

WEEKLY

REPRODUCTION AUTHORIZED

Brussels, 5 March 1974

No. 9/74

LIBRARY

** Supplementing the programme speech delivered to the European Parliament by Mr Scarascia Mugnozza, a Commission Vice-President (see IS Nos 7/74 and 8/74), the Commission has published in its 7th General Report on the activities of the European Communities the GUIDELINES AND TARGET DATES which it has set itself for 1974.

ANNEX 1 gives short extracts from this memorandum, dealing with industrial policy and competition.

** The long-term preservation and pasteurization of certain foodstuffs; sterilization of pharmaceutical products, cosmetics and surgical equipment; control of insects in their natural habitat and improved agricultural output are some of the many potential applications of RADIATION, the treatment of products by ionizing radiation (γ -rays, X-rays or electron beams). These are processes which have not so far been widely applied in Europe, but research into their possible uses has been ./.

This bulletin is published by the

Commission of the European Communities
Directorate General of Information
Division for industrial information and consumers
Rue de la Loi 200
B-1040 - Brussels - Tel. 35 00 40

Further information is available from the Commission's press and information offices in the countries listed on the inside cover.

The information published in this bulletin covers the European Communities' activities in the fields of industrial development, protection of the environment and consumer welfare. It is therefore not limited to recording Commission decisions or opinions.

PRESS AND INFORMATION OFFICES OF THE EUROPEAN COMMUNITIES

BELGIUM

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

GERMANY

53 BONN
Zitelmannstraße 22
Tel. 2380 41

ITALY

00187 ROME
Via Poli, 29
Tel. 68 97 22 à 26

SWITZERLAND

1202 GENEVA
37-39, rue de Vermont
Tel. 34 97 50

DENMARK

1457 COPENHAGEN
4 Gammeltorv
Tel. 14 41 40

1 BERLIN 31
Kurfürstendamm 102
Tel. 886 40 28

GREAT BRITAIN

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

LUXEMBOURG

LUXEMBOURG
Centre européen du Kirchberg
Tel. 479 41

UNITED STATES

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

FRANCE

75782 PARIS CEDEX 16
61, rue des Belles-Feuilles
Tel. 553 53 26

IRELAND

DUBLIN 2
41 Fitzwilliam Square
Tel. 66 223

NETHERLANDS

THE HAGUE
29, Lange Voorhout
Tel. 070-46 93 26

NEW YORK 10017

277 Park Avenue
Tel. 371-3804

carried out in most Community countries. Within the European Commission, the Eurisotop office has been interested in developing radiation applications since 1961, and has assumed the task of coordinating at Community level the various research programmes undertaken in Member States of the Community.

ANNEX 2 gives a brief survey of the potential applications of radiation.

** We have asked various consumer-protection organizations in the Community to supply us with periodic analyses of its LATEST DEVELOPMENTS in each of the nine Community countries IN MATTERS DIRECTLY AFFECTING CONSUMERS. These texts are of course published on the sole responsibility of the authors.

ANNEX 3 contains a paper sent to us by the Goods Survey Foundation (Stiftung Warentest) of the Federal Republic of Germany.

** THE COMMUNITY ENERGY BALANCE SHEET for the last quarter of 1973 and the first quarter of 1974 was drawn up last December by the departments of the European Commission, on the basis of sets of statistical data supplied by Member States some of which were fuller than others. Although the situation in this area is developing rapidly we thought that a few of the general trends emerging would be of interest to our readers. These will be found in ANNEX 4.

** The final act of a Convention for the PREVENTION OF POLLUTION OF THE SFAS arising from land-based sources was signed in Paris on 22 February 1974 by the States with North-East Atlantic

./.



IS No. 9/74, 5 March 1974, p. 3

and North Sea seaboard as well as States with rivers flowing into these seas; and also by the European Commission acting on behalf of the Community. Under the terms of this Convention the contracting parties undertake to enact the measures required to put an end to this type of marine pollution, which is by far the most considerable. The Convention plans the establishment of an administrative body which will be responsible for drawing up specific programmes to implement the agreement. Through this body, and by virtue of the authority devolving on it under the European Treaties, and the Community programme, with respect to environmental matters, (see IRT No. 185), the Community will exercise voting rights equivalent to the number of votes held by Member States which are parties to the Convention.

