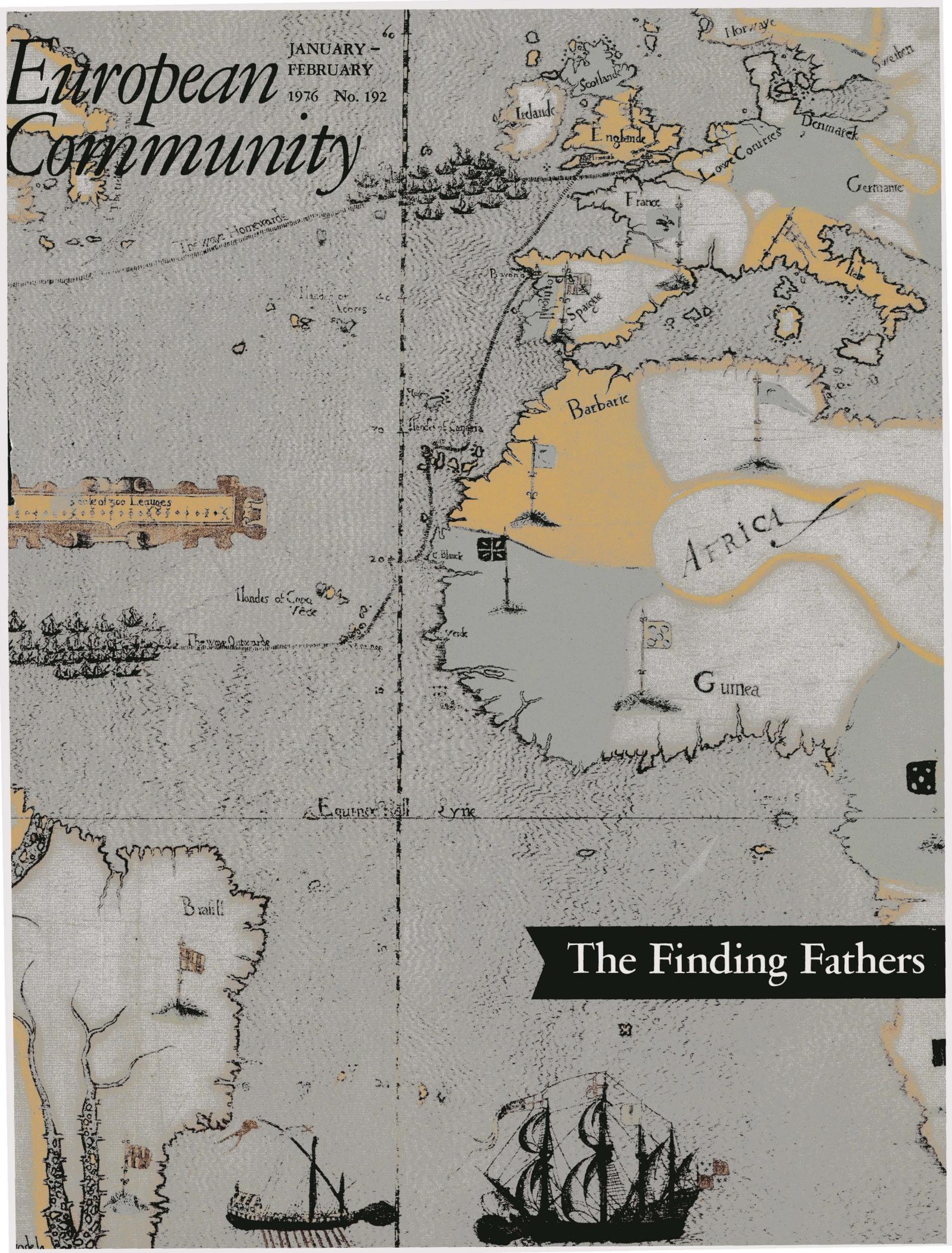


European Community

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The Finding Fathers

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to our readers

For most Americans it all started in Europe. Their roots are there; families, attitudes, philosophies were seeded over the centuries in Europe, and transplanted to grow strong in America. There is no escaping the ties between the two continents—cultural, social, economic, and political. Dante and Da Vinci, Shakespeare and Shaw, psychoanalysis and pasteurization, the sonata and the social contract—all are the property of Europeans and Americans in their joint heritage.

That heritage continues to grow, and to change: Extraordinary events are altering the face of Europe, and Americans need to know about them. And that's what this new and expanded format of *European Community* is all about.

It's 20 years since the European Coal and Steel Community first published its "Bulletin" in the United States. It began as a small, monthly newsletter with a circulation of under 10,000. As European integration snowballed, interest and circulation grew in the United States. With a new and enlarged European Community, the "Bulletin" became the magazine *European Community*. Today the 40,000 recipients include politicians, government officials, business and labor leaders, teachers and students.

Last spring we conducted a poll to better identify the readership, to gauge its interests, and to respond accordingly. It was clear, despite recent setbacks in the building of Europe and Americans' own preoccupations with internal issues, that the maintenance and strengthening of a democratic and uniting Western Europe was seen as crucial to both US and European interests.

It was also clear that there are many Americans whose lives and work are directly affected by developments in Europe but who need more information about what's happening there. Thus the current issue of *European Community*—with your support the magazine will continue to improve. The editorial staff welcomes the challenge.

It is appropriate to launch this new, expanded magazine 20 years after its first issue, 25 years after the creation of the European Coal and Steel Community, and 200 years after the United States declared its independence from Europe. We welcome your observations on the new magazine . . . and enlist your vote of confidence by returning the enclosed, postage-paid card.

ANDREW A. MULLIGAN *Publisher*

WALTER NICKLIN *Editor*

from *Cathedral Treasury*, Toledo, Ohio; *rain*; Lorenzo Vaccaro (Italian, ca. 1555-1706); *America*, silver set with *ms*; "The European Vision of America."

*Lent by American Geographical Society, New York;
Gerardus Mercator (Flemish, 1512-1594); world map
engraving found in 1578 edition of Ptolemy.*

The Finding Fathers WHICH EUROPEAN DISCOVERED AMERICA?

SAMUEL ELIOT MORISON

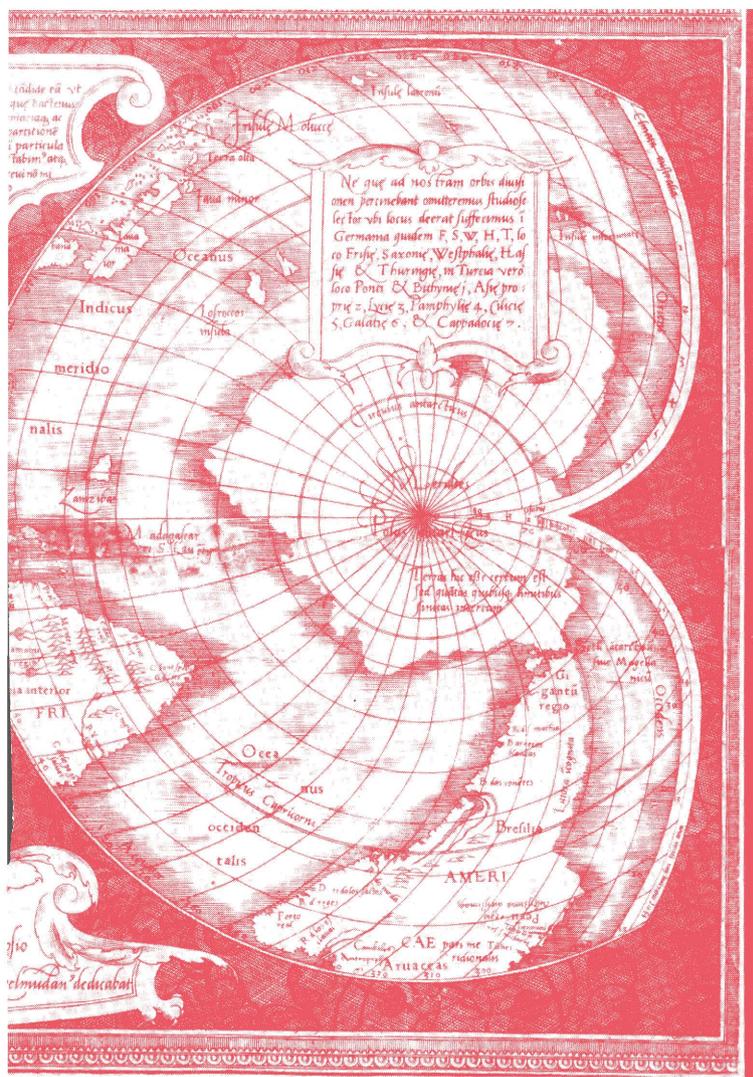
WHO DISCOVERED AMERICA? OR RATHER, WHAT EUROPEAN discovered America? For we now admit that the people whom Columbus mistakenly named Indians came over from Asia via the Bering Strait, somewhere between 25,000 and 40,000 years ago, and by the time the Europeans arrived, had spread from Alaska to Tierra del Fuego and had developed several hundred languages. In three places at least—Peru, Mexico, and the highlands of Columbia, the Indians developed highly sophisticated societies before Columbus landed; and if the Spaniards had come a century later, they might have encountered a strong, defensible Aztec empire which would have developed into a powerful nation, like Japan in Asia.

However, that was not to be, owing to the superior strength of European sea-power and weaponry. But first the Europeans had to discover America, and we must agree on what we mean by "discovery," a word so vague as to be confusing. You can "discover" America or the North Pole, and you can "discover" a nice little restaurant where you may dine well and cheaply. And is a terrestrial discovery a discovery if it leads to nothing? The Scandinavian discovery of America around the year 1000 AD was a dead-end; it led to nothing more important than a short-lived settlement on Newfoundland; it made no dent on the native culture, and the Norse settlements in Greenland,



parents of the attempts on America, died out before Columbus sailed. Shall we call these ephemeral scratches by Europeans on the vast, unknown continent, "discoveries"? I think we should, barren though they were in results. But the discovery by Columbus on 12 October 1492, of an island in the West Indies, had immense and immediate results. Spain within a year, Portugal within seven years, began their successive conquests and colonizations, which by 1600 had subjugated almost all South and Central America, and a part of North America also, to European rule. So, I call Columbus's voyage of 1492 the "real" discovery of America, even though Christopher Columbus himself never wholly realized what he had found, or even knew the name America.

As the four hundredth anniversary of Columbus's discovery approached, historians of several European countries began claiming that one of their nationals—Irish, Norse, English, Portuguese, Catalanian, and others—on scanty evidence or mere hunches, "got there first." Let us first consider the Irish. In the first Christian millennium, the Irish were great navigators in frail little currachs, boats built largely on a wicker frame and covered with ox hides. Monks, very numerous in Ireland, loved to go on long voyages, both to get away from the temptations of the flesh and to vary the tedium of monastic life. The most



noted of these voyages was the sixth-century one by St. Brendan with a crew of monks from his monastery of Clonfert in Galway. They were gone seven years, and had all kinds of adventures (such as kindling a fire on the back of a big whale which they mistook for an island), and encountering psalm-singing sea birds. Many loyal Irishmen today insist that in the course of these voyages the navigator saint *must* have discovered some part of America. I for one reject this hypothesis, because on every island where the saintly crew called there was already an Irish monastery full of monks, except one which was the seat of Judas Iscariot, banished thither for all eternity. I believe that St. Brendan sailed as far as the Azores and back; he well describes an iceberg, some of which in recent times have drifted as far as the Azores without melting.

However, hope of new evidence for pre-Columbian discovery springs eternal, and news reached us this summer that a curragh type, big enough to hold St. Brendan's crew, is being built in Ireland to follow and check up on the monastic adventure. The promoter will, I hope, have a good time; but to stretch the saint's voyage to America will hardly be convincing. During the Middle Ages the nearly contemporary narrative of this seven-year cruise was widely believed; and on medieval maps the mythical island "San Borondon" is usually found south of the Azores. Colum-

bus mentions it, and Canary Islanders were still searching for it in the eighteenth century.

It is also possible that another Irish monk or monks did hit the American shores before any other European. For in 870 AD the pagan Vikings reached Iceland and made things so uncomfortable for the Christian Irish there that they built curraghs and sailed away, most of them certainly to Christian Ireland. But the Norse Icelandic sagas state that one band, at least, "drifted over the ocean" to some northern part of America. This is the story in brief: A Norse Icelander named Bjorn got a local girl in trouble, took ship to escape her wrathful brother, and disappeared. Some years later, around 1025-30, a certain Gudleif Gunnlangson, sailing from Dublin for Iceland, was driven off his course and anchored in an unknown harbor. A band of natives who flocked to the shore and spoke Irish seized him and his crew, and were debating whether to kill or to enslave them when a tall, old, white-haired man approached on horseback and was saluted in a manner befitting to the natives' leader. Gudleif recognized him as Bjorn, who warned him that these natives, all Irish, would kill the intruders if they stayed, so they had better get out quick; which they did after Bjorn had given Gudleif a gold ring to take to his former mistress, and a sword for their son.

So it is barely possible that Bjorn's men cohabited with Indian girls and kept an Irish-American community going for two or three generations. But the rest is silence. No early Irish artifacts have been discovered in America.

THIS TAKES US TO THE VIKING AGE, circa 470-1000 AD, when the Scandinavians (Norwegians, Swedes, and Danes) were the sea-kings of Europe. The Vikings, in the beautifully constructed long ships (like those excavated in our time at Gokstad near Oslo in Norway and Sutton Hoo in England), roamed the coasts and great rivers of Europe from Russia to the Black Sea, some trading but most of them raiding defenseless towns and monasteries, carrying off slaves, gold and silver, and all manner of valuable things they could not otherwise obtain at home.

In an era when the English, French, and South Europeans hardly dared sail beyond sight of land, Norsemen from Norway, Denmark, and Sweden conquered a good part of Ireland before 800, sailed to Greenland about 985, invaded Normandy in the tenth century and Sicily in the eleventh. And in 1066, the date everyone knows, William the Norman conquered England. And although Vikings were tough and ruthless freebooters, their countrymen were not lacking in the fine arts or in politics. The eddas and sagas of Iceland are justly famous as literature; the Norman adaptations of Romanesque architecture are second only to Gothic, and the institutions that they established in Normandy were eventually woven into those of the Anglo-Saxon world.

Note on the map the "stepping stones" in the far north

to America: Iceland, Greenland, Baffin Land, and the Labrador. We have documentary evidence that a Norse Icelander named Eric the Red, banished from Iceland, sailed west, discovered Greenland, and gave it that name to attract settlers. Actually it was not an inaccurate description, for the ribbon of coastal plain on the west coast of this big, icy island is delightfully green in spring and summer, affording good pasturage. That is what the Norsemen now wanted. The Viking age of violence and robbery was over; Norwegians, pushed by the limited supply of good land in their own country, wanted to expand to a land of green pasture where cattle might prosper, and the more hardy types of corn, such as barley, flourish. Greenland was no cowman's paradise like Normandy, which Rollo the Ganger conquered in AD 911; but no other unoccupied agricultural land was available in the year of Eric's discovery of Greenland. Returning to Iceland, he went up and down the land praising the possibilities of his discovery, and as a result recruited some 15 shiploads of emigrants. They accompanied him to the west coast of Greenland in 985 and founded two settlements, the Eastern near the modern Julianehaab, and the Western near Godthaab. Both are on the southwest coast of Greenland, around Cape Farewell, as the east coast then as now was sheathed with ice the year round and unapproachable.

This settlement of Greenland was about 15 years old and doing well when Leif Ericsson, son of Eric the Red, sailed to Norway and met King Olaf Tryggvason, who persuaded him not only to become a Christian (the king was a recent convert), but to introduce the new religion to the West. On his return to Greenland Leif encountered a Norwegian named Biarni Heriulfson, commander of a trading ship, who had initially missed his Greenland destination and made landfalls on a level, wooded land, then on a second wilderness, and finally, sailing east, hit one of the Norse settlements in Greenland. He and his crew never stepped foot on the new land, but as he yet told Leif about it and even lent him his ship, I think Biarni is entitled to be called the genuine, number one, indubitable European discoverer of America. After his brief moment of triumph, he returned to Iceland in another ship and disappears from history.

If, however, Biarni was the number one discoverer of America, Leif Ericsson was number two. For, the first thing he did upon returning to his father's house in Greenland was to buy or borrow Biarni's ship and organize an expedition of kindred and neighbors to explore the land that Biarni reported. The thing that attracted him in Biarni's story was the forests, for nothing bigger than a dwarf willow bush grew in Greenland.

Biarni's ship, incidentally, was no Viking ship and Leif was no Viking. Please don't think of him dressed as a sort of Wagnerian hero under a winged steel helmet, standing in the prow of a 10-to-20-oared long ship of the Vikings



In long ships, like the one on display in Oslo, the Vikings were the sea-kings of Europe. Photo © National Geographic Society.

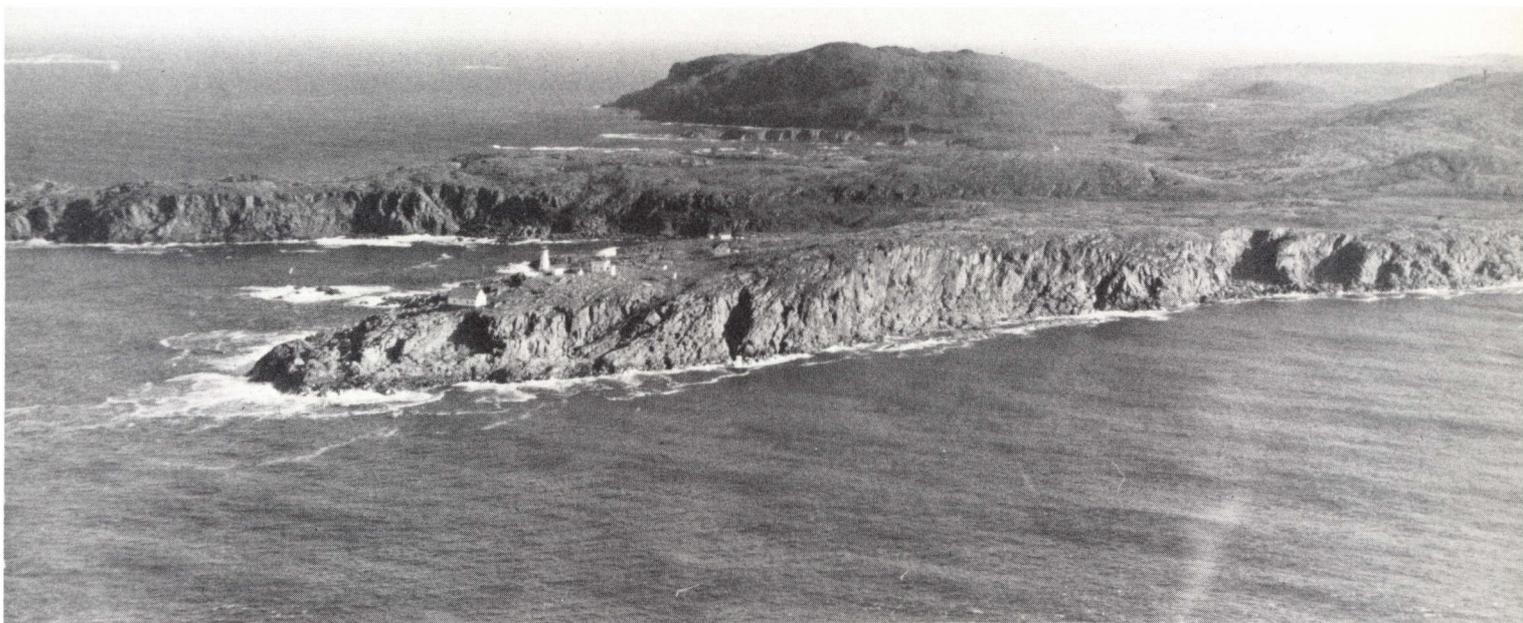
and hollering whatever was the Old Norse equivalent of "Land Ho!" His was the type known to Scandinavians as the *knarr* or *knörr*. Several of these vessels, carbon-dated around 1000 AD, were dug up around 1968 in the mouth of Roskilde Fjord, Denmark, and have been raised and restored. The one illustrated in my *European Discovery of America: The Northern Voyages* was about 54 feet long and 15 feet beam, stoutly clinker-built of oak, with pine planking, and fastened with iron rivets. There is no big figurehead of a supposedly terrifying sea monster, as there is no warship; but, like the long Viking ships, she was di-

rected by a steerboard on the right side—hence the word “starboard.” She was partly decked forward and aft, and could carry several head of cattle, as well as a cargo and 30 or more people. For auxiliary power the crew pulled on long sweeps, for which holes were cut in the uppermost plank. There is no evidence of any means of cooking food on board; the crew must have subsisted on cold victuals and beer, or mead fermented from honey.

The first place of any consequence that Leif discovered he called the Wonder Strands, and they are our first anchor for the location of Vinland. Without doubt the sands which aroused the Norsemen’s wonder were on the unique 30-mile stretch of beach on the Labrador coast between latitudes 53°45’ and 54°09’ N, broken only by the wooded Cape Porcupine. Here are magnificent yellow sand beaches with a gentle gradient, longer than any that the Norsemen could ever have seen, and the more wondrous because they occur almost miraculously in the middle of a barren, rocky coast. Behind these Wonder Strands a level, sandy plain—unique for southern Labrador—nourishes a fine stand of black spruce, and numerous streams wind through the forest and flow across the beach into the ocean.

When the Icelandic sagas were first presented, in translation, to the American learned world in Carl Rafn’s *Antiquitates Americanae* in 1837, a frenzied hunt started along the east coast of the United States and Canada for Vinland. This search lasted for more than a century, most intensively in New England because that was the northern limit of wild grapes. In 1892, Norwegian Americans, resenting the publicity which “that Italian Colombo” was getting, arranged for a newly built Viking ship to sail (or be towed) to Chicago, and even endeavored to project Vinland into Minnesota. The stone windmill tower in Newport, Rhode Island, was the favorite phony; after thorough archaeological exploration, the mill’s attribution to early Norse builders cannot be sustained.

Finally, in 1960, a pair of Norwegian archaeologists, Mr. and Mrs. Helge Ingstad, located a spot in northern Newfoundland, L’Anse aux Meadows, which they thought might be “it.” Years of summertime diggings by competent scientists have beyond reasonable doubt proved this place to have indeed been Vinland, where Leif Ericsson spent one winter, and where members of his family founded a short-lived colony. On the verge of the meadow and



Newfoundland, named “Vinland the Good” because of meadows full of wild berries from which Ericsson’s men pressed a kind of wine.
Photo by SAMUEL ELIOT MORISON

This place, however, did not satisfy Leif. Again he put to sea and sailed south from the Wonder Strands for two days. The appropriate saga says that they sailed through the channel between a big island and a cape jutting out to the north of the mainland; these have been identified as Belle Isle and Newfoundland. The climate was warmer than that of Greenland, streams were teeming with salmon, and the meadows were full of wild berries from which Leif’s men pressed a kind of wine. For that reason, and to attract settlers (as his father had done with the name Greenland), Leif named this land “Vinland the Good.”

the bay at L’Anse aux Meadows, the Ingstads have excavated the sites of two great houses, closely corresponding to the Norse dwellings earlier uncovered in Greenland. The bigger is 70 feet long and 55 feet wide. The floors were of hard-pressed clay, the walls of turf, and the roof of timber, covered with sod. There is a central hall with a fire-pit in the middle, and a little ember-box of flat stones in which hot coals were kept alive during the night. Around the fireplace are raised-earth benches which the Norsemen doubtless covered with polar bear and other skins.

In the meantime, experts in Old Norse have proved that

vinber, the name translated as wine, could mean any wild berry for which a kind of wine can be—and was—made; or even just a green pasture country.

Leif and his men, in Biarni's old vessel (which might become more famous than *Santa Maria* or the *Mayflower* if we only knew her name), returned to Greenland the same summer in 1001. Vinland interested these Norsemen mostly for the opportunity to raise cattle and cut big timber. At least three attempts were made to plant a permanent colony there. The first, led by Thorvald Ericsson, Leif's brother, used Leif's buildings, spent two winters in Vinland, and explored the nearby coast. Next, one Thorfinn Karlsevni, husband of Gudrid (widow of Leif's brother), with three ships and about 250 people, made a serious attempt to establish a community at L'Anse aux Meadows; it was they, probably, who built the "great houses" excavated by the Ingstads. In one of them Gudrid, Karlsevni's wife, gave birth to a boy whom they named Snorri. This Snorri, first European child born in the New World, grew up to be an important man in Iceland. After two winters at L'Anse aux Meadows, the Norsemen were attacked by natives whom they called Skrellings, coming in a fleet of kayaks. The Norsemen were on the run when a woman colonist named Freydis, Leif Ericsson's half-sister, won the day. She bared her breasts, slapped them with a sword, and screamed like a hellcat; this so alarmed the Skrellings that they broke off their attack and retreated.

Karlsevni now decided to give up and go back to Greenland. For the advantages of Vinland over Greenland were not enough to warrant the constant need of defense against hostile natives; and no Skrellings had yet appeared in southern Greenland. Freydis, however, loved Vinland. She instigated and led the last attempt at colonization. She persuaded two brothers, owners and mariners of a Norwegian ship which put in at Leif's Greenland settlement, to make another try. Upon arriving at L'Anse aux Meadows site in the summer of 1014, she insisted that the big house belonged to her, made the Norwegians build another; and, having her eye on the Norwegian ship as the bigger of the two, stirred up her husband with a lie about the two Norse brothers trying to "make" her, and so teased and taunted him with the "are you a man or a mouse?" routine, that with the aid of his crew he surprised and killed all the men of the brothers' party—Freydis herself finishing off the women. "After this monstrous deed," says the saga, Freydis and her husband loaded the Norwegian ship to the gunwales "with all the products of the land," abandoned their own vessel, and sailed back to Greenland.

With this sordid episode the recorded history of Vinland ends; for the Yale Vinland Map's inscription is now conceded to be a modern fake. There is evidence, however, that the Greenlanders made repeated voyages to Leif's Wonder Strands in the Labrador to load timber.

Of the Norse settlements in Greenland we have abun-

dant evidence, mainly archaeological, up to a point. Extensive digs by the Danish Government and private archaeologists have found evidence of flourishing agricultural communities; and there were at least a dozen parish churches, a neat little stone cathedral, and an estimated population of around 3000.

