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MONEY: A European currency before the year 2000?

The European Commission has plans for one.

Will we have a European currency before the year 2000? It's a possibility. The European Commission plans the launch in 1996 of the third and last stage of the European Community's economic and monetary union, whose cornerstone would be the introduction of a common currency. In its latest views on the matter, presented in Brussels on March 20, the Commission believes that the ECU, the European currency unit, could play this role before the end of the third stage.

This does not mean that national currencies would vanish; rather, they would all have the same value. The European Commissioner for economic affairs, Henning Christophersen, pictures banknotes inscribed "1 ECU" on one side and, say, "one pound" on the other. The banknotes of Belgium and Luxembourg are different from each other but have the same value, while a five-pound note issued by the Bank of England buys the same quantity of goods as one issued by the Bank of Scotland.

The Commission sees substantial advantages in a common currency, including savings of ECU 15 to 20 billion* each year if it were no longer necessary to change currencies when travelling from one EC country to another. Other benefits would include price stability, lower interest rates, especially in the less well-off regions, and a boost to the economy.

Before a common currency can become a reality the Twelve will have to give it their approval. This will be no easy task. The Commission should present its proposals at the end of April and the Member States tackle the issue at the end of the year.

* 1 ECU = UK£0.72 or IR£0.77.

CONSUMERS: Tobacco finds itself in the dock once more

Euro-MPs want a ban on cigarette advertising.

Should there be a total ban on advertising for cigarettes and other tobacco products? Without a moment's hesitation, the European Parliament answered "Yes" on March 14, by amending a proposal for Community legislation from the European Commission, which was seeking to regulate advertisements in the press and on hoardings only.

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The Euro-MPs stressed that each year some 440,000 people die in the European Community because they are heavy smokers, while 85% of lung cancers are caused by tobacco. The European Parliament takes the view that the 12-nation Community must protect the health of consumers as effectively as possible; at the very least, it must follow the example of the two Member States, Italy and Portugal, that have banned tobacco advertising from the press and hoardings.

Parliament wants to even go further. It is asking for a total ban on all forms of advertising for tobacco products, whether in the press, on hoardings, in cinemas, on television or elsewhere. It also wants a ban on such indirect methods of advertising as the sponsorship of sports events.

The European Commission, for its part, has proposed that all advertising in the press and on hoardings be accompanied by such warnings as "Smokers die prematurely" or "Don't smoke if you want to stay healthy". The Commission is also asking for a ban on advertising for tobacco products in publications for the under-18s. It also envisages a ban on "indirect" advertising - the display of acronyms, insignia and brand names, for example, without the product itself being shown.

It is now up to the EC Council of Ministers to settle the matter. Everyone would like to see the 12 national regulations harmonized in the run-up to the single market; but how? The fact is that more than two million people earn a living from the production or sale of tobacco products. What is more, in 1988 the Community budget provided ECU 966mn.* to support Community tobacco production, as against a mere ECU 8mn.* for the fight against cancer.

The Council of Ministers is not ready to accept a total ban on advertising for tobacco products, and the European health Commissioner, Ms Vasso Papandreou, considers the terms of the Commission's own proposal more realistic than those of the European Parliament. She nevertheless has assured Euro-MPs that she shares their concerns and envisages proposing a total ban before 1993.

* 1 ECU = UK£0.72 or IR£0.77.

ENVIRONMENT: Biotechnology put under European surveillance

The Twelve decide to monitor genetic manipulations.

Until a few years ago biotechnology, which involves modifying the hereditary characteristics of bacteria, plants and animals, was still at the experimental stage. Today it has grown into an industry, and laboratory-designed organisms are being bought and sold on a growing scale. To make sure that these new activities do not endanger public health and the environment, the European Community's environment ministers adopted on March 22 two pieces of European legislation which provide for strict controls.

One of these "laws" is aimed at the use of these substances in laboratories. To avoid risks, researchers will have to notify the competent authorities of their work and store the products in question in a specific way. Special measures are envisaged for accidents and waste disposal.

