



consumer affairs

BULLETIN

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CONSUMER PROTECTION

SWEDEN

DRUG CONTROLS

A wide range of slimming pills and similar weight reducing preparations will come within the scope of the Swedish regulations governing the sale of drugs and medicines as from July 1st this year. The new regulations will virtually stop the sale of most slimming preparations through ordinary retail outlets, and only permit them to be sold through the State-controlled chemists.

The new law will apply to preparations that are intended to combat corpulence by hastening food through the intestines, deadening the sense of taste, or by otherwise reducing appetite. Such preparations can lead to serious undernourishment if they contain pharmacologically active substances.

Financial Times, 11th December, 1970



UNITED STATES

"INEFFECTIVE PRODUCTS"

Congressmen responding to pressure from consumer protection groups have persuaded the United States Food and Drug Administration (F.D.A.) to make public a list of about 360 drug products considered ineffective or unduly hazardous,

The list includes mouth washes, nasal sprays, nasal drops, lozenges, beauty aids and other retail products such as Curad medicated bandages, 'Amm-i-dent toothpaste, Colgate chlorophyll toothpaste with Gardol, Colgate dental cream with Gardol, and Pepsodent antiseptic mouth wash. Companies with products on the list include Charles Pfizer, Upjohn, Lever Brothers, Eli Lilly, Rexall Drug and Chemical, Colgate-Palmolive and Parke, Davis.

Congressmen were concerned about reports that Government agencies continue to stock and dispense drugs that the F.D.A. considers as useless as the snake water sold from covered wagons in the last century. Among products named are several that have made regular appearance on the annual lists of the 200 most prescribed.

TIMES, 30th November, 1970

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"Drive with caution. Beware sleeping policeman", says a notice spotted recently in Jamaica. It is true that even the law nods, but in this case the explanation is that "sleeping policeman" is the term for those deliberately-created bumps across the road, designed to slow traffic.

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CONSUMER STANDARDS

COMMON MARKET

STANDARDS FOR MOTOR VEHICLES

Commission experts are drawing up common standards for safety glass used in cars and lorries. They are also preparing specifications for tyres, and connecting systems between vehicles and trailers.

The Six have this year adopted several directives to harmonize member states' legislation in the manufacture of vehicles. The Council in February adopted a general directive on mutual recognition of controls and a specific one on unified specifications for noise and exhausts; in March on exhaust pollution, rear bumpers and fuel tanks, rear number plates; in June on steering; and in July on doors and hooters.

The Council is now completing its work on directives for direction indicators and brakes, lights, windscreen wipers and washers, rearview mirrors and devices for suppressing radio interference.

European Community, December, 1970

U.S.S.R.

MINISTRY FOR STANDARDS

The Soviet Union is the first country in the world to have a Minister of Standardisation. He is Dr. V.V. Boitsov, President of the Member Body for the USSR of ISO (The International Organization for Standardisation), and a member of the ISO Council. The elevation of the Soviet standards body to full ministerial status reflects the determination of the Soviet Government to improve the quality and performance of Russian goods.

In recent years, the Soviet Union has been giving much greater attention to exploiting standards as a tool for improved industrial efficiency and is playing a much more active role in international standardization through ISO, which has its headquarters in Geneva.

ISO Press Release, 25th November 1970

MARKETING AND CONSUMERS

UNITED KINGDOM

WOOLWORTH GOES SELF-SERVICE

The Woolworth chain is currently experimenting with a new system: in the centre of the area with traditional service there is a desk for accelerated payment and wrapping to which customers may carry their purchases. This system has resulted in a 15% saving on personnel and a time saving for customers.

Bulletin d'Information Economique FNCC - GCCC No. 12, 1970

DENMARK

THIEF-PROOF LABELS

It sometimes happens that dishonest customers transfer labels from items selling at a discount to more expensive articles. The H.B. Co-operative has introduced a semi-detachable label: this label is as easy to attach to articles as the traditional type but if an attempt is made to remove it, it tears in half.

Bulletin d'Information Economique FNCC - GCCC No. 12, 1970

FRANCE

PROTEINS FROM PETROLEUM

Pigs and chickens fed with petroleum proteins have been on the market for two years. The B.P. Society of Laverra (Bouches-du-Rhône) have developed a process of cultivating yeast from petroleum. Similar research has taken place in Russia, Japan and China but has not resulted in as pure a product.

The factory at Laverra will produce 16,000 tons of petroleum proteins in 1971, which will account for 1% of animal feedstuffs. In 1975 the production may reach 20,000 tons and will compete with the soya cakes and fish meal which France now imports in considerable quantities.

In coming years petroleum proteins will be used only for feeding of animals: pigs, chickens, mink, quail, cats and dogs. Later they will supplement the human diet.

Le Figaro, 14th November, 1971

UNITED KINGDOM

TOBACCO SUBSTITUTES

New marketing materials, often erroneously called synthetic tobaccos, are being developed by at least three British companies: Imperial Tobacco (in collaboration with ICI), Carreras and Courtaulds. But serious difficulties in assessing the health risks of the new smoking materials in relation to present tobacco products seem likely to delay their commercial debut for several years. Only by embarking on massive clinical trials, using human "guinea pigs" to assess the cancer risk - an approach at which many medical men may balk - can their safety be demonstrated.

The new smoking materials are based on cellulose derived from wood pulp. Additions are made, either of natural tobacco or of chemicals blended to produce an effect satisfying both in flavour and pharmacologically. Nicotine, contrary to some reports, is most likely to remain the "active" ingredient.

FINANCIAL TIMES, 28th November, 1970

INDIA

NATIONALISED CONSUMER GOODS

The Indian Minister for Industrial Development has announced that the public sector will soon enter new fields of industrial production of consumer goods in competition with the private sector. He said that the public sector had originally meant to fill the gaps between supply and demand in some vital sectors of the economy, mainly capital goods. But recently gaps had started appearing in a variety of fields, including consumer goods.

The move is in line with the policy to start units which do not have a long gestation period or require heavy investment, and yet yield good profits quickly.

FINANCIAL TIMES, 26th November, 1970

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One group who are clearly alive to decimalisation are the inhabitants of Dartmoor Prison. The prison's tutor organiser has recently written for details of teaching aids marketed by a company called Audiovisual Communications (part of IPC), saying that 'my job is to see that all inmates leaving the prison have a sound knowledge of decimal currency ... the inmates are most anxious to learn, for as one said to me we have to know about this decimal currency otherwise we won't know the value of the stuff we are nicking, so you see I have got to do something about it.

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COOPERATIVES AND CONSUMERS

SWEDEN

CO-OPERATIVES TO SELL MOTOR CARS

In Stockholm the consumer co-operatives have decided to sell motor cars; until now they sold only certain new models and special offers. The objective is to make it possible for consumers to compare prices and specific qualities of different makes within the same shop. However Volvo, SAAB and Volkswagen have refused to sell their cars in this new way since they grant extensive concessions and any changes in the distributive network would risk upsetting the schedules of manufacturers' production. Meanwhile the Council for Economic Freedom, which approves the co-operative campaign to facilitate consumer choice, has intervened; a Professor at the University at Uppsala is undertaking an investigation in collaboration with the Prices and Cartel office.

Bulletin d'Information Economique FNCC - GCCC No.11, 1970

UNITED KINGDOM

COOP PRODUCTION OF TOILETRY ARTICLES

After more than six months research and testing at their Manchester laboratories coupled with an extensive series of consumer sampling tests, the Co-operative Wholesale Society is moving into the toiletry market.

The range, under the Sheer Silk Label, is limited at the moment to hair spray, talcum powder, and shampoos. However the CWS has set up new plant at its pharmaceutical works in Droylsden, Manchester, and will be launching further lines within the next year.

The Co-op intend marketing all products on a value-for-money theme; and certainly those to date are top value. For example the four shampoos retail at a mere 3s. for a generous 355cc plastic bottle which, it is claimed, "allows about 15 hair-washes." In fact, "a friend with three school-age children to whom I gave a bottle found that she got 20 family hair-washes from it. There is a choice of Lanolin Cream for dry hair, Herb Cream for dull and problem hair, Lemon and Lime for greasy hair, or Medicated to help control dandruff."

Guardian, 1st December, 1970

ITALY

CO-OP MINIMUM PRICES

With a view to stemming the alarming inflation in Italy, COOP ITALIA has been have discussions with the trade unions concerning among other things the introduction of a minimum price comparable to the COOP price in Switzerland. Accordingly COOP ITALIA recently lowered the price of meat by 350 lire per pound on the occasion of an advertising campaign for meat, and a general introduction of minimum prices for meat is under consideration.

Bulletin d'Information Economique FNCC - GCCC No. 10, 1970

CONSUMER REPRESENTATION

SWEDEN

A CONSUMER OMBUDSMAN

Since the beginning of the year, the Swedes have had an "Ombudsman" in charge of consumer protection within the Ministry of Commerce. The "Consumer Ombudsman" will be particularly responsible for control of advertising and implementation of the new law on premium sales. He will also be authorised to require firms to cease advertising which is considered to be misleading. In short, his task is essentially that of promoting a new ethics of advertising.

Bulletin d'Information Economique FNCC - GCCC No.11,1970

EUROPE

CONSUMERS TO PROBE EUROPE AIR TARRIFFS

The first-ever consumer orientated conference, aimed at investigating fare anomalies in European air travel, is to be held in Zurich on May 21st and 22nd. The conference - entitled "Can we have Mass Air Travel in Europe?" - is being sponsored by the Swiss Gottlieb Duttweiler Institute. Some 300 delegates from Continental Europe, Britain and the U.A. are expected to attend.

Mr. A.E.M. Duynstee, Dutch Secretary of Defence for Air and formerly chairman of the Economic Committee of the Council of Europe, will chair the conference. Major contributors will include Mr. Walter Berchtold, President of Swissair; Mr. Ray Colegate, of the British Board of Trade's civil aviation department; Senator de Grauw, chairman of the Council of Europe's economic commission; and Mr. Knut Hammarskjold, director general of the International Air Transport Association (IATA).

The conference will discuss the way air fares are fixed at present and how a reduction in air fares would affect Europeans. Views of an economist, sociologist, politician, businessman and private user will be presented. The question "Can we lower international fares with Europe?" will then be discussed from a government, scheduled airline, travel industry, American and consumer point of view.

I.F.P.T.O. Bulletin April/May No. 36, 1970

UNITED STATES

NEW CONSUMER BODY

The Senate has approved a Bill to create a new consumer's protection agency as an arm of the federal government with a matching council of advisors in the White House.

TIMES, 2nd December, 1970

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From Japan, a disposable paper umbrella. It has no metal parts, even the handle being of paper. It collapses to pocket or handbag size, and comes in a variety of colours. It costs about 2s. and is thrown away after one use. It is also water-repellent.

From India, mechanical leg pullers. These are a variant on the universal adjustable pullers made by Sampat's Engineering Services of Sangli, India. Special size pullers are also available, but the advanced technology is incorporated in the Twin Leg Puller for Ceiling Fans. And we are not pulling your leg.

Observer, 23rd November, 1970

ADVERTISING AND CONSUMERS

U.S.A.

CIGARETTE ADVERTISING SPREE

The last cigarette advertisement on United States television appeared one minute before midnight on January 1st. Last year's Public Health Cigarette Smoking Act which followed Britain's lead, barred all advertising of cigarettes on radio and television with effect from January 2nd because of the suggested link between smoking and lung cancer.

Cigarette manufacturers, who accounted for 10 per cent of television advertising last year, went on a last minute advertising spree. One manufacturer, Philip Morris, spent \$1 250 000 (over £500,000) on the one day.

SWEDEN

ADVERTISING PRACTICES

Fines of up to £50,000 are imposed under a new Swedish law for unfair practices in advertising. A Market Court will hear cases brought to it by the Consumer's Ombudsman and by the Restrictive Trade Practices Court. The new Act incorporates regulations about trading stamps and about combined offers which must only be made with related products.

Kooperativa Forbundet has issued its own rules which go considerably further than the law and prohibit most special offers and other promotions.

Campaign, 20th November, 1970

CONSUMER INFORMATION

U.K.

SHERRY LABELS

Most bottles of port and sherry sold in the U.K. will now give details on the label of the quantity of wine in the bottle. This follows a recommendation by the Wine and Spirit Association which represents the majority of retailers and shippers, that members "declare the fluid contents on pre-packed bottles of fortified wines".

Mr. Ernest Marples raised the question in the House of Commons in November, about the way Sherry was sold in differing-sized bottles and declared the trade should be made to inform customers of quantities.

The recommendation does not apply to a few styles and qualities of fortified wines, including vintage ports and rich sherries, which require a long time in bottle before reaching full maturity and are therefore subject to shrinkage over the years.

There is no legal requirement in this country for any bottle of wine to give details of the quantity of the contents. The requirement exists elsewhere, of course, and French-bottled wines show the quantity both in the glass of the bottle itself and on the label.

SWEDEN

DATE MARKING

New Swedish food regulations require certain foods to be date-marked so as to indicate the last day for sale, the date of packaging or the last day for consumption. Kooperativa Forbundet has recommended that all Swedish date marks should refer to the last day for consumption.

KF Newsletter, No.8, 1970

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In the United States about one-half of the total retail trade is done in large shopping centres. Many of these comprise up to 5 large department stores, 80-100 retail shops and at least 5,000 parking spaces.

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THE POLLUTION PROBLEM

ITALY

PROTECTION OF THE ENVIRONMENT

The Italian Health Minister has drafted and sent to other members of the Government for their opinion the text of a draft Bill on the protection of Italy's natural environment. The Bill provides for the establishment of a permanent ministerial committee under the Prime Minister, as well as updating existing Italian legislation on the subject.

Financial Times, 23rd December, 1970

U. S. S. R.

LEGISLATION ON WATER POLLUTION

The Supreme Soviet has formally endorsed a 'water check' designed to prevent the diminution and pollution of Russia's rivers, lakes and inland seas. The proposed Bill is expected to provide legal sanctions against pollution.

TIMES, 14th December, 1970

UNITED KINGDOM

WATER

Scientists from Liverpool University claims that water supplies from 24 towns with a total of seven million inhabitants all contained 0.032 mg per litre of phenolic substances, more than 16 times the maximum recommended by the World Health Organisation. In one area, the amount of cyanide in water supplies was well above the recommended maximum.

Daily Telegraph, 16th November, 1970

CANADA

A POLLUTION BATTLE

The Canadian Energy Minister recently lashed out at the US for failing to act to "clean up its stinking and befouling mess before dumping it in its neighbour's backyard ...". He said that quiet diplomacy has failed to prompt an American response to reverse pollution of the Great Lakes, apparently because the soap lobby in Washington was blocking any decision to remove phosphates from laundry detergents.

FINANCIAL TIMES, 23rd November, 1970

UNITED KINGDOM

GOVERNMENT PLANS ON MOTOR CAR POLLUTION

A recent announcement by the new Secretary of State for the Environment on proposed legislation to control pollution from motor vehicles was met by a varying response from the motor car industry. One of the industry leaders is reported to have said: "We thought we had agreed the sort of control levels which would achieve real progress without causing undue hardship to the industry. We do not want a repetition of the hysteria which began in the United States three years ago and has now reached the ridiculous level where the limits they are talking of imposing by 1975 cannot be achieved with the present internal combustion engine".

On the other hand, another car manufacturer said: "France, Germany Spain Sweden, Switzerland, Japan and of course America already set levels of carbon monoxide emission. France and Sweden also control hydrocarbon emission. We have no such legislation but we are eager to join the growing European club because that simplifies our production. We do not want one type of power unit for one country and another for a second country".

TIMES, 2nd December, 1970

SPECIAL FEATURE 1.

CONSUMERS DEMAND PROTECTION OF THE ENVIRONMENT

The annual meeting of what has come to be known as The Consumer Parliament or Consumer Day, held this year in Bielefeld, Federal Republic of Germany, on November 1st, 1970, adopted the following Resolution in respect of the environment:

"The Co-op Consumer considers improvement of protection for the environment to be an urgent task for the 70's. Water Pollution, unclean air and excessive noise are already threatening health in many places and in some cases are even lethal. Still more serious dangers arise from the increasing use of biotics and the rapidly growing consumption of synthetic plastic materials.

"The growing dangers from the complex and many sided problems connected with better environmental protection are by no means fully recognised. Moreover there is still a tremendous financial gap between recognised dangers and action to control them. In the view of the Co-op Consumer Day in future the cost for the necessary measures should be borne primarily by those who bring about the damage to the environment.

"The installation of the necessary equipment for controlling effluents will decisively influence the cost-structure of industry and will also have consequences for the price pattern of different goods. Moreover there will be similar heavy burdens for the State budget. Merely to make good for the neglect and pollution in previous years will require billions. The improvement of protection for the environment will cost money - whether by way of the price of goods or through higher taxes - which the community must provide in one way or another. The willingness of the community to bear these costs for the sake of a more secure and sound future will increase in proportion to the extent that the urgency of the problem is publicised. But every individual citizen can contribute to diminishing the dangers through his personal conduct. For this continuing publicity is necessary. Planned guidelines for the mass media can make it more effective.

"The Co-op Consumer Day welcomes the fact that there has been a growing amount of publicity on this theme in recent years, and expects that the political authorities will, in the interests of the people, make sure that the required legislation is undertaken by the Government.

"Through its discussions in Bielefeld the Co-op Consumer Day will have contributed to ensuring that discussion on environmental protection continues unabated."

SPECIAL FEATURE II

ROYAL COLLEGE OF PHYSICIANS' REPORT ON SMOKING

Prohibition of all forms of cigarette advertising, with the printing of warning notices on cigarette packets, banning of vending machines in public places and launching of a permanent anti-smoking campaign are among proposals for legislation made to the Government in a report from the Royal College of Physicians published January 5th.

Premature deaths and disabling illnesses caused by smoking are described as having reached epidemic proportions and as presenting the greatest challenge for preventive medicine in Britain.

The committee, which prepared "Smoking and Health Now", estimate that 20,000 deaths among men between the age of 35 and 64 years each year are attributable to smoking. Although there was a sharp drop in the number of men smoking cigarettes after the first report of the college eight years ago, the number of cigarettes smoked is still too close to the 1961 level. Fewer women than men smoke, but their numbers are rising and there is evidence to show an increase among girls, but not boys, at school.

Successive governments are criticized for doing little to combat a habit which costs many thousands of premature deaths a year but which brings in such a big revenue through taxation.

Fifteen recommendations are made in the report as follows:

1. Doctors should set an example by still greater abstinence from smoking and must take every opportunity to urge their patients not to smoke cigarettes. Instruction of medical students about the effects of smoking and their responsibilities in this matter must be improved.
2. More effective public information about the health consequences of smoking must be achieved by every means and the Government should consult the broadcasting authorities and newspaper proprietors to achieve more effective publicity.
3. Better means of educating children must be developed. Teachers should set an example to their pupils. Regulations forbidding the sale of cigarettes should be strengthened and cigarette vending machines should be removed from public places.
4. Advertisements of cigarettes and gift-coupon schemes should be prohibited.
5. More restrictions on smoking in public transport and places of entertainment should be enforced.
6. Employers' organisations and trade unions should agree on wider restrictions of smoking at work; universities should restrict smoking in lectures.
7. Life insurance companies should consider reduced premiums for non-smokers.
8. Warning notices should be printed on packets of cigarettes and, if they are allowed to continue, on cigarette advertisements.
9. More effective techniques for helping unwilling smokers to stop must be developed in special research clinics, and when this has been done smoking control clinics should be established in hospitals, health centres, factories and offices.
10. The tar and nicotine content of all marked brands of cigarettes should be published and a public statement made on the possible effects on health of smoking them. The Government should consider imposing statutory upper limits on the nicotine and tar contents of cigarettes. The Medical Research Council should collaborate with the tobacco industry with regard to tests of cigarettes which are likely to be less hazardous and should conduct research to determine the effects on health of smoking such cigarettes.

11. Those who continue to smoke should be encouraged, possibly by cards enclosed in cigarette packets; to smoke fewer cigarettes; to inhale less; to smoke less of each cigarette; to take fewer puffs from each cigarette; to take the cigarette out of the mouth between puffs; to smoke brands with low nicotine and tar content.
12. The Government must look beyond an easy source of revenue to the reality of the injurious effects of modern cigarettes on the health and economy of the country; differential taxation of tobacco products should be imposed to discourage more hazardous forms of smoking.
13. An official enquiry should be made into the economic consequences of present smoking habits and of the results of a general reduction in cigarette smoking.
14. A standing government committee to coordinate smoking control measures should be established.
15. Prevention of diseases caused by smoking can be achieved only if the attack is effectively organised on many fronts. These recommendations have as their goal the preservation of the lives and health of thousands of smokers who would otherwise continue year after year to become ill and die before their time.

SPECIAL FEATURE III

SELECTED INDICATORS OF LIVING STANDARDS

CALORIES per Inhabitant and per Day

(1967 or 1968)

Austria	2,920
Belgium (including Luxembourg)	3,070
Canada	3,170
Denmark	3,150
Finland	2,970
France	3,170
Germany	2,960
Greece	2,190
Ireland	3,470
Italy	2,890
Japan	2,460
Netherlands	3,170
Norway	2,940
Portugal	2,780
Spain	2,790
Sweden	2,880
Switzerland	2,990
United Kingdom	3,150
United States	3,140

TELEVISION SETS

(Number per 1,000 inhabitants)

(1967 or 1968)

Austria	134
Belgium / Luxembourg	185
Canada	284
Denmark	237
Finland	193
France	185
Germany	248
Greece	(not available)
Iceland	120
Ireland*	111
Italy	144
Japan	206
Netherlands	200
Norway	179
Portugal	29
Spain	90
Sweden	289
Switzerland	164
Turkey	N11
United Kingdom	280
United States	392

* 1966.

TELEPHONES

(Number per 1,000 inhabitants)

(1967 or 1968)

Austria	159
Belgium	184
Canada	408
Denmark*	293
Finland	204
France	141
Germany	172
Greece*	67
Iceland	320
Ireland	87
Italy	132
Japan	107
Netherlands*	203
Norway	255
Portugal	65
Spain	113
Sweden	489
Switzerland	437
Turkey	9
United Kingdom	218
United States	540

*1966.

NETT CONSUMPTION OF ELECTRICITY

(Kwh. per head and per day excluding losses)

(1967 or 1968)

Austria	2,538
Belgium	2,664
Canada	7,780
Denmark	2,163
Finland	3,461
France	2,216
Germany	3,088
Greece	715
Iceland	2,980
Ireland	1,432
Italy	1,764
Japan	2,345
Netherlands	2,333
Norway	13,354
Portugal	590
Spain	1,109
Sweden	6,432
Switzerland	3,745
Turkey	183
United Kingdom	3,481
United States	6,532

The OECD Observer, February, 1970



consumer affairs

BULLETIN

INTERNATIONAL CO-OPERATIVE ALLIANCE, 1, UPPER GROSVENOR STREET, LONDON W1X 9PA



No. 2, 1971.

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One man who has doubts whether Britain is ready for the Common Market is the executive who the other day asked his secretary to put Cologne on the line and then (you have guessed it) found her poised over his telephone with a scent spray.

MARKETING AND THE CONSUMER

UNITED KINGDOM

MEDICINE OR REFRESHER?

The Court of Appeal has ruled that the blackcurrant drink "Ribena" is a medicine and not merely a pleasant drink; and that it should not, therefore, be subject to purchase tax. About £3,000,000 has already been paid in tax by Beechams. The Commissioners of Custom and Excise were ordered by the Court of Appeal to repay this tax. They are to appeal to the House of Lords.

Times, 12th December, 1970

FEDERAL REPUBLIC OF GERMANY

THEATRE IN A DEPARTMENT STORE

"Kaufhof" in Bonn is the first department store to operate its own theatre, in this case a small theatre seating 100. The Kaufhof considers the theatre to be part of its public relations programme and not as a lure to shoppers. This is evidenced by the fact that the theatre is open in the evenings when the store is closed.

Coop Fachblatt für Unternehmensführung, No.12.

UNITED KINGDOM

SERVICING OF CARS

The Automobile Association yesterday announced an end to 'pussyfooting' around with garages who give 'shoddy' work and warned manufacturers that they had to take much of the blame for the garage trade's bad name.

Mr. Alec Durie the association's director-general, said that though his organisation already imposed many quality controls on garages "we are still not satisfied We have devised and are about to launch a programmed system of spot checks on garages holding our appointment." About 3,500 garages are covered by the A.A.'s spanner grade system.

"These checks covering reliability and quality will amount to several hundred a year", Mr. Durie said. "They will be carried out anonymously, with cars being submitted for servicing or repair without the garage knowing of our connection."

The cars used in the investigation would be scrutinized before and after by A.A. engineers, "and if we find any shortcomings in the services garages have contracted with us to provide, we shall come down heavily on them."

The Times, 14th January, 1971

U. S. S. R.

ELECTRONIC CODE FOR MAIL

Since the new year, Russians have been mystified by a new electronic coding system introduced by the Soviet Post Office. The purpose is to cope with the shortage of sorting staff and post-women, which has become so acute that letterstake four times as long to be delivered from Moscow to Leningrad as they did before the Revolution. Anyone who wants to send a letter now is supposed to buy a special envelope with a row of boxes in the bottom left-hand corner, and mark the correct code index in stylized figures. This enables an electronic scanner to "read" the coded address and sort the letter so that it is sent automatically to the right post office for final sorting and delivery. A child could learn the "handwriting" for the figures nought to nine in less than an hour. The main problem just now is that few people know their own or their friends' codes. This information has to be obtained and not many people are bothering.. To encourage people to use the new system - which is supposed to be obligatory already - the Post Office is warning the public that letters without the electronic code will be delayed.

The Times, 11th January, 1971

UNITED KINGDOM

RELIABILITY OF CARS

Motoring Which? has attacked the reliability of British cars. This followed the findings of an Automobile Association survey, which showed that foreign cars were bought in this country for their reliability and durability. These comments came when foreign cars achieved a record 19.4 per cent share of the British market in November.

Motoring Which? published by the Consumers' Association, bases its "buy foreign" claim on the results of a survey involving 30,000 members. The survey showed that Volkswagen had done consistently well in terms of reliability. Volvo had been good, and recent Renaults had shown up particularly well. On the basis of information supplied by a comparatively small number of owners, the Peugeot, BMW, Mercedes-Benz and SAAB - all foreign,- did well, too. Based on only a few reports, Rolls-Royce is mentioned for reliability alongside Daf, Datsun, Porsche and Toyota.

Motoring Which? says cars in general are not as reliable as they should be. "They spend too much time off the road, they break down on journeys too often, and spares are too difficult to get." Comparisons were made of cars bought in 1966, 1967, 1968 and 1969. Half of the vehicles were out of action at least once in the past year, over a quarter for at least three days, more than one in ten for a week or more, and one in 20 for over a fortnight.

The Financial Times, 7th January, 1971

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Have a pigeon problem? Get rid of them the Philadelphia (or W.C. Fields) way. They are fed 190 proof wheat (alcohol, that is), and tranquilizers. The fallen birds are picked up for disposal.

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POLLUTION

FRANCE

MINISTRY OF ENVIRONMENT

President Pompidou has announced a new Ministry of Environment. This is the latest in the series of environment ministries which are being set up in a number of countries. The new Minister is Monsieur Robert Poujard, former Secretary General of the Gaullist Party.

Financial Times, 8th January, 1971

EUROPE

TAXES ON POLLUTERS?

A plan for harmonizing European Community taxes on hydrocarbon fuels as part of an air pollution control project is taking shape, the Commission announced in October. It said that turnover taxes and excise taxes paid by users of hydrocarbon fuels would be harmonized. The Community members' current tax systems are not differentiated according to the pollutant.

European Community, January, 1971

UNITED STATES

MERCURY ALARM

The American Government has been told that an intensive programme to decontaminate waterways polluted by mercury must be begun immediately as a matter of "utmost urgency". It was urged to ban the use of highly toxic alkyl-mercury pesticides and to restrict severely the scale of all other pesticides containing the chemical. Mercury contamination in the United States is "potentially grave", the Government was told.

The recommendations and the warning come from a study group of government and private scientists in a special report to the Health, Education and Welfare Secretary.

"All controllable sources of mercury contamination should be either eliminated or maximally reduced", the scientists conclude.

The study on mercury hazards and its findings are based on 10 days of intensive meetings with scientists in Sweden and Finland, countries which have been alerted to the problem of mercury contamination by fish and wild-life and where the patterns of mercury use are similar to those in the United States. Sweden and Finland have devoted years of study to the mercury pollution problem.

The Times, 15th January, 1971

UNITED KINGDOM

MONITORING FOODS FOR POISON

A wide range of foodstuffs are to be monitored regularly for the presence of contaminating heavy metals, particularly methyl mercury, which could be a threat to health.

The scheme will involve a check of commodities such as wheat flour, potatoes, beef, tomatoes, cheese, eggs, fresh and dried milk, home and imported fish - including canned fresh and frozen produce - brassicas, rice, sugar and apples. A check will also be made of animal feeding stuffs. Samples for examination will be collected from centres throughout the country.

3,000 items will be analysed annually by the various laboratories. The samples would be supplemented by tests undertaken by local authority analysts. The findings of the main monitoring groups will be published at half-yearly intervals, and the first report will be made in the autumn.

The Times, 20th January, 1971

JAPAN

POLLUTION-FREE CARS

Japan plans to develop pollution-free electric cars and buses within five years for practical use, the Agency of Industrial Science and Technology has announced. A five-year research and development programme is for cars running at maximum speeds between 37.5 miles and 50 miles an hour and able to cover 80 to 150 miles. The agency project, budgeted at 5,000m. yen (£5,787,035), included a two-seater light truck with loading capacity of 200 kilogrammes (4 cwt).

Financial Times, 25th January, 1971

FEDERAL REPUBLIC OF GERMANY

PESTICIDES

New regulations are proposed which will ban the use of Dieldrin, restrict the use of DDT to forestry and limit the use of other chemicals including household fly sprays.

VPK 24th November, 1970

SWEDEN

ACID RAIN

The Swedish National Environment Protection Board is concerned about the effect on forests and fish of diluted sulphuric acid in rain resulting from the burning of fuels containing sulphur in Britain, Germany and elsewhere.

Daily Telegraph, 7th December, 1970

UNITED STATES

CHEMICAL POLLUTION

The Monsanto Chemical Company has refused to provide information about its production of chemicals liable to pollute the environment.

Times, 9th December, 1970

SWITZERLAND

WATER POLLUTION

The Swiss Government is to increase penalties for endangering the purity of water supplies; and these will include imprisonment. Subsidies for the installation of plant to prevent pollution will also be increased.

Bulletin of Legal Developments, 28th November, 1970

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Watch that Christmas egg nog, warns Consumer Unions. It may not have any egg in it. About 20 states have no regulation concerning egg nog and it apparently need not contain any egg say CU. So, if you buy egg nog, read the label - it might be all nog.

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MONOPOLY AND RESTRICTIVE TRADE PRACTICES

EUROPE

COMMISSION BANS RESTRICTIVE AGREEMENT

The EEC Commission on October 29th, banned a restrictive trading agreement between a Belgian company, Tuberies Louis Julien, and a Dutch company Van Katwijk¹ Industriën. The accord sought to limit the Belgian firm's exports of cardboard tubes to the Netherlands and so encourage the Dutch firm to cease exporting its cardboard tubes to Belgium. The Commission acted under Article 85, paragraph 1, of the Rome Treaty.

The cardboard tubes are used mainly in the textile industry. Each company is its country's main producer and exporter of these products. The agreement, through dividing the Belgo-Dutch market between the two firms, significantly restricted trade between the two countries.

The Commission found that the agreement did not comply with the conditions laid down in Article 85, paragraph 3 of the Treaty, which states that agreements between companies may be approved if they improve the production or distribution of products, or promote technical or economic progress.

European Community, January, 1971

EUROPE

EEC RULING ON CARTEL

The Brussels Commission has approved the continued operation of a French fertiliser cartel, Supexie, provided it confines its activities to areas outside the Common Market. The four companies concerned have taken the necessary measures to this effect.

Before the arrangement was modified, Supexie was in charge of all exports from France of phosphate fertiliser produced by the four companies. The organisation ensured that each company received the same price for its fertiliser, and profits were split between the participants. This was found by the Commission to be a threat to competition, at least in so far as markets inside the Community were concerned - the Commission has no control over competition policy outside the Common Market. The companies must now accordingly market their products individually in Community countries.

The four companies involved in Supexie are Pechiney-Saint Gobain, Ugine-Kuhlmann, Société des Fertilisants de l'Ouest and Société des Etablissements Linet.

Financial Times, 7th January, 1971

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Luxembourgers are finding that cremation can be an expensive business. As there are no cremation facilities in the Grand Duchy, the job is carried out in the nearest crematorium, in Strasbourg. French tax officials consider this a "service rendered to a private individual" and charge value-added tax accordingly. Luxembourg officials, keeping to the strict letter of their country's tax laws, maintain that the returning ashes are the results of "work given to a foreign company with reimportation of the finished product". They consider the ashes as subject to Luxembourg's VAT as well. This macabre fiscal anomaly results from the fact that member states' tax systems are not yet harmonized.

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CONSUMER PROTECTION

INTERNATIONAL

UN TREATY ON DRUGS

Psychotropic drugs like LSD and pep pills may this year be subject to international controls as strict or even stricter than those imposed on major narcotics such as morphine and cocaine.

After three years of negotiation, the United Nations Commission on Narcotic Drugs has completed a draft treaty which would combat growing worldwide abuse of these substances. This treaty is up for adoption at a conference of all UN member countries being held in Vienna from January 11th to February 19th. If approved, the controls could be ratified and in force by the end of the year.

Psychotropic substances fall into three categories:

- Hallucinogens like LSD and mescaline,
- Stimulants such as pep pills, and
- The large assortment of so-called tranquillisers.

Meanwhile in Washington, a congressional panel has proposed tighter controls on U.S. pep pill exports and the abolition of world-wide cultivation of opium as part of a new drive to combat the international drug problem. It also proposed international economic sanctions against countries violating drug control agreements and tightened scrutiny on visas for foreigners visiting the U.S. to help cut down drug smuggling.

Financial Times, 8th January, 1971

UNITED KINGDOM

INFLAMMABLE TOYS

The Director of Information of the British Safety Council says that many British and imported toys are filled with highly flammable plastic foam. Foam treated to make it fire resistant costs 30 per cent more than untreated foam.

Daily Telegraph, 1st December, 1970

CANADA

WARNING ON BIRTH PILL PACKETS

All makers of Birth Control Pills in Canada have been ordered by the Government to include in each packet a notice that the product is "potent and effective" medication that can cause health complications.

The order of the Food and Drug Directorate, which takes effect on February 1st, was made in spite of the protests of some groups in the Canadian Medical Association. These doctors said that a woman contemplating the use of "the pill" should get all explanatory information from her doctor.

Dr. Jeffrey Bishop, deputy chairman of the Food and Drug Directorate, disclosed that the Government had overruled the doctors' protests to follow the recommendation of a Special Advisory Committee on Oral Contraceptives.

This committee, of gynaecologists and obstetricians, said the widespread use of birth-control pills had become a "social phenomenon" that demands the fullest degree of public information.

"Hitherto it has been implicit that the patient accepts the judgement, expertise and experience of her doctor. However, the fact that these potent drugs are now prescribed for predominantly healthy women demands that the patient should be informed and participate in the decision as to whether or not she should use them".

Dr. Bishop said that the 10 manufacturers responsible for the 26 oral contraceptive preparations on the Canadian market had been asked to word their notices in "suitable, lay language".

The directorate suggested the following: "As with all other types of potent and effective medication, complications can result from taking birth control pills. You doctor is in the best position to decide whether or not any medical conditions are present which pose a special risk to you".

The notice, the directorate added, should also advise women buying packets of pills to "contact your doctor immediately if you develop severe or persistent headache, blurred vision, pain in the calves of the legs, pain in the chest, menstrual irregularities, or other unusual symptoms".