Greenland gradually faded out of European cognizance. The last bishop of Gardar, whom we know to have visited his see, died in 1372. Around 1492 Pope Alexander VI observed (in a letter addressed to two bishops in Iceland) that no vessel had touched at Greenland for 80 years, and that although his predecessor had appointed a bishop of Greenland, he had heard nothing from him, not even whether he went there.

What happened? The chief factor, no doubt, was bad communication with the outside world. Norse and Icelandic economy suffered grievously from the Black Death epidemic of 1349, which killed one person out of three; so the annual ship no longer came. The men, physically degenerate as their skeletons indicate, grew too weak to hunt.

It is a sad picture, the gradual snuffing out of this far-away colony so gallantly planted by Eric the Red. His last descendants, short on food, staring their eyes out all through the short, bright summer for the ship from Norway that meant their salvation. By September it became certain that she would not come that year. The long, dark winter closed in, and there was no more oil for lamps. Cold and hungry, the people lived merely to survive until next summer when surely a ship would come; but it never did. At some time in the second half of the fifteenth century, the last Norse Greenlander died.

Time's ebb and flow resisted by a recently found knarr.

Courtesy OXFORD UNIVERSITY PRESS



FOR ABOUT FOUR CENTURIES NOBODY, according to authentic records, was interested in Atlantic exploration and discovery. But a new era began when the Portuguese, after designing a fast and weatherly type of small craft, the caravel, began to push along the Atlantic coast, destination India, and to thrust out into the Atlantic, destination St. Brendan's Islands or beyond.

It began with a bachelor member of Portugal's royal house, the Infante Don Henrique, or Prince Henry the Navigator as the English renamed him in the nineteenth century—for his mother was a princess of the House of Lancaster. Henry, at Sagres near Cape St. Vincent, set up around 1430 a sort of information center for voyaging, collecting charts and other data, and encouraging shipmasters, with grants and awards, to push south along the African coast in the hope of reaching "the Indies" (India, Burma, China, and Japan) that way. Which Bartholomew Diaz finally did, in 1488.

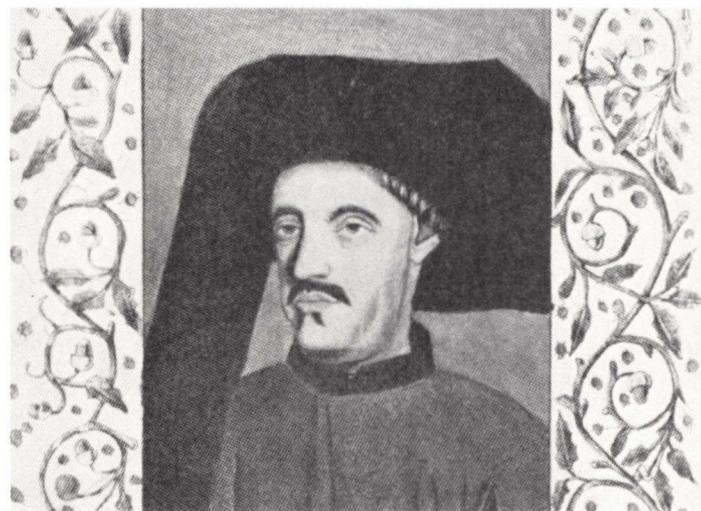
Although Prince Henry and his royal successors (Alfonso V and João II) were primarily interested in African exploration and the eastern sea route to the Indies, they did not ignore the western ocean. On one of the Catalan charts collected by the Infante, he saw depicted the Isles of St. Brendan a few hundred miles off the Strait of Gibraltar, and in 1431 he sent one Gonçalo Velho Cabral to locate them. Velho sailed well to the westward of where the Brendan chain was supposed to be, and discovered the Formigas rocks which break the ocean into a hissing froth some 25 miles east of the nearest island of the Azores. The following year he returned and discovered Santa Maria. Thence São Miguel was sighted. Third to be discovered, as its name indicates, was Terceira. São Jorge, Graciosa, the volcanic Pico, and Faial came next; and the group was named Ilhas dos Açores (Isles of the Hawks) by the Infante. King Afonso V in 1439 conferred the privilege of settling and ruling these seven Azorean islands on his uncle, Don Henrique; four years later the Infante and his brother Don Pedro began to people this fertile group, where no natives or trace of former occupants were found.

Two more Azorean islands, Flores and Corvo, remained to be discovered. These were found by a Portuguese resident of Madeira named Diogo de Tieve in 1452. Diogo and a friend named Pedro de Velasco were sent by Prince Henry to try and find Antilia, the Isle of the Seven Cities. This was a mythical Atlantic island whither a band of Portuguese Christians were supposed to have fled before a Moorish invasion of Portugal about 714 AD. The Tieve-Velasco ship sailed northeasterly from the Azores to the latitude of Cape Clear, Ireland, and on their return discovered Corvo and Flores, westernmost of the Azorean group.

Apart from its practical value, the discovery of the Azores had an immense psychological influence on discovery. Here for the first time the ocean had loosed her chains (as Seneca had prophesied), and lands hitherto un-

peopled were found where before there was nought but myth and mystery. The crossing to a new world was now more than one-third accomplished; it is 745 nautical miles from the Rock of Sintra, Portugal, to São Miguel in the Azores, and 1054 miles from Corvo to Cape Race, Newfoundland. Furthermore, these newly discovered islands proved to be fertile producers of corn, cattle, and wine, suggesting that more oceanic discovery would be profitable.

Thus another fabulous island stirred men to discovery. St. Brendan's, Antilia, and (next) O'Brasil, the Irish home of the blest which people have "sighted" off the Irish coast to this day, and which John Cabot meant to make "first stop" on his high-latitude voyage from Bristol to the Indies. Similarly, Columbus intended to make Antilia a staging point for his sea route to the Indies; and many efforts were made to find these islands. From 1462 to 1484, at least six "letters of donation" were granted by the kings of Portugal to mariners, allowing them to have and hold any hitherto undiscovered island if they could find it.



Portugal's Prince Henry the Navigator, a 15th century pioneer in voyaging, encouraged explorations to Africa and the Far East. Illustration from *Chronicle of Guinea*, courtesy PORTUGUESE EMBASSY

Although Dr. Armando Cortesão and other Portuguese historians insist that some or all of these enterprising sailors "must" have discovered Newfoundland or Hispaniola, there is no evidence that they found anything. With the exception of the Azores, the story of Portuguese westward search before 1500 is a chronicle of failure. The explanation is meteorological. They struck out into the western ocean at seasons and in latitudes where strong westerly winds, even today, make navigation for sailing vessels full of danger and uncertainty.

Dr. Cortesão's theory is that some of those bold westward-thrusting mariners, being Portuguese (which everyone will admit meant that they were the best sailors of that era), must have discovered something but never got the credit until the Cortesão brothers, in the present century, explained all this as part of a "policy of secrecy." This meant that the Portuguese kings, fearful of their rivals,

impounded and kept secret these reports of western continents and islands, hoping to use them at some future time. One cannot prove that the "policy of secrecy" never existed, because it is a concept of negatives which needs no facts. But I, for one, simply cannot believe anything so preposterous.

Not that I am denigrating the Portuguese. They were the best navigators and shipbuilders of the fifteenth century—the teachers of Columbus, Magellan, and other great mariners. And when, by a strange accident, Cabral, commander of a Portuguese fleet en route to India via Africa in 1500, blundered into the great transatlantic country subsequently named Brazil, Portugal joined the "big league" of American discoverers.

EVEN BEFORE THE YEAR 1500, when it became evident that Columbus had opened up a new world, other countries than Spain began putting in claims for one of their subjects "getting there first." I shall do no more here than name the claimants, because they all turn out to be fictitious, or their transatlantic voyage has been updated.

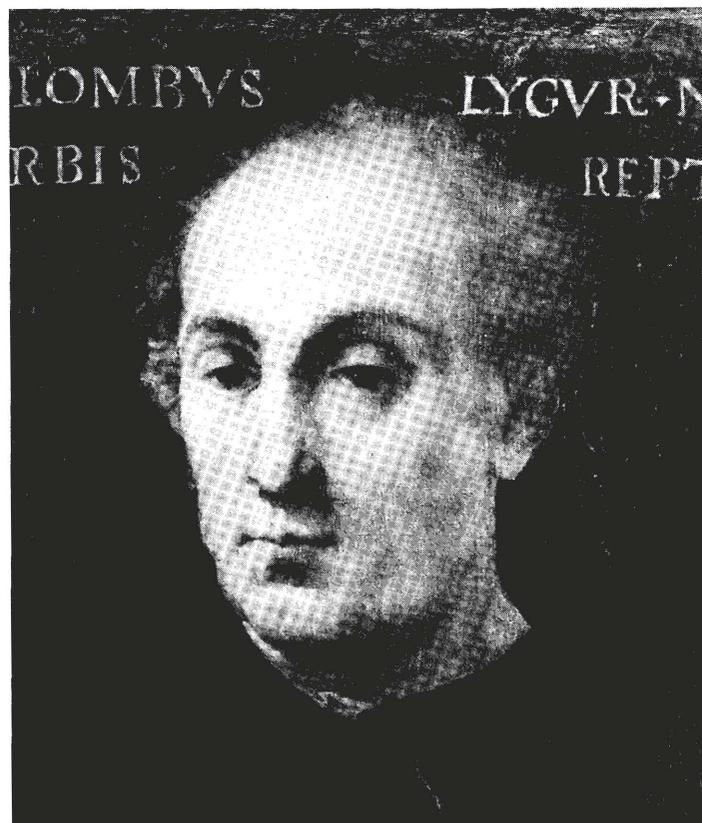
Portuguese claims: Any mythical or doubtful Atlantic island on a pre-Columbian world map is claimed as a not otherwise reported find of an unknown Portuguese sailor.

Britain's claims: First, that men of Bristol found Newfoundland in 1480. (Why, then, did Henry VII call it the New Isle in 1497 and reward John Cabot for discovering it that year?) Next, Prince Madoc of Wales, who brought a Cymric colony to America in the twelfth century. By some mysterious process this colony became a Welsh-speaking Indian tribe which moved west from the Atlantic shore until it became the Mandan in the Far West. John Dee added this tale to his map of the 1580's in order to support England's title to North America; numerous travelers for three centuries have sought out Welsh Indians and compiled impressive (though phony) parallel vocabularies of several different Indian languages with Welsh.

Venetian: Fictitious story of the Zeno brothers having discovered big islands, which they named Estotiland, Drogeo, and Frislanda, in the fourteenth century. Printed in Venice, 1558, this claim has no basis in fact, but is still defended by a valiant few.

Danish and Polish: Pining, Pothorst, and Scolvus. The first two were Danish pirates; the last, a Dane or Polander who is supposed to have piloted them in search of the Northwest Passage in 1476. All three voyages, I believe, are bogus, but Polish-Americans have adopted Scolvus (whom they call Jan of Kolno) as their Leif Ericsson and Columbus rolled into one.

Many other claims there are—ancient Gauls, for instance, discovering America for France—but none are worthy of remembrance save as examples of human credulity. The really important discoverer of America was



Columbus: "He died believing he had discovered the eastern regions of China, and to him 'America' was the name of a shipchandler."
OXFORD UNIVERSITY PRESS, courtesy MUSEO GIOVIO

Christopher Columbus, because his discovery of 1492 was quickly followed up by Spain, and every subsequent exploration of the New World was inspired by or based on his.

IT IS FORTUNATE THAT WE KNOW much about the man Colombo, christened Cristoforo in Genoa in the summer of 1451. He was the son and grandson of local woolweavers, born and raised as a Roman Catholic—distinctly not a Spanish or Catalan Jew as many nationalist Spaniards like to believe. His first 22 years were spent in Genoa or nearby Savona or at sea; he made one or two voyages to Chios, where Genoa maintained a trading factory. On this and other coastal voyages, Christopher learned to "hand, reef, and steer," to estimate distances by eye, to make sail, let go and weigh anchors properly, and other elements of seamanship. He learned seamanship the old way, the hard way, and the best way, in the school of experience. As yet illiterate, he could not navigate and thus rate an officer's billet. On his next voyage, off Portugal, his ship became involved in an all-day sea-fight with a French war fleet. His ship went down, but he swam ashore near Lagos, six miles away, and walked to Lisbon, where his brother Bartholomew had set up a chart-making establishment. In 1477 he sailed in a Portuguese vessel several hundred miles north of Iceland; and this raises the question whether he ever picked up the story of Leif and Vinland? Not likely. In any case, there was nothing in the Greenland-Vinland story of

polar bears, walrus ivory, wine, and white falcons to interest a young seaman already dreaming of an ocean route to the fabulous Indies of gems, spices, and precious metals.

We find Christopher at sea again in the summer of 1478 as captain of a Portuguese ship which Centurione, his former employer, had chartered to buy sugar in Madeira. Next year Christopher, at 28 years a master mariner, contracted an advantageous marriage with Dona Filipa de Perestrelo e Moniz, daughter of Bartolomeu Perestrelo, hereditary captain of Porto Santo in the Madeira group. The young couple shortly went to live in Porto Santo, where their son Diego (later the second admiral and vice-roy) was born, and where Dona Filipa's mother placed at Christopher's disposal the charts and journals of her sea-going husband. Not long after the birth of this, their one and only child, the Columbus couple moved to Funchal, Madeira.

In 1481 Afonso V died and was succeeded by his son João "the Complete Prince." Young (aged 26), energetic, wise and learned, ruthless and ambitious, João II equaled any monarch of his age. The young king determined to build a castle or fortified trading factory on the Gold Coast, strong enough to beat off any European rival, and to keep the natives in order. A fleet of 11 vessels was fitted out at Lisbon. Soldiers, stonemasons, and other artisans were engaged, and late in 1481 it set sail from Lisbon under the command of Diogo d'Azambuja. On the Gold Coast the men worked hard and well that winter, erecting a great stone castle of medieval design, complete with turrets, moat, chapel, warehouse, and market court; and a garrison was left in charge. São Jorge da Mina (St. George of the Mine), as this castle was named, upheld Portuguese sovereignty and protected her trade on the Gold Coast for centuries.

By 1484, when he returned from Guinea voyaging, Columbus was ready to make an amazing proposition to the king of Portugal.

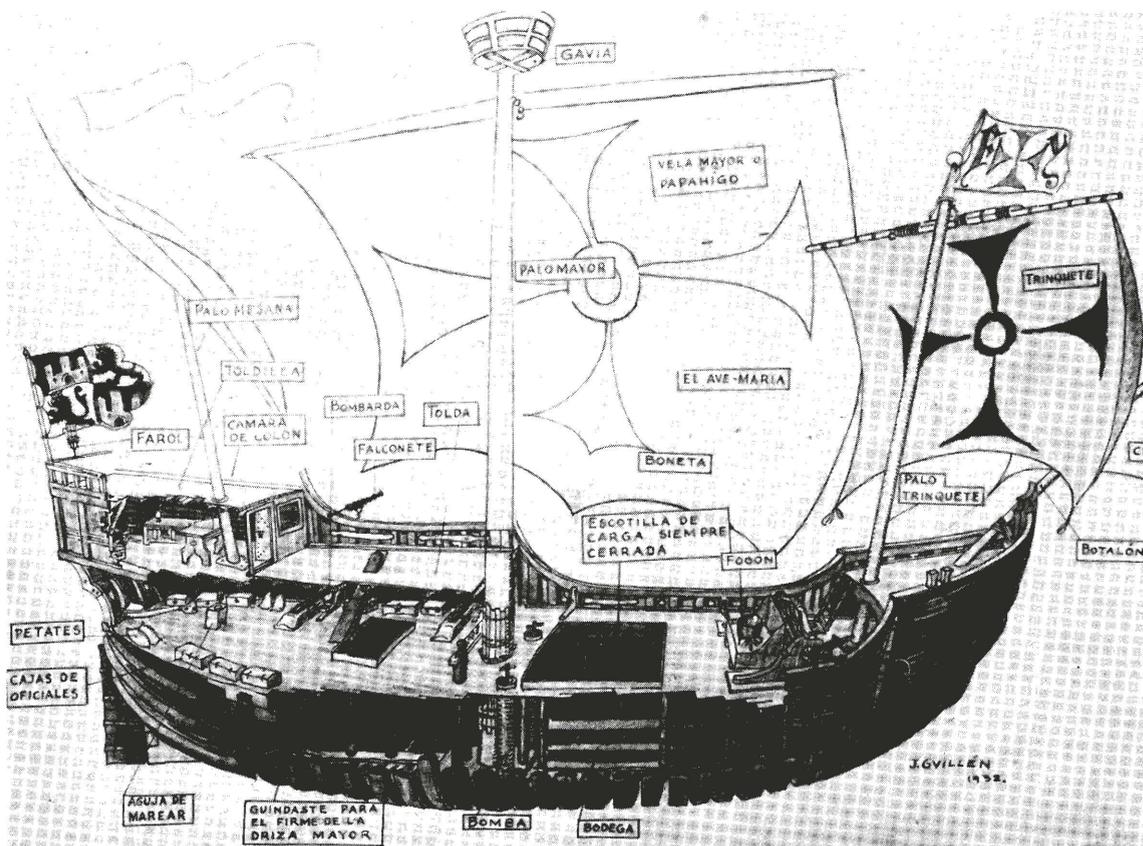
Columbus's *Empresa de las Indias* ("Enterprise of the Indies"), as he called it and to the furthering of which he devoted all his time and energy from about 1483 on, was simple enough. It was to discover a short sea route to the Indies instead of thrusting along the African coast as the Portuguese were doing. He also hoped to pick up en route some island or archipelago which would be a useful staging area; but the be-all and end-all was to rediscover eastern Asia by sailing west from Europe or Africa. He expected to set up a factory or trading post, like Chios or La Mina, on some island off the Asiatic coast, where European goods could be exchanged for the fragrant and glittering wares of the Orient much more cheaply than by trans-Asia caravans with their endless middlemen and successive markups.

Exactly when Columbus conceived this momentous plan, or had it planted in his brain, is still a mystery. All educated men of Western Europe knew that the world was a

sphere; all observant sailors knew that its surface was curved, from seeing ships hull-down. Columbus never had to argue the rotundity of the earth. When he had learned enough Latin to read ancient and medieval cosmographers, he ascertained that Aristotle was reported to have written that you could cross the ocean from Spain to the Indies *paucis diebus*, in comparatively few days; and Strabo recorded that certain Greeks or Romans had even tried it but returned empty-handed "through want of resolution and scarcity of provisions." He picked up from two famous medieval books, Pierre d'Ailly's *Imago Mundi* and Pope Pius II's *Historia Rerum Ubique Gestarum*, numerous guesses about the narrowness of the ocean; and fortunately we have his own copies of these works, amply underlined, and their margins filled with his notes. He combed the Bible and ancient literature for quotations that might apply to his enterprise, such as Psalm lxxi (or lxxii) 8, "He shall have dominion also from sea to sea, and from the river unto the ends of the earth." He cherished the prophecy in Seneca's *Medea*—"An age will come after many years when the ocean will loose the chains of things, and a huge land lie revealed; when Tethys will disclose new worlds and Thule no more be the ultimate." Against this passage in Columbus's own copy of Seneca his son Ferdinand wrote this proud annotation: "This prophecy was fulfilled by my father the Admiral, in the year 1492."

The first trace we have of any outside influence on Columbus forming his great idea is the Toscanelli correspondence, his earliest known scholarly backing. Paolo dal Pozzo Toscanelli was a leading Florentine physician in an era when the best astronomers and cosmographers were apt to be medicos, since they alone acquired enough mathematics to be men of science. In brief, it says that Paul the Physician is pleased to hear that the King of Portugal is interested in finding a shorter sea route to "the land of spices" than the one his mariners are seeking via Africa. Quinsay (modern Hangchow), capital of the Chinese province of Mangi, is about 5000 nautical miles due west of Lisbon. An alternate, and shorter, route to the Orient goes by way of Antilia to the "noble island of Cipangu"—Marco Polo's name for Japan, where the temples and royal palaces are roofed with massy gold. At some time not later than 1481 (Toscanelli died in May 1482), Columbus was shown a copy of this letter, became greatly excited over such exalted backing for his ideas, and wrote to Florence, asking for more. Toscanelli replied by sending a copy of his earlier letter, with a chart (long since lost) to illustrate his notion of the ocean's width, and a covering letter praising the young mariner's "great and noble ambition to pass over to where the spices grow."

Although none of the alleged portraits of Columbus were painted in his lifetime, we have several detailed descriptions of him from contemporaries. The best, to my mind, is the one by his son Ferdinand (Don Hernando) in



The Columbus flagship Santa Maria, a cut-out by Admiral Guillen.

OXFORD UNIVERSITY PRESS,
courtesy MADRID NAVAL MUSEUM

his biography of the discoverer: "The Admiral was a well build man of more than medium stature, long visaged with cheeks somewhat high, but neither fat nor thin. He had an aquiline nose and his eyes were light in color; his complexion too was light, but kindling to a vivid red. In youth his hair was blond, but when he came to his thirtieth year it all turned white. In eating and drinking and the adornment of his person he was always content and modest. Among strangers his conversation was affable, and with members of his household very pleasant, but with a modest and pleasant dignity. In matters of religion he was so strict that for fasting and saying all the canonical offices he might have been taken for a member of a religious order. And he was so great an enemy to cursing and swearing, that I swear I never heard him utter any oath other than "by San Fernando!" and when he was most angry with anyone, his reprimand was to say, "May God take you!" for doing or saying this or that. And when he had to write anything, he would not try the pen without first writing these words, *Jesus cum Maria sit nobil in via*, and in such fair letters that he might have gained his bread by them alone."

A quality of Columbus that his son took for granted was persistence. Once convinced that God intended him to discover a new sea route to the Indies, nothing could divert him from his quest for the means. His objective was very simple: to sail west from Spain until he hit Japan, or one of the islands like Okinawa off the coast of China. For at least 12 years he promoted this idea at the courts of Spain

and Portugal (and finally, through his brother Bartholomew, at the courts of England and France). He gave up seafaring and devoted all his time and energy to propaganda, searching ancient and modern authors for statements to support his plan. He figured out, by careful selection of the shortest calculations, that from the Canary Islands to Marco Polo's Cipangu (Japan) on latitude 28° N, was the equivalent of only 2400 nautical miles; actually it is nearer 10,000 miles, by air. That is why his proposition was turned down by several royal commissions. Nobody doubted that the world was a sphere ("Columbus was trying to prove the world was round" is just an old wives' tale); but all the experts doubted that the great Ocean Sea was so narrow, or that Asia stretched so far east, as Columbus insisted. But Columbus did convince a number of individuals, notably Doña Isabel, queen of Castile and León, with the somewhat sulky acquiescence of her consort, Don Ferdinand of Aragon.

Finally, after the last of the Moors had been expelled from Spain, Columbus got what he wanted in April 1492. The sovereigns agreed to furnish him with two ships, manned and equipped; and his friends contributed the flagship *Santa Maria*. He is to be admiral and viceroy over whatever lands he may discover, and keep one-tenth of all gold, silver, precious stones, and other merchandise thence obtained. The sovereigns also gave him a passport and letter of credence to any and every oriental potentate he might meet.

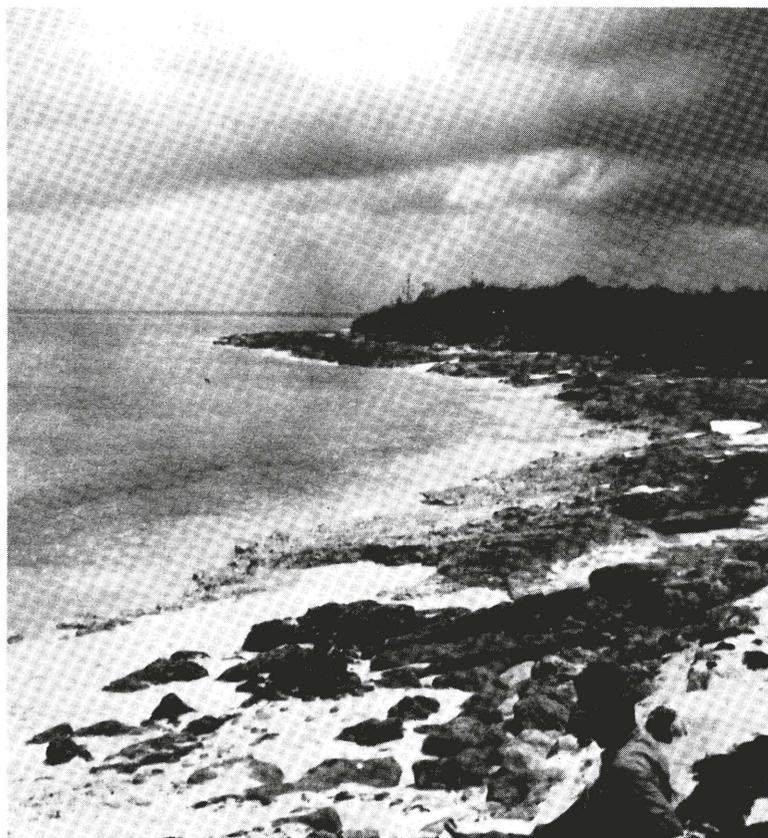
The fleet sailed from Palos, where it had been equipped

and most of the crews recruited, on 4 August 1492. In accordance with his plan to cross the ocean on latitude 28°N, Columbus dropped down to the Canaries, spent a few weeks topping off with provisions and making repairs. The Admiral there indulged in a flirtation with the ruler of Gomera, the young and beautiful widow Doña Beatriz de Pereza. The three ships sailed from the roadstead of San Sebastian, Gomera, on 6 September 1492. By the ninth, all land had disappeared under the horizon, and the three ships had an uncharted ocean to themselves.

This famous first voyage of Columbus to America was one of the easiest—a fair northeast trade wind almost all the way; “weather like April in Andalusia,” noted Columbus in his sea journal. On 25 September he thought he had found Antilia; but it was only a cloud on the horizon. After they had been at sea for a month (longer than any of the seamen had been out of sight of land), the crews became mutinous, and Columbus had to promise to turn back if they did not discover land in three days’ time. They just did.

