beer, wine, alcohol, non- alcoholic drinks and tobacco await Council decision.

The Community is trying to harmonize corporate tax laws because differences interfere with free movement of capital. The Commission has made proposals for harmonizing taxes on distributed profits, withholding taxes on dividends and bond interest, and taxes on joint assets in mergers between companies located in different member states. It has also made proposals for taxing patent companies and subsidiaries located in different member states.

Banking
To enable banks to compete throughout the Community, joint rules are being developed here, too.

Since 1975, EC-nationality banks and other financial institutions have been able to open branches anywhere in the Community under the same conditions as local banks. Their activities are limited to international banking services involving capital movements.

The Community is trying to align regulations affecting bank liquidity, solvency margins and bankers' qualifications.

Insurance
Insurance laws are being harmonized. Member states are forbidden to discriminate against reinsurers in partner states. Laws on motor-vehicle insurance have been aligned. Policies must now include any coverage compulsory in any member country. As a result, "greencard" insurance checks at borders between member countries ended in July 1973.

Non-life insurers of EC nationalities can offer their services anywhere in the Community if they comply with common rules on solvency margins and on reporting their activities. The Community now plans to co-ordinate national laws so that life-insurance company branches and agencies have the same freedom.

When insurance companies can operate across internal borders without opening offices in the policy-holder's country, the common market in insurance will be complete.

Transportation Policy

Europe's transportation systems were developed to serve domestic, not international, traffic. Unlike Canada's transportation network, continental in "thrust" from its earliest days, defence-conscious Europe's systems thinned out near national borders and focused on national capitals. Discriminatory practices and charges stifled competition.

The Community's founders foresaw that goods could not move freely through such a tangle. The EEC Treaty provided for a common transportation policy for railroad, highway and inland-waterway traffic. The Treaty said air and ocean transportation could be included later. It banned discrimination based on the nationality of carriers and on a shipment's origin or destination. It permitted government subsidies only for public service requirements or for co-ordinating different types of transportation. So far, transportation policy has stressed free competition and standard working conditions. Common rules have been passed describing permissible government subsidies to railroads, limiting drivers of big trucks to 48 hours a week behind the wheel, requiring member countries to consult each other about major infrastructure investments, such as super-highways, and transforming a increasing number of bilateral road-transport permits into multilateral ones.

Despite the economic importance of these and other rules passed, an overall common transportation policy is not in operation.

Transportation proposals now under consideration by the Commission stress competition among different forms of transportation.