It noted that since most women requesting "the pill" are "young, healthy and married," they may be unaware of the risk involved if there is a family history of certain diseases - diabetes, cancer, hypertensive vascular disease or thromboembolic disorders.

The Committee concluded that "the smallest dose of medication consistent with achievement of the desired effect is, in general, the best treatment". It said it believed the "lowest dose" of estrogen compatible with 100 per cent effective contraception to be 50 micrograms. Estrogen, the effective ingredient in "the pill" is also the cause of dangerous side effects.

The Times, 12th January, 1971

UNITED KINGDOM

RULES FOR SAFER PRAMS

The British Standards Institution has been asked by the Home Office to provide revised safety standards for perambulators and new standards for push chairs. When it receives the standards, the Home Office will discuss them with manufacturers. It will draft new regulations to ensure compliance. "They will mainly be about stability, efficiency of brakes, and adequacy of locking devices", the Home Office said.

The Times, 11th January, 1971

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Only seven per cent of the world's people live in Canada and the United States, yet more than a third of the world's supply of beef and veal is produced and consumed within these countries.

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CONSUMER INFORMATION

CANADA

CONSUMER INFORMATION

The Consumers' Association of Canada has published an annotated catalogue of consumer information listing books and publications on consumer affairs in various countries. It is available from 100 Gloucester Street, Ottawa 4, Canada.

UNITED KINGDOM

DATE STAMPING

Many British packed foods carry codes giving the date of packing. The Consumer Council would like to see a standard code which retailers would understand but which shoppers would not, so as to prevent self-service shoppers always choosing goods with the latest date. The Consumers' Association, on the other hand, wants straightforward date marking as is done with some foods such as bacon. So does the National Union of Small Shopkeepers. The Grocers' Federation says that date codes enable unscrupulous van-men to take stale food from one shop to another.

Guardian, 2nd December, 1970

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The Potato Marketing Board is to spend several thousand pounds on a campaign to persuade people that potatoes help to keep them slim. It will claim that potatoes are 82 per cent water and have about the same amount of starch as an apple.

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SPECIAL FEATURE. I

INSTITUTE FOR CONSUMER ERGONOMICS

A new institute for consumer ergonomics, probably the first in the world, has been set up at Loughborough University of Technology. Eirlys Roberts, of Consumers' Association, commented as follows in the December issue of Which?;

"Ergonomics is finding out how to organize work so that it fits in with the capacities and limitations of the worker. In factories, ergonomists try to plan the job, the tools, and the surroundings so that the worker is as safe, as effective, and as comfortable as possible. They have not paid quite as much attention to the home. Many of the working conditions there would simply not be tolerated, officially or unofficially, in a factory. Here is the gap which the Institute of Consumer Ergonomics is planned to fill.

The Institute will investigate among other things, kitchen layout and the products which the housewife uses in the kitchen (and elsewhere), to discover the design (or range of designs) which would best suit her needs. There would be no point in producing designs unless manufacturers carried them out, so the staff (engineers, industrial designers and ergonomists) must keep their feet on the factory, as well as on the kitchen, floor. The results should be realistic designs. The details will be published in Which? and the professional press for any interested architect or builder or manufacturer to use.

Although the Institute's main job is to carry out research for ordinary British consumers - to show how goods could be designed to meet their real needs - it has been offered assignments additional to CA's. The Swedish KF (Consumer's Cooperative) wants designs done on equipment for the disabled. Other projects are being discussed and I shall tell you about them from time to time.

We are proud that this new venture has started in Britain, not Sweden or in the States, and that it has been started by consumers and academics for the benefit of consumers".

Which? December, 1970

SPECIAL FEATURE. II

BEER BATTLE "TRUCE"

A negotiated "cease fire" is likely to end the "beer battle" troubling the EEC.

Basically, the issue is whether brewers should be allowed to make beer from maize or rice, or whether the Germans are right to insist on their centuries-old recipe based on barley.

Price and competition, as well as tradition are involved in the hurly-burly. German regulations lay down that the only ingredients of beer may be water, yeast, hops and barley malt. The Commission's proposals for a common beer market should recognize "non-German" methods.

Nobody would prevent the Germans from sticking to their recipe. But the Belgians and others - not least the British, if they joined the Community, for they too would be eager to push their beer on the Continent - would be free to brew by the cheaper, non-German methods.

Germany's Minister of Agriculture, Josef Eryl, has proposed that the German "pure-beer law" of 1516 should be extended to the whole EEC area.

Germany complains that its competitors derive some of their cost advantage by using maize that is price-supported by the Community's farm fund. Thanks to the use of organic substances, among them enzymes and tannin, Belgian brewers malt (ferment) about two thirds of the grain they use. By the German method, complete malting is necessary to convert starch into sugar so that it can make alcohol. German brewers believe that beer based on maize or rice cannot compare in flavour with the "juice of the barley".

Experts predict that the war will end in a truce, based on a compromise. The "others" would be permitted to make and sell their beverage far and wide, including Germany. But bottles or cans would have to state that the beer was made by the cheaper method.

European Community, January, 1971

SPECIAL FEATURE. III

THE POWER OF ADVERTISING

"Does advertising tell it straight?" asks the fourth Nader Report, aired recently by educational television stations across the United States.

Aileen Adams, one of the 200 student "Nader's Raiders" in the Centre for the Study of Responsive Law, told viewers that she sought an answer to this question by taping numerous television and radio commercials for mouthwashes, pain relievers, gasoline, and enzyme detergents. She wrote to about 80 firms, asking them to substantiate the claims they made for their products. "A cleaner (auto) engine can mean cleaner air", one commercial declared. "But does it?" Miss Adams questioned. An expert said that the condition of the various engine parts, running conditions and factors other than fuel effect engine performance; more than

detergents in gasolines are the answer to reducing "somewhat" at least, the air polluting auto exhaust. He declared the firms should take out the lead and demand that auto makers lower the octane requirement of auto engines.

There is no difference in chemical composition and efficacy among the several brands of pain reliever cited on the programme, Miss Adams said. A drug researcher suggested that viewers "buy the cheapest aspirin that you can get; very likely you will get just as much pain relief as you would get from the most expensive pain reliever".

The Swedish national co-operatives banned the use of enzymes in their detergents because they were afraid that the kinds of things that were happening to workers in plants who were exposed to enzymes would be duplicated in the general public over a period of time", Miss Adams reported.

Ralph Nader summarized the programme's evidence: "The fact is that these ads work; they are persuasive; they are a spectacular application of social science. They do change people's purchasing habits and tastes. After a while the proficiency of the ad copywriter is such that he begins to sell the ad, and not the product. And the consumer's attention is focused on the brand name, the razz-ma-tazz, the colour, the psychological whimsys, the associations with deep held emotions which have nothing to do with the quality, durability or efficiency of the product ..." which drives "the honest ...out of the business ...".

Cooperative News Service (USA) 14th December, 1970

SPECIAL FEATURE. IV

COMMISSION APPROVES WATCH-MARKETING SYSTEM

The Commission announced in November that it had further defined Community policy on selective marketing agreements by approving the sales system adopted by the Omega watch company.

Many manufacturers of trade-marked products employ the system known as "selective distribution" whereby they approve of sales of their products only through registered dealers or official distributors who fulfil certain conditions; the manufacturers refuse to supply other retailers. Generally the manufacturers do so:

- : to provide the public with an efficient after-sales service (for products of high technical standards);
- : to guarantee a consistent quality (for products difficult to preserve in stock);
- : to promote the reputation of the trademark (for luxury articles).

When this system is applied systematically throughout the Common Market by companies with an important marketing position, it can raise problems under the competition rules of the Rome Treaty.

Last June, the Commission "cleared" agreements between Community companies of the Kodak group which excluded from its distributive network wholesalers and retailers who did not possess the professional qualifications required or the appropriate facilities.

The Commission has now clarified its position through the Omega case. Omega's selective distribution system limits the number of sales points for its watches, not only by requiring its official distributors to meet objective conditions regarding their qualifications and their facilities, but also fixing a maximum number of retailers for each town or district, according to the local population and its assumed level of income. As a result, many jewellers who do meet these conditions are not recognised as Omega official distributors and cannot sell these watches.

In this particular case, the Commission has decided to authorize this limit on the number of retailers, although it restricts retail trade. Because the supply of Omega watches is physically relatively limited, the restriction is essential to provide registered dealers with sufficient turnover to allow them to provide a real sales promotion effort and service to their customers. Moreover, Omega official distributors can now obtain their supplies from any one of the manufacturer's five exclusive importers in the EEC (and not merely from the one in their own country) and are free to re-export to other member countries of the Community to other Omega official distributors and to private customers at freely-decided prices. There is thus adequate competition at the distributive level; the Commission believes that this should lead to lower prices for Omega watches in the EEC.

European Community, January, 1971

SPECIAL FEATURE. V

POLLUTION CONTROL AND PETROL BILLS

The twopence a gallon petrol price increases are likely to be the first of many. The latest rises were necessary because of higher shipping costs and the need to restore margins at the filling stations. But growing pressure for control of exhaust pollution is forcing petrol refiners and car manufacturers to alter their programmes in ways which will make petrol more expensive and make cars use more of it.

The pressure for pollution control is strongest in the United States. President Nixon signed a Bill that will require car manufacturers to reduce the carbon monoxide and hydrocarbon emissions from car exhausts by 90 per cent, from the 1968 levels. All cars sold in the U.S. after 1975 will have to conform to these standards, unless the American Government extends the deadline under pressure from Detroit.

The standards will not be at all simple to meet. They will require afterburners or catalysts in the exhaust system to burn or transform unburnt hydrocarbons before they emerge into the air. They will also require extensive changes to the design of engines, involving lower compression ratios and hence less power.

LEAD CONTENT

Catalysts in the exhaust system would become rapidly coated by the lead constituent of fuel, which would ruin their performance. Petrol refiners will therefore be forced to reduce or perhaps eliminate lead from petrol as soon as catalysts begin to be used to reduce pollution. Lead has hitherto been added to fuel because it is the cheapest way to increase the octane rating of petrol. Higher octanes permit the use of more efficient high compression engines which give a much better performance. In Europe, and especially in Britain, there has been a significant move towards higher compression engines, and the use of high octane fuel, as car designers have responded to the public's demand for livelier cars.

It is probable that the removal of lead from fuel would bring the octane rating down about eight points, reducing British five-star grade from 100 octane to 92. Few current British cars can run on such low octanes, so petrol refiners will have to find ways of raising levels again. Engine designers too will probably have to modify their engines to cope with leaner fuel.

So far, few oil companies have been able to develop and market high octane lead-free fuel. Amoco has been selling it in the Los Angeles area, where pollution fears run high and some drivers are prepared to pay a premium for unleaded petrol on public health grounds. But it is unlikely that the company could market this fuel on a national basis. Any oil company can produce a certain amount of high octane fuel by creaming off the best product of its refineries and reducing the quality of the rest. But as yet no company has announced that it could produce any quality of high octane lead-free fuel economically. In most cases companies would have to build special refineries and develop novel additives if they were to eliminate lead.

There has been little pressure yet in Europe (except in Sweden) to remove the lead from fuel or to reduce exhaust pollution to levels which would require catalysts. To be sure, pollution in Los Angeles, where climatic conditions frequently result in noxious exhaust gases hanging over the city for weeks on end and turning into damaging photochemical smog. In other cities, such as Tokyo and Milan, the same climatic and geographical conditions constantly recur. It would seem to be only a matter of time before political pressure in Europe demands much greater control over vehicle exhaust pollution. Many European cars are exported to the U.S. and will have to fit catalysts; it seems unlikely that European conservationists will long permit a dual standard - clean exhausts for the U.S. and dirty exhaust for Europe.

The Oil companies and the motor manufacturers have to guess the speed of public re-action to pollution in Europe. It takes four years to design and start production of a new engine and at least as long to modify and rebuild an oil refinery; so it is important to anticipate possible future legislation. Most people expect that Europe will be at least five years behind the U.S. - that is, that the most rigorous controls will not be adopted until 1980, with more half-hearted legislation appearing in 1974-75.

HARDER

Reducing pollution will be much harder for European car manufacturers than for American. European engines are smaller and more efficient, with higher compression ratios than American. While many standard American saloons run happily on American regular grade 94 octane petrol, many European cars need 89 or 100 octane fuel. Most cars with high performance engines - Alfa Romeos, BMW's, Jaguars, Rovers and Triumphs are examples - need 100 octane fuel. So do most of the GT versions of popular cars which have been taking an increasing proportion of the market; and so, of course, do sports cars.

In Britain cars designed specifically for low octane fuel, such as the old Anglias, some of the old Jaguars and Ford Zodiacs, have been replaced with more powerful models needing premium grades. Continental manufacturers still produce economy cars which work on 90 or 92 octane fuel. The Renault 4, the small Citroen, Volkswagen Beetle, NSU Prinz, Daf 33, and Fiat 500 operate happily on 90-92 octane fuel. But these cars form a diminishing market and the more sophisticated family saloons in the next price grade tend to need premium fuel.

So while the Americans can easily downgrade their powerful engines to operate on lean fuel, European manufacturers will have more severe problems. Under the stimulus of the American regulations, car manufacturers have learnt a great deal more about efficient combustion in the past few years. The use of Heron heads with an open style combustion chamber, of electronically controlled fuel injection and of specially shaped inlet and exhaust ports can radically increase efficiency. The more aerodynamic styling of modern cars, particularly of fastbacks, has improved fuel economy too. But as can be seen from the chart it is in the high compression engines such as the Austin, Datsun, Lancia and BMW designs which produce the best overall fuel economy.

If the quality of the environment is the major consideration - as it surely must be in the Seventies - we will have to be prepared to pay more for petrol and to drive less far and less fast on each gallon.

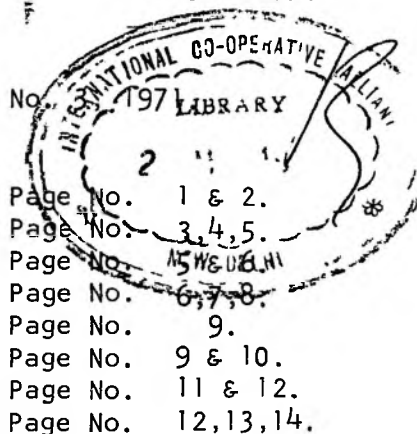
Financial Times, 2nd January, 1971



consumer affairs

BULLETIN

INTERNATIONAL CO-OPERATIVE ALLIANCE 11 UPPER GROSVENOR STREET LONDON W1X 9PA



Consumer Prices	...	...	...	...	...	...
Consumer Protection	...	...	...	...	...	...
Consumer Legislation	...	...	...	...	...	...
Environment	...	...	...	...	...	...
Consumer Representation	...	...	...	...	...	...
Co-operatives and Consumer	...	...	...	...	...	...
Marketing and Consumer	...	...	...	...	...	...
Special Feature No.1	...	...	...	...	...	...

No.	197
Page No.	1 & 2.
Page No.	3, 4, 5.
Page No.	6, 7, 8.
Page No.	9.
Page No.	9 & 10.
Page No.	11 & 12.
Page No.	12, 13, 14.

A new device for detecting erring shoppers can be fitted to shop doors and will indicate whether an item has been sold; if the price tag is not cancelled, the item won't get by the door device.

CONSUMER PRICES

ICELAND

PRICE STANDSTILL

Another Scandinavian government, Iceland, has imposed a price freeze. Prices will not be officially thawed before August 1971.

The Times, 26th January, 1971

EAST GERMANY

PRICE CUTS

East Germany has announced price reductions for textiles and other consumer goods and increased the price of spirits by about 20 per cent. The prices of textiles and a number of consumer goods, including electrical appliances, are reduced by between 9 and 34 per cent.

The resolution by the Council of Ministers was published by Neues Deutschland, the party newspaper. It said that the measures were possible because of increases in production and in labour efficiency and because of decreases in costs.

There were many indications before the food riots in Poland that the East Germans might be in for a new spell of austerity. Political observers believe that events in Poland caused the East German leadership to change its mind and introduce price reductions.

Times, 28th January, 1971

UNITED KINGDOM

DECIMAL PRICES

A NATIONWIDE survey of food prices in the four weeks before and the four weeks after Decimal Day - February 15 - has been launched by the Consumers' Association, publishers of Which?. The survey covers leading brands of 15 regular grocery items.

Weekly price checks will be made in large multiple stores and private grocery shops in ten large towns throughout the country and in London, to see what effect the change-over to decimal currency has on the housewife's grocery bill.. The association will make public any evidence it finds that D-Day is being misused to conceal price increases.

Financial Times, 29th January, 1971

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Extract from the Motor Vehicles (Construction and Use) Regulations 1969:

"The apparatus prescribed for the purposes of paragraph (2) of this Regulation shall be a noise meter of the same kind as that prescribed for the purposes of paragraph (1) of Regulation 23 and paragraph (3) of that Regulation shall have effect in relation to this Regulation as if any references therein to paragraph (1) of Regulation 23 were references to paragraph (2) of this Regulation".

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CONSUMER PROTECTION

UNITED STATES

NEW CONSUMER WATCHDOG

Ralph Nader, the champion of the American consumer, has announced the formation of a new organisation which would encourage scientists and engineers to provide information on corporations which are cheating the public. Called the Clearing House for Professional Responsibility, the new group will collect confidential reports from professional employees who wish to speak out but are afraid of losing their jobs.

The Times, 28th January, 1971

NORWAY

THE PILL

A West Berlin pharmaceutical firm has been ordered by a Norwegian court to pay 150,000 crowns (£8,800) in damages to a Hungarian refugee whose wife died after using the firm's contraceptive pill, Anovlar. The case was believed to be the first in Europe in which a company producing the birth pill has been ordered to pay damages.

The Times, 30th January, 1971

UNITED STATES

A NEW SMOKING REPORT

Since 1964, various Government reports have linked cigarette smoking to lung cancer, emphysema and other respiratory ailments. The most recent report is that of the U.S. Surgeon General, which details hundreds of studies on millions of smokers and non-smokers. It shows that cigarette smokers are at least 20 times as likely to die of lung cancer as non-smokers, and six to ten times as likely to die of cancer of the larynx. They are also more susceptible to peptic ulcers, the delivery of stillborn babies and cancer of the urinary tract. In addition the report cited experimental evidence that cigarette smoking causes a relative deprivation of oxygen in the heart muscle. It also contributes to circulatory problems by constricting arteries. The Surgeon General's conclusion: "Cigarette smoking is a significant factor in the development of coronary heart disease".

Because pipe and cigar smokers rarely inhale deeply, says the new report, they are only slightly more susceptible to lung cancer than non-smokers. But pipe smokers can develop cancer of the mouth or lip. Many pipe puffers and cigar chompers do draw smoke down as far as the larynx. As a result, their chances of developing cancer of the throat are three to seven times greater than those of people who avoid smoking of any kind.

UNITED KINGDOM

GARAGE STANDARDS

An urgent study into ways of improving standards of servicing in Britain's garages has been set up. A special session of the Economic Development Committee for the Motor Vehicle Distribution and Repair Industry (little Neddy) met yesterday with officials of a number of motoring and consumer organisations to discuss recent attacks on garage servicing.

After the meeting, a statement said a special project had been instituted "to examine the problem in consultation with the motoring organisations and other interested parties, and to make early recommendations".

It is thought that a special working party, including little Neddy members and co-opted members from consumer bodies like the Consumers' Association, and the Automobile Association, will be set up to make recommendations to the Government. It has already been suggested there should be a system of licensing of garages which come up to certain standards.

The latest moves follow last autumn's report in the Consumers' Association's Motoring Which?. Standards of repairs and servicing in Britain's garages were strongly criticized.

The Times, 28th January, 1971

UNITED STATES

FROM GERM WAR TO CIVILIAN RESEARCH

The biological warfare laboratories at Pine Bluff, Arkansas, are to be converted into a national centre for research into the effects of chemicals on man. The Pine Bluff Arsenal will first be used to complete the destruction of biological warfare weapons.

The White House announcement said the new centre would concern itself with developing "better approaches to the understanding of what the data acquired from experimental animals mean for man".

The Times, 28th January 1971

UNITED KINGDOM

HOME DANGERS

New rules to make homes safer are being considered by the Home Office, Mr. Sharples, Minister of State, Home Office, told a Commons committee yesterday. They would cover inflammable play suits, electric blankets, domestic electrical appliances, perambulators and pushchairs, the lead content in tinning, cooking utensils and the toxic content of pencils and crayons.

Mr. Sharples said the Home Office, was also keeping under review the question of portable cots that could be dangerous.

The Times, 4th February, 1971

UNITED STATES

DANGEROUS TOYS

The Food and Drug Administration has announced that it is banning five types of toys considered mechanically dangerous to children. The FDA order did not name specific toys or brands, but rather referred to particular types of toys. These include stuffed animals and dolls unless they are constructed in such a way that children cannot break them open; darts and similar sharp pointed toys, unless marketed as adult games with strict warning labels; noisemaking toys with detachable parts that can be swallowed; caps for toy guns with sound levels of 138 decibels (comparable to a jack hammer); and rattles with parts that can cause puncture wounds or that have loose inside parts that can be swallowed.

This was the first time the agency has moved under the 1969 Child Protection and Toy Safety Act (and this action came just a short time after several consumer groups petitioned the agency to order the removal of eight dangerous toys).

CLUSA, Cooperative News Service, 22nd December, 1970

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Cows milk the same whether they are listening to the Beatles or Brahms, according to the U.S. Department of Agriculture. Many dairymen have radios in their milking parlours and claim the patter of music keeps their cows in a generous mood.

Not so, claim the animal scientists at the USDA Agricultural Research Service. Most scientists doubt music makes any real difference to a cow. Research has indicated that sudden loud noises may reduce milk output temporarily, but cows adjust quickly.

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CONSUMER LEGISLATION

UNITED STATES

SAFETY DEFECTS IN CARS

In an unprecedented action, the Justice Department acting on behalf of the National Highway Safety Bureau, has filed suit to force automobile manufacturers to inform consumers of a safety-related defect in their vehicles. Taking action in the U.S. District Court here, the government has asked the imposition of the maximum civil penalties of \$400,000 to be levied on General Motors after that company refused to notify the owners of 150,000 trucks that the wheels were dangerous.

This would be the first time that the Justice Department has actually gone to court to force an automobile manufacturer to take action related to safety defects. It is also the first time that a request has been made to levy civil penalties under the 1966 auto safety law.

CLUSA, Cooperative News Service, 17th November, 1970

UNITED STATES

SPEED LIMITS

Fast cars may soon be a thing of the past, if a proposed Department of Transportation rule is adopted by the government. The proposal would limit all cars beginning with the 1973 model and other motor vehicles to a top speed of 95 miles per hour. Besides the engine being designed to operate at only speeds less than that, the speedometer would not register any higher speeds. In addition, a special device would be installed that would flash lights and sound horns at speeds higher than 85.

CLUSA, Cooperative News Service, 5th January, 1971

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A meat products firm in Britain employs numerous butchers who bone the pork legs from which their products are made - and they sing. Dressed in gumboots, white overalls and caps, the butchers sing while they work, especially when Michael Katz, founder and managing director, goes round on his frequent inspection tours.

"When they are pleased with me they sing happy songs" he comments. "When they are angry with me, they sing me a rude song". Would that all industrial relations problems were so simply communicated.

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ENVIRONMENT

UNITED STATES

BAN ON DDT

The United States Court of Appeal has ordered the Environmental Protection Agency to issue immediate notices of cancellation of all use of DDT. The order was given the new agency instead of the Agriculture Department because control over pesticides, herbicides and rodenticides was shifted from USDA recently. An appeal to the Supreme Court on the order is considered unlikely because the new agency is not expected to be as sensitive to pressure from growers as was the USDA. Appeals are expected from manufacturers of DDT and as much as two years could be taken up in legal proceedings against a ruling by the new agency.

CLUSA, Cooperative News Service, 12th January, 1971

UNITED STATES

CAPSULE PESTICIDES MAY REDUCE POLLUTION

Government scientists are experimenting with tiny capsules of insecticide which can be fed to cows and pass through the animal's digestive tract and kill flies in manure. Researchers believe the oral insecticide could reduce pesticide spraying now used around dairy cattle facilities, helping resolve pollution problems. So far tests have shown no pesticide residues in milk as a result of the capsules.

CLUSA, Cooperative News Service, 12th January, 1971

INTERNATIONAL

VEHICLE NOISE

INCREASINGLY stringent limits should now be placed on vehicle noise, according to a set of recommendations on noise abatement just sent to member Governments of the OECD by its Permanent Council. The recommendations embody the results of two years' research into the problem of noise control by the Organisation's Consultative Group on Transport which comprises officials from the 18 member nations.

The Times, 29th January, 1971

UNITED STATES

When Illinois Attorney General William Scott started a legal crusade to protect his state's environment, his biggest problem was to get industry to curb emissions from old factories. Now Scott has shown the way with a consent decree obtained in an Illinois circuit court. The case involved U.S. Steel's gigantic South Works in Chicago. Built in the 1880's, the plant pours 100 million gallons of diluted wastes into the Calumet River every day. Scott did not ask the company to stop all pollution immediately, an action that U.S. Steel could justly fight as technically and economically impossible to obey. Instead, his special assistant, Joseph Karaganis, spent \$25,000 to hire experts who first proved that the effluents end up in Lake Michigan, then developed a feasible recycling system for the ancient facility. Result? U.S. Steel readily agreed to recycle 95% of its wastes by 1975, following a court-enforced schedule. The cost, estimated at \$12 million, will eventually be reflected in slightly higher steel prices.

The Times, 8th February, 1971

UNITED STATES

LAND-USE PROGRAMME

In a special message on the environment, President Nixon proposes that Congress enact the U.S.'s first national land-use programme. As the idea now stands, the states would assume some of the responsibility for planning now held by local governments. Their first step would be to take an inventory of the most ecologically valuable land (coastal zones, estuaries and major flood-plains) and then identify areas that might be affected by

such "key facilities" as power plants, airports and highway interchanges. After that, the states would set development standards for those areas and enact laws to give themselves review power over any proposed construction.

Nixon's programme, designed by his Council on Environmental Quality would use federal incentives and penalties. Washington would help the states start planning with grants totalling \$140 million between July 1971 and July 1976. If the states failed to co-operate, they would lose 7% of their federal funds for highways, airports and conservation of land and water. The penalty would increase by an additional 7% annually for a maximum of five years.

According to some critics, the preliminary draft of Nixon's bill contains several possible flaws. Most serious is the lack of strong national standards for planning. This might well leave the field to weak state standards favouring assorted special interests. Moreover, the bill now requires the states to control only big developments and new projects in special areas; elsewhere, wasteful land uses involving urban sprawl and roadside slurbs could easily continue. Nonetheless, most conservationists agree that the Administration has taken a vital step by merely identifying land use as a key national problem.

Time, 8th February, 1971

UNITED STATES

DETERGENT LABELLING

The Federal Trade Commission, which is responsible for regulating advertising practices, has proposed that detergent companies should be required to carry a warning about water pollution on all packages of phosphate detergents as well as in the advertising for these.

The proposed rule will be considered in public hearings in April. It would also require the listing on packages of detergents of all ingredients and their proportion in the product. Phosphates have been found to be an important polluting factor leading to the destruction of oxygen in rivers and streams.

The Times, 26th January, 1971

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"Important: Albadoro Cannelloni do not ought to boil", say the instructions which continue: "1. Bring in Cannelloni, as they are, a stuffing made with beef, eggs, cheese, parmigiano, papper or spices, as you like, all well amalgamated and juicy 2. Besmear a backing-pan, previously buttered, with a good tomato sauce and after, dispose the Cannelloni, lightly distanced between them, in a only couch. At last, for a safe success in cooking, shed the remmant sauce", and so on.

Trust the Italians to make everything sound like a seduction.

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CONSUMER REPRESENTATION

UNITED STATES

NEW CONSUMER PROTECTION UNIT

The Justice Department has created a consumer affairs section within its Antitrust Division. The unit will strengthen and co-ordinate the enforcement of consumer protection laws, and in addition, it will serve as a "focal point for consumer complaints". In announcing the creation of this unit, Mrs. Virginia Knauer, the President's special adviser on consumer affairs, stressed that this group was not intended as a substitute of the Consumer Protection Division which is proposed in the administration's consumer bill.

This new unit, which will eventually have a full complement of 10 lawyers, will begin with a staff drawn from the Department's Antitrust and Criminal Division. Unless new legislation is passed, this unit will not have the authority to represent the consumer before regulatory bodies nor to prosecute merchants and manufacturers for particular types of fraud and deception, as the Consumer Protection Division would; rather, it will enforce existing consumer protection laws and represent consumer interest in antitrust cases.

CLUSA, Cooperative News Service, 5th January, 1971

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Artificial nitrates and phosphates, run off into rivers and dramatically encourage the growth of algae. These in turn use up the oxygen in the water making it unfit for fish or other animals.

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CO-OPERATIVES AND CONSUMERS

SWEDEN

CO-OP HEALTH CENTRES

K.F., The giant Swedish Co-operative Union and Wholesale Society, after taking the lead in the development and operations of Government Health and Environment Centres, is again leading the way in developing a chain of about 10 health centres that will study and make recommendations on working conditions that effect the health of the 60,000 consumer co-op employees in Sweden.

Co-op Commentary, 19th November, 1970

UNITED STATES

LOW-LEAD GASOLINES

Midland Co-operatives, Inc., has joined the long list of firms refusing to jump onto the non-lead or low-lead gasoline bandwagon. Declaring in an editorial in its member newspapers that the gasolines "increase the cost of operating an automobile but do not reduce air pollution", Midland charged that some refiners are using the anti-pollution claims of no-lead gasoline to increase their share of the market.

The chief reason for the adoption of no-lead gasolines by some refiners, Midland said, is that lead limits the life of a catalytic-type muffler planned by automakers to reduce exhaust emissions by 1975; when these cars begin appearing on the market they will begin supplying the no-lead or low-lead gasoline required.

Meantime, in Midland's opinion, there has been no proof that low-lead or no-lead gasolines reduces harmful pollution. "You will not see these firms (pushing no-lead gas) making a positive, absolute statement that no-lead or low-lead fuels, in themselves, actually reduce pollution".

CLUSA, Cooperative News Service, 5th January, 1971

SINGAPORE

TAXI CO-OP

A new Co-operative in Singapore, named "Comfort", is purchasing 200 mini-buses and 1,000 taxis from British Leyland Motor Corporation with the help of £1.2 million special aid from the Overseas Development Administration through the Government of Singapore. The funds, under 25% grant and 75% loan arrangements, have been made available to assist the urgent re-organisation of Singapore's public transport system.

The vehicles, to be assembled in Singapore, are to be on loan to the Co-operative which has recently been set up by the Singapore National Trade Union Congress. It is the policy of the Singapore Government to force pirate taxis to leave the road and to encourage taxi drivers to operate legally with their own taxis. The object of the new Co-operative is to supply taxis on terms which the drivers can afford.

Overseas Dvlpmt Administration Press Notice - 10th December, 1970

SWEDEN

CO-OP ADVERTISING

Of the 15 advertising agencies in Sweden with billings in excess of £1½ million, the SVEA agency - which is completely owned by the Swedish Co-operative Movement - now ranks second, with annual billings of £8 million.

SVEA books all media space on behalf of the retail societies and produces the creative work for all major campaigns at its headquarters in Stockholm.

CAPRA Ltd, British CWS, October/November, 1970

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In downtown Los Angeles, 66% of the land is taken up by parking lots or streets. In the whole Los Angeles area, one-third of the land is paved.

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MARKETING AND CONSUMERS

UNITED KINGDOM

TRADE SECRET

Industrial espionage or no, there are still one or two secrets under the sun. One is the recipe for Coca-Cola and another the recipe for Angostura Aromatic Bitters, and the latter has been kept so ever since 1824.

Robert Siegert, chairman of J.B.G. Siegert and Sons, makers of the hangover and flavourings agent, is in London and explains that he is one of the only three men alive who know the recipe. The other two, whom he taught, are deputy chairman Albert Gomez and managing director Thomas Gatcliffe. Siegert, in turn, was instructed by his father, but has yet to pass on the combination to his son John, presently the company's advertising manager.

To help keep the secret, ingredients appear on invoices as mere numbers and the residue defies analysis as it is destroyed immediately. To complete the mystery, the mixture is made by Siegert and his colleagues personally. They take four-month turns at the Port of Spain, Trinidad factory to do so.

One attempt was made to steal the recipe before the war by a foreman who for two years kept tabs on goods entering the factory. He then decamped to set up a rival company. But although he had the ingredients, he apparently didn't have the proportions, and was out of business in three months.

How then do you make the stuff? Siegert graciously directs questioners to the label on the bottle. It is "a skillfully blended aromatic preparation of gentian in combination with....." lots of things, in imprecise amounts.

The Times, 4th February, 1971

UNITED KINGDOM

GREEN HONEY

A retired Army officer whose honey became bright green after his bees were fed with a sugar containing a dye is to receive compensation from the Ministry of Agriculture. The green dye is added to sugar made available at a concessionary price to beekeepers to feed bees during the winter. It is added for the same reason that petrol for agricultural purposes contains a dye, to prevent misuse.

"I had misgivings about feeding the stuff to my bees but the ministry assured me it was perfectly safe and that other people had used it successfully", the officer said. "I have had to buy honey from other producers and sell at a loss to keep faith with regular customers. Much of my equipment has been ruined by this dye, and about one third of my bees - they turned bright green as well - have died from the other additive. It has taken several months, and the intervention of the Ombudsman's department, to get any satisfaction from the Ministry of Agriculture. One of their officials came up with a bright suggestion, that I should add red dye to the honey to neutralize the green".

The Times, 25th January, 1971

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A milk facial consisting of two tablespoons of powdered milk mixed to a paste with witch hazel, and one teaspoonful of boric acid was recently promoted in the U.S. Let the facial dry, remove with warm water and soap and finish with a splash of witch hazel, and you are on your way to a Cleopatra complexion according to the story.

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SPECIAL FEATURE: NADER'S RAIDERS

The following is part of a comprehensive article in the Times Saturday Review 6th February, 1971, on the work of Ralph Nader in the United States, by Ian McDonald. We will print the balance of the article as a Special Feature in the next issue of Consumer Affairs Bulletin.

According to his allies in the American consumer movement, Ralph Nader is more powerful than ever before. Some critics thought that he would spread too thinly and that his influence would be weakened by some fatal mistake. Yet the reverse has proved to be the case.

More than 4,000 students including a third of the Harvard University law school, volunteered to work with him last summer. Only 200 of them could be accepted. Every week, some 1,500 letters reach him from infuriated consumers and nearly all of them are read promptly. He feeds the information he gathers to a network of favoured reporters and consumer-minded members of Congress.

It is now almost five years since General Motors gave him an unqualified apology for spying on his private life - an episode in his life which some feel accounts for much of his deep desire for privacy and his almost obsessive secrecy today. His disclosure of the design weakness of the Corvair car not only forced the company to radically redesign the model in a fruitless effort to save it, but started a remarkable trend. In the past four years no fewer than seven million vehicles have been recalled by the big four motor companies to have design or engineering faults corrected.

The battle against General Motors has not ended. The company abandoned the Corvair in 1969, after sales dropped by 93 per cent, but Mr. Nader is not appeased. He has called for all models of the car still on the road to be recalled for engineering changes a move that would cost the company \$12m.

He adds that General Motors lorries are also defective and is associated with a suit against the corporation. At the same time he accuses the Justice Department of having suppressed a study which recommends that General Motors should be split in two because of its size and overwhelming impact upon the economy. Nowadays, he says, cars are just as likely to crash but they are more likely to protect those inside them when they do. Last year, for the first time, the highway death toll dropped sharply in the United States.

