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DRAFT

ACTION PROGRAMME OF THE EUROPEAN COMMUNITIES
WITH REGARD TO CONSUMERS

(Communication from the Commission to the Council)

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SUMMARY

1. The adoption by the Council on 14 April 1975 of a preliminary programme of the European Communities for a consumer protection and information policy was the first stage in the Community's measures on behalf of consumers.
2. At its meeting of the 7.3.1979, the Commission approved the guidelines concerning the policy and the action programme of the European Community with regard to consumers and an action programme was drafted in accordance with points 77, 78 and 79 of the Memorandum annexed to the programme address.
3. This programme, which will have a duration of five years, retains in their entirety the inspiration, objectives and underlying principles of the preliminary programme. It should enable the Community to continue and intensify its measures in this field, notably with regard to prices and services, and to help establish conditions for improved consultation between consumers on the one hand and manufacturers and retailers on the other.

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DRAFT ACTION PROGRAMME
OF THE EUROPEAN COMMUNITIES WITH REGARD TO CONSUMERS.

I. INTRODUCTION.

1. The adoption by the Council on 14 April 1975 of a preliminary programme of the European Community for a consumer protection and information policy was the first stage in the Community's measures on behalf of consumers.

Measures which were taken or scheduled in accordance with this preliminary programme are intended to help the consumer by protecting his health, his safety and his economic interest; by providing him with appropriate information and education; and by giving him a voice in decisions which involve him. Very often these measures have also resulted in either eliminating non-tariff barriers to trade or harmonizing the rules of competition by which manufacturers and retailers must abide.

A summary of the most important work carried out since 1973, and the results obtained, will be found in an annex to the present document.

2. The purpose of this programme is to enable the Community to continue and intensify its measures in this field and to help establish conditions for improved consultation between consumers on the one hand and manufacturers and retailers on the other.

It will be no surprise to learn that the second programme, for which it is appropriate to envisage a duration of five years if it is to be fully implemented, retains in entirety the inspiration, objectives and underlying principles of the first. Like its predecessor, it is primarily concerned with the need to enable the consumer to act with full knowledge of the facts, and to hold the balance between market forces. To do this, he must be able to exercise the five basic rights which the preliminary programme conferred on him. They are:-

- the right to protection of health and safety
- the right to protection of economic interests
- the right of redress
- the right to information and education
- the right of representation.

3. Nevertheless the current difficult economic situation obliges consumers to take more care over how they use their income, so as to gain the maximum advantage from it, particularly as regards the quality of goods and services bought. The current situation is characterized by a slowdown in incomes growth, continuing structural unemployment, and the various economic consequences of the energy dependence which affects most member states. In these circumstances it becomes extremely important to agree policies at the Community level relating to the quality of goods and services, the conditions affecting their supply, and the provision of appropriate information to the consumer. It follows that more attention than previously must be given to two questions which have become crucial to the consumer, namely:

(i) the price of goods and services, regarding which the Commission already exerts some influence, notably in the Common Agriculture Policy and the Competition Policy,

(ii) the quality of services - both public and private - which account for an ever-growing share of household expenditure.

4. Moreover, without in any way compromising the five rights listed above, the consumer policy, which was originally conceived in a mainly defensive aspect, should assume a more positive and open character. It should aim 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. This new direction matches the spirit and

the letter of the definition of the consumer given in the preliminary programme ¹.

5. There are, however, several prerequisites to such a policy, notably
- (1) that while continuing to voice their proper concerns, the consumer movement take into account, more than hitherto, the full range of economic and social implications of the decisions concerning which they might wish to be consulted;
 - (2) political and economic decision-makers must be willing to take consumers' views into account through the appropriate channels when preparing and implementing decisions which are likely to affect consumers' interests in the short or long term.
6. The Community's efforts should be directed towards fulfilling these conditions. Steps have already been taken along these lines. At Community level, consumer opinion has been taken more and more into consideration by Community bodies and institutions. For their part, consumer organisations are being progressively drawn into considering consumer policy in a wider context. Nevertheless, there is still some way to go.
- In particular the Community should try to encourage consultation between consumer and manufacturing representatives, suppliers of public or private services and traders in order that, in certain cases solutions may be reached which will satisfy all the parties in question.
7. Although legislation both at national and Community level will still be needed in many cases in order to ensure that the consumer may exercise the fundamental rights listed above and see that the market operates properly, the application of certain principles might be sought

¹ "The consumer is no longer seen merely as a purchaser and user of goods and services for personal, family or group purposes but also as a person concerned with the various facets of society which may affect him either directly or indirectly as a consumer."

by other means, such as the establishment of specific agreements between the various interests concerned which would have the advantage of giving consumers additional assurances of good sales practice. The Commission will endeavour to facilitate the elaboration and conclusion of such agreements, on an experimental basis, for example, in certain fields of after-sales service and in areas involving aspects of professional ethics. Obviously, the use of this formula should not in any case prejudice the application of existing laws and regulations nor exclude the implementation of these in cases where it would become manifestly impossible or too delicate a task to put them into effect.