- ** Trends appearing in labour force movements determine Community policy on employment. The European Commission has just begun an analysis of temporary and permanent labour force movements in the Community to get a clearer picture of the CONTRIBUTIONS MADE BY MIGRANT WORKERS TO THE EUROPEAN ECONOMY, particularly the economies of France, the United Kingdom and Germany. This project will examine which industries showed a demand for labour and what skills were required.
- ** The increased need to safeguard public health and the environment demands that the provisions to combat AIR POLLUTION BY EXHAUST GASES from motor vehicles be made still more severe. The European Commission has just proposed to the Council of Ministers of the Community that a directive it adopted on 20 March 1970 should be changed, so as to further reduce, on short notice, the maximum permissible limits for pollutant emissions from motor vehicles. In particular the European Commission proposes



IS No. 9/74, 5 March 1974, p. 4

a 20% reduction for carbon monoxide and 15% reduction in unburnt hydrocarbons. Implementation of these changes will mean a further reduction in air pollution by motor vehicles, and a significant contribution towards improving the urban environment.

** According to British Government estimates, the overall impact of the United Kingdom accession on RETAIL FOOD PRICES has so far been under 1%. The long-term price effects are likely to be about 2% per annum over the next few years.

** The European Commission has just launched several studies on PLASTIC MATERIALS: i.e.,

- (a) a study of the behaviour of plastics subjected to fire
- (b) a study of ageing factors in plastics
- (c) two studies on the recycling and re-use of plastic waste
- (d) two studies concerning biodegradable plastics.

** THE AFFORESTATION of areas of unprofitable agricultural land and waste areas, and the conversion of poor forest into productive forest have a positive effect on employment (particularly in less-favoured areas), on the supply of raw materials to the paper industry, and on maintaining and improving the environment. For these reasons the European Commission has just proposed to the Council of Ministers of the Community the adoption of a directive establishing a system of aid for projects of this type. According to the European Commission's proposal, the aid granted could be as much as 60 to 90% of the cost of projects, and would be higher in the case of mountain and hill lands and less-favoured areas.



IS No. 9/74, 5 March 1974, p. 5

- ** In reply to a written question by Mr Seefeld, Member of the European Parliament, the European Commission has stated that any decisions as to the links forming the framework of HIGH SPEED SURFACE TRANSPORT and the techniques to be adopted can only be taken on the basis of a coordinated design for an integrated European network. This would have to be the product of close cooperation between all interested parties, at Community level.
- ** JAPANESE EXPORTS TO THE EUROPEAN COMMUNITY still amount to only 3% of the Community's total imports. Opportunities for developing two-way trade therefore remain considerable as long as a reasonable overall balance can be guaranteed. The European Commission believes that the best way to achieve this balance is by increasing European exports to Japan, rather than reducing Japanese imports into the Community.
- ** The European Commission has made slight changes in the directive transmitted to the Council of Ministers of the Community with regard to the HARMONIZATION OF ANNUAL JOINT STOCK COMPANY ACCOUNTS. To enable investors to compare financial reports from companies within the Community on an equivalent basis, the contents of annual company reports and accounts will have to be harmonized, as well as the methods used to evaluate reports, and the publicity they receive.



GUIDELINES AND TARGET DATES FOR 1974

Supplementing the programme speech delivered to the European Parliament by Mr Scarascia Mugnozza, a Commission Vice-President (see IS Nos 7/74 and 8/74), the Commission in its 7th General Report on the activities of the European Communities published a memorandum on the guidelines and target dates which it has set itself for 1974.

Below we give extracts from this memorandum dealing with industrial policy and competition:

Industrial policy

The year 1974 will mark the first stage in the implementation of the programme of action on industrial and technological policy adopted by the Council on 18 December 1973 in compliance with the guidelines laid down by the Heads of State or Government at the Summit meeting on 21 October 1972 (see IS No. 1/74). The Institutions therefore have a precise timetable for the performance of an initial series of projects in the industrial field for the period from 1 January 1974 to 1 January 1978.

The situation as regards the energy and raw materials markets has only served to underline the importance of the projects planned for 1974, which, moreover, include those relating to the supply of raw materials, and in particular of non-ferrous metals. The Commission has undertaken to forward its proposals to the Council during the first half of the year and the Council has been requested to take appropriate action as quickly as possible.