Mr. Nader has roamed over such a wide area of concern that it is not surprising that some of his causes have not yet been fully developed. Others however have had impressive success. After he raised public alarm by his report that routine dental X-rays could lead to miscarriages and birth defects, the American Dental Association told its members to stop making such X-rays when treating pregnant women. When he uncovered the dangers of radiation from colour television sets, the Federal Trade Commission issued a warning that viewers should sit at least six feet from the screen. In Baltimore, at his urging, a federal court set a precedent by ordering the Agricultural Department to release certain records to its meat inspection division. The three major baby food manufacturers stopped using the taste enhancer, monosodium glutamate, after Mr. Nader drew their attention to laboratory studies showing that it had harmful effects on animals.

He spurred the Food and Drug Administration to admit that commercial mouthwashes, such as Listerine, are useless for killing germs or curing bad breath. He has spurred the Federal Trade Commission not to relax in its long-drawn-out battle against the Geritol company for making unsubstantiated claims for its "tired blood" tonic.

Mr. Nader does not always obtain outright success but he usually succeeds in stirring the bureaucracy into action. He failed to secure an outright ban on smoking on airliners after contending that this was a safety hazard as well as a public nuisance, but the Federal Aviation Administration is now considering introducing non-smoking areas on domestic flights.

The growing militancy of the consumer movement has had a startling effect on Congress. In the last elections, the environmentalists served notice on the legislators by defeating six of the "dirt dozen" congressmen they said were most in league with big business.

With the rising congressional interest in consumerism it is hoped the idea of setting up a separate consumer protection agency which was killed in the last Congress by the House Rules Committee, will be approved this year. (Not surprisingly the American Consumer Movement was dismayed by the Conservative Government's decision to abolish the British Consumer Council).

Prospects have also improved for passage of legislation which would permit "class action" suits against business. The proposed legislation, which is strongly supported by the Consumer Federation of America - the umbrella organisation of the movement - would permit a group of two or more consumers to sue manufacturers for damages on behalf of all purchasers of a product.

The idea is that the court would award damages to both those who participated in the suit and all other defrauded customers and require the company to pay court costs and attorney's fees. The concept of class action suits is strongly opposed by business lobbies. If it were passed, lawyers would be able to handle consumer and environmental class actions and use the fees to support other public interest work.

Several city governments, in response to public pressure, have appointed consumer advisers, like Mrs. Bess Myerson Grant in New York. At the same time better business bureaus, which formerly represented only the interests of retailers, have re-formed themselves to respond to consumer concerns as well. Less credit is given to the Nixon Administration whose assistant for consumer affairs, Mrs. Virginia Knauer, is often felt to be outmanoeuvred by the prevailing business atmosphere in the White House.

As inflation begins to hit the housewife's food budget more severely, the consumer movement has begun to press for "unit pricing", and this is now becoming one its major concerns. Unit-pricing, which has been adopted by supermarket chains in New York, Washington and California, requires food stores to price goods by weight as well as by the package.

Consumers draw heart from their successful campaigns - which were mostly originated by Mr. Nader - to win Congressional passage of the 1966 Auto Safety Act, the 1967 Wholesale Meat Act and the 1970 Coal Mine Safety and Air Pollution Acts. But there is still little ground for complacency in this area. According to the National Commission on Product Safety, 30,000 Americans are killed and 110,000 permanently disabled every year, "as a result of incidents connected with consumer products".

This annual toll is made up of such incidents including television sets, 10,000 of which catch fire a year; glass doors, which cause 100,000 injuries; ovens, which seriously burn as many as 60,000 persons; ladders, which kill 600 and injure 200,000; and power mowers, which cripple 140,000. Also, it has been estimated that up to 700,000 children are injured each year by harmful or defective toys.

Many laws are already on the books which are designed to restrict the use of inflammable fabrics, insecticides and hazardous substances. These would quickly cut the toll of accidental death and injury - if they were enforced.

Such negligence makes Mr. Nader angry. "The corporations are the radicals", he says. "They're the ones acting outside the ideals, the norms of society. They can do almost anything they want so long as it's through inaction".

His horror is that the consumer movement could become an expanding gaseous balloon over the heads of do-nothing legislators and pretty soon it will be like motherhood and virtue. The rights accorded all citizens in our legal system have little or no operational meaning without remedies and lawyers to put these remedies into practice against the exploitation of the consumer.

REPORT OF THE ICA COMMISSION ON CO-OPERATIVE PRINCIPALS

(English Edition)

Reprint with slight revision as directed by the ICA Congress in
Hamburg 1969

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consumer affairs

BULLETIN

INTERNATIONAL CO-OPERATIVE ALLIANCE 11 UPPER GROSVENOR STREET LONDON W1X 9PA

No.4, 1971.

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Even death cannot liberate everyone from the complexities of Common Market taxation. Luxemburg has no cremation facilities, so the job is done in the nearest crematorium, in Strasbourg. French tax officials consider this a "service rendered to a private individual", and charge value added tax. When the ashes return to Luxemburg, the officials there maintain that the ashes are the results of "work given to a foreign company with reimportation of the finished product". So they charge another lot of value added tax. The journal of the European Community remarks that "this macabre fiscal anomaly results from the fact that member States' tax systems are not yet harmonised".

CONSUMER ORGANISATIONS

EUROPE

CONSUMER REPRESENTATION

The Contact Committee of Consumer Organisations of the European Communities have called for additions to the Treaty of Rome recognising the right to consumer information, the need for the harmonisation of labelling and the control of monopoly and the need for consumer representation on the EEC Economic and Social Committee.

Europe Consommateurs, No.7, 1970

INTERNATIONAL

IOCU SEMINAR IN SOUTH EAST ASIA

The International Organisation of Consumers' Unions' South East Asia Seminar, which is expected to attract about 50 delegates from some 20 countries, is to take place in Kuala Lumpur on November 29 - December 3, 1971. Hosts to the Seminar will be the Selangor Consumer Association, 56-B Jalan Bukit Bintang, Kuala Lumpur.

The theme of the conference, at which practical issues will be paramount, is "Consumers in Action". As proposed at the Baden Congress in July, delegates will discuss the possibility of setting up a South East Asia regional grouping, along lines now being pioneered by the Caribbean Consumer Committee. There will also be four "workshops", for which topics under consideration include "The consumer component in social planning", with particular reference to the quality and environmental standards involved in the transfer and application of technology; "Consumer Protection" - rights and remedies; "Consumer Education", with emphasis on the use of mass media and other means of communication; "Housing and Community Development"; and "Nutrition and Health", especially related to children.

IOCU Newsletter. 28th January, 1971

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From Canada comes news of a startling new building material - puffed wheat. Three civil engineering professors at Toronoto University say they can puff up wheat kernels to just under cereal size, burn them to pure carbon, and get a cheap, light-weight, fireproof and water-resistant material for use as insulation in concrete building blocks and panels, wallboards and elsewhere. One scientist also said that it would take the equivalent of about 1,600 loaves of bread to make up the foundations and walls of an average bungalow. The new process is expected to make a contribution towards reducing Canada's wheat surplus.

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MARKETING AND THE CONSUMER

EUROPE

THE DEFINITION OF MANUFACTURING

It is not only in the Common Market that cremation has created tax problems. Luxemburgers, having no crematorium of their own, have to use the crematorium in Strasbourg, and end up by paying two lots of value added tax on the ashes, one in France, where it counts as "service rendered to the individual", and one in Luxemburg, where it is "work given to a foreign country with reimportation". In Britain, the consumption by fire of the mortal remains of homo sapiens is not the subjection of goods and materials to a process". This ruling was given in 1967 by Mr. Justice Stamp, after Norwich Crematorium had claimed tax allowances on a new furnace chamber and chimney tower.

The right to the allowances turned on whether cremation counted as "subjection of goods and materials to a process" (that is, some sort of manufacture, in plainer language). The crematorium claimed that even if human remains were not goods in this sense, the shroud and coffin were. But His Lordship rules that the destruction of the shroud and coffin by fire was not the main object of the crematorium's business. "And there is that in the nature of a corpse which forbids its definition as materials". So no allowances.

But clearly this will create a tax harmonisation problem if we join the Six. If Mr. Justice Stamp's ruling stands, cremation is presumably not liable to value added tax. In the Six, it is.

The Financial Times 10th February, 1971

UNITED STATES

THEFT BY COMPUTERS

The police in Oakland, California, have been investigating a case which they believe may be the first of its type: the alleged theft by one computer of information from another. Suspicion was aroused when a Univac computer owned by Information Systems Design Incorporated began emitting data cards which had not been requested. The company called in the police. An investigation suggested that an unauthorized programme had been run through the Univac computer at the prompting, by the use of a code, of another computer owned by University Computing Company, a firm based in the town of Palo Alto, near by. As a result the police obtained a warrant to search the memory of the suspect company.

This led to charges being brought involving the alleged theft of trade secrets. The nature of the secrets has not yet been revealed but Information Systems Design has put the value of the computer programme at between \$15,000 (£6,270) and £25,000.

The Times, 4th March, 1971

U. S. S. R.

MORE FOR THE CONSUMER

Russia is to double her spending on the production of consumer goods over the next five years, according to the deputy planning Chairman, Mr. Mirotvortsev. The new plan promised the Russian people more consumer goods as well as 30 per cent more income. It also admitted the need for a radical improvement in the quality of goods produced.

Mr. Mirotvortsev said that by 1975 for every 100 families there would be on the market 85 radios, 72 television sets, 72 washing machines, and 64 refrigerators. "In 1975 our people will purchase goods from a consumer market more than twice as big as 10 years ago".

The plan has still to be approved by the Twenty-fourth Soviet Communist party congress which begins on March 30.

The Guardian, 18th February, 1971

UNITED STATES

HYDROGEN POWER

Experiments are in progress on a new source of electrical power based on hydrogen fusion. It would cost only 1 per cent of electricity produced from coal and would result in no radioactive waste, no pollution and no risk of explosion. It is hoped to produce electricity from hydrogen fusion before 1980.

CLUSA News Service, 1st December, 1970

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INCONVENIENT CONVENIENCE foods are nothing new, but a trio of cake mixes just launched by Pearce Duff seems more pointless than most. The new sachets each contain "wheat flour" - in fact there isn't any other sort - and a raising agent. The queen cakes mix also has colouring, the Victoria sponge mix has sugar and the scone mix has (wait for it) salt. Missing are eggs, butter, milk, jam, salt (in the other two cases) and sugar in the queen cakes. At 5p (1s.) for a 4oz-6½oz sachet, they seem largely a very expensive way of buying self raising flour.

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POLLUTION

UNITED KINGDOM

POLLUTION COURSE IN SCHOOLS

Sixth formers starting advanced level GCE studies next September may be able to take a course on the environment and pollution.

A syllabus for A-level Environmental Studies is to be submitted to several examination boards shortly by a working party of school teachers and university lecturers. It proposes that the course should include such topics as spoilation of the countryside, soil erosion, deforestation, and noise and pollution in towns. Part of the course would be a field study of a particular environment problem.

The Observer, 14th February, 1971

INTERNATIONAL

OCEAN POLLUTION

Stopping further pollution of the oceans has emerged as the highest priority during discussions in the 27-nation United Nations preparatory committee for the 1972 Stockholm conference on the human environment.

Mr Maurice Strong, of Canada, Secretary-General of the 1972 conference, pointed out that the oceans, covering 70 per cent of the Earth's surface, serve at present as a dumping ground and sink.

The conference has made it abundantly clear that halting pollution is going to cost the industrialized countries, the chief culprits, a great deal of money. But at this stage, it is not a matter of pointing the finger of blame. The chief offenders are unlikely to be identified until after agreement has been reached on machinery for fighting pollution and international legislation drawn up.

The Times, 17th February, 1971

UNITED STATES

POLLUTION VERSUS FREE COMPETITION

Recent remedies by President Nixon as well as proposals by the National Industrial Pollution Control Council are bound to enrage the environmentalist lobby. Mr. Nixon said he did not see the pollution problem in terms of the people or the Government versus business. He said no controls could work without the cooperation of industry and "we are not here to beat industry over the head".

The council replied in kind, arguing that some Government anti-pollution standards could not be met with present technology, while others were impractical because of high costs. It suggested that the Government should ban or limit pollutants only when they proved positively harmful, and opposed proposals that pollutants should have to be proved harmless before that are discharged into the air or water.

It said such extreme proposals entailed "a degree of restraint which could, if widely applied, have the effect of preventing innovation and severely limiting the workings of the competitive aspects of the enterprise system".

The Times, 11th February, 1971

NORWAY

OIL POLLUTION

NORWAY'S nine biggest oil companies are drawing up a joint plan to prevent oil pollution in and around Norway and to co-operate in clean-ups when pollution does occur. The nine companies have appointed a central committee to lay plans and work out rules for inter-company compensation when one company helps clean up pollution caused by another.

The central committee will be assisted by nine regional committees whose main task will be to plan counter-pollution measures on a local basis. In addition, they will catalogue the possible sources of pollution in their areas, such as storage depots, bunkering stations, tank lorries and tankers, and the equipment available to cope with pollution. They will also survey the most important potential "victims" of oil pollution, such as bathing beaches, pleasure-boat harbours and floating timber.

The Financial Times, 17th February, 1971

UNITED STATES

THE BOTTLE CYCLE

The Coca-Cola Bottling Company of New York has announced the opening of a campaign to reduce the problem of disposal created by glass and metal containers for drinks and food. The company will establish 17 collection points in the New York area and pay for any bottles or tins, not merely its own.

At their collection points the company will continue to pay 5 cents for their own bottles and $\frac{1}{2}$ cent for other bottles or tins. The containers will be recycled - made into new tins or bottles or into some other substances.

Other companies have been introducing similar schemes. Aluminium companies are paying \$200 (£83) a ton for old tins. In Baltimore a company offers trading stamps for reasonable bottles and paper.

The problem is that the cities are quickly running out of places in which to put the tons of rubbish discarded. In New York 24,000 tons are thrown out every day and the figure is increasing by 4 per cent a year. Most of it is disinfected and then buried or used as land-fill.

The Times, 10th February, 1971

INTERNATIONAL

IN DEFENCE OF DDT

In the nine years since Rachel Carson's book SILENT SPRING first documented DDT's disastrous effects on animal life, environmentalists have carried on a determined campaign against the potent pesticide. The U.S. Government has responded to their efforts by restricting the use of DDT. Several states have gone even further, banning the chemical completely. But DDT still has its defenders. The World Health Organization, admittedly more concerned with public health than conservation, has warned that a ban on DDT spraying could doom worldwide malaria-eradication efforts, which in the past 25 years have freed more than 1 billion people from the debilitating disease.

In sounding the alarm, which should give pause to even the most ardent environmentalists, WHO pointed to the experience of Ceylon, located on the southern tip of India in a tropical climate ideal for the breeding of the malaria-carrying Anopheles mosquito. There, a concentrated campaign of DDT spraying cut the incidence of malaria from 2.8 million cases in 1946 to only 110 cases in 1961. But after the Ceylonese authorities, considering the battle won, dropped the spraying programme, the disease returned with a vengeance. During 1968 and 1969, it afflicted 2.5 million people.

The Time Magazine, 1st March, 1971

UNITED STATES

THE SUN IS FADING

The penetration of sunlight through the atmosphere over Los Angeles has decreased dramatically during the last decade. Dr. Paul Hodge of the University of Washington at Seattle has measured transmission of light of different frequencies through the atmosphere at Mount Wilson, California, on the rim of the Los Angeles basin. The measurements were obtained during the period 1960-62, before the advent of regular smog.

A comparison with similar measurements taken in 1911 shows that the transmission of visible light had decreased by 8 to 9 per cent and ultraviolet light had decreased by 26 per cent.

The Times, 25th February, 1971

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We are sad to hear that oyster shuckers, those skilled - and expensive - men who force open oyster shells with the point of a knife, may yet fall victim to automation. Apparently, an attempt has been made to do the job by applying a light electric shock to the oyster, so forcing it to open its shell. But this failed because it did more damage to the electrodes than to the oyster. Now the idea is to attack the oyster - literally - with a gun. It is an air-gun, developed originally for under-water seismic work by the U.S. firm Bolt Associates of Connecticut. The Seafood Processing Laboratory at Chrisfield, Maryland, put oysters in a tray and suspended them in running water. The air-gun was discharged 8 inches above them.

Under bombardment, with the gun firing twice a second for 2½ minutes, 83 per cent of the oysters opened. The only thing that worries us is that the air pressure was 2,400 psi, which makes it something of a lethal weapon if misdirected. The oyster bar could be a hazardous place to eat in future.

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PRICES AND THE CONSUMER

UNITED STATES

CUT PRICE THEATRE

Twelve of Broadway's 32 playhouses are participating in the one-year project known as a "limited gross agreement".

Stripped of technical complexities, this means everyone in the craft from stagehand to author takes a voluntary cut in income so that the top ticket prices for affected shows will be about \$5. The current ceiling for straight dramas is from \$8,50 to \$10. The purpose is to encourage the production scripts of dramatic merit that would otherwise be too speculative for production under the previous cost structure; more employment, and more drama going by modest-income fans.

New York Times, 7th January, 1971

INTERNATIONAL

IATA ON THE MAT

Criticisms of IATA, the International Air Transport Association, for fares price-fixing, have recieved world-wide publicity through a concerted campaign by consumer organisations in a number of countries. The campaign, which is still gathering momentum, follows a release of the statement by the International Organisation of Consumers' Unions "deploring the failure of our economic and political systems to protect the consumer from abuses of market power" - of which IATA is cited as a particular example. The statement was drawn up at the Baden Congress , and submitted to the UN Economic and Social Council, with which IOCU is in consultative status.

IOCU Newsletter. 28th January, 1971

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Victory for the gastronomes. Kraft has given up the battle in France. Apparently, the giant American processed cheese manufacturer, despite success in Belgium, Switzerland and West Germany, has just not been able to persuade the French housewife of the labour saving merits of slices and spreads. So now it has decided to close down its loss-making French subsidiary. Will multinational corporations please note the moral that we are not all alike? Pass the Camembert, would you?

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CONSUMER PROTECTION

UNITED STATES

CIGARETTES

It is estimated that ten million Americans have given up smoking in the last four years; and that there are now 29 million ex-smokers and 45 million smokers.

The Times, 4th January, 1971

UNITED KINGDOM

SUPERVISED GARAGE SERVICES

A national scheme to check the performance and charges of Britain's 23,000 garages was urged yesterday by the Prices and Incomes Board.

The report on the industry, which has a turnover on repairs and servicing alone of about £600m., also criticizes the major car manufacturers. It suggests they should "give greater priority to improving the durability and reliability of cars."

While the board finds little evidence of overcharging or extortionate profits, it does say that generally garages are not held in high esteem by the public. On this point, the board says: " Various organisations have taken useful measures to promote greater efficiency and higher standards following the board's latest report.

"However, an important gap will remain until there is in operation a large-scale national scheme for awarding approval to garages providing motorists with a satisfactory guarantee of quality and value".

Noting that the industry's economic development committee (little Neddy) has recently brought together representatives of the various interested bodies to discuss what measures can be taken, the board "hopes that the preliminary work now put in hand will lead rapidly to a decision to set up a national scheme." But any scheme should be on a voluntary basis.

The Times, 17th February, 1971

UNITED STATES

CONSUMER LEGISLATION PROPOSED

PRESIDENT NIXON proposed today what he called a "Buyer's Bill of Rights" in the form of consumer protection legislation.

He asked for the passage of a "Consumer Product Safety Act", after proper standards have been established, and of a "Consumer Fraud Prevention Act". This would also have to start by definition of what is unfair and deceptive.

He would like the Acts to provide civil and criminal penalties, with a fine of up to \$10,000 for each fraudulent action. But he specifically omitted what the protagonists in the consumer movement argue for, namely the right to take civil or criminal suit against a shopkeeper or business with the Government having first to do so. The President would allow consumers who have been victimised to bring cases for damages, but only after the Government had successfully filed a suit.

The Financial Times, 25th February, 1971

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If you think that decimalisation and metrication are the sum total of Britain's efforts to be like everyone else, you are wrong. There is also the question of how to write the date. For example, 11-2-1971 mean February 11 1971 in Europe, but in America it means November 2 1971. Now the International Organisation for Standardisation has decided that neither method is better. Britain is one of 25 countries that have agreed to a new system of writing the date in descending order, so that February 11, 1971 becomes 1971-2-11.

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SPECIAL FEATURE No.1

Branding Britain's Biggest Butcher

THE CO-OP is Britain's biggest farmer. It is also, if you put all the country's 270 retail Co-operative Societies together, Britain's biggest butcher. Now it is making a major effort to blend these activities and launch the branded, quality-controlled, nationally-promoted Co-op joint, under the ringing slogan "Meats With Our Approval".

Despite Sainsbury and Marks and Spencer, branded meat has not so far been an unmixed triumph in the UK. Massive efforts by the giant Chicago firms, Swift and Armour, and by Unilever's sausage and bacon off-shoot, Walls, have failed to achieve any significant breakthrough. The friendly neighbourhood butcher, who still chops the steak up while you wait, remains the backbone of the business. But success by the vast, sprawling Co-op empire - located in virtually every shopping street in Britain and already claiming over 7% of all meat sales could quickly start to transform and rationalise the whole scene.

The trick lies in changing the age-old way in which the meat reaches the shops. Instead of supplying whole carcasses or quarters, which then have to be boned and trimmed of all the inedible bits at each shop, the CWS wants to switch to prime cuts - sirloin, rump or whatever - already prepared and vacuum-packed at a central warehouse. This change was pushed by the Argentinians after the British Government banned imports of meat on the bone in 1968 following the foot and mouth epidemic. But it is still not widely used in this country, even though the CWS claims it offers the rare combination of higher profits and happier customers. Eliminating variations in quality caused by an inept butcher or the choice of an inferior animal in the first place, should get housewives a better deal, and the CWS is going further, introducing a quality control system.

A bright red seal bearing the "Meats with our approval" message will be slapped on all Co-op beef supplied under the new system, whether it comes from their own 39,000 acres or from elsewhere. That goes further than the price tag carrying the company's name which is the way most groups brand their meat. The seal is a guarantee that your steak comes from animals bred to specifications far stiffer than in the past and then personally selected by CWS inspectors. It also guarantees that beef has matured seven days and as it matures in its Criovac film wrapping it will not have lost weight by evaporation as it would had it been hung. Every 11b lost cost 3s.6d (17½p) - or rather makes the remaining meat more expensive to the customer as the butcher fixes prices on the basis of his original cost. So the pre-packed systems out at least to help keep prices steady even if it does not bring dramatic cuts. But the savings to the butcher are considerable. He saves on storage space; on his wage bill; which can drop by 2½% because he does not need so many trained men; on stock control; because with meat on a carcass only an expert can judge its value whereas a greenhorn can tell accurately with a vacuum pack; and on eliminating waste.

"It costs 1d a lb to deliver meat on an average 30 mile journey yet more than 20% of an average carcase is inedible. With a centralised operation, you cut out waste and can negotiate a better price for bones, say, with the glue companies because you're dealing in bigger quantities", says Bob Chilcott, the CWS's man in Smithfield meat market. Yet in spite of the advantages, it does not follow that every Co-op will rush to adopt the system. The societies do not have to buy from the CWS. Hence the willingness of Arthur Sugden, the man who draws up the Society's £380 million annual food bill, to commit a sizeable budget to the new programme immediately.

Rather than invest in the capital equipment needed for centralised pre-packing, he has gone to an outside supplier, Leanstock, a Heinz subsidiary, which is doing a similar job for M and S. And there will be no national advertising until enough societies have switched over.

The above article is an extract from a feature article by Gwen Nuttall in the Sunday Times Business News of January 31st, 1971.

SPECIAL FEATURE No.11

When Ready Money Becomes Obsolete

The following is a book review from the Times of 14th February, 1971 by Ian. Morison.

Any good banker has to be something of an all-rounder - part accountant, part solicitor, part management consultant, part family doctor. So far, however, a doctorate is not among the qualifications usually required of entrants into the profession. Yet soon enough anyone without a head for binary mathematics or monetary cybernetics may find that banking can do without them.

This at any rate is the prospect conjured up by a fascinating book recently published in the United States and entitled Electric Money: Evolution of and Electronic Funds Transfer System. The author, Dennis Richardson, is chief financial officer of St. Edward's University in Austin, Texas - far enough removed from the East and West coast banking centres to allow him to take what is known as a broad view of things.

Let Mr. Richardson set the scene himself: Recent technological developments in the areas of micro-electronics, electronic data processing and information retrieval and communications systems will revolutionize the American monetary system. The officers of many large banks already envisage the elimination of what we now use for money, long-distance banking by remote tellers, bank's automatic payment of customers recurring bills, automatic deposit and loan facilities and pre-authorized, computer-programmed investment portfolios as part of the everyday services offered by the commercial banks of tomorrow.

In short, both money and cheques will gradually ossify as methods of payment. Debts and credits will be transferred electronically by means of vast, on-line real-time computer systems. Every individual with a bank account will own an identification card which will serve as an input to terminals linked, in turn, to a master computer switching system.

For American purposes, Mr. Richardson envisages the establishment of regional computer centres which would be linked both to the banks in the region and to other regional centres - as well as to the monetary authorities. Retailer's terminals would be on-line to such regional centres, which would switch the transmission of data from the retailers to the account holder's bank. The bank's own computer would then be able to effect an instantaneous transfer of the amount of the purchase.

There is no reason why companies should not have access to the computer facilities and in theory their entire payroll could then be handled in a matter of minutes. Moreover, every telephone is a potential remote terminal device for electronic fund transfers.

The basic technological developments needed to establish an electronic fund transfer system have already taken place. Third generation computers using advanced time-sharing techniques now exist. Information storage capacity and processing speeds are both increasing at a fast rate, as in innovation in the field of terminal devices. The necessary software is now being developed.

The capital outlay needed to implement such a scheme would obviously be immense. But once it has been met banking would be a far cheaper business than it is today. Cheque transfers are cheaper than cash transfers, but electronic fund transfers are cheaper still.

The problem of training staff will have to be faced not only by the banks, but also by all the retailers who use terminals. The problem of overcoming customer's hostility may be greater still.

Yet even if these problems were overcome a more important one still would have to be faced. This is how an electronic fund transfer system could be reconciled with the need for monetary controls.

The problem is a serious one. It is already reckoned that the growth of the credit card in America has made a significant contribution to the inflation process by speeding up the velocity at which money circulates. The process would intensify if the need to hold cash for transaction purposes was further reduced, as it would be if Mr. Richardson's dreams came true.

The cash would instead, augment the bank's lending base and the amount of short term credit extended by them would tend to increase. There would be a greater incentive to hold surplus funds in interest-bearing, "near-money" assets, which would also be an inflationary factor.

On the other hand, the computer network would be able to provide the authorities with valuable, up-to-date information about trends in prices, interest rates, monetary velocity and economic activity generally. The scope for developing new forecasting techniques would be immense.

SPECIAL FEATURE No.111

Naders Raider's

The following is the balance of an article on Ralph Nader by Ian McDonald which was published in the Times Saturday Review, 6th February, 1971, and part of which appeared as a Special Feature in the March issue of Consumer Affairs Bulletin.

Mr. Nader's ascetic style of life is not likely to change, but observers have noticed a gradual expansion in his operations. The lone ranger, it is said, has now gathered himself a posse.

New groups have sprung up around that famous name, using the power of the law to fight for consumer rights, against pollution and corporate neglect, and challenge the big bureaucracies. "What we need is a much healthier citizenship if the government is going to be preserved", Mr. Nader says. "Private interests are well organised; public interests are not. We're trying to redeploy lawyers into public interest work as a prerequisite for change".

The oldest of the organisations, the Centre of the Study of Responsive Law, developed in 1968 out of a project in which a small group of law students came to Washington and investigated the Federal Trade Commission, the agency which is supposed to watch over consumer affairs. They found a record of scandalous neglect; and the result was a scathing report on the commission's indifference to the interests of the consumers it nominally served.

The next summer "Nader's raiders" were back in town. The interstate commerce commission, which regulates transport throughout the United States, the Food and Drug Administration, and air pollution control became the targets of the young lawyer's pointed wrath.

The reports of these studies have sold well since being published in paper-back editions. More recent investigations have looked into the nation's chaotic and increasingly expensive medical care system and the miserable conditions of many private nursing homes.

"The Government, the nursing home industry and the medical profession" the latter report concludes, "must take deliberate and concerted efforts before nursing homes become truly homes for the elderly and not just places where older Americans wait to die".

The centre operates on a shoe-string in a run-down house not far from Dupont Circle in north-west Washington. The building is due to be pulled down and inside the atmosphere is more that of an impersonal scourge of big business. Newspaper clippings, cartoons, appeals for car rides, and assorted petitions in jumbled confusion clutter the notice board at the foot of the battered stairs.

In his book-lined second floor office, Mr. Theodore Jacobs, the centre's director, explains: 'We are trying to change the climate of thinking in the bureaucracy'.

Mr. Jacobs promises more controversy in the future. Reports will soon come out on supermarkets practices, the role of such think tanks as Herman Kahn's Hudson Institute, pesticides and various individual targets, including land-use policies in California and the First National City Bank of New York. The centre's early studies have already struck home. The Federal Trade Commission has been extensively reorganised by the Nixon administration. Its new head, Mr. Miles Kirkpatrick, was himself the author of a critical American Bar Association study of the commission's performance.

In contrast to its previous apathetic record, the commission has recently won respect for judgements restricting deceptive practices in advertising, an order to the Chevron Oil Company to stop claiming that its petrol cleaned engines and after much stalling, an order to force toy companies to remove potentially dangerous toys from the market. These include a lawn dart which can pierce a child's skull, toy ovens which generate greater heat than the real thing, and balloon squeakers which can blow down a person's throat.

The Food and Drug Administration has also shown increased energy since it was torn apart by a Nader report. It has belatedly begun to test fish for mercury, restrict the use of cyclamates as a sweetener and revise the labelling of birth control pills.

The Public Interest Research Group, staffed by 13 lawyers, has developed into the activist weapon of the Nader organisation. It has pressed the F.T.C. to require that detergent makers should list the phosphate content of their products, studied property taxation and its bias onwards business, and mobilized a widespread public movement against the Union Carbide Corporation for the massive air pollution three of its plants cause in the Ohio valley along the West Virginia border.

A separate group, the Centre for Auto Safety keeps track on the big motor companies. The unit was only set up last June, but has already brought suit against the National Highway Safety Bureau, asking it to issue a notice of defects on 200,000 Chevrolet and General Motors lorries. After pressure from Mr. Nader, the bureau earlier ordered General Motors to issue a similar notice on 150,000 camping trailers. The company refused to do so and the matter is now a subject of suits and counter-suits.

The debt of the consumer movement to Mr. Nader is incalculable. He showed the more faint-hearted what is possible and proved to the consumer that he can fight back against the computerized illogic of the business world. But, as he recognizes, the task is too great for him alone. "Thank God for Nader, but there are too many agencies for one man to keep up with them!", remarked Dr. John Banzhaf, a young associate professor at George Washington University, who is fast emerging as one of the stars of the consumer movement.

Dr. Banzhaf launched himself into the field by successfully petitioning the Federal Communications Commission to require broadcasting companies to grant free time for anti-smoking messages to counter cigarette commercials. Fired by this success, he left his New York law practice and developed his non-profit foundation A.S.H. (Action on Smoking and Health) in Washington.

In 1969, as part of his unfair trade practices course at the University, he encouraged his students to divide up into groups, each with a catchy acronym as its title, to work in different fields of Consumer law. Soup (Students Opposed to Unfair Practice) scored the first and probably the greatest success so far, with an allegation that the Campbell Soup Company put marbles in the bowls of soup in advertisements to make the liquid look thicker. The company discontinued the practice but has rejected the group's appeal that it should print a correction in its advertisements. Banzhaf's bandits, as they are described in Washington, have formed some two dozen other groups with names ranging from the appealing S.P.I.R.E. (Students Protecting Illegal Real Estate operators) to C.R.A.S.H. (Citizens to Restrict Airline Smoking Hazards).

The nemesis of the enormous American cornflake business is a self-financed jobbyist called Dr. Robert Choate. During congressional hearings last year Dr. Choate produced a list of the nutritional value of cereals which rocked the industry, which had grown complacent on its income of \$900 million a year.

According to Dr. Choate, two-thirds of his list of breakfast foods were so lacking in nutrition that they were valueless. At the bottom was Kellogg's Sugar Frosted Flakes, which is the third most heavily promoted cereal. Near the top, however, was Product 19 from the same company. He questions the message the companies tell children on the Saturday morning television programmes: "Eat . . . and you'll be a tiger in no time".

The advertising industry generally is now becoming apprehensive, and with good reason. When the Polatch Company of Washington state advertised how clean the Clearwater River ran past its doorstep, a group of students looked into the matter. The picture the company used in its advertisement has been taken 50 miles up stream from its chemical plant. Downstream the view was another story altogether.

Proctor and Gamble, Colgate-Palmolive and Lever Brothers have all been charged by the F.T.C. for deceptive advertising for the ability of enzyme detergents to remove stains. The Coca-Cola company is pressed to acknowledge that its Hi-C fruit drink is nutritionally near the bottom.

Mrs. Paul Ignatius, the wife of the president of the Washington Post company, found her moment of truth during a visit to London. When she saw what strict restrictions on burning coal and strong government control on pollution could achieve. Last March with six like-minded friends, most of them also wives of prominent Washington figures, she founded Concern Inc., which was to be dedicated to the education of "untapped resources" of the female consumer. A few sympathetic articles appeared and the response almost overwhelmed the fledgling organisation.

Another group of dedicated women in Boston formed Action for Children's Television (A.C.T.) to pressure the Federal Communications Commission and the broadcasting industry to improve the quality of programmes for young people and clear the daytime air of some of the commercials aimed solely at children.

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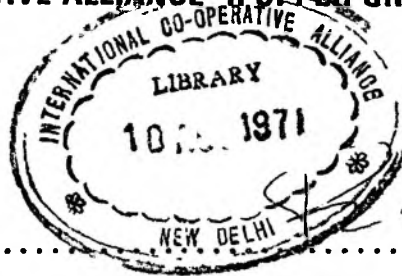
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consumer affairs

BULLETIN

INTERNATIONAL CO-OPERATIVE ALLIANCE UPPER GROSVENOR STREET LONDON W1X 9PA



517 *Richard*

No. 5, 1971.

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The Swedes have produced a new beer bottle which decomposes after two years if empty and exposed to the sun. As long as the bottle is full it is solid. It can also be burnt.

CONSUMER REPRESENTATION

FEDERAL REPUBLIC OF GERMANY

CONSUMER OMBUDSMAN?

As demanded by the Chairman of the Co-operative Movement last year, the Federal Government is presently considering the possibility of setting up a Consumer Contact Bureau which would be directed by a specialist comparable to the Swedish Ombudsman. Such a Bureau would not only co-ordinate all of the existing consumer institutions, but it should also be in a position to define personally the interests of consumers.

Bulletin D'Information Economique No.8, 1971.

UNITED STATES

CONSUMER REPRESENTATION IN FTC CASES

The Federal Trade Commission announced early last week that it will, on occasion, permit consumer groups to take part in cases before the FTC. This four-to-one decision was made public when the FTC announced that it would permit a group of law students to intervene in a case before the FTC dealing with allegedly deceptive advertising.

The case involves the Firestone Tire Co., which has been charged with misrepresenting the prices and safety of its tyres in its advertisements, and will be heard by the Federal Trade Commission in proceedings tentatively set for early next year. The Student Group, which calls itself SOUP, Students Opposed to Unfair Practices, will have the right to subpoena records and call witnesses, although it will not participate in the FTC's presentation of the case.

SOUP is asking that Firestone be forced to disclose in all future advertising that claims made in previous advertisements were false, if it is so decided. The group believes that advertising has a residual effect on consumers, and that through the constant admission that claims made in the past were false, these effects will be counteracted. Firestone stated that the agency's decision was "an unwise and costly" experiment.

CLUSA, Co-operative News Service, 10th November, 1970.

INTERNATIONAL

THE OECD AND CONSUMERS

The Committee on Consumer Policy of the OECD has decided on two major subjects for study during 1971. One will be the organisation of comparative tests for goods and their associated services, and the labelling of non-food and drug products, especially textiles. The second is product safety and protection of consumers with respect to consumer credit; these will be examined on the basis of notes from interested countries which have experience in these matters.

