



INFO-C

INFORMATION FROM DG XXIV 'CONSUMER POLICY' OF THE EUROPEAN COMMISSION - VOL. V, No 6 - 1995

Presenting the European Commission's 'Priorities for Consumer Policy 1996-1998', Commissioner Emma Bonino declared:

'The Commission wants to ensure that ordinary consumers' immediate problems are recognised. Consumers report difficulties in buying the financial services they need, because of lack of information which they can rely upon. Essential services of public utility pose problems ranging from quality to efficiency and cost. Consumer studies question the purity and safety of certain foods... We intend to find practical solutions to all these problems. But consumers also need to learn how to protect themselves and this can best be achieved by the education system. Member States do carry prime responsibility for this but the Commission feels that it can usefully complement their action. In addition, the development of the information society is paving the way for the

creation of a global market. Our policy must take this into account by training consumers to the use of these new communication technologies and guaranteeing access to them. As far as sustainable development of the world, it will be achieved only

1996-1998

if consumers can evaluate the consequences of their purchasing habits. The Commission intends to step

up its efforts to enable this to happen. Finally, given that consumers can be very influential in improving the efficiency of markets, we believe that by transferring our knowledge and experience particularly to Central and Eastern European countries and developing countries, we can help them improve their lot.'

Read the article on the subject in the 'Consumer Protection' section for all the details.

A happy new year to all of you!

INFO-C

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Date :
Texts finalised 15.11.95
ISSN N°1018 - 5755

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December 95

Bureau de dépôt : Antwerpen X
Imprimé à taxe réduite



Results of the 'Consumer Affairs' Council of 9 November 1995

POINT 3:

Proposal on comparative advertising

Amendment of Directive 84/450/EEC relating to the approximation of the laws, regulations and administrative provisions of the Member States concerning misleading advertising.

The Council reached agreement on a common position on the authorization of comparative advertising at Community level under certain conditions: the advertising must not be misleading; it must compare goods or services which satisfy the same needs or have the same objectives; it must objectively compare one or several essential, relevant, verifiable and representative characteristics (including the price); it must not give rise to confusion between the advertiser and a competitor; it must not discredit a competitor; in the case of goods which have a designation of origin the comparison may only relate to products having the same designation; finally, advertisers may not draw undue benefit from a competitor's celebrity.

POINT 4:

Exploratory debate on the proposal for a Directive on consumer protection in the indication of prices of products

Pending Parliament's opinion, the Council discussed the mechanism proposed by the Commission, which comprises a general obligation to indicate the selling price and the unit price of both foodstuffs and non-food products.

POINT 5:

Council Resolution at the initiative of the Presidency inviting the Commission to study the problem of 'miracle products' and to reflect on how best to remedy the situation

The Council adopted the resolution.

POINT 6:

Council Resolution at the initiative of the Presidency inviting the Commission to attend to the education and information of consumers

The Council adopted the resolution, which invites the Commission to examine how Community-level cooperation initiatives based on modern communication techniques could support and supplement the work of the Member States.

POINT 7:

Council Resolution following the Commission Report (COM (95) 117) on the operation of the Consumer Credit Directive (87/102/EEC)

The Council adopted the resolution, which expresses its agreement with the points made by the Commission and invites it to submit appropriate initiatives.

POINT 8:

Presentation by Emma Bonino of a document entitled 'Priorities for Consumer Policy 1996-1998' recently adopted by the Commission¹

The Council warmly welcomed these priorities.

¹ See following article.



Priorities for consumer policy 1996 - 1998

On 8 November Emma Bonino presented to the press the Commission's priorities in the field of consumer policy for the next three years.

1. IMPROVE CONSUMER EDUCATION AND INFORMATION

The Commission will stimulate independent research through universities and other centres of excellence to ensure that expert knowledge is developed on a variety of consumption issues.

It will support Member States in their efforts to inform consumers, by making fullest possible use of electronic and audiovisual resources. Hence Europeans will have a better perception not only of the single market but also of the Community in general, as they realise its relevance for their well being. Likewise, consumers who are more aware of their rights will be better placed to identify and denounce irregularities, hence assisting the public authorities in their monitoring and surveillance work.

The Commission will draw the Member State's attention to the need to help consumers become familiar - from childhood on - with a series of issues as wide-ranging as nutrition, the information society, and market mechanisms. It will supplement their actions.

2. COMPLETE, REVIEW AND MAINTAIN UP TO DATE THE FRAMEWORK NEEDED TO ENSURE THAT CONSUMERS' INTERESTS ARE FULLY TAKEN INTO ACCOUNT IN THE INTERNAL MARKET

The Commission will ensure that internal market legislation adopted is properly implemented. Based on the experience of its operation, and in consonance with the principle of subsidiarity, it will assess the advisability of reviewing and adjusting such legislation. The Commission will be considering appropriate action in response to the Green Papers on Access to Justice and Guarantees and After-Sales Services as an important contribution to completing the internal market from a consumer viewpoint.

3. CONSIDER THE CONSUMER ASPECT OF FINANCIAL SERVICES

The internal market for financial services is notable for the creation of a level playing field for financial institutions,

allowing freedom to offer services across the borders and liberalising the requirements for setting up branches in another Member State. This will stimulate competition and provide consumers with a wider choice.

However, consumer associations report that not all is well. Consumers are often faced with diversified and complex services and frequently lack adequate information about these to help choose what is best for them. As well, the Council's exclusion of financial services from the scope of the proposal for a directive on distance selling raises concerns which must be addressed.

The Commission report on consumer credit (Directive 87/102/EEC) has highlighted a number of problems. The Commission intends to scrutinise carefully the functioning of the consumer credit market and notably the role of credit intermediaries. In this context particular attention will be paid to the question of consumer debt and mortgage credit.

Another aspect of major concern is the use of means of payment. As regards payment cards, studies show that the Recommendation on Payment Systems (88/590/EEC) is not fully implemented in most of the Member States. Various other aspects of payment cards (conditions of use, prices, etc.) need to be taken into account.

The consumer dimension is crucial in preparing for transition to the single currency. As the Commission has indicated in its Green Paper, consumer confidence in all aspects of this process is vital. Consumer organizations have a key role to play in this context and need to be consulted and involved at all stages.

4. PROTECT CONSUMERS' INTERESTS IN THE SUPPLY OF ESSENTIAL PUBLIC UTILITY SERVICES

Essential public utility services have to meet the citizens' needs. The Commission has done much to hasten liberalization in this area. The introduction of competition in these services will certainly be beneficial to consumers.

The Commission knows that consumers are very concerned that adequate guarantees of universal service be provided and will continue to ensure that appropriate provision is made.



The Commission will also publish a Green Paper on transport entitled 'Citizen's Network' which will address key consumer concerns.

5. ENABLE CONSUMERS TO MAKE THE MOST OF THE INFORMATION SOCIETY

Consumers should benefit greatly from the information society, since the plethora of applications opens up new opportunities for them.

The Commission has already forged ahead, with its action plan 'Europe's Way to the Information Society', by creating an Information Society Forum and an expert group on the social and societal aspects of the information society, as well as by presenting proposals for Directives on ONP voice telephony, data protection and distance selling.

If consumers are to make the most of the information society, particular attention must be paid to the following points:

- the system has to be accessible to everybody;
- consumers have to be trained in the new technologies;
- electronic payment systems must be secure.

6. TAKE MEASURES TO IMPROVE CONSUMER CONFIDENCE IN FOODSTUFFS

Studies conducted by consumer associations raise questions about the effectiveness of food safety/purity control systems. If these shortcomings are not rectified, public confidence may be undermined.

The Commission will examine what measures can be developed to address these concerns and will consider the possibility of extending product liability to include primary products.

It is doubtful whether all the information provided on food labels is really helpful to consumers. Some of it is simply too complex for consumers to understand, while it seems that other crucial particulars are not indicated at all. Thus the time has come to review this legislation.

The Commission intends to prepare a Green Paper on the future of food legislation which will allow widespread consultation on the main issues.

7. ENCOURAGE A PRACTICAL APPROACH TO SUSTAINABLE CONSUMPTION

Consumer habits will have to change in order for consumption to remain sustainable. Identified groups of

consumers are committed to addressing this problem. By forging links between these groups it should be possible to give them real clout.

Surveys show that the general public is becoming increasingly sensitive to environmental issues. Through their choices consumers can exercise considerable pressure towards the design, production and marketing of products and services with a reduced environmental impact. Moreover, they can themselves play a part by participating in recovery and recycling schemes. However, consumers can make fully informed and rational choices only if they have access to impartial and reliable information. This is why sensitization and education measures are top priority. For how otherwise can one determine precisely the merits and demerits of individual products?

Currently, the co-existence of several private and national labels is a source of confusion for consumers. Moreover, certain companies sometimes make unsubstantiated environmental claims.

Using the methodology of Life Cycle Assessments, it is possible to obtain a reliable scientific comparison of the environmental impact of different products both in their production and use and in the disposal/recycling phases. The European eco-label which is being established under Regulation 880/92/EEC operates on the basis of this methodology and is designed to provide the market with an independent evaluation for environmentally friendly products. Other labels, like the European energy label, harmonise the information provided to consumers to facilitate their choice. There is a crucial need to further develop labels and schemes of this type.

8. STRENGTHEN AND INCREASE CONSUMER REPRESENTATION

An estimated four million citizens belong to consumer associations throughout the Community. Because the most highly organized groups are in the northern Member States, the Commission has endeavoured to strengthen the movement in the southern countries. Thus, since national subsidies to consumer organizations are very restricted in most of southern Europe, the Commission will sustain and increase support so as to ensure the development of the consumer movement.

The need for consumer representation in many of the services likely to emerge in the information society is



recognised. The Commission will do its utmost to provide support and encouragement.

The Commission has reformed yet again its consumer consultation structures with the result that the new Consumer Committee is mainly drawn from national representatives of organizations active on the ground in each Member State. This improvement comes on top of having access to five European-wide organizations structured on an internal market basis (BEUC, COFACE, EIICA, EURO COOP, ETUC). The Commission hopes to secure speedy input from consumers through active consultation procedures.

The Commission is making increased use of market research techniques to sample opinion and to study consumer habits and attitudes throughout the European Community. This approach complements the opinions expressed by consumer representatives, enabling better balance to be achieved in decision making.

A more structured approach to involving consumer representatives in CEN/CENELEC's standardization work has been set in motion. The founding of ANAC, a consortium of organizations to coordinate and manage consumer input to the individual European standards committee, offers the prospect of real involvement and genuine follow-up.

9. HELP THE CENTRAL AND EASTERN EUROPEAN COUNTRIES TO DEVELOP CONSUMER POLICIES

Fundamental reforms to promote consumer interests in economies in transition have already been achieved or are in

the pipeline in all CEEC countries. However, consumer legislation is often patchwork and subordinate to other political objectives. And, quite often, those laws that do exist are not enforced.

Legal and technical assistance is thus required to overcome the remaining hurdles. This is why the White Paper published in May 1995 pays special attention to this issue.

The work started in 1994 under the Phare programme, and continued in 1995, needs to be built upon so that tools for the formation and implementation of effective consumer policy are developed.

10. CONTRIBUTE TO THE INTRODUCTION OF A CONSUMER POLICY IN DEVELOPING COUNTRIES

Up to now consumer policy as such has never been part of development policy. Even though consumer policy is potentially of central importance in situations of abject poverty where malnutrition and exclusion are key issues, it has been seen as relevant to developing markets only.

However the European Parliament for the first time in 1995 voted an amendment foreseeing consumer policy actions in the budget line for the developing countries. Starting with pilot projects, the Commission intends to redouble its efforts to provide them with real assistance.



Transposition of directives: delinquent Member States soon exposed to public opprobrium?

An article in the first issue of the new weekly magazine *European Voice*¹ entitled 'European renegades face public condemnation' tackles a subject which we have already harped on several times in **INFO-C**: what to do about the untimely or improper transposition of European directives into national laws²?

According to *European Voice*, the Reflection Group on the 1996 Inter-Governmental Conference may propose that EU countries who do not obey the rules laid down by the Union be made to face public condemnation at European level. This suggestion has been made by Ambassador Niels Ersbøll, the Danish representative on the Reflection Group. Concretely, he suggests that members of the European Parliament be allowed to question openly the relevant ministers from the offending countries about their transposition record and then humiliate them publicly.

The hope is that hearings of this kind would put pressure on governments and national parliaments to avoid disgrace, putting an end to the practice of signing up to directives, but only following the rules one likes.