Most of the projects listed in the timetable annexed to the programme have already been covered by proposals. This timetable lays down precise deadlines for the Council's deliberations on the subject during 1974. Particular stress should therefore be laid on the principal new initiatives which the Commission intends to take during the year.

Technical barriers to trade

The programme makes provision for the drawing up of three new proposals on foodstuffs during the year (first half-year: labelling of foodstuffs; second half-year: oils and fats). Attention should also be drawn to the fact that, as stated to the Council and Parliament in June 1973, the Commission plans to amend in the fairly near future a number of proposals which are no longer fully in line with the current situation, owing in particular to the enlargement of the Community.

In 1974 the Commission will put forward about 30 proposals in the industrial field.

Elimination of legal barriers to inter-company cooperation

Considerable progress could be made in 1974 in that, once the Opinions of the European Parliament and the Economic and Social Committee on the Statute for a European Company have been received - and as soon as the Commission has put forward its amended proposal - the Council will be able to conduct a very wide-ranging debate on the problems involved, notably those concerning worker participation.

Promotion at a European level of companies able to compete in the field of advanced technology

In the data-processing sector the Commission will continue its activities by proposing a number of major development projects of an international nature covering applications of data processing (third quarter).

Changes in and conversion of certain branches of industry

The Commission is hoping to put forward a proposal on the paper and paper-pulp sector during the first quarter, the Council having undertaken to come to a decision within nine months of receipt of this proposal.

Competition policy

In the present economic situation, the Commission's work in the competition field has assumed a new dimension, and the competition rules contained in the Treaties have proved to be a powerful instrument of economic integration. The Commission will therefore step up its drive to eliminate restrictive or improper practices enabling certain undertakings to maintain unwarranted prices, often by splitting up the markets. Special attention will be given to voluntary restraint agreements concluded with private undertakings in non-member countries, the direct or indirect effect of which is often to force up the prices of imported goods.

IS No. 9/74, 5 March 1974, ANNEX 1 p.4

With the same general objective, the Commission will establish its policy on selective distribution systems for certain products. It will also systematically implement Article 86 of the Treaty, which prohibits the abuse of dominant positions by undertakings. In particular, it will continue to apply this Article to relevant concentration operations, pending the adoption by the Council of the concentration control regulation.

With regard to State aids, the Commission will maintain its efforts to encourage orderly structural development in the industrial, regional and social spheres by ensuring satisfactory conditions of competition in the Community and by ensuring that the Member States do not compete with each other in the granting of aids.

Having amplified in 1973 the principles of coordination of the general aid schemes with regional objectives, defined in 1971, by marking off, in accordance with Article 154 of the Act of Accession the central regions of the new Member States, the Commission will work out in 1974 - so as to be in a position to establish its policy in the third quarter at the latest - a coordination arrangement which will be valid for all the Community regions and must, therefore, be more differentiated. In its work, the Commission will endeavour to give maximum weight to the nature and gravity of the problems to be solved and to take into consideration the priorities established by the Member States in the application of their regional aid schemes.

IONIZING RADIATION TREATMENT FOR CERTAIN PRODUCTS

The long-term preservation and pasteurization of certain foodstuffs; sterilization of pharmaceutical products, cosmetics and surgical equipment; control of insects in their natural habitat; and improved agricultural output are some of the many potential applications of radiation, i.e., the treatment of products by ionizing radiation (γ -rays, X-rays or electron beams). These are processes which have not so far been widely applied in European industry but research has been undertaken in most countries of the Community on the possibilities this new technique offers to industry and to European consumers. Within the European Commission, the Eurisotop office has been interested in the development of radiation applications since 1961 and has assumed the task of coordinating at Community level the various research projects undertaken by Member States of the Community.

Potential applications

Treatment of products by ionizing radiation can have different effects, depending upon the radiation dosage.

- Small dose has the effect of stimulating the development of a product: thus, seeds may be subjected to radiation, resulting in much more rapid growth, and so increasing agricultural output, or even producing mutations (in horticulture and agriculture, many plant species have already been produced by this method).
- A slightly higher dose has the opposite effect: the product's development is slowed down, or even arrested, the germination of certain products can thus be inhibited. This is a process used particularly for preserving garlic, onions and potatoes, which can then be kept for fairly long periods without germinating.