Bulletin D'Information Economique No.10, 1971.

UNITED STATES

CONSUMER PROTECTION UNIT

The Justice Department has created a consumer affairs section within its Antitrust Division. The unit will strengthen and coordinate the enforcement of consumer protection laws, and in addition, it will serve as a "focal point for consumer complaints". In announcing the creation of this unit, Mrs. Virginia Knauer, the President's special adviser on consumer affairs, stressed that this group was not intended as a substitute for the Consumer Protection Division which is proposed in the administration's consumer bill.

This new unit, which will eventually have a full complement of 10 lawyers, will begin with a staff drawn from the Department's Antitrust and Criminal Division. Unless new legislation is passed, this unit will not have the authority to represent the consumer before regulatory bodies nor to prosecute merchants and manufacturers for particular types of fraud and deception, as the Consumer Protection Division would; rather, it will enforce existing consumer protection laws and represent consumer interest in antitrust cases. For example, it can "act against hazardous toys, erroneous or misleading price and model information on autos and untruthful lending practices". It would also handle cases referred to it by the Federal Trade Commission.

CLUSA, Co-operative News Service, 5th January, 1971.

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Customs and Excise officials have taken a measuring tape to the waist and the waist-crutch-waist of "hot pants" to stop the little-girl look on grown women being tax free. They have knocked two inches off the waist-crutch-waist maximum to bring it down to 26 inches. Which may mean that a long-waisted mum can still squeeze herself into tax-free shorts, as the maximum measurement around the waist remains at 28 inches.

As a gesture towards the death of the mini-skirt HM Customs has also decided that young girls with a preference for the midi can add an extra six inches to the length of the skirt and not pay tax.

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MARKETING AND THE CONSUMER

UNITED STATES

SHOPPING BY TELEPHONE

In San Diego, California, a new retail distribution centre enables clients to do their shopping by telephone. The customer makes a choice from a list of 3,000 items and telephones his order in the morning. The order is received by one of the 90 telephone operators who registers it in the computer. The computer selects the items, advises the transport services, selects one of the 75 delivery trucks, prepares the delivery programme for that vehicle and determines the best itinerary. At the same time, the computer ensures orderly stock turnover on the basis of individual records for each order. It is anticipated that the centre can serve 55,000 households.

Bulletin D'Information Economique, No.3,1971.

INTERNATIONAL

DIAL-A-BUS

Ford is investigating the feasibility of a dial-a-bus service in two Essex towns, Chelmsford and Harlow. Fares would be less than taxi prices, and the buses summoned to the door by telephone. The company has started one experiment in America and is about to launch another.

In the American experiment, at Mansfield, Ohio, Ford has supplied carpeted, airconditioned, 10-seater vehicles to the local bus operators, who run the service over a normal route. People within the area can telephone the driver direct to get him to call at their door for a charge of 15 cents above the normal 35 cents flat fare.

The other experiment which is scheduled to begin in July in Ann Arbor, Michigan, will be more sophisticated and will operate through a control centre with teletype computer terminals as well as radio and telephone links. The idea is to dispatch a bus when eight people have rung up before the given time has elapsed.

Guardian, 26th March, 1971.

NETHERLANDS

"EURATOM" MUSHROOMS

Early this year a chain of large Dutch stores began to sell irradiated mushrooms. This was the first public sale of irradiated produce in the common market countries.

Since 1963, Euratom and the Dutch Institute for Agricultural Application of nuclear energy (ITAL) have been studying the problem of maintaining the quality of mushrooms after they have been picked. The problem is that mushrooms continue to grow after being picked and deteriorate in quality. This research has resulted in the application of the techniques of irradiation which check growth after picking, thus maintaining the freshness of the mushroom. At the same time, a long series of tests have shown that there is no danger for the consumer in this irradiation process. There is reason to believe that the method may be used in future for other food products.

Bulletin D'Information Economique No.8, 1971.

UNITED STATES

WATER AT 45 CENTS AN OUNCE

Query: Could someone profit by taking an abundantly available substance - like water - packaging it in pretty pale-blue aerosol containers and selling it for 45 ¢ an ounce? Could someone succeed in such a flagrant flouting of the law of supply and demand - even if he described the product as coming from "one of the world's purest sources", even if he enticingly noted that it would "give your skin all the beauty benefits of natural mineral-spring water", even if he praised to the skies its values "as a morning refresher, a skin stimulator and a complexion relaxer, a clean-water rinse after washing your face, a cooling facial shower on the golf course, or whenever you want a spray of fresh spring water?"

Answer: Someone is trying. At Bloomingdales in New York City, we were sold an 11-ounce aerosol can of EsteeLauder Fresh Mineral Water Spray for \$5. Actually, if we had wanted mineral water for a more serious purpose - like drinking it - we could have done better than that. Bottled in its original liquid form, water from the same spring (in Deer Park, Md) sells for about 75 ¢ a gallon in our area. But whatever the form and whatever the price, there is no doubt that those products are everthing their distributors claim them to be : water.

Consumers Union, Consumer Reports, January, 1971.

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Advertisement in Ceylon Times, 1970:

WHAT'S YOUR PROBLEM?

Be it Love, Marriage, Employment, Domestic unhappiness,
Appease your enemy, Protection for others, Achieve promotions,
Success at Examinations, Litigation.

Meet or write to - Govt. Regd. CHARMIST. Religion No Bar,
All matters treaty highly confidential and personally handled.
Over 90,000 have benefited.
P.M. DISSANAYAKE, Govt. Registered Occult Scientist and Charmist,
Trustee, Satharamaha Devala and Maker of Arudha Hair Oil.

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CONSUMER PROTECTION

EUROPE

ADDITIVES IN BEER

The pure food law of the Federal Republic of Germany which prohibits chemical additives in beer is still causing difficulties in Brussels. The EEC Commission had proposed in its directive concerning harmonisation of legislation that this law should not be obligatory. Now experts have indicated that permitting chemical additives in beer could constitute a hazard to health.

Bulletin D'Informarion Economique No.8, 1971.

INTERNATIONAL

FIRE DANGER FROM TV SETS

Television sets can be fire hazards. Serious trouble can occur if elementary safety precautions are ignored especially with respect to plugs, switches and warning systems. In the United Kingdom, during 1968, there were 1,244 fires caused by television sets, some of them occurring after the sets had been switched off or disconnected. Statistics from the Fire Research Station reveal that the numbers of such instances have increased over the past 10 years.

Moreover, the danger is probably accelerating. American tests have revealed that colour television sets are 40 times more susceptible to fire than ordinary black and white receivers. The latter have been causing more than 10,000 fires annually.

ICA Correspondence with Mr. Cleeland Beal.

UNITED STATES

STURDIER EYEGLASSES

The Food and Drug Administration has announced that it is acting to require that only impact-resistant lenses be used in eyeglasses to protect the public from eye injuries. The action is expected drastically to lower the annual toll of eye injuries resulting from accidents to the estimated 100 million Americans who wear prescription glasses.

The proposed regulation would require the use of laminated glass, heat-tempered glass or plastic for lenses. Final regulations would make the sale of soft-glass eyelenses a violation of the Food, Drug and Cosmetic Act. Sunglasses, both prescription and non-prescription, are included in the proposed regulation. The only exemption would be contact lenses.

Mid-Eastern Cooperatives, Inc. CO-OP Highlights, November, 1970.

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Those responsible for our telephone service might like to follow the example of the French and the Belgians. In those countries, to get on to the international network, you dial 19 (in France) or 91 (in Belgium) and then wait for music to play before dialling the code of the country, town, etcetera, that you want. Some French companies also play music to you while you are hanging on at their switchboard waiting to get through to someone. Selecting the music might be tricky - but we like the choice of the French who, when you dial 19, play you the Hymn to Joy in Beethoven's Ninth Symphony.

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POLLUTION

INTERNATIONAL

PROS AND CONS OF DDT

DDT, a vital disinfectant in the fight against Malaria, must be used sparingly to stop killing fish and damaging bird life. This warning is given by the UN World Health Organisation in reply to charges that DDT has been a scourge of the natural environment. The WHO has in the past warned against giving up the use of DDT before an effective and viable anti-malaria substitute has been found. But now it has said outdoor applications should be reduced to a minimum to counter two especially serious effects believed to be produced by the presence of DDT in the environment during the past 25 years.

According to WHO, DDT reduces and contaminates fishery products from streams, lakes and offshore areas. It also impairs the reproduction of certain species of predatory birds. DDT kills crabs, lobsters and shellfish at extremely low concentrations, fish at higher concentrations and some land animals at relatively high dosages, WHO states. The accumulation of D.D.T. in fish can gradually kill their embryos. In the food-chain from one animal to another DDT has caused birds to suffer grievously, and certain hawks and eagles have begun to disappear in North America and Europe.

DDT has, however, a remarkable safety record with man. The WHO recommended that it should be used indoors only - for residual spraying against malaria mosquitoes, and for dusting against plague fleas and typhus lice. It should not be applied to water surface, nor in widely spread aerial application.

Mostly thanks to D.D.T. more than 1,000m. people have been freed from the risk of malaria in the last 25 years - an achievement described by W.H.O. as unparalleled in the history of public health.

Financial Times, 4th April, 1971.

UNITED STATES

MOTOR CARS

After the end of 1974, motor cars sold in USA will be allowed to produce only 10 per cent of the carbon monoxide and hydrocarbons allowed under present legislation. The industry is likely to appeal for twelve months' delay in the implementation of this legislation.

Financial Times, 1st January, 1971.

UNITED KINGDOM

INDUSTRY is seriously concerned with the rapidly mounting cost incurred in meeting increasingly stringent quality requirements for effluent. The Confederation of British Industry has estimated that annual spending by industry on treatment plant was between 2 and 15 per cent of its total capital investment. The public had to be made aware that maintenance and improvement of amenities could only be resolved or ameliorated "by the equitable distribution of costs between the community at large and industry".

Financial Times, 13th March, 1971.

UNITED STATES

TUNA CONTAMINATION

The Food and Drug Administration finished its testing programme of the nation's stock of tuna fish last week, and announced that, contrary to what had been expected, the problem was not serious -- only 3.6% of the 166 million pounds of tuna contained excess amounts of mercury and had to be removed from the shelves.

Earlier, in the middle of the testing programme, the FDA had feared that the rate of contamination might rise to as high as 23%. An FDA spokesman explained that the difference in figures arose because the first stocks tested were "the most suspicious lots of tuna".

It was stated that tuna fish with too high a mercury content had now been completely removed from the shelves - about 6 million pounds - and the remaining stock "presently marketed in the United States are within the guidelines".

CLUSA, Co-operative News Service, 9th February, 1971.

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The latest present for the executive who has absolutely everything has been well advertised in New York's Wall Street Journal. It is Pinketon's Protective Bomb Blanket. Consisting of an "18 layer core of high tensile ballistic nylon" it will, it is claimed, stop 90 per cent, of the fragmentary power of most home-made bombs.

The Price? "Only" \$149.50 with a 10 per cent discount if you purchase five blankets.

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CO-OPERATIVES AND THE CONSUMER

SWEDEN

FOOD LABELLING

In Sweden, foodstuffs with a limited life are stamped with a date - denoting either the last day for sale, the date of packing or the last day for consumption. These variations confuse the customer.

Having been consulted by the Ministry for Social Affairs, the Cooperative Union KF recommended that only one method of marking should be used, namely the latest date for consumption. KF considers that the person responsible for the merchandise should also bear responsibility for labelling the food. KF also maintains that food regulations should not obstruct international trade to the disadvantage of the consumer, even if they are intended to be protective. Legislation should ensure as far as possible a situation of fair competition between the Swedish and foreign food trade.

KF Newsletter, No.8, 1970.

UNITED KINGDOM

OWN-LABEL CO-OP WHISKY

CO-OPERATIVE retail societies will be able to sell a branded whisky at below £2.50 compared with the £2.56 considered the rock-bottom cut-price level, as a result of a deal completed between the Co-operative Wholesale Society and the Distillers Company. The potential effect on the rest of Britain's take-home liquor business could be enormous for the Co-operative retail societies between them operate the country's largest off-licence chain.

A CWS spokesman said that the organisation would continue to make 14 or 15 other brands available to the retail societies. "This arrangement has been made, in association with the Scottish Co-operative Wholesale Society, to meet retail demand in some areas for a lower-priced whisky of good quality."

The Robertson's brand, which is a brand of the same strength as most other blended Scotch whiskies, would be available to "interested societies and we are providing it under terms which will enable them to sell at under £2.50," he added.

Financial Times, 13th March, 1971.

SWEDEN

BUYING SECURITY AT THE COOP

In connection with the introduction of the new co-operative symbol in 1967, the concept of purchasing security was also emphasised. The right to exchange goods applies not only in connection with imperfect goods, but also for purchases which are not satisfactory. In other words, customers have the right to change an article or return it and get a refund, even if the only reason is that they have changed their minds.

At first KF made an exception to this rule with respect at most durables such as TV's, radios, refrigerators, etc., for which there was only the manufacturers' guarantee. As from the spring of 1970, however, KF decided to extend its guarantee of purchasing security to include the more expensive durables.

KF Newsletter, No.7, 1970.

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Could cytoscan cyclophosphanide make your hair fall out? The chemical in question is used by American farmers anxious to cut the cost of sheep shearing. They spray it on the sheep and about a week later the wool, almost literally, drops off. What worries Peter Mills, the Tory M.P. for Torrington, is what happens to people who eat the meat of such cytoscan cyclophosphanided sheep?

Mills in fact wants a full examination of the use of chemicals in farming, and is tabling a series of Parliamentary questions to get a campaign going.

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CONSUMER EDUCATION

UNITED STATES

CONSUMER EDUCATION AND TRADE UNIONISTS

Last month in Philadelphia, the FTC helped the Amalgamated Clothing Workers of America pilot a consumer credit training programme for shop stewards, legislative representatives, and other ACWA leaders. Ninety leaders from the area were trained. Each of them will carry the information he obtained back to his local, "tutoring" its individual members. Potentially, 25,000 local members will be counseled. The training programme focuses on shopping for credit, avoiding credit problems, and knowing a credit purchaser's rights and responsibilities. It was developed by the FTC's Washington Area Field Office and headquarters staffs in cooperation with national and local ACWA education directors.

FTC Consumer Alert, March, 1971.

UNITED STATES

CONSUMER EDUCATION FOR KIDDIES

Mrs. Virginia Knauer, the President's Special Assistant for Consumer Affairs, has announced that plans have been completed for the development of suggested guides for the teaching of consumer education from kindergarten through twelfth grade. A group of nationally prominent educators, working as consultants under the aegis of the Council for Family Financial Education, will finalize the guides. The Council is a non-profit educational organisation which has been actively engaged in consumer education curriculum development and teacher training for 20 years. The Office of Education in the Department of Health, Education and Welfare will cooperate with Mrs. Knauer's staff in the preparation of the material. When published, the suggested guides will be made available free of charge to all state education offices for use by their own curriculum developers and teachers.

International Consumer, No.4, 1970.

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Plans are now in hand for the replacement of the film "My Word is My Bond" which was made in 1958 and is now out of date - the Stock Exchange monthly bulletin for March.

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CONSUMER INFORMATION

CANADA

BI-LINGUAL CONSUMER MAGAZINE

Consumers' Association of Canada is replacing its bi-monthly magazine with two new ones, one in French, the other in English. The former magazine was half-and-half English and French. The contents of the two publications will be similar but not necessarily identical. The English magazine will be called "Canadian Consumer" and the French "Le Consommateur canadien".

Press Release, Consumers' Association of Canada,
13th January, 1971.

UNITED STATES

CONSUMER DIALOGUE

Officials of the Consumer Federation of America, representatives of state and local consumer organisations, and staff and Commissioners of the FTC held a "Consumer Dialog" recently. In forum-type-sessions, participants identified consumer problems and issues of mutual concern to the FTC and CFA, reviewed effective ways the two groups have worked together in the past, and discussed areas of activity in which further cooperation can occur.

FTC Consumer Alert, March, 1971.

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Letter addressed to a professor at a prominent New York City art school by a sales promotion agency: "We have been asked by our client to come up with a package design a design that is attractive to kids We were wondering if this project might serve as a challenging assignment for your package design class (es). The assignment is as follows:

to design a cigarette package and cigarette carton that has selling appeal to the "youth market". The new product name is "Kicks" (a new cigarette)".

After giving specifications for the package, the letter continued: "Note: While this cigarette is geared to the youth market, no attempt (obvious) can be made to encourage persons under twenty-one to smoke. The package design should be geared to attract the youthful eye not the ever-watchful eye of the Federal Government".

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CONSUMER STANDARDS

INTERNATIONAL

URBAN NOISE

The OECD Council has approved a report containing a set of recommendations for government action to reduce and control traffic noise in cities. The recommendations result from a two-year study by the Organisation's Consultative Group on Transportation Research.

In the resolution approving the report, the Council urged public authorities to take vigorous steps to prevent increases in traffic noise and progressively reduce present levels. The Council also drew attention to the possibility of important repercussions on the motor industry and on international trade of measures taken by individual countries to control noise emissions.

Press Release, 27th January, 1971.

EUROPE

FRUIT JUICES

The EEC Commission has recommended that fruit juices on sale in member countries should contain at least 10% of pure fruit juice. At the moment the minimum is 6% in Germany, 10% in Holland and 12% in Italy. The other three countries do not have legislation in this respect.

Bulletin D'Information Economique No. 8, 1971.

INTERNATIONAL

FUNCTIONAL JEWELS

A "Functional Jewel", according to the International Organisation for Standardization (ISO), is one which serves to stabilize friction and to reduce the wear-rate of contacting surfaces of the components in a time-keeping device. Non-functional or additional jewels on the other hand are ornamental. If there are more than twenty-one jewels - the number needed in an automatic watch with a date mechanism - the excess is merely decorative.

For years people have firmly believed that watch quality was determined by the number of jewels. This is true only in a limited way, because the number of places where jewels are technically useful is small, even in the best watches or clocks.

Stamping out the practice of "up-jewelling" is being done by both the ISO and the BSI - the British Standards Institution. After five years' work, they have now agreed on new international horological standards. A recently published document includes the recommendations that only the number of functional jewels should be mentioned in the timepiece's sales literature.

Australian Consumers' Association, Choice, February, 1971.

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In downtown Los Angeles, California, 66% of the land is taken up by parking lots or streets. In the whole L.A. area one-third of the land is paved.

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SPECIAL FEATURE No. 1

DEMOCRACY IN THE MARKET PLACE

by Roger Ramaekers
Secretary General of the
Belgian Co-operative Federatio

In Belgium and elsewhere, people are beginning to wake up to consumer problems. There are various reasons for this wakening: the activities of consumer associations, changing attitudes on the part of producers' and

distributors' professional bodies, constant scrutiny by the public authorities.

The trend is reinforced by the burgeoning activities of the Consumer Council and the growing representation of consumer interests within the trade union movement. It has been marked by the formation of consumer unions and the progressive breaking down of the narrow preoccupations of older movements like the coops, trade unions, family leagues and women's organisations.

The defensive action undertaken by consumers in Belgium is being waged on several fronts.

Information. A dual trend has become apparent here. As in many other countries, a number of specialised publications have sprung up. At the same time, however, there has been a change of attitude on the part of the traditional press, and the result is anything from regular columns on consumer affairs in papers and magazines to their full-scale transformation into consumer journals.

Comparative tests and - even more useful - detailed documentation on specific subjects (pricing policy, hire purchase, advertising, labelling, harmful additives, the meat marketing system, for instance) are now available to everyone. Working together with one or another of the organisations broadly interested in consumer affairs, radio and TV take up these questions from time to time and spread the word to an even wider public.

Consumer Education, especially for the housewife. Consumer education is the special province of women's and family organisations, whose local branches have found that studying consumer problems is a remarkably good way of stimulating interest and activity.

The important thing about these studies was that they made possible active participation in research and reflexion on problems similar to those encountered every day in a normal life. Not only this, but they had far-reaching social and economic consequences as well, leading directly to price surveys, a critical look at labelling and contents, criticism of advertising, opinion polls on shop opening hours, better awareness of products available and so on.

Representing the consumer. Consumers are being increasingly accepted as representing a legitimate interest on consultative bodies set up by the public authorities in the frame-work of an economic and social policy based on cooperation.

The consumers now have their permanent say in the dialogue with the Government - at the level of the Central Economic Council, the commission on prices or the Consumer Council. The Belgian Government, incidently, is the only one to designate consumer representatives to the Economic and Social Council of the European Communities.

This is not to say that there's no more to be done. On the contrary, there is plenty of scope for action in the field of coordination, of determining the representativity and usefulness of each organisation, of working out a blueprint for an overall consumer policy.

The Consumer Council

Composed of representatives not only of the consumers but also of producers and distributors, the Consumer Council has helped confirm the trend described above. By allotting places to all the partners in the economy, it provides an excellent forum for the exchange of ideas, experience and information. Here, the consumer really comes in from the cold. The Council gives him the chance to underline his position as a full economic partner to measure the economic and technical costs of his demands and the complexity of the problems involved. But at the same time, he can remind producers and distributors of the irrational, and often cruel caprices of the economy: they can place the discussions in a moral, and not entirely business, context.

By giving them a glimpse of the enormous forces with which they are faced, proceedings at the Council also impress upon the consumers the need to concert their action, whether simply for the study of certain problems or for mobilising public opinion. Similarly, producers and distributors gain some insight into the surge of interest in this new phenomenon of consumers' trade unionism.

Demands put forward by the leaders of consumer movements will be taken up tomorrow by the broad mass of their members. By awakening the consciousness of these members, the new-style militants are attacking the whole huge conspiracy founded on the conditioning of the consumer - a conditioning which aims to subject demand to the laws of supply and thus overturn the basic premises of the economy.

The person who expends thought rather than cash does his small bit towards reversing a tendency which has become dangerously well established. He raises a political problem in the true sense of the term.

An irreversible trend

The authorities haven't been blind to what's happening. The attention given by both government and Parliament to the Council's latest discussions and particularly to its opinion on a new bill which attempts to codify commercial practice - opens up a whole new dimension to the work of the consumer associations.

Under the terms of the bill, the associations will henceforth be empowered to seek legal redress for commercial practices which infringe the consumer interest.

That this demand should have been supported by producer and distributor representatives is a clear indication of their willingness to accept the consumer associations as legitimate and full partners.

That this same demand, put forward unanimously by the whole Consumer Council, should have been accepted with alacrity by the Government and approved by the Parliamentary Committees, goes even further: it is final proof that there is a new force to be reckoned with on the business scene - the consumer. His voice can no longer be ignored.

Co-operation, February, 1971.

AN END TO CLEAN LAUNDRY by Michael Knipe

The days of really clean laundry in the United States could conceivably be numbered unless scientists discover a truly worthy substitute for the pollution causing phosphorous ingredient in detergents.

Chicago has just put into effect a new law which bans the sale in the city of washing detergents which contain more than 8.7 per cent phosphorus. Even this legal level is to be gradually reduced until by the end of June, 1972, detergents will have to be entirely phosphorus free. A similar law has just been imposed in Detroit, another has been proposed in New York State and more are being prepared in legislatures across the nation.

Phosphorus is the element in washing powder that softens the water and disperses the dirt to give clothes that "whiter than white" look and to make dishes sparkle. To comply with the new law, manufacturers have already started reducing the phosphorus level of their products which up to now has been about 12.5 per cent. The problem is that they consider 8.7 per cent a bare minimum.

They argue that to reduce the phosphorous content any lower than 8.7 per cent, let alone leave it out altogether, would drastically limit their products effectiveness. It would create severe health dangers, particularly from such items as improperly cleaned hospitals or food processing machinery.

The reason phosphorus is under such sharp attack from environmentalists is that after use, when it has moved through sewage systems into local rivers and lakes, it acts as a nutrient and promotes the growth of algae. This in turn absorbs the dissolved oxygen in the water, causing fish and other aquatic life to die. The algae grow in huge blotches of green slime.

The process, called eutrophication, has already put enormous expanses of water such as Lake Erie in jeopardy. Stretches of the Hudson and Plomac rivers are scummy with algae.

Predictably the spate of legislation aimed at cleansing phosphorus from the washing suds of the nation has spurred a boom in non-phosphorus detergents. Most of them have brand names calculated to appeal to the housewives newly aroused environmental-consciousness: Ecolo-G, Pure Water, Concern, Valley Dew and Savus. All are claimed to clean as well as detergents containing phosphates. Unfortunately, according to a Consumer Research Survey just published, the claims are seldom true. What is more, many of them contain ingredients which are potentially as harmful as the brands they hope to replace.

One such ingredient used in many of the phosphorous-free brands is nitrilotriacetic acid (N.T.A.). This has been desingated as a possible health hazard following reports that it caused grave birth defects in animals. There are other chemicals which are questionable because no one yet knows what their effect will be in the long term of when used in abundance.

One new brand carried a label warning housewives that the chemicals in the detergent may irritate the eyes and mucous membranes and should be kept out of the reach of children.

Until a better substitute is found, major detergent manufacturers are still pinning their faith in phosphorus and fighting the increasing restrictions. When Akron, Ohio, attempted to introduce a law similar to those in Chicago and Detroit, the manufacturers blocked it with a legal injunction. A judge has granted a temporary restraining order until a ruling is made on the constitutionality of the law. Meanwhile other anti-phosphorus regulations are in the works a federal and state level.

The Federal Trade Commission has proposed a regulation that will force companies to print a notice on their detergent packets warning that the phosphorus content of the product contributes to water pollution. This proposal drew angry protests from the industry. The soap and detergent association representing 90 per cent of the manufacturers criticized such a warning as unnecessary and misleading.

New York has already introduced a similar regulation on a state-wide basis and has wasted no time in exercising it. Only a month after its introduction, Colgate-Palmolive and Lever Brothers are being prosecuted for ignoring the new law and the Attorney General says he will press for their products to be outlawed unless they agree to comply. Lever Brothers say that the labelled packets left them before the law went into effect.

The manufacturers defence of phosphorus is based on a number of arguments. They say the harm caused by it is greatly exaggerated and that, anyway, it reaches the water from a number of sources including agricultural fertilizers and human and industrial waste. The real answer, they say, is, to substantially improve the nation's sewage system so that phosphorus can be rendered harmless before it reaches the water.

The fact that some 2,000m. pounds of phosphorus reaches the water from washing detergents each year, presents a relatively easy target for legislative action and at present a reasonably popular one with the public in general. Whether this will be the case after June, 1972, when phosphorus may have been banished altogether and laundry may have a slightly grubbier hue than at present is not so certain.

For the moment however the search for a substitute continues and the legislation creeps up on the detergent manufacturers as relentlessly as the algae on the lakes and the rivers.

Times, 11th February, 1971.



consumer affairs

BULLETIN

INTERNATIONAL CO-OPERATIVE ALLIANCE 11 UPPER GROSVENOR STREET LONDON W1X 9PA



Consumer Protection	Page No. 1, & 2.
Pollution	Page No. 3, 4, & 5.
Co-operatives and Consumers	Page No. 5 & 6.
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Marketing and Consumers	Page No. 9, 10 & 11.
Consumer Representation	Page No. 11, & 12.
Special Feature: Protection of the Environment in Sweden ...	Page No. 12.

"Dying is to cost more at King's Lynn, Norfolk. Higher burial charges are being introduced at cemeteries. The increased cost of living is blamed".

CONSUMER PROTECTION

UNITED KINGDOM

SAFER PRAMS

The British Standards Institution (BSI) has been requested by the Government to provide revised standards for prams and new standards for pushchairs, especially collapsible ones. This is in response to growing concern over the number of babies killed and injured in accidents involving prams and pushchairs.

ISO Member Bodies have approved the proposal to establish a new ISO Technical Committee for Prams and Strollers and the recommendation will be considered by the Planning Committee (PLACO).

ISO Bulletin, February 1971, Vol.2, No.2.

UNITED STATES

CREDIT LAW

Under a new US law, a consumer has the right to be told why he is rejected for credit, insurance, or employment on the basis of an adverse credit report. He also has the right to: be informed by a credit reporting agency of all information in his credit files; to be told who has received reports on him; have inaccurate or unverified information removed from files; have his explanations of any disputed items included on subsequent reports; have all adverse information more than seven years old removed from his files; and be informed of the scope and nature of any investigation into his personal life.

Canadian Consumer March/April, 1971.

JAPAN

CONSUMERS' UNION FOR MOTORISTS

The Japanese Automobile Consumers Union (JAC) was established in April, 1970, with premises in Tokyo, to protect the interests and rights of users of automobiles. Its activities include the collection and evaluation of information on vehicles, testing and rating of vehicles and equipment, publication of a bulletin and periodicals, claim, insurance and purchase consultation, and technical and driving education and information.

JAC has 10,000 individual members and 30,000 subscribers. Five national organisations are affiliated and there are also ten collective members - community and occupational car clubs.

IOCU Newsletter, 30th April, 1971.

UNITED KINGDOM

DRUGS REDUCE SEXUAL DESIRE

As opposed to the popular picture of drug-crazed hippies indulging in wild orgies, the fact is that the use of drugs actually produces a decrease in libido, according to Dr. Thaddeus Mann, Professor of the physiology of reproduction at Cambridge University, in the January number of Impact of Science on Society, Unesco's science quarterly.

Moreover, many drug users are sexual inadequates: "Drug dependence in a man is often traceable to his incompetence in coping with the opposite sex, to his unbalanced desire which stems from low-grade capability, and on expectation that some drug or other will rid him of his sexual inhibitions There is general agreement that the sexual emotions evoked by the psychedelic drugs are in the nature of illusory platonic affections and do not lead to sexual arousal."

UNESCO Press Release, January, 1971.

UNITED STATES

- HAZARDOUS PRODUCTS

The National Commission on Product Safety set up by Congress in the US, in its final report, lists 17 product categories as posing an "unreasonable hazard to the health and safety of the consuming public". In alphabetical order they are: architectural glass, color TV sets, fireworks, floor furnaces, glass bottles, high-rise bicycles, hot-water vaporizers, household chemicals, infant furniture, ladders, power tools, shock hazards, protective headgear, rotary lawn mowers, toys, unvented gas heaters and wringer washing machines.

Canadian Consumer, Jan./Feb, 1971.

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Interesting statistics emerging from the latest I.P.C. Magazines Survey: One woman in five now has some kind of hair piece. One in seven now owns a wig. Only one in 20 owns false eyelashes. Boots chain accounts for 23% of cosmetic customers (20% in 1969). Direct sellers (Avon etc) now account for a quarter of all sales of all-in-one make-up bases.

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POLLUTION

UNITED STATES

NO SEAL GASOLINES

Midland Cooperatives, Inc., has joined the long list of firms refusing to jump onto the no-lead or low-lead gasoline bandwagon. Declaring in an editorial to its member newspapers that the gasolines "increase the cost of operating an automobile but do not reduce air pollution", Midland charged that some refiners are using the anti-pollution claims of no-lead gasoline to increase their share of the market.

The chief reason for the adoption of no-lead gasolines by some refiners, Midland said, is that lead limits the life of a catalytic-type muffler planned by automakers to reduce exhaust emissions by 1975. The big regional cooperative said that when these cars begin appearing on the

market, they will begin supplying the no-lead or low-lead gasoline required.

Meantime in Midland's opinion, there has been no proof that low-lead or no-lead gasoline reduces harmful pollution. "You will not see these firms (pushing no-lead or low-lead gas) making a positive, absolute statement that no-lead or low-lead fuels, in themselves, actually reduce pollution", declared Midland.

CLUSA, Cooperative News Service, 5th January, 1971.

INTERNATIONAL

SEA POLLUTION

A call to end the dumping of chemical and industrial waste in international waters was issued by the Foreign Ministers of the five Scandinavian countries after their annual meeting in Stockholm. A statement said that the Notes would be sent to the other 10 nations in the North-East Atlantic Fisheries Convention to urge a ban on the discharge of waste into international waters, particularly the North Sea. Britain is a signatory.

The five Nordic nations - Sweden, Norway, Finland, Denmark, and Iceland - plan to enact legislation later this year prohibiting the dumping of certain poisonous materials in international waters.

The Times, 28th April, 1971.

UNITED STATES

"NATURAL PRODUCTS" FOOD

As part of the crusade for protection of the environment American consumers are becoming addicted to "natural" or "organic" products, that is, products produced without benefit of additives or chemical fertilizers. In 1971, shops specialising in such products had a turnover of 200 million dollars. There are now more than 2,500 such stores serving 50 states. Large supermarkets are now entering this field with special counters devoted to natural products.

It is note worthy that natural products are 25 - 50% more expensive. This is due not to production costs but to inadequate supply, since there are few producers who are willing to return to natural fertilisers. One result has been that already there have been cases of fraud and complaints concerning chemical residues found in products sold under the label "Natural".

Time Magazine, 12th April, 1971.

UNITED STATES

G.M. DOUBTS ON SAFETY LAWS

New United States car emission and safety regulations are "a threat to the health of the automobile industry", Mr. Edward N. Cole, president of General Motors, has said. Mr. Cole said it appeared "there is no known way" G.M. can meet American emission control standards which go into effect in 1976. It did not follow that the public would use the extra equipment, Mr. Cole said. The American public might buy fewer cars in 1975 and 1976 because of the added cost of such equipment. "Many consumers will remove such equipment if they don't want it, but others might just hold off buying a new car", he said.

The Times, 28th April, 1971.

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Lloyds Bank plans to install cash dispensers which can not only dispense cash but quickly check your balance on the bank's computer. And that's not all. Guess what happens when you try to use a closed account or a stolen card? the machines swallows the card.

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CO-OPERATIVES AND CONSUMERS

SWEDEN

JOINT FIRM FOR TV-CASSETTES

The Swedish State and KF jointly have started a firm for TV-cassettes. The project, which will be operated by a separate company, intended to keep pace with the rapid technical development in the field and to evaluate various technical systems with a view to the needs of the Swedish market.

In the long run the project is aimed at a joint exploitation in Sweden of the durables side, i.e., accessory equipment for connection to TV sets and recording and buying suitable programmes for TV cassettes. KF considers this to be an important social area in which it should, as a popular movement, have facilities for observation and control. It is also in KF's interest to counteract any monopolization and to contribute to maintenance of healthy competition.

KF Newsletter, No.8, 1971.

UNITED KINGDOM

COOP FROZEN FOODS

The Co-operative Wholesale Society's own label frozen foods could start appearing in retail society shops in six months' time. The range is at present only available in bulk packs for home freezers and will initially be sold solely at special freezer centres.

No firm plans have been developed for their extension to ordinary supermarkets, but CWS food executives believe such a move cannot be delayed long. Frozen food sales through Co-op shops are worth around £13m. a year, or 10 per cent of the total retail market.

The original Co-op own-label range includes basic vegetables, packed for the CWS by J. Muirhead (British Oxygen Company), and some ice-creams, supplied by Midland County Dairy (Unigate). Meat and fish products are being developed. The foods were unveiled at a £12,000 Co-op home freezer centre at Luton, which is one of 40 expected to be in operation within the next 18 months.

Financial Times, 7th April, 1971.

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Overheard; "You'd have thought they could have held up decimalisation a bit longer, at least until all the old people had died"

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CONSUMER INFORMATION

UNITED STATES

CONSUMER INFORMATION IN SCHOOLS

Over three hundred high school students in the state of New York have taken courses in consumer education following the publication of teaching materials by the Ministry for Education, and the State of Illinois has also instituted consumer education for all students from the 8th to the 12th school year. Consumer education courses have also been introduced in the state of New Jersey, and a pilot study is being made in the city of Newburyport, where 3,535 children between the ages of four and eighteen are being given three year courses in consumer education. The teachers participate in these courses, which provide them with stimulus and material for practical teaching. The hope is that at the end of the three years enough experience will have been gained to permit the introduction of such courses in kindergartens and schools throughout the state as well as in other states.

Neue Hauswirtschaft Und Verbraucherzentrale Berlin E.V. No.3, 1971.

