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CIVIL AVIATION: All flights have been suspended

Attempts to liberalize air travel have foundered on the Rock of Gibraltar.

The liberalization of air travel in Europe failed to take off on June 30, as everyone had hoped, because of differences between Spain and Britain over the airport at Gibraltar.

The Twelve were in agreement on virtually everything. They had agreed to important changes in the three major areas in which the proposed reforms would have a considerable impact. First, fares: the airlines will be able to set them freely. Then, capacity: each airline will be stimulated to increase its market share through a dynamic fare policy and by improving the number and quality of its services. Finally, market access: new airlines will be able to enter into competition with existing ones on densely travelled routes, while a large number of entirely new routes could be opened.

All of which adds up to lower fares and a greater choice for all airline users in the Community. This was also the European Commission's aim, as was indicated by the Commissioner for competition policy, Peter Sutherland. He advocated liberalization by stages, in order to avoid sudden changes, which would be as harmful to the airlines themselves as to their passengers.

According to the European Commission, it is necessary to do away with current restrictive practices by encouraging a climate which favours competition and fosters the spirit of enterprises and innovation. To this end, it is essential that governments should lose the right of veto they now enjoy as regards airline fares and the number of seats on offer.

A gradual approach would provide for temporary derogation from competition rules, especially as regards a number of technical cooperation agreements between airlines for a limited period of time. Certain airports, especially in Greece, Italy and Spain would be excluded from the new regulations for varying periods of time, up to a maximum of six years.

Everything was in place, therefore, and could have become operational but for Gibraltar. The famous Treaty of Utrecht of 1713, which ended the War of the Spanish Succession and gave Gibraltar to Great Britain, has once more been called into question, even if the Spaniards have insisted rather more on the competition they would face from a British airport located on the southern tip of the Iberian peninsula. This is why they would have liked to exclude Gibraltar from the agreement. Having failed to secure its exclusion, they have maintained their reservations on the entire package of reforms.

TRANSPORT: The jungle of motor insurance

Only Britain has respected the letter and the spirit of the Treaty in this area.

The Irish must obtain insurance from Irish-based companies only, the French from French companies, the Danes from Danish ones ... and so on. In the field of compulsory third-party motor insurance only the U.K. allows the free provision of services by non-established insurers.

But the situation is hardly better as regards non-compulsory motor insurance, so that the European Commission agrees fully with the Irish Euro-MP, Thomas Raftery, who regards such practices as both discriminatory and contrary to the spirit of the Rome Treaty.

The Commission in fact has taken four member states - Ireland, Denmark, France and Germany - to the European Court of Justice. The problem has also been the subject of a detailed Commission report to the European Parliament, and it forms an important section of the Commission's White Paper on achieving the internal market; in fact the time-table annexed to it provides for a specific directive on this subject.

The numerous differences among the member states, as regards accident statistics, highway codes, traffic densities, repair costs, court awards, the levels of compulsory and non-compulsory cover of the incidence of premium taxes and parafiscal changes complicate problems even further, as the Commissioner for taxation, Lord Cockfield, has pointed out.

In short, a veritable jungle which awaits the woodman's axe.

A PEOPLE'S EUROPE: A Community of holidaymakers

A pocket guide to travel in the EC.

What is the speed limit on Danish motorways? And what number must you dial for the police in Spain - or the Automobile Club in Italy? How many pounds' worth of duty-free goods can I bring into the U.K. - and how many bottles of cognac can I take into Germany, when coming from another European Community country? Is May 1 a holiday everywhere in the Community? And when it is noon in Athens, what time is it in London?

There is hardly a tourist who has not asked himself such questions, whether from necessity or curiosity. To help the innocent abroad, the European Commission has just distributed, for the second successive year, a brochure entitled "Travelling in Europe".

It contains practical information on duty-free allowances, the documents to be shown when crossing the frontier between Community countries, the green disc which makes such crossings easier, Form E111 which every tourist must have on him in case of illness, the formalities to be carried out when travelling with household pets, etc.

The Commissioner responsible for a People's Europe, Carlos Ripa di Meana, saw to it that the brochure was widely available on the eve of the holiday rush. More than a million copies have been printed, with the financial backing of private companies. Included in the brochure is a quiz on the European Community.

One of the Community's major television channels is planning to show a series of 2-minute spots this summer. Made for the European Commission, they will cover the same ground as the brochure.

AGRICULTURE: An occupation for the young?

The European Commission wants more farms to be owned by younger farmers.

During the next five years more than two million farmers in the 12-nation European Community - that is, nearly one farmer in five - will be over 55 years of age. In publishing this estimate in reply to a question from a Euro-MP from Luxembourg, Ernest Mühlen, the European Commission has underlined its importance for an agriculture in the throes of change.

Since 1984 the European Commission has been trying to redirect the common agricultural policy away from its surpluses and towards different products, better quality products and environmental protection. This implies early retirement on the part of older farmers who are less likely to make the necessary adjustments, in the Commission's view. Following their rejection by the Community's agricultural ministers, the Commission's proposals are the subject of further study.

