

WEEKLY

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"Industry and Society", which until now has appeared in English, French, Dutch and German, will in future appear also in DANISH. All addresses in Denmark will now automatically receive the Danish edition.

Readers living in other countries who would in future prefer to receive the Danish edition are asked to notify us accordingly.

** In addition to the programme speech made by Mr Scarascia Mugnozza, Vice-President of the European Commission, before the European Parliament (see "Industry and Society" No.7/74), the European Commission has published in its Seventh General Report on the Activities of the Communities a memorandum on the GUIDELINES AND TIMETABLES which it has set for 1974.

ANNEX 1 contains short extracts from this memorandum on matters of particular interest to consumers, namely social policy, regional policy, environment policy and consumer protection.

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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.

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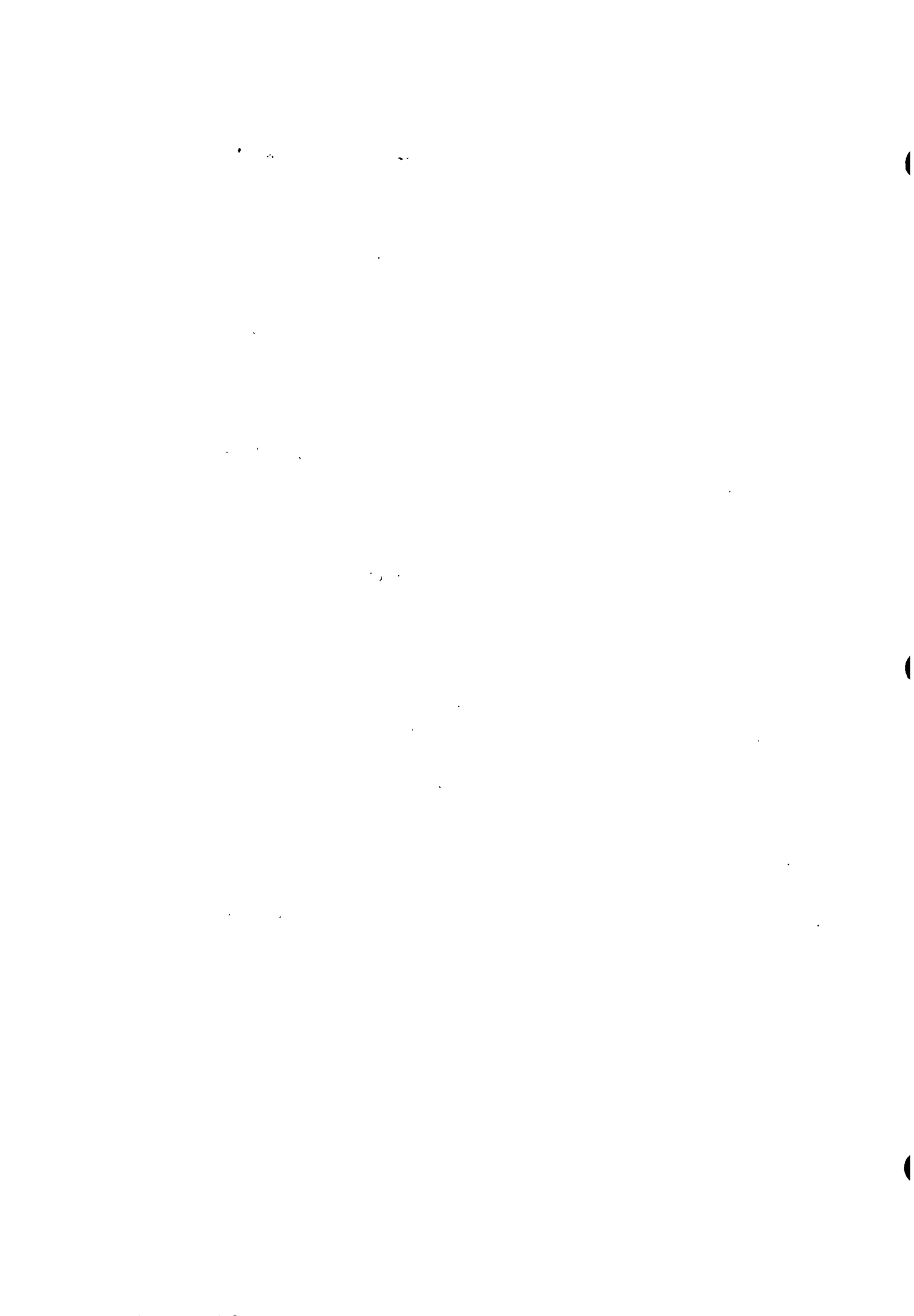
** In the last quarter of 1973 consumers in most of the Community countries had real CONFIDENCE in the FUTURE TREND OF INCOMES. This is one of the main points to emerge from a survey of the economic situation carried out under the sponsorship of the European Commission during the last three months of the year among 25 000 representative households in five countries of the European Community (Germany, France, Italy, the Netherlands and Belgium). It was too early for the consumers' replies to take into account the impact of the energy crisis, but the results of the next survey, to be carried out at the end of January, should provide useful data in this respect.