9. To sum up, the new programme is meant to

- (1) Continue measures to protect and inform consumers, begun under the previous programme, whose inspirations, objectives and principles have been shown to be confirmed. As a general rule, the Commission endeavours to take account of consumers' interests when framing any policy having a bearing on consumers, notably in regard to agriculture, competition and industrial policy.
In the pursuit of such measures, the problem posed by prices and their disparities, as well as questions of the quality and prices of services cannot be ignored. With regard to prices, the Commission should give particular attention to consumer interests in the definition and in the application of Community policies which can influence those interests (agriculture, competition, industry, etc.). It will also be appropriate to ensure that enquiries conducted by the Commission in regard to price disparities are pursued and exploited to a greater extent than in the past.
- (2) seek to create the conditions for better dialogue and closer consultation between representatives of consumers, producers and distributors.

II. IMPLEMENTATION OF THE NEW PROGRAMME

10. The actions proposed in the draft programme are set out in the order of the objectives (already presented and approved in the preliminary programme) :

- A. Protection of consumers against health and safety hazards;
- B. Protection of consumers' economic interests;
- C. Improvement of consumers' protection at law (assistance, advice and right to seek legal remedy);
- D. Improvement of consumer education and information;
- E. Appropriate consultation and representation of consumers in the preparation of decisions affecting their interests.

11. The programme will be carried out as was the preceding one, by using the appropriate means laid down in the EEC Treaty. Bearing in mind the number of interests involved, the Commission will submit proposals for measures of application to a wide preliminary consultation notably through its Consultative Committees.

12. In addition, the Commission will not hesitate, moreover, to continue its cooperation with international bodies such as the Council of Europe and the OECD and to use their contributions in this field.

A. PROTECTION OF CONSUMER AGAINST HEALTH AND SAFETY HAZARDS

13. Principles

The preliminary programme laid down the following principles:

(i) Goods and services offered to consumers must be such that, under normal or foreseeable conditions of use, they present no risk to the health or safety of consumers. There should be quick and simple procedures for withdrawing them from the market in the event of their presenting such risks.

In general, consumers should be informed in an appropriate manner of any risk liable to result from a foreseeable use of goods and services, taking account of the nature of the goods and services and of the persons for whom they are intended.

(ii) The consumer must be protected against the consequences of physical injury caused by defective products and services supplied by manufacturers of goods and providers of services.

(iii) Substances or preparations which may form part of or be added to foodstuffs should be defined and their use regulated, for example by endeavouring to draw up in Community rules, clear and precise positive lists. Any processing which foodstuffs may undergo should also be defined and their use regulated where this is required to protect the consumer.

Foodstuffs should not be adulterated or contaminated by packaging or other materials with which they come into contact, by their environment, by the conditions in which they are transported or stored or by persons coming into contact with them, in such a way that they affect the health or safety of consumers or otherwise become unfit for consumption.

(iv) Machines, appliances and electrical equipment and any other category of goods which may prejudicially affect the health and safety of consumers either in themselves or by their use, should be covered by special rules and be subject to a procedure recognized or approved by the public authorities (such as type approval or declaration of conformity which harmonized standards or rules) to ensure that they are safe for use.

(v) Certain categories of new products which may prejudicially affect the health or safety of consumers should be made subject to special authorization procedures harmonized throughout the Community.

14. Priority measures

On the basis of the principles set out above, the Commission will continue and expand its activities in accordance with the guidelines set out below, its prime objective being to make consumer goods and services safer to use and to improve consumers' health; in addition, for goods or services which appear on the market or are developed in such a way as to jeopardize the safety or health of consumers, the Commission reserves the possibility to propose suitable measures, pursuant to these principles, to supplement the priority action already planned.