At two in the morning of 12 October 1492, in the light of a waning moon, the cry *Tierra! Tierra!* went up from the deck of *Pinta*, and this time it was land—an island of the Bahamas which Columbus named San Salvador, its name today. As this is where the Indies should have been, Columbus named the friendly Arawaks who greeted him, Indians. And with two or three of them volunteering as pilots (the language barrier was surmounted, supposedly, by sign language), Columbus’s fleet made off for other Bahamian islands, and then for Cuba, and Hispaniola. There the Admiral found gold but lost his flagship. He planted a small colony (later wiped out by the natives), and took off in *Niña* on 16 January 1493. After a stormy voyage and calling at Santa Maria in the Azores, and at Lisbon, he entered the port of Palos on 15 March.

That was it: The real discovery of America; not that Columbus recognized it as such, or ever did; he died believing he had discovered the eastern regions of China, and to him “America” was simply the name of a Sevillian shipchandler. But Columbus’s 1492 discovery was quickly followed up. All American voyages of the first 21 years (1492-1513) were inspired by, or derived from, the four voyages of Columbus. The only exception is the independent discovery of Brazil for Portugal by Pedro Alvares Cabral in 1500. Cabral, a well-born country gentleman, was conducting a great fleet to India to follow up Vasco da Gama’s first voyage. Sailing from Lisbon 9 March 1500, he crossed the Atlantic Narrows to get a good slant on the southeast trade wind, and on 22 April raised a conical mountain on the Brazilian coast which he named Monte Pascoal. He spent several days ashore and continued his voyage to India. As the Spanish and Portuguese sovereigns had already agreed to partition the New World on a certain longitude, and Cabral’s discovery lay west of that line,



“Tierra! Tierra!” Columbus named the sighted land San Salvador.
Photo by SAMUEL ELIOT MORISON

the further development and colonization of this great land was left to Portugal. And to such good purpose that Brazil is the biggest and wealthiest country south of the Rio Grande today.

So I conclude that the real, operative discoverer of America was Christopher Columbus. But the New World (as he recognized it to be as early as 1498) was not to be named after him but after Amerigo Vespucci, a Florentine. His plausible but prevaricating book *Lettera di Amerigo Vespucci*, printed at Lisbon in 1506 (the year that Columbus died), in which he claimed that he, not Columbus, discovered the Mainland in 1497, came to the notice of a young professor at Saint Diá in the Vosges, who was getting out a new edition of Ptolemy. Martin Waldseemüller (the name of this enterprising geographer) suggested that since a fourth part of the world had been discovered by one Americus Vesputius, and as the other three parts—Asia, Africa, and Europa—had been named after women, why should not this be called America? And on a world map that he finished the same year, he placed America on the interior of Brazil.



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Photo by Bill Ray.

Essay

The EC New Year

EMANUELE GAZZO

editor of the Brussels newsletter *Agence Europe*

PART OF MAN'S NATURE IS THE TENDENCY TO "TRANSFER" to tomorrow, or to the next year, those hopes and desires that have not been fulfilled in the present, in the year just ending.

In the perspective of the construction of Europe, which is fundamentally the continuous renewal and extension of all that has been planned and carried out in the past, the year now beginning can only contain the fruits—sometimes too slowly ripened—of an effort which has often had to adapt itself to circumstances.

In spite of the material and spiritual crises affecting the whole world and the societal changes they involve, the tendency toward Europe's unification, a unification consonant with the development of relations with the rest of the world, has made substantial progress. These are sometimes "potential" advances, whose realization depends primarily on the will and strength of men. They are not out of our reach, however, and we can thus consider them as "objectives" for the near future.

It is not just a question of making "prophesies," but rather of tracing the principal points of possible developments, taking into account the logic of events and the will of man.

Even limited to the European sphere, the course of development is conditioned by many factors: the economic and social situation of the world, developed and developing; the will of European states to confront essential problems in a unified Community framework; and

the ability of the Community institutions to carry out these tasks.

It appears, at the beginning of 1976, that recessionary tendencies are regressing and making way for the beginning of an economic revival. For the time being, this is localized in certain geographical or commercial sectors. If these tendencies should be confirmed and become generalized, as experts have predicted, the Community as a whole could experience a moderate growth rate (3-3.5 per cent) in 1976 and a noticeably lower inflation rate than in 1975.

In the light of such evidence, it is obvious that many things will change. The next "tripartite conference," scheduled for June, could see agreement by the social partners and governments on immediate, concrete action to sustain economic recovery and, above all, to channel it so that it benefits those who have suffered the most from the crisis—the unemployed, or those whose work is threatened. The Rome European Council entrusted the EC Commission to put forth precise proposals in this area, one of the most important tasks to be achieved in the new year.

An economic recovery could have a positive effect on the development of the North-South dialogue, which opened on ministerial level in mid-December and should continue through 1976 on committee level. This is an undertaking whose results should reach the same level as its ambitions. Whether or not it is concerned with establishing "a new world economic order," relations between developed and developing countries should be greatly modified to the benefit of both parties.

In the same perspective, 1976 will be marked by the establishment of a new type of relationship between an organized Europe and the whole Arab world. These two worlds converge in the heart of the Mediterranean. The Community's economic relations with all Mediterranean countries should, naturally, be subject to a common policy, which should come about in 1976.

In this context, three particular cases can be identified for their political implications: Greece, an associated country, which, having achieved a democratic form of government, is asking for full membership in the European Community; Portugal, which needs massive aid right away from the Europe it wants to join; and Spain, whose political development is just beginning, a development which opens perspectives of historic scope. These three special cases will undoubtedly be discussed in depth in 1976.

The entry in force of the Lomé Convention, and the first use of the revolutionary mechanisms it involves, constitutes one of the poles of interests—not only European but worldwide—of the year 1976.

Turning toward the East, 1975 was marked by a major event—the establishment of direct relations between the

People's Republic of China and the European Community. This is another case where two worlds and two civilizations meet. The new year will see the opening of, and perhaps the conclusion of, important economic and commercial negotiations between China and the Community.

All signs indicate that early in 1976 contacts will be resumed, perhaps on a more realistic basis, between the Community and the Soviet Union, as well as with other countries of the Council for Mutual Economic Assistance (Comecon), to establish economic cooperation programs along the lines laid down in the Helsinki Conference. Significant and broad-ranging negotiations will probably open between the Community and Canada—an important industrialized country and a great reservoir of raw materials.

Up to now I have only mentioned the Community's external relations, notably in the commercial and economic areas. But, after all, economics is inseparable from politics. This was confirmed during the Conference on Security and Cooperation in Europe (CSCE), which concluded in 1975 but whose results should have an influence on the future. For the Community, the CSCE was an important unifying factor on the political level as well. Europe is closely concerned with establishing real "détente" between peoples.

But Europe has its own conception of détente which corresponds to its geopolitical situation, its interests, and its democratic tradition. A conception which can differ from that of Moscow or Washington. A conception implies a strategy, and it seems logical enough that the Community's own strategy be planned and developed in 1976. It should take into consideration certain events, including the conference to be held by the European Communist parties in East Berlin, probably in the spring, which will also formulate a strategy.

Within the framework of the United Nations, the Community presence has been a new development which has impressed the outside world. The president in office of the EC Council of Ministers, or his delegate, has spoken many times in the name of the Nine and has defended their position on some very important political questions. As a result, the Nine voted "together" in 1975 four times more often than in 1974. It is hoped that these advances will continue and increase in 1976.

A new element in Europe's evolution toward political cohesion, one with obvious economic implications, is the beginning of intra-European cooperation in the arms industry. France has agreed to participate in this cooperation effort provided that it is situated in a European, rather than an Atlantic, framework. An initial meeting will be held this winter, probably in London. This will mark an important stage in the development of what can only be a positive step toward European unity.

Close coordination of a European arms industry —

which should lead, according to Belgian Foreign Minister Renaat Van Elslande, to genuine integration—will exercise a decisive influence in the "mutation" process which the structure of Community industry should undergo in the changing world economy. This task, which should lead to a redeployment of industry, with all the necessary guarantees of a social nature, will be one of the most important facing Europe in 1976. This also implies a renewed will to give a "new dimension" to Community scientific and technological research. Important decisions on this matter will be taken in 1976. What is needed, however, is the creation of appropriate legal and financial instruments, reform of the European company statute, greater possibility for recourse to Community financing, reinforcement of the social funds which are still only symbolic, and appropriate use of regional policy instruments.

If the economic recovery should be confirmed and should become generalized, economic and monetary union could eventually revive in 1976. A strengthening of the monetary "snake" should not be ruled out, but it would have to be accompanied by institutional measures necessary for increasing the decision-making powers of Community authorities.

It is, moreover, in the institutional sector that 1976 shows promise. Nineteen-seventy-six inherits a basic decision taken in December 1975 by the heads of government meeting in Rome. That is, the decision to hold direct elections to the European Parliament in May-June 1978. The text of the convention should be approved in the beginning of 1976, then it will go before the national parliaments for ratification. At the same time, that is, on March 8, 1976, the heads of government will hold an initial debate of the report on European union to be submitted by Belgian Prime Minister Leo Tindemans.

The year now beginning will thus be characterized by a wide-ranging debate on the future of Europe, its institutions, and its objectives. Political, social, economic, and cultural forces should confront one another, parties should prepare their platforms, public opinion will be called upon to express itself, people will begin to feel that Europe belongs to them and that they can be actors in a reality that concerns them, not just spectators of a game whose nuances escape them.

Nineteen-seventy-six will be a key year because it should link and take into account the sometimes embryonic advances which have been made and transform them into fundamental changes.

This will be the final year of the present Commission, which has had to deal with what has perhaps been the hardest and most difficult period of Community history. However, it leaves a heritage with hopes that allow the disappointments and tribulations of the past to be forgotten.

Of Passports & Parliament

Flags of the EC Nine at the European Council, Palazzo Parberini.

AMERICAN COLLECTORS OF PASSPORT STAMPS WILL SOON have to find a new hobby—or travel to other parts of the world than the European Community. The Community's nine member countries have decided to replace national passports with a single type of European passport by 1978 as the first step toward a passport union. Once this union has been completed, citizens of the "Nine" will be able to travel from one end of the Community to the other without passing through customs. For Americans, it will mean a single customs check on entering the first EC country visited and one on leaving the last. (Belgium, the Netherlands, and Luxembourg have already ended passport checks.)

European passports could be in use soon, because this change needs legislation only in Germany. Other parts of the passport union will take longer to work out, because they involve changes in national laws setting conditions of entry, length of stay, and checks of luggage, currency, and cars. Eventually, the Nine will have to negotiate agreements with non-member countries to treat every holder of an EC passport the same, regardless of nationality.

The passport decision was made at a meeting of the Community members' heads of state or government, foreign ministers, and EC Commission officials in Rome on December 1-2. The group, known as the "European Council," also discussed the election of the European Parliament by direct universal suffrage. The first line of the Common Market's founding treaty says that the member countries are "determined to lay the foundation of an ever closer union among the peoples of Europe." The direct election of representatives to the European Parliament will be a cornerstone of that union. It will give the peoples of Europe for the first time a direct say in the way the Community is run.

The European Parliament now has 198 members appointed by and from the national legislatures. This procedure was, however, always considered temporary. The Parliament itself was to, and did, make proposals for the election of its members by direct universal suffrage. Only on January 14, 1975, however, did the Parliament adopt a new draft convention for direct elections taking into account the three new members (Denmark, Ireland, and the United Kingdom). This convention must now be unanimously adopted by the EC Council of Ministers and ratified by the national legislatures.

The European Council smoothed the way for completion of the convention by securing the Nine's agreement on two details:

- that elections will be held on a single date between May and June 1978;
- that until the United Kingdom and Denmark work out internal arrangements, those countries can continue to appoint members of the European Parliament.



"European power to the European people," chanted crowds along the Via Della Quattro Fontane as the Nine's leaders arrived at the summit

The directly-elected Parliament will have 355 members, who will hold office for five years.

The European Council met during Europe's worst recession since the war. The Community's unemployed number 5 million, more than 4.5 per cent of the labor force. Almost a third of the unemployed have just left school. Thousands of foreign workers have returned to their home countries, and 1.5 million workers are working short time. These conditions pose a threat to the Community's social stability.

To deal with this situation, the European Council agreed that member countries had no choice but the closest consultation over economic policy both within the Community and with the rest of the world.

The Council also expressed satisfaction with the results of last month's "tripartite conference" organized by the EC Commission and attended by representatives of labor, management, and government. The conference asked the Commission to hold more such conferences so that all parties involved in industry could explore current labor, social, and economic conditions.

In 1975 the Community had a budget of \$783 million, a figure 2 per cent of the members' total national budgets. Revenues came from customs duties, agricultural levies, and a tax on coal and steel production. The deficit was made up by contributions from member states, based on the size of their economies.

During recessions, countries, like individuals, are especially budget conscious, and the Common Market members are no exception. The European Council discussed at length ways of seeing that Community funds are properly handled and well spent.

The Council said it would like a number of budget tightening proposals studied soon and asked the EC Commission and the Council of Ministers to get the Parliament's ideas on how the latter's budgetary powers could be expanded. The Council also agreed:

- to speed up the ratification process for the treaty creating a European Court of Audit, signed on July 22;

- to hold joint annual meetings of their finance and foreign ministers for a general review of the Community's budget to improve allocation of funds between different policy areas. Eventually, these meetings would lead to budget forecasts several times a year.

The Council also heard an interim report by Belgian Foreign Minister Leo Tindemans on the chances for building the Community's past and present achievements into a European union. Preparing the report, Tindemans has talked with a wide range of political, labor, and business leaders and has also received the views of the Community's Court of Justice, the European Parliament, the Commission, and the Economic and Social Committee, an advisory body to the Commission and the Council of Ministers.

The next European Council is scheduled in Luxembourg on March 8-9, 1976. —KATHLEEN A. LYNCH, staff writer

The poster, like the crowds, called for direct elections to the European Parliament by 1978. The European Council agreed.



Banking on Development

The year 1975 may eventually be described by historians as the year that seized the conscience of the industrialized world in its relations with developing countries. The Conference on International Economic Cooperation, born in the wake of the oil crisis and finally held this past December in Paris, has dramatically shown how the fortunes of industrialized countries are inextricably linked with raw material producers in the developing world. Four countries now control 70 per cent of the world's copper, and four others supply 50 per cent of the world's rubber. Two countries are responsible for 70 per cent of the global tin production, while five nations hold more than 90 per cent of all known bauxite reserves.

Since its inception in 1958, the European Community, aware of its historical ties with many Third World countries and its traditional dependence on outside sources for basic minerals, has pursued an active development policy combining liberal trade concessions, emergency food aid, and financial support. With the signing of the Lomé Convention earlier this year by the nine EC members and 46 African, Caribbean, and Pacific (ACP) countries, including 21 Commonwealth nations and all of independent black Africa, the Community has launched an innovative program that guarantees a stable level of export earnings for its former colonies while providing them with the means of financing local projects to hasten their industrial and agricultural development.

The Herculean task of translating such grandiose plans into reality involves two little-known institutions of the European Community—the European Development Fund (EDF) European Investment Bank (EIB). During the next five years, over \$4 billion will be made available to ACP countries in the form of grants or special loans channeled through the EDF or the EIB in an effort to improve

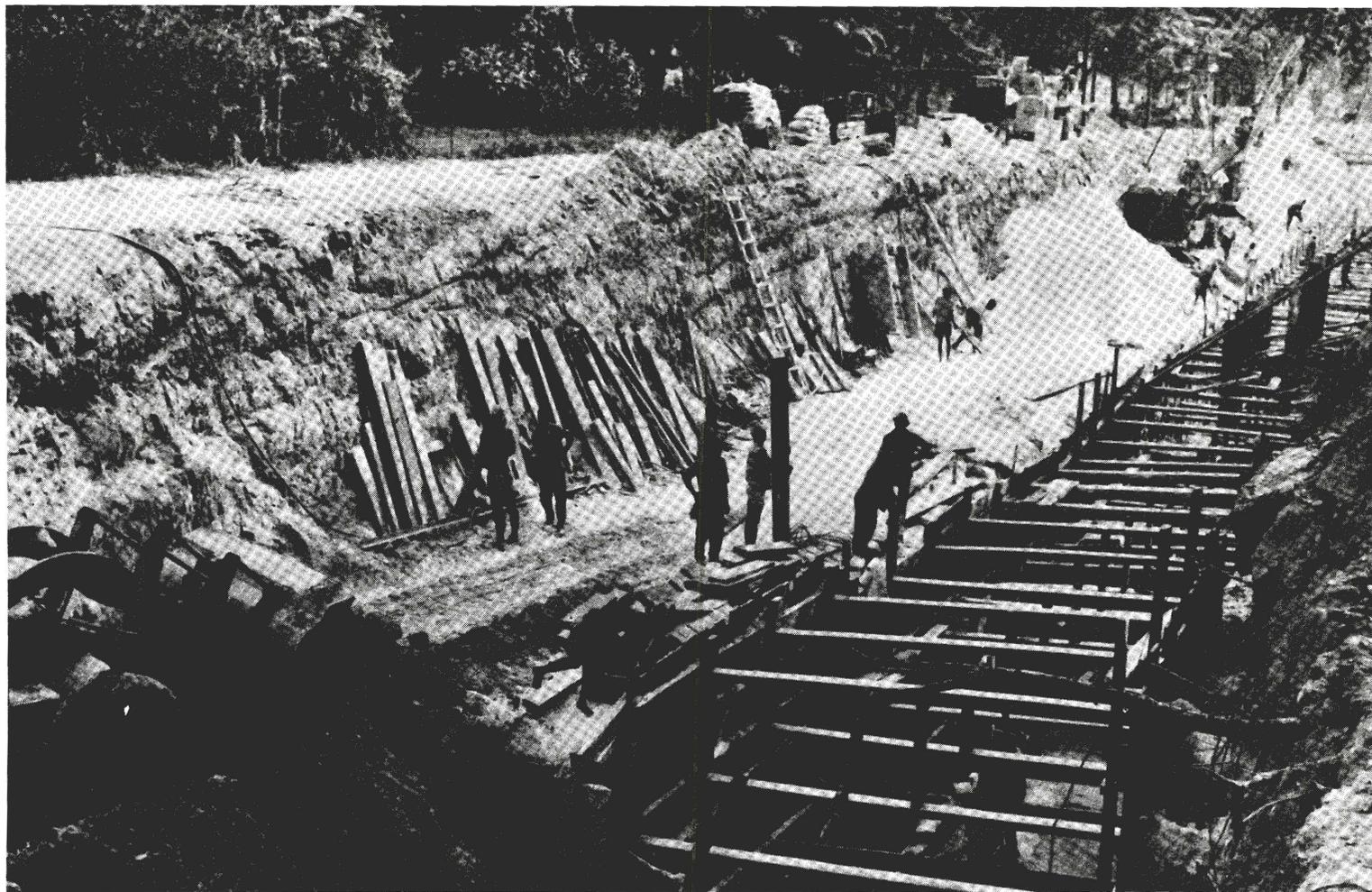
the welfare of some 270 million citizens in the developing world.

As the primary instrument of EC development aid operations, the EDF already has a rich and varied history of cooperative ventures in the Third World. In the past 15 years, under three separate funding programs, the EDF has granted more than \$2.6 billion (2,216 million units of account) to bolster rice production in the Niger Valley and the marshes of Mali, promote seed treatment and crop preservation methods in the drought-stricken Sahel countries, resurface roads in Somalia, and develop water supplies in Central Africa, to mention only a few of the projects that have been underwritten.

The investment aims of the EDF have proved flexible, evolving with the needs of the developing countries. With world food prices rocketing in the past few years, more EDF money has been funnelled into programs aimed at higher self-sufficiency in the cultivation of basic food requirements, especially in those countries whose balance of payments have been hit hard by the new era of expensive food and oil. Besides improved farming techniques, a big portion of EDF funding has gone into the construction of better roads and communication networks, so that trade among the developing countries themselves can be increased. To meet the lack of adequate health care, the EDF has also financed the building of new hospitals accompanied by training programs for local personnel, such as the Nouakchott National Hospital in Mauritania.

To help some countries diversify their exports and thereby protect income from the vagaries of weather and fluctuating world markets, the EDF backs investment studies and furnishes technical aid to countries that wish to shift to different crops. In one of the first projects of this sort, carried out by the EDF in 1962, the countries of Rwanda and Burundi chose tea cultivation as an initial step to move away from their exclusive dependence on one export cash crop—coffee—and one primary customer, the United States. By 1974, after about \$48 million had been poured into the projects in the two countries, over 10,000 hectares had been shifted to tea production, a new source of income to supplying for their economies.

While the EDF continues to offer direct grants and subsidized loans to developing countries, the European Investment Bank, under the Lomé Convention's expanded arrangements for loans, will begin to play a more active role in aiding developing countries than in the past. Until now, the EIB has confined most of its activities to EC member states, whose underdeveloped regions, like the southern part of Italy or rural Ireland, have received about 85 per cent of all EIB financing. In anticipation of the EIB's enhanced status with countries outside the nine-nation Community, the EIB's board of governors decided in July to increase its capital by about \$1.8 billion to approximately \$4.2 billion.



Construction of an urban water system in Brazzaville, financed by the European Development Fund.

EIB officials perceive a future role as "Europe's own version of the World Bank," and the EIB's growing importance has already been felt in Greece and Portugal, following their emergence from the dictatorships that ostracized them from the Community. In October the EIB's board of governors held its first meeting in Athens and announced the biggest EIB loan yet provided to Greece—\$30 million for an irrigation project on the eastern Macedonian plain. Contacts have recently been established between Portuguese and EIB officials over how \$173 million, approved by EC foreign ministers in October as "exceptional emergency aid for the Portuguese economy," will be put to use in an attempt to restore a favorable investment climate in Portugal.

Last year the EIB provided two loans totaling over \$38 million to Zaire in order to boost production capacity in that country's copper mines and also build a modern refining plant. Thus, the EIB-financed project will do more than simply help Zaire raise its production levels of copper; it will also give it the means to acquire a greater stake in the processing and marketing of its minerals.

The Zaire copper plant project holds special significance, for in the past, one of the more truculent demands of developing countries has been to seek a bigger share of the production cycle. As the calls for greater self-sufficiency by the Third World become more strident, the need for a satisfactory response by the industrialized world will be-

come more acute. In the European Development Fund and the European Investment Bank, the Common Market countries have two important financial instruments of proven capability to meet the challenge of global economic democracy posed by the developing countries.

WILLIAM DROZDIK, American freelance writer based in Brussels



The European Investment Bank made its first bond issue to be placed wholly on the United States domestic market, late last year. The loan, amounting to \$75 million, was underwritten by a syndicate of investment banks headed by Kuhn, Loeb & Co., The First Boston Corporation, Lazard Freres & Co., and Merrill, Lynch, Pierce, Fenner & Smith, Inc.

The coupon rate was 9 per cent payable half-yearly, and the bonds were issued at par. The issue was registered

with the Securities and Exchange Commission and will be listed on the New York Stock Exchange.

The European Investment Bank had not previously launched an issue on the United States domestic market mainly because of the existence, between 1963 and 1974, of the interest equalization tax. This initial issue was favorably received, because of the standing of the EIB and the security attaching to its operations, which reflected in the "triple A" rating, accorded only to first-class borrowers.

The EIB will use the proceeds of this issue in its ordinary lending operations in the same way as the other funds which it raises by public or private loans on financial markets inside and outside the Community. In addition to private loans in 1975, the EIB floated public issues in Germany, the Netherlands, Belgium, Luxembourg, Switzerland, and on the international market.

ECN AT

PETER STRAFFORD New York correspondent for *The Times*, of London, who formerly reported from Brussels

Accounts of the doings at the United Nations often describe the activities of such groups as the Africans and the Arabs. There is less about another group which is smaller and less often united, but still influential—the nine members of the European Community. The Community has put a lot of effort in the last year or two into working out a common approach to world problems and is making its voice increasingly heard.

The Community is, of course, an entirely different type of organization from the United Nations. The United Nations is an all-encompassing body which aims eventually to include every country in the world, rich and poor, and now has 145 members. The Community is a smaller, more tightly-knit group of similar countries, all of them in Western Europe and with a broadly comparable approach to the world. Most fundamentally, in political science parlance, the United Nations is an international organization, and the European Community is supranational.

The Community, primarily concerned at present with economic questions, aims to develop common policies in other, more purely political areas as well, and the United Nations is one of the main places at which this is carried out. A large number of the world's problems are dealt with, with greater or lesser success, in New York, and the constant flow of votes provide the incentive to the EC Nine to try and work together. One has only to look at the voting sheets to measure how well they are succeeding.

The figures, however, do not tell the whole story. Even when they do not end up voting together, the Nine have close consultations on every issue that comes up, whether it is in committee or in a plenary session of the General Assembly. When the Assembly is in session, during the fall, the nine ambassadors meet once a week, and other issues are handled at lower levels. The result is that they pool the information that they receive from different sources, and often succeed in overcoming their internal differences.

It suits all of them, because by working together they

can carry greater weight than any one of them could carry on its own. A French diplomat commented to me recently: "Nowadays, they don't ask what France will do. They ask what the Nine will do."

The Community as such recently acquired observer status at the United Nations, which means that representatives of its executive body, the Commission in Brussels, can speak in committee. This is particularly valuable when economic issues come up, as they did at the General Assembly's special session on economic development at the beginning of September. Throughout that conference, not one of the member countries spoke for itself in committee; they were always represented, either by a Commission official or by an Italian, since Italy was currently chairman of the EC Council of Ministers.

The special session was generally felt to be successful, not least as a result of the efforts of the European Community, which took the view that a real effort should be made to meet the preoccupations of the developing world. The Americans took a similar approach, at least partly because of prodding from the Community, and the result was serious negotiations over the future of the world's economic structures. The conference helped to dispel the image of the United Nations as a place of hot air and bitter confrontation and, it is hoped, created a better atmosphere for more detailed negotiation on such issues as trade and international monetary affairs in other organizations.

Several EC member states do, of course, have a certain influence at the United Nations in their own right, and this is increased when they work together with the others. One sign of this is the fact that countries which are looking for support at the United Nations make a point of coming to address joint meetings of the nine ambassadors in order to get their arguments across. That was evidenced last fall by Egyptian Ambassador Ahmed Meguid, and Israeli Ambassador Chaim Herzog, as well as by representatives of all the four parties to the Cyprus dispute—the

Greeks, the Turks, and both the Greek and Turkish Cypriots.

Even more remarkable was the fact that Soviet Ambassador Yakov Malik asked to come and speak to the Nine about the Soviet proposals for disarmament. The Soviet Union is not normally very enthusiastic about the European Community, which it does not recognize as such. But in this case it overcame whatever scruples it may have had. "So these are the powerful Nine," Malik is quoted as saying with a smile as he sat down.

