

# EUROPEAN COMMUNITY NEWS

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**COMMISSION OF THE EUROPEAN COMMUNITIES**

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## EC-LEVEL MULTI- NATIONAL CONTROLS NEEDED

The growing hold of multinational corporations on the economic, social, and political life of the countries in which they operate has given rise to mounting concerns, says a Commission message on multinationals sent to the Council of Ministers, November 7. The message mentions concern in the fields of employment, competition, taxation, capital movements, raw material supply, and the economic independence of the developing countries.

Because of the growing size and geographical spread of multinationals, the Commission found that traditional measures of national public authorities and trade unions are no longer effective in dealing with problems arising from their independent and transnational character. The Commission said that Community level coordination and harmonization of Member State policies are the only means of offsetting the dangers of multinational development.

Recognizing the economic and social advantages to the Community of the multinational phenomenon, the Commission emphasized that any supervisory measures taken should neither impede that development nor discriminate between international companies based in the Community and "foreign" firms. Instead, EC action should induce multinationals to avoid compromising EC policies, particularly in the industrial, social, and regional spheres, and strengthen competition within the Common Market.

Accordingly, the Commission plans to make proposals for: the protection of employees in mergers; the creation of EC rules on stock exchange operations and investment fund origins; cooperation between and amalgamation of national stock exchange authorities; international assistance and cooperation measures regarding information, monitoring, tax recovery, and the drawing up of a joint schedule of transfer price and license fees; a body of law on groups of companies, and improved information gathering on multinationals' international activities.

Since the problem of multinationals is worldwide, the Commission believes that most of its recommendations should be carried out in all industrialized countries. The Commission is currently taking part in the United Nations sponsored talks on multinationals in Geneva, Switzerland.

ENERGY  
CRISIS:  
EUROPE  
STRESSES  
NUCLEAR  
FUTURE

The EC Commission, reacting to the energy crisis, has recommended that the Community make itself 70 per cent self-reliant by 1980 on its own production of enriched uranium for nuclear energy. Both methods of enrichment -- ultra-centrifugation and gaseous diffusion -- should be employed.

At a November 14 meeting, the Commission decided that, for the remaining 30 per cent of its needs, Europe should not become heavily dependent on any single foreign source of enriched uranium supply.

The previous day, Commission Vice President Henri Simonet had told the European Parliament the oil crisis should induce Europe to reach political agreements on the rational utilization of energy, the development of energy sources other than oil, and a Community petroleum policy. Addressing the European Parliament, Simonet analyzed Europe's dependence on outside sources and insecure oil supplies. He emphasized that consideration be given at the highest level to the political solutions which Europe's new relationships with the oil producing countries entailed. Simonet also said that steps taken to deal with the current situation should be directed toward achieving recognition of the common interests binding Europe and the producing countries.

Simonet said the Commission wished to begin with the Member States a study on the optimum utilization of all EC resources. Economy measures or measures for curtailing consumption, adopted as a result of this study, should neither hinder economic and social progress nor introduce distortions of competition.

COUNCIL GETS  
PROGRAM TO  
IMPROVE CAP

A program for improving the Community's Common Agricultural Policy (CAP) covering the period 1973-78 was sent to the Council of Ministers on October 31. The program, designed to improve price and market policy and to strengthen and amplify socio-structural policy, also proposes an enlargement of the CAP's role in areas outside food production -- such as protection of the consumer and of the environment.

The three main objectives in improving the CAP price and market policy are: reducing the prevailing imbalances on agricultural markets, streamlining price support expenditures, and simplifying common market organization for agricultural commodities.

To arrive at these goals the Commission would improve price relationships between agricultural products, assign some degree of financial responsibility to farmers for structural surpluses, increase consultations of farming community organizations, and improve budgetary forecasts. In addition, the Commission would bring products previously exempted (such as mutton, lamb, and potatoes) into common market organizations.

The Commission's proposals for balancing the markets would, for instance, reduce the drop in butter consumption, discourage milk production, stimulate beef production, and increase protein and quality cereal production.

STREAMLINING  
CUSTOMS  
PROCEDURES

Customs authorities and international traders may have their paperwork lightened when the Council of Ministers adopts the Commission's proposals for replacing eight types of "circulation certificates" with a single model for "Eur 1" merchandise traded between the Community and members of the European Free Trade Association (EFTA). The Community has free trade agreements with the EFTA countries: Sweden, Switzerland, Austria, Portugal, Norway, Iceland, and Finland.

Once the new model is approved, the Commission will propose its use in the context of other EC preferential agreements.

The Commission took another step toward improving the operation of the Customs Union by deciding, November 13, to set up an Advisory Committee on Customs Matters. The 33-member group will establish a continuing dialogue between the Commission's customs union administration and professional, economic, and social groups with vested interests in customs-related matters.

The Committee will represent the industrial, labor, financial, artisanry, transport, and business sectors. Insurance, traveler, and consumer groups, as well as customs officials, will also be represented.

EC REGRETS  
TRADE BILL  
DEFERMENT

News of the US Administration's successful request to the House of Representatives' leadership to delay action on the Trade Bill (H.R. 10710) was received "with great regret" by the Commission of the European Communities. In a November 8 statement, the Commission said it is committed to opening the substantive phase of the multilateral trade negotiations as soon as possible. These talks, which could lead to important benefits for the Community and its trading partners, will be delayed until the United States enacts a trade bill containing its negotiating mandate.

The Administration sought to delay House consideration of the bill because of the controversy over its Title IV, dealing mainly with granting most-favored-nation status to the Soviet Union and other East European countries.

TOWARD BETTER  
EC-ASIAN  
RELATIONS

Commission proposals for improving the operations of the Community's 1974 Generalized Preference System and for carrying out the Joint Declaration of Intent to strengthen trade ties with Asian countries have been sent to the EC Council of Ministers.

Generalized preferences have been an important tool for EC cooperation with developing countries; their proposed extension to Commonwealth countries made British EC entry easier. The Commission's proposals, some of which are linked with the Joint Declaration in the UK Accession Treaty, follow guidelines set by the October 1972 European "Summit" in Paris. They call for additional measures favoring tropical products.

BRANDT OFFERS  
PLAN TO SPEED  
EC UNIFICATION

"European union will come," West German Chancellor Willy Brandt said, addressing the European Parliament at its November 13 meeting in Strasbourg, France. Brandt, the first Chief of Government ever to address the Parliament, spelled out a six-point plan to speed up political and economic cooperation of the nine EC Member States before the year's end. Emphasizing that his program for faster unification "can no longer be put off," he called for

- clear progress before 1974 towards economic and monetary union, a common regional policy, a common social policy, and further development of the common agricultural policy
- improved financial management for the Community, spending "every penny" to Europe's advantage
- expanded role for the European Parliament in formulating common policies
- increasing the solidarity of the "Nine" in assuming responsibility for peace and stability in the Mediterranean, in defining the EC-US relationship, and in cooperating with the Soviet Union and East European states
- more frequent Summit meetings of the nine Heads of Government or State in the form of a "regular presidential conference which will give decisive political stimulus"
- clear and realistic proposals, as soon as possible, mapping out the way to European union and respecting fully what has been achieved

In conclusion, Brandt said that Germany has "chosen European union as its permanent home," and assured the Parliament of the German Government's support for efforts to achieve European union.

## CORRECTION

Our "Wine Trade" item in Newsletter No. 42, November 9, 1973 should have said that during the period 1971-72, Member States imported 370 million gallons of wine from their partners, that EC exports shipped to third countries increased to 116 million gallons, and that imports dropped to 71 million gallons.

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