INTERNATIONAL

CONSUMER FILM COMPETITION

A first "International Consumer Film Competition" was held in Berlin at the end of January. The contest was organised by the Arbeitsgemeinschaft der Verbraucherbände (AGV) together with the Neue Hauswirtschaft und Verbrauchersentrale Berlin e.V. and promoted by the Berlin Senator for Economic Affairs and the German Cooperative Group of Enterprises. Both individuals and institutions in the West and East were invited to participate. Some 78 films were sent in from Poland, Portugal, Switzerland, Belgium France, Great Britain, Italy and the German Federal Republic.

IOCU Newsletter, 31st March, 1971.

FRANCE

INFORMATIVE LABELLING

An Association for Informative Labelling, comprising consumers and manufacturers under the aegis of the National Institute for Consumption, has been officially set up in France. It will be concerned with the establishment, management and promotion of a system of informative labelling more or less similar to that in Sweden which is known under the name of VDN.

Bulletin D'Information Economique No.13,1971.

SWEDEN

CO-OPERATIVE INFORMATIVE LABELS ON FOODS

A working group comprised of representatives of the major food industries, including those of the Swedish consumer co-operative movement, is preparing a set of norms for use in indicating food values on food products.

To enable consumers to learn to interpret these, KF is showing food values on practically all of the food products manufactured by it. This gives the three sources of energy: proteins, fats and carbo-hydrates, as well as the total caloric value. In certain cases the food value is indicated for each piece or bite. Where space permits the approximate daily needs for the substances contained in the product are indicated.

"Vos Clients". Paris, 15th April, 1971.

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Inflatable storage depots made of synthetic rubber have been devised by a branch of Du Pont. These are capable of storing 500 tons of fresh fruit and they can resist winds of 140 kilometers per hour and temperatures ranging from minus 8^o centigrade to plus 30^o centigrade. They have a life of 15 years.

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CONSUMER STANDARDS

COMMON MARKET

ROAD SAFETY PLAN

The EEC Commission is preparing a programme for improving road safety in the Community.

The programme will deal with many aspects of road safety - among them speed limits, road vehicle testing, drunken driving, road safety lessons in schools, and the issue of licences.

Asked about the possible manufacture of a specially designed and constructed European "safe car", the Commission replied that a 100 per cent "safe car" was a near impossibility because the final design was always a compromise between technical, economic and safety specifications. However, it welcomed the efforts of the German Government and German car industry to draw up likely specifications for a "Safe car" weighing about 2,000 lbs. The other five member states had been told of this initiative. Meanwhile, the Community, working alongside Britain and eight other European countries, is investigating the possibilities of using electronic aids for improving road traffic conditions. The Six have already begun to harmonize rules governing the manufacture of motor vehicles; eight Commission proposals have been adopted by the Council.

U.S.S.R.

STANDARDS SAVE MONEY

Standardization is saving the Soviet Union the equivalent of approximately 1500m dollars a year - or six dollars for every man, woman and child. The estimate is based on official figures issued by the State Committee of Standardization of the Council of Ministers, the ISO Member Body for the Soviet Union.

The largest saving results from standardization of machinery and small tools (\$412 million) and power-generating equipment(\$250 million). Other areas include: chemistry - \$200 million; measuring instruments, computers, etc. - \$83 million; radio, telephone; telegraph and electronic components - \$66 million; foodstuffs - \$55 million; mining - \$47 million; civil engineering - \$31 million; transportation - \$19 million; domestic appliances, sports equipment, etc. - \$19 million; petroleum products - \$15 million;

In many cases, the savings brought about by standardization come in the form of greater efficiency, less wasted effort and reduced annoyance - to which it is impractical to attribute a cash saving.

ISO News Service, 24th February, 1971.

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The latest thing from America. Layers of metal foil in a rug underlay, which make it possible to install lamps or a TV anywhere in a room merely by by thrusting an electric plug into the rug. The underlay, called "Magic Carpet", carries enough current to operate small appliances as well.

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MARKETING AND CONSUMERS

INTERNATIONAL

CHARTER FLIGHTS

An organisation known as "Americans for Charter Travel" has been claiming that governments impose unnecessary and undesirable restrictions on charter flying. All countries require prior approval for charter flights. Some, such as Japan, limit the number of charter flights that may land in any one month or year. Others, such as Canada and Ireland, insist that aeroplanes should be chartered from their own national airline if available.

Many European countries refuse to accept "Inclusive Tour Charter" flights unless the fare is raised to that of scheduled airlines. The US Civil Aeronautics Board and many other governments allow up to three organisations to fill a plane with groups of forty or more. But some countries, such as the Federal Republic of Germany, require incoming charter planes to be entirely filled by members of a single group.

Statement by "Americans for Charter Travel"

UNITED STATES

REVERSE CREDIT CARDS

More than 22,000 consumers from New York to Okinawa are carrying green and gold plastic cards that look like credit cards - but aren't. These card carriers are part of a new "anti-credit card ring" which reportedly is spreading fast. The "ring leader" is Mike M. Yamano, a 33 year old Japanese who emigrated to the U.S. 15 years ago to set up a chain of beauty salons of the type his family operates in Japan. Instead, he reacted to the American credit card consumer economy with the idea of creating a way by which buyers could pay cash - and save money.

Holders of the plastic cards issued by Yamano's United International Club, Inc., (UNIC) also are given a list of businesses which will give the customers who pay cash and also show their UNIC card a discount of from 10% to more than 40% on their purchases. "Businesses are willing to take \$90 for a \$100 suit if they can get cash," Yamano said recently. "They avoid the expense and worry of billing or discounting the charge out to a credit card company, or of adding carrying charges and interest for long term collection."

Each participating firm pays Yamano \$25 a year for the right to display the UNIC decal and to be included in the list of participating businesses which is furnished to card carrying members of the UNIC "ring". "There is no trick", Yamano insisted. "The merchant can't mark up the price and then offer a discount, because he doesn't know he has one of the card holders until it comes time for him to close the sale".

CLUSA News Service, 27th October, 1970.

EUROPE

PER CAPITA CONSUMPTION OF MILK

The average consumption of milk per person each year in the six European countries is as follows:-

Finland	280 kg
Ireland	245 kg
Poland	173
Holland	155
Austria	148
France	93
Italy	67

Bulletin D'Information Economique No.12, 1971.

U.S.S.R.

BRIGHTER PROSPECTS FOR CONSUMERS

The Central Committee of the Soviet Communist Party has approved the directives for the ninth five-year plan as presented to it by Mr. Kosygin, the Prime Minister. The plan, as disclosed so far, contains no startling changes of economic policy for the years 1971 - 1975 but continues the trend towards an easier rate of economic expansion and towards more emphasis on goods and services for the consumer.

Times, 23rd March, 1971.

UNITED STATES

INSTALLMENT BUYING

Consumers who sign promissory notes in connection with installment purchases will get increased protection under a trade regulation rule proposed by the FTC. Aimed at preserving buyers' claims and defenses in installment sales, the proposed rule provides that in any sale or lease of consumer goods or services that involves a promissory note, the retailer must put on the note a notice subject to defenses the consumer might raise in a legal action.

In addition, the rule would:

Bar agreements in which the consumer consents to waive rights or remedies he may have against the seller or holder of the retail installment sale agreement;

Ban any agreement by the consumer that would prevent him from making a claim or defense arising out of sale.

FTC Consumer Alert, March, 1971.

BULGARIA

BETTER DEAL FOR CONSUMERS

BULGARIA has joined the East European move, set in motion by the Polish rioters last December, to give a better deal to its consumers. A decree has been passed by the Government in Sofia to increase the output and variety of consumer goods, and to improve their quality and technical standard.

The decree has been issued in conjunction with official admissions that such goods have been in short supply, and that where they were available quality was poor. Closer integration within the Comecon area and the freer exchange of Comecon goods, it is stated, will facilitate the flow of new goods.

Financial Times, 7th April, 1971.

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Exploding soft-drink bottles have become such a common hazard that a consultant to Coca-Cola and the Hartford Insurance Company in the US has recommended goggles for delivery men to protect their eyes from flying glass.

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CONSUMER REPRESENTATION

UNITED STATES

CONSUMER PROTECTION COMMITTEES

Consumer Protection Committees, consisting of representatives from federal, state and local agencies responsible for enforcing consumer protection laws, have been organised in Boston, Chicago, Detroit, Philadelphia, Los Angeles and San Francisco. Others are on the way. The purpose of the Committee is to co-ordinate consumer protection activities in their areas and to give residents fast, essentially one-stop complaint service. When a consumer calls a Committee or any of its agency-members, his complaint is automatically referred to the one having the authority to take action.

The exchange of information points up the most widespread and serious consumer problems so that they can be tackled first and broadscale solutions developed. Often complaints can be resolved categorically instead of - painstakingly - one by one. As Committee experience is further proving, a focus of the authority and ingenuity of all member agencies on consumer problems can bring about solutions faster. It also prevents duplication of effort.

At the heart of each Committee's informational exchange programme is a newly designed computer system that keeps track of the status of all complaints filed with the Committees. The system also identifies individual violators of consumer protection laws, the most common violations, the types of business generating the most complaints, and the neighbourhoods and segments of the population most affected by consumer deceptions.

FTC Consumer Alert, February, 1971.

The Federal Trade Commission has announced that its recently created Bureau of Consumer Protection will enforce the new Fair Credit Reporting Act. On October 26th, 1970, Congress passed the Act as Title VI of the Consumer Credit Protection Act of 1968. The law became effective April 25th, 1971, 180 days from the date of its enactment. Basically, the new act is designed to insure that a consumer's credit report will contain only accurate, relevant and recent information and will be confidential unless requested for an appropriate reason by, a proper party.

FTC Consumer Alert, February, 1971.

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Here is President Nixon's latest contribution to economic wisdom.

"Unemployment is the last number in a downturn to be reflected in going up, and it is the last number in an upturn to be reflected in going down".

We feel quite sea-sick.

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SPECIAL FEATURE

PROTECTION OF THE ENVIRONMENT IN SWEDEN

SWEDEN can confidently be expected to demand a comprehensive United Nations charter for the protection of the environment, backed by international controls and legislation. A series of outlines for such a charter is included in the Swedish draft report for the UN environment conference in Stockholm next year. The Riksdag (Parliament) will almost certainly adopt the report as it is.

Apart from splendidly round declarations of the basic human right to "breathe free air, drink fresh water, eat uncontaminated food, and live in a healthy and truly dignified environment", the draft proposes a number of ways towards international co-operation.

These include general commitments on the care of the environment with both organisational and legal machinery at global, regional and national levels; agreements on international control of large river regulation projects, and regional conventions on the use of the biological resources of the oceans; a UN information centre to co-ordinate measurements of contamination of the atmosphere, water, soil, and living organisms; conventions forbidding the discharge of oil, radio-active, toxic and other dangerous substances at sea, and forbidding the use of petrol containing lead; and agreements on the reduction of other polluting agents.

A spray of controls and edicts demonstrates Sweden's concern. Jet aircraft have been prohibited at Bromma, the smaller Stockholm airport with connections to other parts of the country. Since January 1st, 1970, the maximum permitted amount of lead in petrol has been 0.70 grammes per litre, and the aim is to lower this gradually. The maximum sulphur content of fuel oil has been limited to 2.5 per cent, by weight, and 1 per cent in Stockholm and Gothenburg. Limits have been fixed for pollutants from cars: from this year, the maximum permitted carbon monoxide is 45 grammes per kilometre, and 2.2 grammes per kilometre of hydro-carbons - these regulations are expected to reduce the discharge of pollutants by 40 per cent.

A number of sewage works now include chemical as well as biological processes. It is hoped that they will remove most of the phosphates which help to produce oxygen-consuming algae. Sulphur dioxide treatments are impressive, and well-known. District heating centres are being installed, particularly in new planning developments, and help to reduce the clutter of pipes in the street, as well as centralising waste disposal.

Concern about pollution control in Sweden knows no limits. An earnest young PR man showed a film about lavatory waste and its abuse of precious water. He was anxious to convey that the new system required only one litre of water per flushing compared to 10 - 18 litres in conventional systems and would reduce fresh water consumption per person per day by 40 per cent. Two important qualifications must be made about Swedish environment protection. It is still very much on an ad hoc basis and the country has yet to discover a compromise between modern living and the environment. The National Plan, expected in the autumn, may go some way towards remedying this.

MONEY

The other qualification concerns the political basis for environmental protection. Former Prime Minister Tage Erlander can claim to have first "discovered" the environment. Some cynics say that he was casting around for any political issue which would prolong and enliven his long stay in office.

But concern for the environment costs money. Swedish workers are already highly taxed, many paying half their income to the State. As yet, there are no direct grumbles about paying in general. If taxes are cut, so would be the contribution for the environment.

The case of an oil refinery at Brofjorden, near Gothenburg, illustrates how politics and economics can override environmental concern even in Sweden. The Brofjorden area is a much visited pleasure spot, and the Protection Board advised against the refinery - but the firm concerned was the Co-operative OK and there were jobs at stake. The Government said "Yes".

By 1972, Swedish environmentalists may be glad of a little international assistance.

Financial Times, 22nd April, 1971.

LS/AQ.

There is a growing awareness in Sweden that it is of little use being a leader in the fight against pollution unless other nations follow. For example there is a feeling that winds bring sulphur dioxide from the Ruhr and from Britain which contaminates Sweden's clean air. In addition, Sweden will suffer increasingly if its own industries have to bear heavier anti-pollution costs than those of other nations.

But Sweden, with its reputation for clean air and pure water, has enough problems of its own. The flow of phosphorus compounds in urban sewage water is increasing by 4.0 to 4.5 grams per person per day. By the late 1960s, so much oxygen had already disappeared from the bottom waters of the Baltic that hydrogen sulphide had begun to appear. About 2,000 tons of lead is emitted each year from car exhausts. PCB (Poly-chlorinated biphenyls) are appearing in rising and alarming concentrations in the environment. In 1970, 2,200 tons of pollutants, were emitted into the atmosphere alone. Household refuse, at present 1 kilo per head per day, is expected to double within the next 20 years. About 1,800 tons of PVC (disposal of which gives rise to hydrogen chloride discharge) was burned in 1970, and this figure will probably increase to 12,000 tons by 1980. It has been estimated that in 1968, SKr. 1,000m (£85m.) was spent on anti-corrosion painting, galvanising and nickel plating against air pollution alone.

CONCERN

Sweden's plans for fighting pollution include spending Kr.8,500m. in the years 1971 - 1975, about 1 per cent of projected GNP for the whole period. Industry's share will be up to Kr.1,600m. an increase from 2.4 to 4 per cent of the share in investments of environmental protection. But the bulk of the money will come from the municipalities, taking up 24 per cent of their investments.

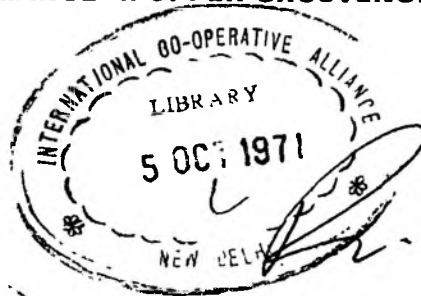
In 1969, concern for the environment found expression in the Environmental Protection Act, probably the most all-embracing legislation of its kind in the world. Among other things, it laid down that anyone planning or carrying out work which might damage the environment had to apply for a licence to continue. Applications have to be made to the National Franchise Board for the Environment, an administrative court, or, more simply, to the National Board for Environmental Protection. The Protection Board was placed at the centre of a whole network of controls, with general power to conduct research and give advice. With a staff of nearly 300, it is advised by three bodies, the National Conservation Council, the Water Conservancy Council and the Air Quality Board. Last week, for example, the Board drew attention to the fact that water treated by the Kappala sewage plant contained only 90 per cent Biological Oxygen Demand (BOD: a measure of the organic matter suspended in the water) instead of the required 95 per cent. "The legislation is so new that it is not clear what action the Board can take against us, but we shall improve our standards", said an official at Kappala. "The publicity is enough". The Board recently recommended legislation against PCB.



consumer affairs

BULLETIN

INTERNATIONAL CO-OPERATIVE ALLIANCE 11 UPPER GROSVENOR STREET LONDON W1X 9PA



No. 7, 1971.

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A Royal Institute of Chemistry Conference has been told that the world's entire life cycle might break down as a result of the use of nylon shirts, plastic bottles and biological washing powders. It urged housewives to refuse to buy such products.

CONSUMER PROTECTION

UNITED STATES

SMALL CLAIMS

Rhode Island consumers now have recourse to a new small claims law that lets them sue in civil cases for amounts under \$300. Initiated last year by the Rhode Island Consumers' Council, the law is similar to that in other states, according to the Consumers Federation of America.

For example, a drycleaner loses clothes. You feel they are worth \$35, but he won't offer more than \$5. Under the new Rhode Island law, you don't need a lawyer. You go to the district court clerk's office, fill out

a complaint and pay a \$1 filing fee. The court does the rest. Generally, within 30 days, the defendant is notified to appear in court to tell his story. The judge may announce his ruling immediately after the hearing, or reserve decision until later.

CLUSA News Service, 9th March, 1971.

JAPAN

DRUGS

The drug clioquinol or entero-vioform has been temporarily banned in Japan following evidence that it causes Subacute Myelo-optico-neuropathy, a serious condition involving the spinal cord, the optic nerve and other nerves and leading to unsteady gait, visual disturbance, abnormal tendon reflexes and psychic disorders. The Committee on Safety in Drugs are gathering evidence in clioquinol in Britain.

Lancet, 3rd April, 1971.

UNITED STATES

"NO-FAULT" AUTO INSURANCE

The Consumer Federation of America has asked member organisations to press for 'no-fault' insurance for autos. No fault insurance would mean that persons injured in auto accidents would receive insurance compensation for medical costs and most of their lost wages whether or not they were to blame for the accident. CFA has sent its 189 members a set of guidelines on proposed federal legislation.

CLUSA News Service, 9th March, 1971.

UNITED KINGDOM

SMALL CLAIMS COURT

An experimental small claims court to provide a cheap and simple method of resolving contractual disputes for claims not exceeding £150 is planned to start in Manchester. Both claimant and defendant will have to agree that their dispute is to be brought to the "court". They will not be allowed legal representation, and there will be no fixed rules for

evidence. Cases are to be heard before a member of the professions - architect, solicitor, accountant, etc. - who will call for evidence as necessary, award damages and apportion costs.

The chairman of the scheme's board of managers says that it aims to show that there is a real need for an official small claims court, such as was advocated by the Consumer Council, shortly before it went out of existence. In a report entitled "Justice out of Reach" the Council found that present county court procedure was so costly and complicated that few people with small claims to pursue could risk legal proceedings. It is expected that most claims, initially at any rate, will involve consumer goods and services.

10CU Newsletter, 31st May, 1971.

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Deputy Secretary of the U.S. Office Management and Budget, complaining about consumer advocates: "They are advancing the concept that corporations have responsibilities to do more than the law requires."

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CONSUMER REPRESENTATION

SWEDEN

CONSUMER OFFICE

A consumer enquiry has recommended the setting up of a consumer office employing about 175 people. It would be divided into five sections concerned with domestic economy, the technical testing of merchandise, production trade and consumer organisations, information and education, and, fifthly, administration.

KF Newsletter, No.4, 1971.

UNITED STATES

POST OFFICE OMBUDSMAN

The Post Office Department has a new Office of Consumer Affairs. The office will be headed by a consumer "ombudsman" who will represent the interest of the individual consumers on issues concerning mail service.

David L. Ordway, former director of special projects for the deputy postmaster general, was named by Postmaster General Winton Blount as the new director of the office.

CLUSA News Service, 18th May, 1971.

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The Federation of Homemakers in Washington D.C. won a victory over Clifford Hardin, U.S. Secretary of Agriculture, when U.S. District Judge Barrington Parker ruled here that "all-meat" hot dogs could include up to 15% non-meat ingredients; the judge said the word "all" describes a substance that is totally and entirely (all) meat.

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MARKETING AND THE CONSUMER

UNITED STATES

CONTROL OF "SPECIALS"

If a grocery store advertises a product as a "Special" it ought to be on the shelves when the housewife gets to the store. If it isn't, says the Federal Trade Commission in a recently issued regulation, the store is engaging in unfair or deceptive trade practices.

FTC reports that the regulation against unavailable "specials" came after investigations, surveys and hundreds of complaints. All indicated that items offered at lower than usual prices were often not on the shelves in sufficient quantity to meet consumer demand.

CLUSA Cooperative News Service, 18th May, 1971.

INTERNATIONAL

CHARTER FLIGHTS

The Government has told non-British airlines that for the time being no operating permits would be granted for charter flights between Britain and a country other than the country of the airline. The decision involves aircraft seating more than 252 passengers. Meanwhile, the Government will consider its policy on use of the jumbo jet which, in an all tourist layout, can carry 490 passengers.

This is the latest move in the increasingly fierce battle between the charter operators and the scheduled airlines. It is being brought to a head by an American Government proposal to remove restrictions on charter parties of over 50 people. If that were accepted, travellers seeking cheap charter rates would not have to join a club for at least six months as at present. The proposition has alarmed the scheduled carriers, whose chairmen, after a recent meeting in Paris, are urging their governments to reject it.

The Times, 8th June, 1971.

HOLLAND

DOOR STEP SELLING

Proposed new government legislation will require doorstep salesmen to register with the Chamber of Commerce. The legislation will apply to cash as well as instalment sales and contracts with unregistered salesmen will be invalid. Householders will have six days in which to change their minds if they wish to do so.

Bulletin of Legal Developments, 3rd April, 1971.

UNITED STATES

UNIT PRICING

Unit pricing, a new system under which large supermarkets have to indicate that cost of food items by measure, completed its first day in New York, with the city's Commissioner for Consumer Affairs hailing it as a "major victory for all consumers".

The city law is designed to help consumers to determine how big a bargain they are in fact getting by buying bumper packets. It was bitterly opposed by the food industry. Under the new provision supermarkets with more than £800,000 a year in trade have to post stickers on their shelves, showing the cost per pound of products sold by weight and the cost per pint of liquid products.

The Guardian, 3rd June, 1971.

NEW ZEALAND

LAYBY

"Layby" is a specialised form of purchase said to be found only in New Zealand and Australia. It is a method of paying by deposit and one or more instalments within a specified time. The goods are usually held for a period by the payment of the deposit; but the customer does not get the use of the goods until she has made the final payment. There are no interest or service charges. The seller thus gets the use of the customers' money for a time; but there are advantages to buyer as well as to seller.

The Consumers' Institute of New Zealand recommends that, as in New South Wales, goods should normally be set aside so that the customer receives them later even if the firm fails; and that 60% of the purchase price should be paid into a trust fund as a protection against the firm's possible failure.

Consumer (New Zealand) March, 1971.

UNITED KINGDOM

PAPER PANTS

Has the bottom, if you will excuse the expression, fallen out of the market for paper pants? Or will the coming of Value Added Tax bring much needed support?

The market in disposable underwear has not lived up to the heady

expectations and publicity hoo-ha of the pioneering days of 1968. Companies like Reckitt and Colman, in partnership with Bolton Textile Mill, and LRC International jumped into paper pants. But now Mr. Harry Askew, a Reckitt director, admits, "We were a bit over-optimistic, sales were more seasonal than we expected," and production has been cut back. LRC's Secretary, Mr. Reginald Perham, agrees that "everybody misjudged the size of the market here."

The villain is tax - and the dimensions of the British female. To avoid purchase tax, the panties have to be within certain limited dimensions, and to quote Askew: "Unfortunately there are so many ladies whose bottoms are not of those dimensions." LRC is still turning out the large-size panties carrying purchase tax, but Perham says that "They are quite expensive when compared to cheap nylon or cotton briefs. People just do not have the money to throw away, so to speak."

But the switch to VAT may save the day. The Value added in making the panties is low, so this may allow manufacturers to make panties large enough to fit the average English bottom without being bitten too badly by tax. But it is a story with a moral for all marketing men.

Financial Times, 22nd April, 1971.

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A safety committee in England has recommended that the maxi-skirt be banned as a danger on the road. Asking that a law forbidding dresses less than six inches from the ground, one member of the committee said: "I have had a couple of narrow escapes when young ladies have stumbled awkwardly in front of my car while trying to hurry across the road."

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UNITED STATES

NATIONWIDE SURCHARGE

Business Week magazine has credited Nationwide Insurance Co. with lighting the fire that is driving Detroit away from the "muscle" car. With sales and production of the super-powers dropping, the magazine said in its Feb. 27 issue that "the insurance industry's purge of the muscle car began after Nationwide concluded an actuarial study of some 400,000 cars.

"Nationwide found that these cars were involved in more accidents than standard autos, and that the cost to the company for covering theft and repairs averaged 56% more than for standard cars. Nationwide promptly tacked a 50% surcharge onto muscle-car premiums, starting in 1969. The penalty was slapped on cars that weighed 11 pounds or less for each unit of horsepower. Soon the major auto insurance companies followed Nationwide."

CLUSA News Service, 20th April, 1971.

UNITED KINGDOM

"INSTANT CREDIT" AT CO-OP BANK

A new form of instant revolving credit was launched last week by the Co-operative Bank, which believes that many customers appreciate their own affairs remaining private. Through instant credit accounts, the bank is offering credit to private customers for use on any occasion and over any period. The extent of the credit is determined by the branch bank manager on the basis of an agreed monthly repayment. That sum is multiplied by 24 to give a revolving credit total; i.e. a customer who can repay £15 per month will have a credit limit of £360.

Unlike similar schemes, however, the bank feels that many people do not want a third party to know that they are buying with the aid of credit. Instead, the bank opted for the use of cheque books so that the transaction will remain known only to the bank and the customer. This also means that customers will be able to use their credit accounts wherever they like - and not merely in a restricted range of franchised shops.

Interest is charged at 1½ per cent per month on the amount outstanding, no other charges such as commission being involved.

Co-operative News, 29th May, 1971.

UNITED STATES

COOPERATIVES RANK IN FORTUNE "500"

Seven cooperatives are ranked in Fortune Magazine's listing of the top 500 industrial firms and the top 50 insurance firms. They include: Land o' Lakes, with more than \$654 million turnover; Farmland Industries, Inc., - \$613 million turnover; Agway - \$598 million turnover; Gold Kist - \$348 million turnover; Dairylea Cooperative - \$327 million turnover; Farmers Union Central Exchange - \$175 million turnover; Nationwide Life - \$512 million turnover.

CLUSA Cooperative News Service, 18th May, 1971.

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A good idea for next Christmas for the individual-who-has-everything, including a nasty cough through smoking, is a japanese - developed ash tray which, when the cigarette is stubbed out, emits the most agonised coughs and gasps imaginable ... little record concealed in base and a torch battery are the culprits ...

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MONOPOLY AND RESTRICTIVE TRADE PRACTICES

UNITED KINGDOM

MONOPOLIES PROPOSAL

The Confederation of British Industry has come down firmly in favour of a single Commission of Competition to replace the Monopolies Commission and the Restrictive Practices Court. Both bodies are currently being studied by the Government, but concrete proposals and new legislation are not expected until the late summer.

The CBI is calling for the appointment of a Director of Research and Investigation, answerable to the new Commission of Competition, who can probe suspicions of unfair or monopolistic practices quickly.

The Director, in the CBI's plan, would take into account all relevant factors and have the power to reach agreement with the enterprise concerned on measures to remedy proven abuses. Only in the event of failure to reach agreement should the matter be formally referred to the Commission by the Secretary of State. More often than not the acid test would be: Is there, or is there not, effective competition? - a question to which it should not take long to establish the answer.

On the restrictive trade practices side, the CBI is advocating a more flexible and less legalistic procedure than at present. It would like to see agreements classified, allowing the Registrar - who would also be responsible to the new Commission - to have the power to clear agreements which were not contrary to the public interest.

The Registrar would also have the power to ask companies to cancel agreements that he considered to be against the public interest and to recommend that such agreements should be examined by the Commission if they were not brought to an end.

Financial Times, 27th May, 1971.

COMMON MARKET

ANTI TRUST TEST CASE

The Commission has for the first time alleged that a company is breaking the Rome Treaty of competition which forbids a firm from exploiting "in an improper manner a dominant position within the Common Market or within a substantial part of it" (Article 86).

It was announced in March that the Commission was taking action against Europemballage, a multinational Can-making firm owned by the world leader in this sector, Continental Can, of the United States. It is alleged that by acquiring, last year, an 87.6 per cent interest in Thomassen and Drijver-Verblifa of the Netherlands, and, the year before, an 86 per cent interest in Schmalbach-Lubeca Werke of Germany, Europemballage gained control of at least 70 per cent of the German and Benelux markets.

Europemballage has contested the charges; it puts its market-share at 10-20 per cent. The company is preparing a formal reply to the Commission. The Commission must then decide whether to take the matter to the Community Court of Justice.

The dispute is seen as a test-case of the Commission's antitrust powers against a particular firm. Until now, it has based its action on Article 85 of the Rome Treaty, which forbids agreements between firms that restrict competition in the Community.

Under a Community regulation, the Commission may impose fines of \$50 to \$1,000 a day if a firm does not communicate the information required of it within a specific period, and of \$100 to \$50,000 if the information is inexact.

UNITED STATES

ANTI - TRUST ACTION

The U.S. Justice Department has accused the Aluminium Company of America of using its purchasing power to persuade its suppliers to turn to the company for all their aluminium needs. Alcoa announced that, while denying the charges, it would accept the Justice Department's proposed consent judgement.

The Justice Department suit alleges that Alcoa has indulged in reciprocal purchasing agreements with various suppliers in violation of the Sherman Anti-Trust Act. It says that the company has been doing this for the last ten years, and has thus monopolised the aluminium requirements of its suppliers and prevented its competitors selling to some of its customers.

The proposed consent judgement prevents Alcoa from continuing these practices in the future.

Financial Times , 27th May, 1971.

INTERNATIONAL

STEEL CARTEL

According to Der Spiegel, the West German weekly magazine, steel pipe manufacturers in West Europe and Japan have been running an international cartel since the beginning of this year, splitting up much of the world into "specially respected areas" for each company and selling steel pipes for oil-field drilling and boring.

Members of the cartel are said to include British Steel; Mannesmann A.G., Nippon Steel, Nippon Kokan Kowasaki, and Simitomo, of Japan; the Dalmine and Siderexport subsidiaries of Finsider, Italy; and Comptoir F.B.T. of France.

The statement followed confirmed reports that Mannesmann A.G., of West Germany, had been fined DM 130,000 (about £15,000) by the West German Cartel Office and reports from Brussels that the Common Market Commission was investigating allegations of a cartel among the big European steel tube makers.

The Times, 5th May, 1971.

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Hoteliers are claiming that the change to larger metric beds means that many sheets and mattresses will not fit the larger beds and that the latter are too big for many small hotel rooms.

The National Bedding Association says that people are getting bigger.

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PRICES AND CONSUMERS

JAPAN

THE POWER OF ORGANISED CONSUMERS

Japan consumers' association reports that concerted action by consumer organisations in Japan has forced colour TV manufacturers to reduce their list prices and bring them into line with current selling prices. This was the result of a survey carried out last year by the National Federation of Regional Women's Organisations which showed that for a number of consumer goods list prices were on average some 30% higher than actual retail prices. In the case of colour TV the difference was sometimes as much as 50%

Although the discrepancy was so great, manufacturers were unwilling to reduce their list prices, so in October 1970 five of the largest consumer organisations in Japan determined to boycott the purchase of colour TV sets. In April this year the boycott paid off - list prices were reduced.

IOCU Newsletter, 31st May, 1971.

UNITED STATES

SOFT DRINKS COST MORE THAN MILK

In some areas soft drinks are selling for 25¢ per 12-ounce can while milk sells for about 28¢ a quart. On a per-quart basis, the soft drink is selling for 66.7¢ or 138% more than nature's most nearly perfect food, according to Prairie Farmer News. "Instead of top nutrition, however, the consumer gets water, sugar, artificial flavouring and some carbonation," the article continues. "Consumers spent nearly \$3.5 billion last year for bubbly sugar water, almost half as much as they did for milk."

CLUSA Cooperative News Service
2nd February, 1971.

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The International Organisation for Standardisation has decided that a piglet weighs from 15 to 25 kilogrammes. If it weighs less than 15 Kg it is a "sucking pig". If over 25 Kg it becomes a young pig or runner; and it over 50Kg it becomes a pig.

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POLLUTION

UNITED STATES

WATER SUPPLIES

A 700 word report from Mr. Ralph Nader's Centre for the Study of Responsible Law claims that the present treatment of drinking water removes few dangerous contaminations and that industry is responsible for half the waste matter that pollutes supplies.

Guardian, 12th April, 1971.

INTERNATIONAL

OIL POLLUTION

It is estimated that nearly 100,000,000 gallons of oil have polluted the world's waterways in recent major spills.

CLUSA News Service, 6th April, 1971.

EUROPE

LEAD FROM CAR EXHAUSTS

The EEC Commission is investigating the exhaust effects of lead in petrol. Once the necessary information has been studied, the Commission will suggest measures to deal with this problem within the Community.

Only one of the six Community member countries at present plans to set a maximum limit for the lead content of petrol. Differences among member nations' legislation in this field, however, might harm trade and travel in the Community.

The Commission therefore plans to examine the extent to which harmonization of national regulations in this field is necessary. It will then make proposals to the Council designed to protect both the environment and Community trade.

European Community, May, 1971.

UNITED STATES

ANTI-POLLUTION DEVICE

A BASE METAL, instead of platinum, anti-pollution device will probably be used by General Motors, the biggest car manufacturers in the world, on some of its 1974 models according to a Reuter report from Detroit yesterday.

A General Motors staff engineer, Edwin Nelson, said that the proposed GM anti-pollution devices fitted on, according to industry sources, 20 per cent of the 1974 models would include a catalytic converter, which would virtually eliminate hydrocarbon and carbon monoxide gases from the exhaust system, and a gas recirculation system to cut out another pollutant - oxides of nitrogen.

Financial Times, 10th June, 1971.

UNITED KINGDOM

BACTERIA TO EAT PLASTIC

BRITISH Scientists hope to solve the environmental hazard of plastic waste by making plastics that can be eaten by bacteria in the same way that vegetation rots or metal rusts. An article in the magazine Industrial Management says plastics are to be tackled "using the same principle of letting nature loose on seemingly indestructible material with just a dash of science to help it on its way."

It says research into the subject, known as "bio-degradation," which will be backed by the Science Research Council, will prove one of the most controversial issues of the next few years. What to the layman would seem like sheer science fiction is the possibility of creating a completely new type of bacteria that would strike at plastics as we know them to-day. There can be no doubt that once the new work is launched this could be a natural development," It adds, "This prospect has the sort of "Doomwatch" implications that are frankly frightening. Some distinguished men feel it is too dangerous even to contemplate and perhaps this is in the minds of those within the industry who oppose the present moves so fiercely."

Financial Times, 7th June, 1971.

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"Pass the gum, chum" takes on a medical significance with the news that a Swedish company is developing a nicotine-flavoured chewing gum as an aid to stopping smoking. The gum is being tested by Dr. Bo Brantmark of AB Leo, a pharmaceutical concern.

Results of the trials are not yet conclusive. But he says that the first three months of not smoking are the critical period with his gum, and the consumption works out at between ten and 15 tablets of gum a day. But can one get hooked on nicotine flavoured chewing gum? Well, admitted Dr. Brantmark, we were worried about that, but people seem to cut down on the gum automatically - and even if they don't, they are still a lot better off than smokers.

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CONSUMER INFORMATION

SWITZERLAND

THE FIRST CONSUMER POLYCLINIC

The Foundation for Consumer Protection has opened in Bern a so-called consumer polyclinic which makes available to members of the public foreign and domestic bulletins concerning comparative testing of products.

Nachrichten Dienst, 6th May, 1971.