Ersbøll claims his idea has won broad support in the Reflection Group. Moreover, diplomats say that should it become an official proposal, it would be difficult for representatives of those countries with the most infamous track records on implementation to argue against it without opening themselves up to harsh criticism.

¹ See the presentation of this excellent source of information about the EU in the 'Publications' section.

² See the article entitled 'Transposed Community legislation is there to be enforced' in the 'Consumer Protection' section of our October 1995 issue.

A code of conduct for global business

With a view to defending David Consumer against Goliath Big Business, **Consumers International** has developed a *Consumer Charter for Global Business* that can be used as a benchmark for assessing company behaviour.

Although codes of conduct already exist, they are fragmented and therefore inefficient in protecting consumers from possible misdealings by 37 530 multinational corporations operating more than 200 000 subsidiaries around the world.

The objective of Consumers International's Charter is precisely to fill the need for a comprehensive cross-industry code of ethical practices from the consumer's perspective.

It focuses on four key areas:

1. Competition: The Charter requires among other things that multinationals obey all competition and anti-trust laws and specifically outlines provisions against price-fixing.

2. Standards: The Charter requires among other things that goods or services sold by a multinational in foreign countries be of the same standard as those that it sells in its home country.

3. Consumer Information: The Charter requires among other things that multinationals provide consumers with the same amount of information in all the countries in which they operate.

4. Marketing Practices: The Charter requires among other things that all claims made in advertising or promotion be independently verifiable.

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Financial aid for projects relating to consumer protection in 1996

The projects to which DG XXIV will give priority in granting subsidies in 1996 must have the following objectives.

1. CONSUMER REPRESENTATION

- Develop structures for representing and protecting consumers, notably in southern Europe and Ireland;
- develop consumer representation in the field of standardization.

2. CONSUMER SAFETY

Prevent:

- home and leisure accidents affecting young children, in particular burns, falls and drownings;
- accidents in the field of nautical sports, in particular rafting and canoeing;
- accidents in public and private swimming pools;
- beach accidents.

3. CONSUMERS' ECONOMIC INTERESTS

Encourage the effective enforcement of consumer law by improving access to justice for consumers and the settlement of consumer disputes (in particular intra-Community disputes) or by providing specialist advice on problems concerning consumers' economic interests (for example in the field of financial services).

4. CONSUMER INFORMATION AND EDUCATION

- Create new cross-border information centres or outstations linked to existing centres;

- use new communication technologies to inform consumers (CD ROM, Internet, etc.);
- use new channels (stores, airports, etc.) for the distribution of traditional 'printed' information material to consumers;
- create radio and TV programmes on consumer issues (the request must be accompanied by the broadcaster's agreement to transmit the programme);
- instruct teachers or trainee teachers in the field of consumer education, taking into account experience to date;
- expose dubious advertising techniques or promotions targeting children and adolescents;
- promote environmental awareness among consumers, and encourage the development of consumer habits which are less damaging to the environment.

The proposed actions must be down-to-earth and, where possible, have a European dimension. Except in particular, duly argued cases, projects for conferences or colloquiums will not be given priority.

The deadline for submission of subsidy requests is 31 January 1996. Special forms and explanatory notes may be had from:

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 DG XXIV
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Annual meeting of the cross-border consumer information centres

On 29 September representatives of all cross-border consumer information centres met at San Sebastian in Spain for their fifth annual meeting.

They first advanced a certain number of suggestions:

- the network's identity had to be more clearly asserted;
- the activities of the different centres had to be coordinated so that joint projects could be realised;
- the links between the centres had to be intensified;
- surveys of certain products had to be conducted at European Union level.

Kenneth Roberts, head of the Consumer Information and Training Unit at DG XXIV and the Commission's representative at the meeting, then addressed the participants. After taking stock of achievements to date and announcing the forthcoming launch, in collaboration with consumer organizations, of a pan-European radio advertising campaign highlighting two or three domains in which Community legislation had improved consumer protection, he outlined the Commission's plans for the future.

1. The third action plan, due for approval by year's end, would prioritise the following points:
 - protection of users of public services;
 - the implications of the growth of the information society;
 - consumer education;
 - aid to consumer organizations in Eastern Europe and developing countries.
2. As of summer 1996 the Commission would be launching campaigns under the slogan 'Citizens First', designed to inform citizens of the Union as to their rights.
3. The infocentre network would be developed to cope with the growing demand for its services. However, experience showed that it was necessary to clarify the centres' objectives and mode of operation. This meant that the following points had to be addressed:
 - preparation of specifications for drawing up the centres' activity reports;
 - extension of the COLINE network to a total of ten centres in 1996;

- link-up of the centres with Internet;
- use of **INFO-C** to inform a wider public in cases where the centres played an active role in helping consumers;
- in addition to the annual meeting, organization of one or two workshops to examine in depth a subject of common interest. The first workshop might be held in Brussels in March 1996 to address - for example - the problem of timeshares.

4. As regards financial issues, the Commission would try to improve the administrative procedures and harmonize the timetable for granting subsidies and executing payments. However, the Court of Auditors and the European Parliament were imposing more restricted and detailed provisions in regard to the budgets (*cf.* page 10 of the subsidy request form).

After these reports there was an afternoon discussion which focused on the following points.

1. Internet link-up.

The idea of linking the centres to the Internet went down well. However, the Barcelona representatives thought that restricting this link-up to electronic mail was not enough. In their view the major agencies which had the appropriate information technology and databases should, with the Commission's assistance, assume the role of 'information servers' which could be accessed free of charge by the other members of the network and even by other consumer associations.
2. Workshops.

Various subjects were suggested for the workshops: financial investment, timeshares, Internet, etc.
3. Training.

Opinions on training differed greatly. Some centres had misgivings as to the value of Union-level training (such as the summer courses organised at the University of Louvain-la-Neuve), while others thought that they might be useful provided they were supplemented at national level. Several speakers emphasised the need to adapt all training modules to the down-to-earth business of helping consumers.

4. Cooperation between centres.

There was a widely felt need for more cooperation between the centres. What was required was more systematic pooling of information and experience; care also had to be taken to avoid duplication of effort. In this connection the workshops could play a useful role.

5. Finance.

Since there was no likelihood that the Commission would increase funding to the centres, several participants discussed alternative sources of funding. Examples:

- consumers could be required to pay for the information. However, many doubted whether they would be willing to do so;
- reliance on professional sponsors. But in this case one had to be careful they did not overly influence the centres;
- the intervention of INTERREG. In this connection it was mentioned that France approved national subsidies only if the centres were integrated into INTERREG.

6. Identification of the centres.

The centres' identity could be given greater prominence by adopting a common logo and a standard name. However, certain representatives thought that it would be difficult if not indeed impossible to change their names. But many participants liked the idea of adopting, together with the Centre's name, the wording 'Member of the European Consumer Information Centres Network' or the acronym 'ECIC' (European Consumer Information Centre). As to the logo, there was widespread agreement that a European blue circle should be adopted.

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No to the 'polluted pay' principle!

Since, according to **EURO COOP**, this is how the European consumer is treated where water is concerned...

EURO COOP deplors the rising cost of drinking water caused by pollution from nitrates, pesticides and other phytosanitary products. It supports the European Parliament's Committee on the Environment, Public Health and Consumer Protection in their call for an integrated approach to water policy in the European Union. This means that all Community decisions would have to be assessed bearing in mind their impact on water.

According to EURO COOP, existing specific directives have not succeeded in ensuring respect for drinking water standards, nor the application of the polluter pays principle. Hence there is an urgent need to adopt a global water policy for all major polluters - farmers, industry and carriers that use waterways.

In particular:

- the Common Agricultural Policy must stop encouraging mass production, which leads to overconsumption of fertilizers and phytosanitary products;

- the list of authorized pesticides should be revised, because it includes recognised carcinogens;
- the maximum value of 0.1 micrograms pesticide per litre of drinking water should not be modified, despite the lobbying of phytosanitary product manufacturers.

On a more general level, since many existing directives have not been transposed on schedule, or have been transposed differently and/or incompletely, EURO COOP believes that the Council should adopt a *regulation* laying down standards. This regulation would be regularly monitored and its infringement subject to stiff penalties.

High time for consumers to stop having to pay in terms of cash and health!

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Single market: strictly regulated freedom of movement of goods...

In its column 'De vous à nous' (answers to letters from readers), the October-November 1995 issue of *Budget & Droits*, the supplement to the Belgian consumer magazine *Test-Achats*, published a letter entitled 'Cigarettes, whisky and customs officers' from a Belgian consumer who had fallen victim to a customs check.

On being stopped on the road by a mobile customs unit when returning from a trip to Luxembourg, our traveller had spontaneously declared 1 200 cigarettes. Three months later he received a demand from customs for payment of BFR 13 594 (BFR 4 094 tax, plus a BFR 9 500 fine), with the threat of prosecution if he failed to pay. How was this possible, in the single market?

Well, *Test-Achats* correctly replied that although it is now possible to bring in goods from another EU Member State without declaring them, such goods must have been purchased for personal consumption rather than for commercial purposes. Customs services consider that a commercial transaction must be presumed where the following quantities are exceeded: 800 cigarettes, 400 cigarillos, 200 cigars, 1 kg of tobacco, 90 litres of wine, 60 litres of sparkling wine, 110 litres of beer, 10 litres of spirits or 20 litres of aperitifs. These quantities may be exceeded

only if the consumer can *prove* that the goods are for his private use (for example for his son's wedding)¹. However, as no cases have yet come to court, it is not possible to say with any certainty what type of evidence would lead a ruling in favour of the consumer rather than the tax authorities.

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INFO-C cannot help but note, with a certain amount of sadness, that if our traveller had read the *European Consumer Guide to the Single Market* published by the European Commission, he would have been aware of the rules. Hence the need to spread the word even more: 'Get the Guide'²!

¹ Caution... Our Danish, Finnish and Swedish friends are subject to *lower* limits which may not be exceeded *under any circumstances*. For further details consult the consumer organizations in those countries.

² Available in every Member State from the Commission's representation office.

Fresh products: guarantees *could* and *should* be given to consumers

INFO-C has already reported on the devastating results of surveys conducted by consumer associations on the microbiological state of so-called fresh products sold in some hypermarkets¹, and relayed these associations' appeals to the distributive trades to adopt technologies designed to ensure that only fresh products are offered to their clients. Thus it is not just a question of better management of all stages of the cold chain so as to rule out interruptions, but also of identifying products where the chain has been broken so that they can be withdrawn from sale. Science fiction?

By no means! For while the solutions to the basic problem, viz. total mastery of the cold chain, are far from trivial², the same does not apply to *monitoring* the chain, which can be done using time temperature indicators - 'freshness patches' in the shape of small self-adhesive labels attached to the product packaging that irreversibly change colour if the chain is broken. Thus consumers can identify spoiled products at a glance.

In a report on improvement of the quality of commercial services, the Conseil National de la Consommation (France's national consumer council) pointed out that many consumers would like to see this practice introduced

throughout the distributive trades. Unfortunately, far too few chains have yet dared to put themselves to the test by procuring a system which no longer allows them to mislead consumers as to the (alleged) freshness of their wares, and which would finally oblige them to take radical measures to ensure that no merchandise is spoiled during transport, warehousing or on the shelves.

Consumer associations should therefore be encouraged to:

- conduct regular surveys on the freshness of products sold in hypermarkets and ensure maximum publicity of their results;
- contact managers of leading distribution chains and explain to them that it is in their own best long-term interests to guarantee to consumers the freshness of their wares - *and this in an easily verifiable manner.*

¹ See the article on this subject in the 'Euro-Infos' section of our February 1995 issue. Note that this survey revealed shortcomings in the preservation of fresh products in *all* types of hypermarkets in the Nord - Pas-de-Calais region, not only in discount stores.

² This does not mean impossible... Provided sufficient investment is made in appropriate equipment and transport, and storage suitably organized, it is quite possible to avoid breaks in the cold chain.

The European citizen and the single market - many a slip twixt the cup and the lip

On 25 and 26 September the **Euro Citizen Action Service** (ECAS) hosted a conference in Brussels on the subject 'The internal market and the citizen-consumer'. Three subjects were addressed: cross-border shopping, the freedom to travel to other Member States of the Union, and freedom of establishment in other Member States. Since the first strand is obviously the one of greatest interest to consumers, it is the one we will discuss in this article¹.

A joint working party consisting - in roughly equal measure - of consumer representatives, representatives of industry and trade, officials from public consumer protection agencies and Commission officials discussed the barriers to the purchase of goods and services abroad and tried to come up with some solutions.

