



No 7/1979

## trade union information

### TRADE UNION BULLETIN

PUBLISHED BY THE SPOKESMAN'S GROUP AND DIRECTORATE-GENERAL FOR INFORMATION:  
TRADE UNIONS AND OTHER PRIORITY MILIEUX

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1. STATEMENT BY MR GUIDO BRUNNER, COMMISSIONER FOR ENERGY, AT A PRESS CONFERENCE IN BRUSSELS, 13 JUNE 1979

The Commission today approved the energy objectives for 1990 and the third report on the Community's energy savings programme. The two themes complement one another.

1. In our energy objectives for 1990, we are trying to take a long term view of market developments and energy production. They should help to guide both markets and governments in drawing up their policies. This is especially important at a time when we will have to deal with a number of uncertainties in the energy field worldwide. It is also important because we shall have to make enormous efforts to deal with energy problems. Just think of the economic and social burdens alone that will have to be coped with. In Europe, every percentage point of productivity growth could make 250 000 jobs superfluous; in the next ten years the number of people of working age in Europe is expected to grow by about one percent instead of 0.2 percent for the population as a whole. Energy supply as well as the changing pattern of our industrial energy structures could determine the level of employment or unemployment for our people.

World energy prices have been developing unfavourably from the European point of view. A price rise by the oil producers of 25 percent means a reduction of purchasing power in the European Community of the same order that a price rise of 100 percent entailed in 1973 (an amount of about 11 thousand million dollars). We can counter this development only by enormous investments in the field of energy. In the years until 1990 we shall need to invest every year some 50 thousand million dollars, and changes in the habits of European consumers will be required in order to finance this. All these long-term targets require swift decisions and what is not invested in right now will not exist in 1990.

At the same time the Report on Energy Saving Programmes draws up a balance of what has been achieved. In many respects we have been doing quite well. For example in 1977 we saved eight percent of our energy needs.

2. The main targets can be summarised as follows:
  - a) We want to reduce the present relationship between economic growth and energy consumption from one to 0.7 or less in 1990.
  - b) We must get 75 percent of our electricity production from coal and nuclear by 1990. To do this, coal consumption must be raised by 25 percent.
  - c) We have to freeze oil imports at 470 million tonnes up to 1990. This will require great additional efforts.

In energy savings, we want by 1980 (next year) to do the following:

- 1) Energy savings efforts of all governments should be drawn up so as to have comparable effects in all Member States.
- 2) I shall set up talks with all European motor manufacturers with the aim of developing cars and commercial vehicles which use less fuel. This must be done in conjunction with the industrial policy aims set out for the motor industry by Commissioner Davignon.
- 3) Investments in the energy field must be energetically pushed ahead. This can be effected through the price mechanism, through taxation measures and through investment aids.

## 2. COMMISSION'S PANEL REPORTS ON AN ENERGY EFFICIENT SOCIETY

In the nuclear hearings chaired by Commissioner Guido Brunner in the winter of 1977/78 it became apparent that there was an urgent need for a longer term policy to move towards an energy efficient society. One conclusion was the setting up by Commissioner Brunner of a division responsible for energy saving within the Directorate-General for Energy. Vice-President Lorenzo Natali has stepped up work on this subject within the Environmental and Consumer Protection Service. As a further consequence the Commission decided, as proposed by Mr Brunner and Mr Natali to ask a panel of high-level experts (annex 1) under the chairmanship of Mr Jean Saint-Geours to examine the implications of a more rapid move towards an energy efficient society.

In setting up the panel, the Commission was aware that this problem raised issues which went beyond the scope of energy saving programmes as they are generally thought of today, and that a much wider examination was required, drawing on the expertise not only of energy experts, but also of economists, politicians, trade unionists and environmentalists.

The report is now available. This is the first time that a rigorous analysis of the technical potential for saving energy has been properly placed in its economic, institutional, cultural and social context. The conclusion is that the challenge of an energy-efficient society is one that society can meet without imperilling its values, its traditions or the well-being and liberties of its citizens. Success depends upon the individual initiative and responsibility shown by households and enterprises in response to a proper understanding of their situation, and on a tolerance of plural forms in society. It is hard to imagine an energy-efficient society being arranged successfully from the centre.

There is no question of renouncing economic growth but of redirecting its content and its quality. Indeed low rates of economic growth will retard the changes and renewals which are necessary to move towards a more energy-efficient society. But to be sustainable, rapid economic growth, in future, must be based on a more complete and fundamental policy for energy use than has yet been attempted.

The report presents a well defined picture of what such a complete and fundamental policy might look like. There are gaps to be filled, but the basis for action is laid. It remains to build the political consensus needed for the pursuit of a consistent, long-term effort. An outline of the scope and conclusions of the report by Mr. Saint-Geours is attached (Annex 2).