The United States has not made this sort of move, but then it does not need to, since it has such close relations with the various members of the Nine in any case. The Nine make a point of working closely with the Americans, but they also make a point of following their own policies, which may not necessarily be the same as those of the Americans. At the end of the special session on economic development, for instance, the American representative made a long list of reservations to the final resolution, while the EC countries made many fewer.

LAST FALL, when the more political issues came up, there was a general feeling among the Nine that the very combative approach of US Ambassador Daniel Patrick Moynihan was counterproductive and damaging. Moynihan upset many of the Third World countries by his attack in October on President Amin, of Uganda, and the Organization of African Unity as a whole, and by his outspoken approach to the resolution condemning Zionism as "a form of racism and racial discrimination." The issue came to a

"When Europe does not speak with one voice, it is voiceless," says Gaston Thorn, president of the UN General Assembly and the EC Council of Ministers, shown here in an autumn meeting with President Ford. WHITE HOUSE Photograph



head after British Ambassador Ivor Richard made a speech that was sharply critical of Moynihan's approach.

Generally speaking, the Nine are more inclined to seek out common ground with the developing countries, in the belief that the less militant of them are prepared to cooperate in a process of give-and-take, and in the hope that this will isolate the more revolutionary ones. Many EC member states do, after all, have long-standing links with these countries, and they aim to make the most of them.

This does not mean that the Nine always agree what to do, particularly in such areas as the Middle East and southern Africa. In the Middle East, it has proved very difficult to work out a common approach, largely because of France's relatively pro-Arab policies. There was one day in November, for instance, when there were votes in the General Assembly on Palestine and on the Zionism resolution. Efforts had been made to get a common stand on the two Palestine resolutions, but the French said that they could not accept this. At this, some of the other EC members said that they could not either, and so the Nine were divided, with some of them voting against the resolutions, and others abstaining.

On the Zionism resolution, the Nine had made a coordinated attempt to lobby for opposition to the resolution, not, as it turned out, very successfully. One of the arguments they had been using to the Africans was that it would affect EC support for a project known as "The Decade for Action to Combat Racism and Racial Discrimination." This had originally been directed against apartheid, but its scope looked like being enlarged to include Zionism.

Since this argument was only having a limited effect, eight EC members voted against two resolutions on the Decade project which they would otherwise have supported. France, on the other hand, first voted in favor of the two resolutions, and then, when the Zionism resolution had been adopted, announced that it was changing its vote to an abstention. All EC Nine voted against the Zionism resolution, but the day's maneuvers showed that they were not tactically at one.

They made the best of it by making a joint statement on the Palestine issue, delivered by Italian Ambassador Piero Vinci, in which they set out the points on which they did agree. These were essentially the rights of Israel to exist within secure and recognized boundaries and the right of the Palestine people to express their national identity. Vinci pointed out that though they might be voting differently on the two Palestine resolutions, they were united in not voting for them. One set up a UN committee to promote the Palestine cause; the other called for the Palestinian Liberation Organization to be present at the Geneva conference on the Middle East.

In the United Nations Educational, Scientific, and Cul-

tural Organization (UNESCO), however, the Community presented a solid front on the "Zionist" question. On December 18 eight EC countries—Luxembourg did not attend—joined the United States, Canada, and Australia in walking out of an 80-nation UNESCO meeting to protest a "Zionism equals racism" resolution in proposed mass media guidelines.

The Nine had success last year on some other issues. They all voted together, for instance, on the Korean resolutions, supporting one that was put forward by the United States and others, and opposing one put forward by the Soviet Union, China, and a number of Third World countries. (Ironically, both were adopted.)

They also all voted in favor of a resolution on Cyprus, which called for the withdrawal of all foreign forces from the island and the resumption of the talks between Greek and Turkish Cypriots. This was in spite of the fact that they do not always have the same views on Cyprus, with the

Ivor Richard, British UN Ambassador, says the EC presence gives Britain greater clout and more protection on sensitive issues. UPI



West Germans more inclined to support the Turks, and the French to support the Greeks.

On questions affecting southern Africa, on the other hand, it has again proved difficult to get the Nine to vote together. This is because three of the larger members—Britain, France, and Germany—all have interests they feel they need to defend in the area, and so are more exposed, while the others feel freer to vote with the Assembly majority. Last fall there were two resolutions on Rhodesia, one of which was adopted by consensus. The other was more controversial and called for the widening of the scope of economic sanctions against the Rhodesian regime, and criticized the United States for its policy of importing chrome and nickel from Rhodesia. Ireland, Luxembourg, the Netherlands, and Denmark all voted in favor of this second resolution, while the others joined the United States in abstaining.

Generally speaking, all EC countries feel that there is much to be gained from close cooperation and working towards common positions. They believe that the United Nations has to be taken seriously as a place in which to deal with the developing countries, particularly in the changed economic circumstances of today, and that working together helps them all. They have succeeded in overcoming differences on some issues and narrowing them on others.

Ivor Richard, the British ambassador, told me recently that it made his job easier, giving him greater clout than Britain alone could wield, and more protection on sensitive issues. Johan Kaufmann, the Dutch ambassador, said that his country, too, was pleased with the direction in which they were going. It was also important, however, that it should not prevent a country such as the Netherlands from maintaining its contacts with other groups, and taking a "progressive" line on some issues.

The point is that each of the Nine has its own outside contacts and its own interests, not always the same. French diplomats, for instance, concede that Paris will not always allow them to go along with common EC positions. But they add that they are particularly exposed on some other issues, such as their policy of nuclear testing and the attitude to be taken towards the Comoro Islands, now a member of the United Nations, and that they do not get EC support on them.

The European Community has, however, now become a presence at the United Nations, and a factor that everyone there has to take into account. In the last half of 1975 the Italians made joint statements on behalf of all EC members on a wide range of subjects, from trade policy to such touchy issues as Rhodesia and Cyprus. It may not be a common foreign policy. But it has many of the makings of one, at least in the international arena of the United Nations.

Money, Money, Money:

Remoulding the International System

PAUL LEWIS Washington correspondent for the London *Financial Times*

There has been a sharp improvement in Europe's monetary relations with the United States over the last few months. At the International Monetary Fund (IMF) meeting in September, partial agreement was reached on a limited package of reform measures. Further progress came at the Rambouillet summit in November, when the French buried their quarrel with the United States over the merits of floating exchange rates. As a result, the finance ministers of the industrial and the developing world were expected to approve the reform package formally in January, at the Jamaica meeting of the IMF Interim Committee.

Their agreement will doubtless be hailed as a significant first step in improving the world economic system as well as a symbol of that cooperative approach to solving the present crisis which the leaders of Europe, the United States, and Japan endorsed at the Rambouillet summit. In practical terms, however, the new monetary reform package falls well short of the ambitious plans the International Monetary Fund adopted only a few years ago and will have only a limited impact on the real problems facing its members today—recession, inflation, deteriorating relations between rich and poor, and the threat of raw material shortages.

The drive for world economic reform was launched by President Nixon in the wake of his economic "bombshells" of August 15, 1971, which finally toppled the Bretton Woods monetary system. The dollar's convertibility had been abruptly suspended and a surcharge imposed on imports in an effort to force other countries to upvalue their currencies and make American goods more competitive again.

In this way, the Nixon Administration hoped to end America's chronic postwar payments deficit—essentially the result of its superpower role—which had strained the whole Western alliance by pumping a flood of inflationary

dollars around the world. But despite these strong-armed tactics, the United States tried to underline its continuing commitment to global economic cooperation by inviting other nations to negotiate a new and more equitable monetary system and take part in another trade liberalizing exercise in the General Agreement on Tariffs and Trade (GATT).

In the specially created IMF Committee of Twenty, work began promptly on reforming the monetary rules set up by victorious allies at Bretton Woods in 1944 and which the Americans now claimed had discriminated unfairly against them by keeping the dollar overvalued and flooding the United States with foreign goods. Meanwhile in Geneva, preparations got underway for a new round of tariff-cutting negotiations.

At first the Americans proposed a more flexible version of the old Bretton Woods system, under which emerging payment imbalances would be quickly corrected by small changes in the fixed exchange rates all countries would still maintain for their currencies, though with the creditors taking at least as much of the adjustment burden as the debtors. But the Europeans feared that the United States was again asking them to finance its monetary excesses—this time by revaluing their currencies whenever it got into deficit, as well as holding more dollars in their reserves.

They insisted, therefore, on the dollar's reserve role being phased out under the new system and on incorporating many of the old Bretton Woods "disciplines" which the United States had successfully escaped in the past. The dollar was to be made fully convertible again, with the United States accepting some responsibility for the huge dollar balances the rest of the world held, while all future reserve creation would be done collectively through the IMF's Special Drawing Rights scheme, and not as the re-

sult of an American deficit.

But by the time IMF finance ministers gathered in Nairobi for the final bargaining session in 1973, the United States had already achieved an exchange rate system more attuned to its need than any offered through the reform exercise, and agreement proved impossible. For the speculative forces unleashed by the general monetary uncertainty in the world had forced most countries to abandon fixed exchange rates and let their currencies "float" on the market against the dollar.

This floating rate system carried the risk of producing unsettling fluctuations in currency values which could disrupt trade and encourage protectionism. But it also meant that for the first time since Bretton Woods, the US Administration no longer had to worry about its exchange rate and the political tensions that a continuing outflow of dollars could create. For rather than accept more unconvertible dollars into their reserves, other countries were now automatically adjusting their exchange rates to produce equilibrium. Later that year the huge financial tensions set up by the oil price increase made a return to more rigid monetary conditions doubly impossible.

So instead of a root and branch reform, the International Monetary Fund set about tidying up the rough edges of the floating rate system that the world was now left with. The Jamaica package is the first fruit of this effort. Its least controversial aspect is the decision to increase the quotas, or subscriptions, members pay the International Monetary Fund so that it can provide more financial assistance, particularly to developing countries. At the same time, the big industrial countries have given up some of their voting strength on the IMF Executive Board to the oil producing nations in the hope of encouraging them to handle their newly found wealth responsibly.

The significance of the other two elements in the package is more difficult to assess. For both really represent ambiguous compromises in the running conflict between Europe's efforts to emesh the United States in a disciplined monetary order and America's need for freedom, which has been at the heart of the monetary debate all along. In September ministers reached a curiously unsatisfactory agreement on gold that sought to bridge the gap between America's commitment to demonetizing it and the Europeans' belief—led by France—that it should still play a limited monetary role.

The International Monetary Fund is to sell one-sixth of its gold holdings (25 million ounces) to raise development finance; all references to the metal in its rules will be expunged, and the so-called "official gold price" abolished. In addition, major countries have promised not to manage the free gold market or increase their aggregate gold holdings by purchases there for the next two years. However, in return for these concessions to the American point of view, the French successfully insisted on IMF return of

another 25 million ounces of gold to member countries' reserves.

The agreement also allows Central Banks to offset the downward pressure which the IMF sales are likely to exert on the free-market price of gold—and thus on the value of their own gold reserves—by making compensatory purchases, using the Bank for International Settlements at Basle as an intermediary. However, the legality of this is being contested in the US Congress and also by the developing countries, which might demand additional concessions as their price for acquiescing in an arrangement of primary benefit to the industrial world.

THE AGREEMENT'S FINAL AMBIGUITY concerns the ultimate fate of gold, which is left hanging in the air. The Germans may have come out for demonetization along with the Americans at the last IMF meeting—but this did not stop them accepting the Italian Government's gold as collateral for an earlier loan. Moreover, the Common Market countries' commitment to EC monetary union gives them greater need for reserves to support their currencies inside the Community "snake" than those with fully floating currencies. The least to be said, therefore, is that the gold debate may well reopen in two years' time, when the Jamaica compromise expires.

The third component of the Jamaica package is the understanding on exchange rates reached between the French and Americans at Rambouillet, and which France made a condition for ratifying the other two agreements in January. Technically, all countries with floating rates are in breach of the IMF rules. But while the Americans proposed changing these to allow both fixed and floating regimes, the French insisted on fixed rates remaining the norm.

The Rambouillet compromise gives both systems equal legitimacy; and while it lays down a procedure for a general return to fixed rates, it also gives the United States the power to veto any such decision. However, in return for this the Americans have promised to consult closely with other countries on stabilizing the dollar's float. Although the Americans insist they will not try to prevent fluctuations that reflect basic economic trends, they now appear politically committed at the highest level to ensuring greater exchange rate stability in the world.

In broad terms, the Jamaica package marks a modest step toward a more orderly monetary system as well as a practical example of the cooperative approach the major countries pledged themselves to adopt toward international economic problems at Rambouillet. But the crucial question is what contribution it will make to the real challenge before the world today of restoring stable economic growth and improving relations between industrial and developing countries.

The priming of the IMF trust fund through the sales of IMF gold—however this is done—and the increase in



Fund quotas will raise the supply of credit available next year for financing the developing world's payment deficit, which is likely to exceed \$30 billion. This should both contribute to a general economic recovery by helping the developing countries sustain their imports and show that the industrial world was sincere in its pledge at the United Nations special session last September to assist the poor.

On the other hand, relations between the Third World and the richer countries remain strained, despite these offers of assistance, and there are still fundamental differences of view over what should be done. While the developing world demands a radical reform of the international trading system to redistribute wealth, the richer countries feel the first priority must be the resumption of stable growth in the West.

But will the new exchange rate agreement help the industrial countries overcome inflation and promote recovery? It will certainly assist the process if it leads to a more stable currency float; for there is a real danger that another big swing in the dollar's external value of the kind occurring in the past would set up strong protectionist pressures in Europe and Japan that could undercut any upturn in world trade.

The existing exchange rate structure is clearly anything but stable, moreover, with the stronger Common Market currencies locked together in their "snake" and floating as a bloc against the dollar, the yen, the lire, and the pound. In addition, nothing has been done to control the growing and volatile pool of eurodollars, whose movements could make the task of stabilization extremely difficult.

Whether floating exchange rates actually encourage inflation remains a matter of controversy among economists. But the Bretton Woods founding fathers certainly hoped that the defense of a fixed parity would promote balanced domestic policies. And the Ford Administration's commitment to an inflation-free recovery would look more convincing in the absence of a spend-thrift Congress and a Presidential election this year.

All the same, it looks as if the United States will have to take seriously the commitment to a more stable monetary

system that it gave at Rambouillet—at least for a time. For one thing, the Administration probably has an interest in seeing the dollar retain its current approximate value, for any further appreciation would risk making American exports uncompetitive while a fall would encourage inflation. In political terms, too, the Administration's credibility with its allies would be in tatters if its promises turned out meaningless.

It is possible that even broader habits of cooperation will develop informally out of this commitment to consult about exchange rate movements. At the Rambouillet summit, the major industrial countries certainly pledged themselves to harmonize their recovery policies across a broad range. But they were reluctant to create any formal monitoring machinery for fear of undercutting existing international institutions and exciting the jealousy of nations not invited.

However, the Western nations have still to turn their back definitively on protectionism and beggar-thy-neighbor policies by making a reality of the Geneva trade-freeing talks. The pledge to do this was made at Rambouillet and 1977 set as the terminal date for the exercise. But the spirit of protectionism is still alive and well in both the United States and Europe, as witnessed by the British Government's interest in import controls and the stricter safeguards against unfair foreign competition that American industry demanded as its price for supporting the new GATT negotiations.

Moreover, it is worth remembering that all these pledges of cooperation and consultation between Europe, America, and Japan have been given under the impact of the most severe economic crisis the West has experienced since World War II. The really interesting question for the longer term is not just whether the much-vaunted spirit of Rambouillet and Jamaica is strong enough to carry the world out of its present difficulties—but whether this spirit would survive if the industrial powers succeed in restoring stable growth, allowing Europe and America to recover their self-confidence again and their taste for independent action.

Competing

In the most punitive action it has ever taken against a single firm, the EC Commission has fined United Brands Company, of New York, \$1.2 million for an "abuse of dominant position" in the European banana market. The food multinational, the world's largest banana trader, was found selling Chiquita bananas in some countries at double the price charged in others. Commission anti-trust officials in December ordered United Brands to cut prices in five Common Market countries; failure to comply will incur an additional fine of \$1,200 a day. In addition, the Commission found that United Brands had forbidden its distributors from reselling green bananas, resulting in market compartmentalization, and had refused to supply a Danish client at all.

The United Brands case reflects the increasing pace of European anti-trust activity that has taken place under EC Commissioner Albert Borschette. Since coming to his post in 1970, Borschette, and his trust-busting staff of some 230 lawyers, accountants, and investigators in the Commission's competition department, have conducted a review of some 100 firms, of both European and American origin, suspected of violating the Common Market Treaty's Articles 85 and 86, which forbid price-fixing or restrictive sales agreements that are detrimental to the Community's 260 million consumers. There follows an interview with Borschette.

An Interview With Albert Borschette, E

The creation and development of the European Community has brought about or raised business mergers both on a national and Community level. Can you give us some indication of the importance of these mergers?

Borschette: The creation and development of the European Community has effectively brought about mergers in nearly all the member states and in all sectors of business. This wave of mergers has accelerated during recent years, particularly in the major industries. As early as 1973 those firms which had an annual turnover of more than \$200 million were responsible for 50 per cent of the total turnover of European industry and employed up to 30 per cent of the total industrial working power.

The extent of the merging varies in the different member states. It is highest in Great Britain and the Federal Republic of Germany, which are far and away ahead of France and Italy. Among the other member states the Netherlands has the largest merging of industries.

This evolution has necessarily restrained the number of competitors in the market and in certain sectors supply is limited to a very restricted number of producers. The same applies to such varied branches as data-processing, the manufacture of steel tubes, electric lamps, razor blades, plate glass, matches. The four largest firms hold 80-90 per cent of the market.

Since the enlargement of the Community have there been mergers among the new member states on the level of the en-

larged Community, i.e. between firms of the new and old member states?

Borschette: This new membership being only recent, it is difficult to reply with statistical data. I shall, therefore, only mention British industry, the evolution of which appears to me to be the most significant from the point of view of mergers.

As early as the Fifties businesses had begun to merge. During the period of negotiations this merging was accentuated as if British industry was looking directly to reinforce its competitive position in the Common Market. Since then the process has slowed down, which doubtless can be attributed in part to the high degree of merging already accomplished—the 100 largest industrial concerns in Britain are responsible for rather more than 50 per cent of the total turnover in British industry.

It is interesting to note that before the enlargement of the Common Market, British firms were making certain of their presence in the Market by transnational mergers and the setting up of communal businesses with companies in the Community.

Do you view this evolution in a positive or negative light? Do you think there has been too much or too little merging?

Borschette: I recall that already in 1970 the Commission deplored the fact that too many European industrial businesses were slow in adapting their size and equipment to the new European economic dimensions.

So it is obvious that in evaluating mer-

in Europe

Commissioner responsible for competition policy

ger operations the implications of industrial development cannot be ignored. These mergers have had beneficial effects in the fields of productivity, technical progress, and management methods. Finally, the regrouping of businesses and the reinforcement of their competitive position encouraged the economic and social development of certain regions in the Community.

The action to be undertaken must not hinder the evolution of a phenomenon, the economic and social advantages of which are obvious. It must aim at guarding the Community from harmful effects and be helped by a legal framework.

Mergers involve an irreversible modification of the structure of the market, and in numerous sectors these could endanger the maintenance of effective competition. Firms will then attain a position whereby they are no longer obliged to adapt prices, quantity, or quality of their products to the ever-changing demand. Workers' freedom to choose between several employers will also be limited.

Do you still think that on a Community level prior control of mergers is indispensable? In default of such prior control what is likely to happen?

Borschette: I think that I have already presented the economic arguments which favor a control of mergers, namely: the acceleration of these mergers in recent years and the acceleration of this tendency above all in those markets where already a limited number of firms control more than half the production.

I shall give you a legal argument. The Commission readily intervenes in opposition to agreements or concerted practices which partition off the markets. The firms can obtain the same result by merging. They thus succeed in controlling the supply of their products in considerable sections of the Common Market. In these cases, however, the Commission has at the present moment a very limited power of intervention; in fact the Commission must prove that the firm which has carried out the merger was already in a dominant position.

Moreover, the Commission's power of intervention operates *a posteriori* and does not allow for the possible recurrence of the abuse. In its proposal to the Council, the Commission has come out in favor of prior control of the major merger operations. Such a control appears more effective. It gives greater judicial security to firms, workers, and interested third-party business concerns. It would be inadvisable to allow the threat of a "de-merger" to hang over the heads of business over a period of years. Moreover, these de-merging operations are always very long and complicated: I mention only the famous affair of the de-merging of General Motors and Dupont de Nemours, which lasted more than nine years.

You have always attached a lot of importance to the interest that competition policy presents to the consumer. You have had surveys carried out on the disparity of prices between one country and another. What is the present state of af-

fairs? Do these disparities continue to exist? Have they decreased or even disappeared?

Borschette: A competition policy which aims to be effective always benefits the consumer. Therefore, studies on the disparity of prices of certain products as between member states are only one aspect—perhaps the most tangible one—of this policy. The aim of this initiative is to examine whether those firms in a dominant position have taken advantage of it to the detriment of the consumer. If this is proved to be the case the Commission will prosecute the firms concerned for breach of the Common Market Treaty's rules on competition.

We have made a selection of six current consumer products for which quite considerable differences of price were registered in member states. All the differences resulting from taxation, consumer habits, and distribution systems were taken into consideration. For four out of these six products the price differences increased over the period of one year; for two they had decreased.

The aim and interest of this study is to find out the reasons why the price levels of these six products did not correspond to the price level resulting from the movement of the intra-EC exchanges.

A year ago the Commission instituted surveys into the oil sector. Is it a fact that the large oil-producing companies could have taken advantage of the energy crisis to eliminate independent distributors from the market?

Borschette: The information obtained during the course of the Commission's survey program established in December 1973 to clarify certain aspects of the activities of oil companies in the Common Market is being examined. (See page 62 for an update.)

The aim of these inspections was to examine whether the firms had agreed among themselves to fix the buying or selling price so as to limit or control the production, or share the markets among themselves. We must also investigate whether those firms in a dominant position have abused that favored position, particularly by using discriminatory practices over matters of price or supply between member states to the detriment of the independents.

Apart from the survey on the oil sector, the Commission has followed up specific complaints from independent companies. These independent companies

were confronted with very great difficulties of supply and were refused deliveries by the large companies to whom they had turned. In one specific case the Commission lodged a complaint with the principal suppliers in the Netherlands who had refused to supply an independent network with oil products. Besides they had imposed prices which had made it impossible for the complaining firms to carry out normal business activity.

It is widely recognized that the Commission fully exercises its direct powers in the field of competition policy. But what was your action on those national subsidies which governments grant under various forms to economic regions or sectors?

Borschette: Is your skepticism due to the fact that the Commission admits, as the EEC Treaty decrees, that in certain cases where there are important and associated problems, temporary subsidies should be accorded in certain cases to safeguard employment?

I think it is important to stress that it is only by respecting the Community rules with regard to subsidies that national interventions will make it possible to

overcome successfully, and at the least cost, the difficulties resulting from a serious slowing down and adaptation of the new energy situation. Thus the Commission's aims are and have always been to see that the treaty's rules are applied and to avoid malpractice in competition among the member states.

In order to clarify rulings on regional and sectorial subsidies, the Commission has tried to define certain principles which serve as a framework for the application of the treaty's rules. I am thinking in particular of the coordination of regional subsidies, which is an attempt to adapt the intensity of public interventions to the nature and gravity of the Community's regional problems.

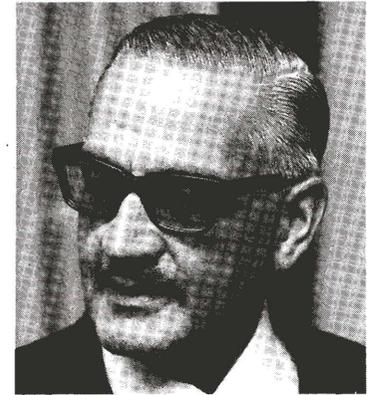
Besides the pursuit of initiatives undertaken in various sectors like that of shipbuilding, the Commission has gradually taken action in new fields, particularly in subsidies for the environment. The guidelines for developing these subsidies according to the treaty regulations have been elaborated.

Within the framework of its entire action regarding national governments and general subsidies, the Commission intends to secure an agreement from mem-

ber states that they will no longer apply them except within the framework of sectional or regional programs according to the conditions for subsidies as laid down in the treaty. Moreover, these subsidies will be previously announced.

For five years you have had responsibility in a field where important interests are at stake. Have you been submitted to pressure?

Borschette: Yes, but less and less, since in my case pressure produces the contrary effect to what is aimed at.



Trust-busting Borschette is Luxembourg's member on the EC Commission.

CHRISTOPHER LAYTON, director in the EC Commission's industrial and technological affairs directorate-general

In the next two years (perhaps much sooner) decisions will be taken which will decide whether an independent aircraft industry survives in Europe. The EC action program for the aircraft industry, which the Commission sent to the Council late last year, spells out the critical character of the present situation and the decisions that have to be made.

A great deal is at stake. The aircraft industry employs over 400,000 people. Its technology has an impact on a much wider range of industries, and it is a key factor in Europe's defense. But, above all, this is the type of industry—highly skilled, commanding sophisticated technologies—to which Europe must move in the future as the industrialization of the Third World proceeds and a wider international division of labor unfolds. In 1975-85 if Europe were to import all the large civil aircraft it needs, it would cost

some \$12.5 billion in foreign exchange at a time when high energy and raw material costs will place increasing burdens on its balance of payments.

Yet while Europe itself offers some 20 per cent of the world market for civil aircraft, its industry's share of the world civil market fell to the depressed level of 7 per cent in 1974; and in the military sector the challenge of new American technologies and products has brought new commercial setbacks, such as the decision by four countries to procure the American F16.

In the last 10 years, while the European industry has launched as many new programs for large civil airlines as the American industry, the average production run has been only one-fifth as long. There is a need to concentrate resources on a few successful programs, to achieve commer-

HOPE

of Flying

cial success and economies of scale.

The need for concentration of effort has been reflected, in recent years, in the development of a series of bilateral or trilateral ad hoc programs. Indeed, the aircraft industry has developed international collaboration further than any other major sector of industry. These bilateral projects, however, remain marred by contradictions between national policies, by the absence of a coherent overall strategy, and by a lack of systematic common financial support.