The main results of the last survey are briefly summarized in ANNEX 2.

** We have asked various organizations concerned with consumer protection in the Community to TAKE STOCK OF THE MOST RECENT DEVELOPMENTS in each of the nine Community countries which were of DIRECT CONCERN TO CONSUMERS. Naturally, these texts reflect the opinions of their authors only.

ANNEX 3 contains a text which was sent to us by the Irish Consumer Advisory Council.

** After 15 May 1974 the GREEN INSURANCE CARD for motor vehicles will no longer have to be shown at the frontiers between the nine member countries of the Community, or at the frontiers between those countries and Sweden, Norway, Finland, Austria and Switzerland, in respect of vehicles which are normally based in one of these fourteen countries. By virtue of this decision by the European Commission, checks on the green card, which



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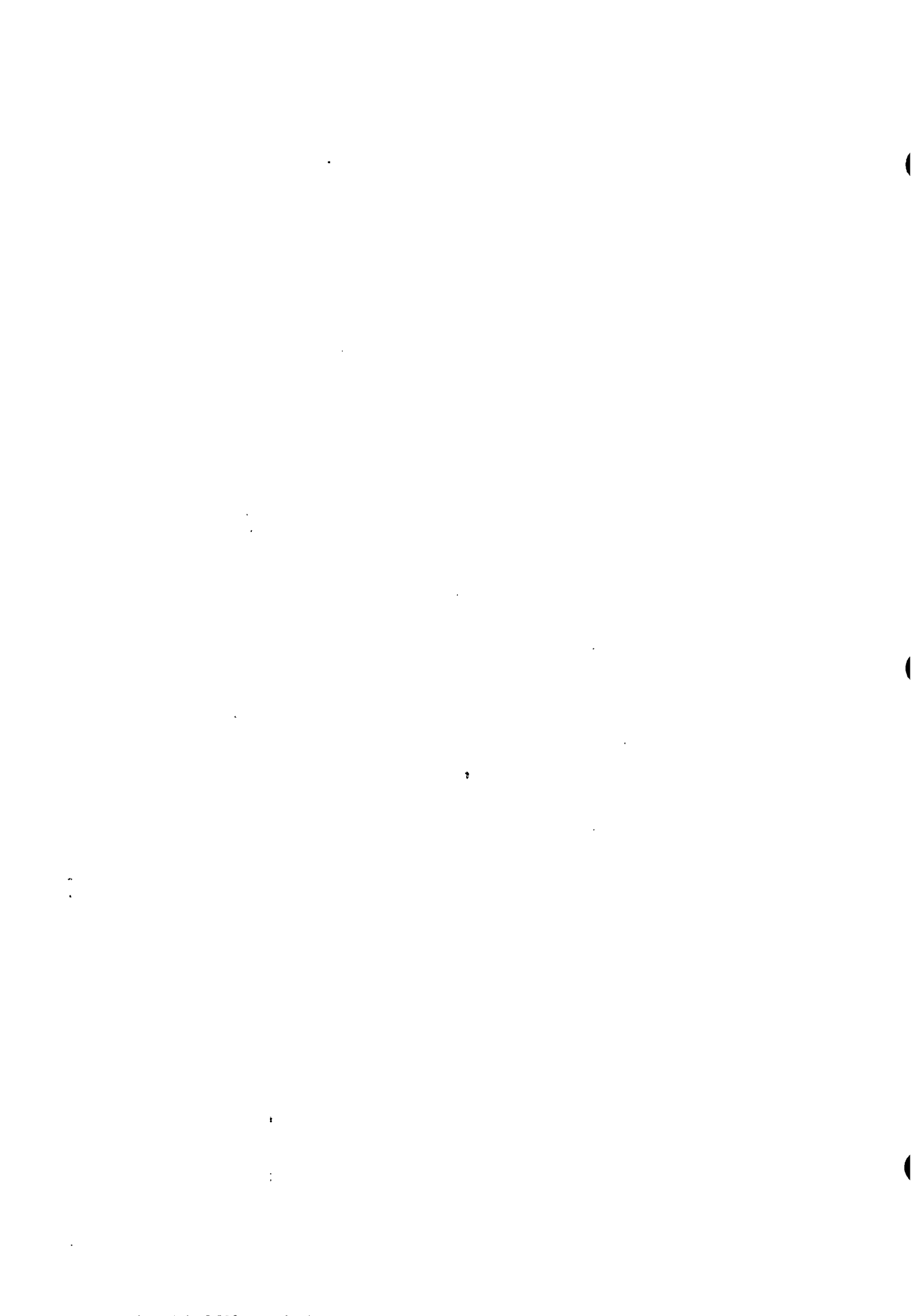
have been abolished between the six original Member States of the Community since 1 July 1973, are to be abolished throughout the Community. Such a decision was made possible by a Convention signed last December by the motor insurance companies of the fourteen countries in question, who agreed to settle claims relating to accidents caused on their respective territories by vehicles based in any of the fourteen countries.