The report will be discussed within the Commission, with the Governments of our Member States, and with the European Parliament. But the Commission also attaches the greatest importance to encouraging general participation in a wide-ranging public debate about the adaptations required of our societies in the next twenty years, and the economic, social and cultural environment which can facilitate them.

It seems in fact - and this is our first major conclusion - that the gravity of the risk being run by Europe as a result of her dependence on external supplies requires a policy for rationalizing the use of energy which is especially vigorous and complete. The inadequacy of the progress made in this direction in the last five years lends support to this view.

It results from studies made of the technical scope for reducing energy consumption that the potential for improvement is considerable given the present state of the art - estimated as savings in consumption of 15 % to 50 % depending on the sector. The development of this resource is not, therefore, a futile exercise. That is our second major conclusion.

The third conclusion relates to economic growth : Europe has an overriding need for sustained economic growth - at a rate of about 4 % a year - at least until 1990, to create sufficient employment and to adapt its production system to the new conditions of international competition. But it is not possible to satisfy this requirement - to be certain of a healthy, sufficient and durable growth - unless, at the same time, the means are truly in place to minimize the consumption of energy.

Equally, however, it is difficult and very time-consuming to make those means operational if the economy is not developing at a satisfactory rate. A greater efficiency in the use of energy is, to a large extent, determined by the renewal of the stock of buildings, of machines and of vehicles, as well as by the introduction of innovatory methods.

In short, for the relationship often put forward which asserts a link between a high level of economic growth and an intensive use of energy, it is necessary and it is possible to substitute a conditional interrelationship between such a rate of growth and as efficient a use of energy as is possible.

But the existence of this important technological potential and of the above economic relationship does not guarantee, it is evident, a solution to our problem, which indeed contains many other factors. Amongst these, the Panel has identified as fundamental : in economic matters, on the one hand the structure of prices and price policies, acting as strategic signals, and, on the other hand, investments as an essential force in energy savings ; in institutional matters, the adaptation of the "energy chains" to a diversified and more decentralized energy system, and the influence that public authorities can exert through their own purchasing practices ; finally for the longer term developments, characterized in the report by an "imaginative" scenario at the horizon 2030, comes the importance of the social and cultural values which underlie our economic life.

Even though the Panel is fully aware of the inadequacies of its work - rapidly undertaken on a difficult problem in which exact information is not easily found - it thought it useful to develop a relatively complete set of recommendations. Beyond those which concern an improved understanding of energy savings and further work and study, essential as a basis for political action, these recommendations can be grouped under two headings : a community strategy for an energy-efficient growth, and a complete policy for "dissociation" recommendable to every Member State.

Among recommendations for an improvement in understanding, I would bring out the gathering of coherent and up-to-date statistics on the basic energy parameters, the development of global scenarios for the whole of Europe using a common model, and finally the study of a functional ordering of energy uses in view of the inadequacy of our supplies.

The Community strategy, based on the realities of the solidarity between European countries, will be centred on a rigorous and coherent policy for the rational use of energy.

This is indispensable to convince the main forces in the economy of the principle which has been stated above, and give it reality in every sector of energy use. Political action which limits itself to promoting the elimination of waste without any intervention in the economic system or modification in the structure of production and of consumption, is not sufficient. The changes and renewals which are the motors of growth must serve systematically and in co-ordinated way to promote the rational use of energy.

The involvement and the understanding of the citizens of the Member States will be that much greater if political action is seen to be an element of a Community strategy, aiming at an energy-efficient growth, in which every Member State participates fully.

The Panel recommends that this policy be implemented in three crucial fields : prices, research and development, and the technical conditions of energy use.

It is necessary to seek an agreement between Member States both on the convergence of their policies towards covering in the price of energy the cost of replacement of resources, and on the principles of a market transparency and publicity about costs and prices in the various energy chains.

Secondly, it would be desirable not only to pursue an important programme of research, development and demonstration to promote energy saving technologies, but also to act upstream and downstream around this programme ; upstream, by creating the institutions and the European structures for scientific research by a deepening of the improvement in scientific co-operation ; downstream, by devoting attention to the economic and social issues related to the diffusion and effective use of energy-saving technologies.

Finally common minimum standards for technical performance must be introduced by voluntary agreements or legal acts for motor vehicles, heating installations and the main domestic appliances, whether imported or produced in the Community.

It seems to us also necessary that a complete and integral policy for "dissociation" between economic growth and energy consumption - in particular by a more rational use of energy - should be defined by the Commission and recommended to Member States.