It soon emerged that the risks consumers take on when they shop abroad are unlikely to instill much confidence in the single market. The chairman of the working party, Mireille Leroy from the Lille-based IEIC, pointed out that her organization had recorded 1 600 cross-border disputes between January and June 1995. The sectors most affected were financial services, insurance and real estate. Consumers involved in these disputes included those who may be characterized as 'active', i.e. who themselves sought out the goods or services in question, but there were also 'passive' consumers who had been solicited at home by foreign firms, or 'mobile' consumers who had gone to live abroad after concluding certain transactions in their home country.

Disputes belong to one of two well-defined categories. Some are due to what one might call - to put it mildly - 'dysfunctions' of the single market or, more bluntly, refusal to sell abroad. For example, there are insurance companies that cancel policies if their clients go to live abroad, banks that decline loans to purchase real estate abroad, distance-selling firms that do not ship abroad, and car dealers who refuse to sell motor cars to foreign purchasers - practices which unfortunately are by no means illegal and against which the consumer has no remedy². However, most disputes belong to a different category, i.e. real scams initiated by 'parasites', or unscrupulous operators who are turning to their advantage

the current transition phase to the single market and the attendant gaps in consumer protection to swindle clients from other countries and then take to the hills.

Recommendations designed to restore consumer confidence in the way the single market works were then formulated:

- creation of an 'anti-parasite Interpol', i.e. a mass-media alert system to saturate the general public with warnings about the danger of doing business with rogues of various kinds;
- stricter regulation of professionals who take cash deposits and may then disappear;
- creation of a European private law with an eye to consumer protection in the context of a harmonized statutory regime;
- networking of all bodies involved in cross-border consumer disputes;
- better consumer information about the advantages of the single market, particularly by regularly distributing information on price differentials for certain products between one country and another (such as DG IV's motor vehicle price surveys);
- adoption of Community standards in the field of guarantees and after-sales services and commercial practices;
- integration into the directives of rules governing cross-border transactions;
- a blanket ban on refusals to conduct cross-border sales³;
- easier access to legal information both for organizations and consumers themselves in the case of cross-border disputes;
- greater resistance on the part of the Community institutions to the... er... how should one put it... friendly pressure exercised by certain lobbies⁴ which succeed in sweetening the content of certain laws with the result that, for example, the proposed directive on distance selling will protect consumers if they want to buy a pair of socks but not a life insurance policy or a credit card (as BEUC Director Jim Murray so neatly put it).

So when do we meet again to take stock of developments?

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¹ On the basis of the excellent report prepared by Monique Goyens of the Consumer Law Centre at the University of Louvain.

² Except in the case of motor cars, where refusal to sell to a foreign purchaser is illegal. Any consumer who is a victim of such a malignant practice should be encouraged to inform DG IV immediately, directly or via a consumer association.

³ Wow!!!

⁴ *Horresco referens!*

6th European Day of Commerce

The 6th European Day of Commerce, organized by **EuroCommerce** (the organization representing the interests of commerce vis-à-vis the European institution) and whose theme for this year was 'Getting Ready for Tomorrow's Consumer', took place on 9 November in Brussels. Here we briefly summarize some of the points tackled by the speakers.

In his keynote address, Jacques Dopchie, President of EuroCommerce, underlined the fact that the present stagnation of consumer demand in Western Europe has had positive effects for consumers in that it has forced trade to adapt its offer to each of their desires - lower prices, better quality, individualized communication, better presentation of stores, new forms of commerce (such as home-shopping via home computers), etc. Thus, commerce has become a source of well-being in our society. But beware! This achievement can be sustained only in a context of flexibility and free enterprise. Hence Dopchie's plea to the European institutions: regulate only if and when necessary and modulate the legislation to the specificity of the different forms of trade!

The other ambitions of EuroCommerce, as exposed by its Secretary General Henrik Kröner, are to elevate commerce to the rank of a political giant consistent to its position as an economic one (20 million jobs in the EU), participate in the social dialogue at European level alongside unions and manufacturers, have an article on commerce included in the revised Treaty on European Union and encourage the abolition of barriers to imports from third countries.

Several of the numerous speeches that followed concerned the consequences for trade and consumers of the transition to the single currency. The practical questions that still have to be answered include whether to round prices up or down, for how long the national currencies and the new one will coexist, whether stores should be forced to double label articles and distribute conversion tables, how to ensure the continuity of old contracts, etc. Moreover, even greater 'psychological' challenges will have to be overcome: strengthening people's confidence (especially that of German moneysavers...) in the new currency, making them aware of the positive effects of a monetary union, etc.

Other speeches dealt with the opening of Eastern European markets and the use of the new information technologies by trade to benefit customers.

Please mark your calendars for the 7th European Day of Commerce on 13 and 14 November 1996 in Brussels!

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European Young Consumer Competition 1996

As national coordinators are reporting record levels of interest from schools, this year's theme: 'The impact of consumer behaviour on the environment', is proving extremely popular. In addition, the competition has now been extended to the new Member States. More details in the February issue of **INFO-C**...

In the meantime further information can be obtained from the organizer:

Richard Delpierre
Institut européen interrégional de la Consommation
79 rue Gantois
F - 59000 Lille
Tel.: +33 20 21 92 55
Fax: +33 20 54 18 45

or from your national coordinator (address to be found in the October issue of **INFO-C**).

The European Young Consumer Competition is not the only opportunity for young people to compete with one another at European level. They can also take part in the European Union Contest for Young Scientists, a Commission initiative which was set up to promote the ideals of cooperation and interchange between young scientists. Further details can be obtained from:

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Fax: +32 2 296 32 70

BELGIUM • TWENTY YEARS OLD AND STILL GOING STRONG

On 10 October last, **CRIOC** (the Belgian research and information centre for consumer organizations) celebrated its 20th birthday. This was an occasion to take stock of its close links with the 17 consumer organizations recognised in Belgium, since CRIOC's priority objective, as set out in its articles of association, is to 'provide technical assistance to consumer organizations'. It does so via three services: the *studies service* which supplies consumer organizations with opinions or helps them in their information and educational activities; the *information-training service* which provides the general public and teachers with technical dossiers prepared by the studies service; finally, the *documentation service*, which manages Belgium's best-stocked consumer affairs library and publishes the organization's celebrated weekly press review.

Over the past 20 years CRIOC's activities have also expanded considerably. Firstly, it has invested some of its resources in addressing new consumer issues such as ecological consumption, residential services for the elderly, and the information and training of disadvantaged consumers. Secondly, it has agreed to act as a consumer research and information centre not only for the benefit of consumer organizations, but also for the public administration, and this

allows it to put across the consumer viewpoint directly to legislators. Thirdly, it regularly represents consumers on various administrative and legislative committees commissioned to examine such varied questions as meat quality, advertising ethics, water distribution, etc. Fourthly, it sometimes not merely assists consumer organizations in the research field, but also acts as a catalyst of opinion. Thus, on certain issues such as the European ecolabel, generic and homoeopathic drugs, hormones, or the drafting of a consumer affairs memorandum addressed to the future Belgian government last June, it has helped consumer organizations adopt a common stance and has broadcast it to the outside world.

CRIOC is confident that it will continue to fulfil all its assignments in future.

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• MOTOR CARS - AN OPEN INVITATION TO THEFT

In the October 1995 issue of its publication **Test-Achats Magazine**, the Belgian consumer protection association **Test-Achats** turned the spotlight on car theft, which has become a genuine scourge¹. It took the opportunity to urge all parties concerned - authorities, carmakers and insurers - to join forces to solve the problem so that consumers will not be the only ones left to carry the can. For it is the same old story: the consumer is always the schmuck. This goes without saying when the consumer's own car is stolen, but also applies to theft generally, since consumers end up footing the bill in the shape of ever-increasing insurance premiums.

The carmakers' responsibility: Test-Achats test-burgled 20 different models. Not one was reliable, the 'thief' managing to force the locks in a twinkling... Once at the wheel, it took a mere 3.5 minutes to start those models not equipped with a circuit-breaker. However, models equipped with a circuit-breaker could not be started.

The insurers' responsibility: carmakers wipe their hands by pointing to the reluctance of insurers to approve their alarm and anti-theft systems. For example, Toyota deplores the divergence in national standards - electronic immobilisers, which are mandatory in Germany, are not even approved by the Belgian UPEA (professional union of insurance companies)! To crown it all, not all UPEA-approved systems are accepted by all Belgian insurers... oh, what a lovely mess!

So what's the solution? It seems that only European legislation can help. Only a law will be able to guarantee that *all* manufacturers equip *all* their models with reliable anti-theft systems. And this law has to be a *European* one, because - as the Toyota example shows - it is absurd that standards for theft protection systems should differ from one country to another within the single market. Hence, Test-Achats urges that the current draft directive on



protection against car theft, which would mandate the installation of anti-theft systems such as an electronic circuit-breaker in all new cars, be rapidly finalized and adopted.

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¹ Article entitled: 'Voitures: chronique d'un vol annoncé' (Motor cars - a chronicle of scheduled theft).

• CREDIT SCORING - BLACK LISTS CONTESTED

Keeping records on consumers with debt problems is nothing new. Financial institutions have long had access to centralized records managed by their professional bodies and designed to alert them to any financial difficulties encountered by candidate borrowers.

Moreover, in 1985, the Belgian government, considering that there was a need 'to take measures to discourage buyers and borrowers from entering into ill-considered engagements and to contain the risk and global cost of hire-purchase operations', created a centre for recording credit agreements involving borrowers who fail to pay on time, attached to the Banque nationale de Belgique.

Since then the 'private' records kept by the Mutuelle d'Information sur le Risque (mutual society for information on risks), managed by the Union professionnelle du Crédit (UPC - professional credit union) and the 'public' records kept by the Centrale des Crédits aux particuliers (personal loans centre) managed by the Banque nationale de Belgique have existed side-by-side.

At the end of 1994, records were being kept on 322 300 individuals at the Banque nationale for a total debt of almost BFR 32 million, or over BFR 100 000 per contract.

The Banque nationale's system works as follows. Lenders must communicate information on delinquent payments for record-keeping purposes. Before concluding a consumer credit agreement, all lenders must check the records to see whether the candidate borrower is listed, hence gleaning additional information on the risks involved¹. But borrowers who have cleared their debts are not immediately removed from the list, since their names are not deleted until a specified time has elapsed.

Both sets of records - private and public - are so-called 'negatives' (and nicknamed 'credit blacklists') because they

do not keep records on all contracts, but only on those involving delinquent payments. The very principle, as well as recurring operational problems, raises a host of questions.

During a study day organized in Charleroi on 16 March by the **Observatoire du Crédit et de l'Endettement** (credit and debt observatory) professionals in the field described the purpose of the records and how they operate. In particular, they answered a question that perturbs many consumers: what to do if I am on the list? The professionals also explained how, in everyday life, decisions are taken to grant or refuse personal loans. The work of the credit insurer was also demystified to some extent. From a different angle, the rules guaranteeing respect for privacy in the processing of personal data were highlighted, with the collaboration of the Commission de la Protection de la Vie Privée (commission for the protection of privacy). The event was also an occasion for a wider debate on how to prevent household debt by learning more about the solvency of candidate borrowers.

After exploring the existing situation in other European countries, the idea of setting up a 'positive' record of all credit agreements concluded with consumers was subjected to scrutiny. This is the time to strike, because the Act of 12 June 1991 on consumer credit - three years after its entry into force - leaves this option open to the government.

The proceedings of the study day can be obtained from:

Observatoire du Crédit et de l'Endettement
quai de Brabant 10
B - 6000 Charleroi
Tel.: +32 71 32 00 64
Fax: +32 71 32 14 00

¹ The same applies to the records kept by the Mutuelle d'Information sur le Risque, except that here there is no legal obligation.

• BUDDING CYCLISTS ON THE STRAIGHT AND NARROW

At the start of the new school year, the **Centre coopératif de la consommation** and its sister organization the **Coöperatieve Verbruikersbeweging** launched a campaign entitled 'Cyclistes en herbe' (budding cyclists), aimed at teaching children how to ride a bike properly, and targeted at three groups: children aged between 4 and 9, their parents and their teachers. The instructional material therefore comprises three items: a *video* for children, an *instruction manual* for teachers and a *booklet* for parents.

- The *video* shows the trials and tribulations faced by César and his big sister in learning to ride a bike. Shot outdoors, it is an ideal tool for showing the practical hazards without any danger.
- The *instruction manual* covers three main topics, namely control of the bike, the environment and the mechanics, and gives theoretical information and practical exercises by means of which teachers will be able to familiarize their young pupils with cycling.
- The *booklet* shows parents how to help their children when they first start pedalling and gives them advice on the purchase, maintenance and correct use of a bike.