15. 1. Harmonization of laws on certain products

The Community will continue its work on harmonizing the laws on certain products in order both to encourage the free movement of goods and to regulate the marketing and use of substances or products likely to affect the health or safety of consumers. Harmonizing measures will cover, as required, the properties of products, the notification or approval procedures, the methods of analysis and testing, labelling and safety standards. An important - and permanent - feature of these activities stems from the application of directives already in force or to be

adopted as the programme is implemented. This particularly concerns the committees on adaptation to technical progress.

Harmonization will be directed chiefly towards the following types of product:

(a) Foodstuffs

The Community has developed two types of action with regard to foodstuffs: horizontal, that is, general measures on additives, materials and objects which come into contact with foodstuffs and special foods; and vertical, that is, measures on specific products.

The Commission will continue its work in this field:

- (i) by monitoring the application of directives adopted, especially as regards their adaptation to scientific and technical progress; in particular, the directive on the labelling, presentation and advertising of foodstuffs, which concerns both consumer health and consumer information, will be implemented in full, particularly as regards the ban on misleading claims, the ingredients of alcoholic beverages, derogations from the requirement to list ingredients and to state the date of minimum durability of products;
- (ii) by introducing further measures on, for example, flavouring, surface sprays used on fruit and vegetables, baby foods and deep-frozen foods, and pesticide residues ;
- (iii) by putting forward suitable proposals when public health problems arise unexpectedly (as has already occurred with erucic acid, vinyl chloride monomer residues and saccharine);
- (iv) by contributing to the standardization activities in the Codex Alimentarius

17.(b) Cosmetics

The Council Directive of July 27, 1976, relative to cosmetic products (76/768/CEE) enumerates a number of tasks of a scientific and technical nature which will be continued ; these include notably :

- (i) definitively to permit or prohibit the substances listed in Annex IV to the Directive which are at present provisionally allowed;
- (ii) to decide, on the basis of the latest research findings, positive lists of substances which may be used to make antioxidants, preservatives, hair tints and ultraviolet filters, taking into account the problems connected with sensitizing substances;
- (iii) to adapt the Directive to technical progress, particularly by introducing the methods of analysis necessary for checking the composition of cosmetic products, by determining criteria of microbiological and chemical purity and methods for checking compliance with these criteria, and possibly by amending Annex II to the Directive, which lists substances which cosmetic products must not contain.

18.(c) Textiles

With regard to the safety of textiles, the Commission will study problems of textile inflammability, with particular reference to health risks caused by the use of fire-proofing substances.

The Commission will likewise examine risks arising from the use of raw materials or other substances such as colouring agents.

19. (d) Toys

The work now in hand will be continued and directives will be drafted up on the physical and mechanical safety, inflammability, toxicity and electrical safety of toys. The Commission will also check that Community measures are being applied in Member States and provide the necessary scientific and technical assistance.

20.1(e) Potentially dangerous chemical substances

Several directives have been adopted on pharmaceutical products for human use, particularly on conditions of marketing, provisions on standards and protocols and the coloring agents used. Two draft directives are now being discussed on pharmaceutical products for veterinary use which may have indirect influences on human health. The Commission will put up to the Council a proposal for a directive on the advertising of pharmaceutical products.

The Commission will continue its work on dangerous substances for which there are already directives on classification, labelling, packaging and use, and will concentrate on dangerous preparations. In particular, the Commission will study the problems of security associated with the use of household products and will, if necessary, present appropriate proposals.

21.1(f) Manufactured products

The Commission will continue its work on motor vehicle components and other manufactured products susceptible of affecting the safety and health of consumers.

22. All this work will be carried out with the help of the most reliable and advanced scientific and technical expertise available. The Commission will thus continue to consult the scientific committees on foodstuffs, feedingstuffs, pesticides, cosmetology, toxicology and ecotoxicology.

23. 2. Monitoring the quality of products

Implementation of measures concerning the protection of consumer health and safety, for which the laws have already been harmonized (food additives, cosmetics and pesticides) requires that the national authorities supervising their application must constantly improve the methods used, in line with industrial developments and the advance of scientific knowledge. There are largely similar problems in making such improvements in all the Member States, particularly when it comes to working out ways and means.

The Community should therefore draw up a list of difficulties or shortcomings and try to overcome them by, for example, developing more effective control methods, or by the exchange of experts or information between laboratories.

To this end, the Commission will organize meetings between representatives of specialized laboratories in Member States and, if need be, will submit suitable proposals to the Council. The Commission will continue to examine the results of studies in different fields likely to further the cause of product safety and, where appropriate, will take steps to coordinate and encourage such studies.

24. 3. Information on products

To comply with the principles set out above, the fullest and most objective information possible must be available on the various aspects of product safety. This information should suggest the direction the work should take by facilitating the selection of priorities.