UNITED STATES

COMPUTERISED CONSUMER COMPLAINTS

Consumer complaints have been computerised in six metropolitan areas of the U.S.A. The Federal Trade Commission has recently established a system of Consumer Protection Committees which keep a computerised record of all consumer complaints registered with official government agencies in their areas. Each month an updated print-out of the cases become available, with information on the name of the company, initials of the plaintiff, the nature of the complaint, how it was resolved, and with a summary of the 25 main types of problem encountered. This should be an invaluable aid in consumer protection, and should help reduce the spread of a particular consumer abuse over a given region.

IOCU Newsletter, 31st May, 1971.

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"You will find this letter almost impossible to tear, dry or wet, because it is printed on Polyart synthetic paper", said a letter. It turned out to be true. Several sprained shoulders later, no one could destroy it. All power to the makers, but why must a pollution-alarmed world be burdened with indestructible correspondence?

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CONSUMER STANDARDS

COMMON MARKET

DIRECTIVE ON REAR-VIEW MIRRORS

The Council of Ministers in March adopted a directive on car rear-view mirrors, the ninth directive dealing with the removal of technical barriers to trade in the automobile sector.

The directive specifies standards for design (e.g. the dimensions of the reflecting surface, impact resistance, and flexibility of the mounting) and installation (number, position, adjustment, field of view). It also requires that vehicles should have an external mirror on the left side, as well as the interior at present required in all Community countries. A Community approval mark will be placed on rear-view mirrors to attest that they comply with Community standards.

Manufacturers must fit and deliver new vehicles with an outside and an inside rear-view mirror. The new ruling is expected to contribute to safer driving.

Earlier directives concerned rear exhaust systems, noise level, air pollution, fuel tanks, protective devices, registration plates, steering equipment, doors and hooters.

European Community, May, 1971.

COMMON MARKET

BLANKET SIZES

The Commission has stated that the French regulation laying down standard sizes for blankets restricts trade between France and her Community partners, and infringes article 31 of the Rome Treaty, which prohibits measures with effects similar to quotas.

Since the end of 1967, blankets imported into France have had to conform to specified sizes. . Blanket-producers in other member states have therefore **been forced** to manufacture specially for the French market. French blanket manufactureres were not affected because the standard conforms with French usage.

France has contested the Commission view. She has pointed out that since 1968 imports of blankets have increased, especially from the Netherlands; and that the regulation protects consumers as blankets are normally sold folded.

The Commission's reply was that increased imports had come about only at the inconvenience of producers in other member states. It said that the consumer protection argument was invalid as long as France had no compulsory standard sizes for beds and sheets.

European Community, May, 1971.

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A poser for the Income Tax. A lady recently sold a short story to an American publishing company and received her payment - 50 pork pies. Apparently, these stories appear on the wrappers of some food company's pies, and payment is always in pork pies. Apart from the interest of this novel form of literary publishing - why not put the daily news on milk cartons for delivery each morning, in place of dying newspapers? - she is wondering how to declare this payment to the Income Tax, and how to pay the tax. At the moment, she is considering keeping back 14½ pork pies and sending them to the taxman when the demand arrives, like paying a tithe. But they won't be very fresh by then.

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SPECIAL FEATURE No. 1

Swedish Ban on Inappropriate Advertising

Sweden now has a law against inappropriate advertising. This law is centred on a general clause according to which any marketing action that can be deemed inappropriate "towards consumers or tradesmen" can be forbidden. Apart from this general stipulation, the law contains three paragraphs directly banning obviously misleading advertising and

certain types of combination offers.

The Consumer Ombudsman is responsible for the surveillance of this sphere. He follows developments in marketing and takes the initiative of acting in cases where advertising can, according to the new act, be considered inappropriate. He will also receive and handle petitions from the public and from business companies. If, after due investigation, an advertisement is found to violate the law, the Consumer Ombudsman is to commence negotiations with the company concerned to alter the advertisement. If agreement cannot be reached, the Consumer Ombudsman can refer the matter to the Swedish Market Court, where he will act as prosecutor. The Market Court can forbid the company to continue or repeat the advertising or marketing method in question. This ban shall be subject to fines, unless this is unnecessary for some special reason.

If the matter concerns violation of the special ban paragraphs, the Consumer Ombudsman transfers the affair to the public prosecutor, and after due investigation, the matter comes before court. Appeals may be made in the usual manner after such treatment of a case, which is not possible when a case has been dealt with by the Market Court.

It is hoped that the new legislation in the enormous field of 'marketing' will quickly and smoothly do away with inappropriate methods; the idea is not to punish all those who do wrong. The Consumer Ombudsman, Sven Heurgren, has on several public occasions explained that the office will start its work by making random checks on certain branches of vital interest to the consumer, and on certain types of advertisements in daily and weekly press, films and outdoor billboards, direct advertising and package texts. The staff of 12 will not suffice to check all advertising, and some help from the general public is anticipated.

KF Newsletter, No.4, 1971.

SPECIAL FEATURE NO.11

Fears over Tropical Use of Pesticides

Investigations into the formulation of non-persistent pesticides are to be made by the new Centre for Overseas Pest Research. It has been formed by a merger of four of the smaller scientific units supported by the Overseas Development Administration of the Foreign and Commonwealth Office.

Dr. P.T. Haskell, first director of the centre described the extent of the research needed into the development of agriculture in overseas countries. He said tropical agriculture over the next 10 years could not survive without DDT as an important pesticide. Conservationists had done an important job in drawing attention to the hazards of DDT in developed countries. Now they were extending their argument to the tropics, but there were not enough data on which to assess the effects in those regions.

Negotiations are in progress with several countries with which Dr. Haskell's unit would like to investigate the long-term effects of pesticides in tropical agriculture. There is reason to suspect that far too much of some substances is poured on to the land. Dr. Haskell said that when all the dangers and costs were taken into account the increase in yields in some circumstances was not high enough to justify the way some chemicals were used.

He said his unit would work with the Department of Technological Economics, Stirling University, in developing methods for assessing the economics of pest control, including techniques for the determination of crop losses and damage caused by pests.

The development of safe, economic and efficient pest-control techniques relevant to overseas agriculture and public health would be made by other teams. This work would concentrate on pests with international or regional significance, either because they migrated between countries or because they were endemic pests of several countries and regions.

Locusts and weaver birds were examples of migratory pests, and they were the sort of creatures in which a group working on tropical meteorology were interested. Their studies included devising ways of forecasting conditions suitable to migratory species. The other group of pests involved organisms such as termites, mosquitoes and other disease-carrying species.

Dr. Haskell said that in spite of the damage caused by termites little research has been done into ways of controlling them. They destroyed trees and influenced the size of stock which could be reared on grassland. An ecological study of grassland and termites was being discussed as a joint project with the Serengeti Institute.

One method of controlling termites to be studied involved the possible synthesis of pheromones or the chemical attractants animals produced. Colonies of ants created complicated trails of these substances which governed to a large extent that way the community operated. Artificially produced pheromones might be introduced to disrupt the termites, as a safer method of control than toxic chemicals.

The Times, 3rd June, 1971.

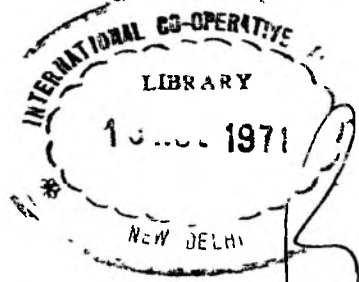
LS/AQ.



consumer affairs

BULLETIN

INTERNATIONAL CO-OPERATIVE ALLIANCE 11 UPPER GROSVENOR STREET LONDON W1X 9PA



No 8, 1971.

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After forty-four years of research, the British Food Manufacturing Industries Research Association has decided that it should not be necessary to prick sausages before they are cooked.

POLLUTION

FEDERAL REPUBLIC OF GERMANY

PETROL

New Legislation in Germany will reduce the lead content of petrol from 0.44 to 0.40 grammes per litre from next January. It is expected that as a result, in four years, the lead in the atmosphere will be reduced by 30 per cent.

Bulletin of Legal Development, 3rd July, 1971.

UNITED KINGDOM

DETERGENTS

The Standing Technical Committee on Synthetic Detergents says that they are now outselling soaps. It has recommended that river-polluting "hard" detergents should be banned and the Confederation of British Industry has agreed in principle.

Guardian, 8th June, 1971.

INTERNATIONAL

RADIATION

An article in Science by Professor Johnston of the University of California suggests that the operation of 500 supersonic aircraft like Concorde could, within a year, double the ultra violet radiation reaching the surface of the earth. This could result in the death of plant life over much of the earth and in massive damage to unprotected animals.

Guardian, 15th June, 1971.

UNITED KINGDOM

TOXIC METAL POLLUTION

Research at the University of Wales in Swansea, at the Welsh National School of Medicine at Cardiff and at the Civil Engineering Department of Liverpool University suggests that there is widespread pollution by toxic metals in certain industrial areas. Mosses and grasses can concentrate metallic contaminants in the atmosphere and result patterns of pollution which may contribute to malformations of the nervous system such as Spina Bifida.

Guardian, 19th June, 1971.

INTERNATIONAL

MARINE POLLUTION

The United States has proposed at an InterGovernmental Working Group on Marine Pollution, that an international convention should be signed prohibiting the dumping of industrial wastes, household rubbish, sewage sludge or radioactive substances in the sea without permission. Penalties could include fines of \$50,000 a day and imprisonment.

Guardian, 19th June, 1971.

UNITED KINGDOM

RIVER POLLUTION

The National Coal Board says that disused coal mines sometimes get flooded in such a way that ferric hydroxide escapes into neighbouring streams, turning them red, and poisoning the fish. The Coal Board says that this pollution can be controlled by pumping the water from disused mines; but argues that the river authorities should pay for this.

Observer, 6th June, 1971.

INTERNATIONAL

OIL POLLUTION

The British Oil in Navigable Waters which came into force on the 21st June raises the maximum penalty for the illegal discharge of oil from £1,000 to £50,000 and gives the British Government powers to take action either in British territorial waters or on the high seas.

Financial Times, 12th June, 1971.

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For the second time in history, the spider has made itself useful. One of the Medical Research Council's team in Cambridge, Dr. Nigel Unwin, has been having trouble getting enough definition to study the tobacco mosaic virus through an electron microscope. This means magnification about 1m. times. What was wanted to increase the contrast of the imaging beam was a filament of a non-conductive material which was smooth, strong and thin enough to allow transmitted electrons to pass round it. Unwin found a very small species of spider in his garden shed, which spun a thread of 1/100,000th of an inch diameter. Better still, it was self-adhesive, which helped in the necessary manipulation of the thread over a hole only 1/1,000th of an inch in diameter. The final touch, to provide the desired electrical qualities, was to coat it with a thin (100 atoms thick) layer of gold. What's nice is that Pye Unicam, which makes the microscope, has announced all this, and admits that the spider has proved the answer to "a problem which even our top microscope experts could not solve."

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ADVERTISING

UNITED STATES

ADVERTISING CLAIMS MUST BE SUB-STANTIATED

The Federal Trade Commission has announced that it will soon begin issuing regulations requiring major industries to substantiate all advertised claims. Claims for safety, performance, efficacy, quality, and comparative prices will have to be backed by data and other supporting evidence filed with the FTC. Such information, except for trade secrets, customer lists, and financial data, will be available to the public.

Periodically, the FTC will issue a list of statements made by various advertisers within a particular industry and require the companies to supply substantiating facts within 60 days. These lists will be issued gradually because the Commission does not have sufficient manpower to handle great masses of data at once.

CLUSA News Service, 29th June, 1971.

UNITED STATES

ADVERTISING CONTROL

The advertising industry has established the National Advertising Review Board. Complaints are invited and advertisers are to be asked to defend themselves before a five man panel. If a satisfactory conclusion is not reached, the panel's finding will be made public and handed over to the Federal Trade Commission. The Council of Better Business Bureau will monitor advertising on behalf of the Board.

Campaign, 28th May 1971.

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In Western Europe 500,000 million cigarettes are consumed annually, corresponding to an amount of 40,000 million DM (£4,780m). Great Britain ranks first, and the Federal Republic of Germany second.

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STANDARDS

CANADA

BEDDING MATERIAL

New regulations have been introduced in Canada for bedding material. Hitherto it has been necessary for a five inch strip of such material to take more than four seconds to burn in specified conditions, as with some other textiles in Canada and the USA. An extra safety margin is now required by the Department of Consumer and Corporate Affairs for bedding material that has a "raised fibre surface". The time of burning for such material must be over seven seconds.

IOCU Newsletter, 30th June, 1971.

COMMON MARKET

PROHIBITION OF RADIO ELECTRIC
DISTURBANCES PROVOKED BY
ELECTRICAL MATERIAL

Community experts have prepared a draft of a directive which prohibits radio-electric disturbances provoked by electric appliances, particularly

household electrical apparatus and portable tools. Violations of the directive would be dealt with according to the national laws of the member countries. The directive will apply primarily to new appliances.

Federation Nationale des Cooperatives
de Consommation. Department Economique
No. 21, 1971.

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Americans spend 3,960 million dollars annually on cigarettes, and at the same time the public health service devotes more than 4,680 million dollars preventing or taking care of the adverse effects of tobacco.

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CO-OPERATIVES

UNITED STATES

CONSUMER PROTECTION BY COOPS

Mr. Ralph Nader has declared that co-op supermarkets have more potential to reduce marketplace abuse than all the rest of the consumer movement put together. He urged that members of the Consumers Co-operative of Berkeley to be more active in consumer protection activities.

CLUSA News Service 11th May, 1971.

SWITZERLAND

MIGROS TACKLES POLLUTION

The Swiss co-operative chain Migros has undertaken an anti-pollution programme under the slogan "Migros-Sano." Migros has already been controlling the protection of food products by restricting the use of pesticides, and has applied the system of informative labelling known as Migros-Data, based on results from its laboratory analyses. Now a further stage has been entered upon with the creation of a symbol "Migros-Sano" which will be based on standards twice as strict as those of the government. The experiment has started with poultry and with eggs, and fruit and vegetables will soon be added.

S.G.C.C. Etudes et Recherches No.24,1971.

UNITED STATES

"SHELF LIFE" CODES IN THE COOP

"Cracking a code" is not always a furtive "Mata Hari" type of operation. Greenbelt Consumer Services, Inc, in Washington D.C., believes that its 34,000 members are entitled to know that the perishables they buy have not soured or gone stale on the shelves. So Greenbelt wrote to all of its 130 suppliers and asked for the key to the codes used by each to tell

when foods are no longer wholesome and should be pulled from the shelves.

All but 17 of the processors sent the information, and this is now compiled into thick directories which are available in each of the co-operative's twenty-two supermarkets. Patrons may check the information on any products, and then unlock the manufacturer's secret "time to stop selling" message.

The Co-operative's Consumer Supermarkets will observe some new standards of their own with respect to three most commonly used perishables. Milk will be removed after 90 hours instead of the 10 days ordinarily allowed. Bread will go after 24 hours, instead of the customary three days, and shell eggs will be taken off display after seven days. All fresh meats packaged and wrapped by the co-operative will be clearly marked to indicate final dates for sale.

Co-operative Federation of
New South Wales. Newsletter, June 1971.

EUROPE

CO-OP CHOCOLATE FACTORY

The Chocolate factory of the Euro-Coop group which has been under construction at Dortmund-Brackel for two years has just been opened ahead of schedule. Euro-Coop embraces consumer cooperative movements of the Federal Republic of Germany, France, Belgium, Holland and Italy. It already has a biscuit factory at Utrecht.

S.G.C.C. Etudes et Recherches.
No. 25, 1971.

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Caviar is considered harmful for those who suffer from the effects of too much cholesterol. This unhappy situation will be improved however according to the Soviet review "Sciences et Techniques" which reveals that Russian scientists have succeeded after patient research in producing synthetic caviar in a laboratory. The great advantage of this artificial hors d'oeuvre over natural caviar is that it does not increase cholesterol.

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MARKETING

EUROPE

MAIL ORDER BUSINESS

Five national organisations of mail order firms have decided to form an international association: These are: The Bundesverband of Deutschen Versandhandels (Federal Republic of Germany), the Syndicat Français des Entreprises de vente par Correspondance, l'Associazione Italiana fra Aziende di Vendita par Correspondanza, l'Algemene Nederlandse Bond van Postorderbeprijven (Netherlands) and the section "Vente par correspondance" of l'Association des Grandes Entreprises des Distribution de Belgique.

The functions of the new body will be to exchange information and represent the interests of this sector of industry vis à vis various international organisations, particularly those of the Common Market.

S.G.C.C. - Etudes et Recherches
No. 29, 1971.

COMMON MARKET

CONSUMPTION OF MEAT

In 1968/69 meat consumption in the six countries of the European Economic Community was as follows (in Kgs. per head per year):

	<u>Germany</u>	<u>France</u>	<u>Italy</u>	<u>Netherlands</u>	<u>Belgium & Lux.</u>	<u>Average for EEC</u>
Beef, incl veal	23.5	30.5	22.7	21.9	25.5	25.1
Pork	43.8	30.4	11.0	28.5	31.2	29.0
Poultry	7.4.	13.7	10.4	5.2	7.7.	9.8
Lamb and other meat	5.6.	18.9	6.2	6.8	11.3	9.8
Total	80.3	93.5	50.3	62.4	75.7	73.7

S.G.C.C. - Etudes et Recherches
No. 25, 1971.

AUSTRIA

PLASTIC BOTTLES

A process for making plastic bottles recently developed in Austria is capable of transforming within a few years the sale of carbonated drinks throughout the world. The bottles are extremely light, but possess the technical characteristics of plastic bottles at least 50 per cent heavier. They don't break or bend, they are water-tight and air-tight, and stable and resistant to changes of temperature. The process, which has already been patented in a number of industrialised countries, makes possible enormous cost savings for manufacturers.

Federation Nationale des Cooperatives
de Consommation. Department Economique.

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There are few sauces or pastries, the origin is known with certainty. Croissants are an exception to the rule. They were invented in Budapest in 1686 at the time of a siege of the city by the Turks. Since their attacks were unsuccessful, they had the idea of proceeding by trickery. In order to reach the heart of the city by surprise, they secretly excavated underground passages. They were just about to achieve their objective when the bakers working through the night heard the noise they were making and sounded the alarm. Thus it was the assailants who were taken by surprise.

As a reward for the bakers for having saved the city, they were given the privilege of producing a special pastry in the form of a crescent, the emblem displayed on the Ottoman flag. Once a year thereafter to commemorate the event, then later on other feasts, and finally every Sunday, they began making croissants. Eventually the pastry spread throughout Europe.

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MONOPOLY

COMMON MARKET

ANTITRUST CASES

The EEC Commission has so far successfully concluded 625 investigations of companies whose activities were likely to restrict competition in the Community. In 589 of these cases, the companies concerned modified their policies to comply with the Rome Treaty rules of competition; in the other 36, the companies involved dropped their plans to form monopolistic groups.

Only in exceptional cases does the Commission consider competition between loosely-knit oligopolies preferable to a fragmented market characterised by competition between small-sized companies.

Where national legislation has proved effective in dealing with restrictive practices, as has often been the case, Commission action has been unnecessary. The Six already have a common policy on national grants and subsidies to firms and work is in hand on a common policy covering all aspects of restrictive practices.

The Commission currently has 3,600 suspected cases of restrictive practices and 4,600 sole-agency contracts awaiting investigation.

European Community, June, 1971.

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The French are the largest consumers of toilet water and cologne (70%) and together with the Swiss (58%) they drink the most mineral water (54%)

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CONSUMER PROTECTION

UNITED KINGDOM

SMALL CLAIMS COURT

Shortly before it was abolished, the Consumer Council published a report "Justice Out of Reach" which argued that County Court procedure was so costly and complicated that few people with small claims could risk legal proceedings and argued that there was a real need for a special Small Claims Court.

An experimental but official Small Claims Court providing a cheap and simple method of resolving contractual disputes for claims not exceeding £150 is planned in Manchester. Both claimant and defendant will have to agree that their dispute should be brought to the court. They will not be allowed legal representation and there will be no fixed rules for evidence. Cases will be heard before professional people - architects, solicitors, accountants - who will call for evidence as necessary and apportion costs.

IOCU News, 31st May, 1971.

UNITED STATES

COMPUTERISED CONSUMER COMPLAINTS

Consumer complaints have been computerised in six metropolitan areas of the USA. The Federal Trade Commission has established a system of Consumer Protection Committees which keep a computerised record of all consumer complaints registered with official government agencies in the area. Each month an up-dated print-out of cases becomes available with information on the name of the company, the initials of the plaintiff, how it was resolved and a summary of the 25 main types of problem encountered. This should be invaluable as an aid to consumer protection.

IOCU News, 31st May, 1971.

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The Australian Consumers' Association has discovered that it is very difficult to distinguish between Australian Whisky and Scotch Whisky.

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CONSUMER INFORMATION

UNITED STATES

DATE MARKING

The Consumer would not be served if manufacturers printed an expiration or retail pull date on packages as many consumer goods have suggested, a study by the Rutgers University Department of Food Science indicates. Other factors, particularly temperature, are more significant in determining a product's shelf life than simply elapsed time, the study discovered.

"Until an effective system of storage and handling of products at all stages of the food supply can be developed, expiration dating would not seem to provide consumers with genuinely useful information," the study stated. It advised food producers to inform consumers on home-storage conditions and on the maximum length of time food items may be stored at home before being used.

CLUSA News Service, 8th June, 1971.

UNITED KINGDOM

TESTING

Consumers' Association has begun testing in its own laboratory, at Harpenden, Herts, which has covered areas of 1,115 sq. metres with room for expansion. It has five testing areas and will concentrate, to begin with, on testing kitchen appliances. Hitherto the Consumers' Association had to have testing done for it in independent laboratories except for its own Car Tests.

IOCU News, 30th April, 1971.

UNITED STATES

UNIT PRICING

Two states and New York City have enacted unit pricing laws and ten states and many cities are considering their introduction.

New York Times, 8th June, 1971.

SWEDEN

COMPARATIVE PRICING

The Swedish Price and Cartel Office is starting a campaign to enable the consumer to compare the prices of different brands of the same item. The intention is that the retailer shall mark distinctly all goods for sale in his shop. Furthermore, the concept "comparative prices" has been introduced, which means that apart from the ordinary price per package, particulars will be provided on price per kilo, litre or other standard measure. This price does not necessarily have to be stated on the packet itself; it can be displayed on a placard near the item concerned.

KF Newsletter, No.3, 1971.

UNITED STATES

LABELLING REGULATIONS

The Food and Drug Administration has published regulations declaring foods misbranded if the labelling bears deceptive statements or vignettes as to geographic origin. The regulation will allow labelling representations expressing or implying geographic origin only if the representations are: truthful as to geographic origin; a trade mark or trade name if not deceptive or misdescriptive; a part of the name required by Federal law or regulation;

a name generally understood by the consumer to connote a particular class, type or style of food rather than geographic origin.

CLUSA News Service, 15th June, 1971.

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A firm manufacturing a well-known mouthwash was accused of using a cheap form of alcohol possibly deleterious to health. The company's chief executive, after testifying in Washington, made this comment privately: "We broke no law. We're in a highly competitive industry. If we're going to stay in business, we have to look for profit wherever the law permits. We don't make the laws. We obey them. Then why do we have to put up with this "holier than thou" talk about ethics? It's sheer hypocrisy. We're not in business to promote ethics."

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SPECIAL FEATURE No. 1

POLLUTE AND PAY

One of the most controversial of the U.S. Administration's anti-pollution proposals is to tax polluters according to the amount of their pollution. The proposed legislation has not yet been submitted to Congress, but this particular proposal, now under study in the White House, has already been strongly criticised both by environmentalists and industrialists.

The former, anti-pollution zealous, who tended to regard the proposed tax as a licence to pollute, are now coming round to support it. They are doing so because they realise that in practice it is likely to be far more effective as an incentive to curb pollution than are the controls which they have favoured and which so far have not been very effective. The industrialists, who would be subject to the tax, are busily developing a lobby in Congress to oppose it.

The Administration thinking apparently is that an industry which pumps sulphur into the air, for instance, should be taxed so much per pound of sulphur emitted. Industries concerned would probably find it cheaper to take steps to prevent pollution.

If approved by Congress, a similar tax would then presumably be imposed on concerns which emitted other noxious gases, and eventually to everything which pollutes, including liquid and solid waste. One of the major admitted problems of the scheme is the high cost and difficulty of monitoring the various parts and measuring the extent of their pollution.

The Guardian, 14th July, 1971.

SPECIAL FEATURE NO. II

OUR TECHNOLOGICAL FUTURE

Technological progress is going to accelerate over the next few years. Already several dates have been scheduled for the accomplishment of veritable scientific revolutions.

- 1973: Automatic translations by computers.
- 1975: Absolutely accurate forecasting for as much as five days in advance.
- 1980: Instantaneous information provided by computers in response to simple telephone enquiries in every field of knowledge and current affairs.
- 1982: Artificial implantation of plastic organs into the human body.
- 1983: Use of chemicals to alter human personality (with use being reserved for pathological cases).
- 1986: Control and application of thermo-nuclear energy for industrial purposes.
- 1990: Creation and production in a laboratory of elementary living organisms.
Modification of weather and of local climate, and transformations of climate in the more important areas under safeguard of international agreements.
- 1995: General immunisation against various illnesses caused by virus and bacteria.
- 2000: Control of hereditary factors and possibilities of influencing the genetic make-up of human beings.

50 millions des Consommateurs. June, 1971.

SPECIAL FEATURE NO. III

THE ROLE OF STANDARDS IN THE BATTLE AGAINST NOISE

Acoustics experts from all over the world have agreed on two standard guides which should prove useful weapons in the war against unwanted noise. They will provide basic reference material for authorities charged with the complex problems of setting limits for noise levels in the factory and in the home.

ISO/R 1999 concerns assessment of noise-exposure during work for hearing conservation purposes. It provides a simple but sufficiently reliable method for relating levels of noise to impairment or loss of hearing over periods varying from ten minutes to a full working lifetime of 45 years.

A second document, ISO/R 1996 deals with the assessment of noise with respect to community response. An ambient noise level which is acceptable in a predominantly industrial area may be totally unacceptable in a residential area or in the vicinity of a hospital. Further, a noise which is hardly noticed during the day may be intolerable in the middle of the night.

Different weightings, therefore, have been devised to take account of such factors in order to establish the "noise criterion" for a particular area. If the noise level exceeds that criterion by 5 decibels (A)*, only sporadic complaints may be expected, according to the ISO document. At 10 dB(A), widespread complaints may be anticipated. At 15 the nuisance will lead to "threats of community action," while at 20 and above "vigorous community action" is assured.

ISO/R 1996 is intended as a guide to the measurement of the acceptability of noise in communities. It specifies a method for the measurement of noise, the application of corrections to the measured levels (according to duration, spectrum character and peak factor), and a comparison of the corrected levels with a noise criterion which takes account of various environmental factors.

The noise criterion for the most peaceful rural surroundings may be as low as 20, rising to 35 for a department store or a quiet restaurant, to 45 for a large restaurant and to 55 for a large typing pool. Workshops may be rated between 45 to 75.

The latter figure is close to the maximum permissible figure of 85, as laid down in an earlier ISO Recommendation. By 90, acoustics experts consider, the noise level has become potentially dangerous to health, while at 100 the noise becomes a positive threat to a person's hearing. A riveting gun may attain 130 and a jet plane 150.

ISO cannot reduce the noise nuisance directly. It can, however, contribute towards a solution by providing authoritative technical documentation for those who can do something about "noise pollution."

* dB(A) - decibels weighted to correlate well with loudness and related to annoyance.



consumer affairs

BULLETIN

INTERNATIONAL CO-OPERATIVE ALLIANCE 11 UPPER GROSVENOR STREET LONDON W1X 9PA



No. 9, 1971.

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An Automatic Radioelectronic Secretary developed in the Soviet Union will wake you in the morning, serve drinks, play music, answer the door and turn off the lights at night.

POLLUTION

UNITED STATES

AIR POLLUTION CROP LOSS

Air Pollution caused an estimated \$25.7m in crop losses to California farmers last year, according to a special survey report by the California Department of Agriculture. Smog damage to citrus plantings in the Los Angeles basin, which includes portions of four counties, accounted for \$19.6m. of the total 1970 monetary loss.

Financial Times, 8th July, 1971.

UNITED KINGDOM

EXHAUST FUMES

The Tecalimit company has invented a fuel injection system which prevents the emission of poisonous fumes from car exhausts. It is claimed that it will almost completely stop vehicle pollution, and would cost from £50 to £75. The company has been discussing the device with British and Japanese car manufacturers.

Sunday Telegraph, 18th July, 1971.

INTERNATIONAL

POLLUTION OF CITIES

Mr. Maurice Strong, Secretary General of the UN Conference on the Human Environment, has predicted that some cities in developing countries would become uninhabitable within ten years.

Guardian, 15th July, 1971.

UNITED STATES

POLLUTED MEAT

Mr. Ralph Nader, has alleged that laxity in the administration of regulations have resulted in the marketing of meat and poultry polluted with traces of pesticides. Food additives and animal drugs also affected their quality. Officials of the Department of Agriculture claim that there are not enough Inspectors to maintain adequate supervision of all meat sold.

Guardian, 20th July, 1971.

HOLLAND

MARINE POLLUTION

There were many protests when the Dutch ship Stella Maris planned to dump chlorified aliphatic hydrocarbons in the North Sea, and, later, off Iceland; and the project was abandoned. According to a recent report of the American National Academy of Sciences, chlorinated hydrocarbons are building up in marine life.

Guardian, 22nd July, 1971.

UNITED KINGDOM

UNIVERSITY COURSE ON POLLUTION

Leeds University has announced a Master of Science degree course in environmental pollution and control. Believed to be the first of its kind in Britain, the course will encourage scientists to think through the social implications of their inventions.

The one-year course will draw on the resources of 12 university departments to produce experts equipped to identify pollution hazards and to recommend measures to control them.

Central themes of the 120 lecture-course will include sources, assessment and economic consequences of pollution and the remedial measures that can be applied. Graduates from the course could expect to move into a wide range of employment in the chemical, oil and metal-processing industries and other bodies that treat and dispose of effluents. To qualify for the course candidates should have a first or second class honours degree or its equivalent in chemistry, chemical engineering, fuel science, mechanical engineering or metallurgy.

Guardian, 30th July, 1971.

INTERNATIONAL

USE OF DDT DEFENDED

At the time when ecologists have succeeded in getting DDT banned from general use in the United States and some other countries, a qualified voice has spoken out vehemently in its favour.

In an article in the "New York Times", a professor of medical physics at Berkeley, Thomas Jukes, asserts that "the defense of DDT is vitally important," and that, according to the World Health Organisation, without it the programme against malaria will collapse.

The organisation's executive board has written that "the withdrawal of DDT would, indeed, be a major tragedy in the chapter of human health. Vast populations in the malaria areas of the world would be condemned to the frightening ravages of endemic and epidemic malaria."

Guardian, 4th August, 1971.

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The Japanese have introduced automatised shops. Customers choose their products from samples; then they put a card into a computer which selects the items which are stocked in a warehouse nearby, and has them delivered to the outside of the shop. After a trial period credit cards will also be added to the system.

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ADVERTISING

UNITED STATES

CIGARETTES

The Federal Trade Commission has proposed that all cigarette advertising should carry health warnings like those on cigarette packets in the USA.

Financial Times, 2nd July, 1971.

FRANCE

ADVERTISING OF FOOD PRODUCTS

In view of the fact that most consumers have only a vague conception of the nutritional problem posed by food in modern society, and particularly the problem of food balance, a group of advertisers of food products decided that it would be useful to institute a voluntary control over the food claims in advertising. It was decided to have advertising claims with respect to nutrition or dietetics made by their member agencies assessed by an independent body, la Fondation Internationale pour le progrès de l'Alimentation. Advertising which is judged to be in conformity with medical opinion can make use of a "visa" or "stamp" indicating its validity. This visa will comprise a symbol with the name FIPAL mounted on a design representing the profile of a human face, and the following text: "The nutritional arguments used in this document have been authorised by the Fondation Internationale pour le progrès de l'Alimentation and judged to be in conformity with generally accepted medical opinion."

50 Millions des Consommateurs.
January, 1971.

UNITED STATES

ADVERTISING SPECIALS

As of July 12th, a new Trade Regulation Rule will make it a violation of the Federal Trade Commission Act for any retail food store to advertise food and grocery products or other merchandise at a stated price unless those products are in stock and readily available to customers during the days indicated in the advertisement. The price must be no higher than advertised.

CLUSA News Service, 6th July, 1971.

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In Norway and Finland throw-away bottles made of glass or plastic have been prohibited for beer and mineral waters by an agreement with breweries and manufacturers.

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PRICES

JAPAN

HOUSEWIVES' TACKLE HIGH PRICES

The five million members of the Japanese Housewives' Association - Shufuren - have launched a boycott against the products of Shiseido, the third largest cosmetic company in the world with 32 per cent of the Japanese market. Shufuren are organising the boycott as a protest against Resale Price Maintenance and are trying to get the support of eight other housewives organisations. One of these is Chifuren, the national Council of Regional Women's Organisations, which helps to promote Chifuren brand cosmetics produced by the Jitsugyo company for distribution among Chifuren's six million members.

The Chifuren range of cosmetics retail at 100 yen or 12 p. which is significantly less than the price of Shiseido cosmetics. There were nearly riots when the low priced range of cosmetics were launched, and department stores were cleaned out of stocks in a few minutes. The manufacturers had to build a new factory in a hurry.

The Japanese National Council of Regional Women's Organisations has found through a survey that the list prices of many consumer goods are on average 30 per cent higher than actual retail selling prices; and 50 per cent higher in the case of colour television sets.

Sunday Times 20th June, 1971, Guardian
9th July 1971, 10CU News, May 31 1971

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Our ancestors in the Middle Ages were not lenient with respect to frauds, and penalties were often of a spectacular nature. For example, an edict by Louis XI of France towards the end of his reign in 1481 states: "Anyone who sells butter containing stones or other things (to add to the weight) will be put into our pillory, then the said butter will be placed on his head and left until entirely melted by the sun. Dogs may come and lick him, and people offend him with whatever defamatory epithets they please without offense to God or the King. If the sun is not warm enough, the accused will be exposed in the great hall of the gaol in front of a roaring fire, where everyone will be able to see him."

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CO-OPERATIVES

UNITED STATES

AUTO INSURANCE

The Nationwide Mutual Insurance Company has proposed that the "tort liability system" of motor insurance should be abolished and that each auto accident claimant should be reimbursed directly by his own insurance company without regard to fault. Every applicant for insurance would be accepted by the company of his choice. Extra hazardous risks would be shared by all companies through a reinsurance pool arrangement in place of the present

(CONTD)

risks plan. It would be a compulsory requirement for all licensed drivers to carry minimum protection.

CLUSA News Service, 25th June, 1971.

SWEDEN

THE SWEDISH OIL CO-OP

OK - the Swedish Oil Consumers' Union - increased its sales of petrol by 7.9% during 1970. OK's market share has thus risen to 16.9%, giving it second place among petrol retailers in Sweden. Shell is largest with a 20% market share and third on the list is Esso, with 16.4%. Sales of accessories and spare parts amounted to over 42.5 million Skr. and over 400,000 car tyres were sold during the year.

In the fifties OK introduced a "do-it-yourself system" at its service stations. This means that you fill your own car and pay at a cash desk. OK also provides do-it-yourself premises for car-washing, repairs, and the handyman can even borrow some tools, etc. This has become a great success and is today being copied by several other oil companies in Sweden.

KF Newsletter, No.3, 1971.

UNITED KINGDOM

TEA

The Observer had 13 brands of tea tested by two leading tea brokers. The conclusion - the Co-op 99 brand was the best quality.

Observer, 13th June, 1971.

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Since the beginning of the battle against smoking in the United States seven years ago the production of tobacco has declined from £2,444 million to £1,800 million. During the same period 9 per cent of American smokers have given up smoking.

* * * * *

MARKETING

FEDERAL REPUBLIC OF GERMANY

MAIL ORDER BUSINESS

The Mail-Order firms Neckermann has issued a special mail order catalogue for the physically handicapped. It offers 444 articles, including wheel chairs, cooking utensils, etc., and it is distributed to hospitals, old people's homes and factories.