This campaign was carried out in cooperation with P&V Assurances and the Institut belge pour la Sécurité Routière (Belgian road safety institute), with the active support of the professional associations of two-wheeled vehicle dealers, the Fédération belge des Deux-Roues and the Nationaal Verbond voor Fietsen- en Bromfietsenhandelaars-VZW.

Further information and the material described above can be obtained from:

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It should also be noted that the Centre coopératif de la consommation has been running similar campaigns on the prevention of everyday accidents for some years now. In 1990, there was a campaign against accidents in the home entitled 'Prudence, j'y pense' (watch out!). In 1994, sports and leisure accidents were the target of a campaign entitled 'Sports en jeux' (sports and games). Some of the teaching material produced for these two campaigns is still available from the above address.

DENMARK • A (SMALL) VICTORY FOR THE CONSUMER OMBUDSMAN

On 19 September 1995 *Det Bedste*¹ was fined DKR 100 000 by the Maritime and Commercial Court for misleading marketing practices. It was found guilty of contravening the Marketing Act in a promotion campaign during spring 1993. The campaign took the form of an advertising letter sent to more than 200 000 residents of Zealand, informing them that they had been lucky enough to receive a numbered car key giving them the chance to win the most expensive out of three cars in the 'Grand Prix Lottery', together with an ace of hearts, giving them the chance to win the highest of three cash amounts in the 'July Readers' Competition'. But that was not all. The recipients of the letters also received a punched card entitling them to a 'mystery gift'.

The fact of the matter was that all 200 000 people received exactly the same car key, with the same number, and the same punched card... And the promised 'mystery gift', which *Det Bedste* implied was of a certain value, turned out to be a completely worthless bookmark!

Consumer Ombudsman Hagen Jørgensen from the **Forbrugerstyrelsen** (Danish consumer institute) was satisfied with the judgment, even though the court did not uphold all the charges. He said: 'My wish was of course to put a complete and effective stop to the entire marketing strategy of *Det Bedste*. But at least a solid gate has now been put up.'

The Swedish Consumer Ombudsman has referred a similar complaint about *Det Bedste* to the Swedish Commercial Court.

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Amagerfaelledvej. 56
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Some leading experts in Danish law have nonetheless expressed their disappointment with the verdict. Although they acknowledge that this is only the second time a DKR 100 000 fine has been imposed under Danish legislation on marketing, they point out that the Consumer Ombudsman had actually demanded a fine of DKR 500 000. Comparing the DKR 100 000 fine with the cost of the promotion campaign, they go as far as to say that the Court actually showed how stupid it is to abide by the law... Indeed, although one can never know how much profit a company will make from such a campaign, surely one can assume that it expects to at least cover its costs. Obviously, sending out 200 000 letters and purchasing a car (the top prize to be won in the lottery) cost much more than DKR 500 000 - let alone DKR 100 000, with expected profits even greater! Therefore the verdict gives companies a clear signal: since profits generated by illegal promotion campaigns will not be confiscated, it is to their advantage to engage in unlawfulness.

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¹ *Det Bedste* is the Danish *Reader's Digest*.

- **MIRACLE PRODUCTS THAT JUST WON'T WASH!**

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In the September 1995 issue of its review *Råd & Resultater*, the **Forbrugerstyrelsen** writes about the numerous miracle products in the Danish market fighting for the hearts - and wallets - of consumers. The latest little number is the so-called Clean World Card. This card, which costs DKR 700, resembles a thickish credit card, adorned with four magnets and two chips, and allegedly washes clothes with the aid of very little washing powder or even none at all!

According to the advertising patter, the Clean World Card 'effects a biomagnetic transfer of information thanks to magnetic impulses and electronically programmed biotransmitters. The effect of the physical system induces marked crystallization of the limestone molecules (calcium carbonate) and other minerals dissolved in the water.' Wow! In plain English, the magnets and chips are supposed to extract the limestone from the water and prevent it from being redeposited on the wash, hence softening the water so that the wash can be cleaned without adding washing powder. Sort of like expecting a Boeing 747 to take off provided the passengers puff the right way.

This concept is being offered to consumers in numerous countries under different names and guises: cards, rings, balls, etc. The products were tested in Austria. Garments pre-stained with red wine, cocoa and coffee were machine-washed at 60°. The test was repeated five times, using between 10 and 30% of the quantity of washing powder normally recommended by the manufacturer.

The test results are easy to summarise: appalling. The less powder used, the less dirt was removed - and the only way to clean the garments properly was to use a normal dose.

In conclusion, miracle products and plain water have the same washing capacity: nil.

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• CUT THE PILLS AND START EATING REAL FOOD!

Carrots and apples contain vitamins galore, while rye bread is chock full of fibres - so why don't we eat more of these natural and inexpensive products and bid goodbye to pricey artificial food supplements such as vitamin and fibre pills?

This was the question the **Forbrugerstyrelsen** raised at its stand at the 'Health for Everybody' exhibition held at the Copenhagen Exhibition Forum from 20 to 22 October.

'Research shows that fish is good for heart conditions and that fruit and vegetables can help prevent certain cancers. However, there is no evidence that artificial products - such as fish oil and vitamin pills - have the same effect. Perhaps the reason is that they contain ingredients which are isolated from their natural context and so the organism does not benefit from them to the same extent', said Gitte Laub Hansen from Forbrugerstyrelsen.

Gitte Laub Hansen knows that she is up against big business interests when she turns up at the forum with large baskets of apples¹, proffering seven pieces of sound nutritional advice:

1. eat plenty of bread and bran;
2. eat plenty of fruit and vegetables every day;

• DANES GREENER THAN EVER

Det grønne Informationscenter (the green information centre), a Danish NGO set up to increase consumers' awareness and knowledge of the environmental aspects of daily life¹, keeps growing. Its information sheets **Miljøfakta/Grønne Råd** (environmental facts/green advice) are regularly updated to incorporate not only recent scientific developments but also changes in consumers' views and behaviour. Recently published sheets cover notably laundry (detergents, rinsing aids, water softeners, etc.) and nappies.

The information data base of the Centre may now be accessed via Internet by typing:

http://www.mem.dk/groninfo/hjem_gi/htm.

3. eat potatoes, rice or pasta every day;
4. eat plenty of fish or fish fingers, of various species;
5. go for low-fat dairy products and cheeses;
6. choose lean meat and low-fat sausages;
7. use butter, margarine and oil sparingly, and restrict your sugar and salt consumption.

Free documentation on these seven tips was available at the stand, which also sold brochures on nutrition, physical exercise and the best way of treating foodstuffs so as to minimise vitamin loss. For copies of these documents and additional information, contact:

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¹ The articles published in the Danish press on traces of pesticides in apples have been totally rejected by the foodstuffs directorate (Levnedsmiddelstyrelsen), since in no case did the pesticide content exceed the statutory limits.

The Centre may also be reached at the following address:

Det Grønne Informationcenter
Fiolstræde 17, 2. sal
DK - 1171 Copenhagen K
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Fax: +45 33 13 66 87

¹ Introduced in the 'Member States' section of the April 1994 issue of **INFO-C** (article entitled: 'Denmark - Green Information').

GREECE • CREATION OF THE NATIONAL CONSUMERS' COUNCIL

On 28 June last, the first meeting of the **National Consumers' Council** (NCC) took place in Athens, attended by C. Simitis, the Minister of Commerce, and S. Kosmidis, the General Secretary of the Ministry.

The NCC was established on 14 June 1995, following a Decision by the Minister of Commerce. It is the highest level of consumer representation.

According to Article 12 of the Consumer Protection Law (2251/94) enacting its establishment, the NCC should:

- 'express the position of consumers in consumer protection related issues;
- submit propositions for the promotion of consumers' interests and the protection of their rights;
- edit opinions on consumer issues and especially on all bills and regulations concerning consumers'.

The NCC has 18 members, including nine representatives of consumers' associations; representatives from seven social bodies such as the General Federation of Greek Workers, the Superior Administrative Committee of Public Employees, the National Federation of the Unions Agricultural Partnerships, etc; two experts on consumer issues and a representative from the Ministry of Commerce.

George Magoulas, President of KEPKA, has been elected as NCC's coordinator for this year.

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SPAIN • ENVIRONMENT-FRIENDLY SHOPPING

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Various associations, including the **Confederación Estatal de Consumidores y Usuarios** (CECU - national confederation of consumers and users), have been keen to draw attention to the excessive increase in the volume of solid urban waste, comprising mainly packaging. As part of this information campaign, a manifesto has been published under the title *Cómo comprar para dañar menos el medio ambiente* (environment-friendly shopping). This document is summarised below.

Many factors are at the root of the present situation, and the responsibilities are divided.

First of all, the packaging industry is trying to increase its profits and continue its growth, despite the destruction of raw materials, the excessive consumption of energy, and the overproduction of waste that this entails.

Secondly, manufacturers are using increasingly sophisticated packaging to make their products more attractive and stimulate their distribution, aided and abetted by hypermarkets, which have changed traditional purchasing habits and encouraged the use of throw-away packaging.

Thirdly, one cannot gloss over the incompetence of politicians, who have not yet been capable of introducing an overall system of selective collection of household refuse.

Lastly, the average consumer is also an unwitting accomplice to the manufacture-distribution-consumption cycle with a plethora of disposable packaging that causes pollution.

Hence the need for the present campaign, which adopts a three-pronged approach.

As regards consumers, the aim is to educate them in order to change consumption habits that are harmful to both the environment and health.

As regards government, the aim is to get it to support the current information campaign and the drawing-up as a matter of urgency of regulations on packaging giving priority to re-use or even restricting the use of certain types (those made of PVC, for example).

In the case of hypermarkets, the aim is to get them to agree to:

- re-introduce and encourage the use of returnable glass containers;
- do away with expanded-polystyrene blocks;
- do away with PVC packaging for food and drinks;
- sell biologically grown vegetables;
- sell the most ecological cleaning products;
- sell recycled paper;

- discourage the use of plastic bags and provide paper bags or cardboard boxes instead.

The manifesto ends with the statement that the future of the generations to come is being jeopardised by our excessive consumption and our bad buying habits, and that it is therefore our duty to quickly correct the errors committed. Encouraging respect for the environment and healthy living conditions is the responsibility of all of us.

INFO-C would like to add that the 1996 edition of the European Young Consumers' Competition, the theme of

which, we would remind readers, is 'The impact of consumers' behaviour on the environment', will provide an ideal opportunity to talk about this issue again.

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• FREEDOM OF OPENING HOURS FOR SHOPS

After being held up in the Cortes (Parliament) for more than a year, the bill giving shopkeepers total freedom over opening hours *from the year 2001* was adopted on 18 September 1995, subject to joint decisions by the Government and each Autonomous Community.

However, both hypermarkets and consumers' associations are calling for absolute freedom *as of now*.

Hypermarkets think that it is hitting below the belt to defer this measure to the year 2001, and they have stated their intention to continue in court their fight for immediate freedom in this matter.

For their part, the consumers' associations have also made it known that they rejected this deferment and, therefore, the new law. In a joint statement, the OCU, UCE, CEACCU and Hispacoop came out in favour of 'absolute freedom in the question of opening hours'. These associations think that it is up to shopkeepers and consumers to decide when to sell and buy, on a market governed by free competition. They add that the only chance of survival for small shopkeepers is to take up the challenge of adapting to current social changes, in order to attract consumers who demand an increasingly high degree of professionalism and specialization, better-quality products and more flexible opening hours.

Source:

INFO CONSUMO BBS
MAG Information Bulletin (*Estudios de Consumo*), No 20 - October 1995.

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CEACCU (Confederación Española de Amas de hogar, Consumidores y Usuarios)
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FRANCE • SCHOOL CANTEEN MENUS: 'FOIE GRAS AND CAVIAR' OR 'CHIPS WITH EVERYTHING'?

Do school canteens serve haute cuisine or junk food? The reality may, of course, lie somewhere between the two extremes... But where exactly? To answer this question, the **Confédération syndicale du cadre de vie** (CSCV - trade union confederation on the quality of life) and the **Confédération syndicale des familles** (CSF - trade union family federation) analysed the nutritional quality of meals served in 47 primary schools throughout France. Three evaluation criteria were applied: nutritional balance, protein content and calcium content.

Nutritional balance: according to the Circular of 9 June 1971 on the nutrition of schoolchildren, the basic balance of a menu depends on the presence of four groups of foodstuffs: (1) meat, fish or egg, (2) dairy products, (3) fruit and vegetables, (4) carbohydrates. The survey showed that only 32% of the schools served a balanced meal every day, while a whopping 23% served a balanced meal only once a week! Sometimes it is dairy products that are lacking (particularly in Northern France), sometimes carbohydrates (mainly in the Paris region).

