs (O.J. L.33 of 8.2.1979). However, there is widespread concern over whether this measure has been fully implemented in all member-countries, and whether the Commission has developed an effective system for monitoring its application in Member States. Clearly, it is incumbent upon the Commission to ensure that this measure is rigorously enforced and to investigate the legitimacy of all derogations of this directive (verbatim report of Public Hearing, op.cit. page 168; 172).

This is yet another example of how consumer policy is being undermined by the lack of resources being made available to Environment and Consumer Protection Service. How can we expect the Commission to monitor the implementation of key consumer legislation in Member States if it is starved of the resources necessary for such an undertaking?

Nutritional Labelling would be a useful aid to the consumer and should be made compulsory on foods for which nutritional claims are made. The Commission might also arrange dialogue and consultations between food manufacturers and consumer representatives to work out how effective nutritional labelling might be introduced, either on a voluntary basis, or through Community legislation.

Energy Labelling must be made a priority since consumers should be informed of the differences in energy consumption of various domestic appliances. The Council Directive on Energy Labelling (79/530/EEC) represented a reasonable first step in this direction. However, the optional nature of this measure must leave some doubt as to whether it will be actually implemented in Member States. The Commission should forcefully promote the adoption of energy labelling of household appliances in Member States. Consideration should be given to make the above directive mandatory if persuasion on the part of the Commission fails to yield results.

2. Consumer Information: Surveys have shown conclusively that the Community's 260 million consumers lack the basic information on prices, on their rights under existing legislation, on how to seek advice and make complaints, and on what consumer organizations exist, etc. ('The European Consumer - his preoccupations, aspirations, and information'. 1976, Commission of the European Communities). If consumer policy at a Community level is to be effective, Member States must be encouraged to take a much more aggressive approach to the problem of consumer information. They should introduce consumer information programmes, using all facilities available - television, radio, newspapers, magazines, etc.

There is a gross lack of priority given to consumer information in the media of Member States. With television and radio reaching over 70% of all households, Member States must devote more peak viewing and listening time to consumer information programmes.

Consumers also need to be informed of their rights and entitlements under existing legislation passed to protect their interests. Consumer organizations, or the Ministers responsible, should publish detailed, yet easily understood, fact-sheets on consumer rights in such areas as:

- door to door selling
- unfair commercial practices
- labelling
- quarantees etc.
- 3. <u>Consumer Advice Centres</u> should be established on a very wide scale in all Member States. Their existence should be widely advertised and they should be allocated sufficient resources to accomplish the task of giving factual answers to consumers' queries by post, telephone or in person.

The efficacy of any consumer policy can only be judged on the basis of whether the individual consumer has access to the information and advice which will enable him 'to make a rational choice between competing products and services ... to claim redress for any injury or damage resulting from the product supplied or services received'. (Second Consumer Action Programme op.cit. page 13, paragraph 39).

The existence of a network of Consumer Advice Centres throughout the Community established by consumer associations with financial support from the governments of Member States is the sine qua non of a successful Community Consumer Policy.

Finally the Commission should ensure that it keeps in touch with the opinions of consumers throughout the Community, particularly regarding the type of actions which consumers themselves would like to see undertaken in their interests.

The Commission should undertake an annual survey throughout the Community, testing consumer opinion and getting their views on the priority measures to be undertaken for their protection. Such an annual research report on consumer opinion could be included in the Commission's annual report on consumer policy. A majority in the Committee, when considering the draft motion for a resolution, voted for "a survey in good time before the current action programme expires" rather than an annual one.

4. <u>Consumer Education</u>: An affirmative Community policy on consumer education in schools is imperative because young people, as consumers of the future, will face economic challenges of a far more subtle and complex nature than those faced today. Even at present, young people are the target of an international 'youth industry' selling records, clothes, cosmetics, and films through very sophisticated marketing methods.