25. To this end, the Commission has already sent to the Council a proposal for a decision setting up a Community information system on accidents involving products, excluding occupational and road accidents, as a means of compiling detailed statistics. In conjunction with this measure, the Commission will make suitable proposals for the collection of objective and detailed documentation on the properties of products likely to affect the health and safety of consumers, by making a survey of existing data bank systems,

encouraging their development and facilitating access to them. For these products, the Commission will also consider, together with supervisory bodies in the Member States, the possibility of publishing certain findings from time to time.

26. The Commission will also propose a system at Community level for the rapid exchange of information on dangers arising from the use of consumer goods. Under such a system, any Member State learning of an immediate danger on its territory caused by the use of a specific product (contaminated foods, products with a manufacturing defect) would at once inform the Commission and the other Member States. The public could then be informed promptly throughout the Community and the product could be withdrawn or modified if necessary. For this purpose there should be a simple and rapid Community-wide system for withdrawing from the market products found to be dangerous to the health and safety of consumers. The Commission will study how the system could be set up and will make suitable proposals

27. B. PROTECTION OF THE ECONOMIC INTERESTS OF CONSUMERS

Principles

The preliminary programme set out a number of principles which are still relevant:

- (i) Purchasers of goods or services should be protected against the abuse of power by the seller, in particular against one-sided standard contracts, the unfair exclusion of essential rights in contracts, harsh conditions of credit, demands for payment for unsolicited goods and against high-pressure selling methods.
- (ii) The consumer should be protected against damage to his economic interests caused by defective products or unsatisfactory services.
- (iii) The presentation and promotion of goods and services, including financial services, should not be designed to mislead, either directly or indirectly, the person to whom they are offered or by whom they have been requested.
- (iv) No form of advertising - visual or aural - should mislead the potential buyer of the product or service. An advertiser in any medium should be able to justify, by appropriate means, the validity of any claims he makes.
- (v) All information provided on labels at the point of sale or in advertisements must be accurate.
- (vi) The consumer is entitled to reliable after-sales service for consumer durables including the provision of spare parts required to carry out repairs.
- (vii) The range of goods available to consumers should be such that as far as possible consumers are offered an adequate choice.

28. On the basis of these principles and pursuant to the preliminary programme, the Commission has already carried out or made plans for measures, some of which must be continued or expanded. In addition, because of the growth in the number and the importance of services as a proportion of household expenses and of the opening of state frontiers to an increasing number of them,

there should be some reinforcement of consumer protection in this sector, notably in the matter of quality of services and their price transparency.

29. Continuation of actions envisaged in the preliminary programme

1) The Commission has already taken certain initiatives with a view to applying the principles recalled above, particularly by presenting proposals for directives which are still in discussion in the Council at the time of adoption of this programme.

The following are the texts concerned :

- a proposal for a directive on the establishment of contracts away from business premises, sent to the Council on 17.1.77
- a proposal for a directive on misleading and unfair advertising, sent to the Council on 1.3.78
- a proposal for a directive on the protection of participants in study courses by correspondence, sent to the Council on 8.8.77
- a proposal for a directive on the approximation of laws, regulations and administrative provisions of Member states in the matter of liability for defective products, sent to the Council on 9.9.76
- a proposal for a directive on the approximation of laws, regulations and administrative provisions of Member states in regard to consumer credit, sent to the Council on 27.2.79.

30. 2) In addition to the tasks it must discharge in ensuring the application of these directives following their adoption by the Council of Ministers, the Commission will pursue the actions envisaged in the 1975 programme which, for want of time and the necessary resources, it has not been able to bring to conclusion in the context of that programme notably in regard to certain unfair commercial practices.

The Commission has already started work on unfair terms in contracts, with the help of government experts, as a basis for a Community measure. Meanwhile, legislation has been introduced in several Member States, and the Commission considers that the first step should be to draft a discussion paper in which it will set out all the problems which this subject involves and the various options open with a view to harmonizing those aspects of competition which may be affected by discrepancies in this area. After wide-ranging consultations on this discussion paper, the Commission will put forward suitable proposals.

However, considering the provisions in force in Member States and the current market situation, the Commission does not at present consider that priority measures on premium offers are necessary at Community level.

- 3.1 3. The Commission will continue its efforts to promote the more general economic interests of consumers in order better to satisfy this individual and collective needs and enable them to obtain better value for money for the goods and services supplied.