Furthermore, in order to avoid a situation wherein vehicles from non-member countries in respect of which only a temporary insurance has been taken out at the frontier of a Member State are no longer covered by the time they continue their journey into other Member States (without undergoing further checks), the European Commission has recommended that the Member States should fix at fifteen days the minimum period of validity for temporary insurance contracts concluded at their frontiers.

** At the plenary session held from 11 to 15 February 1974, the European Parliament, acting upon a report from Mr Cousté, a French member of the Parliament, adopted a resolution on the Community's INDUSTRIAL POLICY. The resolution lays particular emphasis on the following points:

- a) The possibilities for firms to establish themselves on Community territory must be reconciled with the requirements of other sectoral policies such as regional policy and environmental policy;
- b) Industrial policy must be geared to the organization of large economic areas in order that firms may benefit from the advantages of a European-scale, and often a world-scale, market;

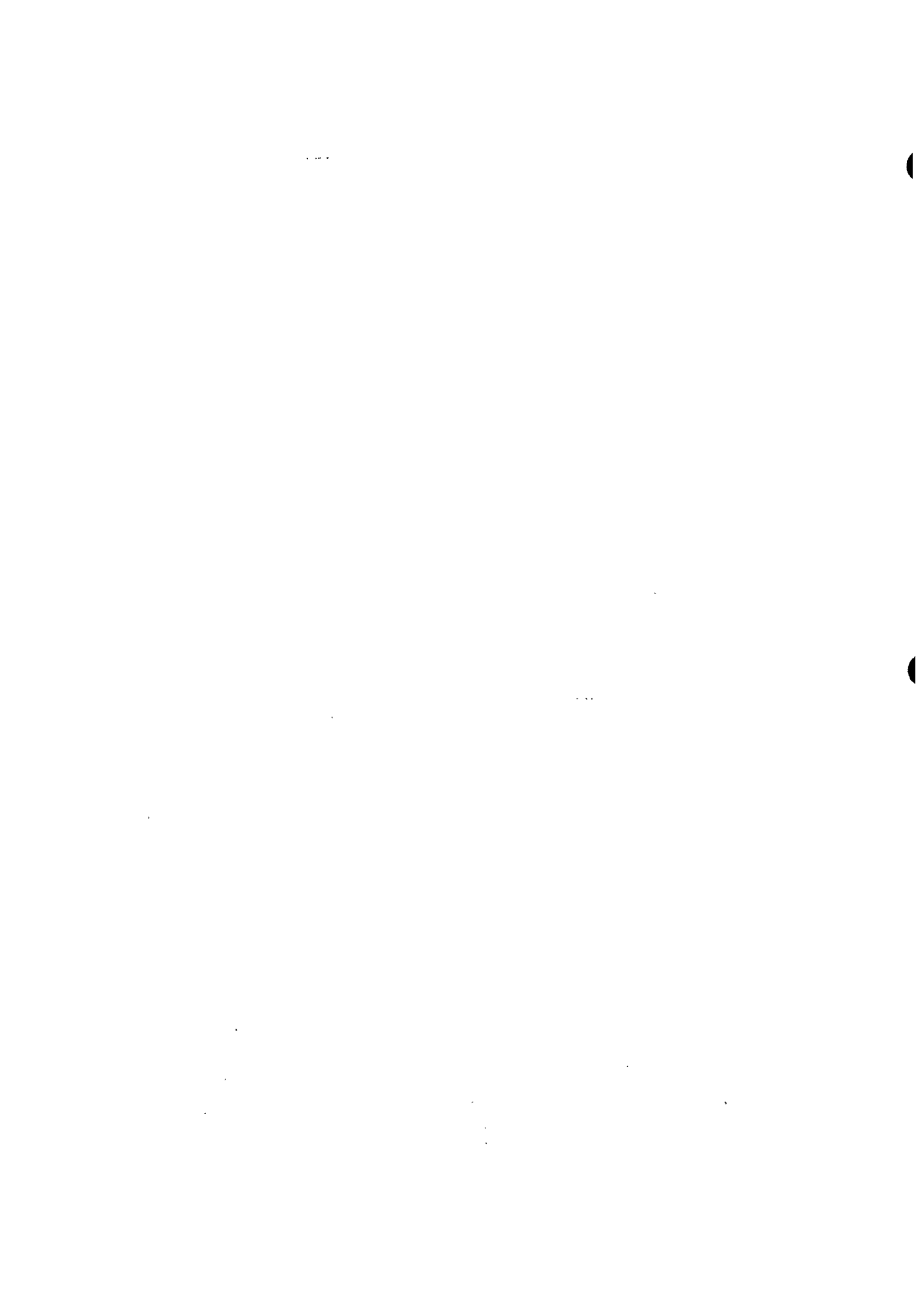
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- c) Since industrial expansion must not have the sole aim of promoting big industrial undertakings of national proportions, the industrial policy programme presented by the European Commission should take greater account of the needs of small and medium-sized firms;
- d) Since it is important to abolish the tax barriers which hamper cooperation between firms, the Council of Ministers of the Community should reach a decision before the end of the year on the proposals for directives which have been forwarded to it on this subject.
- e) The European Parliament welcomes the European Commission's efforts to foster collaboration between the principal financial institutions which grant industrial loans in the respective Member States;
- f) It is essential to establish as soon as possible a common policy for all advanced-technology sectors in view of the significant effect they have on the competitiveness of European industry.