To date, the Community response has been based largely on a very limited number of pilot projects and teacher training schemes. The time has come to take a more dynamic approach to consumer education in the classroom. In addition to expanding the pilot projects, the Commission should produce, as a matter of priority, the proposed communication on consumer education in schools. This communication, while taking account of the wide diversity of educational systems in the Member States, should seek to establish basic minimum standards for an efficacious consumer education programme in schools. The consensus to date has been that consumer education should be integrated into the school curriculum (verbatim report of the Public Hearing op.cit. pages 186-189).

However, there is the danger that this approach can be used as a convenient ploy to avoid a full-blooded consumer education programme. Since the 'consumer content' of the curriculum is not easily measured under such a system, the authorities in Member States can easily defend the status quo as giving sufficient attention to consumer education.

This is why there is an urgent need to establish some form of minimum guidelines at Community level to encourage Member States who are neglecting consumer education in the schools. The proposed communication should find some way of quantifying the time and resources which should be devoted to consumer education in Member States as well as outlining what consumer education in schools should be able to achieve.

The Commission should also establish a European Documentation and Research Centre on Consumer Education which would allow information and experience on consumer education in the schools to be pooled on a Community-wide basis. The Centre could also serve as a teacher-training facility and a briefing centre for representatives of consumer associations. Such a centre would therefore serve two main purposes. Firstly, it would provide the necessary motivation for teachers in the Community to effectively promote consumer studies in the schools, and secondly it would build up the necessary expertise among the representatives of consumer associations so that dialogue and negotiation of voluntary codes of behaviour could occur on a basis of equality between producer and consumer.

The establishment of the proposed Consumer Education Centre is of course, totally dependent on additional financial resources being allocated to consumer action within the Community. A majority in the Committee, when considering the draft motion for a resolution, voted against calling on the Commission to consider establishing such a centre.

5. Product Testing: Given the practical value to consumers which this service can provide the European Community should give financial aid to ensure that product testing facilities exist in all Member States. Ideally, product testing should take place outside the control of national governments though these governments should provide financial support. Community aid for product testing facilities should be based on the type of aid given by the Social Fund (the Community pays half and the Member State pays half).

Funds should be made available on a preferential basis - i.e. in proportion to the level of existing facilities in Member States.

6. Adult Education: The Commission should draw up a communication on adult education and consumer policy. This communication should outline the means by which consumer education could be encouraged among adults. For example, trade unions, womens' organizations, standards organizations, co-ops., and general adult education bodies should all be encouraged to include consumer education in their activities. These bodies should make every effort to educate their members in such areas as consumer legislation, the quality and price of public and after-sales service, guarantees, hire-purchase, etc.

E. Promotion of consumer interests

In the programme, the Commission says it will encourage a major shift in policy from the mere protection of consumer interests to the active promotion of those interests.

Specifically it mentions a communication on the representation of consumer associations in Member States, continuing representation of consumer interests on the specialized advisory committees set up by the Commission, aid to consumer organizations and the encouragement of dialogue between consumer and producer interests.

While all of these activities are worthwhile they hardly justify the claim that the Second Consumer Action Programme aims to 'establish the conditions in which the consumer can become a full partner in the preparation and implementation of economic decisions which are important to him as a buyer or a user, and which very largely determine his living conditions' (Second Consumer Action Programme, page 5, paragraph 4).

1. The role of the Consumers Consultative Committee

The Commission should undertake a more ambitious programme for the promotion of consumer interests, the core of which should be built around a radically transformed Consumers' Consultative Committee (C.C.C.).

The Consumers' Consultative Committee consists of 25 members, at present appointed by the Commission, nominated by BEUC (European Bureau of Consumer Unions), COFACE (Committee of Family Organizations in the European Community), Euro-Coop, and the European Trade Union Confederation.

The role of C.C.C. as an advisory body to the Commission is to give the Commission an informed consumer view on policy issues, when the Commission requests such views, and also on its own initiative.

The role of the C.C.C. should be strengthened to enable it to act as an effective consumer watchdog over <u>ALL</u> Community policies affecting the consumers' interests (not merely agriculture and competition, but also energy, transport, research, and technology etc.).

