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** "In the present situation, where the chief priority of economic policy remains the fight to curb inflation, an active pricing policy must be followed based on the mechanics of effective competition", to quote from a speech in the European Parliament, by Mr Borschette, the Member of the European Commission with special responsibility for competition matters, on the subject of progress in the COMMUNITY'S COMPETITION POLICY. Mr Borschette stated that over the last few months several decisions whose effect was to protect CONSUMER INTERESTS in Europe had been taken by the Commission (see I&S - No 23/74). Mr Borschette also brought his audience

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Directorate General of Information
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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

DENMARK

1457 COPENHAGEN
4 Gammeltorv
Tel. 14 41 40

FRANCE

75782 PARIS CEDEX 16
61 rue des Belles-Feuilles

GERMANY

53 BONN
Zitelmannstraße 22
Tel. 2380 41

1 BERLIN 31
Kurfürstendamm 102
Tel. 886 40 28

GREAT BRITAIN

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

IRELAND

DUBLIN 2
41 Fitzwilliam Square

ITALY

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

LUXEMBOURG

LUXEMBOURG
Centre européen du Kirchberg
Tel. 479 41

NETHERLANDS

THE HAGUE
29, Lange Voorhout

SWITZERLAND

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

UNITED STATES

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

NEW YORK 10017
277 Park Avenue

up to date on the work done by the Commission in the field of competition, particularly on aspects of concern to the consumer.

ANNEX 1 provides details.

** Using energy efficiently and economically, and ensuring that the necessary development of the various energy sources goes ahead, so as to assure greater security of energy supplies in Europe - such are two of the main aims of the "Energy for Europe" research and development programme, which the European Commission has proposed to the Council of Ministers of the Community (see I&S - No 31/74). The departments of the European Commission have now drawn up the first set of proposals for the priority sectors mentioned in the programme. These priorities include the development of new sources of energy, particularly SOLAR ENERGY.

ANNEX 2 contains the first of a series of articles on one of the three principal uses of solar energy - heat conversion.

** Kept informed by the press, made increasingly aware by the activities of local action groups, or voluntary associations, brought into occasional or daily contact with the tangible deterioration of some of the factors affecting their everyday lives, THE FRENCH are revealing consciousness of the fact that protection of the environment raises a whole host of problems. The great majority are satisfied with the present pattern of their existence, and state that their natural and human environment (inter-personal relations) is their chief source of satisfaction. Such were the findings of a survey on "the French and the Environment" which we published in Industry and society - No 18/74.

ANNEX 3 gives a more detailed analysis of the results of these findings.

** THE MINISTERS RESPONSIBLE FOR THE ENVIRONMENT in the nine member countries will be meeting in Brussels on 7 November as the Council of Ministers of the Community. Their agenda includes:

uniform application throughout the Community of the "Polluter Pays" principle (see I&S - No 10/74);

quality standards for surface water designed for drinking purposes (see I&S - No 3/74);

disposal of waste oils (see I&S - No 12/74);

consideration of the environmental problems in energy production (see I&S - No 14/74).

All these points, and others which are still under discussion at expert level, have been the subject of Commission proposals, on the basis of which the Ministers will reach their decisions. We shall return to these decisions in a later issue.

** On 15 October 1974 there were 412 Commission PROPOSALS awaiting decision by THE COUNCIL OF MINISTERS. Of these, 225 have been forwarded to the Council of Ministers since 31 December 1972, and 187 were submitted before that date. These figures cover proposals within the meaning of the treaties, and do not therefore include either drafts and recommendations for decisions, documents connected with budgetary procedure, requests for unanimous opinions, or informal documents (reports, memoranda, communications). To provide a proper basis of comparison, the number of proposals awaiting decision should be compared with the number forwarded to the Council every year, i.e., about 400 to 500 per annum.

