SPECIAL PROBLEM INDUSTRIES

The Community's industrial policy pays close attention to industries with special problems, such as the technology and capital-intensive data-processing and aeronautical industries, the recession-sensitive shipbuilding industry, and the backward paper industry. Future proposals will address the textile, nuclear and heavy mechanical and electrical engineering industries. Efforts to reach a common policy on raw-material supplies, especially non-ferrous metals, also form part of the common industrial program.

In 1965, the Community began a consultation procedure on export guarantees and credit insurance, which so heavily influence the selling price of capital goods, such as locomotives, and the construction price of large plants. A Council decision in 1973 tightened the consultation procedure, designed to prevent member countries from outbidding each other on export credit and guarantees.

MULTINATIONAL COMPANIES

The Community is considering laws to make sure that multinational companies do not restrict competition or harm workers. The size of multinationals frees them of many traditional checks imposed by public authorities and labour unions, which have not consolidated to work-wide or Community-wide dimensions. Their financial weight raises problems in taxation and currency dealings. The annual turnovers of some multinationals exceed the national budgets of the smaller EC members.

According to ideas outlined by the Commission in 1973, the Community plans no discrimination against multinationals. Some of the Commission's suggestions would facilitate international activity, while others would curtail companies' freedom. Suggestions include:

— a good-conduct code for takeovers, requiring publication of ample information, including the source of funds used and the bidder's identity;

— intergovernmental co-operation to minimize tax evasion and keep an eye on inter-company sales and licence agreements;

— publication of companies' consolidated accounts, broken down by country to show the flow of investment money, profits and taxes as a percentage of sales, research costs and licensing revenue.

INDUSTRIAL PROPERTY

The European Patent Office, based in Munich, plans to open in 1976, following the October 1973 signature of the European Patent Convention. A single application to the Office will give inventors patent protection in 21 countries — the Nine, plus Austria, Finland, Greece, Liechtenstein, Monaco, Norway, Portugal, Spain, Sweden, Switzerland, Turkey and Yugoslavia. This system was designed to overcome the advantage large companies have over smaller competitors in arranging for patent-coverage throughout Europe. The International Patent Office in The Hague will conduct the patent search to test originality, patentability and commercial worth.

Community members have signed a convention to unify their patent laws. The convention would make any EC country's act, such as revoking a patent, valid throughout the entire Community. The treaty would also prohibit market-sharing, licensing a patent in only one EC country.

The Commission has published a draft European trademark convention by which companies could obtain trademark protection throughout the Community by registering once with a European trademark office.

COMPANY LAW

Economic union involves the alignment of company laws on business practices, such as mergers and disclosure of information to stockholders. So far, two alignment directives have been enacted.

A 1968 directive provides for common rules to protect stockholders and third parties. It requires companies to publish their articles of incorporation and an annual statement of accounts and to give information about their directors and conditions for dissolving the company. The Community also plans to unify bankruptcy laws.

A 1973 directive specifies minimum capital requirements for companies and gives harmonized guidelines for increasing or decreasing stock capital.

Three other draft directives await Council action. They would:

— align rules for protecting parties affected by mergers;