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No. 25/1975

FOR IMMEDIATE RELEASE

December 18, 1975

EUROPEAN COMMUNITY COMPLETES REPORT ON OIL COMPANIES, OIL CRISIS, COMPETITION

WASHINGTON -- December 18 -- The oil crisis did not greatly change the oil companies' positions in Community member countries' markets, according to an EC Commission report presented to the European Parliament yesterday in Strasbourg, France.

EC Commissioner Albert Borschette, responsible for competition policy, explained the report's main conclusions to the Parliament:

- Fear of oil shortages rather than actual shortages fed the psychological climate of crisis from October 1973 to March 1974.
- The oil companies' power and traditional contacts proved extremely useful in maintaining vital oil supplies during the crisis.
- The extreme dependence of EC member countries' economies on oil turned oil supplies into a political issue.
- Thought should therefore be given to the proper balance between the oil companies' enormous economic power and the governments' political role.
- Oil companies proved so effective in maintaining supplies that thought should be given to ways government might help to extend large multinationals' management expertise into the development and marketing of new forms of energy.
- The borderline between the Community's political role and the oil companies' technical role should be better defined. In the process, a better understanding should be reached of oil companies' pricing practices and financial operations, especially the transfer of revenue from one country to another.

United Brands Company Fined $1.25 Million

On December 18 at a news conference in Brussels, Borschette explained to the press the report. He also announced that the EC Commission had fined the United Brands Company of New York 1 million units of account (UA) (equivalent to about $1.25 million) for abusing a dominant position. Under the Rome Treaty's Article 86, the company has been ordered to reduce banana prices in Germany by 15 per cent. For each day's failure to comply, the company will be fined an additional UA 1,000 (about $1,250).