In hard, practical terms, if the EC member states already had a common military aircraft procurement and development program and had therefore offered jointly a single product or products to meet the four-nation contract placed in June, I have little doubt that a European aircraft would have been chosen. In reality no such unity existed. The largest European collaborative military project, MRCA, does not include France.

Or again, in the civil field, if the A300 Airbus, now beginning to penetrate world markets successfully, was one of a family of aircraft supported by a permanent industrial and sales support organization in which all the major European manufacturers were involved, and backed not only by all European governments but by a commercial and financial organization as flexible and powerful as the US Export-Import Bank, its credibility with customers and its chances of success would be vastly enhanced.

In the civil transport field, Europe is not even a single market. The airlines of Europe are managed under national policies and bilateral negotiations carried out within the framework of a world organization which fixes fares and services. Civil aviation in Europe has not therefore developed a mass competitive domestic market comparable to that of the United States.

Despite all this, the European aircraft industry has two important advantages: It has a real technological capability, and its civil and military products could still compete on world markets if all its technological and commercial possibilities could be harnessed to a joint effort. The growing size (in relative terms) of markets outside the United States should provide new opportunities in the next 10 years, if the European industry can provide competitive products.

In the years 1969-1974 the American market amounted to just under half of the Western civil transport market, and the "rest of the world" and "Europe" shared the remainder almost equally. By contrast, it is estimated for the decade 1975-1985 that the "rest of the world's" share will become the largest, leaving a little over a third of demand to the United States and about a quarter to Europe.

To realize these potentialities, however, major political decisions are needed. The governments of the Community now need to move beyond the phase of intergovernmental cooperation between separate and divergent national aerospace policies and commit themselves to a common pro-

gram for the aircraft industry under the sponsorship of the Community.

THE COMMISSION has therefore proposed the following decisions to the Council:

1. To establish a common program for the development, production, and marketing of large civil aircraft. Such a program would make the maximum possible use of derivatives of existing aircraft, plus a very limited number of new aircraft. It would seek to make balanced use of capabilities existing throughout the Community. Its themes would be a realistic exploitation of existing potential, plus rationalization.

2. The financing by the Community of this program, in so far as public finance is required. In the years 1969-1974 member states spent on average over \$400 million per year on civil R & D alone. The same order of resources, spent jointly through the Community, on a single rationalized program, could achieve much greater results and place the industry by the mid-Eighties in a position where it could fund a large part of its own development. Community financing will be needed to support not only development and production tooling but the sales financing of aircraft. Europe's multinational industries, such as the aircraft industry, need a multinational sales-finance instrument if they are to compete with firms such as Boeing and Douglas backed by the US Export-Import Bank. The Commission has proposed the establishment of a European Export Bank.

3. The establishment of a common program for basic research, funded by the Community and designed to provide the same kind of stimulus to new technology as NASA programs do in the United States. Today, despite useful efforts to coordinate research, for example through a trilateral Franco-German-British activity, there is still much waste and duplication within Europe in materials research, in wind-tunnel facilities, and so on. We cannot afford it.

4. The establishment of a common external policy with regard to industrial collaboration with non-Community countries, for instance the United States, Japan, and even the Soviet Union. Here a variety of strategies are possible—to compete in certain sectors, to collaborate in others. The essential point is that external negotiations must be in common. If key industrial countries negotiate separate arrangements with Boeing or Douglas, regardless of their own, and indeed the common European, interest in presenting a united front, the European industry may end up as a weak and divided subcontractor, despite tempting initial terms.

5. The creation of a common market on the civil transport side, by the establishment over a period of years of a common policy for civil air transport. This would establish a European airspace or cabotage area under its own system of regulated competition. Within Europe airlines would

compete in price and in the provision of new services as they do in the United States. All this would lead naturally to the establishment by the airlines of common requirements in relation to frequencies, traffic patterns, and so on. A common policy toward the outside world would also be elaborated, particularly in such matters as the negotiation of landing rights.

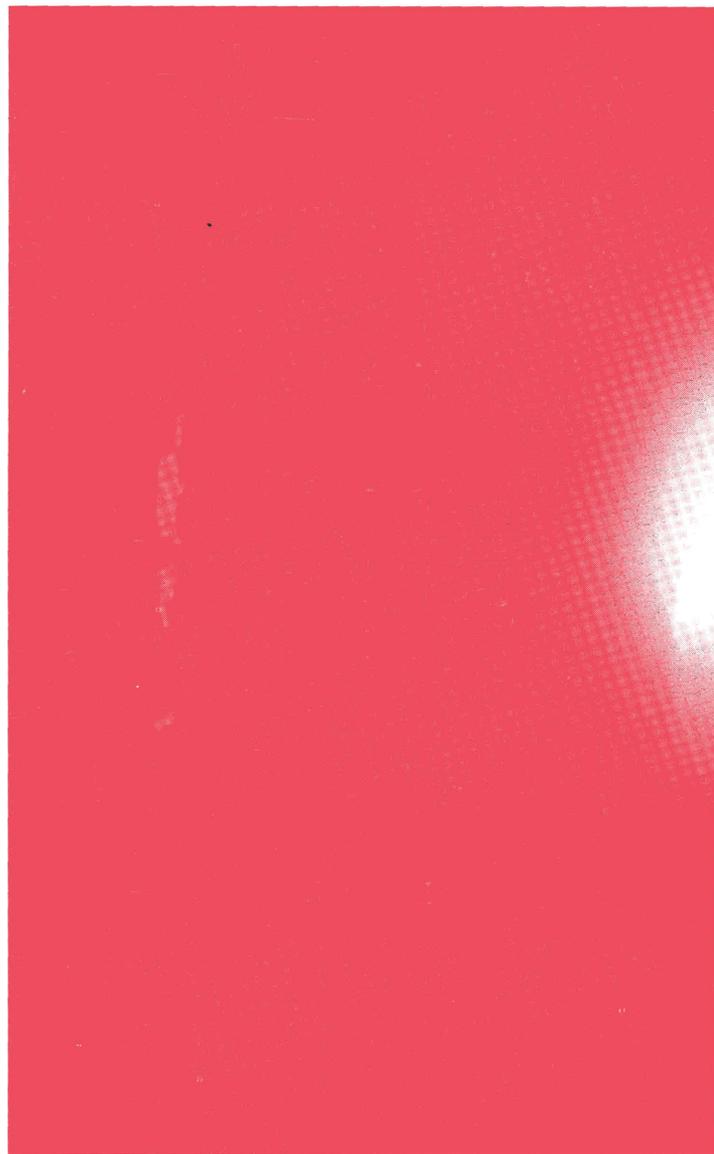
6. The creation of an ad hoc agency concerned with the procurement and development of airborne weaponry (aircraft, missiles, etc.), with the tasks of coordinating procurement, standardizing, where possible, on existing European aircraft, and identifying joint areas for development (e.g. a future European advanced combat aircraft). Discussions with the United States, designed to bring about a major growth of balanced transatlantic trade and collaboration in arms procurement and development, would have to accompany this development. Since over 60 per cent of the output of the European industry serves the military market, no policy for the aircraft industry is complete without this military aspect. With the United States pressing for standardization within NATO, it is time for Europe to present a united response.

While political decisions are needed rapidly on these basic principles, there is also a need to press on rapidly with work to prepare decisions about specific military and civil programs. France, Germany, and Britain all need an air-superiority combat aircraft. Can it be developed together?

In the civil field, the Commission has suggested that a common program could include:

- In the category below 100-110 seats, support for existing programs and notably for the F28 and its further developments.
- In the category between 120 and 180 seats, study of a possible twinjet, using new 10-ton engines and based on derivatives of one or other existing aircraft (Mercure, Trident, or BAC III).
- In the category between 180 and 300 seats, vigorous support for the existing A300 Airbus (B2 and B4), which is beginning to penetrate world markets successfully and possible development of a smaller version (the B10).
- In the long-haul area (apart from Concorde), study of the possibilities of developing the four-engined version of the A300 (B11).

With the major American companies on the move, Europe needs to move fast if it is to seize what is perhaps the last chance to develop a viable and competitive aircraft industry. Above all, a political decision has to be made, perhaps at a summit conference, to work out a common program and provide, through the Community, the funds to carry it out.



European E

“The problem of how to reinforce the Community’s capacity for decisive action remains,” wrote Andrew Shonfeld in 1972 in *Europe: Journey to an Unknown Destination*. “No doubt, a manifest crisis, requiring a joint policy in a hurry would be a good help—a military threat or the prospect of a world slump or perhaps some critical shortage of a commodity like oil, putting our whole economic system at risk.”

Just a year later, the manifest crisis came, in the form of the “oil revolution” of October 1973 with the embargo and explosion in the price of oil. The crisis, however, did not encourage decisive action among the Nine; rather, it promoted confusion, even fragmentation within the Community. Indeed, so severe was the strain that Romano Prodi



Energy: A Policy Evolves?

Daniel Yergin, research fellow at Harvard's Center for International Affairs
and contributing editor to *The Atlantic Monthly*

and Alberto Clo, writing on Europe's reaction to the energy crisis in *Daedalus*, pronounce something akin to an epitaph: "The institutions of the Community entered the crisis in a weakened state, and were further enfeebled by it." That, however, is much too harsh a judgment.

Europe and the United States have lacked coherent energy policies for opposite reasons—because, for the resource-rich United States the matter has not been seen as urgent enough in the short run; for resource-poor Europe, the matter is too urgent. Without America's alternatives, they (and the Japanese) were the countries really held up to ransom by the Arab embargo in 1973. The last OPEC price rise in September added about \$5 billion to their oil import bill, as opposed to \$2 billion for the United States.

Still, the nations of Europe have moved forward individually and as a group much more rapidly than the United States. The summit of heads of government of the nine EC countries in Rome at the beginning of December brought important new progress. The French at last overcame their fear of offending producers, making it possible for the Nine to agree both on a floor price to protect non-OPEC sources and on an emergency oil-sharing scheme within the framework of the Community. In turn the other eight EC countries succeeded in persuading the British to give up their demand for a separate seat at the North-South dialogue that was to open in Paris on December 16. What the Europeans have done and are trying to do is of considerable importance not only for them but also for the United States.

The misguided chauvinism of "Project Independence" obscures the real necessity: It is less important that the United States become self-sufficient than that Western Europe and Japan, in the words of EC Commission Vice President Henri Simonet, "reach a point of less dependence" and thus become less vulnerable to the whims of the oil cartel than they were in 1973; in truth, the Europeans have already moved in directions that will help undermine OPEC hegemony over the world economy.

In 1972 the European Community was publicly warning about the grave dangers of dependence on Middle Eastern oil. The fears were fulfilled in October 1973. In response, the EC Commission devised a series of ambitious goals for reshaping the energy picture by 1985, including a heavy emphasis on conservation. Among its points: that energy consumption in 1985 should be 15 per cent less than pre-embargo forecasts; that electricity should provide almost half the total energy; and that almost half that electricity should derive from nuclear power. "Going nuclear" is one of the key thrusts of the European planning—officials say that half of Europe's total energy consumption should be satisfied by nuclear sources by the year 2000. Coal production is to be maintained, and the supply of natural gas (the fastest growing fuel in Europe) is to be increased. All of this is meant to reduce dependence on oil—from 63 per cent of total energy requirements to 40 per cent, and at the same time reduce dependence on *foreign* oil from 98 per cent in 1973 to 70 per cent by 1985.

The aim behind all these goals, as one Commission report explained, is "to create a structure in which no one decision center can have such importance for supply that it can compromise the overall stability of deliveries, in quantity or price." Simonet has declared: "The Commission feels that it has defined the principles for common action. Now the urgent necessity is to translate these principles into a further series of concrete actions." Which is another way of saying that many of these goals remain merely paper, without any formal commitment behind them, a situation that has created more frustration in the Commission's energy directorate.

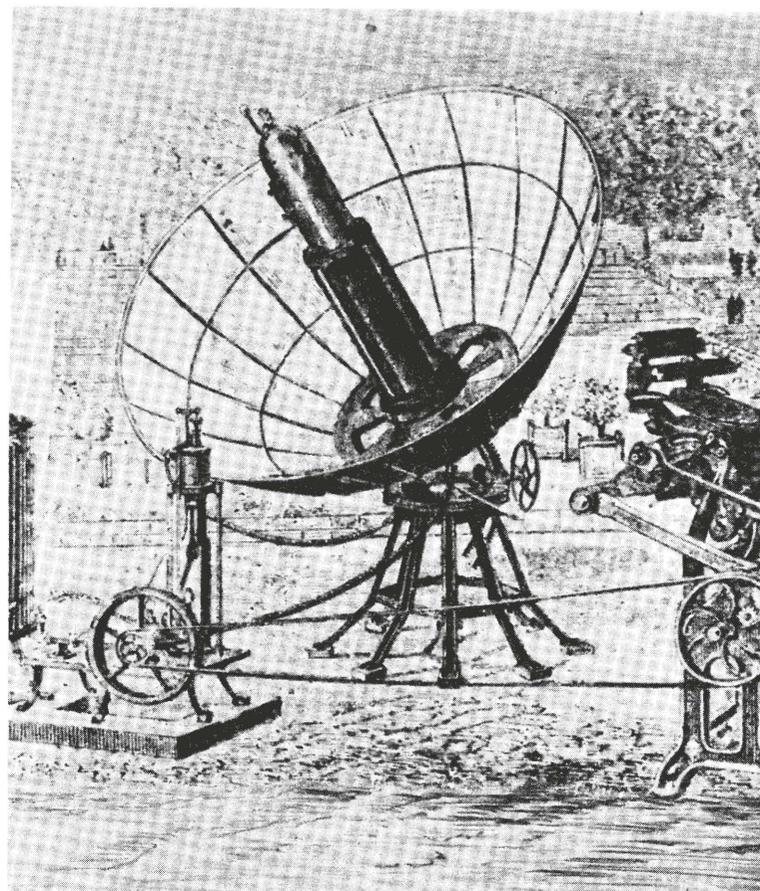
The outsider, however, is struck by how much has been done. The EC guidelines offer a framework in which individual countries can work, and important progress has been made.

Every indicator points to much greater success in conservation within the member states than anyone might have predicted two years ago. For instance, imports of petroleum in the first six months of 1975 by France, Germany, and the United Kingdom averaged 23 per cent less than in the first half of 1973. Britain's total energy consumption dropped 4.3 per cent between 1973 and 1974 (while US consumption rose 5.2 per cent). Britain's 1975 total energy consumption was down still further, to 1969 levels. Germany's total energy consumption in 1975 works out at

8 per cent less than in 1973, and it is now recognized that recent official German estimates for total energy consumption in 1980 will in fact not be reached until 1983.

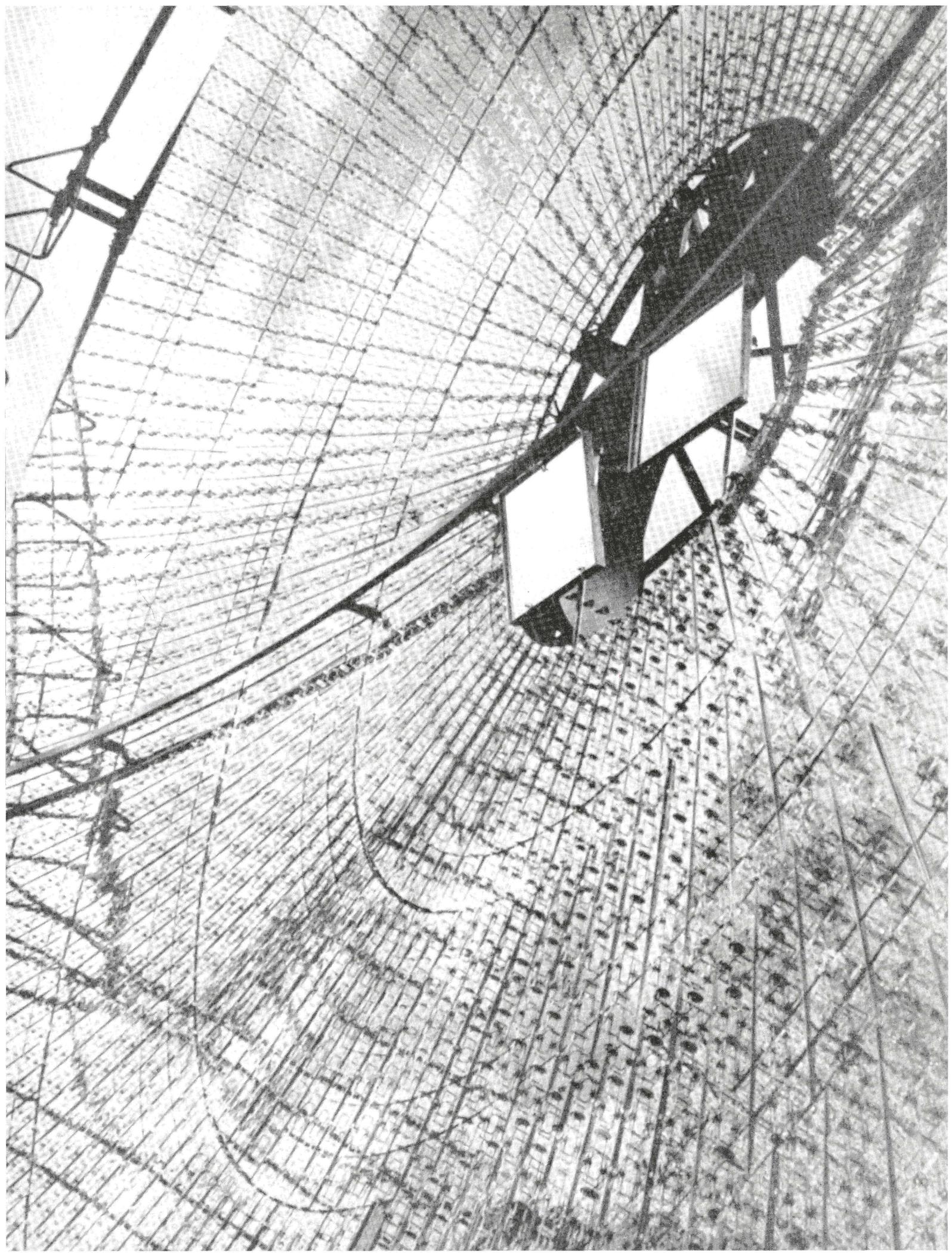
Three reasons are normally given to explain such drops—two mild winters in a row; economic recession; and energy conservation, whether by private decision or by government intervention. The weather probably had only nominal impact. "After last winter we saw that there was a saving of energy," said Jacques Lambotte of the French Energy Conservation Agency. "Many people said that the reason was that the winter had not been very hard. In fact, this was not true. In the north of France, the winter was not very bad; but in the south, it was a very hard winter indeed." The recession with its decline in industrial output has, no doubt, been responsible for some significant part of the decline in demand. But conservation measures must be given equal credit.

Different methods have been used in different countries. The Europeans have been consistently much more active than the United States at the level of exhortation and advertising. The French have even established an Energy Conservation Agency, which, in addition to propagandizing, pursues such matters as energy "audits" of industrial firms. Price itself has been used as an important discipline. Britain's Labour Government, for instance, decided to let



"Even in northern latitudes, there is optimism about solar heating." Above, an 1878 effort; right, a solar oven mirror in France.

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all energy costs, including electricity and coal, rise to "economic levels"—meaning jumps approaching 100 per cent in some cases. The French have resorted to such measures as restricting the volume of heating oil that may be sold.

PRICE HAS NOT PROVED A STRAIGHTFORWARD DISCIPLINE. Gasoline consumption appears to respond only temporarily. For instance, after major hikes in gas prices in Italy, consumption fell sharply—but only for a few months. Soon it was rising toward its old levels. Similarly English petrol consumption, down for a time, is again increasing. Such evidence suggests caution in depending too heavily on price at the pumps to restrain consumption *directly*. Where people can save money by controlling their thermostats or putting insulation into their factories, they will do so. When they already have a fixed investment in a car, they will make other sacrifices in order to continue using it. The impact of raising gas prices is more indirect—when a consumer comes to make an investment in a new car, he buys a smaller one with better mileage results (which has after all also been happening in the United States) or he does not buy a car at all.

Considerable emphasis has been placed on saving energy in buildings. Up to 50 per cent of primary energy in the United Kingdom is consumed in one form or another by buildings; and it is estimated that 6 per cent of British primary energy can be saved simply by better insulation and changing some fuel mixes. The British Government now gives 100 per cent tax allowances for insulating industrial buildings. The French Government also provides such tax deductions in this area. "The easiest way to conserve is in domestic houses," says Lambotte. A French taxpayer can deduct 7000 francs (\$1750) per year for insulation, plus 1000 francs (\$250) for each person in the house.

Over the longer term, many more savings will result from conservation. The normal generation of electricity in a power plant does not convert more than 30 or 40 per cent of the total energy potential in oil; the rest is lost as hot water (which in turn creates pollution problems in lakes and rivers). Meanwhile the electricity is sent over an elaborate wire network merely to be turned back into heat at the other end—especially for hot water. An alternative is "district heating"—whereby hot water is piped from the power plants directly to homes. Sweden has the most highly developed such system in Western Europe; both Britain and Germany are looking very closely at it. District heating dramatically increases the efficiency of power generation.

Substitution is another method for reducing dependence upon OPEC oil. Production is beginning to build up from the Norwegian and British sectors of the North Sea; and the Community can assume that by 1981 about 30 per cent of its total oil needs will be met from those two producers. Recently the Italian oil company ENI has hit some prom-



"What do you mean, 'Halt, who goes there?'—We're on your side, damnit!" Cartoon by GARLAND, of the London DAILY TELEGRAPH
ising deposits at deep levels in the Po Valley, near Italy's industrial heartland; and there are indications of oil off the Irish and French coasts as well.

For Europe, substitution also means a movement backward in time. The rise of oil in the postwar years has been matched by a decline in the importance of coal. That trend has now been reversed. Governments are now investing heavily in restoring and modernizing old mines and in developing new ones; in West Germany, Belgium, and Britain, the number of coal miners has actually increased for the first time in 15 years. The Germans are building new coal-fired power stations. With new technologies apparently coming along every 20 to 30 years in coal mining, the Germans estimate that their coal reserves will be good for 100-150 years.

Even in northern latitudes, there is optimism (extending even to Sweden) about solar heating for individual homes. A happy computer lives in a house near Aachen, Germany; it opens and shuts windows, cooks meals, turns on and off the hot water; all of this in order to determine better the requirements that solar heating will have to meet. "A family does not keep such good records as a computer," explained an engineer involved in the project.

The most controversial aspect of the Community's strategy is its emphasis on nuclear power. "Our goal of no more than 40 per cent of total energy from oil by 1985 cannot be reached without rapid development of nuclear power," said a senior official in the Commission's energy directorate. "No doubt, we must introduce all safety measures that are necessary. But we live in a dangerous world, and we can control those risks. With the increase in the world of both population and industrialization, we will have no choice for the years after 2000 but to accept nuclear energy. Everybody is convinced that after 1980 nuclear energy will develop very quickly."

On the contrary, fewer and fewer are convinced of that. It is becoming increasingly clear that the nuclear targets will not be achieved. "There is too much emphasis in the Community upon nuclear technology," Prime Minister Harold Wilson has bluntly said. The British along with the Danes and the Dutch have actively resisted this emphasis.

Even those who eagerly embraced nuclear expansion in the immediate aftermath of the October 1973 embargo have become more cautious about making huge investment for very uncertain benefits. The French initially announced a goal of 50 atomic power plants by 1985; now the target seems to be under 20. The cutback has resulted from both political and economic pressure. Belatedly a major national debate has begun on nuclear safety and security. In addi-

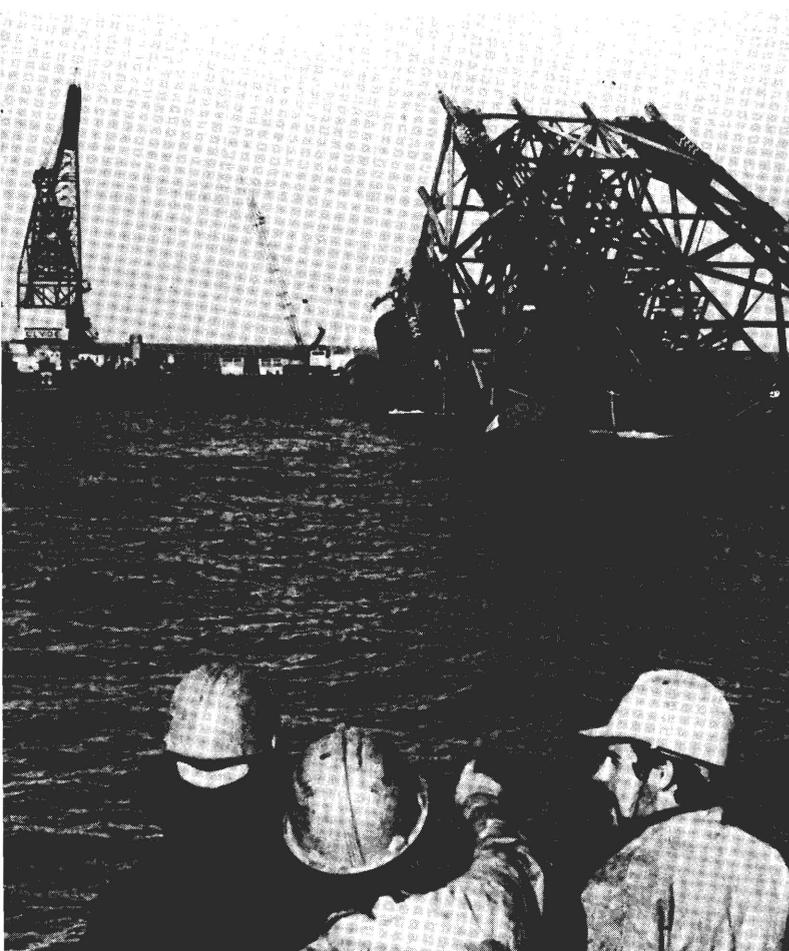
World's largest oil production platform, called "Highland One," is tilted into position in the North Sea. BRITISH INFORMATION SERVICE

tion French officials now admit that they cannot forecast long-term energy demands because of the many uncertainties, including the price of oil in 1980. They have begun to face up to the possibility that the landscape in 1980 could be littered with half-completed nuclear plants, on which construction has ceased because of changes in demand, supply, and technology.