The objective should be to have a well-researched, well-argued consumer input across the whole range of Community policy-making activity. Given adequate financial support and an independent secretariat, the C.C.C. would be ideally placed to provide such an input. Through C.C.C.'s connections with consumer organizations in Member States (which need to be strengthened) consumers could, over a period of time, come to have a direct influence on the formulation of Community policy.

The role of the C.C.C. should, therefore, be strengthened in the following ways:-

- The Secretariat of the C.C.C. should be made independent of the Commission with full financial resources.
- 2. The C.C.C. should be involved in formulative discussions at the earliest stages of development of Community policy affecting the consumer. The C.C.C. should give an opinion on each major proposal emanating from the Community having impact on the consumer (Consumer Impact Statements).
- 3. All such opinions of the C.C.C. should be sent automatically to the relevant committee of the European Parliament as well as being made available to the media, consumer organizations and the general public, in all Member States.
- Within the context of an expanded membership of the C.C.C.,
 all Community nationalities should be represented.
- 5. C.C.C. representatives should be free to appear before committees of the European Parliament to argue their case when these committees are considering matters of major importance to consumers.
- 6. The relationship between C.C.C. and national consumer organizations must be strengthened so that there is a direct 'flow of influence' from national consumer associations to the C.C.C. to Community policy. This can only be done by strengthening the strictly consumer representation on the C.C.C. itself.
- 7. The C.C.C. should not be hesitant in condemning Member States who are 'dragging their heels' as far as consumer policy is concerned.

It must be pointed out, however, that, when considering the draft motion for a resolution, a majority in the Committee was against calling for a radical strengthening of the C.C.C.'s role.

2. Aid to consumer associations

The Second Consumer Action Programme highlights the need for dialogue between the consumers and producers, particularly in the context of negotiated voluntary codes.

However, this assumes that consumers can be an equal partner in dialogue and negotiation. Yet, at present, no such equality exists. There is therefore a dire need to increase considerably Community expenditure assisting consumer organizations at a European and national level (items 3551 and 3552 of the Community budget).

A majority in the Committee, however, refused to call for "greater financial support" for consumer associations in the motion for a resolution, but considered that the Community should "continue its financial aid".

An additional item should be established entitled 'Consumer Training', so that Community funds are made available to train representatives of consumer associations at a national and European level so that they are capable of undertaking dialogue and negotiation on an equal footing with producers.

National consumer organizations need financial support to undertake testing and information campaigns. The Community should step up its own aid here but should also call on governments in Member States to grant sufficient financial aid to consumer associations.

The Commission states that it will send the Council a communication on 'the representation of consumer associations, criteria for representation and the approval procedures already operating in Member States or which should be encouraged' (Second Consumer Action Programme, page 15, paragraph 49).

This communication should also state the level of financial support given by Governments to consumer associations in Member States, and whether such support is sufficient, in the eyes of the Commission, given the crucial role these associations must play in the strengthening of the consumer movement in the Community.

3. Consumers and energy

The Second Consumer Action Programme should refer to the vital consumer interest in the energy question. Nearly 50% of the energy in the Community is used by domestic consumers. Consumers' interests are therefore inextricably entwined with both the pricing policy of energy suppliers and the growing need for conservation measures. It is estimated that 30-50% of energy in the residential sector and 20-35% in the transport sector might be saved by conservation measures, without lowering living standards /Saint Geours Report: 'In favour of an Energy - Efficient Society' DG XVII - 235 (79) EN and Linde Report, European Parliament Working Document 1-816/79, page 77.

The Paris Energy Conference in May, 1980, sponsored by BEUC (Bureau Européan des Unions de Consommateurs) and the Commission stressed the importance of giving consumers a greater role in energy policy; with consumer organizations calling for:

- full transparency in energy prices and price fixing mechanisms;
- a participatory role for consumers in energy policy with regard to the production, distribution, use and price of energy;
- democratic control over private and public utilities in the energy field;
- an adequate Community investment in research and development in the energy sector, with particular emphasis on domestic heating and transport;
- a more vigorous and dynamic approach to consumer information and education in all Member States (energy advice centres, energy labelling, energy saving in the school curricula, greater use of national media).
- If the Commission is serious about promoting the interests of consumers across the whole spectrum of Community policies, it must address itself to the energy question in the Second Consumer Action Programme.
- 2. All institutions in the Community must be made to recognize the legitimate rights of consumers and their representatives to a say in the formulation of Community energy policy.

