WEEKLY

# Industry Research and Technology

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The adoption of a major Community programme on PROTECTION OF THE ENVIRONMENT (see IRT No 185), followed by the definition of an Action Programme for CONSUMERS (see below), has underlined the Community's concern to implement in practice the essential objective assigned to it by the Treaty which established it:

"the constant improvement of the living and working conditions" of the nations constituting it.

The Heads of State or Government of the Community Member States, at the Summit held in Paris in October 1972, had already observed that "economic expansion, which is not an end in itself, must as a priority help to attenuate the disparities in living conditions ... It must emerge in an improved quality as well as in an improved standard of life".

In order to reflect this concern to assign quality objectives to Community development, with a view to a better society, the bulletin "Industry, Research and Technology" will, as from 1974, appear under the title

"Industry and Society".

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The objectives of the PRELIMINARY PROGRAMME FOR CONSUMER

INFORMATION AND PROTECTION, which the Commission of the European

Communities has recently forwarded to the Council of Ministers,

are to strengthen and coordinate efforts to protect European

consumers and take their interests into greater consideration.

ANNEX I gives a summary of this programme, which was the subject of wide-ranging prior consultations, in particular with the Consumers' Consultative Committee (see IRT No 211).

\*\*\* The Commission has recently proposed to the Council of Ministers that A EUROPEAN FOUNDATION FOR THE IMPROVEMENT OF LIVING AND WORKING CONDITIONS should be set up. This project is one of the priority schemes in the Community's Social Action Programme; the Ministers should state their decision concerning it before the end of the year. The adoption of this proposal translates into practical terms the Commission's will to help improve overyday life in the Community countries.

ANNEX 2 gives a summary of the tasks which will be assigned to this Foundation.

Last September the Commission of the European Communities had an OPINION POLL taken in the nine Member States in order to gain a better idea of the attitudes of the general public and the subjects interesting it.

ANNEX 3 gives some of the first results of the opinion poll.

- \*\* IN ORDER TO COMBAT INFLATION and thus provide the conditions essential to a HIGH LEVEL OF EMPLOYMENT, the Council of Ministers has recently recommended, on a proposal from the Commission, a certain number of measures to be implemented in the early months of 1974. Where the measures concern prices, one or more of the following methods were recommended:
  - close surveillance of the conditions of <u>price formation</u> for products and services and possibly <u>freezing of profit margins</u>;
  - prior notification of price increases;
  - strict application and perhaps strengthening of the rules on the <u>display and disclosure of prices</u>, both for goods and for services;
  - freezing of public service tariffs during the first quarter of 1974 at the level of 1 December 1973;
  - strict or strengthened application of the national provisions concerning the control of abuses of dominant positions on the market;
  - launching of an <u>information campaign on prices</u> charged for popular products, if necessary with the aid of the consumer protection associations, using all appropriate information media.

\*\*\* The Council has recently adopted two directives on the BIODEGRAD/BILITY OF DETERGENTS. The first banks the marketing in Europe of detergents with an average degradability rate of less than 90%. The second gives methods of inspection of the biodegradability of surface agents contained in detergents. Two methods of Community inspection have thus been laid down. In the event of a dispute, use will be made of a reference method based on the OECD's confirmation method.

The importance of these measures should be underlined; no international organization had ventured to set as high of biodegradability officially. Apart from a gentlemen's agreement in force in the United Kingdom, the levels given in the national regulations are lower than the percentage quoted.

The adoption of these measures shows that Community harmonization is being carried out on behalf of consumers and is aimed at better protection of the environment. The use of non-biodegradable detergents contributes substantially to water pollution, one of the most spectacular manifestations being the formation of foam on the surface of the water. This foam may be several metres high and may extend over hundreds of metres, thus rendering navigation difficult.

Indirectly, the use of such detergents can have harmful effects on public health (possible transport of bacteria and viruses in the foam), agriculture (the presence of detergent elements in irrigation water may harm the development of crops) and livestock (detergents in animal feed and water). It should also

be noted that synthetic detergents have a bad effect on the various phases of water purification and that their use is liable to pollute streams and wells.