** Many scientific authors ascribe CARCINOGENIC EFFECTS TO OESTROGENS. According to information in the possession of the European Commission, seven of the nine Member States of the Community have formally prohibited the administration of hormones such as oestrogens for the fattening of calves intended for slaughter.

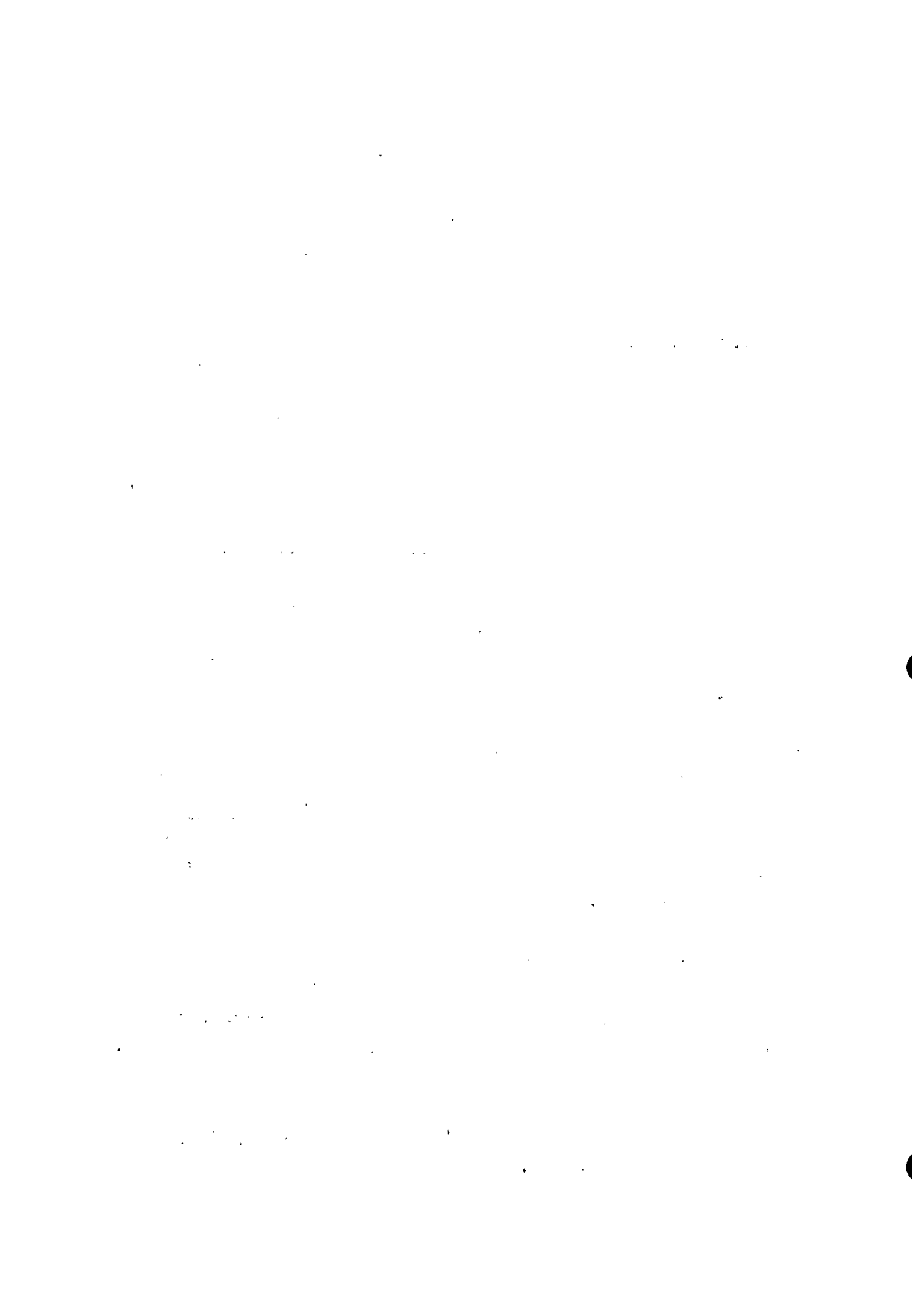
Furthermore, the European Commission considers that in the light of present scientific knowledge the use of certain ANTIBIOTICS such as tetracycline in animal feedstuffs may well carry a risk of bacterial sensitization and subsequent resistance. In view of this, the Commission adopted measures last July for the purpose of LIMITING THE USE OF THESE PRODUCTS IN ANIMAL FEEDSTUFFS.



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Under a directive adopted in 1970, the Community has already banned the use of potentially dangerous GROWTH STIMULANTS in animal feed.