** IN BELGIUM several events have occurred in the last few months on the CONSUMER PROTECTION front. The following item has been sent to us by the Fédération belge des Coopératives (Belgian Federation of Cooperative Societies);

"For the first time in Belgium, consumer organizations have brought a legal action against misleading advertising, as authorized under a law passed in July 1971. The advertising concerned related to a hair-restorer, "CAPI A 28", and promised "immediate and spectacular results", "falling-hair stopped immediately after first application", and soon after, "rapid and absolutely certain new growth", "100% effective". Experience showed these claims to be utterly false. It was a flagrant case of fraud. Nevertheless, before the misleading advertising could be effectively halted, it took ten months to assemble all the evidence and bring the proceedings to an end. Costs amounted to some Bfrs 25 000 (expenses for analysis, lawyer's fees, administrative costs and legal advances). Moreover, the resultant effect is clearly limited - only one out of all the advertisements which are misleading, has been prohibited. So? The consumer organizations have chalked up a victory in the form of a "sample" Court decision which prohibits misleading advertising, and will probably create a precedent. But in face of such glaring and widespread abuse of commercial advertising, to undertake similar prosecutions is not enough, in view of the difficulties, costs and long delays involved. It ought to be the responsibility of the promoter of disputed advertising to prove that what he states in his advertisement is in fact, true, the burden of proof being reversed. And it ought to be the responsibility of those who promote misleading advertising to compensate for the effects. What is needed is a legal provision compelling advertisers to publish "corrigenda", for distribution in the same form, and along the same lines as the advertisement complained of."

** The BUDGET APPROPRIATIONS for the SOCIAL SECTOR in the 1975 draft budget for the European Communities (see I&S - Nos 32 and 33/74) should be increased by 80 million units of account (1 u.a. = approx. US \$1). This is the view of the Parliamentary Commission for Social Affairs and Work.

** In the absence of further new investment decisions, it is to be feared that COAL EXTRACTION POTENTIAL in the short term at least, will fall to an even lower level than it is at present. Annual extraction potential in the six founder members of the Community, which fell from 166 to 155 million tonnes between 1972 and 1973, is expected to decrease by a further 31 million to a level of only 124 million tonnes in 1977. On the other hand, estimates for the United Kingdom show an increase in extraction potential, which should rise from 130 to 140 million tonnes. Capital expenditure remains at a low level - 289 million units of account for 1973, and 340 million for 1974. These are the main findings of a survey, conducted by the European Commission, of investment in the coal and steel industries of the Community. The survey also shows that, in the iron and steel industry, capital expenditure in 1973 amounted to 3 038 million units of account, very close to its 1972 total, and that the production potential for crude steel in the enlarged Community is expected to increase from 174 to 206 million tonnes between now and 1977.

** In a speech to the Association européenne des constructeurs de matériel aéronautique (European association of manufacturers of aeronautical equipment) Mr Spinelli, the Member of the European Commission with special responsibility for industrial affairs, said, "If there were Community agreement on a joint military purchasing policy, we would be in a position to make joint plans for the future, and for the joint development of a EUROPEAN COMBAT AIRCRAFT". "Governments of Community countries" he went on to say, "are faced with a decision - do they wish to keep alive an AERONAUTICAL INDUSTRY, which is capable of developing the most advanced civil and military aircraft? If such is their intention, they must take the necessary measures, and support a European policy, which is the only one capable of matching the international scale of that industry."

** The European Commission has just authorized the British, German, Belgian, French and Dutch Governments to SUBSIDIZE THE COAL-MINING INDUSTRIES in their countries. This aid, which amounts to a total of 765 million units of account (1 u.a. = approx. US \$1), would be used to make mines more profitable or improve safety in mines, finance coal-stock reserves and cover the expenditure entailed in closing certain companies, or else to cover operational losses.

** Close to 500 000 workers (mostly unskilled female labour) are at present employed in the EUROPEAN FOOTWEAR INDUSTRY. The industry is experiencing serious problems, as a result of the rising cost of raw materials and unskilled labour, and of increased competition in the shoe trade. Because of this situation, representatives of the Confédération européenne de l'industrie de la chaussure (European confederation for the footwear trade) recently held a meeting with representatives of the European Commission, to consider the possibility of a Community solution to the difficulties at present facing this branch of industry. As a result of the meeting, four working parties were set up, consisting of representatives of the industry and of the Commission's departments. These groups will study respectively:

foreign trade (problems related to granting preferential tariffs to certain non-member countries);

raw material supplies (the possibility of signing supply agreements with countries producing raw hides);

social problems (possible intervention by the European Social Fund to assist the conversion of some companies, and financial aid towards vocational training for workers in the footwear industry);

technological development (joint technological research, to increase productivity in existing firms).

