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### CHERNOBYL: Council approves Community-wide protective measures

A week after the European Commission first proposed a ban on imports of foodstuffs from Eastern Europe, the Council of Ministers of the 12-nation European Community was finally able to reach agreement on (1) the scale and scope of the ban and (2) the measures for dealing with intra-Community trade in foodstuffs.

The delay did not mean that the Community's population was left unprotected against the danger from food contaminated by radioactive fall-out from the Chernobyl disaster; the member states had adopted their own measures as soon as the scale of the disaster was apparent.

What is more, two days after it had sent its proposals to the Council of Ministers, the European Commission imposed a ban on the import of fresh meat, live cattle and pigs from seven East European countries within a 625-mile radius of Kiev, including Yugoslavia. The ban, which lasts until the end of May, was taken after consultation with experts under the powers the Commission has.

In seeking a Community-wide ban on imports the Commission was not questioning the effectiveness of national measures so much as seeking to protect the free flow of trade throughout the 12-nation Community, even while safeguarding the health of its citizens.

The Commission wanted a ban on imports of fruits and vegetables, milk and milk products, fresh meat, animals for slaughter, game and fresh water fish from six countries lying within a 625-mile radius of the disaster: the Soviet Union, Bulgaria, Hungary, Poland, Rumania and Czechoslovakia.

Its proposal also included a recommendation that the Twelve apply certain maximum levels of radioactivity in milk products and in fruit and vegetables, whether for sale at home or for export. Such a common system, the Commission argued, would allow intra-Community trade to flow unhampered.

The member governments found it relatively easy to agree on the ban on imports from Eastern Europe, although they added Yugoslavia to the list of countries and frog legs, snails and certain other items to the list of foodstuffs. The ban will apply until May 31, but could be extended if found necessary.

But the Twelve were unable to agree on radiation thresholds. They agreed, however, that levels applied to imports would not be more restrictive than those applied to domestic products and to recognize the controls carried out by the exporting country.

### A PEOPLE'S EUROPE: 12 stars, a flag and seven Europe Weeks

The European Community still has a long way to go before it is as strong and united as its supporters want it to be. But thanks to a flag and a series of Europe Weeks the 12-nation Community has a chance to assert its identity.

Since April 22 the EC has a flag of its own. Blue in colour, with a ring of 12 gold stars, it will be officially raised by the Presidents of the European Commission, Jacques Delors, and the European Parliament, Pierre Pflimlin, before the Commission's Brussels headquarters, the Berlaymont, on May 29.

The flag which the EC's Council of Ministers adopted bears a striking resemblance to the flag of the Council of Europe, the body which groups all West European countries. It could fly alongside the flags of the member states in the national capitals, for example, but its use is not obligatory.

The Community's flag has been flying since May 9 at the 1986 International Exposition in Vancouver, Canada, at which the EC is present. May 9 in fact is the anniversary of the Declaration made by the French minister, Robert Schuman, in 1950, which launched the European Community.

Since this year May 9 is also being celebrated as Europe Day. It has marked the start of a series of Europe Weeks, organized by the European Commission, to run until June 29, the centenary of Robert Schuman's birth.

The numerous exhibitions which are being organized in the framework of the Europe Weeks include two devoted to Robert Schuman. One is in Strasbourg (June 9 to 13), the other in Luxembourg (June 17). A special ceremony will be held in The Hague on June 23 to mark the issue of the two millionth European driving licence.

AIR TRAVEL: The way is open for cheaper flights

Are the days of high-priced air tickets over? Perhaps not yet, but a breach has been made in the wall of high air fares. The European Community's Court of Justice has ruled that the member states do not have the right to take measures which favour or result in airlines acting in concert.

The parties to the dispute before the Court were France, on the one hand and, on the other, several airlines and tour operators, especially Nouvelles Frontières, the tour operator at the origin of the dispute. The French authorities took the airlines and tour operators to court for having sold airline tickets much too cheaply in 1981.

The French civil aviation code in effect requires airline companies, including foreign companies operating in France, to have fares approved by the Ministry for Civil Aviation. Applications can be filed on behalf of airlines by authorized professional bodies. The fares are considered approved if the Ministry has not reacted one month after the fares have been notified to it. If approval is not granted, and the airline applies the fares anyway, its directors can be sent to prison, fined, or both.

It was precisely because they infringed these regulations that the airlines and tour operators found themselves before the Paris criminal court. The court acquitted the tour operators on the grounds that the regulation did not apply to them. In the case of the airlines, it preferred to ask the Court in Luxembourg for a ruling as to whether the relevant provisions of the French civil aviation code conformed to the Treaty of Rome, the Community's "constitution", which in principle bars price-fixing cartels.