- ** EMPLOYMENT PROSPECTS in the Community were examined in the light of the risks of unemployment resulting from the energy crisis by a working party of senior officials of the Member States at a recent meeting in Brussels. This was the first meeting of the working party, which has been set up to improve coordination between the employment departments of the various member countries.
- ** The coordination and development of SUBCONTRACTING SYSTEMS is of interest to small and medium-sized firms as well as to large enterprises. The European Commission recently decided to sponsor a survey of the present situation in the member countries with a view to coordinating these subcontracting systems on a European scale.
- ** A Community panel of independent experts from the member countries, which is destined to become a permanent working party responsible for studying specific problems relating to WOMEN'S EMPLOYMENT in the Community, has held its first meeting and drawn up a list of the means that could be adopted for the improvement of women's working conditions. The purpose of this working party, whose next meeting will take place in April, is to help the European Commission to prepare practical proposals for the improvement of women's working conditions. Under the Community's social action programme (see "Industry and Society" 1/74), these proposals have to be forwarded to the Council of Ministers before the end of the year.
- ** At its last plenary session, the European Parliament voted in favour of the European Commission's proposal for the CONTROL OF MERGERS (see IRT No. 204).

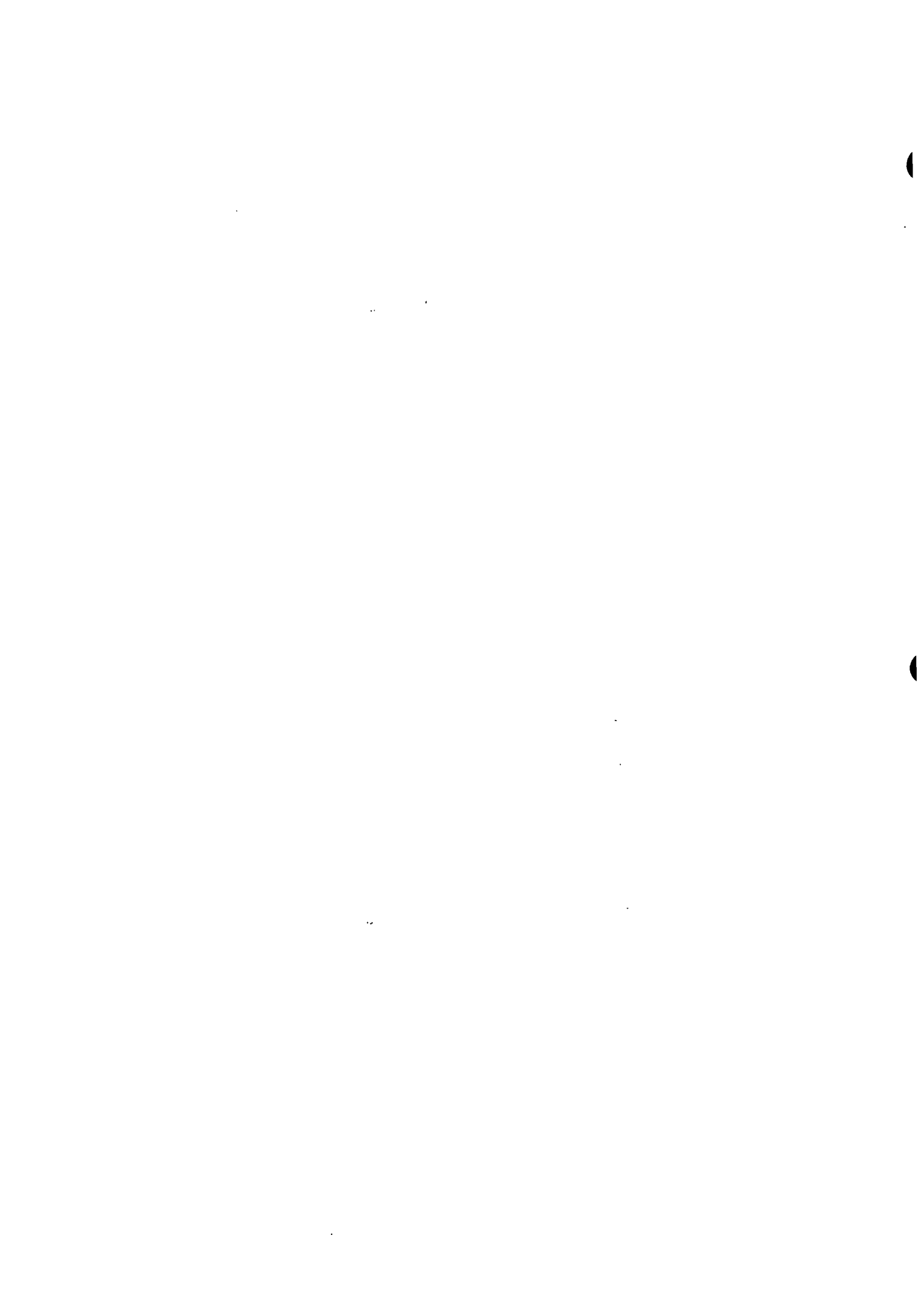


** The research objectives which the Community must set itself in order to satisfy PRIORITY SOCIO-ECONOMIC NEEDS (particularly scientific and technical research in the energy sector) are to be determined by the Committee on Scientific and Technical Research in the Community, which held its first meeting on 18 and 19 February for the purpose of mapping out guidelines for its future work.