The other European "law" requires a systematic evaluation of risks and an authorization procedure, on a case-by-case basis, before biotechnological products are released into the environment, whether for purposes of research or sale. These products are already used in the manufacture of vaccines and medicines, particularly against cancer. They are also used to prepare two types of pesticides and weedkillers, as well as products which mop up oil and chemical products after an accidental spillage.

These two "laws" will help in the construction of the 1992 single market, inasmuch as the common rules which have been adopted will allow biotechnological products to move freely throughout the 12-nation Community.

ENVIRONMENT: The right to information for all Europeans

The Twelve decide to open up their files to the public.

We shall soon be able to find out everything - or virtually everything - about the air we breathe, the water we drink, the state of our forests and beaches, the health of the animals and plants which surround us, the polluting or noisy activities that go on around us and, last but not least, the measures taken to protect our environment. All you will have to do is to ask the competent local, regional or national authorities. They will

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have to provide you the information you want, because the European Community's environment ministers agreed on March 23 to guarantee, by means of a "European law", free access to ecological information for all Community citizens.

The authorities in question will have to show not only their files but also films, cassettes and other magnetic tapes, as well as information kept in databases. They will be able to withhold information only on grounds of state security and to protect individual privacy and trade secrets. The curious will not have to justify their request for information. What is more, they will be able to seek the help of those higher up in authority and the courts in the event of a refusal, or if the information provided is inadequate.

ENERGY: Consumption of natural gas rose in 1989

Both domestic production and imports increased.

Both production and consumption of natural gas in the European Community rose by 4% last year as compared to 1988, according to Eurostat, the Community's statistical office. Despite the mild weather, consumption increased in all the Member States except the U.K..

Production increased in four of the 10 EC producer countries. Spain led with a 69% rise in output, followed by Denmark (18%) and Ireland (14%). The Community's largest producer, the Netherlands, showed a rise of 9%. Production fell by 9.5% in France, however. Some 62% of consumption in the Community as a whole was met by domestic production.

Imports rose by some 7%. The Community's main outside supplier remained the Soviet Union. It accounted for nearly 40% of EC imports. It was followed by Norway (31%) and Algeria (28%). Libya was far behind with just 1.5%; but, then, it ceased to be a major supplier several years ago.

SUMMER TIME: The Commission wants to synchronize all clocks ...

... to ensure the success of the single transport market.

Winter time, summer time ... For the moment the rhythm of everyday life in the European Community is set by a Community directive which requires all clocks to be re-set twice a year - at the start of spring and autumn. However, voices have been raised in several Member States, criticising this system because it upsets the rhythm of schoolchildren's lives and leads to problems of health and the organization of work. Both the British and Irish in fact have received a waiver under the directive: they re-set their clocks at the same time as the Continentals in the spring but a month later in the autumn (in October).

The European transport Commissioner, Karel Van Miert, has asked his department for an in-depth study of the merits and inconveniences of the present system. But he has also come out in favour of a single system for all 12 EC countries, which he considers to be essential for the single transport market. He believes that the multiplication of different systems, and the fact that clocks are re-set at different dates, would only disorganize transborder transport. The results: higher costs for manufacturers and hauliers and inconvenience to passengers.

For Mr Van Miert, it is "more than desirable" that the Twelve synchronize their watches. The European Commission in fact plans to submit fresh proposals to this end as from next year.

TRANSPORT: The Commission proposes measures to deal with over-booking ...

... but the airlines have their own views on the subject.

Mr Smith flies regularly between London and, say, Paris. A seasoned traveller, he always makes sure that his reservation is in order, confirmed by the OK on his ticket. He arrives in time for his flight - only to be told that the flight is full and he must wait until the next day. Mr Smith is the victim, not of an error or an emergency, but of overbooking. Selling more tickets than there are seats on the plane is standard practice, and no less abusive for that. Airlines indulge in it as a hedge against those passengers who book seats and then fail to show up. It is very seldom, in fact, that all or nearly all those who have booked seats do show up for their flight. When they do, Mr Smith finds he has been grounded, with the embarrassed excuses of the ground staff as his only compensation.