The common purpose of the various initiatives would be to create in each country a climate favourable to investment and to innovation in the direction of "dissociation". Our suggestions concern efficiency standards for buildings ; information and publicity ; a network of advice and audit centres which must be supported by action in training promoting the means of measurement and control, and of monitoring ; finally a substantial increase in the contribution made by financial institutions, both to improve the flow of finance and by the offer of aids to investors.

A last action, which I consider to be important, is within the responsibility of national, regional and local authorities. I must stress the influence they can bring to bear - by their purchasing, by their internal dispositions, by their tax policies - on the efficient use of energy. If there are bold changes made in these fields, this can result in industrial initiative, and develop a good business opportunity and a means to create employment.

However, the more fundamental changes in the use of energy can only be achieved in the long run, and by the modification even of lifestyles, of social and cultural values and of the organization of our settlements. Some trends seem to move in this direction, such as the growing share of services in production, the slow-down in the growth of large urban conglomerations, progress in the field of video and data transmission and in microprocessors, and the concern for the ecology.

Governments should encourage these trends, not restraining them but favouring forms of economic, social and cultural organization which are harmonious with them - for example which move in the direction of the "decentralized auto-organized society" described in the report "A Plan for Europe", published at the end of 1977.

These leads me naturally, by way of conclusion, to an observation on the timing of actions and their effects. It is difficult to establish such a timing. Our studies should be developed in a second phase of work. However, the gravity of Europe's energy situation, and the time it takes to reach agreement between Member States on the difficult measures making up common actions, lead me to say that it is urgent to begin to act upon the guidelines we recommend, and the specific measures they imply. It is necessary to have in view a rapid return - and that is possible - from the introduction of certain technological improvements, in particular by putting into place the financial means, and the means for information and for advice. The most decisive results will, it is certain, be achieved in the longer run. But this is a reason for seeking them too, as from now. It is indeed because trees take time to grow that we must hasten to plant them.

## ANNEX 1

### MEMBERS OF THE PANEL

#### Chairman

Mr Jean Saint-Geours

Inspecteur des Finances  
Chairman of SEMA and METRA International  
Member of the Club of Rome  
Member of the Energy Commission (France)

#### Members

Professor Sven Björnholm

Niels Bohr Institutet, Copenhagen  
Theoretical Physicist  
Joint author of a report entitled "Energy in Denmark 1990, 2005, a case study" published as Report No.7, International Federation of Institutes for Advanced Study, University of Copenhagen, September 1976

Professor Umberto Colombo

Chairman of CNEN, Rome  
Formerly with Montedison, Milan

<b>Professor Helmut Hesse</b>	<b>University of Göttingen Head of the Ibero-American Institute for Economic Studies</b>
<b>Lady Kennet (Elizabeth Young)</b>	<b>Author and Lecturer</b>
<b>Mr Gerald Leach</b>	<b>Senior Fellow at the International Institute for Environment and Development Joint author of "A Low Energy Strategy for the United Kingdom", published by the I.I.E.D. January 1979</b>
<b>Mr Jacques Moreau</b>	<b>Formerly with the CFDT, Paris Member of the European Parliament</b>
<b>Professor Ilya Prigogine</b>	<b>Université Libre de Bruxelles Nobel Prize winner for his work in Thermo- dynamics</b>
<b>Senator Mary Robinson</b>	<b>Barrister Lecturer in European Community Law Member of the Senate, Dail, Dublin</b>
<b>Professor Hans K. Schneider</b>	<b>University of Cologne Director of the Institute of Energy Economics</b>
<b>Mr Eric-Jan Tuininga</b>	<b>Engineer and Environmentalist Member of the TNO Policy Studies Group, Netherlands</b>
<b>Dipl.-Ing. Johannes C. Welbergen</b>	<b>Formerly Chairman of the Management Board of Deutsche Shell AG. President and Chief Executive of the Conference Board in Europe</b>

MAIN POINTS OF THE SAINT-GEOURS REPORT

ANNEX 2

It is necessary to seek out the conditions for a very substantial slackening of the close relationship globally observed in most industrialized countries during the period 1945 to 1973, between economic growth and an increase in energy consumption ; for simplicity of expression we have called this objective "dissociation".

For clarity's sake, I believe it to be useful to make two preliminary remarks. First, the choice between energies to produce and the problem of energy supply lay outside the scope of the Panel's terms of reference. However they have an incidence on the theme of our reflections. Some forms of energy or methods of conversion of energy can in fact facilitate "dissociation". Above all the reduction of the external dependence of Europe for energy supplies is, quite obviously, one of the main reasons for seeking such a "dissociation".