4. Combatting waste

The Second Consumer Action Programme should pay more attention to the problem of combatting waste, with particular emphasis on the durability of manufactured products and excess packaging. Commission needs to take the initiative in this area, because of the threat posed to the environment by the massive build up of waste caused by excessive consumption. The Commission proposal for the Recovery and Re-use of waste paper and board (draft Council recommendation, COM (80) 237 final) is a first step in the direction towards combatting waste. In addition it is the consumer who must finally foot the bill for the 'planned obsolescence' whereby manufacturers pay little or no attention to the durability of their products. The Commission should investigate the feasibility of introducing minimum standards of durability for major consumer goods - particularly cars and household products.

Consumers must also pay the price for excessive and expensive packaging. There is scope here for the Commission to ban such practices which deceive the consumer, use up scarce resources and threaten the environment.

The Commission must do everything in its power to encourage the manufacture of products which can be re-used, or from which the waste can be recycled.

In the Community, each year, 1,800 million tonnes of waste is produced, 90 million tonnes of which is household waste. 'We need to spend more time trying to prevent the creation of waste in the first place. More effort must be made to introduce a system that will encourage the re-use, recycling or recovery of waste once it is generated' (Commission of the European Communities 'Ecological and Economic Necessity of Waste Recycling' catalogue No. CB-25-78-801-EN-C).

5. Consumers in the telematic age

Information technology is growing rapidly (15% per year) in the Community, and will inevitably effect fundamental changes in society. The use of micro-processors in banking, data-processing, manufacturing, transport, office machinery, and telecommunications offers society great opportunities for progress. However, the new technological revolution poses extremely serious questions at a political and cultural level. The rights of the individual could be seriously undermined by the facility with which data can be collected and dispersed. The whole development of telematics brings into focus the rights of the individual in relation to public and private organizations.

The Community is awaiting the outcome of negotiations within the Council of Europe to harmonize their legislation through the adaption of a Convention on the Protection of Individuals against the computerized processing of data of a personal nature.

A specific Community initiative is expected only if all the Nine do not adhere to the text currently being negotiated within bodies which are larger than the Community. The Community should not forego its own initiative in this important area. The Commission should prepare a discussion paper on access to information vis-à-vis national and public authorities, as a basis for ensuring freedom of information to promote consumer protection. Consumers must have the right of free access to data collected on their financial and credit standing and on other personal details.

While we may not be able to halt the revolution in information technology, we must ensure that its potential for abusing the dignity and freedom of the individual is curtailed by every means possible.

III. CONCLUSION - URGENT NEED FOR AN EFFECTIVE CONSUMER POLICY

'The Common Market was not created in the interest of producers but, above all, in the interest of consumers'.

These are the words of Jean Monnet, the father of the European Community, and, given the lack of progress in Community Consumer Policy to date, one must wonder whether they have fallen on deaf ears.

The five basic consumer rights set out in the Preliminary Action Programme:-

- (a) the right to protection of health and safety;
- (b) the right to protection of economic interests;
- (c) the right of redress;
- (d) the right to information and education;
- (e) the right of representation

remain largely pious aspirations and unrealized goals. Due to the lack of political will on the part of the Council of Ministers, Consumer Policy has largely remained in a standstill position except with regard to health and safety (where measures have been taken more to harmonize Community laws than to protect consumer interests).

If this lack of political will has been inexcusable in the past, it is intolerable for the future. For now, more than ever, the Community needs a dynamic consumer policy. Today every penny, pfenig, and centime in the household budget counts and the need has never been more urgent for a policy which will redress the gross imbalance between consumers and producers in the market place.

Of course, there are those who maintain that consumer policy is not a fit priority, given an economic crisis with its problems of inflation, unemployment, and low economic growth. There have even been calls for cutbacks in the consumer programme on the grounds that it is too costly for producers to implement.