The work done by the Community on competition, pursuant to Articles 85 and 86 of the Treaty establishing the European Economic Community, contribute for their part, to this end to the extent that they counteract certain business practices capable of having a detrimental effect on consumer prices or that they tend to avoid their occurrence.

Under the common agricultural policy, the Commission has taken into consideration the effects on consumers of the common farm prices and the level of supplies on the Community market on the interest of consumers, as envisaged among the objectives of Article 39 of the EEC Treaty. The Commission has consulted consumers when drawing up the price proposals for the Council.

The Commission will continue to take consumer interests into account in the implementation of this policy.

Moreover it is necessary to envisage the consumer in a context larger than the protection of their legal and economic interests, in the strict sense of those terms. It is appropriate in particular to consider the economic impact with changes in lifestyle resulting from the scarcity of certain resources, from the reduction in working hours, and from other social and economic developments, can have on patterns of consumption. The Commission will encourage studies intended to develop its reflections on these matters.

32. 4) The Commission will also study the repercussions of the use of new technologies in the fields of data processing and telecommunications on the relations in the producer-distributor-consumer chain and will present, if the case arises, appropriate proposals taking account particularly of experience in the United States in this regard.

33. Expansion of Community action on services

Services account for a growing proportion of economic activity in the Member States of the Community: they employ on average about half the working population and are a field where manpower often represents a high proportion of added value. The term "services" in fact covers a very wide range of activities where productivity varies considerably. However, it is possible to identify three broadly common features:

- (i) expenditure on services is increasing rapidly in absolute terms and as a proportion of the household budget;
- (ii) whereas the quality and performance of industrial products can be defined more or less objectively, any assessment of the quality of a service is often more subjective, so that comparison becomes more difficult;
- (iii) a large - sometimes the largest - proportion of service activities consists of collective services where the public sector or the quasi-public sector has a near monopoly on supply and where market forces operate only partially, as regards both the fixing of prices and determination of the quality of the service offered.

The Commission will put forward proposals in the following three areas, which have distinctive characteristics:

34. a) commercial services connected with products

The terms of after-sales service for consumer durables are of particular importance, especially as certain goods are now being used over longer periods. In view of this, the Commission will examine ways of improving the quality of after-sales service, in particular as regards the guarantee period, wider use of fixed estimates, the drawing up of detailed invoices and product transport and out-of service costs, and the availability of replacement parts. The Commission will study the means necessary for this purpose, with a view to improving conditions of warranty and after-sales service either by legislation or, where the case arises, by agreement between representatives of producers and consumers notably by the improvement of contract clauses. Priority will be given to warranties and services associated with motor vehicles and household appliances.

35. b) commercial services not connected with products

This heading covers a wide variety of activities of increasing importance in meeting the needs of consumers, both individuals and collective. The Commission will carry out studies on the development of these services and how they are provided. If necessary, the Commission will put proposals to the Council to improve the general conditions under which these services are provided. Priority will be given to services linked with movement of persons, goods and capital.

36. c) public and quasi-public services

In most cases, the prices and quality of public and quasi-public services are not determined by consumers but by the administrative authorities responsible. The best course of action in these areas is to encourage the authorities concerned to consult consumers and users. To this end, the Commission will:

- prepare a report on consumer representation vis-à-vis the public services, concentrating on those services having an international character, with a view to putting forward proposals if need be;
- endeavour to encourage consultation between the main public services and administrative authorities and consumer representatives.

37. C. ADVICE, ASSISTANCE AND RIGHT TO SEEK LEGAL REMEDY

Principles

The preliminary programme states that "consumers should receive advice and help in respect of complaints and of injury or damage resulting from purchase or use of defective goods or unsatisfactory services" and that "consumers are also entitled to proper redress for such injury or damage by means of swift, effective and inexpensive procedures".

In 1975 the Commission held a symposium on legal and extra-legal means of consumer protection which investigated in particular:

- systems of assistance and advice in the Member States,
- systems of redress, arbitration and the amicable settlement of disputes in the Member States,
- the laws of the Member States relating to consumer protection in the courts, particularly the various means of recourse and procedures, including actions brought by consumer associations or other bodies,
- systems and laws of the kind referred to above in certain third countries.

Suggestions put forward at the symposium can be classified under five heads:

1. the need to improve consumer information and education;
2. the need to set up conciliation bodies either to take preventive action to put an end to actionable practices by amicable arrangement, or to settle by mutual agreement disputes between consumers and tradesmen or suppliers of services;
3. the setting up of arbitration bodies;
4. the simplification of legal procedures for settling disputes over small sums of money;
5. assigning responsibility for consumer protection to consumer groups, public authorities or institutions like the ombudsman.

