

Member states are gradually introducing a common policy to create a single Community industrial base. The aim is to promote the Community's industrial growth in the attempt to reap full benefit from productive resources. Rules already in force eliminate technical barriers to trade, such as differences in safety standards, so that manufacturers receive every advantage of a common market with 255 million consumers. Moves are under way to encourage the formation of companies of continental size, able to compete with major firms at home and abroad.

The ECSC Treaty empowered the Commission to authorize and fund joint research and development in the coal and steel industries. The Community also helps finance vocational rehabilitation programs for miners and steelworkers whose jobs disappear because of technological progress. The Euratom Treaty gave the Community similar powers in the nuclear industry.

The EEC Treaty did not provide for an industrial policy as such. An outline came in 1970 with a broad Commission plan for removing legal, fiscal, political and social barriers to the development of European multinational companies. In 1973, the Council of Ministers approved a flexible timetable for:

- removing remaining technical barriers to trade in foodstuffs and industrial goods;
- initiating open bidding for public works contracts;
- removing fiscal and legal barriers to transnational mergers;

- making proposals for developing capital-intensive industries, such as data-processing;
- making rules for the formation of "European" companies and their statutes. (This legal form would co-exist with national law. It would allow mergers between companies of different nationalities without the choice of a single nationality for the new company.)

#### REMOVING TRADE BARRIERS

Differences in member countries' safety and quality standards mean that a manufacturer who wants to sell throughout the Community may have to comply with as many as nine norms. To save companies the expense of the small production runs and expensive retoolings this situation entails, the Council of Ministers enacted in May 1969 a program to "approximate" standards. By February 1975, the Council had passed 48 directives setting common standards for products ranging from scales to detergents. The Community plans to complete the original program and an additional one adopted in May 1973 before the end of 1977.

#### OPENING PUBLIC MARKETS

Purchases by member states' government agencies and public utilities represent a growing share of the market for manufactures, about 17 per cent. Yet only 5 per cent of public orders go to suppliers in other member states. Advanced technology and heavy industries, which depend on public purchases, have scarcely benefited from the economics of mass production for a large Common Market.

The Commission has drafted directives to open major public contracts to bidders from every member country. To change public buyers' discriminatory attitudes, the Commission wants hearings on public tenders, added contracts between public buyers, and statistics on bids.

Discrimination by nationality in public-works contract awards has been banned since 1972. Invitations to bid on public works in the civil engineering and building industries must be advertised in the Community's *Official Journal* if they involve u.a. 1 million or more. The authorities must also consider tenders from every other member country.

#### TRANSNATIONAL EUROPEAN COMPANIES

To help European companies grow to Common Market size, the Community encourages transnational intra-Community ventures. In 1973, the Commission opened a Business Liaison Office, which answers inquiries about joint ventures and other commercial questions. To promote Community-sized, advanced-technology companies, the Community plans to initiate development contracts. Such contracts will go to companies participating in transnational research or working on projects of Community interest.

The European Investment Bank also finances projects to spur the Community's industrial growth. Almost 40 per cent of its total lending has been on partial financing of productive enterprise projects. The Bank gives special consideration to transnational projects when deciding on its financing activities.