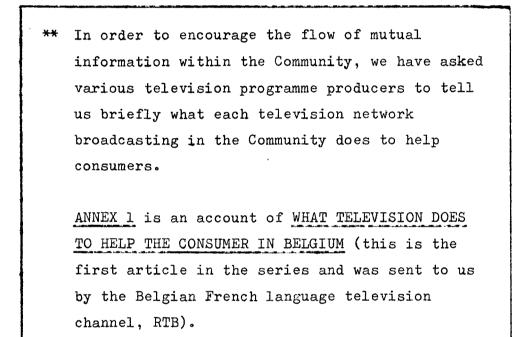
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PRESS AND INFORMATION OFFICES OF THE EUROPEAN COMMUNITIES

BELGIUM 1040 BRUSSELS Rue de la Loi 200 Tel. 35 00 40

- <u>`</u>,



DENMARK 1457 COPENHAGEN 4 Gammeltory Tel. 144140

FRANCE 75782 PARIS CEDEX 16 61, rue des Belles-Feuilles Tel. 5535326 GERMANY 53 BONN Zitelmannstraße 22 Tel. 238041

1 BERLIN 31 Kurfürstendamm 102 Tel. 886 40 28

GREAT BRITAIN LONDON W8 4QQ 20, Kensington Palace Gardens Tel. 727 8090

IRELAND DUBLIN 2 41 Fitzwilliam Square Tel. 66 223 ITALY 00187 ROME Via Poli, 29 Tel. 68 97 22 à 26

LUXEMBOURG LUXEMBOURG Centre européen du Kirchberg Tel. 47941

NETHERLANDS THE HAGUE 29, Lange Voorhout Tel. 070-46 93 26 SWITZERLAND 1202 GENEVA 37-39, rue de Vermont Tel. 34 97 50

UNITED STATES WASHINGTON, D.C. 20037 2100 M Street, N.W. Suite 707 Tel. (202) 872-8350

NEW YORK 10017 277 Park Avenue Tel. 371-3804

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** The income of farmers in the European Community varies considerably from one region to another. This variation is several times greater than that for non-agricultural activities and appears to be increasing from one year to the next. To reduce these disparities and protect the environment in certain regions (from erosion, for instance), the Council of Ministers of the Community adopted last January a Commission proposal for a number of <u>MEASURES TO</u> <u>HELP SOME LESS FAVOURED AGRICULTURAL AREAS</u>, particularly hill farming areas.

ANNEX 2 gives a brief summary of the measures adopted.

** We have asked various organizations in the Community responsible for consumer protection matters to supply us periodically with details of the latest developments on subjects of direct interest to <u>CONSUMERS</u>. It should be understood that these articles are the sole responsibility of their authors.

ANNEX 3 is an article sent to us by the National Union of ITALIAN consumers.

** According to figures published by the European Commission in its monthly booklet "Graphs and notes on the ECONOMIC <u>SITUATION IN THE COMMUNITY</u>" (No 3-1974), the business climate is already noticeably better than had been feared at the start of the energy crisis:

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- Heads of firms are very much less pessimistic and the <u>level</u> of industrial activity has remained high, except in some consumer goods industries, especially the motor industry, and the textile and clothing industries.
- The situation on the Community's <u>labour market</u> has stabilized in recent months and unemployment has declined slightly in France and the United Kingdom.
- In most Community countries the <u>rise in the cost of living</u> has gathered additional momentum and the increase in production costs has been increasingly reflected in consumer prices.
- ** The European Commission believes it would be best for the Community to accede as a body to the <u>CONVENTION ON ENDANGERED</u> <u>SPECIES</u> which has already been signed by seven of the nine Member States (Ireland and the Netherlands have not yet signed). As soon as it has been signed by all Member States the Commission will submit to the Council of Ministers of the Community a proposal for accession.
- ** A <u>SCIENTIFIC COMMITTEE FOR FOOD</u> comprising experts from the Member States of the Community has just been established by the European Commission. The mandate of this Committee is to help the European Commission in the action it has undertaken to reduce toxic or harmful substances contained in food products.