Protein content: while this criterion was respected in all but one of the cases analysed, the same cannot be said of the protein's nutritional quality. In effect 34% of canteens served

processed fish or meat more than once a week (minced, fried in breadcrumbs, in pies, nuggets, etc.). Although children adore these foods, they are unfortunately less nourishing than a rare steak.

Calcium content: as mentioned above, dairy products are not always present (49% of canteens do not include them in all their menus).

In conclusion, the CSCV and CSF deplore the fact that 68% of school canteens do not serve *on a daily basis* a meal that provides the officially recommended basic nutritional balance. Hence they urge that the Circular of 9 June 1971 be made compulsory.

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Minitel: 3615 ABITA

• PROPERTY DEVELOPERS - ANYTHING FOR A FISTFUL OF DOLLARS

In a bulletin dated 18 September, the **Confédération syndicale du cadre de vie** lambasted the methods used by certain developers to get rid of isolated owners who, by refusing to sell and leave their homes, prevent them from speculating successfully on an entire building. For example, they carry out noisy work late in the evening and over the weekend - brazenly flouting the law - so as to make life intolerable for the last recalcitrant occupants.

This 'hooliganism', to use CSCV's terminology, is possible partly because the trade is completely unregulated, and partly because the victims are often elderly people who are afraid to go to court.

Hence the CSCV urges the Ministers for housing and justice to draft a bill which:

- stipulates that property developers - just like real estate agents - be entitled to operate only if they possess a professional licence issued by a departmental committee chaired by the prefect;
- regulates this activity;
- provides for stiffer penalties in the event of infringement.

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ITALY • BEWARE OF SO-CALLED ORGANIC FOOD!

Is there really any difference between 'organic' food and normal products? If so, do these differences justify the often exorbitant prices of 'organic' foodstuffs?

To answer these questions, **ALTROCONSUMO**, the journal of the **Comitato Difesa Consumatori** (consumers' protection committee), compared two staple foods, cultivated using standard and 'organic' methods: apples and lettuce.

Of the lettuces analysed, one sample of the 'organic' lettuce contained phytosanitary product residues, although the level was below the statutory ceiling. Here the product misled the consumer. Synthetic substances (fungicides and pyrethroids) were found in three other 'organic' lettuces. And the quantity of nitrate residue in two other samples exceeded the statutory limit. These products were clearly illegal!

As to the samples of 'organic' apples, five had a triazole content in excess of the statutory limit (though the quantities would have been acceptable for non-organic foods).

Unsurprisingly, the 'organic' product is always more expensive than the standard product. Thus 'organic' vegetable oil costs up to six times more than cut-price oil, and approximately twice as much as the best-selling brand.

'Organic' lettuce is on average one and a half times more expensive than normal lettuce. In the case of apples, the difference is 85%. From the results of the analyses summarised above, anyone can see that these prices - which put the products out of the reach of many buyers - are quite unjustifiable.

In conclusion the Comitato Difesa Consumatori compares current law governing 'organic' products and law governing normal foodstuffs. Firstly, the lack of monitoring at retail level is a permanent invitation to fraud. Secondly, many suspect phytosanitary substances are authorized, the limits for residues are too high, inspection is almost non-existent, and the penalties are a joke. This is why, while stressing that *all* consumers have a right to healthy food at reasonable prices, the Comitato Difesa Consumatori urges the adoption of far stricter standards for *all* products, both standard and 'organic'.

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• 'HOW COME MY FISH ISN'T FRESH???'

Fish consumption in Italy, already the lowest in Europe, has been declining for three years. Though this is hardly surprising in the wake of such tragic events as the cholera poisoning of five people who ate fish in Bari last year.

The **Comitato Difesa Consumatori** decided to investigate the situation itself. It analysed 164 samples of the most popular species of fresh fish sold in Italy - sardines, sole, and cod. The samples were taken from 63 points of sale - fish shops, supermarkets, covered markets and small open-air markets in six cities: Ancona, Bari, Bologna, Milan, Pescara and Rome.

In assessing freshness the CDC adopted a more stringent classification criterion than the one used by Italy's monitoring authorities. According to ministerial rules, fish defined as 'defreshened' may be sold as fresh fish' because it is not harmful to consumer health. However the CDC

considers that consumers' rights to product quality also merit protection. This is why it gave favourable mention only to genuinely fresh samples, and not simply all those that are considered suitable for sale under the law.

Approximately one quarter of the samples got a bad grade, because they were considered to be of mediocre quality, while seven should not have been displayed at all because they were 'spoiled' and legally unsuitable for sale. Results were least satisfactory in Bologna, where five out of a total of 30 samples were 'spoiled' and where in two cases the fish sold as fresh had in fact been deep-frozen.

However, laboratory analyses conducted on the samples did not reveal any serious health hazards. No notorious bacteria such as salmonella, cholera vibriion or staphylococcus aureus were encountered. Mercury was identified only in two samples, but the quantity fell within the legal limits.

The parasite *Anisakis* was identified in 22 out of 164 samples; however, it is neutralised during cooking.

Nevertheless, one fact emerged clearly from the survey. Even if, by coincidence, no sample constituted a genuine health hazard, fish sold as fresh in Italy is not always in fact fresh. This is because both the Community rules and Italian law accept too wide a definition of 'freshness'. So, in the hope that legal rules governing freshness classification criteria for fish will be revised rapidly, the CDC urges consumers to pay the utmost attention when shopping.

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¹ Bon appétit!

AUSTRIA • BMGK SEMINAR

From 26 to 29 September the Austrian Federal Ministry of Health and Consumer Protection (BMGK) hosted a seminar devoted to the cross-border sale of consumer goods. The following topics were examined: Austria's jurisdictional powers, territorial powers and the courts having jurisdiction, private international law, the enforceability of Austrian legal instruments, and finally *lis pendens* between jurisdictions in different countries.

For additional information on the results of this seminar, with its exclusively legal approach, contact:

Verein für Konsumenteninformation
Mariahilferstraße 81
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Büro für Konsumentenfragen
BMGK
Radetzkystraße 2
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Tel: +43 1 222 711 72 - 4785
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PORTUGAL • SINGLE-PRICE STORES PRESUPPOSE A SINGLE PRICE!

Stores marked '200', '300', '500', etc. are a relatively recent phenomenon in the retail sector¹. These stores sell products whose prices are (supposed to be) always the same. But some of these shops do sell articles at a price different to the one announced.

The fact that the price charged inside the store differs from the one advertised on the outside constitutes a breach of Article 10 (1) of the Advertising Code. And this is true *even if the items in question are marked with their actual price*. For even if in this case the consumer has not really been misled as to the item's price, nevertheless the shop front advertising falls foul of the truth in advertising principle, hence distorting competition.

This is why the **Instituto do Consumidor** (Portuguese consumer institute) published an official recommendation on 25 September urging the store managers in question to

desist from selling products at a price different to that mentioned on the shop front.

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¹ The phenomenon is recent, but mushrooming... First created in Spain, single-price stores have since spread to several European countries ('Tout à 10 francs' in France, 'Tout à 50 francs' in Belgium, etc.). Another problem is that the products on sale are often labelled in a language other than that of the country - an illegal practice which has already been denounced by the Instituto do Consumidor.

SWEDEN • CONSUMER ADVISERS: AN INVALUABLE HELPING HAND

There are now municipal consumer advisers (kommunernas konsumentvägledare) in 82% of Swedish municipalities. And Axel Edling, the Director-General of **Konsumentverket** (KO - Swedish consumer institute), is pleased that there are now going to be even more of them.

This is because many of the municipalities that had axed their consumer advice service in order to make savings, are reviewing their decision, since people have complained that they no longer have anywhere to go to solve their problems - the advisers in neighbouring municipalities being restricted to working within their boundaries. What is more, the savings that the municipalities thought they would make have very quickly turned into losses, due to increased use of social welfare following the disappearance of consumer advisers. Things have gone so far that town-hall switchboard operators, overwhelmed by the many anguished calls from citizens in dire straits, have sounded the alarm bell.

In Höganäs, Robertsfors and Sigtuna, the consumer advisers resumed work at the beginning of the year. They were followed by those in Karlstad, Eskilstuna and Ljusnarsberg. Now it's the turn of those in Lund, Kalmar, Nyköping and other towns. The Konsumentverket, which provides them with training, advice and equipment, notes that they will soon be operating in 239 of the country's 288 municipalities.

Their role is to help consumers with their claims and disputes, inform them about their rights and obligations, and give them advice on budgeting.

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UNITED KINGDOM • ARE ANSWERS TO SURVEYS BASED ON GOSSIP AND PREJUDICE?

In the October 1995 issue of its newsletter *The Bulletin*, the **National Consumer Council** has dug out both an interesting and puzzling fact: when answering surveys, people who do *not* use a particular service are more likely to say that they are *dissatisfied* with it than those who do. For example, in a nationwide survey of consumers' views of local council services run by the National Consumer Council, only half of the general population said they were satisfied with primary schools, as opposed to 80 percent of parents of primary school pupils!

How can this be explained? One can only suppose that some - or, rather, many - respondents borrow the perceived public opinion from the media, gossip or political bias.

Whatever the reason for this oddity, the lesson that can be learned from it is doubtlessly that the results of all surveys, including consumer surveys, must be taken with a pinch of salt!

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ECUADOR • QUITENOS AND QUITENAS IN THE VANGUARD OF CONSUMER PROTECTION

The **Tribuna Ecuatoriana en Defensa del Consumidor** (Ecuador consumer protection-tribune), attached to the **Centro Ecuatoriano par la Promoción y Acción de la Mujer** (CEPAM - Ecuador centre for the promotion and participation of women) regularly sends us its very interesting review *Tribuna del Consumidor* (consumer tribune).

The July 1995 issue contained an article on consumer protection in Ecuador, which we have summarised for you.

Articles 32, 33 and 34 of the Consumer Protection Act (adopted in 1990) provides for the establishment of consumer associations. These associations must have an educational function and be able to receive and channel consumer queries. They may also participate as plaintiffs or prosecution witnesses in court cases concerning infringements, at the express request of the injured parties.

However, Ecuador is a country in which the notion of consumer protection is almost as novel as the legislation itself, which is still plagued by a multitude of contradictions and omissions. Although the law provides for the creation of consumer associations, their opportunities to defend consumer interests are obviously circumscribed, since there are quite simply no rules governing many of the domains in

which they could and should intervene. This is why Ecuador consumers are so envious of Spanish legislation, which recognises consumer associations as advisory bodies involved in preparing consumer protection standards, provides for their funding, and entitles them to form federations.

The Tribuna Ecuatoriana en Defensa del Consumidor is one of the few Ecuador organizations that conduct surveys, educate consumers and channel consumer grievances. It is a private non-profit-making body and is a full member of Consumers International (CI), which represents and supports over 170 organizations in 65 countries throughout the world. Its review *Tribuna del Consumidor* is completely independent, both financially and politically.

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— France and Belgium —

Mail order firms penalised for illegal practices

Had enough of those mail order firms that snow you under with pseudo-certificates announcing that you have won zillions of dollars in their super-duper lottery - while mentioning in microscopically small print that what you have in your hands is just a facsimile of the document you will receive *if you do actually win*?

Well, go file a suit!

- A French woman received from France Direct Service a letter announcing that she had won the first prize in the 'Great Lottery Game' - namely a Renault 21 or the sum of FF 100 000. Opting for the FF 100 000, she contacted the firm to obtain her cheque. The reply read: 'The letter you have received is just a specimen of the official notification you will receive if you do actually win.' The would-be winner thereupon sued the company. Before the Strasbourg Court of First Instance the firm claimed that the document was unambiguous. The Court ruled differently and ordered France Direct Service to pay FF 50 000 damages to the plaintiff.

(*Madeleine D. v France Direct Service*. Tribunal de grande instance de Strasbourg. 31 March 1995).

Reference:

INC HEBDO No 900, 21.04.95.

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- Or take a leaf from another Frenchwoman, whom Trois Suisses had promised a 'unique gift... VHS equipment, Secam, high quality hi-fi stereo delivered in heavy duty packaging and cardboard shell for maximum protection'. Well: video recorder or camcorder? Neither one nor the other - all she got was a video cassette! The Grenoble Court of First Instance, which held that the information provided in the letter was particularly ambiguous, being such as to lead the client to believe that she would receive a valuable gift, awarded FF 5 000 damages to the

plaintiff (approximately the value of the equipment she hoped to receive) and FF 30 000 to the Isère branch of the Union Fédérale des Consommateurs - Que Choisir (federal union of consumers), as co-plaintiff. The Court also ordered the marketing director of Trois Suisses to pay a fine of FF 30 000 for false advertising.