The requirement of a high rate of biodegradability for detergents used in the Community will help to correct this type of pollution to a great extent.

\*\* As a result of Community regulations PAID WORKERS AND
THEIR FAMILIES, when moving within the Community, are
PLACED ON AN EQUAL FOOTING with respect to the various
national laws which concern the application of the
social security schemes. This is stated by the Commission
in answer to a written question from Lord O'Hagan, a
Member of the European Parliament.

The Commission specifies, however, that these regulations do not apply to social and medical assistance, to compensation for war victims or to special schemes for officials or similar personnel. Nationals of non-member States are already entitled to equal treatment under the national laws for most of the benefits of which the social security character is not disputed.

- \*\* A proposal for a Directive to limit the <u>LEAD CONTENT</u>

  OF PETROL (see IRT No 206) has recently been

  forwarded by the Commission to the Council of Ministers.
- \*\* The Commission recently defined the lines which the

  MANAGEMENT OF THE SOCIAL FUND IN 1974 would take. It

  intends in particular to encourage a preventive and

  anticipatory employment policy. The Commission considers

  that unemployment and under-employment cannot be

  approached from a purely quantitative standpoint if the

  actual problems of employment are to be solved, even at

  the level of regions in difficulty. In the Commission's

  view, the Social Fund should concentrate its relatively

  small resources on well-defined exemplary operations

  which would effect a qualitative improvement in the

  employment policy.
- \*\*\* The Commission has determined on a common system of imputation for COMPANY TAXATION. Partial harmonization is envisaged for systems in which DEDUCTION AT SOURCE FROM INTEREST ON BONDS is practised. The Commission will shortly put forward a proposal for the harmonization of direct taxes. The creation of the economic and monetary union calls for the harmonization of taxation of dividends and interest on bonds in the Community.

- \*\* Since March 1973, all national bills concerning

  PROTECTION OF THE ENVIRONMENT have to be submitted
  to the Commission for extension, if appropriate,
  to all the Community countries. By 30 November 1973,
  the Commission had already been informed of 12 bills
  on the subject. As to three of these bills, the
  Commission will submit proposals to the Council of
  Ministers for Directives extending them to the whole
  of the Community. These are:
  - A Netherlands bill laying down regulations for the <u>sulphur content</u> of motor fuels. A proposal will be submitted to the Council early in 1974, so that this law can be applied in all the Member States.
  - A French bill defining and tabulating the quality required for <u>surface waters intended for drinking</u> purposes. The Commission is preparing a proposal for a Directive in this field.
  - An Italian bill amending a 1966 law in the field of air pollution by sulphur dioxide. The Commission is preparing a Directive on the basis of this bill.

The Commission will shortly propose the reduction of OF POLLUTANT EMISSIONS BY MOTOR VEHICLES to the levels required for the protection of public health and the environment which are justified by scientific, technical and economic considerations. The Commission moreover considers that a reduction of pollutants can be considered as technical progress only if it is not offset in a few years time by the constant increase in the number of vehicles. This is why the Commission, in collaboration with the national experts, is watching the air pollution situation attentively in order to be able to introduce the necossary measures when required.

Moreover, in order to ensure that the application of legislation does not present too much difficulty, the Commission is recommending that, when measures intended for the protection of the environment are drafted it should be considered whether the results expected justify the resources required. In addition, the public authorities should promote research and conditions favourable to the development of new techniques which would enable the industry to comply without too much difficulty with the new restrictions which the expanding growth of the industrial society imposes on it.

- \*\* TWENTY-FIVE EDITORS OF SPECIALIZED JOURNALS FOR CONSUMERS of the Community countries met in Brussels on 3-4 December under the auspices of the Commission's information departments, in order to determine ways and means of disseminating European information more widely in consumer journals.
- \*\*\* A GENERAL CENSUS OF THE POPULATION OF THE NINE MEMPER
  STATES of the European Community will be taken on a
  coordinated basis, using a common statistical model,
  during the period between 1 March and 31 May 1981.
  This survey will concern population, the working
  population, employment, households and the family.
- \*\*\* The Commission's departments are organizing in
  Luxembourg on 14-16 May 1974 a European symposium on the
  problems raised by the CONTAMINATION OF MAN AND HIS
  ENVIRONMENT BY PERSISTENT ORGANO-HALOGENIC PRESTICIDES
  AND COMPOUNDS. This meeting is intended to provide a
  Europe-wide conspectus of scientific information
  permitting an objective evaluation of the risks to human
  health and the environment from pollution by persistent
  compounds, such as certain pesticides.