This matter has already been the subject of a most constructive debate in the Economic and Social Committee and Parliament.

Although limited, the Community's action in this area will seek to make a useful contribution to the implementation of suggestions made in these papers. The work done by the Council of Europe on legal aid will also be drawn upon, as well as the studies undertaken by the European University Institute of Florence.

38. Priority measures

The Commission will continue to study procedures and channels for obtaining legal remedy in the Member States, particularly the right of consumer associations to institute a civil action, the simplification of court procedures and the processing of individual petitions, the development of amicable settlement procedures and the admissibility of proceedings against the public authorities. It will publish a discussion paper on all these matters, taking into account the different systems, schemes and the procedures applied in the Member States.

The Commission will also continue to encourage national or local schemes facilitating consumers' access to the courts and the settlement of the more common or minor disputes, and will publish the results.

39. D. CONSUMER INFORMATION AND EDUCATION

Consumer information

Principles

As the preliminary programme specified,

"sufficient information should be available to the purchaser of goods or services to enable him:

- to assess the basic features of the goods and services offered, such as the nature, quality, quantity and price;
- to make a rational choice between competing products and services;
- to use these products and services safely and to his satisfaction;
- to claim redress for any injury or damage resulting from the product supplied or services received."

To this end, the Commission has sent to the Council two proposals for directives: one on the labelling, presentation and advertising of foodstuffs (adopted by the Council in December 1978) and the other on the marking of the prices of foodstuffs. Directives on the labelling of textiles and control of textile mixtures have also been approved by the Council.

After examining the feasibility and value of drawing up general rules on labelling for all mass-consumption non-food products, the Commission considers that it would be more useful to work out rules for each specific category of products so that they are more directly related to the properties of each product.

40. Priority measures

Under this programme, the Commission will take the following measures:

- (i) include in any proposals on given products or services which it puts up to the Council special provisions to take account of their specific properties, with the aim of guaranteeing that the consumer receives proper information on the properties and the quality of the goods and services supplied. In particular, the Commission will continue its work on textiles;

(ii) organize meetings and consultation between consumer representatives, producers, distributors and suppliers of services as a means of promoting the introduction and development of a voluntary labelling system or of any other voluntary means (like instructions for use or packaging) of informing consumers about the capabilities of certain kinds of products or services,

(iii) encourage cooperation between bodies carrying out comparative tests, particularly in respect of tests on products and services available in several Member States at the same time;

(iv) conduct a more general information campaign on national and Community activities which are directly or indirectly relevant to the interests of consumers:

- . regularly publishing press releases, holding briefing sessions for radio and television reporters and for the specialized press of consumer associations;
- . by organizing meetings of consumer organizations to discuss the development of the consumer movement in Europe and of consumer protection in the Community;
- . by publishing a periodical report on the state of consumer protection in the Community which will cover the work done in this field and the development of the consumer movement at Community and national level.

41. In implementing this programme, particular attention will be paid to pricing information. This is essential if competition is to function properly, which itself can be expected to have a positive effect in attenuating inflationary trends.

It is important that as far as possible the market itself should be so structured as to facilitate the adjustment of demand to price changes, above all by increasing transparency. The assumption that consumers are capable of rational decisions implies that action should be taken in three directions:

- (1) Within the framework of its general information policy, the Commission will endeavour to implement specific actions whereby the general public can be informed of the present Community programme, of the activities undertaken and the results obtained from its application.

- (i) the consumer should be informed on the value for money of products and services on offer by means of fuller information on products, wider publication of the results of comparative tests and the uncovering of artificial differentiation of products;
- (ii) the consumer should be informed about prices themselves by improvement of the regulations on prices marking;
- (iii) the consumer should be informed on price variations, particularly in the localities accessible to him, by promotion of local or regional schemes for this purpose.

42. In order to achieve this aim, the Commission will take the following specific steps:

- (i) it will continue its surveys on prices and distribution networks and the publication of their results.
- (ii) it will encourage schemes to improve local or regional information on prices and price comparisons;
- (iii) It will analyse the results of price surveys of consumer products and of certain services and will, if necessary, study price disparities found and their origin.

43. Consumer education

Under the preliminary programme, the Commission has assembled extensive information on consumer education in schools in the Member States and held a symposium in London on the subject. The symposium confirmed the relevance of the principles adopted and the action planned under the preliminary programme.