** CHILDREN OF MIGRANT WORKERS resident in Member States are to benefit from the EDUCATIONAL system of the host country, on the same basis as the children of nationals of that country. This obligation is incumbent upon Member States, under Community regulations. The European Commission is currently making an examination in depth of all the national provisions relating to educational allowances and maintenance grants, and of possible discrimination that may exist in this respect.

** European INDUSTRIALISTS and importers of WOOD AND PAPER, and senior officials of the Commission travelled to Canada in order to join representatives of public and private circles there in a detailed examination of potential methods of industrial and commercial cooperation between European and Canadian companies in this sector. Studies concentrated in particular on the terms under which the Community's industries in the wood and paper sector could be supplied with raw materials and semi-finished products, and on obtaining the best return for Canadian resources.

COMPETITION POLICY AND THE CONSUMER

"In the present situation, where the chief priority of economic policy remains the fight to curb inflation, an active pricing policy must be followed based on the mechanics of effective competition", to quote from a speech in the European Parliament by Mr Borschette, the Member of the European Commission with special responsibility for competition matters, on the subject of progress in the Community's competition policy. Mr Borschette stated that over the last few months several decisions, whose effect was to protect consumer interests in Europe, had been taken by the Commission (see I&S - No 23/74). Mr Borschette also brought his audience up to date on the work done by the Commission in the field of competition, particularly on aspects of concern to the consumer.

I. Sales outlets in the car and perfumery trade

As a result of discussions between the Commission's departments and some national experts, it has been possible to lay down basic principles for the selective distribution systems practised in two sectors - cars and perfumery - (limiting and carefully selecting the number of sales agents). As far as motor vehicles are concerned, close and constant cooperation between producer and agent makes it impossible for just anyone to become a sales agent, and this cooperation benefits the consumer, who wants to make sure that his vehicle is in good running order. However, under the Community's competition laws, the Commission cannot authorize such a sales system unless the consumer can buy his car in any Community country and be sure of being able to have it repaired by the agent of his choice.

Concerning the problem of restricted distribution in the perfumery trade, consultations have also taken place between the Commission's departments, representatives of the trade and some national experts. Mr Borschette made it clear that the fact that this was a luxury product, was certainly not sufficient reason for authorizing a selective sales system.

II. Free movement of patented products

Mr Borschette stated that, as far as the European Commission was concerned, there can be no doubt that patented products, and not their imitations, should be able to move freely in the Common Market, which means that anything prohibiting the sale of a product in particular member countries, or any equivalent restriction, which might be included in licensing agreements, is prohibited under the Treaty establishing the Community.

III. Books, newspapers and magazines

Because of the important role it plays in the political and cultural education of the broadest category of the population, this sector deserves special attention from the European Commission. A detailed enquiry has been opened by the Commission in order

to provide an insight into the production and distribution machinery for these products, in relation to the Community's competition rules. The Commission is making a special effort to analyse the origins and causes of the price distortions relating to books and newspapers, noted in different countries of the Community.

IV. Surveillance of holders of dominant positions in industry

The Commission has undertaken an enquiry into the behaviour of IBM, for the purpose of establishing whether or not this undertaking has been abusing its dominant position in Europe, in the field of data processing, contrary to the Community's competition rules.

The Commission is also investigating the market in tranquilizers (valium and librium) to determine how much of it is controlled by the Hoffman-Laroche pharmaceutical group.

V. The oil market situation

The oil crisis, which began in November 1973, has profoundly altered competition conditions on the oil products market. The Commission has launched a general enquiry into the affairs of various oil companies, and is at the same time hearing complaints brought by independent companies. Checks have been carried out in some twenty companies within the Common Market. When enquiries have been completed, a general report will be drawn up. In one sample case, as a result of complaints brought by distributors, the Commission notified the objections to eleven companies, subsidiaries of seven international groups which had in whole or in part refused supplies to petrol distributors. Later, when deliveries were made, the companies had set prices higher than the maximum resale prices allowed, which meant that the distributors were unable to carry on their normal activities.

VI. Control of mergers

Controlling company mergers is one of the major concerns of the Commission. Its proposal on the subject (see IRT No) is currently under discussion by the Council of Ministers. The Commission fears that the Council will be unable to keep to the deadline for applying the regulation (1 January 1975), which was the date the Council had itself fixed for completion of the work programme on Community industrial policy.