#### IRT No 214, 11 Pecember 1973, ANNEX 1, p, 1

#### PRELIMINARY COMMUNITY PROGRAMME FOR CONSUMER INFORMATION AND PROTECTION

The objectives of a Community consumer policy are to secure better protection against health and safety risks, a fair deal from suppliers of goods and services, more complete, accurate and objective information to enable consumers to obtain goods and services at the best prices, and a say in the preparation of decisions adopted by the Community which have a direct bearing on consumers! interests.

The action programme which the Commission has recently forwarded to the Council of Ministers is based on the fact that the consumer is no longer considered only as a purchaser of goods and services for personal, family or collective use, but as a person concerned, in his capacity as a consumer, with the various aspects of social life. The programme is a first sketch on a European scale of a coherent policy for consumers. These first guidelines will be supplemented later by proposals for concrete measures. For the time being, the Commission has only put forward a general framework for the measures which are to be adopted in this field and a plan of priority action.

# The need to ensure that the rights of consumers are respected in an increasingly complex socioeconomic environment

The relatively recent birth of the concept of "consumer protection" is a response to the perplexities and frustrations resulting from the very abundance of choice of goods and services offered on an increasingly wide market.

The growing importance of publicity, which is often misleading, the development of dubious commercial practices, such as the sometimes unfair hire-purchase and credit sales, and the appearance on the market of new products seeking to anticipate rather than meet a demand have created an increasingly complex socioeconomic environment in which the consumer often finds himself defenceless.

#### IRT No 214, 11 December 1973, ANNEX 1, p.2

In view of this trend, the public authorities will increasingly have to intervene to ensure that the rights of consumers are respected: the right to health, safety, information, education and a hearing. The respect of these rights should thus enable the consumer to meet his essential needs and have full freedom to spend his income.

In the Commission's view, these various factors constitute the background to the measures which should be adopted for the benefit of consumers.

#### The Community's existing efforts on behalf of consumers

The building of the Community has already served consumers interests in a certain number of fields. Thus, significant progress has been accomplished in the harmonization of regulations concerning products. Some of the measures adopted are aimed directly at the protection of the consumer: directives on colouring matters and preservatives in foodstuffs, packaging and labelling of dangerous substances, detergents, cosmetics, etc.

The achievement of the Common Market has also increased the consumer's choice, since supplies have become more diversified and regular as a result of the free movement of products. The implementation of a European competition policy has led in certain sectors to lower prices inside the Community and in other sectors to harmonization of prices.

Mastly, the Commission has recently set up a Consumers? Consultative Committee (see IRT No 202) which met for the first time on 19 November 1973.

#### IRT No 214. 11 December 1973, ANNEX 1, p.3

The preliminary programme submitted by the Commission calls for the stepping-up of these efforts on behalf of consumers, and specifically for certain priority schemes to be implemented in five particular fields, within three years, as follows.

#### Protecting the health and safety of consumers

In the Commission's view, one of the main objectives of the Community action programme on behalf of consumers is to protect the health and safety of consumers, notably by taking certain precautions in the production and distribution of products (more particularly foodstuffs) and in the use of pesticides and fertilizers. The Commission proposes that standards should be laid down for the composition of foodstuffs (a list of substances allowed in food additives, for instance) and that there should be safety standards for products including toxic, inflammable, explosive or corrosive substances.

#### Eliminating unfair and deceptive commercial practices

The Commission intends to submit to the Council proposals for the protection of consumers from abusive commercial practices. Priority action has in particular to be undertaken against misleading advertising; this will entail defining criteria to determine how far advertising can be considered deceptive or misleading, and introducing effective methods of stopping such advertising campaigns.