4. Principle

In this area of policy, the preliminary programme states:

" Facilities should be made available to children as well as to young people and adults to educate them to act as discriminating consumers, capable of making an informed choice of goods and services and conscious of their rights and responsibilities. To this end, consumers should, in particular, possess a basic knowledge of the principles of modern economics. "

5. Priority measures

The Commission will continue to carry out pilot schemes on consumer education in schools, cooperating with the authorities responsible in Member States on the preparation of teaching aids and for use in secondary schools and even in primary schools, if possible.

It will also continue its work on a teacher training programme.

The Commission will present to the Council a communication on consumer education in schools, particularly the organization and content of syllabuses, teaching aids and methods and teacher training.

It will look into possibilities in adult education, particularly the idea of televised courses for officials and members of consumer associations..

46. E. PROMOTION OF CONSUMER INTERESTS

A broader concept of the consumer as a partner in the economic process
The preliminary programme gave priority to measures to protect consumer interests. As it took practical shape, the idea gradually came to the forefront that the consumer should more and more be seen as a partner in the whole productive/distributive process.

47. This conclusion is based on a number of considerations.

The first is the value of dialogue between consumers and producers/retailers and between consumers and the public authorities. This becomes obvious once we recognize that in our society new directions in economic and social policy must as far as possible be the result of consultation between economic partner including consumers' representatives, and that henceforward consumption should no longer be regarded merely as a variable affecting economic development.

The second consideration is the closer cooperation of associations which can defend consumers' interests and play an active part in trying to achieve that vital balance between the partner in the economy. It must be recognized that action by the individual consumer is not likely to have much effect on the mass market where he exercises his choice, while excessive growth in the regulatory powers available to public authorities and the ever-increasing controls they imply can only serve to bureaucratize the economy further and over-institutionalize the relationships between the parties concerned.

48. Promotion of the consumer could be based on the following:

- development of procedures for consulting consumer associations by the public authorities both with regard to users of public services and when preparing far-reaching economic decisions;

- development of a dialogue between consumer associations and producers' and distributors' organizations

- more aid to organizations which represent consumers, including the provision of means for training their officials and improving their technical facilities.

49. Priority measures

Under this programme, the Commission will take the following measures:

- 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. At the same time it will give details on the extent of consumer representation within the Community;
 - it will continue to guarantee proper representation of consumers on the specialized advisory committees set up by the Commission;
 - it will continue, and where possible increase, its aid to European consumer associations in order to give them a better hearing, and it will also undertake to organize seminars for training officials from these associations, particularly on the subject of common policies;
 - it will encourage consultation between European organisations representative of consumers and the different business interests concerned with regard to matters of common interest;
 - it will endeavour to promote adequate representation of consumers in standards organisations.
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ANNEX

SUMMARY OF THE MOST IMPORTANT WORK CARRIED OUT AND RESULTS OBTAINED
SINCE 1973 IN THE FIELD OF CONSUMER PROTECTION AND INFORMATION

The most important work carried out at Community level under the European Community's consumer protection and information policy and the results obtained are described below under the five basic rights listed in the Preliminary Programme.

A. PROTECTION OF CONSUMER HEALTH AND SAFETY

The Council has adopted some 35 directives and is discussing several other proposals, both under the programme to remove technical barriers and under the preliminary consumer protection and information programme. These directives concern:

- (i) Foodstuffs: since 1976 the Council has adopted several directives, including a Directive on the labelling of foodstuffs and Directives on the composition of foodstuffs and materials which come into contact with them.
- (ii) Cosmetics: in 1976 the Council adopted a Directive on the composition, labelling and packaging of cosmetics listing 361 prohibited substances and providing for the gradual establishment of positive lists.
- (iii) Safety in the use of products: a Directive on the marketing and use of certain dangerous substances was adopted in 1976 and several proposals are being prepared on household products and toys.

The Commission has also sent the Council a proposal to set up an information system for accidents in the home.

In carrying out this work, the Commission has consulted the several specialized committees which it had set up. These include the Scientific Committee for Foodstuffs, the Scientific Committee for Feedingstuffs, the Advisory Committee on Foodstuffs, the Scientific Committee on Cosmetics and the Scientific Committee on Pesticides.

B. PROTECTION OF CONSUMERS' LEGAL AND ECONOMIC INTERESTS

Several proposals for directives which could have an appreciable effect on the protection of consumer interests are being discussed by the Council, on the following subjects:

- sales negotiated away from business premises;
- home study courses;
- misleading or unfair advertising;
- product liability

The Commission recently presented a proposal concerning consumer credit.