My second remark relates to limiting the requirements for primary energy. The Panel has not restricted the study of this to "energy saving" - to the elimination of waste - but has gone further to question ways of using energy in view of greater efficiency, seen in relation to the nature of economic activity and of lifestyles, and in relation to a broad view of environmental policies, which is to aim for the considered use of all natural resources.

3. STATEMENT BY COMMISSIONER GUIDO BRUNNER ON THE PUBLICATION OF THE SAINT-GEOURS REPORT ON AN "ENERGY EFFICIENT SOCIETY"

I. From the Nuclear Debates (1977/78) I drew the following conclusions:

- a. A Directorate for Energy Saving and the Rational Use of Energy should be set up.
- b. Mr Saint-Geours and a group of experts should draw up a report on the possibilities of creating an energy efficient society in Europe. This report we now have.

II. The study now being published brings us further along the way towards loosening the tie between energy consumption and the growth of our economies.

Mr Saint-Geours and his group prove that it cannot be done by energy saving alone. We are facing the biggest industrial restructuring of the post war era for which new techniques for rational energy use and oil substitution need to be developed. The investments necessary for this, according to our reckonings, amount to something like 50 billion dollars every year. In the future the reduction of our oil dependence will attain just as great an economic importance as the creation of new jobs and the fight against inflation.

The study also shows to what degree this restructuring is bound up with new ways of arranging our lifestyles. To take just two examples: transport and in the home.

It clearly sets out that all these new ways of arranging our lives presuppose economic growth. Indeed, the report goes further: it emphasises that rational energy use itself is a precondition for economic growth.

III. The experts group has drawn on the most modern experience. They have examined the horizontal ties between the various individual sectors and studied alternative growth scenarios. In this way their report never strays far from political, social and economic realities. Particular stress is laid on the necessity for legislation and information.

IV. Two immediate conclusions can be offered:

- a. We shall carefully study the proposal to set up a European data bank for energy saving technology.
- b. To give the European citizen more information, I am planning an exhibition "Euro-Energica 2000". In this exhibition the latest savings techniques and their effect on the economy and on society will be displayed.

#### 4. REORGANISATION OF THE FRENCH OIL MONOPOLY

1. Under the law of 1928, the marketing of oil products in France (whether refined in France or not) is controlled by the State through firms which are granted "special distribution authorisations" by the Government. These authorisations are granted or renewed every three years at the discretion of the Government and carry with them quotas limiting the amount of motor fuel which each authorisation holder is permitted to market per annum.

The authorisations and quotas were the kingpins in the machinery by which the French Government gave France a degree of security of supplies of crude oil and refined products and made sure that the French refining industry developed.

2. As early as 1976 the Commission informed the French Government and the general public<sup>1</sup> that, in view of the decisions of the Court of Justice, the discretionary granting of special authorisations and quotas for motor fuel was not in accordance with the principles of the free movement of goods between Community countries and non-discrimination against nationals of those countries. Indeed, the method was such as to make access to the French market for products refined in other Member States more difficult than for products refined in France.

The Commission pointed out, however, that it was aware of the need to find a solution to this difficult problem which, whilst complying with the Treaty, would safeguard the French Government's legitimate objective of ensuring security of oil supplies.

3. It was in this spirit that Mr. Vouel and Mr. Giraud, the French Minister for Industry, reached agreement after full and detailed discussions marked by mutual understanding between the Commission and the French Government.

The result of the agreement is the new oil distribution system announced by the French Government in the Official Journal of the French Republic of 29 June 1979 in a Notice setting out the conditions subject to which current distribution authorisations will be renewed before the end of this year. The conditions are essentially as follows:

- the quantity of motor fuel that authorisation holders are permitted to apply will no longer be limited, as quotas are being discontinued;
- authorisations will be issued in accordance with objective criteria based on the legal form of the undertakings and their technical facilities, particularly storage facilities, in relations to their throughput;
- authorisation holders must submit, and adhere to, three-year plans in which the majority of their requirements are covered by medium-term contracts; contracts may be concluded with refineries in France or in other Member States;

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<sup>1</sup>Sixth Report on Competition Policy, points 268 to 270.

- authorisation holders will be free to obtain a significant proportion of their supplies (minimum 20%) on the "free" market, with the understanding that a certain proportion of spot purchases must in turn be covered by "tide-over" contracts which must also be concluded with Community refineries.

4. The Commission considers that these arrangements may be regarded as regulation of trade conforming to the provisions concerning the free movement of goods in the Treaty, since they:

- are based on the French Government's legitimate objective of securing oil supplies;
- go no further than is necessary to attain this objective;
- subject all oil products marketed in France to the same conditions, regardless of whether they were refined in France or in other Member States.