With regard to the cost of consumer policy, has anyone asked the question, 'What is the cost to <u>consumers</u> of faulty goods, unfair advertising, substandard public and after-sales services and uncontrolled prices? How much have unfair credit terms and uninformative labelling cost the <u>consumers</u> of Europe?'.

The reality is, the Community needs more consumer protection legislation - nct less. This is why Parliament believes it is necessary to flesh out the Second Consumer Action Programme with concrete proposals, as outlined in this report.

Another barrier to progress towards a genuine consumer policy has been the obstructionist position taken by some Member States.

Those nations whose own domestic measures for consumer protection are, relatively speaking, more advanced often block Community initiatives on the grounds that they offer them little practical benefit. These Member States must not block legislation which may be the life-line for consumers in less-advanced Member States. If we are truly to have a Community approach to consumerism, we must make a concerted and constant endeavour to harmonize legislation upward to the level of the most advanced nation and beyond.

The Second Consumer Action Programme rightfully emphasizes the need for greater dialogue between consumer and producer interests (page 5, point 2). In particular, producers should realize that it is in their professional and commercial interest to promote high standards. This can only be done through regular consultation on an equal basis with consumer representatives. Power-sharing between consumers and producers is essential, if the present imbalance between these two groups in the market place is to be redressed. Consumer power-sharing will be a tonic to the health of the Community, and a healthy community fosters robust and progressive commercial activity.

For its part, the Commission must ensure that this power-sharing takes place across the whole range of policies effecting consumer interests. This is what the <u>promotion</u> of consumer interests means - that the consumer is treated as a fully fledged partner among the forces which rule the market place. We must all realize that the economy exists to serve the consumer, the consumer does not exist to serve the economy. Consumers will watch with

key interest whether the Commission and Council will put this principle into action when they formulate Community policy in such areas as energy, transport, research and development and taxation in addition to the more obvious areas of consumer interest (competition, prices, agriculture).

The European Parliament has shown the way forward in this area of dialogue, by holding the public hearing on the Second Consumer Action Programme in February, 1980. The public hearing is an ideal means of structuring dialogue between consumers and producers in such a way that the Community policy-making process is rendered accessible to public participation.

'Public hearings can be used very effectively as an instrument for opening up the Community to the full gaze of public opinion. They are, in fact, a real contribution to the democratization of the E.E.C.' (Kenneth Collins, Chairman of the Committee on the Environment, Public Health and Consumer Protection, verbatim report of the Public Hearings on the Second Consumer Action Programme, op.cit. page 2).

Parliament must make greater use of the public hearing and, in the rapporteur's view, of consultation with consumer and producer interests at its Committee meetings.

Consumer policy must also be linked to social and economic policy.

Parliament does not support a policy of consumption solely for consumption's sake. There is too much poverty and other forms of economic injustice in the Community to allow society's resources to be frittered away.

Consumption cannot be divorced from the broader issue of economic justice. Therefore, it is encumbent upon the Community to direct consumption more towards the necessities of life which benefit the mass of its people, and less towards those trifles which benefit mainly the select few.

It must be understood that the allocation of society's resources is a political issue which must be decided on democratic principles. Yet the powers of modern advertising are such that the distribution of society's resources is being determined more by the advertising profession than by the democratic wishes of the people.

While advertising and marketing has a very major role to play in the economic life of the Community, it must not be permitted to monopolize the power of decision over what is to be produced, when, and for whom.

RESOURCES NEEDED FOR CONSUMER POLICY

Consumer Protection Service - Present Situation Regarding 'A' Staff:-

1 Director

- Unit 7 (Health and Safety): Three A staff including Head of Division
- Unit 8 (Legal and Economic Affairs): Three A staff including Head of Division
- Unit 9 (Information and Education): Two A staff including Head of division

Total of 9 'A' staff.

In the context of a Directorate-General for Environmental and Consumer Affairs, the staff allocated to consumer policy should be expanded along the following minimum lines:

A Staff

- 1 Director
- 1 Assistant or Advisor to the Director with particular responsibility for education.