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- ** In order to <u>SIMPLIFY THE DUTIES OF THE CUSTOMS ADMINISTRATION</u> <u>AUTHORITIES</u> and to enable them to apply the Community regulations correctly, the European Commission has just proposed to the Council of Ministers of the Community that all Member States should allow a reasonable period (six weeks) between the publication in the Official Journal of the texts of customs rules and regulations and the beginning of their operation.
- ** Several years ago the European Commission recommended that, in order to improve the prevention of OCCUPATIONAL DISEASES, the Member States of the Community of the Six should exchange their information on occupational diseases on a regular basis and adapt their national lists to the European list of these diseases. A study covering the legislation in force in this field in Denmark, Ireland and Great Britain is now being prepared. The European Commission recalls this point in its reply to a written question by a member of the European Parliament concerning Commission action to protect the health of workers employed in the manufacture and processing of plastics based on polyvinyl chloride which expose them to specially serious health hazards. In order to achieve more complete understanding of the harmful effects of this product (already referred to in the European list of occupational diseases), the European Commission has established contact with the International Agency for Research on Cancer of Lyons, an organization which is collecting all available data on the toxicity of vinyl chloride and polyvinyl chlorides. As soon as possible the Commission will take action on the latest scientific data available on the subject.

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- ** Between 1960 and 1972 more than one million iron and steel workers in the Community were victims of accidents resulting in work stoppages. This is one of the main points to be gleaned from the enquiry made by the Statistical Office of the Communities covering all INDUSTRIAL ACCIDENTS which occurred during these twelve years in IRON AND STEEL WORKS throughout the Community of the Six. Of these accidents 1 859 were fatal, and since 1968 there has been a rising tendency in the numbers of accidents, whereas between 1960 and 1968 they had steadily decreased.
- ** In order to draw attention to the difficulties faced by <u>SMALL AND MEDIUM-SIZED FIRMS</u> in the Community, and to put forward proposals to remedy the position of these firms in the European economy, the Economic and Social Committee has just published a study on "the position of small and mediumsized firms in the Community".
- ** After discussion of the report drawn up by Miss Lulling, the European Parliament, at its latest session, has rendered its Opinion on the operation and interventions of the EUROPEAN <u>SOCIAL FUND</u>. The European Parliament particularly emphasizes the need to carry out studies and pilot experiments and to increase the store of information so as to enable all interested parties, especially private organizations, to make full use of the Social Fund's powers of action. The European Parliament also deplores the fact that the imbalance between

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the appropriations available and the requests for financing lodged should have made it necessary for the Commission to set up selection and priority criteria and to operate a selection system involving risks of injustice. It draws the attention of the European Commission to the consequences the present energy crisis might have for employment in some regions, and asks it to look into the possibility of intervention by the Social Fund to avert these consequences.

** The European Commission has indicated that it is in favour of signing the Convention on the EUROPEAN PATENT for the Common Market, which is to be tabled for examination at an intergovenmental conference in Luxembourg from 6 to 28 May 1974. This Convention is a logical follow-up to the one on the issuing of patents signed by 21 countries in October 1973. On the other hand, the Commission has stated that it is totally opposed to the adoption of a protocol appended to the draft Convention. This protocol would have the effect that the application of the provisions of the Convention would be deferred by five to ten years, and the Commission feels that the free movement of patented goods or processes and the realization of conditions of equality in competition, aimed at by the Convention, are such fundamental factors in the achievement of the Common Market that there can be no departures from them except on strictly limited conditions.

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** British and American <u>INVESTMENTS</u> in the European <u>FOOD INDUSTRY</u> remain significant. Thus, at the end of 1970, American investment in this industry in the Federal Republic of Germany represented 34.2% of all foreign investment. In France foreign investment in the food sector reached FF 571 million at the end of 1972. Of this total the British share was 63% and that of the United States less than 5%. These figures indicate how radically the situation has changed in France since 1964, when the American investments share in these was 30%.

WHAT TELEVISION DOES TO HELP THE CONSUMER IN BELGIUM (French language channel, RTB)

In order to encourage the flow of mutual information within the Community, we have asked various television programme producers to tell us briefly what each television network broadcasting within the Community does to help the consumer.

The following article was sent to us by the Belgian French language television channel (RTB).

Programmes whose aim is to inform and protect the consumer have been broadcast by RTB since 1966. Since that date, and almost without a break, the following programmes, "Le magazine des consommateurs" (Consumers' Journal, 1966 to 1969), "Situation" (State of Affairs, 1969 to 1973), and "Si vous saviez!" (If Only You Knew, since 1973), have been put out.

All these programmes were produced by the Brussels studio and broadcast on the national chain. For some months now, programmes produced by the RTB's Liège studio and designed for consumers have been added to this range, particularly the "Conseils consommateurs" (Consumers' Councils).