Once present shortages have been overcome, the new system ensures that the French market will be liberalised and opened up to products refined in other Member States, whilst the French authorities are still able to ensure that operators effectively guarantee continuity of supplies both in the general interest and their own.

#### 5. NEW WAYS TO SAVE ENERGY - COMMISSION SEMINAR IN BRUSSELS

The Commission is organising an International Seminar entitled "New ways to save Energy" in Brussels on 23-25 October 1979.

This seminar, to be opened by Mr Guido Brunner, Commissioner for energy and research, is one of the means by which the Commission intends to ensure the widest possible dissemination of the Research and Development (R&D) results obtained from its research programmes. The aim of the seminar is to inform representatives of national authorities, public organizations, industries, universities and other interested persons about the results achieved in the implementation of the Community's first Energy R&D programme (1975-1979) which deals with Energy Conservation, New Energy Technologies and Sources and with Energy Systems Modelling.

In the framework of this 11.38 MUCE programme more than 100 contracts on Energy Conservation have been concluded with research bodies throughout the European Community, working on R&D projects covering a range of subjects described below:

Heat pumps: Evaluation of possible heat sources for heat pumps such as air, soil, sewers and groundwater; development of heat pump components and advanced heat pumps systems; heat pump applications.

Industrial processes: Energy analysis and optimization of industrial processes, studies on heat recovery and development of energy saving components such as heat exchangers, Organic Rankine Cycle Engines, heat storage systems, new combustion systems. Specific branches of industry have been investigated e.g. paper, food, textile, chemical, aluminium and coke industry.

Houses and buildings: Heating and ventilation systems, improvement of wall and window insulation.

Transport: Improvement of internal combustion engines.

Miscellaneous: Advanced batteries, recycling of waste, energy production from waste material and low grade fuel.

Programmes and information can be obtained at the secretariat of the meeting:

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5833

#### 6. COMMISSION SIGNATURE OF I.E.A. IMPLEMENTING AGREEMENT ON THE ESTABLISHMENT OF A BIOMASS CONVERSION TECHNICAL INFORMATION SERVICE

The Commission has just adhered to a jointly funded agreement of the Paris based International Energy Agency (I.E.A.) establishing a Technical Information Service in the field of Biomass research and development (R & D). The agreement signed on the Commission's behalf by Dr. Günther Schuster, Director General for Research, Science and Education, was concluded by Austria, Belgium, Ireland, Sweden and the United States in May 1978.

It will be operated by the National Board of Science and Technology of Ireland, and the Service will provide a regular source of information on scientific and technical data in all areas of energy from Biomass including harvesting, collection, processing, transportation and conversion techniques.

The expected annual contribution of the Commission to this project, which will last at least three years will be about 4000 EUA (European units of account). It is the eighth I.E.A. R & D agreement to be signed by the Commission.

#### 7. BEUC COUNCIL ISSUES STATEMENTS ON THE ENERGY SITUATION

BEUC (Bureau Européen des Unions de Consommateurs) is a consortium of consumer organisations in the Member States of the European Community. It is based in Brussels and its Director is Mr Anthony Venables.

At a BEUC Council meeting on 29 June the following common positions on the current energy situation were adopted.

The energy situation. The BEUC Council was deeply concerned about the implications for the ordinary citizen of the recent announcement of oil price increases by OPEC. While recognising that, as a result, fuel price increases were inevitable, they called on the adoption of two principles:

- 1) first, consumers are unable to plan in the face of haphazard and uncontrolled leaps in the price of energy; governments of the EEC member states should in future make provisions to mitigate the effects of any inevitable price increases and ensure that, as far as possible, they happen in a controlled and predictable manner.
- 2) consumers on low incomes are particularly hard-hit by sudden large increases in energy costs. Steps must be taken to ensure their rights to reasonable living standards and basic transport means.

More efficient use of energy could prevent a fall in living standards when costs go up. EEC consumer organisations call for specific encouragement to be given to energy conservation by every part of society - industry, government, services and the individual consumer. Restrictions on the use of energy, where necessary, should be socially just and should not cause unnecessary deprivation.

In addition there is an urgent need for research into improved methods of energy conservation and into the development of safe and environmentally acceptable alternative energy sources.

"Consumers and Energy" Conference. So as to tackle the avoidable causes of the so-called energy crisis, the BEUC member organisations will be holding a conference in Paris in Spring 1980 to examine long-term solutions particularly to the very real problem of waste of existing resources.

Consumer organisations are convinced that with more responsible attitudes being adopted both by the national and international authorities, and by the oil companies, the serious situation with which the European Community is confronted could be met without unnecessary hardship to the citizens of Europe.