APPLYING SOLAR ENERGY - HEAT CONVERSION

Using energy efficiently and economically, and ensuring that the necessary development of the various energy sources goes ahead, so as to assure greater security of energy supplies in Europe - such are two of the main aims of the "Energy for Europe" research and development programme, which the European Commission has proposed to the Council of Ministers of the Community (see I&S - No 31/74). The departments of the European Commission have now drawn up the first set of proposals for the priority sectors mentioned in the programme. These priorities include the development of new sources of energy, particularly solar energy.

There are three ways of using solar energy. This first article is concerned with heat conversions.

I. SOLAR ENERGY DEVELOPMENT

No basic obstacle exists, technically, in the way of developing solar energy for practical use, especially for heating water and blocks of flats. Currently, at least 400 experimental apartment blocks in various parts of the world, notably Europe, are using over 1 000 m² of plane surface collectors. However, if efficient application of solar energy in the heating of large blocks is to be achieved, economic production methods must be developed. Improved systems' performance, and the development of forms of heat storage are vital, both for the future heating and cooling of large blocks or, in other words, to achieve complete air conditioning, which is still at the initial stage of its development. A whole series of solar energy units also exists, designed to operate with water pumps. This is a commercial version of solar engines, several hundred of which have already been built. In this field it will also be necessary to improve performance and reduce costs.

II. THE RESEARCH REQUIRED

Studies of plane surface collectors: present-day plane surface water heating collectors reach temperatures of 63°C with 50% efficiency. The cost of heating water by solar energy is some US \$50/m². Theoretical and laboratory studies should be undertaken by the Community in order to design collectors operating at temperatures between 60° and 120°, with 70 to 50% efficiency, a lifespan of over 10 years, and costs below US \$25/m².

Pilot studies for dwellings: several domestic heating systems are currently being studied or are already in use, depending on the technology existing. But a whole series of pilot plants will have to be launched, and some semi-industrial collectors introduced without further delay. The Community should gather all the information available on the subject of houses using solar energy in Europe; it should assist European industry to manufacture collectors on an industrial scale, and promote cooperation between engineers and architects.

Development of power units of low mechanical capacity: There is a market for mechanical power units with a net capacity of 1 to 10 kW. These are used as independent units by consumers isolated from energy supply networks, and particularly in developing countries, for pumping water. The Community should carry out research work aimed at increasing the efficiency of the units currently in use, and at developing a more profitable device.

1 MW pilot plant

The production of high quality energy, such as electricity and hydrogen, demands high temperatures. A 100 kW thermal plant for steam production has been operating satisfactorily for seven years, near Genoa in Italy. The Community should participate in the construction of a high-efficiency 1 MW power plant to produce electricity and/or hydrogen.

THE FRENCH AND THE ENVIRONMENT

Kept informed by the press, made increasingly aware by the activities of local action groups, or voluntary associations, brought into occasional or daily contact with the tangible deterioration of some of the factors affecting their everyday lives, the French are revealing consciousness of the fact that protection of the environment raises a whole host of problems. The great majority are satisfied with the present pattern of their existence, and state that their natural and human environment (inter-personal relations) is their chief source of satisfaction. Such were the findings of a survey on "the French and the Environment" which we published in Industry and society - No 18/74.

A more detailed breakdown of these findings highlights certain key factors:

The attitude of the French to the environment is affected mainly by whether they live in the Paris region, or in one of the other regions of France. The Parisians are the greatest pessimists with regard to the future of the environment.

Again satisfaction with regard to the environment, tends to be total, or nil: in other words if a person is satisfied with one aspect (health, accommodation, relations with other people, the countryside) he generally tends to be satisfied with the others as well.

An optimistic or pessimistic view of the future definitely colours a person's judgment of the environment. This judgment might be thought to determine people's view of the future, but it is more likely that a more or less confused view of the future is, to some extent, overlaid by living experience of the environment, and by the messages put out by the media on the subject.

Judgments on the natural environment differ considerably from those on the town environment, social facilities and so on. This shows that living in a city or in the country has an important influence on the French attitudes concerned. Parisians are the most pessimistic, whilst those who live in the country are the most optimistic. Education also affects judgments of the environment more than either age or vocational status (employer, employee or worker).