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With regard to hire-purchase and credit sales to consumers, rules are to be applied in the Community to ensure that advertising shows the terms clearly and in full, in particular the total cost of the credit including the real rate of interest. In contracts for hire-purchase or credit sales there should be safeguard clauses concerning the return of goods purchased by consumers.

#### Making recourse to the courts simple for consumers

In order that the other measures may be really effective, fair, simple and cheap means of redress should be organized for consumers and a complaints and advice service should be set up throughout the Community so that consumers have a channel for making legitimate complaints concerning the goods and services offered them. To this end the consumers organizations should be consulted on the possibilities of arbitration other than through the courts and on the method of giving advice.

#### Informing and educating consumers

In the field of information, the Commission recommends in particular encouragement of efforts by all organizations inside the Community which have already undertaken the information of consumers in collaboration with the Member States. More particularly, the Commission intends to propose concrete measures in two priority fields: first the labelling of products, which should give clear and full information; in the case of foodstuffs, for instance, the type and composition of the product, its weight, the identity of the seller and the party responsible under any head, and the conditions, if any, for satisfactory storage should be stated; and secondly, prices: consumers should be able to obtain

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information on price differences in the Community so that they can make the best use of their income. In this field, the Commission thinks, the Community's policy concerning prices should be explained clearly to as wide a public as possible through European information services and consumers' organizations.

#### Taking into account the opinion of consumers

A further priority envisaged in the Commission's programme is the necessity for consulting consumers, notably in the preparation of measures concerning them; this should be done in good time for account to be taken of their opinion. For this purpose, the Commission will give all the necessary assistance to the Consumers Consultative Committee, encourage very wide-ranging consultation of all the organizations likely to contribute to the protection of consumers, and support exchanges of information between the Member States on the best way of representing the interests of consumers.

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#### IRT No 214. 11 December 1973, ANNEX 2, p. 1

## CREATION OF A EUROPEAN FOUNDATION FOR THE IMPROVEMENT OF LIVING AND WORKING CONDITIONS

The Commission has recently proposed to the Council of Ministers that a European Foundation for the improvement of living and working conditions should be set up. This project is one of the priority schemes in the Community's Social Action Programme; the Ministers should state their views on it before the end of the year. The adoption of this proposal translates into practical terms the Commission's will to help improve everyday life in the Community countries.

The Foundation is designed to conceive living and working conditions which are more in line with the aspirations of mankind. It will therefore have to organize and finance the necessary studies, promote pilot experiments and help to amplify the exchange of ideas and cooperation with specialized institutes in countries outside the Community.

The Foundation's activities will be centred mainly on the study of long-term problems and the following subjects might be tackled.

#### Improvement of living conditions

The Foundation will study the long-term effects of ecological problems: recycling of products, natural resources. It will consider the future of cities and the habitat, the future of the motor vehicle, the outlook for energy production, the consequences of the computerized information revolution on everyday life and family and health problems. It will also have to find satisfactory solutions to the problems posed by immigration and the integration of foreign populations in the European Community.

#### IRT No 214, 11 December 1973, AVINEX 2, p. 2

#### Improvement of working conditions

In order to help improve working conditions in the Community, the Foundation will principally apply its efforts to the enhancing of men's opportunities for promotion at work (continued training, share in management, etc.), the organization of work properly speaking, problems external to the firm (transport to work, leisure time, etc.). Special attention will be paid to specific problems of certain categories of workers — the young, women, the handicapped, immigrants, etc.

#### Methods of work

The Foundation will constitute an instrument for reflection and study having resources of its own on an adequate scale. Interested bodies in the Member States will be invited to collaborate with it. The studies will concern the analysis and interpretation of the present or future needs of the European post-industrial society and the elements necessary for meeting those needs, together with the factors which restrict their satisfaction and the types and forms of social and economic organization likely to contribute to this aim.

#### The statute of the Foundation

The broad lines of the Foundation's work will be determined by a Board of Administration consisting of 11 members, nine of whom will be appointed by the Nine Member States and two by the Commission. The Foundation will be directed by a Director, assisted by a Deputy Director, both appointed by the Council of Ministers on a Commission proposal. A Scientific and Technical Committee consisting of

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15 members (representing workers, employers, the scientific world and other interested circles) will play an important part, giving its opinion on projects and submitting proposals to the Board on its own initiative. The Foundation's work will be financed to a great extent by a subsidy from the Commission.