The firm Heinrich Heine appeals to a different kind of clientele:

the rich. Their catalogue offers exclusively quality products, and their customers include politicians, nobility and other V.I.P.'s.

S.G.C.C. No. 21, 1971.

UNITED KINGDOM

HIRE PURCHASE

The British Government has cut purchase tax by about 18 per cent and has abolished restrictions on Hire Purchase. The latter had become pointless because they could so easily be avoided by using other ways of paying for goods over a period of time.

Times, 20th July, 1971.

COMMON MARKET

TRANSPORT TAX PLAN

The EEC Commission has submitted to the Council of Ministers a proposal whereby the cost of constructing and maintaining Community roads, railways, and inland waterways would fall largely on those using them.

The proposal suggests a basis for a common system of user's taxes as part of the common transport policy. The long-term aim of the user's tax would be to permit maximum use of roads, inland waterways and railways and to generate enough revenue to cover construction, maintenance and administration expenses. River and road tolls, and car and petrol taxes, would be gradually harmonized - over periods of 15 and 10 years respectively -- to cover maintenance expenses for inland waterway and road traffic.

European Community, June, 1971.

* * * * *

Tyres that do not burst: a dream of every driver.

This dream, which has already begun to be realised, is likely to be completed within a few years. A large American firm (Goodyear) claims that it is now working on a tyre filled with synthetic material which will be ready for commercial use by 1980.

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MONOPOLY

CANADA

LEGISLATION ON COMPETITION

Anti-monopoly legislation is to be introduced into Canada which will be tougher than that in the USA, and probably the toughest in the world. Fines of up to \$1m (\$2 m for a second offense) are proposed for intercompany collusion involving price fixing, market allocation, boycotts and bid-rigging. Identical tenders will suffice as evidence of bid-rigging.

Restrictions on the production, supply, quality or channels of distribution of a product will also be an offense. Agreements to force a competitor out of business, action to create a monopoly position, resale price maintenance, misleading advertising, unfair pyramid selling, bait and switch selling and selling above advertised prices will all be offenses under the proposed legislation.

Sunday Times, 11th July, 1971.

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69 per cent of French families possess a television as compared with 27 per cent six years ago, while in England the percentage has increased from 82 to 92 per cent, and in Germany from 41 to 82 per cent. Frenchmen spend only eleven hours a week in front of their box, as compared to their English cousins who spend 18 hours.

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CONSUMER PROTECTION

UNITED STATES

SAFETY LENSES

Beginning on the 1st January, 1972, all sunglasses and prescription eyeglasses sold will have to have lenses made of impact resistant glass, the Food and Drug Administration has announced. This action is an attempt to cut down the more than 120,000 yearly injuries caused by broken lenses. The safety glass, which is treated with heat to make it more resistant to impact (although not completely shatter-proof), is now used in less than 40% of all glasses sold. The new lenses will make eyeglasses somewhat heavier and will increase prices from between \$1 and \$6 a pair.

CLUSA New Service, 25th May, 1971.

FEDERAL REPUBLIC OF GERMANY

PURCHASE CONTRACTS

Car buyers are warned not to sign agreements making them liable to pay the current price for the car when delivered instead of the price quoted when the agreement was signed.

Test, 25th May, 1971.

UNITED KINGDOM

CAR SAFETY

Laminated windscreens for cars have been compulsory in the USA since 1966 and are also compulsory in Canada, Italy, Norway and Sweden. They are commonly regarded as the most important safety development for cars after safety belts and collapsible steering columns. They are fitted on only 5 per cent of cars sold in Britain.

Guardian, 30th June, 1971.

SWEDEN

CONSUMER COMPLAINTS

The National Consumer Council has announced that in 1970 the Office for Consumer Protection received 14,000 complaints, most of them by telephone. About 63 per cent of the recommendations directed to manufacturers or distributors involved in these complaints have been accepted by them. Most of the complaints relate to household electrical apparatus, particularly washing machines.

Federation Nationales des Cooperatives
de Consommation. Departement Economique.

UNITED KINGDOM

DRUGS

A bill has been introduced to prohibit the sale or supply of drugs except in containers which small children would find it difficult to open.

Hansard, 13th July, 1971.

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We can now expect all-white plants. Previous experiments to prevent colour development had failed because the chemicals used killed the plants. But the Agricultural Research Service of the U.S. Department of Agriculture has now found a herbicide which, while not very effective at killing plants, makes it possible to grow them pure white, flower and foliage.

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CONSUMER INFORMATION

UNITED STATES

FOOD LABELLING TEST

The Food and Drug Administration is working with a chain of food stores in the Washington areas to test a food-labelling plan which may eventually go into effect across the country. The plan, which began on the 1st June, calls for all food products to have ingredients labelled with the following information: protein carbohydrate and fat content; number of calories; and the percentage of daily requirements of protein, vitamins, calcium and iron contained in one serving. The need for such a labelling process was first advanced at the 1969 White House Conference on Food, Nutrition and Health. Among the delegates to the conference were Mary Gullbert, of Berkeley (Calif.) Consumers Co-op; Robert Neptune, of Associated Co-operatives, Richmond, Calfi., and Art Danforth of the Co-operative League of the U.S.A., Chicago.

The FDA said that at the present time it is not considering making such nutrient labelling required by law, but that it hopes the idea, if it is proven successful, will be adopted by food manufacturers voluntarily.

Co-operative Federation of New South
Wales Ltd., Newsletter, June, 1971.

UNITED KINGDOM

DATE MARKING

The TUC has recommended that life goods like bread should be marked with the final selling date; others such as sausages with the final eating date; and frozen and canned foods with the date of manufacture. All dates should be clear to the housewife and not in code.

Daily Telegraph, 28th June,
1971.

SWITZERLAND

DATE MARKING

MIGROS manufactures or processes about 90 per cent of the food it sells and clearly marks the last selling day on all goods sold; and the label advises the customer on home storage and indicates how long the product will keep in the home.

Grocer, 19th June, 1971.

UNITED STATES

LABELLING OF PRESCRIPTION DRUGS

The Food and Drug Administration has ruled that, effective in October, 1971, labels and advertisements for prescription drugs must indicate all adverse conclusions on the products reached in government-sponsored scientific studies. The regulation will be of more use to doctors than to consumers, since such advertising is usually found only in medical journals, and labels are rarely passed on to the purchaser by the druggist. This is one of a number of regulations being proposed by the agency after extensive studies by the National Academy of Science National Research Council showed that a large percentage of prescription and over-the-counter medications contain ineffective ingredients.

CLUSA News Service
29th June, 1971.

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"If American industry continues to show contempt for the consumer, it will reap contempt from the consumer. And from Congress it will reap statutes. This could be the most spectacular case of statutory reap in history." Betty Furness, chairman of the New York State Consumer Protection

Board before a conference on corporate responsibility sponsored by
The Washington Monthly and The Institutional Investor.

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SPECIAL FEATURE NO. 1

CAR POLLUTION

The state of New Jersey is to introduce the strictest pollution controls in the United States by making a rigorous check on the exhaust emission of every car registered there. Owners of cars which fail the test must make the necessary adjustments within two weeks or the cars will be banned permanently from the roads.

About a third of the state's 3,300,000 cars are believed to have exhaust emissions which contain more than the permitted level of carbon monoxide. Repairs which would bring them into line with the law will cost from £10 onwards.

Testing will begin next year at vehicle inspection stations, which already test such things as brakes and lights. Cars which fail the test will have a red sticker placed on their windscreens so that they can be picked out by the police.

Like almost every innovation in the United States, the scheme has social ramifications. It will hit the hardest the poorer people who drive very old and battered cars and who may not be able to have the necessary repairs.

To begin with, however, older cars will not have to conform to such high standards as later models. Cars built before 1967 will be allowed a carbon monoxide level of 7.5 per cent of their exhaust emission. Cars made in 1968 and 1969 will have to keep below a 5 per cent and those built after 1970 below 4 per cent.

The state's environmental officials hope to cut the level of carbon monoxide in the atmosphere by 20 per cent. Hydrocarbons, which produce smog could be cut by 32 per cent.

Times, 5th August, 1971.

SPECIAL FEATURE NO. 11

COMPETITION AND COOPERATION BETWEEN FIRMS

by Albert Borschette

The Commission has always believed that small - and medium-sized business firms play an essential role in the economy. It has constantly stressed the need for them to adapt themselves to new market conditions and to the rapid economic and technical changes of the present day. The Commission regards cooperation between firms as an appropriate means to this end, in that it enables the firms to rationalize their efforts and consolidate their competitive position on the market, without their necessarily resorting to concentration.

Such cooperation should develop according to the Rome Treaty rules of competition. The Commission has therefore tried, in defining its competition policy, to specify which agreements are not covered by the ban on agreements and which of those covered by the ban may nevertheless be eligible for exemption because of their beneficial effects.

In July 1968, the Commission published a paper on cooperation between firms, indicating several types of agreement which, in the Commission's opinion, did not come under the ban on agreements because they did not tend to restrict competition and trade in the Community. In May, 1970, the Commission issued a further paper in which it sought to specify at what point minor agreements came under the ban. Thus agreements between firms are exempt if the firm's share of the total Community market does not exceed five per cent and their annual aggregate turnover is less than \$15 million, in the case of producers, or \$20 million for agreements between distributors. The Commission considers that such accords are compatible with its competition policy, because the firm's relatively weak position on the Community market and their limited economic and financial potential have a negligible effect on competition and the freedom of choice of other firms.

Exempting Firms

Other types of cooperation between firms, or more extensive agreements covered by the rules of competition, may be eased; either by exempting the firms involved from making the normally compulsory notification to the Commission, or by authorising general exemptions. This is the aim of two draft regulations which the Commission laid down before the Council in May 1970.

One draft regulation would exempt from compulsory notification joint research and development agreements and specialization agreements where the firms' combined share of the market did not exceed ten per cent. The Commission believes that this provision would remove a major psychological obstacle to business cooperation, because firms are generally wary of administrative procedures, and this type of red tape can prevent cooperative projects which are economically beneficial and which barely restrict competition.

The other draft regulation would enable the Commission to lift the ban on agreements for joint research and development, analysis of research results, standardization, specialization, and joint buying and joint marketing. The Commission has already authorized several specific agreements in certain of the areas where it plans to introduce block exemptions by category. Experience here will help the Commission to work out the general rules now under consideration to encourage horizontal cooperation between firms.

Negative Clearance

There may be other forms of cooperation between firms which are excluded from these general provisions to ease joint projects and which nonetheless do not fall under the ban on agreements or fulfil the conditions required for exemption. In such cases, the firms seeking to cooperate can obtain a specific decision from the Commission by asking for a negative clearance or by notifying their agreement.

Measures aimed at permitting or facilitating cooperation between firms are part of the Commission's competition policy, as set out by the Rome Treaty. The Commission intends to maintain effective competition in the Common Market:

by singling out those agreements between firms which do not restrict competition, either because of their nature or because of their limited effects; and

by specifying the conditions under which restrictions of competition can in general be considered as acceptable.



consumer affairs

BULLETIN

INTERNATIONAL CO-OPERATIVE ALLIANCE 11 UPPER GROSVENOR STREET LONDON W1X 9PA

No. 10, 1971

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An investigation by the UK journal 'Houseowner' reports that proximity to an airport or a motorway can reduce the value of a house by from 10% to 20%.

MONOPOLY AND THE CONSUMER

FED. REP. OF GERMANY

PRICES DO NOT NECESSARILY REFLECT QUALITY

A recent investigation by the Federal Cartel office has again confirmed the existence of price differentiation of as much as 300 to 400% between various brands of the same product.

The situation is illustrated by a quality test recently conducted by the German periodical 'Test' on 28 toothpastes produced by 17 manufacturers. Of these, 23 which were found to be "good" cost between DM 0.50 and DM 2.30 for each item used. The other four, which were judged to be "satisfactory", cost between DM 1.20 and DM 2.40.

Wir Informieren, June 1971

U. S. A.

INTERNATIONAL TELEPHONE & TELEGRAPH UNDER ATTACK

In one of the most important anti-trust settlements in many years, International Telephone and Telegraph, the best known U.S. conglomerate, has agreed to sell several major companies acquired over the last decade in order to secure control of the Hartford Fire Insurance Company, the merger which has been vigorously fought by the U.S. Justice Department.

In addition, ITT will be prohibited from acquiring any domestic concern with assets of more than \$100 million or any leading concern in a concentrated market without prior approval of the Justice Department or the Courts. ITT also agreed not to take any substantial interest in any domestic water sprinkler manufacturer nor in any domestic insurance company with assets of over \$10 million.

ITT currently has over 400 separate subsidiaries and divisions around the world and its aggressive merger policies have seen it increase its consolidated corporate income for 48 consecutive quarters, the last time to \$104,300,000,000 in the second quarter of this year.

Financial Times, July 2nd 1971

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A customer went into Selfridge's to have a look around. He saw a suit he liked but found himself without his chequebook. He offered his Barclaycard but Selfridge's said nothing doing. They suggested, however, that they let him have a cheque which he could then make out to Selfridge's. Did he have any identification? Well, yes, he had his Barclaycard...Deal clinched.

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C O N S U M E R P R O T E C T I O N

U. S. A.

EXPLOITING THE CONSUMER

Recently a U.S. Senator estimated that 30 to 40% of the money spent by consumers is wasted. Factors accounting for this unnecessary expenditure include monopolistic overcharging, superfluous packaging of food products, unnecessary or inadequate car repairs, unjustified charges for car and life insurance and for credit, defective goods, useless medicaments, cosmetics and resale price maintenance.

Wir Informieren, July/August 1971

JAPAN

ENTERO-VIOFORM DECLARED UNSAFE

The Japanese have temporarily banned the use of the drug clioquinol or entero-vioform following evidence that it causes Subacute Myelo-optico-neuropathy, a serious condition involving the spinal cord, the optic nerve and other nerves. It is said to lead to an unsteady gait, visual disturbance, abnormal tendon reflexes and psychic disorders. In Britain the Committee on Safety in Drugs is gathering evidence on clioquinol.

Newslines from Capra, June/July 1971

U. S. A.

WHAT PRICE BEAUTY?

The long-held, somewhat vague suspicion of a lot of people about the germs residing in those pots and tubes of eye make-up has now been confirmed by an American professor of ophthalmology after a survey involving 233 women. Apparently, once opened, those very attractive containers make a perfect breeding ground for bacteria and fungi which could be the cause of many current eye infections.

Newslines from Capra, June/July 1971

U. K.

SLIMMING GARMENTS

Blow-up belts and shorts do not make people slimmer, the Consumers' Association believes, following research reported in the August issue of its Which? magazine.

Which? maintains: "The advertisements do not make clear just how the belts and shorts are supposed to make you slimmer. None of the medical experts we consulted know of any sound principle on which they might work".

Which? names 13 blow-up belts and shorts which can only be obtained by mail order, but only two were tested. These were chosen because they "were the most expensive and by far the most widely advertised." The magazine adds that the other 11 brands used the same basic constructional principle. We can see no reason why they should work any better than Sauna Belt or Trim-Jeans. But they are cheaper."

After 13 people had tested the Sauna Belt as instructed for five consecutive days, which? says: "We found that more people had actually increased the size of their waist than had lost anything. Of these, two had put on more than an inch; only one had lost more than an inch."

Financial Times, August 12th 1971

U.S.A.

SERVICE TO FOOD STORE CUSTOMERS

In the few months during which she has been acting as Consumer Advisor to the Giant food store chain, Esther Peterson, former consumer advisor to the President of the United States, has introduced a number of major reforms. These include the elimination of trading stamps, lowering of food prices, the use of unit pricing on more than 9,000 items and a beginning on open dating and ingredient labelling. On September 8th of this year, Giant will start an experimental programme of nutritional labelling, initially on 58 items. The programme is being developed in collaboration with government, consumers, industry, educators and experts.

Washington Post, August 30th 1971

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British Leyland have designed an electric car with a speed of 32 miles an hour, a range of 40 miles and a charging time of nine hours.

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C O - O P E R A T I V E S A N D C O N S U M E R S

U.K.

CO-OPERATIVE WAREHOUSING

The Co-operative Wholesale Society's £10 million chain of 27 regional grocery distribution centres will be a significant factor in helping to keep Co-op food prices down, according to Mr. Alfred Wilson, chief executive officer of the C.W.S.

Speaking at the opening of the second warehouse in the chain, a £600,000 development, Mr. Wilson declared that distribution costs would be an increasingly important item in determining retail prices.

Financial Times, August 10th 1971

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UN statistics reveal that the Irish are the best fed people in the world.

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P O L L U T I O N

U.K.

UNIVERSITY DEGREE IN POLLUTION

Britain's first master of science degree course in environmental pollution and control starts at Leeds University in October. The resources of 12 university departments are being drawn together with the basic objective of producing men equipped to identify any pollution problem, to assess its severity, and to recommend control measures where they are known, and to identify research needs where they are not.

The full-time course "is likely to attract industrially-sponsored recent graduates who will take the whole course, as well as men already bearing responsibility for pollution control. Those from this latter group not interested in obtaining a qualification can attend those parts of the course which concern them directly in their employment," says the university.

The central themes of the 120-lecture course will include sources, assessment and economic consequences of pollution and the remedial measures. Medical, managerial and economic aspects of pollution affecting air, water and land will also be covered.

Financial Times, August 5th 1971

U.S.A.

NON-POLLUTED DIETS

Concern about contamination of food seems to be having a dramatic impact on the American diet. It has been known for some time that some of the crop sprays used on fruit and vegetables can be harmful. But Americans really woke up to the dangers of food when a New York man died of botulism last month after eating Vichysoisse soup. Sales of the product plummeted overnight, and the canning company, faced with a barrage of lawsuits from customers, declared bankruptcy shortly afterwards. Since then, two other food companies have withdrawn their canned salami, which was found to be contaminated.

Tuna and Swordfish steak (a national American delicacy) have virtually vanished from the dining room since they were found to harbour mercury. Raw clams are on the blacklist too - they can carry hepatitis. Snails have suddenly become suspect as carriers of bilharzia germs. Even the humble chicken is now being given a second look. Mr. Ralph Nader, the consumer advocate, disclosed last week that battery-feeding on synthetic hormones can cause cancer, while the Department of Agriculture has done little to reassure a nervous public by announcing that millions of chickens have been given feed contaminated with a DDT-like chemical.

But so far nobody has been able to find anything wrong with that old and honoured American institution, the hamburger.

Financial Times, August 4th 1971

U.K.

THOSE ENZYME DETERGENTS AGAIN

Enzyme detergent has been identified as a cause of contact dermatitis involving the loss of fingernails. An unusual but severe case, which comes within two months of the publication of a major survey carried out by Procter and Gamble which exonerated enzyme detergents as a cause of skin complaints, is reported by Cardiff Royal Infirmary in "British Medical Journal". It is the third recent report implicating enzyme detergents as a cause of irritant allergic reaction, and is important because the identification appears to be unambiguous.

Guardian, August 9th 1971

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Zambian trade unions are pressing Kenneth Kaunda to peg the price of brides. They suggest that the traditional "Lobola" should not exceed K40 (about £23). Parents, they say, are tending to profiteer, especially those with educated daughters.

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A D V E R T I S I N G

U.S.A.

SUBSTANTIATING CLAIMS

The Federal Trade Commission recently added the makers of air conditioners and electric razors to the industries it has ordered to document their advertising claims. It has already asked seven auto makers to submit evidence for their ads.

The agency said that 11 manufacturers of air conditioners and four producers of electric shavers have been given 60 days to send in tests or studies to substantiate claims regarding the safety, performance, quality and price of their appliances. The information will then be made available to the public. Failure of a manufacturer to submit supporting evidence for ad claims could also lead to legal action, with the FTC charging a company with false or misleading advertising. In its letters to the companies, the FTC picked out specific claims from television commercials and newspaper and magazine advertisements appearing in recent months.

Washington Post, August 25th 1971

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Research by the Arthritis and Rheumatism Council suggests that cummerbunds like those used in Spanish vineyards are likely to be better for backache than surgical corsets.

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MARKETING AND CONSUMERS

U.K.

DANGLING THE CARROT

Another determined Sunday trader is a furniture retailer in Derbyshire recently taken to court for contravention of the Sunday Trading Act. Meanwhile he thinks he has found a way of beating the law. He intends to sell carrots for £150 each and give away with each carrot free gifts - like a three-piece suite - because he is allowed to sell carrots.

Newslines from Capra, June/July 1971

U.S.A.

THE VALUE OF A HOUSEWIFE

The contribution of housework to the total U.S. economy will be studied under a research grant awarded to Cornell University, Ithaca, N.Y., by the U.S. Department of Agriculture. The 1-year \$19,520 grant is funded by USDA's Agricultural Research Service.

ARS family economists say measures of national income that include the value of housework will give a better picture of the productivity of the total economy, and permit more accurate international comparisons of economic levels. In addition, estimates of money values for the household work done by families of differing characteristics will enable families to decide whether they can best attain higher levels of living through increased home production of goods and services or through increased income, using the increase to buy these items.

Welfare agencies can use the information to determine if it is more advantageous for a dependent mother to receive job training in order to support her family, or to devote her time to home production. The legal profession will find such values useful in determining the tangible contribution of homemakers and other family members when the services of these members are lost through accidents and other causes.

CLUSA News Service, July 13th 1971

INTERNATIONAL

INDUSTRIAL GRANTS

A recent 'Fortune' magazine survey of the world's largest non-American industrial firms reveals that of the top twenty, six are German, five are Japanese, three are English, two are Italian, two are British/Dutch, one is Dutch and one is French.

SGCC, France, Etudes et Recherches, No.32, September 1st 1971

U.S.A.

FAST FOOD RESTAURANTS

In the United States "fast food" restaurants are gaining in popularity. Their objective is rapid turnover at minimum cost due to self-service, unskilled staff and functional equipment. There are three types:-

- drive in: the customer orders and eats in his car;
- eat in: the customer parks his car, orders and eats in the restaurant;
- take-home: the customer gets out of his car, orders and takes the meal home for eating.

Between 1965 and 1969 such restaurants experienced an annual rate of growth in turnover of 26%.

SGCC, France, Etudes et Recherches, No.32, September 1st 1971

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Police must have a search warrant before they can probe into refuse containers lined up along a curb waiting pickup. The California Supreme Court recently rendered this opinion by a 4-3 vote as a result of a 1968 marijuana case in Los Angeles.

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P D R S L I M M I N G

A new slimming technique has reached London. It is called Passive Diathermic Reduction - known as PDR so as not to confuse us. "We guarantee that you will lose not less than five inches in your first 60 minute treatment...You only pay for the inches you lose so phone now for your appointment for a free figure analysis."

A Checkout reporter obediently went along for an analysis and was shown into very smooth premises on an upper floor just off Oxford Street.

After a bit she was taken into an interview room and her figure was analysed. In the process she was asked a lot of questions about whether she was an insomniac and whether she had changed jobs recently. Finally they got down to the matter of her waistline and she was told she could do with losing weight everywhere except her wrists and ankles. Fifteen inches in all.

"They said I'd need 28 visits, three times a week for nine weeks. They said I'd need four PDRs which is wrapping you up in warm clothes. All the time I could hear this bumping and groaning coming from next door and I asked if it was an exercise class. She said: "Oh they're very mild exercises. And we have a doctor here who's a gynaecologist " I mean, what would a gynaecologist be doing in a place like that?" (The clinic later said: "Nothing. She's a doctor who happens to be a qualified gynaecologist.")

"And anyway...exercise...I'd been expecting machines so you could just lie there and all the fat would melt away. Then she said it would cost £127 and I said I'd have to think about it. She said: "Is it the money?" I said: "What do you think?" So she said they had a special reduced rate which would be about £47." Which works out at around £8 per inch or £3 if you take the cut-price rate.

Figure Beauty Clinic says that they run two courses, the £47 job consisting of only 12 visits with no written guarantee about inch loss: "The system is one of heat and tension," said a Figure Beauty consultant "The woman is wrapped in rubber padding which works electrically. It's completely passive. She doesn't feel anything, no vibration, only a slight sense of warmth.

"I suppose in a lump sum it does sound rather expensive but you've got to consider what you're getting - your PDR, your massage, exercises, sauna bath. No, they're not mentioned in the advertisement but every woman is told about them on her first visit." In fact the £127 is the hire purchase price; cash down it cost £96.50; interest rate approximately 33%.

But doesn't the advertisement suggest that if you can lost five inches in 60 minutes, you could lose 15 inches in three hours or thereabouts? It certainly doesn't say anything about nine weeks: "Oh well, that would be impossible. You have to start with the exercises and it's only on your third visit that you have your first PDR. The body has got to be toned up."

Elizabeth Dunn, Guardian, August 2nd 1971

Special Feature II

COMMON UNITS OF MEASURE

The Six are considering a Commission proposal that member states harmonise their units of measure over a five-year period. Although intended primarily to remove a technical barrier to trade, the move would also affect education and administration.

Community definitions would replace national terms - and, after the transition period, member states would have to refuse products and services using non-Community units of measure. Member states would have to amend their relevant legislation within 18 months after the Council of Ministers had adopted the directive. Exports to non-member countries would have to conform to the new rules.

The Commission bases its proposals on the *Système internationale d'unités* (SI), which has been developed since 1948. Seven basic SI units are prescribed: length (the metre), mass (kilogram), time (second), intensity of electric current (ampère), thermodynamic temperature (kelvin), intensity of light (candela), and quantity of matter (mol). The proposal includes "derived SI units" (e.g. hertz, watt, volt, farad, newton), prefixes used to denote certain decimal multiples (e.g. deci- and centi-), particular names for certain multiples (e.g. litre, ton), special names and symbols for particular applications (e.g. for agricultural areas, for textile fibres), and certain derived units which are permitted, although not decimal multiples of the basic units (e.g. minutes and hours).

Certain units commonly used in the member states which do not correspond to SI units must be eliminated by December 31st 1977: e.g. horsepower to indicate power, stere or cubic metre to indicate volume; the kilogram/force for force; torr for pressure and calorie for heat.

By December 31st 1977, the Commission will give its opinion about the maintenance or disappearance within given time-limits of certain units which are not among the SI units, but the elimination of which could create serious difficulties in member states. Among these units are dyne (for force), erg (for energy), quintal (for mass), and curie (for the activity of a radioactive source).

The proposal would allow units laid down by international or inter-governmental agreements in the fields of maritime and aerial navigation and railway traffic. The Commission will give an opinion later on units used in new sciences and techniques, and which are currently being studied in various international bodies.

European Community, May 1971

Special Feature III

CONSUMER PROTECTION IN POLAND

The problem of protection of consumers in a socialist economy system has been broadly discussed in Poland. It is being considered whether this is simply an academic and artificial question far removed from the realities of economic life. The answer to this question is not obvious and beyond dispute. Against whom is the consumer to be defended? Against the policy of the country and its people? Against socialist industry and against government or co-operative trade?

When one looks into this question one has to recognise that in Poland there is no threat to the interests of consumers such as arises in capitalist economic systems based on private property in industrial and trade enterprises run for the profit of private shareholders and competing with each other. Nevertheless in our economy there can be certain specific threats to the interests of consumers arising, for example, from rapid economic growth, from such specific circumstances as war destruction, from deliberately created obstacles to international trade or from a high birth rate.

One important way in which the interests of consumers can be endangered in the Polish social system arises sometimes from faults in management of the national economy particularly, in the production and distribution of consumer goods. The economic plans and policies of the government may be imperfectly understood either by the organs of economic policy or by the managements of industrial and trading enterprises.

Economic policy makers may sometimes make mistakes through a lack of appreciation of the significance of certain developments caused by an inadequate taking of decisions - particularly an irrelevant anticipating of the results of a taken decision; - and through purposeful decisions that are out of line with government policy, sometimes deliberately concealed.

The most common fault in productive enterprises - from the point of view of interests of consumers - arises from the wrong kind of incentives and wrong accumulation indexes. Mistakes of this kind can easily lead to higher costs and prices - within formal legality limits - as through the purchase of unnecessarily expensive raw materials, through a neglect of cheaper raw materials because of technical problems and

through an unwillingness to adopt new technologies which always involves some risks. Ineffective management, insufficient training of workers and problems of supply and co-operation often lead to inefficiency and work against the interests of consumers apart from bad planning and inadequate incentives. In such circumstances goods produced are often of poor quality and have not been subject to proper tests and inspection; contracts are not fulfilled and output is irregular.

Some industrial enterprises at times seem not to have an adequate understanding of the problems of marketing - such situation also endangers the interests of consumers.

Neglecting of consumers interests in trading enterprise arises from the same reasons that those in industry and are of the similar character. Common faults include:

- Lack of information of market requirements with the result that some goods are unsaleable and others cannot be obtained.
- Wrong relations with deliverers which results in inadequate organisation of deliveries and breakdowns in supplies.
- Illegal earnings by some employees as by the adulteration of merchandise short weight, substitution of something else for goods ordered, promotion of commodities that lead to losses etc. - all at the expense of consumers.
- The toleration of a "black market" which forces consumers to pay higher prices.
- The admission to a debasement of quality caused by inadequate transport and storage.
- Lack of inadequacy of trade information.

In catering establishments there is sometimes a tendency to meet planned turnover in an easy way selling expensive courses instead of cheap ones. There are often too few cheap ready-to-serve items and ready-to-cook products, too few milk dishes and too much alcohol. Sometimes, especially in the more expensive restaurants, the quality of service will depend on the size of the bill or on the payment of a tip.

Other aspects of retailing which can inconvenience the consumer include the unexpected closing of a shop - particularly inconvenient when there is no other shop near. As consumers we know very well those irritating notices on shops as "Closed: goods being delivered" or "Shop undergoing repairs", "Gone to the Bank" or "Stock-taking". If the shopkeeper says that he is sorry this does not compensate the consumer for the loss of his time and his failure to buy what he wanted. The co-operative movement acts against these practices.

As in a capitalist economy technical progress can have some adverse effects on the interests of consumers as well as bringing great positive achievements. For example technological progress affects living and working conditions and may lead to nervous tension, to communication

difficulties and to the contamination of the environment. Technological progress can affect the production and processing of raw materials, the production of commodities and their packing and storing. In all these fields there can be dangers to consumers; and the dangers to consumers that arise from technological progress can be classified in the following way:

- i. The attractiveness of constantly new products and intensive advertising employing the latest techniques of the mass media can result in a false hierarchy of needs. This may warp standards, the way of life of social groups and even the whole pattern of civilisation. French describe contemporary civilisation as the "civilisation de la futilité", the civilisation of trifles. The well known American economist J.K. Galbraith views the situation in the same way. It seems that the "civilisation of trifles", the primacy of fake prestige over real and rational needs, also threatens Polish society.
- ii. The consumption and use of some products can result in a direct threat to health. For example products contaminated with pesticides, herbicides and insecticides or with some chemicals added during processing; radioactive articles; the over-use of some medicines and some cosmetics the consumption of alcohol and tobacco; electrical household appliances; cars built for speed with inadequate strength etc.
- iii. The production of a mass of new products made from new raw materials and by a new technology makes it more difficult for the consumer to choose wisely. Too much advertising and insufficient information when new products are put on the market can bewilder the consumer - there is a lack of consumer orientation. Of its very nature technological progress means the replacement of old known products by new ones. This benefits the community but at the same time it brings negative effects to the individual consumer who has to buy new products like T.V. sets or refrigerators when the old one is still in a sufficient condition.

All these threats to the interests of consumers can be removed or at any rate reduced. That is why in the modern world there appears to be a need for a continuous and effective protection of the interests of consumers even in a socialist economy. This brings us to the problems of organisation and what action should be taken. It is important to recognise that action on consumer protection serves an economic purpose; and in my opinion action for the protection of the interests of consumers can be grouped under five main tasks:

1. The protection of consumer interests through protection against any illegal actions or treatment; against losses that may result from an "integration process"; or any wrong recommendations given by economic organisation.

2. The promotion of consumers interests through initiating and supporting legislation beneficial to consumers, that is actively protecting them.
Consumer protection de lege ferenda.
3. Initiating and supporting advances in the field of economic policy that will benefit consumers, for example the extent and quality of production; fair prices and range of prices; the development of ancillary services with co-operative trading so as to satisfy consumer demands more fully - full assortment, convenient sale forms and so called free services.- This can be called "creative economic protection".
4. Consumer information: informing consumers through advertisements about goods available and how to obtain them. Informative labelling and directions for use. Information needs to be adequate in relation to consumer demands and the real utility value of commodities. It should also encourage sales and consumption in accordance with the national economic plan.
5. Consumer education goes beyond trade information and comprises the rationalisation of consumption covering all aspects of domestic economy and household needs, aesthetic values and the most effective use of family earnings.

These are the five purposes of consumer protection. Action for protection of consumers can be of three kinds: Defensive, offensive or active and educational.

The protection of the interests of consumers in these ways cannot be achieved spontaneously or accidentally, An organisation is needed that will be responsible for the protection of the interests of consumers and can be seen fulfilling this task in full view of the public. The organisation must be logically connected with our social and economic system and comprehensively covering all aspects of consumer protection. Its programmes must accord with government policy and be implemented by public authorities. And it must be democratic and involve action by consumers themselves both through social organisations and individually.

Therefore the following means of protecting the interests of consumers should be incorporated in the Polish social system: government and administrative authorities; interested individual consumers; non-trading social organisations; state trading enterprises; co-operative trading enterprises. Actually, already we have these protection means now; but the question is that the consumer protection should be developed in an organised way.

by Professor Kazimierz Boczar
Central Agricultural Union of Peasant Self-Aid Co-operatives

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consumer affairs

BULLETIN

INTERNATIONAL CO-OPERATIVE ALLIANCE 11 UPPER GROSVENOR STREET LONDON W1X 9PA



No.11, 1971.

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It looks like snakeskin and smells like leather, but a new material about to be marketed for handbags and shoes is actually tanned, dyed, glazed and filleted salmon skin from Japan.

ADVERTISING

UNITED STATES

TV ADVERTISING

The US Appeals Court has ruled that television advertisements of large cars must carry warnings about the pollution of the atmosphere resulting from their use.

Ad Weekly, 27th August, 1971.

UNITED STATES

DRUG LABELLING

The Food and Drug Administration has ruled that after October 1971, labels and advertisements for prescription drugs must indicate all adverse conclusions on the products reached in government sponsored scientific studies. Such advertising is usually only in medical journals and labels are rarely passed on from the druggist to the purchaser.

CLUSA News Service, 29th June, 1971.

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A Buckinghamshire man took out Co-op Insurance policy for £2.00 on the eve of a seven-week school holiday insuring himself against damage to neighbours' property. He has triplets.

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CONSUMER REPRESENTATION

GUYANA

NEW CONSUMER GROUP

Caribbean Consumers' Committee, a federation of consumer organisations in the Caribbean and a corresponding member of IOCU, has a new member - the Guyana Consumers' Association. Some of the aims of the organisation are: to improve the general standard of living through consumer education, to help families to spend their income wisely, to represent consumers before governmental and other bodies and to provide advice on legislation which deals with matters affecting consumers.

The association will also provide consumers with information about "frauds, rackets, false advertising, harmful products, shoddy goods and unsafe machines". It has promised "to work only in the interest of consumers and to remain completely independent, free from pressures of business, industry advertising and other interests".

IOCU Newsletter, 31st August, 1971.

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Buttered Birds. Turkeys with an in-built basting system will be selling this Christmas. The producers claim a housewife can pop the bird in the oven and forget it. It will not burn or overcook and need not be wrapped in foil. This is achieved by a patented process of injecting butter into the carcass.

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MONOPOLY AND RESTRICTIVE TRADE PRACTICES

CANADA

NEW LEGISLATION PLANNED

The Canadian Government is planning to establish a Competitive Practices Tribunal with powers to investigate, prohibit and regulate improper trade practices - along the lines of the US Federal Trade Commission.

Campaign, 30th July, 1971.

