Resolution 489 (1971)[1]

Transatlantic direct investment

Parliamentary Assembly

The Assembly,

1. Taking note of the report of its Committee on Economic Affairs and Development (Doc. 2938) ;

2. Considering that direct investment by American companies in the European economy is a consequence of the growing internationalisation of economic life, and as such irreversible ;

3. Convinced that the real problem facing Europe is less how to meet the American challenge than how to adapt the European legal and institutional framework to the scale of modern economic life ;

4. Considering that the solution to the problems raised by the growing importance of multinational companies in the European economy can only be found in the framework of a full economic and monetary union with a coherent industrial strategy, based on an enlarged European Community ;

5. Conscious that an enlarged Community will need to strengthen its co-operation with other developed countries in the framework of the Organisation for Economic Cooperation and Development (OECD) ;

6. Convinced that in their own interests the European countries should encourage their companies to invest in the United States ;

7. Considering, however, that the development of direct investment by European companies in the United States also raises problems which must be solved in a multilateral framework,

8. Expresses the hope that the member States of an enlarged Community will agree on a programme of action for the coming decade, comprising the following elements :

measures to strengthen European industry by :

a. *encouraging the formation of transnational companies based in Europe ;*

b. *adopting a European research and development programme ;*

measures to establish common ground-rules for direct investment by :

a. *harmonising company taxation and eliminating tax havens ;*

b. *harmonising the rules for investment incentives, especially for regional development ;*

measures to ensure fair competition by :

a. *reforming national capital markets to ensure equal access to available capital for both national and multinational companies ;*

b. *strengthening the Community machinery for preventing restrictive business practices and the abuse of dominant positions by multinational companies ;*

1. Assembly debate on 13 and 14 May 1971 (6th and 7th Sittings) (see Doc. 2938,Doc. 2938, report of the Committee on Economic Affairs and Development). Text adopted by the Assembly on 14 May 1971 (7th Sitting).

9. Considers that OECD should at the same time undertake a general study of the problems raised by international direct investment between developed countries, and in particular that the organisation should be asked :

to collect and publish at regular intervals statistical information on the development of foreign direct investment by member States of the organisation ;

to confront its member States' policies with a view to co-ordinating legislative and regulatory arrangements in the following fields :

a. liberalisation of capital movements ;

b. company accounts and presentation of balance sheets ;

c. anti-trust legislation.