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ECONOMICS : The debate on multinational companies

Multinational companies have always been a controversial issue in political circles. They are sometimes suspected of operating above the law, of abusing their competitive power and of representing an uncontrolled counter-weight to domestic institutions.

Nevertheless, it has become impossible to turn back the clock against the internationalisation of economic and trade patterns. It is also widely acknowledged that multinational firms, because of the considerable means at their disposal, play a significant role in technological and economic development. But what public authorities are less willing to pardon is that profits earned in one country are often transferred to another instead of being reinvested where they are made. Some even consider these transfers as immoral or as illegal plunder at the expense of the residents and authorities of the country of origin.

Among such criticisms, they are also accused of "colonial" behaviour in developing countries, of lack of openness in their operations and of predatory business practice against which smaller firms have no defence. All these grievances were repeated and discussed at the October session of the European Parliament during a debate on a report on multinational companies drafted by the Parliament's Economic and Monetary Affairs Committee. The report recommends the introduction of European controls on the most-criticised practices of multinational companies. This approach was not greeted favourably by all members of the Parliament. In fact, the most ardent supporters of economic liberalism argued that it was neither logical nor necessary to restrict multinational firms in a straitjacket of legislation and that it would be preferable to promote their activities by harmonising social, tax and other legislation in the different member countries.

Karl-Heinz Narjes, the European Commission member in charge of internal market operations, underlined the ambiguity that often surrounds the notion of a multinational company. He reminded the group that not all multinational companies are gigantic. According to him, there shouldn't be any restraint placed on the beneficial activities of these multinationals, but only on their abuses.

This is the point of view which finally prevailed, following some amendments to the Economic and Monetary Committee report which finally was narrowly adopted with 94 votes for, 80 against and 37 abstaining.

ENERGY: Are we becoming a radioactive rubbish dump?

As nuclear power stations mushroom across Europe, concern is growing about how to dispose of the increasing amounts of poisonous radioactive waste they produce. Atomic waste, like a diamond, is for ever, say the ecologists, and we run the risk of becoming a radioactive rubbish dump.

Worries centre on the transport and dumping of "high level long life" waste from nuclear processing plants. These plants chemically treat fuel from nuclear power stations to separate waste from reusable materials, and produce a highly radioactive liquid which generates so much heat that it has to be stored in containers under water. Unlike "low level" waste, which can be disposed of at sea or even in dumps on land in sealed drums, "high level" waste is simply too dangerous to be left unattended.

The problem of what to do with the stuff is common to almost all of the densely-populated member states of the European Community. Our economies depend to a large extent on nuclear power, but no one wants a bubbling radioactive dump in their backyard. The very idea conjures up nightmare visions of a future mutant world, a self-inflicted Hiroshima of deformed babies and cancer.

"High level" radioactive waste disposal is one area about which most European governments totally agree. A shared programme of research and development of the subject has been in operation for nearly a decade. Processes aimed at eventually turning unstable liquid waste into relatively easy-to-store glass are emerging, and the possibility of dumping underground in caves or rock formations in under-populated areas is under study. A report advocating a common policy for transporting waste has also just been published by the European Parliament.

But widespread public distrust of dumping remains. Throughout Europe, anti-nuclear groups have clashed violently with authorities over waste disposal plans. "If waste is safe why don't they dump it in London?", asked demonstrators protesting against the sinking of experimental boreholes in the Scottish Highlands. To which there is no definitive answer. No government is absolutely certain that the anti-nuclear lobby is wrong and, with such an emotive subject, there is no room for trial and error.

However, the answers may come from the European Community plan to devote more than 29.5 million pounds of its budget to solving the problem over the next five years. Shared research across Europe may well lead to solutions which have proved impossible for individual governments to reach.

ENERGY : Problems downstream from the well

There's no end to the energy crisis. At a time when the supply and price problems seem to have at least momentarily subsided, a new difficulty is again surfacing.

This time, according to a recent report by the European Commission in Brussels, it's connected to the process of refining the crude oil produced in the fields of the Middle East or the North Sea into a product destined for everyday use in the market place or industry. The modern refineries are the plants which convert petroleum into various types of fuel or petrochemical products. The recent report indicates that, like so many other industries, the refinery sector is a complex one which is also in the midst of a difficult period.

Once again, the problem has to do with increasing competition from new plants in the newly-industrialising countries of the world and with a change in market and consumption patterns. The result has been an overcapacity of production facilities which are only operating at a fraction of their full potential in Western Europe. There was a time before the advent of the energy crisis in 1973-74 when the major refining centres such as Rotterdam, Genoa and others located in Western Europe produced much of the output consumed in the region, and the big oil firms and other investors decided to look to the future to create additional refining capacity. In the wake of the oil price increases and the added revenue flowing to the oil-producing countries, many of them decided to go into the refining business as well as merely pumping out the oil from below their land. Now European countries are importing a growing amount of their needs from these refineries and the plants at home are suffering. The European Community, the study states, has a refinery capacity of about 800 million tonnes per year but is actually treating only about 500 million tonnes, and has an average utilisation rate of 60 per cent of full capacity compared to 80 per cent in 1973. The worst affected are the small facilities which have to make the hard decision to shut down completely and the ones in the Netherlands and Italy that were producing for export. The bigger plants can sometimes close down only part of their operation and continue a limited production. The report feels that more refineries will have to close down and that concentration should proceed towards larger complexes. It therefore recommends that careful planning and supervision take place so that no region is too radically affected either in terms of supply or unemployment. The Commission has asked the Community Council of Ministers to give it the authority to closely monitor production and imports to predict future problems.

HUMAN RIGHTS : Ethnic minorities win new rights

Bretons, Friesans, Basques and Welshmen, together with an estimated thirty million members of Europe's other ethnic minorities, have won new rights under a minorities Charter approved by the European Parliament.

Discrimination against some of Europe's regional cultures has become an increasingly important political issue in recent years. Seperatist movements have sprung up from minorities who feel isolated by language and culture from central governments, and have periodically resorted to political violence. But the "vitality, wealth and originality" that these groups could contribute to our common cultural heritage is enormous, according to the European Parlement.

The Charter is aimed at protecting resurgent regional cultures whose minority languages have hitherto remained largely unrecognised at national and international levels. It calls on national authorities to safeguard minority rights specifically in the areas of education, mass communications and public and social affairs, and recommends European Community aid for projects designed to support regional cultural development.

Governments and local authorities are asked to guarantee the teaching of regional languages and culture in schools, and where possible to allow certain subjects to be taught in those languages. They are also called on to allow the inclusion of local literature and history in school curricula.

The Charter wants guaranteed access to local radio and television time for minorities and more specialist regional presenters. It also asks authorities to ensure that minority groupes get the same sort of financial and organisational help for cultural events as majority interests receive. Finally, local authority boundaries should correspond as closely as possible with cultural regions, it says, and individuals should be allowed to use their own languages in dealings with officialdom or the courts.

The original proposal for the project came from Socialist MEP John Hume, leader of Northern Ireland's Social Democratic and Labour Party, and himself a minority native Irish speaker. He sees the protection of regional cultures as a "human rights" issue and believes that approval by the Parliament illustrates a growing awareness of "roots, identity and regionalism " in Europe".

But criticism for the plan came from some MEP's worried that it may "institutionalise" ethnic minorities to the point where the protection of their rights may lead to the break up of nations and eventually the European Community. Other parliamentarians objected to the compulsory teaching of minority languages in schools, but the resolution was eventually passed by a majority of three to one.

CONSUMERS : Ensuring better protection

Most people are more than happy to protect the consumers interest. After all, we are all consumers and want to make sure that the products we buy are clean, fresh and safe. While progress has been made in ensuring the safety of products, consumer organisations continue to deplore the insufficient protection of consumer interests, particularly as regards food products and cosmetics. These associations stress that a great deal still has to be done in such areas as respect of quality standards and labelling regulations.

The European Community has made considerable efforts in the past decade to harmonise national regulations in this sector. General directives have been adopted on such subjects as the utilisation of additives, preservatives, colour, etc. But it is clear that these laws need to be monitored regularly and efficiently if they are to be followed.

Joris Verhaegen (social christian), a member of the European Parliament, asked the Commission in October 1980 to give details of the number of products analysed every year, of the number of infringements made by manufacturers and of action taken against them. It took the European Commission one year to obtain the necessary information. Greece has not been included in the survey, Denmark and the United Kingdom made it clear that such information was not available, and Italy has only supplied partial and incomplete information.

Despite these loopholes, the information supplied to the Commission (dealing with the year 1979, and only covering food products) reveals a great deal about the situation in this sector. In Belgium, for instance, 7,000 samples were taken off the market and tested in one year. This was also the case in the Irish laboratories (6,900), but in Luxembourg the figure was even higher (8,629). In France, the number of samples which were analysed is estimated at 52,000 per year, but was as high as 300,000 in the Netherlands and more than 600,000 in Germany. In comparison with their population, Luxembourg and the Netherlands would appear to be the two EEC States who monitor the food market most strictly.

The number of estimated infringements of quality standards is put at 1.2% of the samples analysed in Belgium, 4.3% in Ireland, and varies between 12 to 15% in the other countries of Europe. A series of administrative measures (fines, withdrawal from markets, closure of establishments and simple warnings, and sometimes legal condemnations) are applied, depending on the seriousness of the infringement.

CONSUMERS: The repercussions of the cooking oil scandal

The tragic scandal which has left more than one hundred persons dead and thousands affected in Spain from consumption of toxic cooking oil has also had its impact in neighbouring European countries.

The poisoning of epidemic proportions which began in a dormitory town near Madrid in May and since then has hit at least 15,000 persons, has not only provoked renewed appeals for better consumer protection laws at the European level, but has also had serious economic and trade consequences. Patient medical detective work by Spanish and other health and safety authorities have traced the massive poisonings to denatured colza or rapeseed oil which should have been destined only for industrial use but instead was sold as cooking oil. This affair led to the creation in August of a Spanish State Secretariat for Consumption.

But consumer advocates and authorities in the European Community have also reacted to the Spanish problem. First of all the European Bureau of Consumer Unions (BEUC), the umbrella consumer lobby at Community level which is based in Brussels, and the Community's Consumer Consultative Committee have both criticised the failure of the Community to adopt a proposal for a so-called Interpol alert network against such dangerous products. The European Parliament also debated the subject at its October session. BEUC points out that the Commission proposed such a plan in December 1979 but that the Council of Ministers has still not acted.

It also notes that only in France there is a specific law that allows for the rapid withdrawal from the market of such toxic products.

French authorities did just that recently in the wake of the Spanish cooking oil case by banning imports of numerous vegetable and other food products that use cooking oil. Switzerland has adopted similar protection. The move, however, has caused consternation among the numerous producers and processors of olive oil in Spain, which is currently negotiating for membership of the Community. They and Spanish authorities visited the European Commission in Brussels recently to emphasise that Spanish olive oil was in no way affected and the Spanish officials have provided a list of affected oils brands.

But even in the absence of the formal consumer Interpol system proposed, the European Commission took the initiative of contacting national and international authorities to serve as a clearing house of information on this serious consumer problem. A Commission official announced that testing at Community borders revealed no trace of the toxic substances in Spanish oils. Nevertheless, the case has opened up renewed debate about consumer protection.