- A higher radiation level kills harmful insects living on the produce. This is a process which has already been employed, particularly for disinfecting grain and cut flowers.
- A still higher dose of radiation pasteurizes the product, that is to say, kills the microbes contained in it. So far, radiation at this level has mainly been used experimentally, on certain products especially difficult to preserve, such as shrimps, eggs, chicken, etc.
- An even higher dosage sterilizes the product treated: at present this is applied in sterilizing surgical sutures, cannula, cotton wool, scalpels and medical equipment in general.
- More complex techniques are applied in industry, notably to sterilize the enzymes in washing powders, give plastics greater solidity and improve packaging materials, dry varnish, or perforate synthetic leathers, and so on.

Radiation research

Radiation research falls into three main categories:

- The technological aspect: the aim here is to achieve complete control over radiation techniques, at industrial level.
- Irradiated products and their fitness for human consumption: here the purpose is to ascertain whether the consumption of products given radiation treatment presents any danger to public health and hygiene. An international research project is now under way on this problem and some twenty countries are participating. This is a project sponsored by the IAEA (International Atomic Energy Agency), FAO (Food and Agriculture Organization) and OECD (Organization for Economic Cooperation and Development).

A Committee of the World Health Organization has already come out in favour of radiation treatment to improve potato preservation and disinfect grain. The Committee admits however that the question of applying these techniques to foodstuffs will have to be reviewed, once the research results are known.

- Regulations for the radiation of products: almost every country has laws prohibiting the sale for human consumption of foodstuffs subjected to radiation, unless stringent health requirements have been met. Marketing of these products has nevertheless been authorized in several countries, such as Canada, Spain, the United States, the USSR, Israel and Denmark. Among Community countries, the Netherlands has so far authorized the consumption of experimental batches of asparagus, cocoa beans, strawberries, shrimps, spices and onions, as well as the unrestricted consumption of irradiated potatoes and mushrooms; France, Italy and Denmark have authorized the marketing of irradiated potatoes, while Italy has authorized the sale of garlic and onions treated by ionizing radiation.

Work of the European Commission

The work of the European Commission covers all three aspects of these radiation research projects. Specifically, and on the basis of work done by a committee of experts, the Eurisotop office has drawn up two draft directives setting forth the technical and health conditions for the radiation and marketing of foodstuffs. The aim of these draft directives is to eliminate administrative restrictions impeding the free movement of goods, and to replace them by common rules regarding the radiation of products. The first consists of a general outline of the conditions governing the radiation of foodstuffs. The second is a directive concerning

the radio-inhibition of potato germination, and authorizes the marketing of potatoes so treated. These draft directives have been discussed by a group of government experts who, together with the Commission's departments, are preparing two texts for transmission to the Council of Ministers of the Community, which should adopt them by 1 January 1977.

At the same time, the Eurisotop office is coordinating a number of Community research projects on radiation applications in various fields:

- fireproofing textiles by radiation grafting
- radio-inhibition of potato germination
- radiation pasteurization of shrimps
- radio-conservation of mixed animal feeds
- radiation of various foodstuffs
- radio-disinfestation of cut flowers
- sanitizing sludge in water-purification plants ...

Outlook for food-radiation technology

Given the present state of knowledge, and pending the results of research into the fitness of radiated products for human consumption (to ensure in particular that they are not carcinogenic), radiation will probably be applied first and foremost to three types of foodstuffs:

- those requiring a minimal dose only (potatoes, garlic, onions);
- those for which other preservation techniques are unsuitable, from the health and hygiene aspect: e.g., eggs and shrimps;
- relatively expensive foodstuffs, not widely consumed (e.g., shrimps, mushrooms), because radiation techniques are too costly.

RECENT DEVELOPMENTS IN CONSUMER PROTECTION IN THE FEDERAL REPUBLIC OF GERMANY

We asked various consumer protection organizations in the Community to supply us with periodic analyses of the latest developments in each of the nine countries of the Community in matters directly affecting consumers. These texts are of course published on the sole responsibility of the authors. The following paper was sent to us by the Goods Survey Foundation (Stiftung Warentest) of the Federal Republic of Germany.