The Court has found the French approval procedure to be contrary to the EC's competition rules. Its findings were not a foregone conclusion, given the special situation of the European transport industry in general and air transport in particular. The fact is that the common transport policy envisaged by the Treaty of Rome is still limited to declarations of intent. The European Commission, which is satisfied with the Court's ruling, hopes it will speed up the process of deregulating air travel in Western Europe.

UNEMPLOYMENT: It's down again - but because of seasonal factors

Unemployment in the 12-nation European Community fell by 273,000 between February and March. While this is good news, it is not the sharp turn around everyone is waiting for. Much of the fall is due to seasonal factors, as was the case in February, according to the EC's statistical office.

Of the 16.4 million registered unemployed at the end of March, 9.5 million were men, 6.9 million women. In most Community countries men have benefitted more than women from the recent fall in unemployment. In March female unemployment even rose in Spain and Portugal.

Seasonally adjusted figures point to a slight rise in unemployment in the U.K., Ireland and France. Only in the Netherlands has there been a slight fall, with the situation remaining unchanged in Germany.

INFLATION: More stable prices

The rise in consumer prices was limited to 0.2% in March in the 12-nation European Community, according to the EC's statistical office. While most member states succeeded in holding down prices, inflation was higher in the Community than in the U.S. and Japan on a 12-monthly basis.

In seven EC countries the rise in prices in March was very reasonable. Prices even fell in Luxembourg (1%) and Germany (0.2%). They rose, however, in France (0.3%), Denmark (0.4%) and Greece (3.2%), after having dipped in February.

Between March 1985 and March 1986 prices rose by only 4.2% in the 12-nation Community, despite increases of 4.7% in February, 5.3% in January and 5.6% in December 1985. In the U.S. and Japan the increase over the 12-monthly period to February was 3.2% and 2% respectively.

The overall figures conceal very substantial differences between the member states. Inflation, virtually non-existent in Germany (0.1%), was a hefty 25% in Greece. In the Netherlands it stood at 0.7%, in Belgium at 1.5% and in France at 3%.

TRADE: Agreement with Comecon in sight at last?

The negotiations between the European Community and the 10-nation Comecon\*, which began nearly 10 years ago, may bear fruit after all. Comecon has now indicated its readiness to establish formal relations with the Community and that of its member states to conclude bilateral agreements with the EC.

The Soviet Union and its economic allies in fact have tacitly accepted the Community's position. This is that Comecon is not the East European equivalent of the European Community because it has neither a common commercial policy nor the necessary institutions. A formal agreement between them would have to be backed up, therefore, by a series of bilateral agreements between the EC and the individual members of Comecon.

A year ago the Soviet leader, Mikhail Gorbachov, declared the time had come for the Community and Comecon to organize their economic relations to their mutual advantage. In a letter to the European Commission, Mr Sytchov, Comecon's Secretary, has accepted the Community's invitation to normalize relations - at the level both of the two institutions and bilaterally.

The EC's trade with Comecon is relatively small. Last year imports came to 33,000 million ECU\*\* and exports to 22,500 million ECU. Imports from EFTA, in comparison, came to 84,400 million ECU and exports to 86,800 million ECU. But the Community's trade deficit is likely to remain, given that Comecon's exports to the EC consist largely of a small number of raw materials.

\* Members include the Soviet Union, East Germany, Poland, Czechoslovakia, Hungary, Roumania, Bulgaria, Mongolia, Cuba and Vietnam.

\*\* 1 ECU = UK£ 0.64 or IR£ 0.71.

INTERNAL MARKET: Commission fines and breaks up chemical cartel

A large, single market of 320 million consumers is obviously an attractive proposition for manufacturers, provided unfettered competition does not cut profit margins to the bone. They may be tempted, therefore, to indulge in price fixing and market sharing, especially if there are not many of them.

This, according to the European Commission, is exactly what 15 international chemical companies have been doing since 1977. All are manufacturers of polypropylene, widely used to make plastic film for packaging, automobile components, video tapes and a large variety of consumer products.

After an investigation lasting over two years the Commission has fined them a total of 57.85 million ECU\*. This includes a fine of 11 million ECU imposed on Montepolimeri, 10 million ECU on Hoechst, 9 million ECU on ICI and another of 9 million ECU on Shell International Chemical Co., four firms regarded as the nucleus of the cartel.

\* 1 ECU = UK£ 0.64 or IR£ 0.71.

### DEVELOPING COUNTRIES: Community breaks new ground with Lomé III

No news is good news. One item of good news that went largely unreported on May Day was the further strengthening of the European Community's relations with half the world's developing countries. On May 1 the third Lomé Convention, under which the Community is helping 66 countries in Africa, the Caribbean and the Pacific (ACP) with trade and aid, came into force.

The event might have gone unnoticed even in Brussels but for a declaration by Lorenzo Natali, the European Commissioner who has special responsibility for EC/ACP relations. He pointed out that 20 years after the signature of the first association convention between the EC and nearly a score of developing countries, the Lomé Convention remains a landmark in North-South relations and the only example of a treaty of development cooperation based on a genuine partnership between rich and poor countries.