The conference "Consumers and Energy" will:

- 1) examine the long-term problems facing consumers given the worsening supply/demand situation in Europe and increasing cost of certain imported forms of energy - notably petroleum products.
- 2) Formulate proposals for the more rational use of energy supplies which exist, and particularly examine different conservation measures, and ways of persuading all consumers (including the public authorities, industry and services) to be less wasteful.
- 3) Consider the consumer position on alternative sources of energy.

Copies of a background paper, "Consumers and Energy", can be obtained from the BEUC, 29 Rue Royale, 1000 Brussels, tel. 219.13.30.

#### 8. NEW ACTION PROGRAMME FOR A CONSUMER PROTECTION AND INFORMATION POLICY PROPOSED (1)

The Commission, on a proposal from Mr. Burke, in association with Mr. Davignon, has approved and sent to the Council a draft action programme for the protection of consumers in the Community. This new programme, which will cover the period 1980-85, is intended both to carry on the work and aims of the preliminary consumer action programme which ends this year and to break new ground in areas where recent experience has shown that consumer interests need special protection, for example, the price of goods and services and the quality of services.

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(1) COM(79)336.

It is recalled that the preliminary programme, which was adopted by the Council on 14 April 1975, was founded on five basic rights of the consumers:

- effective protection against hazards to health and safety;
- effective protection against damage to economic interests;
- adequate facilities for advice, help and redress;
- information and education;
- consultation and representation in decision making.

A summary of the most important work carried out since 1973 is contained in the annex. The new programme aims to continue and intensify the measures taken to promote these five rights while endeavouring to change the emphasis from defensive action of consumer interests to the more positive action of vigorously promoting these interests. Thus, consumer policy under the new programme will aim at establishing conditions in which consumers can become full partners in the preparation and carrying out of economic decisions which are important to them as buyers and users of goods and services and which can largely determine their living conditions.

In this context, the new programme innovates in proposing that measures to ensure the exercise of the five basic consumer rights need not be limited to formal Community legislation such as directives, regulations etc., but could also be implemented through agreements, for example, between representatives of producers and/or distributors on the one hand and of consumers on the other. The Commission suggests that two areas where such agreements would be appropriate would be after-sales service and particular aspects of advertising. The Commission will be prepared in this context to aid and encourage initiatives of a pilot nature in these two areas.

#### Implementation of the new programme

The following is a summary of the principal actions proposed in the draft programme under the five basic aims.

##### 1. Protection against health and safety hazards

With the aim of making consumer goods safer to use and protecting health, the Community will continue its work on harmonizing the laws on appropriate products such as foodstuffs, textiles, toys, chemical substances and motor car components. Thus for foodstuffs, further measures will be introduced dealing with flavouring, surface sprays used on fruit and vegetables, baby foods, deep-frozen foods and pesticide residues.

The 1976 cosmetics directive will be updated on the basis of the latest research and the problems of textile inflammability will be studied with particular reference to health risks caused by the use of fire-proofing substances. A directive on toy safety should be drafted fairly soon on the basis of extensive research and also a directive on the advertising of pharmaceutical products.

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 (contaminated foods, products with a manufacturing defect). 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.

## 2. Protection of economic interests

The first programme set out a number of principles under this heading which are still valid and will guide future action. Thus, it was laid down that consumers should be protected against unfair contracts, terms of credit, advertising, inadequate labelling and unreliable after-sales service. The Commission has already submitted a number of proposals under some of these various headings (see Annex) but it believes that the time has come to reinforce consumer protection as regards the quality of services and their price transparency.

The Commission will make proposals in the following three areas:

### a) Commercial services connected with products

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.

### b) Commercial services not connected with products.

Priority will be given to improve services linked with movement of persons, goods and capital, notably in the field of transport and tourism.

### c) Public and quasi-public services.

In most cases the prices and quality of these services are not determined by consumers but by the administrative authorities responsible. The Commission will encourage these authorities to consult consumers and users, and make a report on consumer representation vis-à-vis the public services, in particular those having an international character such as telecommunications with a view to putting forward proposals if needs be.

## 3. Improvement of protection at law

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 public authorities. The Commission will also continue to aid 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.

## 4. Information and education

Particular attention will be paid to information on prices and to ensuring that consumers are better informed on the value of products and services on offer and on price variations in their particular localities. With these aims in view, the Commission will:

- continue its surveys on prices and distribution networks and publish the results;
- encourage schemes to improve local or regional information on prices and price comparisons;
- analyse the results of the surveys of prices of goods and certain services and if necessary the price variations and their origin.

As regards consumer education, the Commission will continue to carry out pilot schemes on consumer education in schools and its work on a teacher training programme.