(Tribunal de grande instance de Grenoble. 12 June 1995).

Reference:

INC HEBDO No 909, 30.06.95.

- Finally, the Belgian State brought an action against the firm Usine Saint Brice (the Belgian representative of the firms Trois Suisses, Unigro and Vitrine Magique), seeking an injunction for the discontinuation of commercial practices considered to infringe certain provisions of the Act of 14 July 1991 on commercial practices and on consumer information and protection.

Five categories of practices were challenged:

1. Practices liable to confuse the consumer as to the nature of the lottery.
In the course of several advertising campaigns *all* addressees received the *same* 'access code', featuring the first prize of 5 million francs. The plaintiff submitted that this could be confused with a genuine winning number.
2. Practices liable to lead consumers to believe they had won a prize or present.
In the context of several other advertising campaigns, clients were promised magnificent gifts (CD players, TV sets, hi-fis, etc.) which in fact were never distributed. Hence the promised TV sets were replaced by... plastic bags, and instead of kitchen accessories they got... toothbrushes! The plaintiff argued that the mail in question infringed the law by misleading clients as to the nature of the gifts distributed, leading them to believe that prizes were awarded on a chance basis (which is generally wrong because as a rule all winners received the same gift), in conjunction with sales offers.



3. Practices concerning special offers.
In connection with a Trois Suisses advertising campaign, the seller had announced percentage price rebates, but without publicly stating the conditions under which these rebates were awarded.
4. Practices concerning payment arrangements for distance sales.
The seller proposed one of four modes of payment - a cheque accompanying the order, payment by credit card on ordering, payment on delivery with a surcharge of BFR 60 or payment within ten days of delivery with a surcharge of BFR 60. The plaintiff submitted that the cheque option infringed the ban on down payments during the seven-day cooling-off period and that the surcharges in the case of payment after receipt of the goods tempted clients to avoid this option.
5. Practices concerning identification of the seller.
Many letters were signed *Jacques Buyls* or *Luc Veremen*, so-called commercial directors. And why not *Batman* or *Forrest Gump*, since these 'persons' were pure inventions and their signatures a total fantasy? Moreover, certain catalogues did not identify either the firm's head office, legal status, register of companies number or VAT number!

The seller pleaded the following defences.

As regards points 1 and 2, he argued that the advertising practices were clear as daylight for the average consumer. As to the tie-in offers, he conceded their illegality but said he had already discontinued the practice and so the injunction was inapplicable.

On point 3 he pleaded that the conditions for awarding rebates were quite clearly notified to clients, although these particulars were provided in the personalised mail, and so were not of a public nature.

On point 4, he argued that he was legally entitled to charge certain expenses to the consumer, and that he had never cashed a cheque before expiry of the cooling-off period.

As to point 5, he argued that the use of pseudonyms was common practice in mail order selling so as to ensure the continuity of the commercial service and to offset the absence of personal bonds. He also stated that he was ready to clearly indicate his identity in future promotions.

Finally he advanced an argument which, although perfectly specious, went down quite well. He lambasted the 'aggressive, arrogant and inappropriate nature' of the Belgian state's grievances - a state which, through the national lottery, was the first to speculate on the public's love of gambling... A clever move indeed!

In its judgment the Namur commercial court held that the plaintiff's suit was admissible and partly founded. The court enjoined the cessation of all promotions comprising tie-in sales, promising gifts different to those actually sent, leading people to wrongly believe that gifts were awarded on a chance basis, using fictitious signatures, and failing to clearly identify the seller. However, the court accepted the defences in regard to points 3 and 4.

Reference:

Judgment of the Third Chamber of the Namur Commercial Court of 31 May 1995, in *Etat belge v S.A. Usines Saint Brice*.

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Que choisir, the monthly magazine of the **Union Fédérale des consommateurs** (UFC - federal union of consumers), acquired a new look with its November issue. More eye-catching, but by no means flashy, the new presentation coincides with a return to the pugnacity of tone and content which made the publication so successful on its launch in 1961. The target is to increase the number of subscribers (150 000 at present) by 30% within two years. For, as Pascal Sellier, editor-in-chief, points out, the consumer press is still not strong enough in France. By way of comparison, the Belgian monthly magazine *Test-Achats* has a circulation of 400 000, as against 170 000 for *Que choisir* and 190 000 for *50 millions de consommateurs*¹, in a country with six times fewer people!

Each issue of *Que choisir* will from now on comprise four sections:

- latest consumer news and replies to consumers' questions;
- major surveys;
- results of comparative tests in the form of a purchasing guide;
- sheets giving practical tips.

The November issue reviews such diverse subjects as the misleading advertising of the optician Afflelou, the fallacious pseudo-medical claims of the manufacturers of enriched foodstuffs², the hazards posed by chemical products containing harmful solvents³, the new tax scheme for savings, etc. It also tests the eight best-selling small cars, sixteen micro-computers and ten Minitel property services.

The whole thing is supposed to be clear, concise and, above all, of direct use in everyday life. The gamble has paid off!

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¹ The monthly magazine of the Institut National de la Consommation (INC - national consumer institute), which revamped its format in September.

² As everybody knows, now that the 'social rift' has replaced the 'golden boys', the fashion is no longer for *light* but, on the contrary, for *enriched*... Enriched in what way and of what real benefit for the consumer's health? It doesn't matter, provided that these poor yoghurts,

now dressed up as 'bifidus', 'casei actif', 'LCI' and other wonder-working powders, are not so sad-looking and jump more quickly into our shopping-trolleys!

³ Authorised by French legislation, however!

We read with great interest the first issue of **European Voice**, a weekly newspaper published by The Economist Group (but with complete editorial independence) devoted entirely to the European Union.

Its first objective is to bring its readers unbiased coverage of all the EU's activities, providing in-depth reporting on the issues facing the Union and detailed analysis of the most important events of the week. To that end, its editorial staff is based in rue Montoyer, in the heart of Euroland. Thus it hopes to be able to avoid the parochial perspective that frequently mars reporting by the national press.

Secondly, it aims to encourage openness - the so-called *transparency* in Eurojargon. To achieve this, it will carry profiles of key European personalities, as well as less celebrated politicians and officials who shape EU policy behind the scenes; report on major policy developments; and provide both news and analysis of the interaction between the Member States, the Union and the outside world.

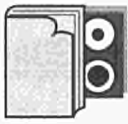
Thirdly, it intends to explore the impact that decisions taken at European level will have on the business world.

Fourthly, it wants to provoke a lively debate by providing provocative comment of its own, inviting influential players on the European stage to give their personal views and, last but not least, giving its readers the floor.

Finally, it also wants to entertain. Each week, its back page will take a light-hearted - but never disrespectful, mind you - look at various European personalities, their foibles and the possible inconsistencies between their public statements and private actions.

Since you are all dying to know, here is what they have dug up in this first issue.

In his previous incarnation as governor of a Finnish province, the EU's new Ombudsman Jacob Söderman pedalled about both modestly and happily on a bicycle. Now he has requested a chauffeur-driven limo and offices separate from the European Parliament.



The Swedish Agriculture Minister Margareta Winberg scared the hell out of Agriculture Commissioner Franz Fischler as she drove him around on the back of a skidoo. Fischler should have known that Winberg is both a demon on the ice and a fierce opponent of the Common Agricultural Policy.

The same Margaret Winberg's husband, Jorn Svensson, is one of the swathe of anti-Europeans elected to the European Parliament in the recent Swedish poll. A former Communist, he has described the EU as the work of the devil and a capitalist conspiracy.

An internal competition in the Committee of the Regions produced a remarkable 100% pass rate. There were as many posts as candidates.

When Emma Bonino realises that she has absolutely nothing suitable to wear to meet a VIP (such as the King of Morocco), she simply borrows the clothes of her Chef de Cabinet's wife.

So we wish *European Voice* all the success it deserves and express the hope that it will regularly devote some of its content to news and analysis about consumer issues¹.

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¹ An interview of Emma Bonino appeared in issue number 3 of 19-25 October 1995.

In a discussion paper entitled *The Internationalisation of Competition Policy: A Way Forward for Consumers?* issued by **Consumers International**, Phillip Evans, Consumers International's Economic Affairs Officer, argues that *national* laws are becoming increasingly powerless to regulate trade and investment *across country borders*, which results in social and economic losses for consumers. For the equation is simple (and valid at both national and international levels): when corporations need to compete for

the money and loyalty of consumers, consumers win. When consumers are severely limited in choice, corporations win¹.

Evans identifies the major international challenges to the national enforcement of competition policy:

- cross-border mergers and acquisitions (M&As). Anti-competitive behaviour is all the more difficult to prevent in this case as cross-border M&As have to be cleared by the (often divergent) jurisdictions of all the countries in which the companies operate;
- strategic business alliances (SBAs). These enhance the market power of the 'allied' firms much like a cartel would;
- industrial policy. Here governments themselves willingly sacrifice their own competition rules on the altar of their high-tech fetishism by allowing the creation of M&As, SBAs or again research consortia, which are just as many cartels in disguise, among high-tech firms;
- 'beggar thy neighbour' aspects of competition policies. Individual countries often exempt import and export cartels from their competition rules. But since the rest of the world is quick to retaliate, a spiral of cartelization and counter-cartelization is soon created;
- trade policy. Anti-dumping laws and managed trade have an equally damaging effect for the consumer as they systematically lead to reduced choice and higher prices.

With a view to preventing these practices, Evans proposes:

- the reinforcement of national competition laws and authorities through the clear prohibition of a core set of blatantly anti-competitive activities, the application of severe penalties to those activities, the independence of competition enforcement bodies, the transparency of their investigations, and, last but not least, the presence of consumer representatives at their highest level;
- the internationalization of competition policy. An agreement on competition should be incorporated into the body of the World Trade Organisation². Such an agreement should also establish an International Competition Authority, operating in close collaboration with, but independently from, the WTO.

The Internationalisation of Competition Policy: A Way Forward for Consumers? is available from Consumers International at the following address:



The Publications Officer
Consumers International
24 Highbury Crescent
UK - London N5 1RX
Tel.: +44 171 226 6663
Fax: +44 171 354 0607
Email: consint@dircon.co.uk

- *Surveys of the Member States' powers to investigate and sanction violations of national competition laws*⁸;
- *Competition law in the EC*⁹.

For information on how and where to order, contact:

EUR-OP
2 rue Mercier
L - 2985 Luxembourg
Tel.: +352 49 92 81
Fax: +352 48 85 73
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¹ At least in the short term...

² Contrary to popular belief, the WTO Agreement includes no provisions on competition policy, and is by no means an international competition treaty.

Views similar to Evan's have been exposed by a group of independent experts in a report to the Commission entitled **Competition policy in the new trade order: strengthening international cooperation and rules**¹. After accounting for the inadequate nature of present international cooperation in competition policy, the group recommends a real internationalization of that policy through:

- the development of bilateral cooperation between countries or groups thereof (e.g. the EU and the US);
- the progressive construction of a Plurilateral Agreement on Competition and Trade and the setting up of an arbitration structure;
- as a long-term goal, the establishment of an *international competition authority* responsible for ensuring the implementation of a *world-wide competition code*.

In addition, those of our readers interested in the subject of competition policy can obtain the following from the EU's Publications Office:

- the report from the Commission on anti-dumping and anti-subsidy activities in the EU in 1994²;
- the proposal for the revised, consolidated and corrected Regulation (EC) 3284/94 on anti-dumping measures³;
- **Merger control law in the European Union**⁴;
- **European merger control - New lessons about collective dominance**⁵;
- **The impact of joint ventures on competition - The case of petrochemical industry**⁶;
- **Information exchanges among firms and their impact on competition**⁷;

¹ COM(95) 359 fin.

² COM(95) 309 fin.

³ COM(95) 363 fin.

⁴ Publications Office catalogue number: CV-88-95-428-EN-C (+DA, DE, ES, FR, GR, IT, NL, PT).

⁵ CM-89-95-737-EN-C.

⁶ CM-70-91-491-EN-C.

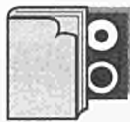
⁷ CV-89-95-026-EN-C.

⁸ CM-90-95-089-EN-C.

⁹ CM-88-95-436-EN-C (+DA, DE, ES, FR, GR, IT, NL, PT).