** About 80 products are nowadays STERILIZED BY IRRADIATION. They include packaging materials for the pharmaceutical industry, surgical instruments, receptacles for laboratory tests, animal feedstuffs, wool and other materials used in the manufacture of carpets, beauty creams, etc. This emerged at a meeting recently held by the departments of the European Commission (Eurisotop Office) with Community producers of industrial goods sterilized by irradiation.

It seems, however, that there are still many administrative and technical obstacles to the further development of these methods. A working party is to study ways and means of overcoming these obstacles.

** The Community's PROGRAMME OF ACTION FOR CONSUMER PROTECTION came in for comment recently in a document which was sent to the European Commission by the Savings Banks Group of the European Economic Community.



GUIDELINES AND TIMETABLE FOR 1974

In addition to the programme speech made by Mr Scarascia Mugnozza, Vice-President of the European Commission, before the European Parliament (see "Industry and Society" No. 7/74), the European Commission has published in the Seventh General Report on the Activities of the Communities a memorandum on the guidelines and timetables which it has set for 1974.

Here are some short extracts from this memorandum concerning matters of particular interest to consumers:

1. Social policy

1974 will see the completion of the first stages of the Social Action Programme covering the period 1974-76. The timetable and priority issues for this programme were decided on in the Council Regulation of 21 January 1974.

With regard to a number of questions the Resolution takes note of the Commission's undertaking to present proposals during the first quarter of 1974.

In addition, during the last quarter of this year, the Commission will present the other proposals concerning the nine priority issues adopted by the Council in its Resolution in which 1974 was fixed as the deadline for these. These priorities were intended to correspond to the three broad aims adopted by the Paris Summit i.e., full and better employment, the improvement of living and working conditions, and the active participation of both sides of industry and economic and social decisions.

The following proposals are involved:

Employment: the introduction of appropriate consultation between the Member States on their employment policy and improved cooperation between the national employment agencies, the introduction of an overall programme for migrant workers from member and non-member countries, the implementation of a common vocational training policy and the creation of a European vocational training centre as well as measures for achieving equality between the sexes as regards access to employment, working conditions, training and occupational advancement.

Improvement of working and living conditions: harmonization of the social security policies in the Member States, an action programme relating to hygiene and safety at work and preparation of a programme of studies on poverty.

Increased participation: a programme to increase progressively the involvement of workers or their representatives in the life of firms and to increase the participation of both sides of industry in the Community's economic and social decisions.

Once the work on each of the proposals contained in the Resolution has been completed, the Council has undertaken to decide on each of the Commission's proposals at the latest five months after the Commission has notified it of the result of its discussions on the Opinions of the European Parliament and the Economic and Social Committee when they have been consulted. If these Institutions are not consulted by formal procedure, the Council has agreed to take a decision not later than nine months from the date on which the Commission's proposals are transmitted to the Council.

In addition to the proposals mentioned in the Council Resolution of 21 January 1974, the Commission intends this year to adopt a number of other measures. For example, during the first quarter of 1974 it is planned to present a draft directive on workers recruited through private employment agencies, and, during the year, to undertake studies on subjects such as a Community wages guarantee system, vocational training and an unemployment benefits system.

Naturally, in the present circumstances the threat to employment caused by inflation and the energy crisis is a matter of concern. The Commission, at the request of the Council, is preparing a report on the consequences of the fuel situation to employment and a study of the effects of inflation on wage incomes. The report will contain an assessment of the employment prospects for 1974 and will consider the possibilities for action both by individual Member States and by the Community as a whole. The Commission considers that these problems should be examined in consultation with both sides of industry and this could be done within the framework of the Standing Committee on Employment.

The Commission will also continue to follow closely developments in the other fields which traditionally form part of its activities. Among these in 1974 will be the new European Social Fund. It is planned to study the experience gained from the operation of this Fund in 1973, its first complete year of operation, and to submit a report to the Council before 1 July 1974.

2. Regional policy

The Commission feels that it is most important that the Regional Development Fund and the Committee for Regional Policy be set up as soon as possible. The setting up of the Committee for Regional Policy will also imply the setting up of the development plans to be submitted by the Member States for the regions contained in the list adopted by the Council, and this will involve alignment of national regional policies on general Community directives.

Although the Regional Development Fund is to be a basic financial instrument for meeting Community commitments on regional development, the Commission believes that it would be useful to form, alongside the Fund and not as an alternative to it, a scheme such as a Regional Development Company in which the Community would participate and whose aims would be research and information for investors, technical assistance, the possibility of acquiring temporary minority holdings in companies, in particular small and medium ones, set up in the priority regions.

Attempts in recent years to develop backward or declining regions have shown that the successful completion of such projects was as well calculated to attract sufficiently diverse investment and trigger off economic growth as was direct financial assistance. Community participation would ensure that the Company's activities were orientated towards the implementation of regional development programmes reflecting the coordinated objectives of the Community.

Likewise, one might envisage a European guarantee system for regional development, which could be applied in particular to loans of the Regional Development Company mentioned above so as to facilitate access by the latter to the capital market.