Some of the farm land would be withdrawn from cultivation, while the rest would be taken over by younger farmers. Those over 55 would be paid a lump sum and would be entitled to some sort of early retirement. Such measures would prove expensive, given that 1.75 million farmers will be between the ages of 55 and 65, and another 600,000 over 65, in the next five years, according to Commission estimates.

But the result would be a dramatic shift towards a more youthful farm population, as otherwise farmers between 55 and 65 would control roughly 22% of farms and 30% of the cultivated farm land over the next five years in the 12-nation Community. Half these farmers would have no one to succeed them.

The stakes therefore are considerable, as are the financial problems, for the highest proportion of elderly farmers are to be found in the Community's poorer member states.

Community farmers by age group and by country, 1983  
(Percentage)

| Country            | Under<br>35 | 35 to 44 | 45 to 54 | 55 to 64 | 65 and<br>over |
|--------------------|-------------|----------|----------|----------|----------------|
| Germany            | 14,8        | 20,5     | 34,9     | 23,3     | 6,5            |
| France             | 10          | 14,5     | 28,8     | 31,7     | 15             |
| Italy              | 7,5         | 13,4     | 25,2     | 26,9     | 27             |
| Netherlands        | 10,7        | 21,6     | 29       | 27       | 11,7           |
| Belgium            | 11,6        | 17,2     | 30,2     | 29,8     | 11,2           |
| Luxembourg         | 11,2        | 15,2     | 28,8     | 24,5     | 20,4           |
| United Kingdom     | 8,1         | 18,9     | 25,6     | 27       | 20,4           |
| Ireland            | 6,5         | 17,9     | 25,7     | 27,3     | 22,7           |
| Denmark            | 9,7         | 19       | 25       | 27       | 19,2           |
| Greece             | 5,5         | 15       | 26,1     | 25,5     | 27,9           |
| Portugal (1979/80) | 8,7         | 16,4     | 25,5     | 24,8     | 24,6           |
| Spain (1982)       | 0,8(1)      |          | 46,1(2)  | 27,4     | 25,7           |

(1) Under 25.

(2) 25 to 54.

UNEMPLOYMENT: A "real" fall at last?

The number of unemployed fell by 500,000 in May in the 12-nation EC.

Unemployment is perhaps beginning to fall in the European Community after all. At the end of May the number of registered unemployed had declined by 500,000, as compared to the previous month. In April the number had already fallen by nearly 700,000, but it was put down to seasonal factors by Eurostat, the Community's statistical office. Today it claims that these factors are not a sufficient explanation.

The fall noted in May appears general. In all Community countries the number of men and women without jobs is declining. What is more, the latest seasonally adjusted figures published by Eurostat show, for the first time since 1983, a decline in female unemployment - as in unemployment generally.

The number of jobless in May 1987 (15.6 million) was down 0.6% in relation to May 1986, although statistics for the previous months pointed to an increase in relation to the same month in the previous year. But if male unemployment has fallen 3% in a year, the number of unemployed women has risen by 2.5%. However, unemployment among women under 25 has fallen by 2.9% during this same period. And between March and May of this year the percentage of unemployed women in this age group declined from 40.1% to 39.5%.

Differences between member states remain considerable, however. Between May 1986 and May 1987 unemployment fell in half the EC countries and rose elsewhere. The biggest falls were recorded in Portugal (13.9%), the U.K. (8.7%) and the Netherlands (4.7%). Unemployment fell also in Belgium (2.3%) and Germany and Italy (1,1%).

However, the number of jobless rose in Luxembourg (15.9%), Ireland (6.8%), Spain (6.7%), Greece (6.2%), France (5.7%) and Denmark (0.4%).

Within a year female unemployment has risen sharply in Spain (20.7%), Ireland (14.6%), Greece (9.5%) and France (8.5%). It has fallen perceptibly in the U.K. (11.1%) and Portugal (9%).

SPORTS: Footloose footballers have nowhere to go

UEFA refuses to play by the Community's rules.

"The European Commission will take the necessary measures to guarantee the complete freedom of movement within the European Community for all professional football players who are nationals of its member states". The European Social Affairs Commissioner, Mr Manuel Marin, did not mince his words after the representatives of the European Union of Football Associations (UEFA) had broken off negotiations, refusing to apply even gradually Community legislation on the free movement of workers.

Commissioner Carlo Ripa di Meana, who has responsibility for a People's Europe, went a step further: "The national federations have rejected a gradual and pragmatic agreement which took into account the complexity of football's problems. They allowed national pettiness and a corporative spirit to prevail, but they must know that the Commission will not shelve the issue. On the contrary, it is ready to make use of all the legal instruments at its disposal to ensure respect for Community laws in a Europe without frontiers".