Unit 1 - Division for Health and Safety

- 1 Head of Division
- 1 A to cover rapid exchange system (consumer interpol)
- 3 other A staff to cover toys, textiles, food, cosmetics, etc.

Unit 2 - Division for Economic and Legal Protection

- 1 Head of Division
- 1 A for access to Justice (Small Claims etc.)
- 1 A for advertising
- 1 A for voluntary code activities
- 1 A for unfair contract terms, consumer credit, door-to-door sales etc.
- 1 A for after-sales services and public services activities.

Unit 3 - Consumer Relations and Representation

- 1 Head of Division
- 1 A for C.C.C. relations
- l A for relations with national bodies
- 1 A for relations with services affecting consumer interests (agriculture, energy, etc.)
- 1 A for studies, financial administration, publications, etc.

0

0 0

The division of duties for A staff outlined is merely a suggestion for discussion purposes.

0

0 0

Total A staff: 18

The increased A staff would necessitate at least 7 additional B staff and 11 additional C staff.

If the suggestions outlined above were accepted there would be a staff of 36 devoted to consumer policy in the new Directorate-General (about 16 more than at present). This would represent an increase in staff of the region of 75% and constitutes the absolute minimum necessary if the Second Consumer Action Programme is to receive the attention it deserves.

Note: If a new role is to be given to the C.C.C., as suggested in this memoran lum, extra staff and resources would have to be allocated to the C.C.C.

ANNEX II

LIST OF PARTICIPANTS AT PUBLIC HEARING

Members of the European Parliament

Mr COLLINS, chairman Mr ALBER, vice-chairman

Mr JOHNSON, vice-chairman

Mrs WEBER, vice-chairman

Mr O'CONNELL, rapporteur

Mr ADAM, Mr CERAVOLO, Mr CLINTON, Mr COMBE, Mr FORTH, Mrs FUILLET,
Mr GHERGO, Mrs GROES, Miss HOOPER, Mr KAVANAGH, Mr MAHER, Mrs MAIJ-WEGGEN,
Mr MERTENS, Mr MUNTINGH, Mr NEWTON DUNN, Mrs PRUVOT, Mr REMILLY, Mrs ROUDY,
Mrs SCHLEICHER, Mrs SEIBEL-EMMERLING, Mrs SPAAK, Mrs SQUARCIALUPI

Witnesses:

Commission of the European Communities:

Mr Richard BURKE, Member of the Commission

Mr Michel CARPENTIER

Mr Jeremiah SHEEHAN

Economic and Social Committee:

Mr Godfried HILKENS

BEUC (Consortium of Consumer Organizations of the European Community):

Mr Peter GOLDMAN

Mrs Benedicte FEDERSPIEL

Mr Maurice HEALY

Mrs Anne-Lore KÖHNE

Mr Koos ANDERSON

CEM (Council of European Municipalities):

Miss Elisabeth GATEAU Mr Geoffrey WATERER COFACE (Committee of Family Organizations in the European Community):

Mr Joseph GILLES

Mrs Barbara SAUNDERS

Mrs Margaret ERRAUGHT

Mr Godfried HILKENS

COPA (Committee of Professional Agricultural Organizations of the EEC):

Mr Michel KEHOE

Mr Sean HEALY

Miss Isabelle von TRONDZYNSKI

EAAA (European Association of Advertising Agencies):

Mr Peter GILOW

EMOTA (European Mail Order Traders' Association):

Mr Aymar SOLANET

Mr Brian HOEY

Mr Evelyn CRIBB

ETUC (European Trade Union Confederation):

Mr André CORNEROTTE

Mr Thomas HEERY

EURO-COOP (European Community of Consumer Cooperatives):

Mr Albrecht SCHONE

ICC (International Chamber of Commerce):

Mr Jean-Mathieu HELLICH

Mr Roger UNDERHILL

Mr BRANDOLINO BRANDOLINI d'ADDA

UNICE (Union of Industries of the European Community):

Mr Bernard SASSEN

Mr François BOUREL