All these ideas were already set out in a Commission Communication to the Council dated 31 May 1972. In the new situation arising from the setting up of the Regional Development Fund, these various possibilities will now have to be examined in detail. If this examination, which the Commission proposes to carry out with the Committee for Regional Policy, produces positive results, formal proposals will be tabled.

3. Environment policy

As far as environment policy is concerned 1974 will see a number of proposals addressed to the Council in implementation of the two-year programme adopted by the Council on 19 July 1973. The Commission's proposals will be put forward in compliance with the timetable laid down for the programme and in line with the stage reached by the work within the competent departments of the Commission.

During the first quarter, therefore, the Commission will forward to the Council proposals for Directives on the sulphur content of diesel fuel (see "Industry and Society" No. 8/74) and the disposal of waste oils. The Commission will also draw up a draft recommendation on the conditions governing the implementation of the "polluter pays" principle. A preliminary summary report on the pollution and nuisance problems arising out of the generation of energy will be compiled and the final report must be ready by the end of the year. The Commission, which has taken part in the negotiations aimed at concluding a convention on the fight against pollution of the seas arising from land-based sources, will endeavour to ensure that the Community is one of the signatories of this convention.

During the second quarter the Commission will send the Council proposals on the paper and paper-pulp industry. These proposals will be followed during the fourth quarter by proposals on other industrial sectors, such as steelmaking and the production of titanium dioxide.

During the third quarter the Council will receive proposals on the quality of bathing water, and the laying-down of minimum standards for certain water pollutants and for the sulphur content of fuel oil.

Finally, during the fourth quarter, proposals will be drawn up on the assessment of the risks caused by certain pollutants and on exchanges of information between supervision and control networks. In addition, the Commission intends to put forward proposals on mineral resources, in conjunction with the comprehensive report on the problems inherent in the shortage of raw materials.

The Commission will not fail to take account of the energy supply crisis when drawing up all these proposals.

In view of the increased sensitivity of public opinion on environmental matters, the governments of the Member States have been increasingly constrained to take steps at national level. The information feedback procedure set up last March will enable the Commission to keep a very close watch on developments in this area and, if need be, to put forward its own proposals.