## 5. Consultation and representation

Under this heading, the Commission will send the Council a communication on the representation of consumer associations, criteria for representation and approval procedures already operating in Member States or which could be encouraged. The Commission will continue, and where possible increase, its aid to European consumer associations, continue to guarantee proper representation of consumers on the specialized advisory committees set up by the Commission. The Commission will also encourage consultation between European organisations for consumers and the different business interests concerned and will promote the adequate representation of consumers in standards organisations.

### 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, Directives on the composition of foodstuffs and materials which come into contact with them, and a Directive on the indication of the prices of foodstuffs.
- (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 specialised 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 organised 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 of grants and 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 organisations 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 organisations. 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 provided 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 organised a symposium of national consumer organisations in 1976. Finally, it has given subsidies totalling 1 280 000 EUA to the European consumer organisations, 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 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.

#### 9. IRISH CONGRESS OF TRADE UNIONS ANNUAL CONFERENCE, BUNDORAN, 3-6 JULY 1979

The Irish Congress of Trade Unions' Annual Delegate Conference was held in Bundoran, Co. Donegal, from 3 - 6 July, 1979. The Conference was attended by 606 delegates from affiliated unions and trades councils.

The Conference was addressed by fraternal delegates from the Scottish TUC, the British TUC, and the European Trade Union Confederation. Observers were present from the W.C.L., the ICFTU, the W.F.T.U., the AUCCTU, and the European Commission.

The Agenda for the Conference listed 75 Motions. Under the heading of industrial policy and industrial relations, Motions were debated on job creation, full employment, public holidays, national statutory minimum wage, overtime, micro-electronics.

A Motion was adopted on the Reform of Company Law to take account of the requirements of the EEC's Fourth Directive on Company Law. This Motion called on the Government to ensure that all Companies, without exception, publish financial and other information on an annual basis, that the information conforms with strict disclosure requirements, that up-to-date financial and other information of the type published annually, which is relevant to employees for collective bargaining purposes, be provided on request to workers and their representatives, as of right; that Companies be so structured as to facilitate the introduction of worker participation at all levels.

The Conference also adopted a Motion deploring the fact that despite prolonged discussions, the Government has not yet seen fit to ratify the ILO Workers' Representatives' Convention, adopted in 1971.

The Conference debated no less than thirteen Motions on taxation and a review of the PAYE System of taxation. The Conference adopted Motions calling on the Executive Council to make continual representations to the Government, seeking amendments to the income tax system now in operation, with the purpose of establishing a tax system which can be applied equitably to all sections of the Community.

Under Economic Policy the Conference debated the importance of a National Development Corporation in strategic industrial planning, job creation, job security, and industrial democracy.

On Education, a Motion was adopted welcoming the decision of the Government to publish a White Paper on Education covering the whole education sector, including structure and finance and demanding a formal commitment from Government that substantial additional real resources would be provided for the Education Service including Adult Education.

## 10. BRITISH TRADE UNION VISITS TO BRUSSELS

### A. Visit to Brussels by National Education Officers of TUC affiliated unions

A group of five British national trade union education officers and one official from the TUC Education Department made a two-day information visit to Brussels on 20-22 June 1979. The visit, funded by the Trade Union Information Division of the Commission, arose out of discussions within the Trade Union Education Officers' Group - a body composed of national training and education officers of TUC affiliated unions.

The programme for the visit covered a wide range of subjects of interest to trade unions. This included discussions on the functions, operation and inter-relationships of the main Community institutions; a visit to the Commission's TV and radio studio; an afternoon visit to the European Trade Union Institute; discussions at the European Trade Union Confederation; a meeting with Herr Otto Stadt, Secretary of the European Trade Union Committee of Food and Allied Workers in the Community; discussions in the Commission on employment policy and the Tripartite Conference; developments in the field of educational leave and exchanges of young workers, and finally a meeting at the Economic and Social Committee.

This visit was the first made by a group of union education officers, and it is anticipated that a further group will visit Brussels during 1979.

### B. Visit to Brussels by the TUC Women's Group

On 13-15 June, a group of 11 women trade unionists from TUC affiliated unions and Miss Ethel Chipchase, Secretary of the TUC Women's Advisory Committee, were in Brussels for a two-day information visit to the European Commission.

The programme for the visit, whilst emphasising the implications of Community developments for women, was wide-ranging, covering on the first day Community institutions and decision-taking, developments in Community policies and legislation for women, consumer affairs and educational policies. The group was also received by Mr Henk Vredeling, Commissioner for Employment and Social Affairs and Vice-President of the Commission. The second day of the visit covered employment policy and the Tripartite Conference, the Regional and Social Funds and the Common Agricultural Policy.