After developing in parallel, but independently, for many years, consumer and environment protection policies have at last stopped ignoring each other, since they share a common ambition: to improve citizens' living conditions by re-establishing the link between man and the economic system for the former, and between man and his natural surroundings for the latter. However, this convergence of interests cannot mask a number of conflicts. For example, consumers sometimes indulge in mass consumption that is harmful to the environment, while in their information campaigns consumer organizations give priority to quantitative factors, such as the price of products, to the detriment of the impact of our consumption choices on the environment¹. Conversely, the protectors of the environment do not hesitate to make demands on economic operators (or governments), the costs of implementing which are passed on to consumers (or taxpayers)...

These issues were the theme of a seminar organized in May 1993 at the Consumer Law Centre of the **Catholic**



University of Louvain (UCL), which asked experts from the two fields to give some thought to their complementarity. The final version of their reports constitutes the contents of a book recently published by the UCL under the title: *Les Politiques communautaires de Protection des Consommateurs et de l'Environnement: Convergences et Divergences / EU Environmental Law and Policy and EU Consumer Law and Policy: Converging and Diverging Trends*.

It comprises six parts, each divided into two or three chapters².

Part 1: 'Exposés introductifs / Introductory reports'.

This part compares Community consumer and environment policies.

Part 2: 'Droits fondamentaux dans les domaines de la consommation et de l'environnement / Fundamental rights in the consumer and environmental fields'.

Part 3: 'Instruments économiques dans les politiques de la consommation et de l'environnement / Economic instruments in consumer and environmental policy'.

Part 4: 'Modes d'évaluation et de réparation des dommages collectifs / Assessment and reparation of collective damages'.

Part 5: 'Politique de sécurité, protection des consommateurs et préoccupations environnementales / Safety policy, consumer protection, and environmental concerns'.

Part 6: 'Participation à la décision et règlement des litiges / Citizen participation in the decision-making process³ and dispute settlement systems'.

For details of how to obtain this book, contact:

Université Catholique de Louvain
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¹ For an excellent - and very caustic - analysis of this, read *The Unmanageable Consumer - Contemporary Consumption and its Fragmentations*, presented in the next article.

² Some chapters are in French, others in English.

³ The chapter on this subject is now out of date, since it deals with the late Consumers' Consultative Council.

The Unmanageable Consumer - Contemporary Consumption and its Fragmentations, by Yiannis Gabriel and Tim Lang, is based on the authors' observation that contemporary Western consumers are becoming more and more recalcitrant and unpredictable with increasingly fragmented and volatile purchasing habits. This is due to the fact that each individual consumer now possesses the ability to 'be different beings' at the same time. Indeed, based on the writings of academics, journalists, advertisers, consumer advocates, policy-makers, etc., the authors portray him in nine successive chapters as 'Chooser', 'Communicator', 'Explorer', 'Identity-seeker', 'Hedonist/Artist', 'Victim', 'Rebel', 'Activist' and 'Citizen'. In so doing, they do not fail to discuss the tensions and contradictions inherent in each of the portraits and also among them, but also demonstrate how surprisingly easy it is for each feature of the consumer's physiognomy to mutate into another one. To give just a few examples, one day consumers demand cheap petrol, the next they boycott Shell for wanting to get rid of Brent Spar in the least costly possible way; one day they demand cheap meat, the next they are unhappy at the impact on animal welfare; one day they complain about the inefficiency of public sector enterprises and vote for politicians that pledge to privatize them, the next they are up in arms about privatization, etc., etc.¹

This, the authors argue, should lead one to take consumerism and all its postulates with a pinch of salt, including the most glorified one, i.e. that a happy consumer is one that is offered unlimited choice. Make no mistake though - Gabriel and Lang obviously do not support Soviet-style limitation of consumer choice... They simply argue that there is a lot of fantasy in the belief that consumers have everything to gain in the current rise of product choice, and also question whether the growth of product ranges has brought about real consumer choice. For aren't 'choosers' often doing little more than expressing a mere preference for one among options already fixed by their culture, background or income?²



Another crucial feature of *The Unmanageable Consumer* is that it presents an extremely critical review of the organizations and activists who (claim to) represent consumers. The authors argue that the biggest consumer organizations of today, viewing consumers as mere bargain-hunters, tend to be satisfied with offering them tools for selection on value-for-money criteria, rather than a place as citizens. No wonder then that they are increasingly replaced in their role of defenders of their cause by various groups outside the traditional consumer movement, with a focus on issues such as the environment, health, animal welfare, third world development, etc.

To conclude this article, we wish to apologise to the authors of *The Unmanageable Consumer* for presenting so awkwardly some of the ideas contained in this extremely subtle, as well as remarkably argued and documented³ book, whose iconoclastic perspective will be a breath of fresh air to all those whom political correctness in any domain, including consumer policy, sickens.

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Fax: +44 171 374 87 41

¹ **INFO-C** wishes to respectfully point out that business is no stranger to flagrant contradictions either: one day it makes the construction of a new factory conditional upon a government subsidy, the next it vituperates against taxes... When will a book about 'the unmanageable manager' be written?

² The authors give a very striking example that perfectly illustrates this. The Seikatsu Clubs, a very successful chain of consumer co-operatives in Japan, offer their members a product range of only 600 goods, on the argument that if they are the best products and meet consumers' needs, why offer a range of 15 000 as do supermarket chains?

³ 15 pages of references, including Barthes, Bourdieu, Campbell, Nader and... the Marquis de Sade!

The **Organisation for Economic Cooperation and Development** (OECD) recently published a 100-page report entitled *Environmental Taxes in OECD Countries*.

The OECD countries have widely introduced environmental taxes both for political and economic ends. These taxes not

only help fill government coffers, but also help realise environmental objectives.

The study distinguishes between two types of taxes - those with exclusively environmental objectives and those whose primary objective is to generate revenue, but which also have a real environmental impact (particularly energy taxes and motor vehicle taxes). It reviews and classifies taxes on water, vehicle use, atmospheric pollutants, means of agricultural production, energy and energy products, waste management and elimination, as well as aircraft landing charges and other taxes on air transport.

It also surveys some major recent directions in environmental taxation.

Firstly it distinguishes two categories of countries. Some, such as Norway, Sweden, Denmark and the Netherlands, have undertaken major tax reforms that put direct taxation far behind indirect taxation, i.e. VAT and other taxes, such as specifically environmental taxes. In other countries, such as Finland, Germany, Austria, Belgium and France, environmental taxes are not part of a major tax reform and are used on a more limited scale, with the focus purely on environmental objectives.

Finally, it highlights three distinguishing features of recent environmental taxation in the OECD countries.

Firstly, *taxes on products* have grown apace (i.e. taxes applied to certain products with an eye to correcting externalities, and not excise duties such as alcohol and tobacco taxes, whose main purpose is to raise money). For example, Belgium recently imposed a tax of BFR 10 on disposable razors and a tax of BFR 15/litre on certain drink containers which can neither be reused nor recycled and whose use is therefore frowned upon.

Secondly, *energy taxation* has been reformed in certain countries and extended to the transport sector, notably vehicles. Hence, in Sweden all excise duties on energy, including petrol, will be indexed to the increase in retail prices during the 1994-1998 period.

Thirdly, *committees, fact-finding bodies* and other *study groups* have been established in most countries to examine the links between taxation and the environment. Their role is to identify environmentally harmful factors in the workings of the economy and to suggest remedies (notably in the field of taxes, of course).



The report is available in French and English and can be obtained from the distributors of OECD publications. To obtain a list of these distributors, contact:

OECD

Division de la Presse

2 rue André Pascal

F - 75775 Paris Cedex 16

Tel.: +33 1 45 24 80 88

+33 1 45 24 80 89

Fax: +33 1 45 24 80 03

The OECD has also published a 50-page report entitled **Consumption Tax Trends**.

The OECD countries increasingly rely on indirect taxation as a source of income. Hence the share of general consumption taxes, notably VAT (value-added tax) in the GDP of OECD countries has more than doubled in the past thirty years, now accounting for an average of 7% of GDP and 17% of tax revenue.

In view of the magnitude and importance of this trend, the OECD in 1993 created a group of governmental experts with a mandate to prepare an annual study on this subject. The report is the first published version of this study, and the group hopes that it will contribute to the debate on the role of VAT and the problems raised by differences between national systems.

The study comprises chapters on:

1. The progression of general consumption taxes. This chapter shows how, in almost all OECD countries¹, the share of this type of tax both in GDP and in tax revenue has increased during the past decades. However, this increase has been partly offset by a decrease in *specific* consumption taxes, basically excise duties, even if, as we saw in the preceding article, Member States are increasingly relying on excise duties for environmental protection purposes.
2. The choice of general consumption tax. This chapter explains how and why all OECD governments (except for Australia and the United States) have introduced the delightful tax known as VAT - one which, in the mid-sixties, existed only in France and Finland.
3. The choice of VAT rates. This chapter explains why countries try to restrict the number of different rates. In the case of VAT, the coexistence of several rates considerably inflates management costs borne by the administration and taxpayers and inevitably leads to distortions, since similar goods may be taxed at different rates². In fact, top rates (which target luxury products) have been abolished in all countries but Turkey, while the number of reduced rates has diminished.
4. The VAT base. This chapter goes into greater detail than the preceding chapter and lists the products which Member States have decided not to tax at the normal rate - as a rule financial and insurance operations (which however are subject to other taxes in most countries), public or semi-state services such as health and education, drugs, cultural products, foodstuffs or again, domestic energy.
5. The VAT system applicable to services. This chapter focuses on a category which is also covered in the preceding chapter. This system differs considerably from one country to another, both in the case of passenger transport, the entertainment industry, the hotel and catering trades, medical services, cultural services and financial services. The chapter discusses financial services in detail, where the situation is exceedingly complex, since each country makes its own distinctions between different types of banking and insurance operations.
6. Other complications encountered in applying VAT. This chapter discusses two domains other than the taxation of services in which the choice of the appropriate VAT system poses problems, and in which practice differs from one country to another: taxation of second-hand goods and of firms supplying both goods and services some of which are subject to tax and others not.
7. The VAT system as applied to small firms. This chapter compares the main forms of relief for small traders and retailers: exemption, reduction of net tax and simplification of administrative formalities.
8. The administration of VAT. This chapter shows how the inland revenue services in different countries go about monitoring payment of the tax.



9. Final comments. This chapter spells out a number of conclusions, highlighting both the similarities and differences between countries. While there are common trends, such as the growing role of consumption taxes (notably VAT) or the abolition of the higher VAT rates, numerous national idiosyncrasies still persist. The study demonstrates this clearly with regard to the structure of the rates and also the tax base.

The report is available in French and English and can be obtained from the distributors of OECD publications. A list of these distributors can be had from:

OECD
Division de la Presse
2 rue André Pascal
F - 75775 Paris Cedex 16
Tel.: +33 1 45 24 80 88
+33 1 45 24 80 89
Fax: +33 1 45 24 80 03

¹ There are, indeed, a few exceptions, such as France, where the share of general consumption taxes in GNP dropped from 8% in 1965 to 7.4% in 1993. But the recent increase in the VAT rate from 18.6 to 20.6% is sure to reverse this trend...

² In France a reduced VAT rate applies to books because they are considered to be cultural products - much to the regret of record dealers who claim that records, which are subject to the standard VAT rate, should also benefit from the reduced tax, because their cultural value is in no way inferior to that of books.

ADICONSUM, the Italian association for the protection of consumers and the environment, has recently published *La guida del consumatore* (consumers' guide), which addresses various everyday problems encountered by consumers.

Topics covered include:

- trading and sales (both in shops and at home);
- financial services;
- postal services;
- public administration;
- holidays and journeys;
- home safety;
- energy saving;
- the new legislation on electric appliances and heating installations;

- the environment;
- institutions devoted to consumer protection.

To obtain a copy of *La guida del consumatore*, contact ADICONSUM at its new address:

ADICONSUM
via Lancisi 25
I - 00161 Rome
Tel.: +39 6 44 17 02 1
Fax: +39 6 44 17 02 30

For further information, contact:

Carlotta Ciompi / Claudio Luccheta
Press Office
ADICONSUM
via Lancisi 25
I - 00161 Rome
Tel.: +39 6 44 17 02 20
+39 6 44 17 02 22
Fax: +39 6 44 17 02 30

With the assistance of the Fondation Abbé Pierre pour le Logement des Défavorisés (Abbot Pierre housing foundation for the disadvantaged), **Alliance Consommation Habitat**, comprising the Confédération Générale du Logement (CGL)¹ and the Associations Populaires Familiales et Syndicales (APFS) (family and trade union associations), recently published *Logement - Les outils d'une politique municipale* (Housing - Tools for municipal policy), the aim of which is to set out the resources available to municipal authorities and their partners (the département, region, State, etc.) for carrying out a dynamic housing policy and the legal constraints on the use of those resources. As such, it is aimed both at the general public who wish to know more, and at those active in residents' associations, social workers, heads of construction firms or even local politicians.