1. "Si vous saviez!"

Technical data

Production: RTB Brussels. Enquiries and Reports Service. 20 minutes per fortnight, on Tuesdays at 20.15 hours (immediately after the television news).

Audience: 35 to 50% of the "potential" public (1% = 22 500 persons) Produced on black and white, Sepmag, 16 mm film.

Subjects covered 1973-74

- Consumer associations in Belgium (11 September)
- Dontal care and false teeth (25 September)
- Telephones (9 October)
- Supply of heating fuels (23 October)
- Safety belts and safety seats for children (6 November)
- Poultry meat
- Is justice applied equally to all? (11 December)
- Automatic credit and cheque guarantee cards (18 December)
- Cable TV (8 January)
- Life assurance (22 January)
- Weighing scales (5 February)
- Safety windscreens for cars (19 February)
- Deceptive packaging (19 March)
- The poison antidote centre (2 April)
- Medicines (16 and 30 April).

2. "Situation 73-74"

Among the other productions of the Enquiries and Reports Service, mention should be made of some other broadcasts which are to be classed in this "Consumer Information" category. These are three numbers of the monthly social and economic information programme, "Situation":

- "Marché, oui ... commun, non" i.e. "It's a market, but not a common one", on 3 October 1973. (This was a comparison of prices in the six countries of the Common Market in 1972 and

was produced in collaboration with Vara Televisie (Hilversum) and ZWF (Baden-Baden);

- Distribution in Belgium: small businesses or supermarkets? on 6 February 1974;
- The oil crisis and supply difficulties for petroleum products, on 20 March 1974.

The January 1974 number of the quarterly "Tout va bien?!" dealt with the shortages of some major consumer products as a result of the energy crisis and the rise in prices.

3. "Conseils consommateurs"

Technical data

Production: RTB Liège Started in January 1974, 1 to 2 minutes, three times a week, just before the television news. Audience: considering the brevity of the programme, difficult to be precise but probably between 30 and 40% (between the "feuilleton" and the television news). Produced on black and white, Sepmag, 16 mm film.

Subjects covered

- One-way packaging
- Door-to-door selling
- Deep-freeze products
- Cheque guarantee cards
- The save energy campaign
- Credit and door-to-door sales techniques

- Insurance
- Dietetic foods
- The quality of beer.

Finally, there is the TVF women's journal, also produced by the RTB Liège studio, which sometimes produces programmes focused on consumption:

- Children and publicity, 15 October 1973
- Stop giving poisonous presents! 12 November 1973
- Medicines 19 November 1973
- Sales methods in the supermarkets, 4 February 1974
- Apartments for renting at the Belgian coast, 4 March 1974
- A draft law on misleading publicity, 8 April 1974
- Colouring substances, 15 April 1974.

MEASURES TO HELP CERTAIN LESS FAVOURED AGRICULTURAL AREAS

The income of farmers in the European Community varies considerably from one region to another. This variation is several times greater than that for non-agricultural activities and appears to be increasing from one year to the next. To reduce these disparities and protect the environment (from erosion, for instance), the Council of Ministers of the Community adopted last January a Commission proposal for a number of measures to help some less favoured agricultural areas, particularly hill farming areas.

1. Limits of the common egricultural policy

The limits of the common agricultural policy mean that it is not always possible to find a solution for the problems of the less favoured agricultural regions. These problems require overall treatment going beyond the agricultural policy alone. It is the task of the regional policy to create new jobs which are particularly necessary in those regions where there is a large surplus of young farmers.

As is known, the Commission and the Council are now striving to set in motion a European regional fund which will be concerned largely with assisting less favoured farming regions (see IS No 8/74). However, the action of a regional fund and the effective implementation of a policy cannot solve the problems of all types of less favoured farming regions. Some of these regions stand out clearly from the others as having a natural and permanent handicap as regards farming conditions. This is the case in upland areas

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but they are not the only ones which suffer from such problems (some of the difficult areas in Great Britain and Ireland, for instance, are not situated at a high altitude but are nevertheless very handicapped). In upland areas climatic conditions rendered difficult by the altitude result in an extremely short growing season, steep slopes prevent the mechanization of agriculture, or the improvement of poor soil entails excessive expenditure.

The situation in these regions is such as to render the continuance of farming hazardous in the long term and it is for this reason that the European Community has decided to embark upon a fresh policy of direct income aids proportional to the natural handicap suffered by the farmers.

