

European Community NEWS

PUBLISHED WEEKLY The contents of this newsletter may be quoted or reproduced without further permission.

EUROPEAN COMMUNITY INFORMATION SERVICE 2100 M Street, N.W., Washington, D.C. 20037 phone: (202) 872-8350

277 Park Avenue, New York, N.Y. 10017 phone: (212) 371-3804

NO. 22 JUNE 7, 1974

TOWARD PROTECTING EC WORKERS IN TAKEOVERS

European Community workers' rights and benefits will be guaranteed in the case of company mergers, takeovers, and amalgamations, if the Council of Ministers adopts a recent Commission proposal. The draft directive would guarantee workers automatic transfer and continuation of their employment relationship from the old to new employer and protection against arbitrary changes in employment terms, transfers, or job benefits. Employers would have to respect terms of existing collective bargaining agreements and inform worker representatives of the legal, economic, and social consequences of the takeover. Worker representatives may request negotiation proceedings with old and new owners if workers' interests are imperiled.

US-EC TRADE ACCORD REACHED

The European Community and the United States agreed May 31 on a formula for reducing EC import duties on certain US industrial and agricultural exports in compensation for the Community's enlargement in Brussels. Import duties on certain US products went up in Britain, Denmark, and Ireland when they joined the Community last year. The formula was negotiated under Article XXIV-6 of the General Agreement on Tariffs and Trade (GATT). The EC

and US negotiating teams were led by EC Commission Vice President Christopher Soames and Ambassador William D. Eberle. At a press conference, the same day, Soames hailed the accord as an important step toward improving Atlantic relations. In Washington, President Richard M. Nixon said "It also helps clear the way for prompt Senate action on the Trade Reform Act."

SCARASCIA MEETS WITH US OFFICIALS ON ENVIRONMENT

EC Commission Vice President Carlo Scarascia Mugnozza visited Washington June 2-5 for meeting with US officials on international environmental and consumer issues confronting the United States and Europe. Scarascia Mugnozza is responsible for EC environmental and consumer affairs. He stressed the international implications of protecting Europe's environment and said the Commission wished to maintain close cooperation and exchange information with the US Government. Scarascia Mugnozza met with Assistant Secretary of State for European Affairs, Arthur Hartman; John A. Busterud, member of the Council on Environmental Quality; Christian Herter, Jr., special assistant to the Secretary of State for Environmental Affairs; Russell E. Train, administrator of the Environmental Protection Agency; Virginia Knauer, special assistant to the President for consumer affairs; Senators Edmund Muskie and Philip Hart, and Representative Benjamin Rosenthal.

**US FOOD COSTS
OUTPACE EUROPE'S**

Food prices went up faster in the United States than in Europe over the past year, according to a US Department of Agriculture survey.

Prices went up by an average of 12 per cent in all EC countries except Ireland and Luxembourg (for which figures are not available). US prices on the other hand, went up 18.3 per cent. Food costs in the member states rose least in the Netherlands (up 7.6 per cent), and most in Britain (up 19 per cent). General consumer prices over the past year rose 10.2 per cent in the United States and 11.6 per cent in the Community, ranging from a low of 8.6 per cent in the Netherlands to a high of 16 per cent in Italy.

**GLASS CONTAINER MAKERS
FOUND VIOLATING EC TREATY**

Leading glass container manufacturers in Germany, Belgium, the Netherlands, France, and Italy have been found in violation of EC competition rules by the Commission. The companies were ordered to end their agreements which violated EC price, discount, and trade regulations.

**SIMONET OUTLINES
EC ENERGY STRATEGY**

Nuclear energy could supply at least 50 per cent and natural gas 25 per cent of the European Community's energy needs by the year 2000, Commission Vice President Henri Simonet said May 31 at a press conference in Brussels. Simonet, responsible for EC energy matters, outlined the strategy for the EC energy policy. He pointed to the need for harmonized reduction of energy consumption and cooperation with EC oil companies and the United States.

**EIB GRANTS LOANS
FOR POWER STATIONS**

The European Investment Bank granted two loans totaling 34 million units of account (UA) for construction of power stations in France and Scotland on May 31. (One UA equals \$1.20635 at current rates.) UA 20 million was loaned to the North of Scotland Hydro-Electric Board to build a station in Peterhead, to be fueled by North Sea oil and gas. Electricite de France will receive UA 14 million to help build the second stage of the Bugey nuclear power station at Saint Vulbas on the Rhone river.

EUROPEAN COMMUNITY INFORMATION SERVICE

2100 M Street, N.W., Washington, D.C. 20037