Chapter I sets out the respective areas of competence of the various above-mentioned people involved in housing policy.

Chapter II expands on this by setting out the specific resources available to each of the above in the field of housing construction and/or improvement (building or demolition consent, delimitation of areas intended for the construction of social housing, building or renovation assistance or loans, etc.).



Chapter III lists the specific resources available in terms of rental policy.

Chapter IV carries on from Chapter II in that it deals with land use policy.

Chapter V introduces local authority partners other than those referred to above. These include low-cost housing associations, private housing promoters, joint local authorities, residents' associations, etc.

Chapter VI contains a brief guide for discussion and action, comprising questions to readers to enable them to draw up an overview of their local housing situation.

Chapter VII contains data which give an idea of the housing situation in France.

Finally, a bibliography and a list of useful addresses will help those who wish to go further.

In addition, the Alliance Consommation Habitat points out that it is organizing training sessions on these problems, and is available to answer questions from any interested parties.

Contact:

Alliance Consommation Habitat
1 rue de Maubeuge
F - 75009 Paris
Tel.: +33 1 42 80 60 43
Fax: +33 1 45 26 24 63

¹ Founded in 1954 by Abbé Pierre.

The **Generalitat de Catalunya** (Government of Catalonia) has sent us two booklets it has recently published. One¹ concerns safety in the home and its purpose is to help prevent home accidents; the other² concerns the recent Llei d'arrendaments urbans (Urban Buildings Act) and contains a commentary on this act, standard contracts, and the text of the act itself.

Contact:

Generalitat de Catalunya
Gran Via Carles III, 105 lletre I
E - 08028 Barcelona
Tel.: +34 1 330 98 12
Fax: +34 1 330 93 11

¹ Published by the Departament de Benestar Social (Social Welfare Department).

² Published by the Departament de Política Territorial i Obres Públiques - Directió General d'Arquitectura i Habitatge (Department of Territorial Policy and Public Tenders - Directorate General of Architecture and Housing).

The **Instituto nacional del consumo** (Spanish national consumer institute) has published a booklet entitled **Productos milagro** (Wonder products) warning consumers about the often misleading nature of the advertising accompanying these products. It singles out slimming creams, pain-killing magnetic bracelets and other such things, and denounces the marketing tricks of the manufacturers and sellers of such articles, who do not shrink from using pseudo-medical arguments or even 'witnesses' accounts'. The booklet also explains what to do when you have been the victim of a swindle of this type.

Most of these products are sold by mail order, which makes consumers' appeals even more difficult. Nevertheless, a judgement given recently by a court in Jerez de la Frontera (Juzgado de Instrucción número 2) declared 'the advertising of Arca-Sud therapeutic magnets illegal because it is misleading'. This judgement, given in response to an action brought by the Organización de Consumidores y Usuarios (OCU - organization of consumers and users) in July last year, could set a precedent.

The booklet can be obtained from:

Instituto nacional del consumo
Príncipe de Vergara, 54
E - 28006 Madrid
Tel.: +34 1 420 47 01
Fax: +34 1 575 49 30

Further information about the legal action can be obtained from:

Organización de Consumidores y Usuarios
Milán 38
E - 28043 Madrid
Tel.: +34 1 300 00 45
Fax: +34 1 388 73 72



CONSUME is a monthly online German-language newsletter on consumer policy, consumer research and social and economic issues affecting private households. One of its objectives is to provide an overview of consumer-relevant international, European and national issues from a consumer-oriented scientific perspective, but also to address peripheral issues.

Coverage embraces a variety of issues such as consumer policy developments in the EU, consumer problems in Central Europe, consumer research findings world-wide, and consumer-oriented research tips, particularly for Internet users. **CONSUME** also occasionally hosts a brief opinion column.

Target groups include consumer activists, officials responsible for consumer policy, scientists concerned with consumer affairs, media workers and - naturally - interested consumers.

CONSUME is edited by an Austrian team and distributed via a list server at the Wirtschaftsuniversität Wien (Vienna Economics University). It is available free of charge over the Internet.

Contact:

Karl Kollmann
Zwillinggasse 32/18
A - 2340 Mödling
Tel.: +43 2236 227 76
Fax: +43 2236 486 79
Email: kollmann@isis.wu-wien.ac.at

To subscribe to **CONSUME**, write to the following Email address:

listproc@wu-wien.ac.at

(no 'subject' - first line should read: **sub consume first name surname**).

Back numbers can be obtained via ftp from the following address:

ftp.igw.tuwien.ac.at

(directory: pub/AK_Kollmann/CONSUME_Magazin).

1995 was a key year in the development of private debt in Germany, one that shows that the incensed comparisons with trends in the US voiced so often a mere 10 years ago are

now history. The figures speak for themselves: over DM 400 billion consumer credit, over DM 800 billion housing loans, over 10 million credit cards and over 50 million EC cards with overdraft facilities are forecast for year's end.

Der neue Schuldenreport - Kredite der privaten Haushalte in Deutschland (The new debt report - Private household credit in Germany) with a foreword by Regine Hildebrandt, Minister for Labour, Social Affairs, Health and Women of the Land of Brandenburg, attempts to collate the figures and pinpoint trends. The focus is on such features as the impact of the Consumer Credit Act, the public controversy and court rulings concerning deductions, compensation for early redemption, interest rate adjustment and life assurance mortgages, Supreme Court judgments on the unconstitutionality of sureties provided by insolvent guarantors, the adjustment of the new Länder in the field of debt and insolvency, and the exclusion of economically marginalized groups from the financial services sector.

The trends in consumer debt are hardly new, but they confirm the general thrust. The growing flexibility of credit through variable rates of interest, early redemption and the growth of overdraft facilities and cash-free transactions makes it harder for consumers to adjust their borrowing to uncertain income and spending expectations for the future. The growth in long-term debt and the dwindling percentage of own capital in housing loans render households less resistant and more vulnerable to the ups and downs of the economy.

We only have to look across the Atlantic to see where free-for-all debting can lead to: economic discrimination is so pervasive that whole urban districts or even regions are excluded from the productive functions of a developed money system. The Community Reinvestment Act is a kind a last-ditch attempt to set things right, the idea being to turn banks into regional guarantors of economic development.

The new debt report was prepared by the **Hamburger Institut für Finanzdienstleistungen** (IFF - Hamburg financial services institute) on behalf of the Arbeitsgemeinschaft der Verbraucherverbände, the German Red Cross, the Deutscher Caritasverband, the Diakonisches Werk and the Bundesarbeitsgemeinschaft Schuldnerberatung. The 225-page report costs DM 24.80, OS 225, and can be obtained from **Ms Bachmann** at the Luchterhand Verlag, **Fax: +49 61 9240 82 48**.



More information can be had from:

Bianca Haane
Institut für Finanzdienstleistungen und Verbraucherschutz e.V.
Große Bleichen 23
D - 20354 Hamburg 36
Tel.: +49 40 35 71 07 83
Fax: +49 40 35 71 08 15
Email: 100451.2326@compuserve.com

Where can Belgians find the addresses and a summary description of the activities of 120 associations such as Alcooliques anonymes (Alcoholics Anonymous), Aide Info Sida (aids information), Cancer Support Group¹, Contact S.O.S. Anorexie (anorexia support group), Œuvre Nationale des Aveugles (national league for the blind), etc.?

In the *Inventaire des groupes d'entraide en Communauté française de Belgique - 1995* (Inventory of self-help groups in the French-speaking community of Belgium - 1995), published by the health promotion unit of the **Union nationale des mutualités socialistes** (national union of socialist mutual societies).

Because the print run is limited to a few thousand copies, this guide is not, in principle, intended for distribution to the general public, but for multipliers who are in a position to disseminate its content in an appropriate manner. Since its launch four years ago, the guide has become a valuable working tool for many doctors, playschool workers, counsellors at public social assistance centres, police officers, etc.

The guide can be obtained from:

Anne Fenaux
Responsable du Service Promotion de la santé
Union nationale des mutualités socialistes
rue Saint-Jean 32-38
B - 1000 Brussels
Tel.: +32 2 515 05 85
Fax: +32 2 515 02 07

¹ The name of this association is in English.

Unlike other countries, Belgium has never adopted specific national rules governing first aid at schools or even the contents of school medicine cabinets. It was to fill this 'statutory gap' that **Question Santé** and the **Belgian Red Cross** joined forces in order to publish two guides for schoolteachers and headmasters.

Faire face aux problèmes de santé à l'école (Coping with health problems at school) contains basic advice on how to cope with problem situations - sunstroke, poisoning, nosebleeds, epileptic or tetanus fits, stings, burns, foreign bodies in the eye, etc. When is it enough to reassure the child and advise his parents to take him to a doctor later? When should a doctor be summoned at once? Finally, in what circumstances should one immediately dial 100 (for emergency medical aid)?

Contact:

Question Santé
rue du Viaduc 72
B - 1050 Brussels
Tel.: +32 2 512 41 74
Fax: +32 2 512 54 36

La pharmacie scolaire (The school medicine cabinet) contains a list of first aid articles and drugs which all schools should have available, as well as advice on how to use these products.

Contact:

Croix-Rouge de Belgique
Service Enseignement
place G. Brugmann 29
B - 1060 Brussels
Tel.: +32 2 346 01 76
Fax: +32 2 346 17 84

Question Santé has sent us *Espace Santé - Les accidents domestiques* (Home accidents and your health), a brochure devoted to preventing home and leisure accidents, which it has just published. The focus is on the safety of the most vulnerable groups, viz. children and elderly people. The contributions deal with the following subjects:

- What sports to choose for specific age groups and under what conditions? What sports are suitable for sick children?



- Poisonings caused by medicaments, household products or carbon monoxide: how to prevent them and what to do in an emergency?
- Burns: prevention and first aid;
- What accidents are most likely at the different stages of a child's growth and how can they be prevented?
- How can the risk of falls amongst elderly people (the most common home accident) be prevented and what to do if an accident happens?
- What equipment should you install at home to reduce the risk of accidents (breakproof glass, window railings, bath seats, remote alarms, etc.)?

The brochure can be obtained from:

Question Santé
rue du Viaduc 72
B - 1050 Brussels
Tel.: +32 2 512 41 74
Fax: +32 2 512 54 36

The member organizations of **International Testing** (IT) in the European Union countries have published, in their respective languages, a booklet on safety in leisure parks and funfairs. They feel that this work of educating the customers of these places of amusement is all the more necessary because there is no European directive on the subject and, in the majority of countries, no specific national regulations¹.

The booklet is distributed in each country by the IT member organization which helped to produce it. To obtain its address and telephone number, contact:

International Testing
65 New Cavendish Street
UK - London W1M 8AX
Tel.: +44 171 436 0657
Fax: +44 171 436 0944

¹ However, voluntary European standards are currently being drawn up.

The publication by **Which? Way to Health** and **Drugs & Therapeutics Bulletin** of *Cheaper than a prescription 1995-1996* will delight all those who sneeze at coughing up too much for their medicines. The guide is in two parts.

Part 1 lists medicines which are sold without a prescription for less than UK£5.25. If the patient is prescribed a medicine on the list, he will save money by buying it over the counter. The list also shows if there exists an unbranded alternative to the branded drug. In this case, the patient will be able to switch to the cheaper one.

Part 2 lists branded medicines which are available only on prescription, but have a low basic price, which means that the patient can buy them for less than the prescription charge. Two things will be needed. One is a private (as opposed to an NHS) prescription from a doctor. The other is a chemist willing to sell the medicine for a dispensing fee low enough to make a saving. This implies a rather cumbersome procedure, but patients who take large quantities of a certain medicine may find that it is worth trying. The guide details all the steps that need to be followed.

Cheaper than a prescription 1995-1996 costs UK£2.99 and can be ordered by ringing 0800 25 21 00 from the UK (freephone). More information can be obtained from:

Which? Way to Health
Consumers' Association
2 Marylebone Road
UK - London NW1 4DF
Tel.: +44 171 486 5544
Fax: +44 171 830 6220

To obtain your (free) subscription to **INFO-C** simply fill in the reply coupon below and return it to the following address :

Sheila Reynolds

DG XXIV 'Consumer Policy'
European Commission
rue de la Loi 200
J70 4/2
B-1049 Bruxelles
Fax : +32 2 299 18 57
Email: Sheila.Reynolds@dg24.cec.be



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