2. Measures adopted by the Council of Ministers

The directive adopted by the Council of Ministers of the Community last January provides for joint action to introduce specific aid measures for farmers in less favoured areas which, according to present estimates, account for approximately 20% of the farmland in the Community.

The political justification for such action, aimed to secure a rapid increase in farm income and thus the continuation of agricultural activity which is now threatened in some areas, goes beyond the scope of the agricultural policy. It corresponds to the necessity to maintain natural space on the one hand, particularly to protect the environment and guard against erosion, and to avoid depopulation in areas where agricultural activity is rapidly decreasing.

The main measures provided for in the Community directive are the following:

- the granting to a farmer who undertakes to remain in farming for five years at least of an annual <u>compensatory allowance</u> the amount of which is related to the severity of the permanent natural handicaps affecting his farm and the volume of his business. The grant will not be less than 15 nor more than 50 u.a. per livestock unit or, where applicable, per hectare (1 u.a. = US \$1.00, pre-devaluation);
- adjustment of the system of <u>investment aid</u> provided for farm modernization. A more generous interest rate subsidy (which could be as much as 7%, the minimum interest payable by a farmer being reduceable to 2%) and a particularly generous system of stock farming modernization aid will facilitate the borrowing necessary for the investments;
- the granting of special aid, particularly in hill areas, to encourage <u>collective schemes</u> for improving pasture land and fodder production.

3. Implementation of the planned measures

The various Member States of the Community are at present engaged in determining what should be the less favoured farming areas which would be eligible for assistance under the directive. The European Commission will in the near future submit to the Council of Ministers of the Community a list of these areas, showing the precise percentage of financial contribution by the Community

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(through the European Agricultural Guidance and Guarantee Fund - EAGGF) to the expenses incurred in granting compensatory allowances,

A Council decision should in principle be taken before this summer and these measures would then be put into concrete effect at national level.

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RECENT DEVELOPMENTS IN CONSUMER PROTECTION IN ITALY

We have asked various organizations in the Community responsible for consumer protection matters to supply us periodically with details of the latest developments on subjects of direct interest to consumers. It should be understood that these articles are the sole responsibility of their authors.

The following text was sent to us by the National Union of Italian Consumers (UNC).

On the legislation front a Senate Committee has discussed a draft law aimed at prohibiting the organization of competitions and premium sales. The final reading has been postponed to a later session.

For ten years now the UNC (Unione Nazionale Consumatori) has kept up its opposition to premium sales which are a publicity stunt and cause significant distortions in prices, competition standards and the purchaser's freedom of choice. Results so far achieved have been to limit the number of products sold with premiums, to contain the aggressiveness of the publicity for these products and to require conformity with the standards in force. However, this does not satisfy the consumers' organization behind the draft law and whose final aim is the complete and final prohibition of this practice.

This draft law according to which "premium sales associated with food products, goods in general and services are a typical example of pointless and damaging price increases, which give rise amongst

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other things to distortion of competition and to a lowering in the quality of products offered", naturally has its partisans and its opponents. But it is the former who believe that, now more than ever, the market needs to be more transparent, who seem to be winning.

With regard to action on the high cost of living the UNC has suggested the following to the Minister for Industry in order to lessen the strains on the family budget:

- strict control of the prices of major consumer products and a close watch on their quality. Shopkeepers should also be required to hold stocks of substitute products of better quality;
- prohibition on changing of the weight, volume or presentation of products already on sale without prior authorization.

In addition, UNC has recalled the request addressed to the insurance companies to lower their RCA tariffs (civil responsibility in case of accident) to bring them in line with the austerity measures, and has proposed a reduction of 6% on policies with excess damage clause.

This measure, which will be favourably received by the Government, corresponds to a saving of 2 000 million Lire for subscribers to this type of policy.

In the public services sector UNC continues its activities in connection with the use of the telephone and has brought an action in the courts maintaining that the SIP (Italian telephone company)

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system of charging does not guarantee the user that his invoice will conform with the number of units dialled.

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Each telephone should be fitted with a suitable meter recognized by the SIP.

Finally in the field of educating the public in matters of diet the Commune of Rome has started a project which it is hoped will be taken up by other municipalities.

By this project the Commune of Rome is sending all schools a free copy of Professor Massi's book entitled "Nutrirsi meglio, spendendo meno" (Enjoy a healthier diet and spend less). Professor Massi is a member of the Health Advisory Council.