* *
*

1. Last December, Parliament (the Bundestag) unanimously voted to amend the laws on hire purchase. This means that, as of October 1974, consumers who have made purchases on the deferred payment system may cancel contracts to purchase within a week of concluding them. Particularly important for consumers is the fact that this right to cancel applies also to hire purchase agreements made with door-to-door salesmen, or in the course of sales trips organized at reduced prices by advertizing firms, for the purpose of selling products by the use of intensive publicity methods (demonstrations, conferences, etc.). But there is one item of this law which does not favour the consumer: a customer may not cancel his contract for a mail order purchase, if he is in a position to return the goods. In view of the difficulties involved in this system, few customers avail themselves of the right to return goods. It would be better therefore if mail order sales were included in the law permitting cancellation. Since the Federal Council (Bundesrat) still has to give its approval, a new version of the law may possibly be adopted.

2. Since the beginning of the year a regional broadcasting station (Südwestfunk) has been putting out a consumer programme regularly every four weeks on its third television channel. This is a series dealing especially with everyday problems (for example fraudulent packaging, insufficient information, cancelling of contracts, etc.).
3. Almost two-thirds of all retailers fail to observe price-marking regulations. This results from a regional enquiry conducted by the Bavarian Consumers' Association in Munich and surrounding area. Inspectors looked at 2,030 shop windows in 830 stores and noted 5,000 infringements of price-marking regulations. Some retailers apparently have never heard of the regulations.
4. At the beginning of 1975 (20-25 January 1975) the third International Film Festival for Consumers will take place in Berlin. The organizer of this show is the Consumers' Study Group (Arbeitsgemeinschaft der Verbraucher), 53 Bonn-Lengsdorf, Provinzialstr. 89-93, which will be registering entries up to 1 October 1974. More detailed information is available from the Group. The competition is open to television and cinema films, and also, for the first time, to educational television and marks an important step forward in the attempt being made to consult, educate, and generally inform consumers.
5. On 18 January last the Bundestag gave a favourable opinion on a draft law to protect the public against the harmful effects of air pollution and noise, etc. This law meets the requirements of environmental protection, as far as the observation of health standards is concerned.
6. Parliament (the Bundestag) has adopted an amendment to legal proceedings currently in force. This will make it easier for consumers to act in defence of their interests by prohibiting suppliers (of goods or services) from specifying in advance the precise locale where court proceedings may be instituted. Up until now tribunals nominated by suppliers beforehand, have been so far away that many consumers hesitated to attend in person, and thereby ran the risk of losing their case by default.

COMMUNITY ENERGY BALANCE SHEET (first quarter 1974, fourth quarter 1973)

A Community energy balance sheet for the last quarter of 1973 and the first quarter of 1974 was drawn up last December by the departments of the European Commission on the basis of sets of statistical data supplied by Member States, some of which were fuller than others. Although the situation in this area is developing rapidly we thought that a few of the general trends emerging would be of interest to our readers.

For the last quarter of 1973 and the first quarter of 1974 the energy balance sheet shows a 5% deterioration as regards energy supplies, for consumption within the Community. In the case of oil the drop will probably be as much as 8%; for coal it will be about 7%, though this figure is distorted by the special conditions obtaining in the United Kingdom. On the other hand, the amount of natural gas available should increase by 5% or so, and the contribution to energy stocks from primary electricity and other sources should go up by 7%.

For the Community as a whole the supply shortage as compared with "normal" demand could increase from 6, during the last quarter of 1973, to 9%, during the first quarter of 1974. In the oil sector the supply shortage, again as compared with "normal" demand, is growing more drastically, still going from 7 (in the last quarter) to 15% (in the current quarter).

Inter-Community trade is expected to show a slight downward trend during the first quarter of this year, as compared with the last quarter of 1973, though no dramatic change is expected in the figures for the Community as a whole. This decline in inter-Community trade to a great extent reflects the anticipated cut-backs in oil movements.

The impact of the energy shortage in oil especially, as far as consumption in industrial sectors is concerned, appears to have been felt most in road haulage, the chemical industry and the domestic sector.

It is expected that "emergency" oil stocks in the Community as a whole will fall by about 8 million tons of oil equivalent and that, by the end of the first quarter of 1974 the equivalent of seventy-two days' supply will be left.

Coal stocks should drop by about 9 million tons of oil equivalent, a 22% reduction in the present quarter, this being mainly due to the special conditions obtaining in the United Kingdom. By the end of the first quarter of 1974 they should represent the equivalent of forty-five days' supply.