The agreement which the national federations rejected (although attitudes among them ranged from the intransigence of the Italian representatives to the open-minded approach of the Spaniards) provided for complete freedom of movement, to be applied at once to three Community players, then to six and finally to the rest by 1992. The national federations obviously remained free to decide how they would deal with genuine strangers - that is, players from non-Community countries.

Commissioner Marin praised the attitude of the International Federation (FIFA) and its President, Mr Joao Havelange ("if there had been only him, the question would have been settled in a minute"), even while he reproached certain national federations for not posing the question properly. It was not a question of forcing clubs to enroll three, six or 11 players from other Community countries. In Spain, for example, Athletic of Bilbao accepts only Basque players - and can continue to do so. What cannot be tolerated are rules adopted by the federations which, with scant regard for Community legislation, prevent clubs that want to do so from fielding professional footballers from any Community country.

Recourse to the European Court of Justice in Luxembourg for violation of the rules on the free movement of workers is one possibility. But the European Commission can also make use of Articles 85 and 86 of the Treaty of Rome, which govern competition.

It is up to the Commission to set the ball rolling.

SPORT: Europe on the waves and on the roads

Two Round Europe tours this year: one by boat, the other by bicycle.

The European Community is joining hands with sport at two major events this year - one on the waves, the other on the roads. Contestants in the second Round Europe Yacht Race lifted anchor on July 12 at The Hague-Scheveningen, while those taking part in the second bicycle Tour of the European Community will leave from Rome on September 8.

The Round Europe Yacht Race, which is limited to twin- and three-hulled boats, from 15 to 22.85 metres in length, will link eight Community countries. The boats are expected to arrive in San Remo (Italy) on August 15, having dropped anchor successively at Bremerhaven (Germany), Edinburgh (U.K.), Dublin (Ireland), Lorient (France), Vilamoura (Portugal), Barcelona (Spain) and Toulon (France).

As for the cycling tour, it will commemorate the 30th anniversary of the Rome Treaty, the European "constitution", which falls this year. The Tour will traverse the Community's six founding members\*, arriving in Brussels on September 20. It will be open to both amateurs and professionals.

The Tour is being jointly organized by the six countries concerned, the task of coordinating their efforts having been entrusted to the company which manages that grand-daddy of all bicycle races, the French Tour de France. Those taking part will be coming from the member states, North and South America, Eastern Europe and Asia.

The European Commission, which is a patron to both events, will organize at every stopover a series of events aimed at alerting Europeans to the construction of Europe.

\* Belgium, France, Germany, Italy, Luxembourg and the Netherlands.

A PEOPLE'S EUROPE: The Community takes to the streets

After four days of European festivities in Brussels.

During the last days of June Brussels was host to the European summit and the marathon sessions of the European Community's agricultural ministers. But it was also the setting for an event of a very different kind altogether - the "European Festivities", commemorating the 30th anniversary of the Rome Treaty.

During four days one of Brussels largest parks was transformed into a fair ground. There were chocolate ECUs and European flags in abundance, not to mention the umbrellas and caps in the Community colours. The result was a Community altogether more relaxed and colourful than the Community of agricultural prices and a budget in the red.



EMPLOYMENT: ECU 34m.\* more for steelworkers made redundant by reorganisation

The European Commission provides additional aid for 1987.

European steelworkers made redundant this year because of a decision this year to restructure their firm will benefit from the additional aid, amounting to ECU 34m., made available at the end of June by the European Commission. Thanks to it they will find it easier to secure a new job or take early retirement.

Some ECU 22m. will be devoted to early retirement for workers who are 55 at least. Certain younger workers, especially those in backbreaking jobs, will be able to benefit from it also. This aid will cover a year's early retirement for interested workers, as against 18 months previously.

The remaining ECU 12m. will be used to help those laid off find new jobs. This aid is in addition to the more "traditional" forms covered by the agreements concluded between the European Commission and interested member states. The sums devoted to such "traditional" aid will amount to ECU 224m. this year.

The new measures are essentially a stopgap. The European Commission must draw up, before the end of the month, a global policy - industrial, regional and social - for a steel industry that continues to face critical times.

ENVIRONMENT: ECU 8m. for safety in mines and steel works

The European Commission is helping finance more than 50 research projects.

Coal mines and steel works in the European Community will be somewhat "cleaner" and safer thanks to the 51 new research projects for which the European Commission has just agreed to provide some ECU 8m.\* In most cases the money will cover roughly 60% of the cost of each project.

ECU 2.8m. will be devoted to fighting pollution. Most projects deal with pollution from coking plants and waste disposal at steel mills.

A total of 30 projects are evenly divided between mine safety and sanitation. Each group of projects is to receive ECU 2.1m. The research is aimed at finding ways to detecting fires and rock falls and developing long-range surveillance and alarm systems. Several projects deal with the harmful effects of dust in coal mines.

\* 1 ECU = UK£ 0.71 or IR£ 0.77.