

proposed directive on biotechnology makes clear that international agreements supersede EC policies. In general, the proposals and directives dealing with intellectual property from the EC Commission seem consistent with multilateral efforts at the Uruguay Round of the General Agreement on Tariffs and Trade (GATT), and elsewhere. At the same time, however, the EC directives modify but do not completely supplant the intellectual property law of EC Member States. They probably make it more difficult for Member States to discriminate against other countries, and against non-EC countries in particular, but they do not make it impossible.

#### f) "Social" Europe

As a trade-off for the competition-enhancing character of Europe 1992, a set of measures has been proposed that will benefit labour. The proposals include strengthened legislation on worker health and safety; employment benefits for part-time workers; a European social charter establishing worker rights in collective bargaining, access to employer information and rights to consultation on specified issues; a change in company law requiring labour participation in management decision-making; and changes in laws that give workers the right to move freely between Member States.<sup>46</sup>

### 3.2 "Presence" or "Non-Presence"

#### a) Companies "Present" in the EC

The large commodity chemical companies operating in Canada (Nova, Dow, Dupont, etc.) and the large foreign-owned multinational pharmaceutical companies (American Home Products, Merck Frosst, Johnson and Johnson, etc.) all have European production operations, as do some smaller firms. Because they have subsidiaries that qualify as "EC firms" or that can, relatively easily, have their legal status changed so that they will qualify, these companies are likely to

directly benefit from Europe 1992's trade liberalizing effects.

In journalistic treatments emphasis is usually placed on the harmonization of product standards Europe 1992 will bring. But, with the exception of the pharmaceutical industry, for the industry representatives interviewed for this study the most frequently cited benefit of Europe 1992 was the simplification it will bring in intra-EC transportation (including standardized packaging and labelling regulations). There are two reasons for this. First, cross-border delays caused by cumbersome customs procedures in Europe are a major concern. Second, while there is some suspicion that much less harmonization of product standards will actually be accomplished than is promised, there is widespread confidence that simplified cross-border trade and harmonization of packaging and labelling will be delivered.

In fact, the competitive position of Canadian firms that supply EC countries from subsidiaries is likely to be strengthened relative to firms that only export to the EC. There are two reasons for this. The first is that firms with subsidiaries are likely to have superior information about the changes and opportunities relevant to their particular kinds of products and will therefore be well positioned to profit from the acceleration in aggregate economic growth likely to be produced by Europe 1992. The second is that firms with subsidiaries in the community are likely to have the best information about and influence over product standards and other matters of Community policy. They will be eligible to be consulted over detailed Community-wide standards formulated by the CEN and will receive early notification of standards once they are set.

These advantages will be partially offset by the fact that non-EC firms incorporated in EFTA countries may also be effectively treated as EC members