This is just not good enough, in the view of the European transport Commissioner, Karel Van Miert. As he is also responsible for consumer protection, Mr Van Miert has sent the EC Council of Ministers a regulation which provides for common rules for compensating passengers, travelling on scheduled airlines, who have not been allowed to embark, even though they have a reserved seat.

The European Commission obviously does not want to go to war over the unfortunate practice of overbooking. It understands the problem facing airlines and is aware of the losses they incur because of the equally unfortunate practice of those passengers who fail to cancel their reservations. The Commission in fact is not trying to combat overbooking as such but only to obtain compensation for its unfortunate victims, as in the United States. The airlines, in defense, have argued, with statistics to back them up, that in only one flight in a thousand do all the passengers holding reservations show up. But this is one more reason, in the Commission's view, why the airlines should bear the costs, if not damages, to passengers left stranded at the airport.

Clearly it is both unjust and unacceptable that passengers whose rights have been infringed should go uncompensated. It is even immoral that the good, that is, passengers who turn up for the flights on which they are booked, should pay for the bad - those who don't even bother to cancel reservations they will not be using.

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Under the regulation proposed by Commissioner Van Miert, the airline would have to begin by asking for volunteers - passengers prepared to take a later flight - in return for financial compensation. As volunteers are likely to be few and far between, the airline will have to select the victims. The Commission has established a certain hierarchy for this purpose.

The first to be left behind would be those on complimentary tickets (such as airline staff). Passengers allowed to board the flight would include those travelling because of illness or death of a near relative; the elderly and handicapped and unaccompanied children. Passengers holding Apex and Super-Apex tickets would also receive priority in boarding the flight.

Mr Van Miert's proposal also sets out the compensation stranded passengers would receive. This would range from 25%, for passengers holding economy class tickets for delays of 30 to 60 minutes within the Community and of 30 minutes to four hours for flights outside the Community, to 50% if the delay exceeds these limits. The airline would also have to provide passengers telephone facilities, meals and hotel accommodation. If the passengers could not be booked on another flight within a reasonable time, they would be entitled to 100% compensation, of course.

This regulation should come into force at the end of the year, especially as its introduction poses no special technical problems. But the airlines have already picked up the gauntlet. From Geneva the powerful International Air Transport Association (IATA) has let it be known that it rejects the European Commission's proposals, which it has described as "far too complicated". IATA has also tried to justify the practice of overbooking. "The cost of no-show passengers", according to its director, "is too high, so that airlines are obliged to seek some kind of compensation. This is the reason for overbooking. The alternative would be to charge passengers who fail to show up for the flights they are booked on."

The fact that punishing the guilty rather than the innocent is being envisaged is already progress of a kind. But it is evident that for the IATA passengers are the only guilty parties. As the European Commission obviously takes exactly the opposite view, the two sides seem all set for a lively tussle.

FAMILY ALLOWANCES: An inalienable right ...

... to which no conditions based on geography can be attached.

A ruling by the European Court of Justice has confirmed that a European Community worker has a right to family allowances in the country in which he is employed, even when his children reside in another EC country.

The Court has come to the defense of Mr Bronzino, an Italian worker employed in Germany, whose three children live in Italy. As his children were jobless, Mr Bronzino applied to the social security office in Nuremberg, Germany, for family allowances, on the grounds that his children were dependent on him.

His application was turned down because the children were not registered with the German employment office but its Italian counterpart. The Germans argued that the purpose of the allowances is to enable beneficiaries "to deal with the critical situation on the German labour market"; they can only be paid, therefore, to job seekers between 16 and 21 years of age who are registered with the German employment office.

The Court held that the refusal of the German social security services to pay family allowances could discourage European citizens from moving freely within the Community - and would therefore be contrary to the principle of free movement of people. It was enough, therefore, that Mr Bronzino's children be registered with an employment office in any one of the Community's Member States for their father to be entitled to family allowances.