The huge costs of "going nuclear" have also induced caution. The investment required to meet the Community's target goals for nuclear plants could be in the order of \$150 billion. The Italian Ministry of Industry at first proposed 20 nuclear power plants by 1990. Subsequent calculations have indicated that those plants would cost \$6 billion more than conventional plants—a sum that would produce more jobs, and other benefits for the Italian economy, if invested differently.

The Community in finding more success in its efforts to harmonize its oil markets. "Today we have nine separate oil markets, and if there are nine separate oil markets, then there are nine separate oil policies," said one Brussels official. "That means our influence as Europeans will be weaker." The Community wants to assure free circulation of products within the nine countries, hopes to see prices come into line, and wants a great deal more information from the companies as to their true costs. There have also been agreements on restricting the use of oil and gas in power stations, and in maintaining minimum stocks of oil. One well known commentator, Professor Peter Odell of Erasmus University in Rotterdam, has gone further, to urge not merely a European base price for energy but also an EC effort to raise rapidly the finance to develop North Sea oil and gas. Using computer simulations, he argues that the North Sea basin could prove much richer than is conventionally thought and in itself offers "the possibility of a long-term supply of indigenous oil capable of bringing the dependence of Western Europe on foreign oil to almost a derisory level."

NORTH SEA OIL RAISES, however, questions of politics, where agreement has been more difficult. An example is the European-Arab dialogue which is stalled, to a significant degree, because the Arabs are less interested in dialogue per se than in pushing the EC countries into anti-Israel positions. At the moment the Community's common energy policy is most troubled, in effect, by North Sea oil—that is, by the fact that the British are pretending to be the new Gaullists. One of the major arguments of the anti-Common Market forces in the United Kingdom last spring was that the Community would usurp Britain's North Sea oil for some unstated but nevertheless nefarious purpose. Although the Market received a resounding victory in the referendum, the North Sea still forms a focus of opposition. The latest expression was the insistence of Foreign Secretary James Callaghan, backed up by Prime Minister



Wilson, that Britain should have its own seat at the 27-nation North-South extravaganza, entitled the Conference on International Economic Cooperation, that opened in Paris in December. This particular rendition of the "dialogue" is a French creation. France and the rest of the EC members had assumed that it was all agreed among themselves—the Community would take one seat and speak with one voice. Not so, said Callaghan in October, Britain wanted its own seat. Why? As Prime Minister Wilson had said a month earlier, "in a conference of producers and consumers, we should be sitting on both sides of the room." In other words the British are claiming that their oil and coal reserves make them different from all other countries in the Community. "It is a rather primitive, tribal reaction," said one Netherlands official. The Dutch have in turn rather angrily reminded the British that they, and not the British, are in fact the Community's largest energy exporters right now, supplying something like 40 per cent of all of Europe's natural gas. Britain dismissed this contention as spurious and maintained instead that the Community could not adequately represent its interests as a potential major oil producer.

Britain hardly needs to worry about its interest being sold out. Beyond that, the British efforts to undermine or at least slow down the development of a common energy policy are not altogether wise. For, at the same time, the United Kingdom is trying to get its fellow members in the Community to agree not only in principle on a high floor price for oil to protect and encourage its North Sea investment, but also on a specific figure—as high as \$7 a barrel. Just in case they should forget, Simonet has reminded the British that a drop of \$3 a barrel from the current price would threaten many offshore oil fields. "If a significant proportion of this investment was to go sour," he rightly pointed out, "it would be a major catastrophe for the UK economy."

Wilson and Callaghan have been responding to what they see as strong domestic political forces. They feel they must go through this Gaullist performance to quiet old-fashioned British nationalists, new-fashioned Scottish nationalists, and left-wing Labourites. On December 2, at the Rome summit, Wilson did formerly surrender the demand for a separate seat, and agreed that the Community could speak with one voice—although Britain retained the right to speak for itself at certain points.

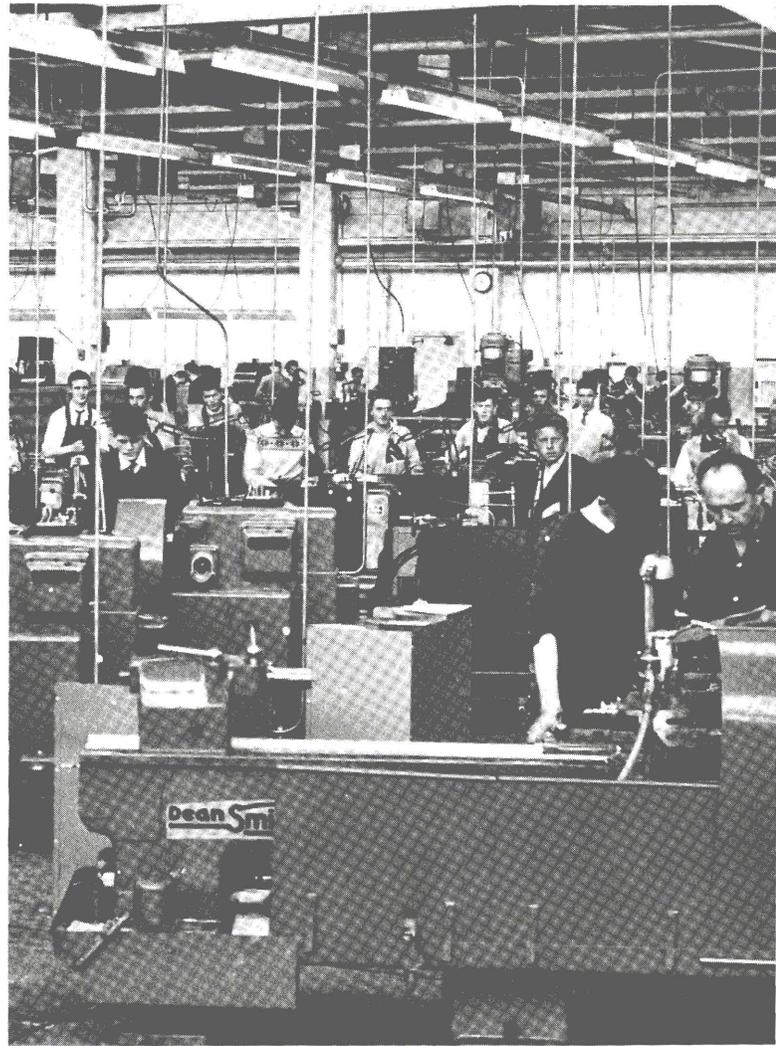
The British are not the only country behaving from time to time as the French formally did; the French are still French. They have refused to join the International Energy Agency, the coordinating group of 18 industrial nations formed in November 1974, that just happens to be based in Paris. The French explain that they have decided to base their future on "dialogues" with the Third World, especially the Arabs, and they want to avoid anything that looks like confrontation. Also, they imply, the IEA is too US-

dominated. But this French position is rather empty. The nine Common Market countries work out a common policy to cover their IEA participation, and the French participate in that exercise. Thus they are indirect IEA members.

The French do correctly recognize that the International Energy Agency is premised on the conviction that the OPEC oil cartel has delivered a fundamental and very serious blow to the world economy, hitting hard at the industrialized nations but inflicting even worse wounds on the non-oil developing countries. "With regard to the effect of the embargo, as well as the price increases, the events in the winter of 1973-74 had a decisive influence that suffered the most serious setback to the world economy since the Second World War," Ulf Lartzke, IEA secretary general, recently observed.

The International Energy Agency has a number of important achievements to its credit. It has worked out a sharing plan for the possible next crisis, in which the new EC arrangement is a major element. It has also pursued a broad program of information-sharing on conservation and research. The conclusions of the agency's comparative study on conservation are searingly critical of the United States. The agency is trying to coordinate an acceleration in development. Moving parallel to the Community, it is working toward the establishment of a floor price, both to protect more expensive sources like coal and the North Sea against an abrupt break in the cartel price and also, in the words of an IEA official, "to demonstrate to ourselves and to the rest of the world, including OPEC, that we are taking serious steps."

"European energy policy" may well be too grand a phrase, but a lot has been done since October 1973. Nine significant consumers are working toward cooperation and unity, a process that improves the position of the entire industrial world in bargaining with OPEC. The nine EC countries have found that it is possible to refashion structures and habits, that it is possible to do a good deal by working with the tools at hand, thus making less pressing the need to rush into expensive and uncertain nuclear technology. It is of course too soon to speak of a coordinated European energy policy. "What do you coordinate?" asked Lord Balogh, Britain's minister of state for energy. "We're all struggling—struggling not to be too dependent, struggling to get our coal into shape, struggling to get a nuclear program, to coordinate on research, and so on." Their struggle—unlike America's—has brought some significant results. European petroleum consumption will probably remain almost constant in 1976, while American oil consumption will increase by more than four per cent—and 41 per cent of all the oil used in the United States will be imported. Any American energy policy that does not, learning from the European experience, direct itself toward conservation will end up leaving consumption unchecked and thus, in the last analysis, will be consumed by failure.



The old and the new Ireland: (left) fisherman on the Dingle Peninsula; (right) precision tool makers at the Shannon Industrial Estate. Left photo © Brian Seed, Black Star.

IRISH eyes on EUROPE

VAL DORGAN, European editor of the *Cork Examiner*

A MINOR CONFRONTATION, DURING THE BILATERAL TALKS between Ireland and the EC Commission about the car assembly industry, became a favorite anecdote of EC entry negotiations. British officials suggested they should be consulted on any agreement which jeopardized the United Kingdom's favored position in Irish trade. They were told, bluntly, by the Commission's president and negotiator, Franco Maria Malfatti, "It's no longer your business." "My God, you know he's right," said an Irish delegate. It really was a new ball game.

It began with the May 11, 1972, referendum, when Ireland voted five-to-one to join the European Community. Most Irish people would have said anyway that they had no choice. Britain was going in. From the first half of the nineteenth century Ireland's farm-based economy depended for survival on a British market, geared to a cheap food policy and low prices. All of this changed after EC entry. Irish subsidies on farm exports were picked up by the Community, and the country's 180,000 farmers found a guaranteed market of 260 million consumers. As an equal partner, Ireland was free from British discrimination. It was an

euphoric time for Irish farmers. High world prices for cattle, beef, and cereals in 1972 paid for a marvelous pre-marital affair with Europe, and the honeymoon lasted until the end of 1973.

When the market collapsed at the end of the first year of EC membership, Ireland was inside the Community's farm import barrier and had continued access to the British and Continental markets. The Irish farmer gaily availed of the Community's intervention system, by which cattle are bought at predetermined prices. He had survived the best and worst of Community times. But more significantly the industry and economy generally had escaped the disaster of isolation.

Now Ireland's open economy faces a greater recession. Average inflation in 1975 was about 22 per cent. Last November unemployment, in a population of 3 million, reached 106,000. The growth rate was down 3 per cent; the national debt up to a record 280 million pounds, and Irish taxpayers face the toughest of peace time budgets in the new year.

After grave doubts, Irish people generally acknowledge, albeit grudgingly, that the crisis is worldwide and not induced by the European Community. A Commission "barometer" taken in mid-1975 showed that among Ireland's positive thinkers 50 per cent thought membership a good thing and 20 per cent were convinced otherwise. There is an outstanding consensus on where to look for help. The Community is opportuned from every level to rescue the island's comparatively tiny economy. Its 1974 GNP was 2,915 million pounds, or about .5 per cent of the Nine's.

Any upturn in the fortune of the United Kingdom, with its convenient market of familiar customers, will be welcomed. But politically it can no longer influence Ireland's recovery, a metamorphosis to please the most Community-conscious of Celts Foreign Minister Garret FitzGerald. He insists the primary economic reason for Irish membership was independence from Britain.

"To some degree Britain now needs us just as much as we need Britain. This was evidenced, for instance, during renegotiations of British membership in the Community. The British Government was concerned especially that Ireland, which held the presidency of the Community in the first half of 1975, would facilitate renegotiations. We were naturally anxious to do so," says Dr. FitzGerald.

And so, with historic irony, Britain's fate in Europe was decided at a summit meeting last spring, chaired by an Irish premier, the Taoiseach, Liam Cosgrave, and held in Dublin Castle, former seat of UK Government in Ireland. Beforehand, Cosgrave sealed Ireland's commitment to Europe with the promise: "If Britain leaves, Ireland will remain a member, whatever the difficulties." FitzGerald agrees: "We have orientated ourselves very much towards Europe. And since a small country cannot afford to pursue all policies simultaneously with equal vigor, the tendency

has been to concentrate on this relationship."

FitzGerald also says that Ireland, as holder of the presidency of the EC Council during the first half of 1975, was able to improve US-EC relations, which had not been "terribly happy" in 1973-74. But Ireland's interest now lies with Europe rather than with North America. He characterizes Dublin's relations with the US Government as "always friendly, but never very close." "Friendly nations must pursue their own interests," he says, and in a speech to the Dail advised that it would be a mistake to rely too much on sentiment in relations with the United States.

Blood ties with the United States reached a heyday in June 1963, when John Kennedy came to visit his third cousin, Mary Ryan, in the ancestral, County Wexford farm at Dunganstown. Thereafter his photograph took second place only to the Sacred Heart and/or Pope John in many an Irish living room. But before Ireland ever turned to the Europe of the Nine, the image was much less benign. In 1968 the new US immigration bill cut Ireland's annual quota of 17,000 (the third highest behind Britain and Germany) to level terms with other emigrant countries. The quota was not always filled, and Irish immigrants with direct relatives can still settle in the United States. But the move was resented.

Greater bitterness was caused by the Nixon Administration's insistence on flying rights into Dublin, bypassing Shannon Airport, the object of much state investment. In a long drawn out wrangle, threats to close New York to the national airline, Aer Lingus, probably forced the Irish Government to allow TWA into Dublin early in 1973. Terminal traffic at Shannon declined only marginally, and through traffic increased 17 per cent since 1973, but the myth of an all-powerful Irish-American "mafia" was sadly shattered. The Irish vote may still be a formidable weapon at election time, but Irish-American influence at government level tends to be exaggerated. Irish emissaries from the time of Frank Aiken know the reality of WASP (with emphasis on the Anglo-Saxon Protestant) power in the State Department.

In 1941, as Irish minister for coordination of defensive measures, Aiken enraged Roosevelt with a request for assurances from Britain that it would not invade Ireland. In 1969 and 1972, when events in Northern Ireland strained Dublin-Westminster relations to breaking point, Patrick Hillery, current EC Commission vice president for social affairs, then the Irish minister dealing with foreign affairs, was equally unsuccessful in gaining US Government support. America would intervene only at the request of both sides, he was told. Opposition from Ivy League WASPs has always been predictable, rather more than can be said for the understanding and support of the "IA's." Irish-Americans tried to pressure the Irish Government to follow America into World War II. Nowadays an unthinking core of IRA sympathizers in America facilitate a

war situation in Northern Ireland by funding the Provisionals.

FITZGERALD HAS CAMPAIGNED, WITH SOME SUCCESS, to end the flow of money. But he finds: "The bulk of Irish-Americans are people whose parents or grandparents left Ireland some 45 years ago. They do not understand what is happening in Northern Ireland. They see it in terms of the kind of colonial war they pictured us as having fought in the 1918-21 period. It is very difficult to communicate across a gulf, which is more one of 50 years rather than 3,000 miles. Our task is to try and explain the reality of the situation so that people of goodwill will not find themselves contributing money which is being ultimately used to extinguish Irish lives."

According to FitzGerald, the previously over-intense Anglo-Irish relationship has become more natural and less polarized in the multinational framework of the Nine. While the Community has shown no desire to be an active catalyst of peaceful change in Northern Ireland, the period of joint membership has been one in which Irish and British policies on the North have been very closely aligned. In 1972 when 13 people were shot in the Catholic area of Derry, FitzGerald says a number of European countries did intervene and "this may well have influenced British thinking." Since then Ireland has not felt the need to interest EC member states directly in Northern Ireland. But the Irish Government has been keeping its European partners fully briefed, and hopefully sympathetic, so that their help can be enlisted if there is a divergence with Britain.

A first, timorous move has been made to involve the Community in a joint economic plan for both parts of the country. After more than two years of overtures from Dublin, Westminster finally agreed last November to submit a joint request to the EC Commission for a study of cross-border regional development in the Northwest. Loyalists are understandably suspicious of any such move toward interdependence with the Republic. But it is another beginning toward better relations.

While the North's economy has always been propped up by UK subventions, more than 300 million pounds last year, the Irish Republic has struggled to go it alone. Industry got underway in the Thirties, hit a recession in the Fifties, and really took off with the first of the programs for economic expansion in 1959. Acceptance of payment deficits and foreign capital, and a conscious effort to strengthen investment, particularly in manufacturing and agriculture, paid off in the boom period of the Sixties.

But now the economic crisis, put in perspective by Liam Connellan, president of the Confederation of Irish Industries: "Despite the recession, Irish industry has progressed faster since entry than would otherwise have been possible." He considers the most important phenomenon of Irish EC membership was the trebling of exports to the original six EC countries within the past three years. The

old Six now take 24 per cent of Irish exports as compared to only 10 per cent in 1971. Irish trade is more diversified with almost half going to countries other than the United Kingdom. The other eight EC countries account for over 80 per cent of Irish exports. During the first years of membership the output of manufacturing industry increased by 13.6 per cent. "Decisions by foreign industrialists to invest in Ireland grew dramatically. Without membership Irish industrial output and employment levels would be much lower," says Connellan. Only 5 per cent of Irish products went to the United States, half as much as three years ago. But capital investment from the United States still predominates—136 million pounds in 1974 compared to 63.8 million pounds from the United Kingdom. In real terms, allowing for inflation, Irish manufacturers sold about 12 per cent less abroad in the first nine months of 1975 than in the same period the previous year, when total exports were 3 per cent (in real terms) lower than the figure to September 1975, 1,005.7 million pounds. Food, drink, and live animals did better than in 1974.

Income levels in agriculture would have been substantially lower if Ireland was not a member of the European Community with access to EC funds and support from the Community market system, concedes T.J. Maher, head of the Irish Farmer's Association. But he claims farm incomes dropped 17 per cent behind other incomes between 1973 and 1975 because of input costs and inflation. The EC modernization plan aims at bringing farmers' incomes up to those in industry. The figure they set for this is slightly above last year's average industrial wage in Ireland, which was about 2,200 pounds.

Only 3 per cent of Irish farms are commercial by EC standards; 20 per cent are potentially commercial; and 77 per cent, non-commercial. Farmers generally complain the Community-funded modernization plan sets targets which are too high for Irish conditions. Certainly EC plans to improve the lot of farmers make no allowance socially for the lifestyle of small holders in beautiful but barren western Ireland. With no intervention system for younger animals, which farmers sell for fattening, they were left with starving and dying herds during the 1974 cattle crisis.

AS ELSEWHERE, the flight from the land is inevitable. In 1953, 40 per cent or so of the population were in farming, 25 per cent in industry, and the balance in services. Now 33 per cent are in industry, 23 per cent in farming. But with 40 per cent of those in industry depending indirectly on agriculture, and the farming community spending an estimated 300 million pounds a year on goods and services, the land is still Ireland's greatest asset.

Potentially the small fishing industry of about 400 trawlers and 1,800 small inshore craft, employing 6,000 people in fishing and processing, is one of the most important in Europe. Fishermen gloomily predict the rape of the rich

offshore fishing grounds when the bigger fleets of other EC countries have access to Irish waters in 1983. Ireland's small fishery protection flotilla will be incapable of enforcing Community regulations on stock conservation, fishermen say.

Offshore riches now also include a minor find of one million cubic feet of natural gas off the southwest coast. It is expected ashore by 1979 and will be purchased by a state-sponsored body and used in fertilizers and electricity. Hopeful shows of petroleum have also been located. Most of the exclusive offshore licenses are allocated on condition that 80 per cent of the profits go back to the Irish people, if and when the oil is found. Unlike Britain, which considers itself a producer, Ireland lines up conservatively on the side of the consumers with net natural gas exporter, Holland, and the other EC countries.

It is unlikely he would hope to see Ireland divorced entirely from its Community associates, but Fintan Kennedy, leader of the 150,000-strong Irish Transport and General Workers Union, remains unrepentantly anti-market. He comments: "In a nutshell, the European Community lived up to the expectations of those in the trade union movement and elsewhere who opposed entry." He attacks the Community's regional policy: Ireland gets 35 million pounds over three years in grants from a total fund of 542 million pounds. He says the social policies of the European Community are so starved of finance, they cannot go beyond the narrow concept of retraining workers made redundant by European Community free competition. He alleges the Irish domestic market is being captured by foreign goods at a time when export performance is declining and the favored position on the British market is lost. "Ireland is an industrial ant compared to other EC states, and it is unfair to expect us to be limited in our industrial incentives to the same standards as France and Germany." He welcomes EC directives on equal pay and collective redundancies, but "not as balancing out more fundamental disadvantages." Advantages do lie with Ireland in EC budgetary terms. The country collected approximately 90 million pounds in grants and subsidies, mainly from the farm, social, and regional funds, in 1975. It paid in 10 million pounds, largely to the Community budget and a lesser amount to the European Investment Bank. This will bring the net profit in three years of membership to some 185 million pounds.

The Labour Party and the Congress of Irish Trade Unions' political wing were against entry, but joined the pro-European Fine Gael Party in a national coalition three months after Ireland's entry. The coalition, with the Fine Gael in the great majority, was formed to oust the 16-year old Fianna Fail Government, which had an honorable track record in pursuing and attaining Community status. Labour kept its promise to make the best of membership, apart from the odd sally at fundamentals by Industry and

Commerce Minister Justin Keating. He indicts big business for maintaining a Common Market, rather than creating the caring Community with the "human face" pre-announced at the 1972 EC summit.

FitzGerald remains the great defender of the European Community. His ideal Europe runs to a federal or confederal Community, wherein Ireland's interest would be best protected by a decision-making system in which the larger countries could not exercise a veto on any proposals to improve the European Community and its policies. The tendency of the bigger powers to go it alone, particularly in monetary matters, offends the Community spirit of the former economics don. He believes a logical corollary to a federal or confederal government and parliament, plus monetary union, would be the development of a European defense policy. But as the only non-NATO Community member, Ireland does not foresee a European defense commitment arising in the immediate future. The Irish foreign minister says some member states tend to shy away from even discussing a common defense policy lest it encourage America to leave.

Betimes, activated by its ubiquitous foreign minister, Ireland broadens its foreign horizons. FitzGerald, who reckons he logged 64,000 miles during the six months of the EC presidency, has opened embassies in Russia and Austria, and Ireland has become accredited on a non-residential basis in 17 additional countries, including ten in the Middle East region. Ireland is also capable of taking its own line on foreign policy—for example, keeping an ambassador in Madrid when other EC member states withdrew theirs. All have since returned to Madrid, and some admitted they were wrong, FitzGerald claims.

He regards Ireland's specific and active part in the signing of the Lomé Convention on aid and trade with 46 African, Caribbean, and Pacific countries as the highlight of the presidential term. The successful organization of the Euro-Arab dialogue, "languishing when we took over the presidency and in a healthy state when we left," and Ireland's part in helping the development of democracy in Portugal, were other achievements. He maintains Ireland's team scored a striking diplomatic success in preventing re-cremations after the stalled producer-consumer conference and in setting up a new preparatory meeting.

"Ireland's voice is now listened to in world affairs," says FitzGerald. "Moreover, people at home began to feel during the Irish presidency that it was not Ireland which belonged to the Community, but that the Community belonged to us. It was psychologically important that our people should have this feeling—that Ireland and the Community are not separate things, but that Ireland is part of the Community and playing a role in it."

IBERIAN WATCH

Spain

MIGUEL ACOCA, Madrid correspondent for *Newsweek*

The advent of King Juan Carlos I to the throne, vacant for 44 years, brought hope that Spain, ruled by Francisco Franco from the end of the 1936-39 civil war until his death last November 20, with a harsh authoritarian hand, would start moving toward a West European democratic system. But although Franco was gone, the king has been very much a captive of Franco's institutions and of politicians who made their mark in the dictatorship. Not only did he have to swear loyalty and allegiance to the dictator's political "fundamental principles," but he had to make political deals with entrenched Franco loyalists to form his first government.

To be sure, the 37-year-old king tried to put distance between himself and the Franco legacy with symbolic gestures. After the Caudillo was buried in the basilica in the Valley of the Fallen, a grandiose monument to the Civil War dead, the king presided over a Thanksgiving Day mass in Madrid which served as a sort of corona-

tion and assertion of independence. West European leaders who had shunned the obsequies for Franco came to mass. French President Valéry Giscard d'Estaing was hailed by the enthusiastic crowds on Madrid's streets shouting "Viva Juan Carlos." West German President Walter Scheel received similar greetings. So did Prince Philip, husband of Britain's Queen Elizabeth II.

The presence of two West European democrats and of Philip, the envoy of a democratic monarchy, was a symbolic signal that Spain's neighbors supported the king and expected him to lead the country, long blackballed from entry into the North Atlantic Treaty Organization (NATO) and the European Community because of Franco's associations with Nazi Germany and Fascist Italy during World War II, into a new era that would dismantle the past.

It was significant that at the royal mass Vicente Cardinal Enrique y Tarazon, who in the past four years orchestrated the Roman Catholic Church's demands for civil rights, freedom of expression, and political parties, warned the king that the Spanish church expected his reign to "respect, without discrimination of privileges, the rights of the human person, and protect and promote the exercise of adequate freedom for all. . . ." More than anybody, the cardinal formulated what will become the major challenge to the king—granting the Spanish people "the necessary common par-

ticipation in all common problems and in the decisions of government," something denied by Franco and by his corporative institution.

Although the king has made it clear to friends and diplomats that he favored democratic evolution and what in his inaugural speech he called "extensive improvements," he also stressed that his political program of transition from an authoritarian regime to a representative monarchy was a two-year task. He expressed a fear of the right-wing of the regime, associated with Franco and his restricted political ideals, with the Falange, Spain's fascist party, and the National Movement, which incorporates all the groups that supported Franco during the war and his long rule.

Another major threat to the king, and the monarchist restoration imposed by Franco, are the outlawed Spanish left-wing parties, which have resumed their activities despite continual hounding by the state's police machinery. The strongest of these, needless to say, is the Communist Party, which has managed not only to survive but to maintain a constant strength of 10-15 per cent of the adult population in the past five years.