C. REDRESS The Commission organized a symposium towards the end of 1975 which examined the possibilities open to consumers for seeking legal remedies and the means for making it easier for them to bring cases before a court of law. The Commission has continued its study of the various national systems and grants limited financial support to a number of practical experiments in the Member States.

D. CONSUMER EDUCATION AND INFORMATION

The Commission has launched a wide range of measures:

- (i) consumer information on the characteristics of products: a proposal for a Directive, already mentioned, on the labelling and presentation of foodstuffs and a proposal for a Directive on the consumption of energy have been sent to the Council, and several texts, concerning in particular textiles and dangerous products, are now in preparation;
- (ii) CONSUMER INFORMATION ON THE FORMATION OF PRICES: a Directive on the marking and display of the prices of foodstuffs was sent to the Council in May 1977 and will shortly be adopted by the Council.

Various Commission departments have collaborated in a survey on prices and commercial margins which will be used as a basis for a study of the conditions governing the formation of prices of certain common consumer goods.

- (iii) A SYMPOSIUM ON CONSUMER INFORMATION, held by the Commission in 1977, provided the opportunity for a constructive dialogue between trade organizations and consumer representatives.

- (iv) General information: the Commission continued to supply information about measures taken in the consumers' interest to members of parliament, journalists and radio and television producers and published several documents and periodicals, including the weekly Euroforum. A survey of 10 000 consumers was conducted in October 1975 to obtain a better picture of their opinions, behaviour and desires.

- (v) Consumer education in schools: the Commission is preparing monographs on the Member States and convened a seminar in London in 1977, which was attended by more than eighty teachers, experts and representatives of consumer organizations. On the basis of the conclusions of this seminar, the Commission established a network of pilot schools in collaboration with the authorities of the Member States and set up a working group on the training of teachers in consumer protection.

E. Consumer representation: in 1973 the Commission set up a Consumers Consultative Committee and provides know-how and material aid for its operation: sixty or so meetings of the full Committee or its Steering Committee together with around twenty working groups have produced thirty opinions which have been sent to the Commission. The Commission also organized a symposium of national consumer organizations in 1976. Finally, it has given subsidies totalling 1 280 000 EUA (Bfrs 61 000 000) to the European consumer organizations, which have been used to prepare studies and reports.

Besides delivery of opinions on the Commission's proposals, the European Parliament and the Economic and Social Committee have held debates on the broad direction of consumer protection and information policy in the Community, and drafted reports on specific areas which the new programme will take into account.

Furthermore, the large number of written and oral questions asked by the members of the European Parliament (..... written questions) over the past four years bear witness to Parliament's interest in consumer protection activities at Community level.

Finally, the Commission has cooperated very closely with the Council of Europe and the OECD. It has also had occasion to establish useful contacts with the appropriate authorities of the United States and Sweden.

DRAFT COUNCIL RESOLUTION

of

concerning the second programme of the European Economic Community for a consumer protection and information policy

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to the proposal from the Commission,

Having regard to the Opinion of the European Parliament,

Having regard to the Opinion of the Economic and Social Committee,

Whereas, pursuant to Article 2 of the Treaty, the task of the European Economic Community is to promote throughout the Community a harmonious development of economic activities, a continuous and balanced expansion and an accelerated raising of the standard of living;

Whereas the improvement of the quality of life is one of the tasks of the Community and as such implies protecting the health, safety and economic interests of the consumer;

Whereas fulfilment of this task requires a consumer protection and information policy to be implemented at Community level;

Whereas the Heads of State or of Government meeting in Paris on 19 and 20 October 1972 confirmed this requirement by calling upon the institutions of the Communities to strengthen and coordinate measures for consumer protection;

Whereas the Council Resolution of 14 April 1975 provides for the implementation of a programme of the European Economic Community for a consumer protection and information policy¹;

Whereas the aims and principles of this policy have already been approved by the Council;

Whereas the preliminary programme of 14 April 1975 should be brought up to date to ensure the continuity of the measures already undertaken and enable new tasks to be undertaken in the years 1980 to 1985.

¹ OJ C 92 of 25.4.1975, p. 1.

APPROVES the guidelines set out in the annexed action programme;

NOTES that the Commission will submit suitable proposals for the effective implementation of the programme;

UNDERTAKES to take a decision on these proposals within nine months from the date of their submission by the Commission or, as the case may be, from the date of transmission of the Opinions of the European Parliament and the Economic and Social Committee.