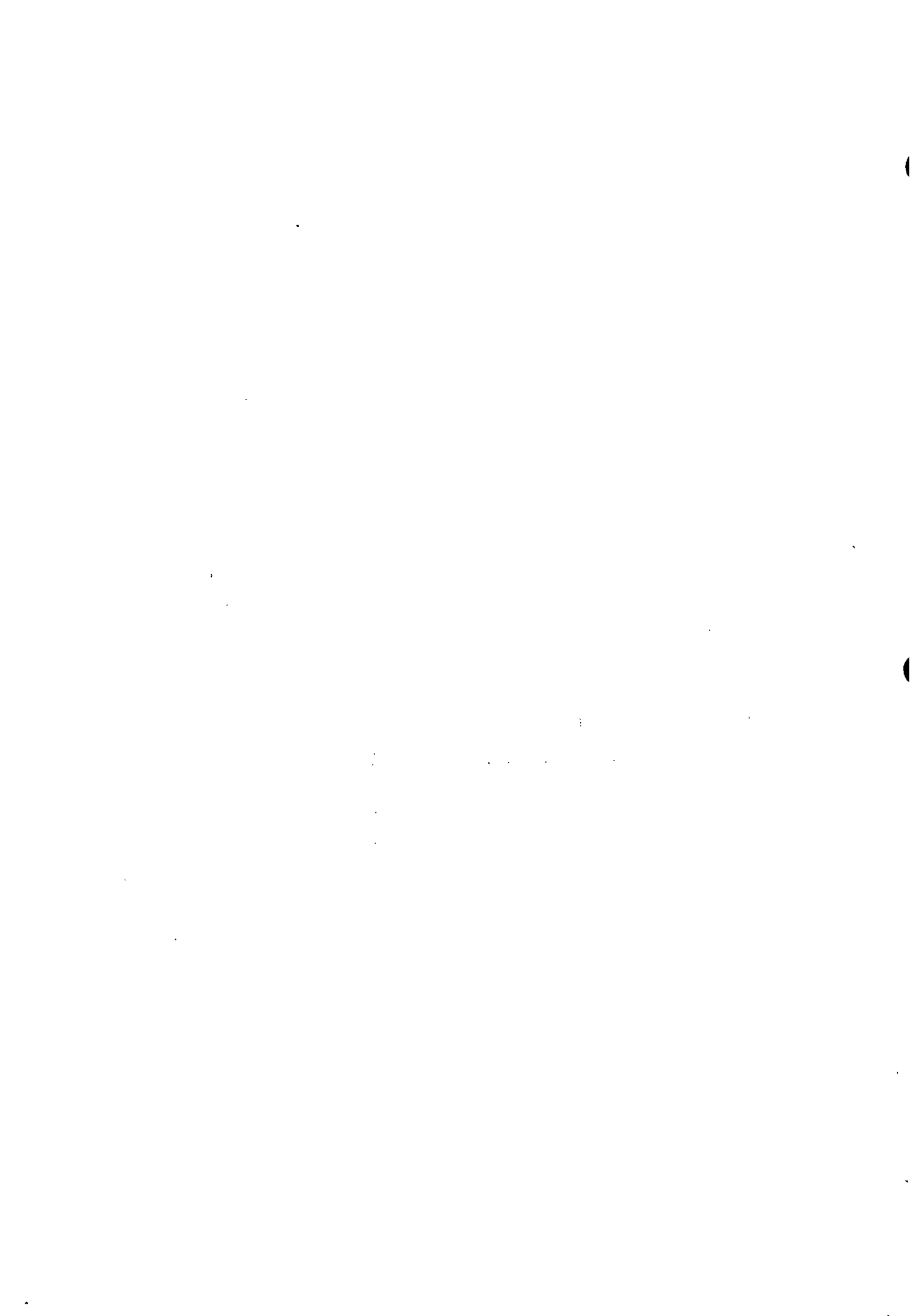
4. Protection of consumer interests

On 5 December 1973, the Commission approved the first comprehensive programme of action on consumer protection which it had drawn up in order to serve as a broad framework for the practical proposals which it will lay before the Council. At its meeting of 17 December, the Council noted this programme with keen interest and undertook to act on it as soon as possible, and in any case before the 1974 summer holidays.

In view of the complexity of the subject-matter, the Commission, when implementing this programme, will concentrate its efforts for the first three years on a limited number of priority projects.

Among these priority projects, the Commission plans to put forward during the first of these three years proposals on subjects including consumer credit, labelling and claims.

In order to have consumer interests represented on a regular and permanent basis, the Commission will accord the greatest importance to the activities of the Advisory Committee for Consumers, the setting-up of which was decided on in September 1973 and which includes representatives of the various European consumer organizations.



RESULTS OF A SURVEY OF THE ECONOMIC SITUATION
CARRIED OUT DURING THE LAST QUARTER OF 1973

In the last quarter of 1973 consumers in most of the Community countries had real confidence in the future trend of incomes. This was the main point to emerge from a survey of the economic situation carried out under the sponsorship of the European Commission during the last three months of the year among 25 000 representative households in five countries of the European Community (Germany, France, Italy, the Netherlands and Belgium). It was too early for the consumers' replies to take into account the impact of the energy crisis, but the results of the next survey, to be carried out at the end of January, should provide useful data in this respect.

Although the assessments and expectations concerning the general economic situation differ appreciably from one country to another, consumers in most countries believed that the economic climate had deteriorated during the past year and expected this deterioration to continue during the next twelve months. Only in the Netherlands and, to a lesser extent, in Italy were the assessments more optimistic.

Consumer opinion on trends in unemployment and prices may explain this general attitude, since in France many more households than before expected an increase in unemployment and a rise in prices, whilst consumer opinion in Italy and the Netherlands suggested the opposite.

The opinions expressed by consumers in France and Germany on changes in their personal financial situation indicated a relative deterioration as compared with previous surveys, whereas in the other countries a stabilization was expected; only in the Netherlands was it thought that there would be an improvement.

On the question of the future trend of incomes, consumers were still very confident, and in Germany and Italy they even counted on an improvement in the next few months.

RECENT DEVELOPMENTS IN CONSUMER PROTECTION IN IRELAND

We asked various consumer organizations concerned with consumer protection in the Community to take stock of the most recent development in each of the nine Community countries which were of direct concern to consumers. Naturally, these texts are a reflection of consumer opinion only. The following text was sent to us by the Irish Consumer Advisory Council.

* * *

The Irish Consumer Advisory Council has met three times since its inception in October 1973. At this stage its primary function is to report on the improvements it considers necessary in consumer legislation in Ireland over the next ten years. Its work is based on a report entitled "Consumer protection law in Europe and North America" by Mr Whincup, Lecturer in Law at the University of Keele, England. In the Irish context, this radical report is expected to secure endorsement for many of its recommendations. It is not expected that the sectors concerned (industry, trade, farmers and trade unions), which are represented on the Council, will object to the principle of this major reform of Irish law.

On 1 February 1974 the Government introduced its first major order under the Merchandise Marks Act 1970. This lays down specific marking requirements for approximately 100 items in regular domestic use. The order had been deferred from October 1973 to allow manufacturers time to conform.

The high rate of inflation is the main worry of Irish consumers and this is aggravated by the present fuel shortage. Although petrol and heating fuels are starting to flow again in limited quantities, a price increase of 15% is still expected in 1974.

The fuel shortage has led to attacks on the oil and coal companies; poor service and indifference to special cases have led to some complaints. The oil companies have also been accused of profiteering on re-priced stocks. These charges have not been answered.

The Irish Housewives' Association has launched a "Housewives' Week" in order to stimulate consumer interest in the economic problems facing families during this period of inflation.

Early in 1974 the Consumers' Association of Ireland announced its intention to explore the feasibility of launching a comparative testing magazine in Ireland. The Association is looking into the practical problems and at the outlets that might exist for such a journal in Ireland. Besides identifying problems connected with the fuel shortage, the Association has singled out shoes, furniture and after-sales service as major consumer problem areas in 1974.