The king's first major political loss, however, was inflicted by the regime's right-wing. The "bunker," as it is called in Spain, blocked his nomination for premier. He had let it be known that he wanted either

As Spaniards try to get a glimpse of Juan Carlos I during his accession ceremonies, the rest of Western Europe watches as well. © Jane McCullough.



Manuel Fraga, a dynamic regime moderate who served as Franco's information minister and ambassador to London, or Jose Maria Areilza, a conservative monarchist and former ambassador to Washington and Paris. Both men have advocated regime reforms to ease Spain's entry into the European Community and NATO, and to defuse the pentup demand for political pluralism in the country itself. The right-wing vetoed their nomination in the Council of the Realm, a constitutional body created by Franco to filter and narrow the choice of premier after he was gone from the scene.

Burned in his first political initiative, the king backed away from a contest and decided to retain Carlos Arias as chief of government. By keeping Arias, named by Franco in 1973 to serve a five-year term, the king made a concession to the past. The deal gave the king the chance to have Fraga in the cabinet as vice premier and interior minister and Areilza as foreign minister. Fraga represents regime forces seeking renewal and adaptation to the times. Areilza gives the king a voice to Europe and the United States, and a keen analyst who can advise him on the pitfalls that he faces abroad and at home.

But the number two man in the cabinet was a military officer, Lieutenant General Fernando de Santiago, who became first vice premier in charge of defense affairs and minister without portfolio. Just before

he was appointed, he delivered a speech calling "subversion" Spain's greatest peril, and on taking office he remarked that the Spanish people wanted a life without "swift breaks" with the past and "without adventures."

In a succinct way, the general summed up the king's—and Spain's—dilemma: How to give the Spanish people what they want without antagonizing the extreme right, which dislikes conservative monarchists like Areilza and dynamic moderates like Fraga, and without collapsing the institutions inherited from Franco. Yet the general is a watchdog for the armed forces, which, while not political, are divided between young officers who want change and senior Civil War officers who want to modify and modernize the system.

The outlawed left, feeling deprived once again, took to the streets to make its weight felt and to call attention to the world that the king was a captive of the system. The king's pardon of political and common prisoners was denounced as "limited" and "restricted." When Marcelino Camacho, Communist leader of the underground workers' commissions, now Spain's most powerful labor organization, was freed under the terms of the pardon, he called the royal gesture "an insult" because it wasn't a general amnesty for all political prisoners, estimated at 2000, and because it did not allow the return of poli-

tical exiles, many of whom have been abroad since the end of the Civil War.

The left—led by the Communists—orchestrated a campaign of demonstration whose rallying cry was amnesty. A party spokesman said, "We'll continue the demand until something gives. Amnesty is the cornerstone of political freedom in Spain. Without it, there can be no healing of the wounds of the Civil War and Franquismo."

Portugal

DAVID BINDER, diplomatic correspondent in *The New York Times* Washington bureau

The triumph of Portugal's moderate Socialists over their Communist and extreme Left adversaries in November-December 1975 marks an extraordinary turn of events in the postwar political history of Europe. For the first time in an open arena Social Democrats succeeded in defeating a drive for power by a Communist Party and its military and police allies. The reverse of the situation of Czechoslovakia in 1948, when the Social Democratic majority was overwhelmed by a Communist minority strengthened by police and military might. Not to mention Hungary and East Germany, where parallel Communist "victories" took place under the aegis of Soviet occupation armies.

It is in large part the saga of Mario the Navigator. For Mario Soares, the Portuguese Socialist leader, has proven to be a political counterpart of the fifteenth century patron of seafarers, Prince Henry the Navigator—steering his party of explorers safely past the dangerous shoals of unequal collaboration with the Communists and away from the winds of suspicion emanating from Secretary of State Henry A. Kissinger.

His success, the success of the Portuguese Socialists, has already had a stinging impact on the strategy and tactics of what the Soviet Union likes to call "The International Communist and Workers Movement." The force of his example—evolutionary political change with a minimum of civil strife and bloodshed—has not been lost on neighboring Spain, which is tremulously entering the post-Franco era. Beyond this, the Portuguese Socialist success has

"Taxi?" (Cartoon by Behrendt, Het Parool, Amsterdam, the Netherlands.)





"Mario the Navigator": Soares leading Socialist Party members in Lisbon. UPI Photo

notable implications for the whole of Western Europe — not only in the context of the European left, but also in terms of the European Community. For the Common Market has been much more than an interested observer of the Portuguese scene since a group of armed forces officers ousted the moribund authoritarian government that was the heritage of over four decades of Salazar dictatorship, in April 1974.

In the following months it was frequently postulated in Europe and the United States that Portugal was a special case which, because of its peculiarities, could not be compared to or modeled after other European political developments.

With its vast colonial empire still intact from the Indian Ocean to the Atlantic, with semi-feudal practices still present in social and economic life, there was much to commend this view of Portugal's uniqueness. Yet there were other elements strongly linking Portugal to the rest of Western Europe, to the modern world. There was the North Atlantic Treaty Organization. There was the participation of more than 1 million Portuguese workers in the economies of France and West Germany. Finally, there was Mario Soares, whose Socialist Party was established in exile in 1973 at

Münstereigel under the patronage of Willy Brandt, chairman of the Social Democratic Party of Germany and then chancellor of the Federal Republic. Through this connection Soares became a protege not only of the German Social Democrats but also of the ruling Social Democratic or Labor parties of Britain, the Netherlands, Belgium, Denmark, Norway, Sweden, and Austria. They provided him with financial assistance, counsel, and moral support throughout the arduous winter and spring when his young and scarcely tested party formations faced mounting threats and curtailments from the Communists and their allies in the then dominant Armed Forces Movement.

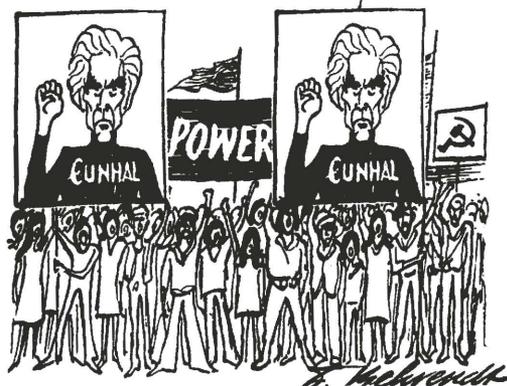
Because of their influential position in the EC Nine, the ruling Social Democratic parties of Western Europe were also in a position to make the cause of Soares and the other Portuguese democrats a *European* cause in the context of the Common Market, and more. When Brandt traveled to Washington in March to call on Ford and Kissinger, he pleaded for support of the Portuguese Socialists as a Social Democrat *and* as a European Community politician. (He had been out of office as chancellor for almost a year.) The American leaders

listened to him. Brandt's assessment was vindicated within days when the Portuguese Socialists scored an overwhelming victory in the constituent assembly elections of April 1975. The Soares party, together with the small Popular Democrats, got 64.2 per cent—the Communists and their far-left allies, less than 18 per cent of the popular vote. Now, at least, Soares had a mandate. Following a thorough reappraisal in Washington, sparked mainly by the bold reporting and requests of Ambassador Frank C. Carlucci, he also obtained grudging support from the Ford Administration—including a trickle of modest, covert funds funneled in by the Central Intelligence Agency.

But it was a pittance compared to the \$2 million or more a month being supplied to the Portuguese Communist Party by the Soviet Bloc. The PCP was led by Alvaro Cunhal, a fiery orator, and a man who had learned militancy in the prisons of Salazar and the chilly climes of East European exile. Like any good Communist, Cunhal wanted to win. His first move in 1974 was to put himself, and his 1,000 or so cadres just emerged from illegality or exile, in league with the dreamy utopian Socialists of the Armed Forces Movement.

Cunhal was under instructions from Moscow to go slow, to go gently, and to make something more than a pretense of "popular front" policy vis-à-vis the Socialists. It was more than an evocation of the popular front tactic proclaimed in 1935 by Stalin's Comintern (briefly followed in Leon Blum's France and then hideously distorted in Spain during the Civil War when the Communists exterminated the non-Communist left leaders of the POUM and of the Social Democrats). Indeed, it was a recognition of the realities of the Communist-Socialist alliance in France and the attempts of the Communist Party of Italy to have their electoral strength legitimized in coalition with the Christian Democrats at the national level.

But Cunhal paid only lip service to the popular front concept in Portugal, and only for a short time. With the bitter taste of April's humiliating election defeat still in his mouth, he made cause against the Soares party together with militant leftists in the Armed Forces Movement, squelching the newspaper *Republica* and menacing the demonstrations of the Socialists. By early summer the orthodox Communists of the Soviet Bloc were saying privately that Cunhal was "a disaster" for the cause of Communism in Portugal—that he had "gone too far, too fast," as Soviet Bloc diplomats told me in July and again in September. They were appalled by the cynical interview



The view from Behrendt, Het Parool, Amsterdam, of Portuguese Communism.

he had given Oriana Fallaci, the brilliant Italian reporter, in which he declared that Portugal would never have a parliamentary democracy.

In desperation after the moderates forced the dismissal of Premier Vasco Goncalves in August, Cunhal committed a cardinal ideological sin. While maintaining ties to the swiftly dwindling group of leftists in the Armed Forces Movement, he joined up with armed formations of extreme leftists—the League for Union and Revolutionary Action and the Movement for a Socialist Left. This was tantamount to an alliance with Trotskyites. From Moscow's point of view, nothing Cunhal had done before could measure up to such a monstrosity, for Trotsky remains anathema to Moscow, 35 years after his death.

Ideology aside, the alliance of Cunhal's Communists with the extreme left groupings proved disastrous in the abortive coup of December, which was crushed by the armed forces' moderate wing and the Government of Prime Minister Jose Pinheiro de Azevedo. The failure of the coup has left Cunhal's battered Communist cadres in disrepute and greatly reduced in number.

As if in anticipation of Cunhal's defeat,

the Communist leaders of France and Italy, George Marchais and Enrico Berlinguer, met in Rome November 17 to issue a joint declaration charting a "democratic path to socialism" through participation in parliamentary systems. The pledge ran counter to the latest Soviet thesis which held that some Western Communist parties were running the danger of losing their identities by taking part in coalitions with bourgeois parties. Thus, in Moscow's view, the Portuguese experiment had created equally evil polarities on the West European Communist scene—with Cunhal going too far left, and Marchais and Berlinguer going too far right.

There was one more ideological peculiarity spawned by the Portuguese development. Early on, the leftist naifs of the military called theirs the "Portuguese Revolution." The coinage was quickly picked up by Cunhal's Communists and others of the political left who surely knew better in terms of Marxist-Leninist doctrine. No one with a smidgeon of Marxist background could pretend that bloodless seizure of power by a few hundred discontented officers from a fatigued and virtually helpless bourgeois clique represented "revolution."

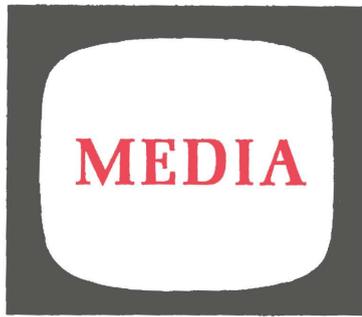
There was nothing in Portugal resembling "class struggle" or "the conscious organized activity of the masses" even after a year of street demonstrations and pseudo-Marxist rhetoric. Nor could the Communist Party operate as "the vanguard" of a working class that did not exist in a coherent form. Rather, in Marxist terms, Portugal remained at a "pre-revolutionary" stage of "bourgeois democracy"—even after the banks were nationalized, some farm land collectivized, and some business firms put under state control. In terms of economic-social organization, post-coup Portugal was closer to anarchy than it was to any form of socialism.

Today, one can still read in the Soviet Bloc press of the "revolutionary" and "counterrevolutionary" forces in Portugal. But this talk has been increasingly muted since November, implying that Moscow no longer entertains hopes of a new friend on the shore of Iberia, for the time being.

But the victory of Soares and his allies is tenuous, nevertheless. The economy lies in wreckage; there are several hundred thousand refugees from Angola crowding hotels and makeshift barracks in Lisbon and northern cities. Thousands of demobilized soldiers are jobless, while Portuguese workers returning from inflation-ridden Northern Europe are also swelling the ranks of the unemployed. This leaves fruitful ground for extremists to cultivate.

All the more important, then, is delivery of the aid promised by numerous Western countries and institutions—\$187 million by the European Community, \$85 million by the United States, and loans and credits from the World Bank and International Monetary Fund. For that matter, the United States has indicated it would give upward of \$400 million in development credits to Portugal as part of a new agreement on American military bases in the Azores, which has yet to be negotiated.

In terms of the viability of parliamentary democracy and the future of Western Europe as a political-economic entity, there is no investment today of more importance than Portugal. For Soares, the Portuguese navigator, has charted a new route of political change under the most adverse circumstances—a leaky old ship tacking against contrary winds. His achievement signifies that Europeans in other economically backward regions of Spain, Greece, Turkey, and Italy need not turn in desperation to social violence or to armed revolution in the Marxist-Leninist mold. Evolution is still possible, Soares has shown.



On Coming Back to American Television

ROBERT MacNEIL

IT IS ALMOST AS BORING TO GO THROUGH THE RITUAL of deploring American television as it is to watch it. It is simply awful. Coming back to it after living abroad is always a shock. There is scarcely an adjective of denigration that cannot be mustered to assault it. It is trivial, mindless, blatant, mawkish, vulgar, strident. Yet it is enormously successful. No critic can dent that success, and many have tried.

Their thin cries of protest are lost in the gale of adulation blown up by the wind machines of the industry's own promotion. For every reader aroused by their critics, a hundred non-readers happily surrender their leisure hours to it. Network television is an amazing cultural phenomenon, binding together this vast nation like nothing else, giving tens of millions of people at night a sense of shared experience and national community, nourishing its fantasies, shaping its morality, manipulating its very identity as a people, with no greater purpose in mind than to sell it more deodorant.

There are a number of ways of looking at this phenomenon—because it cannot be ignored, except by the very few with other distractions to fill the vacancies in their lives, to divert them from tedious jobs, marital emptiness, sexual unfulfillment, importunate children, crushing bills, and un-lived fantasies.

You can think of television as the spontaneous triumph of a mass culture, thumbing its nose triumphantly at the high-culture elites; as the valuable connective tissue of the world's greatest experimental democracy; as a powerful and usually benign moral force insinuating "right values" and gradually welding a new generation of better Americans.

It is in some measure all of those positive things, but it

is innocent to think the measure very large. Actually it is a successful, commercial confidence trick.

You have only to look at the television offered in other countries. It is not true that each country gets the television it deserves. A nation gets the television imposed on it, by political and commercial decisions usually made long before anyone knew the medium's potential. It is not, like governments, the subject of plebiscites or referenda; even if it were, the medium itself is so ingratiating that for the most part the masses like what they have. That passive acceptance easily overrides occasionally specific outrage, and permits the television moguls in any country to claim they are giving the people what they want. For the most part they are, because people are unaware of what they might want and the occasion seldom arrives when fundamental changes could be made.

I see no real pressures capable for the moment of modifying the exploitive nature of most commercial television. It is more successful every year, and it is secured politically by the interlocking interests of a vast communications establishment—tying together politicians at all levels, broadcasters, manufacturers of equipment, lawyers, the advertising industry, creators of programs, artists, journalists, and the businesses which advertise. Even many so-called television critics are laced tightly into this vast symbiotic network. The only thing which threatens it is advancing technology. Eventually, by ending the scarcity of broadcast channels that is now so commercially valuable, the present structure may break up.

But while countries may not get the television they deserve, the television they get says a great deal about each country. You can argue that television is in large measure the mirror and measure of a society.

Let us compare American network television with that of one European country, Britain, the other service I am most familiar with.

From one perspective, the differences are marginal. If you are among the small group that believes almost all television is a waste of time, the margin will not seem very important. But within that margin there is a vast difference in philosophy, in the attitudes towards audience, in creativity, and in the handling of children's programming, politics, and journalism.

The essential difference is in the basic purpose of the two institutions. It is not too cynical to say that American network television is not designed *primarily* to present programs to audiences; it is designed to deliver viewers, in the commercially desirable age and income groups, to sponsors of products.

Whatever can be contrived to make that more efficient is what passes for entertainment on the air. The dynamics of such a system require audience maximization and programs designed to appeal to the lowest common denominator of taste. Minority tastes, even when held by millions of peo-

ple, are cavalierly ignored. That is not true of the still-fledgling Public Broadcasting Service (PBS), but it still serves a small minority of the American public.

IN BRITAIN, where commercial television is presently confined to one of the three national channels, the pressure to audience-maximize is much less, and there is correspondingly less fear of serving substantial minority tastes. The competition between the publicly funded British Broadcasting Corporation (BBC) and the commercial Independent Television improves both. When that competition began in 1955, it rescued the BBC from stuffy complacency, while the presence of an institution like the BBC keeps the commercial broadcasters from putting all four feet in the trough at the same time. Commercial broadcasters are also required by regulations to confine their messages to "natural breaks" in programs, and although they have stretched that concept ingeniously, it has meant in practice that you get bursts of commercials only four times an hour. Programs are not interrupted with the maddening frequency and tastelessness that they are in the United States. While both services in Britain are avid for large audiences and are intensely competitive, they both program extensively for smaller groups with special interests. Hence the long list of British programs never seen in the United States on gardening, chess, pool, and antiques, as well as the creative arts and a much wider range of minority interest sports than in the United States.

"An American television gothic": It may make food taste better, but does television make the quality of life better? asks MacNeil.
© BURK UZZLE, Magnum

When the tyranny of having to strain to maximize your audience in every minute of "prime time" is removed, when executives know they will not be fired in disgrace if the ratings take a dip in one season, the results are programs created because they will make interesting programs. That is the simplest reason why British television, both BBC and commercial, produces so much that is excellent when compared with the American product: The fear is removed.

Yet, another healthy fear is built in for the commercial broadcasters in Britain. When the BBC monopoly of broadcasting was opened to competition, commercial interests were granted franchises for a limited period on condition that they provided a variety of programming. In the sixties, when the first franchises were reviewed, several prestigious and seemingly invulnerable companies lost their franchises. That discipline is almost inconceivable in the United States. For all the anxiety commercial broadcasters profess in the United States, the practice is that licenses are granted in perpetuity. Challenges by groups of concerned citizens and minorities have recently become more frequent, but very few licenses have ever been taken away. It was a British entrepreneur, Lord Thompson, who first observed that a broadcast franchise was "a license to print your own banknotes." But it is in the United States where that is most true.

That marginal bit of extra freedom from ratings fear explains the vastly more creative output of British television, but so does the attitude to the audience. If you despise the



audience because you are manipulating them, you will be content to throw anything at them and tell them through your publicity that it is good: The fools will believe it. Pauline Kael, the eloquent movie critic of *The New Yorker* said it very well:

"As soon as an artist ceases to see himself as part of the audience—when he begins to believe that what matters is to satisfy the jerk audience out there—he stops being an artist. He becomes a businessman, marketing a commodity—his talent, himself."

And that is the appalling thing that has turned so much American television into mindless, formulaic dross: contempt for the audience; a belief, underneath the pieties spoken to broadcasting conventions and congressional committees, that the audience is a "jerk." Doubtless there are men programming that way in Britain too—but I think few. The difference is not just due to the structural difference in the two systems. It says something about the two countries.

There persists in Britain, quixotically in some professions, a belief in craftsmanship, an old-fashioned desire to use one's skill to satisfy oneself as much as the person who will pay you for it. The spirit is vanishing fast even there. American ideas governing mass consumer technology have rapidly corrupted much of British as well as European life. Undeniably they raise the general standard of living; unarguably they improve productivity; clearly what is lost is quality. Television, as in other arts in Britain, is one area of the British economy still hospitable to creativity.

There are other factors to explain why Britain can produce series like "The Forsyte Saga," "Elizabeth R," "The Golden Bowl," "Upstairs-Downstairs," and others which so impress American audiences—factors beyond organization of the system. London, unlike New York, is the center of everything in Britain: live theatre, music, movies, and television. Talent passes easily from one to the other. Often simultaneously an actor will be in a West End play, videotaping a series for the BBC, and doing a small part in the movies.

Moreover, British television has retained the respect of the creative writers because it has always given them a marketplace. Original drama did not die on British television as it did after its first flush in America in the fifties. It continued to flourish. The BBC and later Independent Television remained consistent patrons of writers, musicians, actors, designers, directors, and costumes. The pool of talent exists in London, and there are no psychological decompression chambers for talent to pass through between one medium and another. Put at its simplest, the talent has not been made to despise television in Britain as it has in the United States: That is one of the greatest indictments of American television. It has turned off, dissipated, or corrupted its own talent. People like Arthur Miller do not want to tailor their ideas to an audience of slow-witted



"The real corruption of television—its treatment of children."
© CHARLES HARBUTT, Magnum

teenagers, which is the intellectual level much American television seems directed to.

BUT THE REAL CORRUPTION that American television will eventually have to answer for is its treatment of children. How can anyone be too scornful of a system which, with the utmost cynicism, sets out deliberately to make aggressive consumers of children three-to-13-years-old? It sickens me to watch typical fare for children on a Saturday morning—filled with cheap violence, mindless triviality, brash mis-adaptations of classics, and cloying sentimentality, laced with incessant pitches for mass-produced toys and sugar-laden cereal products. It has made me furious to see my five-year-old son build up important expectations about the toy to be found in a particular cereal, finally discover some obscene piece of cheaply-molded plastic, a thousand times less in the reality than the promise on television. For all the do-gooding in Washington to correct these abuses, they still continue.

Beyond that is the steady diet of violence in the programming at the margin of the child-adult audience in the early evening. It is inconceivable to me that young minds drinking in thousands of hours of seemingly lifelike situations, in the context of adult approval, where violence is the morally accepted solution to problems, will not be undesirably conditioned.

Children are vastly better catered for on British television. The content is sensitive, designed to expand their minds and experience, and there is strict regulation on how they can be appealed to commercially. And that says something about the two countries, beyond the mere structure

of television. To me it is the grossest abuse to suffer little children to be made obedient automatons of the free enterprise system. A nation which permits that has got its values seriously muddled. It permits decent men—doubtless church-going, law-abiding, community-active citizens—to put the importance of selling and loyalty to their firms above their own consciences and their own private value-system.

Finally, in the area in which television may matter most—its journalism—the comparison is more complicated but equally adverse to the United States.

In most developed Western countries, television is now *the* mass journalism, simply in the numbers of people who rely on the medium for their information. Those people are not ideally served anywhere to my knowledge, but they fare much less well in the United States than in Britain. In news programs or news bulletins, there is little to choose between the two systems. Professionals might argue that this or that program exhibits better news judgment or puts the day's events in a more understandable context, but the differences are marginal. So far, Britain is free of the distressing trend in American television to turn news programs into side-shows and newscasters into grinning clowns.

Where the British system comes out streets ahead is in its attempt to interpret and background the news in programs supplementing the news bulletins. All three networks in Britain have regular prime time programs of an impressive variety, of documentary reportage of the highest standard achieved anywhere, of studio discussion, and of specialist programs on politics, finance, science,

The author (foreground) interviewing Norman Mailer.

C. BROWNIE HARRIS, WNET-13



the arts. Not only do such programs scarcely exist on American network television, but those which do exist are largely confined to the lower viewing times on the weekends, and their average quality, journalistically and as television, is greatly inferior to the British product.

The American weakness is compounded when you consider that Britain is geographically a small country, with eight nationally-circulated daily newspapers, and an impressive coverage of the news by radio. The United States, which has no real national newspapers and the most superficial radio news, needs comprehensive national television news programming even more than Britain. The United States does not get it because in the times when it might usefully be broadcast, there is more audience, and therefore more money, in manufactured comedy and action drama.

The reason for all these differences is that one country decided, when radio first appeared, to use its broadcast technology differently. They were decisions reflecting the strengths and weaknesses of each country. In Britain in the Twenties, it was in the natural order of things to have a decision made paternalistically, at the center, for the "establishment" of the day to feel it knew best what was good for the masses. Out of such attitudes grew the BBC.

In America, when private enterprise was much less fettered than now, when federal government regulation of commerce was still in its infancy, it was in the natural order of things to let the boldest entrepreneurs grab what they could. Out of such attitudes grew the commercial broadcasting system. The American, had he thought of it then, would have pitied the British for their deficient democracy; the Englishman would have smiled a little condescendingly at the Americans for throwing something so untried into the chaos and greed of the marketplace. There is no doubt in my mind about which people got the better deal.

Much later in Britain, with the publicly financed BBC grown not only into a huge bureaucratic monopoly but a respected national institution, it was a relatively simple political decision to make room for commercial competition. In America, when the commercial monopoly on the public's airwaves had also become a national institution, it was far more complicated a political process to introduce "public competition." That process continues today with efforts to arrive at some satisfactory long-term public funding for public television. It is making creeping progress. The public network, PBS, does offer an alternative, and a growing national audience is becoming more discriminating in its viewing. But PBS has a long way to go to provide creative competition as a near equal.

ROBERT MACNEIL, *anchorman for the PBS "MacNeil Report" (NPACT, WNET-13), who formerly worked for the BBC, NBC, and Reuters.*

Around the Capitals...



Brussels

Spectators in Belgium's high-columned, neoclassical Parliament were startled during eight days in mid-November by the loudest, most free wheeling debate in recent memory. The issue was not the economy or Belgium's special language problems, but something perhaps even more fundamental to the country's life—city hall politics. Since the Middle Ages, local loyalties and politics have played a central role in Belgium. Now a Government proposal was on the table to reduce the 2,359 municipalities in Belgium to a more manageable 589, fusing the small administrations into bigger units and putting thousands of mayors and town officials out of office.

The idea of fusions has been around a long time. In nearby Holland and Germany action was taken long ago to incorporate small villages into bigger towns for the sake of efficiency, and in Belgium towns have been able to fuse on a voluntary basis for over a decade. But few took this option because of small town pride and dislike of neighbors—forcing the national government in Brussels to make the program mandatory.

Predictably a rash of protests broke out in the countryside as little towns refused to submit to the fusion plans. The Government officials in charge of the program had listened to local complaints but then gave up trying to please everyone since the desires of many small towns were contradictory with what their neighbors wanted.