## 11. BRITISH TRADE UNIONS OPPOSE PROPOSED CHANGES IN LABOUR LEGISLATION

Following the change of government in the United Kingdom in May 1979, changes in existing legislation and proposals for new legislation affecting traditionally important trade union rights and freedoms have been presented by the new government. The General Secretary of the TUC, Mr Len Murray, together with other TUC representatives has had several meetings to discuss these developments with the Secretary of State for Employment, Mr James Prior.

The TUC is concerned at the prospect of the government making substantial amendments to existing legislation which will affect trade union recognition and the rights of individual workers, especially the low-paid. The new legislation proposed by the government would modify the legal situation with regard to picketing and trade unions inducing breaches in commercial contracts and also closed shop arrangements for union membership, and would introduce financial aids for the holding of secret ballots. The TUC has pointed out to

the government that it would be ill-advised to proceed on the assumption that the trade unions would finally agree to the proposed legislation, and has stressed the error of proceeding with such legislative changes. At the same time the TUC has been stressing the role played by the trade unions and the TUC in improving industrial relations in British industry.

The TUC Employment Policy and Organisation Committee met on 18 July 1979 to discuss Government working papers on industrial relations legislation, and the following press statement was released:

The TUC's Employment Policy and Organisation Committee met this morning and discussed the three working papers on proposed industrial relations legislation which have been issued recently by the Government.

The Committee could not accept the Government's claim that its proposals are limited. On the contrary, if the proposals were enacted they would represent a major challenge to the existing rights of workers and their trade unions. For example, the proposals on picketing, which the Government have claimed are directed only at so-called "secondary" action, would also have profound implications for "primary" action. Removing the right of trade unions to induce breaches of commercial contracts would leave trade unions vulnerable to legal actions brought by employers, customers and suppliers. Most industrial action has this effect. The proposals could also debar union officials from joining members on picket lines and prevent the union from organising the picket effectively and peaceably.

The proposals on the closed shop could also have serious effects on industrial relations in many industries and sectors. If the proposals were implemented, it would become very difficult to establish effective new closed shops and this would make it harder for employers and unions in certain industries to establish and sustain stable organisational and negotiating arrangements. The Committee took particular exception to the suggestion that a code of practice could contain a provision allowing for existing agreements to be reviewed. Such a provision would undoubtedly cause disruption to some established bargaining arrangements.

The Committee will also be explaining the TUC's position to union officials and activists, and will be asking unions to press employers with whom they deal to examine the dangerous implications which the enactment of these proposals would have for stable industrial relations in their own companies, and to draw these points to the attention of the Government.

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## 12. ETUC/UNICE MEETING

At the request of the European Trade Union Confederation, ETUC and UNICE delegations met in Brussels on Friday 13th July 1979.

The ETUC's request was for discussions at European level with a view to seeking solutions on a European scale to the serious problems facing the economy and the social situation in Europe.

The two delegations agreed on the necessity of such a dialogue and arranged a second meeting for 19th September, which would also be attended by the European Commission. It was agreed that the Commission would attend in an observer capacity and would possibly also give advice on technical matters.

It was further agreed that the only item on the agenda of the meeting in September would be the organisation of working time.

The following persons attended the meeting on 13th July :

ETUC	W. Kok	UNICE	S'assen
	M. Hinterscheid		Provost
	J.I. Nølsund		Gechslin
	F. Staedelin		Petersen
	P. Coldrick		Castin

## 13. LETTER FROM THE ETUC TO MEMBERS OF THE EUROPEAN PARLIAMENT AT ITS OPENING FOLLOWING THE FIRST EUROPEAN ELECTIONS

On 13 July 1979, the General Secretary of the European Trade Union Confederation, Mr Mathias Hinterscheid, addressed the following letter to the Presidency of the Parliamentary Assembly of the European Economic Community:

"On the eve of the first meeting of the European Parliament, which was elected for the first time by direct suffrage, I would like to remind you that we have sent to all those elected a copy of the General Resolution adopted by the 3rd Statutory Congress of the European Trade Union Confederation, which was held in Munich in May 1979. This General Resolution contains the most important and the most urgent demands and proposals of the European trade union movement.

In the face of the very serious economic situation which we have been experiencing for some years, a large part of the decisions taken at this Congress are devoted to the problem of unemployment and to proposals for the maintenance and improvement of the working and living conditions of workers.

The European workers would certainly not understand it if this first meeting of the newly elected Parliament did not concern itself with these problems.

For these reasons, we would ask you to devote a large part of the discussions to the fate of workers and their families; their fate is all the more uncertain because recent events on the international scene do not give any indication of fundamental improvements in the near future.

We would be grateful if you could be the spokesman for workers and their trade unions at this important assembly."

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