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#### TRT No 214, 11 December 1973, ANNIX 3, p. 1

#### EUROPE AS THE EUROPEANS SEE IT

Initial results of an opinion poll carried out in the nine countries of the European Community (September 1973)

Last September the Commission of the European Communities had an opinion poll taken in the nine Member States in order to gain a better idea of the attitudes of the general public and the subjects interesting it. The poll covered over 13,000 persons aged 15 years or more, consisting of representative samples of the population of each country: between 1900 and 2000 in Germany, France, Britain and Italy, 1500 in the Netherlands, 1300 in Belgium, 1200 in Denmark and Ireland and 300 in Luxembourg.

The initial results confirm that a large part of the general public in the Nine is definitely interested in the problems of unifying Europe, but differences become apparent when the six original countries of the European Community and Ireland are compared with the United Kingdom and Denmark. The differences concern rather the procedure to be followed in unifying Europe, or what is commonly known — in simplistic terms — as the "Common Market", than the longterm aims of European policy.

Thus, in all the Member States without exception, the majority of those interviewed felt that certain problems now being dealt with, such as the major political negotiations with the Americans, Russians, etc., aid to the developing countries, and scientific research, would be better dealt with by a European government than by individual national governments. But the list of these problems is longer in the six original Member States than in the three new

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#### IRT No 214, 11 December 19/3, ATNEX 3 p. 2

Member States of the Community; it includes, among others, matters such as the campaign against drugs, military defence, economic growth and environmental protection.

#### 1. It is a good thing to belong to the Common Market

	For your country	For you personally
Belgium	57%	46%
Denmark	42	32
Germany	63	47
France	61	50
United Kingdom	31	22
Ireland	56	41
Italy	69	54
Luxembourg	67	42
The Netherlands	63	48

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2. It is a European government which should deal with the following problems rather than a national government:

		<u>European</u> Government	National Government
Α.	Major negotiations with the Americans, Russians, etc.		
	Belgium	80%	12%
	Denmark	66	28
	Germany	70	24
	France	65	19
	United Kingdom	5 <b>7</b>	37
	Ireland	74	25
	Italy	<b>7</b> 9	16
	Luxembourg	87	8
	The Netherlands	81	16
₿.	Aid to the developing co	ountries .	·
	Belgium	75%	17%
	Denmark	56	39
	Germany	77	16
	France	70	15
	United Kingdom	67	27
	Ireland	73	27
	Italy	81	15
	Luxembourg	86	8
	The Netherlands	77	21

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C.	Scientific research	European Government	National Government
	Belgium	74%	18%
	Denmark	78	18
	Germany	70	24
	France	75	13
	United Kingdom	56	38
	Ireland	73	26
	Italy	77	19
	Luxembourg	86	8
	The Netherlands	<b>7</b> 5	22

# 3. Should the Community come to the assistance of a country facing serious economic difficulties?

	Yes	<u>No</u>
Belgium	78%	. 9%
Denmark	62	25
Germany	77	7
France	73	9
United Kingdom	59	28
Ireland	80	10
Italy	88	2
Luxembourg	87	8
The Netherlands	<b>7</b> 9	9

#### IRT No 214, 11 December 1973, ANNEX 3 p. 5

4. Are the following problems now being dealt with by the Community considered as "very important" or "important"?

#### Modernization of European agriculture

Belgium	75%
Denmark	68
Germany	72
France	69
United Kingdom	78
Ireland	86
Italy	93
Luxembourg	80
The Netherlands	80

#### Coordination of social policies

Belgium	73%
Denmark	63
Germany	71
France	74
United Kingdom	72
Ireland	87
Italy	83
Luxembourg	90
The Netherlands	74

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#### Introduction of a common energy policy

Pelgium	72%
Denmark	74
Germany	80
France	68
United Kingdom	72
Ireland	65
Italy	82
Luxembourg	82
The Netherlands	79