FEDERAL GERMAN REPUBLIC

EXCLUSIVE DEALING

The Federal Cartel Office is investigating the exclusive dealing contracts of eight German and five foreign motor manufacturers. Dealers are able to obtain spare parts only through the manufacturers and this puts up prices.

VPK, 31st August, 1971.

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About thirty times as much wine is drunk per head of population in the six Common Market countries as in Britain.

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CONSUMER INFORMATION

UNITED KINGDOM

SMOKING WARNINGS

Danger to health warnings on cigarette packets are now appearing and are expected to be just as unobtrusive as the maker's name by Christmas. Experience in the States, where they have been doing it since 1966, shows that after a bit of a sales drop at first, the effect then wears off.

Newslines from Capra, August, 1971.

UNITED STATES

DATE MARKING

A study at Rutgers University criticises date marking on the grounds that temperature and other factors affect shelf life so that date marking systems are less reliable than they should be.

CLUSA News Service, 8th June, 197

UNITED KINGDOM

DATE STAMPING

The Association of Public Health Inspectors have recommended trade trials for date stamping on short and medium life foods, and have also told the Food Standards Committee that in their view open-last-day-for-consumption date marking should be required by law for some foods.

Daily Mirror, 14th August, 1971.

INTERNATIONAL

FOOD LABELLING

The Sixth Session of the Codex Committee on Food Labelling was held in Geneva on June 28th and 29th. In the discussion, West Germany and Sweden pressed strongly for an extension of date marking. There was agreement that drained weight should be declared when food was packed in a medium such as brine which is discarded. It was agreed that the standard for storing frozen fish was unsatisfactory and that the Fish Committee should be approached on this. It was proposed that ascorbic acid could in certain cases be described as an anti-oxidant.

IOCU Newsletter, 30th July, 1971.

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The Southern Region of British Railways has devised a new kind of train costing two and a half times as much as the old type. It has fewer seats but a public address system to announce the reason for delays.

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CO-OPERATIVES AND CONSUMERS

UNITED STATES

MILK PRICES

A Pennsylvania milk price fixing law requires retailers to sell milk at \$1.21 per gallon. The United Dairy Farmers Co-operative Association, however, started selling "cat and dog" milk at 27 cents less than the official price.

The state authorities stopped this; so United Dairy started paying its customers a patronage dividend of 18 cents. The Pennsylvania State Milk Marketing Board has taken United Dairy to court alleging that its patronage dividend or price rebate to consumers is in violation of the state's price fixing law introduced nearly forty years ago. But the co-op has the support of the state governor and many economists.

CLUSA News Service, 8th June, 1971.

UNITED KINGDOM

CO-OP BANK CUTS LOAN INTEREST

The Co-operative Bank has cut the interest on its personal loan to a flat 6½ per cent. This makes the bank's personal loans cheaper than those offered by any of the clearing banks.

The new rate is equivalent to a true interest rate of 12 per cent on a loan of one year, rising to 12.65 per cent on loans repaid over three years. Like the clearing banks, the Co-op extended its personal loan facilities earlier this year to enable customers to borrow up to £1,000 over three years.

The Co-op move continues the bank's aggressive approach to the consumer lending field and is, incidentally, the first major announcement it has made since it became a separate limited company, rather than just a department of the Co-op Wholesale Society, in July. Its other main innovation in this field was the "instant credit" revolving credit facility brought out in May.

Financial Times, 10th September, 1971.

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Fairfax hospital in Virginia is employing robot nurses - known as Amscar - that look like filing cabinets. Powered by batteries, they will deliver linen, medicine or food, open doors and go up lifts and make their way to the right room. They will also wash dishes.

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MARKETING AND CONSUMERS

UNITED KINGDOM

TRADING STAMP ABUSES

The West Sussex County Council says supermarkets, garages and shops are cheating with trading stamps. People can't do the arithmetic when it comes to "double, treble and quad" offers, they claim. So this local authority intends to prosecute, under the Trading Stamps Act, businesses who do not have a notice up saying exactly how many stamps shoppers are entitled to per unit of money. And those who have the notice up but don't give

the correct number of stamps to a purchaser will be prosecuted under the Trade Descriptions Act. Firms may also be prosecuted if they don't have a current stamp catalogue on the premises.

Newslines from Capra, August, 1971.

UNITED KINGDOM

A NEW KIND OF TRADING STAMP

Special "Civic Stamps" are to be distributed by traders in Droylsden near Manchester, by agreement between the Council and a stamp company. A 20p commission will be paid to the Council in respect of every book of stamps and the whole of the redeemable value of the stamps will be paid into a special account. 70 per cent of the interest on this account will go to the Droylsden Council. The stamps will be redeemable by local traders and can be used to pay council rents, TV licences, and gas, electricity and telephone bills.

Guardian, 10th September, 1971.

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The California Supreme Court has decided that police must have a search warrant before probing refuse containers by the roadside.

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CONSUMER PROTECTION

ITALY

THE HIGH COST OF PAPER

The Consumers' Union has been trying for a long time to put an end to one of the more frequent, if not the most serious, frauds in commerce; that of wrapping paper, almost invariably excessive, which is weighed with food purchases and has to be paid for by the consumer at the same price as the article. These efforts are at last achieving some positive results: a resolution of the Roman Municipal Council which allowed a maximum weight of wrapping paper to be included in the total weight of the purchase has been declared illegal by a Roman judge. From now on, foodstuff will have to be sold at net weight.

"Le scelte del Consumatore"
June/July, 1971.

UNITED KINGDOM

SEAT BELTS

Ford and Mullard have developed an ultrasonic system which prevents the ignition being switched on unless the seat belt is fastened.

Financial Times, 15th September, 1971.

UNITED STATES

FLAMMABLE SLEEPWEAR FOR CHILDREN

Secretary of Commerce Maurice Stans has announced that the Commerce Department will ban the sale of flammable sleepwear for children. The total ban will become effective as of July 1973. By July of next year, all sleepwear that does not meet government standards will be permitted to remain on the market for an additional year only if it contains a label informing the consumer that it has not met the federal standards.

Secretary Stans explained that the Department was giving the industry two years to comply with the order -- one year is the usual amount of time permitted -- because the industry will simply be unable to convert within the shorter period of time, and the result in that case would be a shortage on the market.

Co-operative News Service, 3rd August, 1971.

FEDERAL REPUBLIC OF GERMANY

CAR SERVICING

The Volkswagen company has introduced a new sophisticated system of electronic servicing. A multipoint socket under the engine cowling leads to electronic control points in various parts of the new Volkswagen. The system ensures that all 88 standard items on Volkswagen's compulsory servicing list are checked before the computer will clear the car as properly checked. Twenty five of the 88 servicing items can be done electronically, even checking the battery level and measuring the steering wheel alignment. Also the manual checks are controlled to some extent by the computer.

Sunday Times, 3rd September, 1971.

UNITED KINGDOM

CONSUMER COMPLAINTS CENTRE

The Institute of Weights and Measures is campaigning for the establishment of Consumers' Complaints Centres in all larger towns. Such centres have been successfully established in some towns such as Sheffield and Slough.

Daily Telegraph, 3rd August, 1971.

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Rats fed with Cannabis for over three months showed "bizarre behavioural changes" when the does were equivalent to those of chronic smokers of marijuana cigarettes. Cannabis may cause chemical changes in the brain, according to two American biochemists.

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POLLUTION

UNITED STATES

CANCER

It is reported that the use of stilboestrol in fattening cattle may result in cancer in children.

Sunday Times, 22nd August, 1971.

UNITED KINGDOM

PESTICIDES

A Professor of Entomology has told the annual meeting of the British Association that the resistance of insects to insecticides is causing concern. Some pests, such as the red spider mite, seem to be more prevalent when insecticides are used than when they are not.

Times, 3rd September, 1971.

EUROPE

EUROPEAN ENVIRONMENT

The European Commission has discussed the establishment of a European Institute of the Environment. It was felt that the cost of anti-pollution measures would impair competition unless carried out on a community basis. The Commission has therefore asked West Germany to delay legislation on lead in petrol until a common policy can be agreed for the whole community.

Guardian, 24th July, 1971.

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Two hundred children under five are to help the US Food and Drug Administration to determine which makes of pill containers cannot be opened by children.

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SPECIAL FEATURE No. 1

VALUE ADDED TAX

A harmonized value-added tax rate of 15 per cent, with a reduced rate of 7.5 per cent for food and other necessities, would produce sharply lower revenue in France, slightly lower revenue in Belgium, and higher revenue in the other four members, compared with the current proceeds of turnover taxes. This is the conclusion of a study made for the Commission by Europa-Institut of the University of Utrecht.

In France, where the normal VAT rate is 23 per cent and which derives 35 per cent of her total tax receipts from VAT, the adoption of this common Community rate would oblige the Government to increase its revenue from other sources. The most obvious source appears to be death duties, which are lower in France than in any other member country except Italy.

If the French Government adopted this course, the increase in consumption which could be expected from the reduction of the VAT rate could be further augmented because higher death duties would tend to curb savings and investment.

Belgium would be confronted by only a slight disruption of her fiscal policy, because the current level of her turnover tax would be close to that of the projected common VAT. The slight reduction she would face in consumption tax revenue could easily increase in her relatively low income tax, the study says.

Historically, Italy has relied more heavily than any other member state on revenue from her extremely complex system of consumption taxes. Most of these are special rather than general turnover taxes, and the introduction of the common VAT should increase the revenue from turnover taxes and contribute to the replacement of the current multitude of special taxes.

Germany, the Netherlands and Luxembourg would have to make adjustments to compensate for significantly increased revenue from VAT.

In Germany, where consumption taxes provide a considerable part of the revenue of local governments, the common VAT could encourage the Federal Government to reduce the level of corporation tax, which is currently about the highest within the Six. The Netherlands and Luxembourg, however, would be more likely to compensate for the increased revenue by lowering the comparatively high rate of income taxes.

European Community, No.10,1971.

SPECIAL FEATURE No. 11

CHEMICALS AND THE CONSUMER

The average citizen of an industrialised country makes use of between 300 and 500 chemical products in his everyday life - for his food, his clothing, his home, for medicine and transportation. Such products now number nearly one million and there is hardly an activity of modern man in which they are not used, yet half of them did not exist ten years ago. At that time the chemical industry ranked fourth after petroleum, primary metals and transportation equipment; by the year 2000, with electronics, it will very possibly lead the industrial field.

In the June issue of the Unesco Courier, which focuses on the spectacular development of modern chemistry, chemical engineer and journalist Gene Gregory shows how the incipient 'materials revolution' is already affecting wide sectors of life, ranging over agriculture, medicine, surgery, textile manufacture, building, road construction and research. This revolution, says Gregory, has changed techniques, customs and whole countrysides, bringing with it changes which he finds irreversible because they are positive. He gives two examples: the extra yield produced by the use of fertilizers is feeding half the world's population; without pesticides, a country like the United States, where surpluses have been a problem for a quarter of a century, would have to ration food.

Far from being a danger as has been claimed, this revolution enables man to be less dependent on nature, to master his environment and to satisfy better his primary needs.

Two articles deal with a fundamental discovery and its consequences: one describes how in 1869 the great Russian scientist Mendeleev formulated the periodic law of the chemical elements, transforming chemistry into a modern science capable of predicting elements still undiscovered; the other reports the successful research based on the discovery of the interrelationship of atoms which had followed.

Unesco Chronicle, July, 1971.

SPECIAL FEATURE No. III

STATE MONOPOLIES BEING MODIFIED BY EEC

The Six are gradually adjusting state monopolies to regulations designed to protect effective competition in the Community. The Commission has noted that its recommendations for adjusting state monopolies were being carried out or were currently being discussed between national and Commission authorities.

As part of its economic policy, the Community's competition policy seeks to ensure that competition in the Community is equally open to all producers and consumers. The gradual adjustment of state monopolies to permit unrestricted trade in goods complements the removal on July 1st, 1968, of the last tariffs on trade among the Six, and the gradual removal of tax and legal barriers to a single Community market.

The Common Market Treaty provisions on state monopolies became legally binding upon member governments and industries on January 1st, 1970. But not all state monopolies had completed the adjustments necessary to comply with the Treaty. As the date approached, the Commission issued recommendations for action in the near future (European Community, February, 1970). The products in question were matches, alcohol, salt and petroleum in France, Italy and Germany; Thomas slag and explosives in France; and cigarette paper and lighter flints in Italy.

Article 37 of the Common Market Treaty binds member states gradually to adjust any state monopolies of a commercial character so as to abolish, by the end of the transition period, all discrimination between the nationals of member states as regards conditions of supply or the marketing of goods. Since the end of the transition period on January 1st, 1970, the Commission has permitted a "reasonable" period of time for the governments to act or to enter into discussion with the Commission to determine what actions would be acceptable under the Treaty.

The reasons for adjusting state monopolies resemble those which prohibit firms from applying agreements, decisions and concerted practices that are likely to restrict trade among the member countries. The purpose of Community supervision is to guarantee that the benefits of trade and growth are shared fairly by all participants. The Commission has indicated that monopolies and cartels tend to be inefficient, hinder economic and technical progress and shut off former domestic markets from each other. State monopolies are thus incompatible with the goals of a Common Market and should be modified.

European Community, June, 1971.

LS/AQ.



consumer affairs

BULLETIN

INTERNATIONAL CO-OPERATIVE ALLIANCE 11 UPPER GROSVENOR STREET LONDON W1X 9PA

No. 12, 1971.

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CONSUMER INFORMATION

UNITED KINGDOM

CONSUMER BROADCASTING

The BBC programme WOMAN'S HOUR is to act as consumer forum.. Housewives will be invited to confront representatives of industry and commerce and criticise their goods and services. Housewives complaints will be handled in a series called "Countercheck".

Daily Telegraph, 28th September, 1971.

UNITED STATES

OPEN DATING NOW LAW IN NEW YORK CITY

Regulations requiring merchants to indicate on each package of perishable food the recommended method of storage as well as the last day the item should be eaten or the last day it should be sold, came into effect on the 10th September. Required information must appear on the top cover or principal panel of each container or on a label which tells the consumer where on the package to find the information, which must be carried in clearly intelligible form.

IOCU Newsletter, 30th September, 1971.

UNITED KINGDOM

INFORMATIVE LABELLING

Fourteen trade associations have protested about the abolition of the regulation requiring imported goods to be marked with the name of the country of origin. It was claimed that the country would, as a result, be flooded with cheap and shoddy imports.

Financial Times, 8th September, 1971.

UNITED STATES

CONSUMER JOURNALISM

A grant from Consumers Union has made possible the nation's first academic programme in consumer journalism. The four-part programme, recently announced by Columbia University's Graduate School of Journalism, was conceived in response to the news media's growing interest in consumer affairs. It will include a seminar for students, a workshop for consumer affairs reporters, an annual lecture on the state of consumer journalism and a fellowship for a master's degree candidate.

The School of Journalism is currently conducting a search for outstanding candidates for the Fellowship. The award, known as the Consumer Reports Fellowship, is designated for a student "who has demonstrated an interest in news that concerns the consumer." It covers full tuition fees and a cost of living allowance.

IOCU Newsletter, 31st August, 1971.

UNITED KINGDOM

CIGARETTES

The Consumers' Association has published a report on the nicotine and tar content of 25 popular brands of cigarettes. The government plans to issue a "Smokers' Guide" classifying all cigarettes according to their nicotine and tar content.

Times, 9th September, 1971.
Daily Mail, 10th September, 1971.

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It was Khrushchev who once favoured the idea of having communal cars in Moscow, so that, like bicycles in the old days at Oxford and Cambridge, you just drove off in the nearest car and left it at your destination, where the next chance user took it over. Now the idea, or a version of it, is actually being tried out by a commercial operator in the city of Montpellier in France. The scheme has been going for about two months, and has 260 subscribers so far, who pay a deposit of 420 francs (about £40) and buy slugs costing £1 entitling them to a trip of up to about ten miles. At the end of the trip, the car - or drive-yourself taxi - is left at one of a series of designated spots, for the next user.

So far, the scheme is small scale, with only 35 cars, although the promoters hope for 150 by next summer. It will hardly make a dent in Montpellier's traffic problem - there are 50,000 cars registered in the city. But it could ease the parking problems of the users.

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POLLUTION

UNITED KINGDOM

CONTROL OF OIL POLLUTION

The government has now extended its powers to control and even destroy tankers threatening to pollute the U.K. coastline to cover foreign ships operating outside British territorial waters. Under an Order in Council due to come into effect on the 22nd November, the U.K. Government is given express power to take action to preserve the coast from pollution resulting from an accident to a foreign vessel outside its waters. It can take control of the ship, moving it or instructing it to discharge oil and, if it is absolutely necessary, to sink or destroy the ship altogether.

Similar powers covering all ships within U.K. territorial waters and ships flying the U.K. flag already exist under the Oil in Navigable Waters Act passed earlier this year.

One reason for the latest Order is to give its rights statutory backing under domestic law and to ensure that persons who suffer damage as the result of such action should not be in a position to sue the Government for damages provided that the action taken is reasonable.

Financial Times, 3rd November, 1971.

UNITED STATES

PESTICIDES

A nine year old boy in New Jersey has died after being sprayed by an aircraft spraying crops with insecticides. The hospital where he died said that it appeared that the insecticide had destroyed his lung tissue. Demands are being made for an official investigation and for an immediate halt to all aerial spraying in New Jersey.

The Times, 7th September, 1971.

FEDERAL GERMAN REPUBLIC

POLLUTION

The safeguarding of water supplies, the disposal of industrial wastes and the lead content of petrol are among matters covered by new German legislation on the environment. Penalties include imprisonment for up to ten years and fines of up to £11,400.

Daily Telegraph, 21st August, 1971.

UNITED STATES

DETERGENTS

New York State has banned detergents containing more than 8.7 per cent of phosphates as from June 1st, 1971

CLUSA News Service, 25th May, 1971.

EUROPE

POLLUTION BY DETERGENTS

In an effort to coordinate member states' programmes to combat water pollution, the Commission has proposed a directive that would set Community wide standards of biodegradability of laundry detergents. Biodegradability is the decomposition process of one chemical into a stable substance. Once decomposed, it ceases to affect the environment.

Non-biodegradable detergents can do great ecological harm to aquatic plants and animals. They raise the toxic level of other agents already present in the water and cause a dangerously accelerated growth of algae, which interferes with oxygen exchange.

The Commission's directive would ensure a level of biodegradability of at least 80 per cent for four types of detergents. Germany, France and Italy have already passed national legislation establishing standards and methods of biodegradability

European Community, No 10, 1971.

UNITED STATES

EXHAUST FUMES

The State of New Jersey is introducing the toughest anti-pollution laws in the USA and checking the exhaust emission of the 3,300,000 cars registered there. Cars which fail to pass the test will be banned permanently from the state unless the required changes are made within two weeks.

Times, 5th August, 1971.

UNITED KINGDOM

OIL SLICKS

A Swansea shipping expert has devised a scheme for pumping oil slicks into centrifugal separators and then transferring the oil to 1,000 ton floating tanks for disposal.

Guardian, 11th September, 1971.

UNITED STATES

WATER POLLUTION

The 1970 Water Quality Improvement Act is expected to increase the number of legal actions for pollution offences. Lloyds of London say that insurance cover from wrong doing and mismanagement in the form of Directors' and Officers' Liability Insurance does not provide protection against legal actions brought for pollution. Pollution damage will be covered by company liability policies only if it occurs accidentally.

Times, 28th September, 1971.

UNITED STATES

LEAD IN PETROL

A confidential report by the Mobil Oil Corporation claims that the production of low lead petrol results in greater air pollution. High octane petrol is extracted from crude oil to make low lead petrol; but lead is added to the low grade petrol remaining to raise its octane rating.

Sunday Times, 5th September, 1971.

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A U.S. Congressman was refused a car rental at an airport for a cash payment. The clerk kept insisting on a credit card. Eventually, he got a car at another agency which still accepts cash.

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CONSUMER PROTECTION

UNITED KINGDOM

MOTORING

A device to prevent people drinking and then driving has been demonstrated at the headquarters of the British Medical Association. The motorist has to memorise a five digit number displayed for three seconds and then press some buttons in the correct sequence. If the motorist is fuddled, he is unable to start his car.

Daily Mirror, 24th September, 1971.

INTERNATIONAL

BLACK BREAD IS BETTER

Recent studies in Britain, the USA, Australia and France show a high incidence of diverticular disease of the colon which is associated with cancer. This disease is unknown in developing countries and it is thought to be a result of the widespread use of white bread and white sugar. Its incidence declined in Britain during the war when white bread was not available.

Guardian, 1st October, 1971.

UNITED KINGDOM

THE DANGERS OF ASPIRIN

A report by two Cambridge scientists suggests that heavy doses of aspirin during pregnancy can cause deformities in babies and prevent the normal growth of kidneys and lungs. A connection between the use of aspirin in early pregnancy and abnormalities has also been noted at Edinburgh University.

Daily Mirror, 27th September, 1971.

UNITED STATES

WARNING ON CAR SAFETY

The American Government will not tolerate "foot-dragging" by other countries in the development of safety cars, according to Mr. John Volpe, the U.S. Secretary of State for Transportation.

Mr. Volpe was addressing a Press conference on the opening day of the Second International Technical Conference on experimental safety vehicles. His warning was given in reply to a question about what the U.S. authorities would do if American car safety research was considered far enough advanced to justify new legislation before the Europeans and Japanese had taken their development so far, and whether there was a serious threat to U.S. car imports.

Recognising that the American and European views about improving car safety were already divergent in many respects, Mr. Volpe said the U.S. Administration was prepared to legislate class of car by class and that it would attempt to do this only after consultation with other countries, so as to avoid favouring one vehicle against another, but it would not stand for delaying tactics.

Financial Times, 27th October, 1971.

UNITED KINGDOM

NOISE

Noise Abatement Zones have been proposed in a report from a working group of the Noise Advisory Council. Local authorities would specify noise limits for different parts of such zones. The report does not cover noise from aircraft or traffic.

Times, 4th October, 1971.

UNITED STATES

AIR BAGS

Delaying the installation of impact-absorbing air bags for two more years, the Government has ordered car manufacturers to put seat belts on 1974 cars that must be fastened before the vehicle will start.

Car safety critic, Mr. Ralph Nader, claimed pressure from the manufacturers made the Administration overrule its own national highway traffic safety experts who recommended that air bags - or something equally as effective - be provided on 1974 model cars.

"Henry Ford has spoken, Richard Nixon has jumped, and the 200m. Americans have been deprived for another two years of the most important life-saving device developed in recent automotive history." Nader said.

Financial Times, 1st October, 1971.

UNITED KINGDOM

A NEW CONSUMERS' UNION

The UK Consumers' Union was founded in May 1971 by Mr. Gordon Baker in the hope of carrying on the work of the Consumer Council. It hopes to get 500,000 members and to win working class support with organised boycotts of overpriced goods.

Guardian, 6th October, 1971.

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A new code for children's advertising designed to avoid undue pressure on parents and to respect a child's imagination has been adopted by the Canadian Association of Broadcasters, and will become mandatory in January 1972. Endorsed by most advertisers and broadcasters, the code will prohibit advertisers from urging children to hound their parents into buying the product, disallow well-known personalities from endorsing the product and keep the advertisements from implying that ownership of the product means superiority over other children.

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CONSUMER LEGISLATION

LUXEMBOURG

PRICES OF DRINKS

A new law requires hotels and restaurants to display the prices of drinks outside as well as inside the premises.

de Konsument, No.35.

UNITED KINGDOM

DIRECTORY CHARGES

The new Unsolicited Goods and Services Act makes it a criminal offence to demand payment for an entry in a directory without producing a written order.

Daily Telegraph, 26th August, 1971.

SWEDEN

CONSUMER PROTECTION

New legislation on food additives, on date marking and on labelling will come into force at the end of 1971. New laws on contracts and doorstep sales have also been announced.

Rad och Ron, No. 6, 1971.

EUROPE

COUNCIL OF EUROPE AND CONSUMER PROTECTION

A Recommendation on the legal protection of consumers was considered in October by the Committee on Ministers of the Council of Europe, at Deputy level. It recommends that the Committee of Ministers should:

"instruct the European Committee on Legal Co-operation (CCJ) to make a full and comparative study of the legal protection of consumers in member States of the Council of Europe, with a view to arriving at common measures and standards in this field;

and

"take steps to broaden the present Council of Europe action in the economic sector to include the early detection and full socio-economic analysis of consumer problems with recommendations on the appropriate remedies, in particular as regards cases where a legal remedy is not available or not practicable."

IOCU Newsletter, 30th September, 1971.

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Food scientists are actually working out ways to increase the water-retention of meat according to the Agricultural Research Council. Housewives buying 5 oz of ham (for instance) are likely to get only 4 oz of meat - the rest being water. They have a law against the practice in Germany. In Britain, they are "thinking it over".

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CONSUMER STANDARDS

EUROPE

COMMON HIRE-PURCHASE RULES SOUGHT

The Commission is preparing proposals to harmonize hire-purchase legislation in the Six. It has initiated discussions among governmental experts from the Six to study possibilities for a Community regulation on the sale and financing of goods bought on hire-purchase.

The regulation would seek to protect consumers, and to eliminate distortions which could arise from national differences in consumer credit.

European Community, No. 10, 1971.

EUROPE

HARMONIZED STANDARDS FOR CARS

The Council has adopted harmonized specifications on motor car brakes, textile labels and measuring instruments.

The Council's action, in the form of nine directives, is part of a general programme to eliminate technical obstacles to trade in industrial goods within the Common Market.

Under the directive on car brakes, all new vehicles sold in the Community after October 1st, 1974, must be equipped with dual brakes. Trucks and trailers will have to pass additional acceptance tests, including performance on steep slopes. With dual brakes, if the front or rear brakes fail, the other set will work, thus helping to reduce the most common cause of accidents resulting from technical failure. This is the first such safety regulation to become law on a multinational scale.

Another directive prescribes identical labelling procedures for most textile products marketed in the Community. It applies to natural fibres such as wool, silk and linen, and to artificial fibres, which are becoming increasingly important in the textile industry. Only products in small demand (tea cosies and artificial flowers, for example) are excluded from the labelling requirements, which become effective on February 16th, 1973.

Seven directives were passed on measuring instruments. One directive creates Community inspection procedures. Another dealing with units of measurement will result in the use of the International Units System throughout the Community.

The other five directives deal with:

Weights used with scales in any type of store;

Domestic and industrial gas meters;

Measures for all liquids except water;

Ship tank gauges;

Bulk measuring of grain, in hectolitres (which will enable uniform application of the common agricultural regulations).

European Community, No.10, 1971.

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A doctor at the British Medical Association Conference defending the abolition of free milk in schools said that there was a very real danger of obesity and arteriosclerosis developing as a result of drinking too much milk.

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MONOPOLY AND RESTRICTIVE TRADE PRACTICES

EUROPE

SUGAR FIRM FINED

The Commission has for the first time fined a company, Belgium's leading sugar refiner Tirlemont, for providing inadequate information about its trading practices. The fine amounted to \$4,000.

The Commission has been probing the apparent lack of competition in the Community's sugar industry, in which there is conspicuously little trade across Community frontiers.

Under the Community's rules of competition, the Commission is empowered to fine firms up to \$5,000 for giving false or inadequate information.

Although Tirlemont is entitled to challenge the Commission's decision before the Community Court of Justice in Luxembourg, it has decided not to do so. The company says however, that it remains convinced that the non-conservation of documents required by the Commission does not constitute negligence on its part.

European Community, No. 10, 1971.

GERMAN FEDERAL REPUBLIC

TOUGHER ANTI-TRUST RULES

The German cabinet is preparing new legislation to empower the Federal Cartel Office to prevent mergers between companies with joint annual sales of more than D-mark 1,000m (about £115m).

Proposed mergers between companies having each an annual turnover of more than DM 1,000m would have to be reported to the Office at once. Mergers where joint turnover exceeded DM 1,000m could go ahead without reference to the Office, but the authorities would have the right to call for the dissolution of the merger after the event. This provision should lead to all large-scale mergers being referred to the Office almost from the start.

A so-called tolerance clause would allow the Economics Ministry to approve even the largest mergers if it maintained that compelling overall economic advantages would result and / or that they were in the general interest. This clause would be invoked in the case of certain cross-frontier mergers in sectors where it was held that German companies were too small to compete internationally.

The draft allows extensive rights of appeal, both to the Economics Ministry and to the law courts. Under present cartel and merger legislation, the success of appeals in the courts has weakened the Cartel Officer's authority.

The Cartel Office would receive new powers to investigate and penalize companies which held, or were acquiring, a dominant position in the market. That would mean in most cases possessing a share of 40 per cent or more of the German market; it would also include companies who were held to be keeping potential newcomers out of the market altogether.

There are provisions to act against any group of supposedly competing companies in the same field where prices over a period of time seem to move in unison. This section is seen as a direct response to the case of the chemical companies who have been criticized for jointly fixing the price of aniline dyestuffs.

European Community, No. 10, 1971.

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Eating their words: The first example of "corrective" TV advertising, sought by the Federal Trade Commission for a number of products it claims have been presented in a misleading way, has been issued by the ITT Continental Baking Co.

"I'd like to clear up any misunderstandings you may have", runs the commercial, "about Profile Bread from its advertising or even its name. Does Profile have fewer calories than other breads? No, Profile has about the same per ounce as other breads. To be exact, Profile has seven fewer calories per slice. That's because it's sliced thinner. But eating Profile will not cause you to lose weight. A reduction of seven calories is insignificant"

The commercial follows a consent order, agreed to last July by the FTC, the ITT Banking Co., and the latter's advertising agency, which stipulated 25 per cent of the Bakery's advertising budget for "Profile" must be devoted to "corrective advertising" for a period of one year.

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CO-OPERATIVES AND CONSUMERS

UNITED KINGDOM

CO-OP MERGES WITH PRIVATE FIRMS

The Co-operative Wholesale Society and J. Lyons are to merge their flour, baking and animal feeds interests with those of Spillers, to create a third major force in the flour and baking industry. The new company will have assets of £70m., and sales of more than £170m. This will make it of comparable size to the two giants in these fields, Associated British Foods and Ranks Hovis McDougall.

The milling and baking interests of CWS and Lyons were merged at the end of last year into a jointly owned company, J.W. French (Milling and Baking Holdings). Now a new company, Spiller-French, will be set up to acquire the relevant Spillers interests and those of French.

The shareholding in the new group will be split 75.1 per cent to Spillers and 24.9 per cent to French. Mr. Michael Vernon, the Spillers chairman, will become chairman of Spillers-French. The deputy chairmen will be Mr. A. Wilson, chief executive officer of CWS, and Mr. G.K. Lawrence deputy chairman of Lyons.

The reasons behind the merger are those of economy of scale plus rationalisation of production distribution and marketing.

Financial Times, 15th October, 1971.

SPECIAL FEATURE No. 1

Ocean Life Threatened

Professor Jacques Piccard, the Swiss oceanographer says that the oceans will die unless the world can halt their progressive pollution. "The Baltic will be the first to go", he said, "followed by the Adriatic, then the rest of the Mediterranean". Professor Piccard, who during this ocean current research has seen more of the sea pollution than any other scientist, said that somewhere between five and 10m tons of petroleum products were going into the oceans each year. An estimated 1,800,000 tons of this, including 200,000 tons of lead, came from vehicle exhaust emission into the atmosphere being deposited subsequently on the oceans. Tanker dumping was responsible for another million tons and the remainder came from petroleum products discharged into rivers. He identified the estimated 5,000 tons of

mercury going into the sea each year from paper mills effluent as another major danger. A third was insecticides. Multiple pollution was poisoning the surface layers of plankton. If they were exterminated, larger plankton would also be eliminated, followed by the fish themselves.

The professor, who was speaking on behalf of the secretariat of the United Nations conference on the human environment, to be held next year in Stockholm, pointed out that many experts believed life in the seas would be extinguished within the next 25 to 30 years if man was not prepared to pay the price of stopping pollution.

Times, 26th October, 1971.

SPECIAL FEATURE NO. 11

EEC Commission probing 7,300 agreements

The Commission had by December 31st, 1970, exempted 20 agreements between firms (negative clearance) authorized nine, and prohibited five, two of which involved fines. Following action by the Commission, 36 agreements notified were abandoned, and 589 - largely exclusive dealing agreements - were adapted to conform with the Rome Treaty rules of competition.

A total of 37,000 agreements were notified to the Commission. On January 1st, 1971, the Commission was investigating 7,336 agreements, including about 3,350 on patent licence contracts, 2,530 on exclusive dealing not covered by the 1967 regulation on bloc exemptions, and 1,450 on horizontal agreements and other matters.

The Commission intends to intensify as far as possible its practice of making decisions on individual cases. These decisions set valuable examples and publicize the legal and economic criteria used by the Commission in determining which restrictions on competition are permissible. For instance, the Commission has already made clear its desire to eliminate distortions of competition which are liable to undermine the Common Market and lead to unjustifiable differences in prices of the same products.

The Commission also intends to act on certain restrictive clauses appearing in notified patent licence contracts, know-how concessions and brand licences. The Commission considers mergers as abusive if they eliminate competition in a substantial part of the Common Market. The Commission stated in its 1966 memorandum, on mergers, that Article 86 of the Rome Treaty might then apply. This interpretation has now been translated into action for the first time in the form of a complaint to a company in a dominant position in the packaging sector which has acquired control of a major competitor.

In addition to investigating cases and preparing decisions, the Commission continuously watches companies and markets. Firms are increasingly resorting to concerted practices in order to regulate their marketing procedures, as is shown by the dyestuffs agreement, which led the Commission to impose a ban and fines in July, 1969. Other new cases are under investigation.

The Commission has increasing difficulty in providing evidence and must exercise greater vigilance.

The Commission is following closely the development of industrial mergers in the Common Market, and has recently undertaken a vast research programme based on a uniform method of enquiry covering the member states. Several sectors having an oligopolistic structure and others in which there is an increased tendency towards industrial combination are under systematic observation.

The Commission is also taking action to protect consumers in fields such as hire purchase, sales with free gifts, misleading advertisements and the labelling and packaging of foodstuffs. The Commission plans to step up its work in the field of consumer information.

European Community, No.10, 1971

SPECIAL FEATURE No. III

U.S. Car Safety Proposals

From Berkeley Square House, to Dearborn, Detroit, in almost every motor vehicle manufacturer's boardroom, you can hear the same story: the United States Government is being unrealistic in its efforts to achieve dramatic reductions in road deaths and injuries. Some say it is simply impossible to reach the standards in the time allotted. Some say it can be done, but at a cost to the motorist of as much as £100 a car. Some prefer to believe America's department of transportation will back down.

But the protestations have hardly dented the resolve of Secretary Mr. John A. Volpe and his staff at the National Highway and Safety Administration (NHTSA). They are convinced that Detroit, Tokyo, Stuttgart and Cowley can meet their demands for 1972, 1973 and 1975. "They might as well accept the idea now, that it is going to be a case of meet the deadlines, or stop selling cars on the American market," says Mr. Douglas Tomes, who heads the NHTSA.

The first major regulations the motor manufacturers will have to meet come into effect on all new models sold on or after August 15th, 1973. They offer two options to the industry.

It either has to provide a complete passive protection system that can safeguard occupants from serious injury in a crash at speeds up to 30 mph, irrespective of where they are sitting and in any impact or series of impacts, frontal, angular, lateral or roll-over, or it must have perfected a system to protect unbelted front-seat occupants in a head-on collision up to 30 mph, with, in addition, a lap belt at each seating position, offering wearers protection in roll-overs and other than non-frontal crashes. Under the latter option, the seat belts must be linked to an audible and visible warning system to be activated when the front seat positions are occupied.

It is generally agreed that to meet the passive aspect of these regulations, cars manufactured for sale in this country after that date will have to be fitted either with air-bags, crash deployed nets of blankets or extensive cushioning of the interior of the car. By August 1975, no manufacturer will be allowed to produce a car that does not have a complete passive system covering all seating positions. And the department of transportation is resolved to get the requirement up to 50mph by the end of the decade.

The Times, 15th July, 1971.

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