Lomé III in fact breaks fresh ground: it contains guidelines which seek to integrate development projects into their social and cultural background and to safeguard the values and traditions of the developing countries concerned.

There was no break between Lomé II and III, of course. Many of their key provisions relate to trade and they have been applied on a de facto basis ever since Lomé III was signed in December, 1984. It could hardly be otherwise, given the importance the Community attaches to developing the exports of the 66 ACP countries.

Last year, Community imports from them amounted to 26,000 million ECU\*, an increase of 6% over 1984, and represented one-fifth of Community imports from all developing countries. The EC is the main trading partner, however, for many ACP countries, taking up to one-half of their total exports. The Community in fact has a trade deficit with the ACP countries, which last year came to nearly 9,000 million ECU.

Under successive Lomé conventions the Community has extended substantial financial and technical aid to the ACP countries. A sum of 7,400 million ECU is being made available under Lomé III over a 5-year period. As Mr Natali noted, most ACP countries have agreed that Community aid shall be used for rural development as a matter of priority, to ensure greater self-sufficiency in food.

\* 1 ECU = UK£ 0.64 or IR£ 0.71.

CONSUMERS: Council agrees to give new impetus to consumer protection

Consumers are important to the success of the European common market; in fact, an effective consumer protection policy is the natural complement to the measures that are being taken to bring about a single, internal market, covering all 12 member states of the European Community, by 1992.

This is the view held by the European Commission, which last year sent the EC Council of Ministers the outline of a work programme, with the aim of giving a new impetus to the Community's halting efforts on behalf of consumers. The Council has now formally welcomed the Commission's communication of last August.

At its May 6 meeting it approved the objective that more account should be taken of consumer interests when Community policies are being drafted, especially as regards the completion of the internal market. The Council in fact has asked the Commission to submit specific proposals in the context of its work programme, so that the necessary measures can be taken by 1992.

Consumer credit is one of the areas which the Commission has singled out for action. It takes the view that if the common market is to be fully effective, consumers must find it easy to buy goods in other countries for use at home.

The consumer credit directive, which the Council also discussed when it last met, should make it easier for consumers to buy goods on credit in other member states. The Council expressed the hope that agreement on a draft directive could be reached at its next meeting on June 24.

The Commission believes that guarantees and warranties for consumer durables should be honoured in the consumer's country of residence, regardless of where they were purchased. It will therefore be sending the Council draft proposals on the operation of guarantees and after-sales services.

The European Commissioner for consumer protection, Grigoris Varfis, told the Council that perhaps too much emphasis has been placed on the free circulation of goods. Product safety, for example, was a basic requirement for achieving a single, internal market. Community legislation clearly was needed to ensure common health and safety standards.

Priority areas, as far as consumers are concerned, include motor vehicles, food, pharmaceuticals, household chemical preparations, toys, cosmetics and textiles. The Commission wants to oblige manufacturers to produce and market goods which are safe.

BIOTECHNOLOGY: From onions to vaccines for livestock

Thanks to the first European research programme in biotechnology, it will soon be possible to change the composition of milk and cereals and to vaccinate animals against some of the most serious diseases. The evaluation of this research programme was made possible by symposia held in Cambridge (England), Cork (Ireland) and Compiègne (France).

Biotechnology deals with the processes and techniques which enable the properties of living organisms to be exploited for agricultural, industrial or medical purposes. It represents one of the two major technological challenges currently facing the Community, the other being the information technologies.

Launched in 1982, with a budget of 15 million ECU\*, the programme was limited to research into the agricultural and agro-industrial applications of biotechnology. An example of this was research into the techniques which make it possible to identify and isolate the genes of plants and animals in order to be able to transfer them to other organisms.

Research workers in laboratories in Ghent (Belgium), Leiden (The Netherlands) and Cologne (Germany) succeeded in modifying the make-up of onions, asparagus and daffodils, three plants which, like cereals, belong to a class that has so far resisted all attempts at modification through genetic engineering.

Other research workers were able to isolate the genes which control the enzymes responsible for individual cheese aromas. It will be possible, hereafter, to change the composition of milk and revolutionize cheese manufacture.

The Community programme has also led to the identification of genes belonging to several viruses responsible for such animal disorders as foot-and-mouth disease in cattle, contagious bronchitis in poultry and gastro-enteritis in swine. These discoveries could result in the production of cheap, effective vaccines.

Over 100 laboratories in different member countries took part in the Community's research programme. There has emerged, as a result, a genuine transnational European research network in biotechnology. The second programme was launched last year with a budget of 55 million ECU to begin with. It will include such new areas as the determination of risks associated with genetic engineering.

\* 1 ECU = UK£ 0.64 or IR£ 0.71.