While small town mayors protested outside the Parliament, the main noise inside the Assembly chamber came from the opposition Socialist Party, which claimed that the

Government parties that drew up the plan had rigged the boundaries to get an electoral advantage. (A municipal vote is scheduled for next October to set up the new, enlarged town councils.) The Socialist anger was increased by the fact that the fusion plan was presented to the Assembly under a rule forbidding amendments. This was needed, argued Social Christian Interior Minister Joseph Michel, since otherwise a long debate would arise over every single boundary change.

As it happened, the Socialists chose a filibuster tactic, reasoning that the longer and louder the debate, the more voters would remember in 11 months who had opposed the much resented plan. The Government members sat in silence as speaker after speaker rose from the Socialist ranks to denounce every motion proposed by the majority. Finally after eight days the opposition ran out of parliamentary stratagems and the Government pushed the bill through the chamber. Approval by the Senate came shortly after.

The two-year-old coalition Government of Prime Minister Leo Tindemans emerged, if anything, stronger from the experience, although it still has tough battles over its incomes policy and university costs in coming months. The Socialists may pick up in the coming municipal elections because of their defense of small town rights, but some observers expect a backlash against their circus-like tactics in the Parliament, which were broadcast each evening into millions of Belgian homes over a rare parliamentary television hookup. The one clear change is that Belgium's villages will lose some of their isolated character. People will have to travel a few miles for city hall business, and municipal elections will be fought on broader issues than before.

—PAUL KEMEZIS

Copenhagen

It has been said of Denmark that its primary raw material is its people. The Danes are proud to agree. Indeed, in the absence of any metals or minerals, coal or oil, it is something of an economic mystery that Denmark has not only managed to survive

but to emerge as one of the European Community's most prosperous partners.

The Danes have always regarded their country as the pantry of Europe despite Denmark's modest size (5 million inhabitants occupying 17,000 square miles spread over 483 islands). Denmark is the world's biggest exporter of pigmeat, second largest exporter of butter, and third most important exporter of cheese. Yet, only 8 per cent of the population now works on the farm,



and agricultural produce makes up only a third of total exports. During the past 15 years, industry has gradually replaced agriculture as the nation's most important bread-winner. This was achieved by a steady annual industrial growth rate of 6 per cent during the Sixties, all the more remarkable as it was brought about by a diminishing industrial work force. The key to this success has been technical innovation, specialization, and high quality.

Because of Denmark's historical need to survive as a trading nation, it has always been an enthusiastic supporter of free trade. It has frequently experienced hard times through suddenly encountering tariff barriers in traditional markets. This was certainly true of the original EC Six; and when Denmark joined the Community along with the United Kingdom and Ireland on January 1, 1973, it meant vastly improved marketing opportunities for the Danish farmer with access to one huge, open market with a common range of prices. The decision of the United Kingdom, a major market for Danish farm produce, to join the Community was, needless to say, a significant factor.

The overall increase in agricultural in-

come since accession has been 50 per cent, approximately 40 per cent of it from EC support funds with almost no quantitative increase, according to Klaus Bustrup of Denmark's Agricultural Council. "The Community has certainly lived up to our expectations," says Bustrup. "Farmers are very satisfied with the operation of the intervention system, which was a big selling point during the referendum campaign. You could almost say that the common agricultural policy was made for Danish agriculture." Since Danish industry is also export-oriented, access to the EC market of 260 million consumers outside Denmark has been both an opportunity and a stimulus. Although industry is heavily dependent on imports of raw materials, exports to Denmark's Community partners have increased more than imports since accession.

The 1974 inflation rate of almost 15 per cent was expected to be cut to 10 per cent last year. But the Danes are now trying to cope with an unaccustomed unemployment rate of 5 per cent following years of industrial boom. As a result of this, and the fact that Danish industry has had only one prosperous year—by its own standards—since accession, it is difficult, as Ove Munch, director of the Federation of Danish Industries, points out, to sell the Community to the man-in-the-street. "Finding a scapegoat has become a national game," he says, "and the Community is the biggest scapegoat." However, he believes that people are now coming to realize that something other than the Community must be blamed for the current economic situation. The result of the United Kingdom referendum also "took the heat off the Community," as he puts it.

One of the Danish Government's publicity brochures opens with the following observation: "Let's face it . . . we Danes can be as pleased with ourselves as any peacock. But our self-conceit is all the same tempered with a sense of reality." The Danes are, on the whole, realistic enough not to confuse accession to the Community with the worldwide economic slump that happened to coincide with it.

—PETER DOYLE

Paris

The celebrating in Paris this winter has been for Valéry Giscard d'Estaing's first 500 days in office. When books began popping out a year ago on his first 100 days, he passed the word that no one could accomplish much in so short a time and to



give him 500 days before passing any judgment. If one were to judge by his reforms alone, it would be only a modest record. A few splashy things have been done, mostly catching up with other countries in the fields of divorce, abortions, and voting rights. But the tough measures still lie ahead.

The first real test of how far this elegant and refined young president will travel down the road of reform comes this spring, when the National Assembly considers a capital gains and property tax—the first taxes in modern France on capital. The Government says it will go ahead, but the opposition is already chuckling. Giscard's Conservative majority is staunchly against taxes on capital, so we might get a situation where the only support comes from the left. The dilemma says a lot about the future for Giscard's reforms: Too often they run against the grain of the president's own supporters.

The reforms, as they spread out over the next five years of Giscard d'Estaing's presidency, will leave their mark on French institutions, though it might not be immediately noticeable. More immediately noticeable has been the change in the mood, that has made France a rather different place to live than it was under the two Gaullist presidents of the Fifth Republic.

A president can set the style for a country. There has been no better example of that than Sweden's Olaf Palme, who, with his Socialist flair for egalitarianism, simply started calling everybody *du* when he came to power a few years back, shocking the traditionalists and practically single-handedly doing away with the *ni* form, the equivalent of the time-honored *vous* in French. Giscard still has not begun to *tu*-toyer his countrymen, but he does refer to them in his fireside television chats as *chers amis*, a far cry from the austere *Français*, *Françaises* of De Gaulle and Pompidou's time.

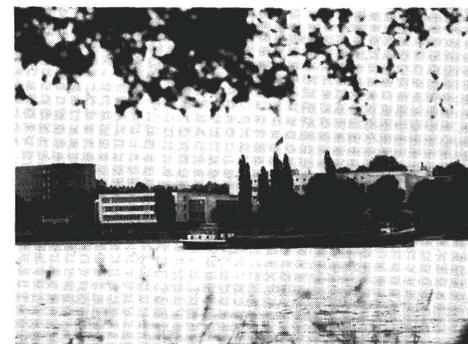
This more friendly, relaxed approach has become part of the Government's style, and

it is particularly noticeable in France's dealings with other countries in foreign affairs. Under the Gaullists, France was prone to adopt policies not because they were necessarily in France's interest, but because they were original. What better example was there than De Gaulle's attacks on the dollar in the late Sixties, pulling out of the London gold pool in 1968 and contributing to the dollar's eventual devaluation in 1971. Yet the overvalued dollar was in France's interest, and it has been the dollar at four francs and below that has hurt France and French trade.

Giscard's approach is sweet moderation, and it has been noticeable in his dealings with Washington, Moscow, London, and Bonn in particular. In his own words the relationship with Washington has been "unemotionalized," and there no longer are fights over NATO, gold, fixed exchange rates, and American investment. With Moscow, he simply turned the other cheek when Brezhnev snubbed him during his October visit to the Kremlin. He prefers to let German Chancellor Schmidt lead the battle with the British and has a good personal relationship with Schmidt himself.

Giscard is criticized at home for this policy of accommodation, particularly by the Gaullists, always itching for a good fight. But so far, he has regally ignored them, firm in his belief that the Gaullists can bark, but not really bite. In the meantime, he continues to charm his way, convinced that it obtains better results than did the posturing of his predecessors. There is really no reason, he told a recent press gathering, that France can't at least try to be on good terms with everybody.

—JAMES O. GOLDSBOROUGH



Bonn

After a year of scarcely concealed division and drift, the German Government has finally sorted out its European policy. The 60 pages of new policy guidelines, produced after three special cabinet sessions in

a secluded castle, should go far to dissipate the mistrust of Germany which had been building in Brussels. The unease was caused by a long series of fights in the EC Council of Ministers over spending, where the Germans invariably took the tight-fisted and many felt "unEuropean" end. It should also ease coalition tensions in this capital on the Rhine, where up to now the strongly European-minded Free Democratic Party of Foreign Minister Hans Dieter Genscher has had to drag the domestic-oriented Social Democratic partners into new Community projects.

The newly defined German policy has two key points: European union remains a practical, long-term goal; but the way the Nine make decisions, especially on dividing up scarce common funds, must be improved. The Germans believe that on-going fights about spending, especially on a case-by-case guerrilla war basis in the Council of Ministers, could at worst lead to a break up of the Community and in any case make European union even harder to achieve.

The improvements Bonn wants in the budget-setting process were outlined by Chancellor Helmut Schmidt at the Rome heads of government meeting in early December. They include more coordination on priorities from the summit level down through the Council of Ministers meetings and creation of a post in the Commission for a powerful, tough budget manager who could weed out financially unsound proposals before they got to the nine governments. The Germans believe that if middle-term budget planning and concrete priorities are set ahead of time, there would be no need for the last-minute vetoes over costly projects which have continually embarrassed the Germans this year.

In Brussels the reaffirmed Bonn commitment to Europe and the switch from confrontation tactics to a slow reform approach to get changes has been welcomed. But it is clear that the Germans have not changed their basic view that European spending should be restricted to programs that really further integration. The Bonn officials argue, in fact, that there is now more need than ever to eliminate costly pork-barrel projects which only help a special interest in one or a few member states, since every cent is needed to help consolidate the shaky European structure. Chancellor Schmidt himself recently told reporters that far from drawing together in an economic and monetary union, the nine economies seem to be drifting further apart. For him the key to the future would be tighter economic

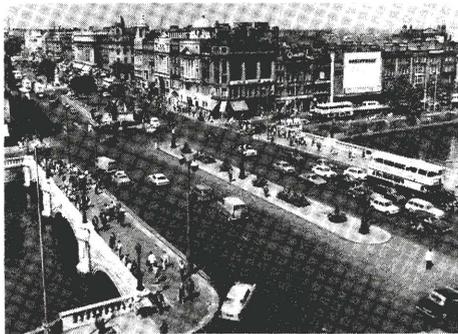
coordination among the nine heads of government. "Europe," he said, "can not be built on directives coming out of Brussels."

—PAUL KEMEZIS

Dublin

The Irish Labour Party, at its recent annual conference in Dublin, voted in favor of a motion from a leading section of its women delegates demanding reform of the Irish divorce law. However, as the minority party in a coalition government with the largely ultra-Catholic Fine Gael Party, the chances of this sentiment becoming more than an approved motion are very slim indeed.

Divorce in Ireland is banned under



article 41 of the 1937 constitution, which, while containing many admirable clauses, is a good reflection of the common thought of the time, which was dominated largely by loyalty to the Vatican and to Irish Republican nationalism, probably in that order. Since that time, rabid Republicanism has become the prerogative of the extremists; and, although morals have gradually been liberalized, albeit far more slowly than in the rest of Europe, the concept of the sanctity of marriage and family life remains one of the truest guiding lights of the Irish social fabric, which is not in the least surprising in a country which is 95 per cent Catholic.

Nevertheless, more liberal thinking elsewhere—in the Vatican, ironically—is beginning to undermine this situation. There has been a sudden and substantial increase in the number of Irish Catholics obtaining relatively rapid annulments of their marriages in diocesan courts, which are conducted by the church authorities. The paradox is, however, that these annulments are not recognized by Irish law, under which a church marriage suffices for civil purposes also. Nor is a divorce obtained by Irish people who have gone to England or elsewhere recognized in their own country.

The same type of contradiction exists in

relation to Ireland's laws on contraception. The importation and sale of contraceptives is illegal, but the use of them is not. The result has been that contraceptives are not freely available except to the fortunate few (reckoned to be in the region of 70,000 women out of a total of population of 3 million) who know the right doctor to consult. In the absence of freely available contraceptives and of a national policy on family planning or birth control advice, some London doctors say that a relatively high proportion of their patients at abortion clinics are Irish single girls. This figure is, however, as difficult to establish as the number of annulments now being granted by the Irish church courts.

Last year, a parliamentary bill favoring the legalizing of contraception was introduced by Liberal Senator Mary Robinson. The Government blocked it and countered with a more conservative bill of its own, which was subsequently defeated when Premier Liam Cosgrave himself voted against it. Although there are no indications at present that a similar bill relating to divorce is on the horizon, there is little reason to believe that it would be treated any differently in the prevailing conservative climate.

—PETER DOYLE



Rome

On Christmas Eve thousands of Romans ate fried cod instead of traditional but costly pickled eels. It's a sign 1976 won't be much smoother than economically bruising 1975. Romans jammed fashionable shopping streets at Christmas and bought more than in 1974, but they spent less, opting for what one merchant called "practical and useful purchases." A year earlier the January sales began before Christmas; austerity has now receded enough to delay them until after New Year. Inflation slowed from 25 to 11.3 per cent during 1975, while unemploy-

ment jumped to an official 1.2 million—union leaders say 2 million. A year-end poll said 46 per cent of Italians questioned believed 1976 would be more difficult than 1975. It was a 16 per cent drop from a year ago, but only 8 per cent expected an economic upturn, the same percentage as in 1974. And 69 per cent forecast continued economic woe in 1976.

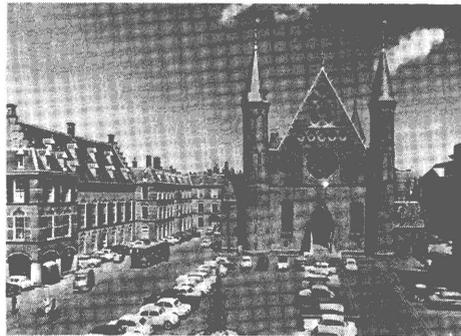
The pessimists have cause. On January 1 postal rates for one of Europe's worst mail systems soared 40 per cent. Compulsory auto insurance jumped 15 per cent. Domestic air fares climbed 10 per cent January 10, and electricity bills will soon go up at least that much. So will telephones and superhighway tolls. Gasoline should spurt from \$1.85 to about \$2 a gallon. Italians are among the world's greatest coffee drinkers, consuming 19 billion cups annually. That cup of espresso, seldom more than one big swallow, soon will be about 30 per cent dearer at around 200 lire (30 cents). Besides their pocketbooks, Italians are fretting about government and labor upheavals. Ten million workers, about half of Italy's labor force, are negotiating new three-year contracts, and the *sciopero* ("strike") remains a shadow over a slowly healing national economy.

A government crisis this winter appears almost certain because the Socialist Party says it will probably end its outside support of Premier Aldo Moro's 14-month-old minority coalition Government. The Christian Democratic-Republican alliance has only 280 of 630 Chamber of Deputies votes and needs Socialist sideline backing to survive. The Socialists say Moro has been paying more attention to Communist voices than to theirs and isn't moving fast enough on economic and social reforms. Moro is in a corner. His Christian Democrats were stunned last June when the West's largest Communist Party gained 2.5 million votes in regional and municipal elections and came within 2 percentage points of outpolling the long-dominant Christian Democrats. The landslide increased Communist demands for a say in national policy-making and boosted their chances of winning control of Rome in this spring's municipal elections. The possibility of "a red Rome" is such that the Vatican, with Pope Paul's encouragement, is already warning that "one cannot be a Christian and a Marxist at the same time."

Holiday *spumante* slipped down thirsty throats amid conversations about abortion, kidnapping, and the bad grape harvest. Parliament is debating a bill to allow free abortion whenever a doctor certifies a woman's health or socio-economic condition re-

quires it. But feminist and radical movements are demanding free abortion on demand and have collected enough petition signatures to force a referendum this spring on abolishing a fascist era law making abortion a crime punishable by two-to-five years in jail. Although seldom enforced, the law has bred one of Europe's most flourishing clandestine abortion industries. The Christian Democrats oppose abortion and fear the referendum would go against them. They are trying to avert a peoples' choice with new and only slightly more liberal legislation. If a new bill passes before spring, the referendum would be blocked. Meanwhile, personal and family safety worries the wealthy Italian more than ever. Kidnappings in which ransom exceeding \$1 million was demanded jumped from 38 in 1974 to 60 in 1975. And although Italy produces more wine than it can sell or drink, there was little cheering of the news: The 1975 grape harvest was 11.4 per cent below 1974's because of poor spring weather.

—PETER J. SHAW



Luxembourg

In this tiniest and most tranquil of EC capitals, where undulating vines of Moselle grapes share the land with bleak steel mills, Luxembourg seems to be arousing itself from the political doldrums. A nagging labor dispute, following severe production cuts in the steel industry, has touched off a serious family quarrel within the country's ruling Liberal-Socialist coalition.

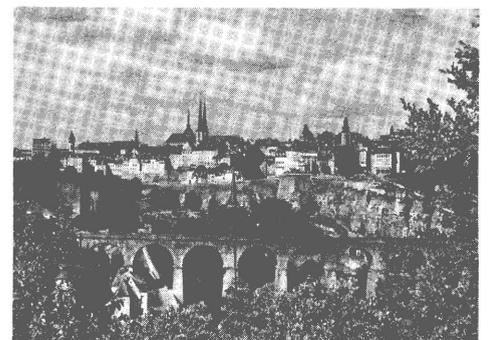
Led by the peripatetic Liberal Gaston Thorn—whose political hats now bear such titles as president of the United Nations General Assembly, prime minister, minister of sport, and starting this January president of the EC Council of Ministers. The Government is facing a budget squeeze as welfare costs grow amid spiraling unemployment. The national sales tax (or value added tax, VAT) has been increased 1 per cent, but several trade unionists have strongly objected to the plan, claiming that

it places an unfair burden on consumers. The unions favor a scheme that would inflict higher taxes on wealthy individuals and some corporations, but political moderates fear that such a move might undermine Luxembourg's reputation as a cozy tax haven and thus frighten away foreign investment, slowing growth and leading to more unemployment.

The Christian Democrats, who form the opposition party, have tried to gain political prestige while they can by playing up the Government's internal squabbles. They have also been wondering aloud, with signs of increasing public support, how Prime Minister Thorn can tend to affairs at home if he spends more and more time in the world diplomatic arena. Though most Luxembourgers have taken special pride in Thorn's enhanced role as diplomatic broker among the big powers, many of them feel that the worst postwar recession should compel their head of government to remain with his people.

This January Luxembourg assumes the presidency of the EC Council, and Thorn's recent experience in the UN General Assembly, where debate was ruled by an assertive group of Third World countries, should help him guide the Community through the thicket of procedural detail following the Paris North-South conference on international economic cooperation. Thorn's six-month stint as Council president will also coincide with the time when most European leaders hope to see early signs of an economic resurgence throughout the Community. Observers hope that a *relance* can help be generated through the European Coal and Steel Community. A robust steel sector would evoke sighs of relief in Luxembourg, and ease all traces of concern over Thorn's burdensome workload away from home.

—WILLIAM DROZDIK



The Hague

To the world it was just another grim kidnapping, but for the Dutch the taking

of Train 714 by South Moluccan terrorists in the flat northern Drente region on December 2 was a deep shock. Terrorist attempts were not new in the Netherlands, where two major hostage-taking cases had occurred a year earlier in the Hague itself. But no lives had been lost, and the Dutch were able to put the attempts behind them like a bad dream. This time, however, two innocent train passengers were shot in cold blood after the train engineer was killed at the start of the raid. By the time another band of South Moluccans had taken over the Indonesian Consulate in Amsterdam on December 4, deep shock had set in all over Holland.

The issue the terrorists were fighting about was an internal Dutch affair. Promises of independence were made long ago to a small minority group in the East Indies, which could never be fulfilled but which Dutch officials hoped would eventually be forgotten by the new generation of Moluccans growing up in the Netherlands. But like many other second generation exiles, the young Moluccans seem more fanatical about returning to their homeland than their moderate elders, and were ready to kill for their ideals.

The first reaction by the Dutch was mixed. In some areas, especially in the north, where most of Holland's 35,000 Moluccans live, an ugly backlash seemed to develop. The Government and the Dutch press, however, called for calm, saying that all the South Moluccans could not be blamed for the radical actions of a few. In any case, the attack brought a wave of demands for amending Dutch laws to give stiffer jail terms to terrorists in Rotterdam; groups appeared collecting signatures and petitions; and many Dutchmen agreed that something was necessary, although there were no calls to bring back the death penalty.

The phenomena of stiffening anti-terrorist laws is not new in Europe. In Germany this year, various changes were made in the law following growing activity of left-wing militant groups, including the kidnapping of a prominent Berlin politician and the shooting of a judge. The changes make it easier for police to gather information in terrorist cases. In Britain, months of IRA terror bombings have raised demands for stiffer penalties against terrorists, which were to be debated in the House of Commons in December.

The European Community itself began talking about counter-terrorist actions recently when a British proposal for tighter cooperation of national security plans was discussed at the European Council in Rome.

The interior ministers of the nine EC countries expect to meet soon to examine cooperative measures. They hope to make exchanges of information about terrorists in Europe more systematic and not just dependent on a case-to-case basis. The idea of centralizing the fight against terrorism in this way is aimed not only at preventing raids. In agreeing to achieve a true passport union with completely unchecked movement of persons among the EC countries, the nine governments must be sure that each of them is keeping an effective watch on suspicious persons and groups.

—PAUL KEMEZIS



London

The Concise Oxford Dictionary defines "devolution" as a "degradation of species" or the "delegation of work or powers." The term has come to mean more autonomy for Britain's regions. A white paper was sent to Parliament late last year by the Labour Government to begin the process. The Parliament, like the British people, has an ambiguous view of devolution as the dictionary definition would suggest. The Scots want home rule, and with it the power to tax. The Government wants more work, but no real power, turned over to an Edinburgh assembly. And die-hard Englishmen want the status quo. To them, devolution will lead willy-nilly to the breakup of the United Kingdom, and with it, the demise of the British "species."

Of course, the British "species," like mastery of the seas and a strong pound sterling, is long gone. Even the Britain-firsters' ranks have shrunk. Last year, anti-marketeters failed spectacularly to stir up nationalistic instincts against EC membership. Have the British changed? Not exactly, but their world has changed, and drastically. Above all, they can no longer afford the status quo. Economics forced Britain to join Europe. Economics also is behind the pullback from east of Suez;

even their naval forces west of Suez are now being cut to smithereens. Economics, moreover, is the root cause for devolution. The south has prospered at the hands of declining industries in the north of England, poverty in Wales, and a backwards economy in Scotland; the Scots, and others, blame "Government from Westminster."

Until now, Westminster could disregard the scanty murmurings of "separatism" in Scotland and Wales. No longer. "It's Scotland's oil," read the posters; but England, naturally, wants to keep the feast a national one. Hence, the Government's refusal to propose letting Scotland tax oil production at fields off its coastline. The white paper would give Scotland all the trappings of home rule, but none of the powers to make it stick. Why then act at all? The Scottish Labour Party has begun to suffer some humiliating defeats (and defections) at the hands of the Scottish Nationalist Party. The devolution paper was a bone to call the dog off, but with no red meat on it. Few Scots want full independence, yet. But short of getting real autonomy to raise and spend their own taxes, the wave of nationalism is bound to lead toward demands for secession sooner or later.

Britain is too unwieldy to allocate domestic resources fairly or efficiently, and too small and impotent to have a say in the international arena. Logically, Europe needs bigger and smaller units to prosper: Germany has come to grips with its *Länder*; Italy and France are edging toward solutions for their regional nationalists. Now it's Britain's turn, thanks to Scotland's oil. At least one political party, the Liberal one, is calling for British "federalism"—not just giving power to Scotland, but to all the regions as well. The Tories and Labour are reluctant. But their minds will be made up for them next chance the Scots get to vote.

—DOUGLAS RAMSEY

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transition

Changing the Guard

THE END-OF-THE-WAR PHOTOGRAPH OF VICTORIOUS AMERICAN and Russian soldiers shaking hands beside the Elbe, and no West Europeans in the picture. That image sticks out in Fernand Spaak's memory, as it did in his father's—a metaphor for a Europe which had lost control of its own destiny, at the mercy of outside forces. Thus Spaak, who in January succeeded Jens Otto Krag as head of the EC Commission's Washington delegation, has worked toward an independent, united Europe most of his life.

The son of one of the most illustrious figures of postwar Europe and one of the Community founders—Paul-Henri Spaak, who served as Belgian foreign minister and NATO secretary general—Fernand Spaak joined the European Coal and Steel Community (ECSC) when it was created in 1952. For two years he headed the ECSC's economic division, then spent four years as chief assistant to the president of the ECSC High Authority, first under Jean Monnet (often called the "father of Europe") and later Monnet's successor, René Mayer. From Monnet, Spaak learned: "Europe won't be perfect in the beginning; ideas must be shown to be workable. . . . And America, which shares Europe's basic values, has always been and will be important in building European unity and strength."

During World War II, following his escape from occupied Belgium in 1942, Spaak served for three years in the British Royal Navy. "Serving a different country," he says, "showed that the most important things were no longer national. . . . Nationality was less important than the world we wished to build." After the war, he earned a doctorate in law at the University of Brussels in 1948, and then returned to England to study at Trinity College, Cambridge University, where he was awarded a Bachelor of Arts degree in economics in 1950.

Spaak's Community career has focused on energy. He headed the European Atomic Energy Community's (Euratom's) supply agency and safeguards and controls direc-

torate, from 1960 to 1967, a time when Europe was laying the foundations for a nuclear energy program. And directly prior to his Washington appointment, Spaak served as EC director general for energy. His expertise in energy matters not only is topically important for his new Washington post but also has provided a close working relationship with American colleagues. "Euratom," he says, "was Europe's first working relationship with the United States in the industrial and technological sphere as an equal partner."

Spaak notes the different perspectives of Europe and the United States on nuclear energy: "For Europe there is no alternative for the development of domestic energy supplies. Either we import more oil or we develop nuclear en-



Spaak, new head of the EC Commission's Washington delegation.

ergy. Of course we must be careful about the risks."

The energy crisis is for Spaak "one of the best examples of the concept of growing interdependence." In particular, interdependence between the United States and Europe: "We have common values, but our environments are different. . . . It's good to put ideas to a test on both sides of the Atlantic, allowing friendly competition within different environments."

As Spaak came to Washington, the delegation's deputy, Curt Heidenreich, was assigned to Ottawa to head the Commission's newly created mission to Canada. