

Brussels, 22 May 1973

No. 190

LIBRARY

** At the Paris Summit in October 1972, the Heads of State and Government of the Community countries called for the rapid adoption of a EUROPEAN COMPANY STATUTE. Such a statute will constitute a useful industrial policy instrument for promoting the development of a single industrial fabric throughout the common market, while ensuring that mergers and combinations do not conflict with the economic and social objectives of the Community. Further details on this will be found in ANNEX 1.

** On 21 May 1973, eighteen European countries signed a Convention setting up a EUROPEAN MEDIUM-TERM WEATHER FORECASTING CENTRE. This impressive and costly undertaking - which should yield considerable economic benefit (see IRT 169 and 190) - is currently Europe's most important project in the field of scientific and technical cooperation (COST). ANNEX 2 gives a brief description of the work now being carried out in the Scientific and Technical Research Policy Group (PREST) under the brief entrusted to it by the Member States to develop new procedures for SCIENTIFIC AND TECHNICAL COOPERATION IN EUROPE.

This bulletin is published by the Directorate General Press and Information of the Commission of the European Communities
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The information and articles published in this Bulletin concern European scientific cooperation and industrial development in Europe. Hence they are not simply confined to reports on the decisions or views of the Commission of the European Communities, but cover the whole field of questions discussed in the different circles concerned.

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- ** ANNEX 3 contains a selection of RECENT PUBLICATIONS acquired by the scientific and technical library of the Commission of the European Communities. These works may be consulted at the library (1, avenue de Cortenberg, 1040 Brussels, Loi Office, 1st floor, No. 43) or borrowed.
- ** The COMMON ENERGY POLICY will be discussed in the Council of Ministers on 22 May 1973. The Community Ministers will be devoting their attention to recent memoranda received from the European Commission (see IRT Nos. 160, 172, 187), including one on the question of uranium enrichment facilities for Europe (see IRT No. 181). The Council has also been invited by the European Parliament - which recently held a major debate on energy, based on a report from a French Parliamentary Member, Mr Giraud - to act as soon as possible on the various proposals already laid before it for regulations or directives on energy policy; the European Parliament expressed the view that the Council should meet more often to discuss the Community's energy supply problems.
- ** The European Commission recently forwarded certain amendments to its proposed directive of 15 March 1971 on the COORDINATION OF PROCEDURES FOR AWARDING PUBLIC SUPPLY CONTRACTS (see IRT Nos. 91, 155). The amendments, which take account of opinions expressed by the European Parliament and the Economic and Social Committee, are mainly concerned with raising (from 60,000 u.a. to 100,000 u.a.) the ceiling at which the directive becomes applicable.

The original directive is aimed at restricting the discretionary powers of national authorities so that contracts may no longer be awarded arbitrarily and national authorities will base their choices solely on economic considerations. The directive also provides for the removal of all discriminatory clauses as to the choice of suppliers,

the establishment of objective criteria for the submission of tenders, so that suppliers meeting the criteria stand a genuine chance of being considered, and the publishing of calls for tender throughout the Community.

** The European Commission is willing to provide technical and material assistance, as needed, to TRADE UNIONS AND PROFESSIONAL ORGANIZATIONS which have a Community-level structure, in order to help these organizations to define joint positions and so facilitate mutual consultations. As the Commission pointed out in a recent reply to a written question put by Mr Vredeling, Member of the European Parliament, it has already granted similar assistance in the past, within the limits of its budgetary and administrative means.

** A Community programme of action for PROTECTION OF THE ENVIRONMENT (see IRT No. 185) was outlined by Mr Scarascia Mugnozza, Commission Vice-President, before the Environment, Public Health and Consumer Protection Group of the Economic and Social Committee.

** The number of US BANKS currently established on Community territory is apparently somewhere around 108, of which 40 are in Britain, 4 in Italy, 1 in Denmark, 19 in Germany, 4 in the Netherlands, 5 in Luxembourg, 19 in France, 12 in Belgium and 4 in Ireland. These figures refer only to banking establishments whose status is that of a subsidiary, branch or local office; they do not include the (many) establishments belonging to multinational banking groups or offices in which a US bank has only a minority share or representation.

This information was supplied by the European Commission in a reply to a question put by European parliamentarian Mr Cousté on the subject of US banks in the Community.

** In the interests of environmental protection and fair competition it would be desirable for national arrangements on WASTE OILS AND WASTE OIL DISPOSAL to be harmonized at Community level. In 1967 the European Commission appointed an expert to report on the technical and economic aspects of this problem and to map out a Community solution to it. On the basis of the ensuing report, discussions were held with national experts in 1968, but no progress could be made in the direction of a Community solution since the Member States did not all attribute the same importance to the problem and differed fairly widely as to the best way of disposing of waste oils.

This was explained by the European Commission in its reply to a question put by Mr Vredeling, Member of the European Parliament, on the subject of aids to the regeneration of waste oils. The Commission stated that new technical research is in progress and that it should be in a position to formulate the necessary proposals once this work is completed.

** An international symposium on ECONOMIC INFORMATION AND INDUSTRY is to be organized in Liège on 4, 5 and 6 June 1973 by the Commission of the European Communities and the Institut de recherches en économie de la production (Paris X - Nanterre). The subject at issue will be the continuing disparity between the demand for information, notably facts and figures about industry, and the quantity of information which is actually obtainable with the present information systems and economic survey machinery.

** The Advisory Group on FUSION REACTOR TECHNOLOGY met at the Ispra Establishment of the Joint Research Centre on 8 and 9 May last in order to appoint working parties to carry out design studies of thermonuclear power reactors under the Community's multiannual research programme on controlled thermonuclear fusion and plasma physics (see IRT No. 104).

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IRT No. 190, 22 May 1973, p.5.

The Advisory Group, set up by the Liaison Committee of Fusion Associations of the Community, is composed of representatives of laboratories engaged in research on plasma and fusion, and two representatives from the Ispra Establishment.

THE EUROPEAN COMPANY STATUTE

Towards a common market for business undertakings
(based on an address given by Mr Gundelach, member
of the European Commission with special responsibility
for the internal market, before the Legal Committee
of the European Parliament)

At the Summit Conference in Paris in October 1972, the Heads of State and Government of the member countries of the Community called for the rapid adoption of a statute for a European company (see IRT No.162). Such a statute will be a useful industrial policy tool to promote the development of a single industrial fabric throughout the common market, while ensuring that mergers and combinations do not conflict with the economic and social objectives of the Community.

In July 1970 the European Commission presented a draft statute for a European company (see IRT No. 62) which is currently being discussed with the representatives of the Member States, the two sides of industry, the European Parliament and the Economic and Social Committee (see IRT No. 164).

The adoption of a European statute for business undertakings is important for various reasons:

(a) It will encourage the establishment of a common market for business undertakings by getting rid of the legal, political and psychological barriers which still impede cross-frontier reorganizations of companies and thus prevent Europe from deriving the full benefit from her common market. A European company statute must of course be accompanied by suitable instruments to retain some control over mergers which might affect free competition.

(b) It will ensure that all multinational European companies have the same organization or structure, the same responsibilities to their shareholders, their employees and their creditors, and the same obligations as regards publishing their accounts and their balance sheets. Furthermore, European multinational companies organized as groups (Konzerne) will have to respect the same rules ensuring protection of the interests of dependant companies and their shareholders, workers and creditors. A European company statute will thus represent a major step towards the establishment of a European law on multinational groups, founded on transparent business dealings, modern structures and the effective protection of all parties concerned.

(c) By offering legal protection and security to potential investors, the European company statute will help to attract private capital into Community-located firms wishing to set themselves up as European companies. It will thus increase investment in the nine member countries and so contribute towards the emergence of a common capital market, thereby paving the way for economic and monetary union. A common statute will also encourage better use of financial and technological resources as industrialists come to think in terms of Community parameters rather than those of the nine separate markets.

(d) The aim of the European company statute is to ensure that European companies are organized - both legally and economically - in the best possible way. It must promote efficient management and protect the interests of everyone concerned. The draft statute presented by the European Commission stipulates that the European companies must comprise a board of management, for all managerial duties, a supervisory board, for keeping a constant check on management, and a general meeting of shareholders. The main advantage of this system, which draws a clear line between the duties and responsibilities of the management board and supervisory board, is that it ensures genuine supervision of the management of a company by persons not actually concerned in the job themselves.

In addition, it ensures that all interests are represented without reducing the essential homogeneity and uniformity of the management. European company law must indeed attend to the interests of the workers as well as those of the capital-providers. It must recognize the workers' right to take part in decisions concerning them and must specify the terms of their representation on the supervisory board. The European Commission considers this a matter of high political importance calling for a uniform solution at Community level: its draft - now being discussed at various levels - allows for at least a third of the seats on the supervisory board to be kept for worker representatives. In this respect, the Commission's proposal falls in with a general trend, taking shape in numerous European countries, to institutionalize the representation of workers in the organs of the companies employing them.

THE COMMUNITY INITIATES NEW PROCEDURES FOR SCIENTIFIC
AND TECHNICAL COOPERATION IN EUROPE

On 21 May 1973, eighteen European countries signed the Convention setting up a European Medium-Range Weather Forecasting Centre. This impressive and costly undertaking - which should yield considerable economic benefit (see IRT Nos. 169, 180) - is currently Europe's most important project in the field of scientific and technological cooperation (COST).

Back in October 1967, the Community Member States briefed the Community Working Party on Scientific and Technical Research Policy (PREST) to study the possibilities of European cooperation, with the potential participation of non-Community countries, in the following branches of activity: data processing, telecommunications, new means of transport, oceanography, meteorology, metallurgy and pollution (see IRT No. 176).

Preliminary work revealed broad agreement on the interest and urgency of developing certain projects in the allotted fields on a European scale. The Community Member States therefore invited the acceding countries and ten other countries (Austria, Spain, Finland, Greece, Norway, Portugal, Sweden, Switzerland, Turkey and Yugoslavia) to cooperate in these projects. Forty-seven projects were originally envisaged by the Six in 1969. Experts from the nineteen countries then selected a series of these projects suitable for immediate European cooperation.

The first cooperative agreements were signed by the Research Ministers of the nineteen countries on 23 November 1971 (see IRT Nos. 120 and 122). They concerned eight cooperative projects, corresponding to an overall outlay of 21,156,000 u.a., spread over 2 to 5 years depending on the project, and relating to the following fields:

- The setting-up of a pilot European data-transmission network intended to prepare the way for the establishment of operational networks at a later date;

- two studies in the field of telecommunications: one on the propagation of radio waves, the other on aerials with reduced side lobes and maximum G/T ratio, to improve the efficiency of aerials;

- Two five-year projects in the field of metallurgy: one on materials for gas turbines, the other on materials for desalination plants;

- Three projects in the field of pollution: one aimed at discovering the natural mechanism by which sulphur compounds are removed from the atmosphere and at developing measuring methods and techniques in this field; another aimed at the development of a versatile detection system covering the whole range of organic substances, for identifying organic micropollutants in water and determining their concentration, with a view to assessing the hazard due to their presence; the third aimed at standardizing existing methods of characterizing sewage sludge prior to a comparative analysis of methods of treating and disposing of it. These pilot projects are undoubtedly limited in scope, but their implementation should pave the way for the gradual development of wide-ranging and coherent cooperation in scientific and technical fields. Particular attention must be drawn to the new and flexible methods adopted for carrying out these collaborative projects, based on the principles of joint planning, national funding, and pooling of the results obtained.

However, because of the lengthy ratification procedures in the various participant States, these projects could not be launched before late 1972 or early 1973. No assessment of the work will be possible until the first annual progress reports are published.

The ministerial conference on 23 November 1971 also entrusted the PREST Group with the task of drafting cooperative agreements on the establishment of a Medium-Range Weather Forecasting Centre and a Computer Program Information Centre. Work was to be continued by the groups of experts on various other projects too.

The European Medium-Range Weather Forecasting Centre has just been officially launched. It will be built at Reading (Britain). Eighteen European countries (all the countries associated with COST activities, except Norway) are taking part in the project. During the organizational phase, lasting five years, investment and running costs will amount to about 22 million u.a. For the operational phase (sixth year onwards), running costs are estimated at 8.9 million u.a. per year. The Centre will have a staff about 120 strong. Throughout the last year, work in the field of European scientific and technical cooperation was mainly concerned with launching this Weather Forecasting Centre. At their last meeting, however, the Community experts decided to speed up preparatory work for the other projects on the board. One project for establishing an oceanographic and meteorological data-collecting network in the territorial waters of the European States and another for developing and standardizing meteorological facilities were re-entered on the programme.

As regards the European Computer Program Information Centre, which could be set up at the Ispra Establishment of the Joint Research Centre (see IRT No. 158), no agreement could be reached by the participant countries as to the procedures for Community participation in this project. The European Commission will shortly be making proposals to the Council of Ministers on this matter.

Studies on electronic traffic aids for major roads and on a seagoing hovercraft of up to 2,000 tons are currently under way.

An exploratory study in the field of telecommunications has just been completed by the European Conference of Postal and Telecommunications Administrations (CEPT). The findings will be examined by the experts at their next meeting.

An exploratory study has also been entrusted to the OECD on the subject of passenger transport requirements between major European cities. The OECD will work in collaboration with the European

Commission and the European Conference of Transport Ministers (CEMT). Work began in early January 1973 (see IRT No. 171) and results are expected by late June 1973.

Finally, the planned collaborative projects also include one on materials for superconducting electrical motors. For the continuation of their work, however, the experts hope to be able to benefit from experience gained in the course of other collaborative projects already launched in the field of metallurgy.

RECENT PUBLICATIONS

acquired by the scientific and technical library of the Commission of the European Communities. These books may be consulted at the library (1, avenue de Cortenberg, 1040 Brussels, Loi Office, 1st floor, No. 43) or borrowed.

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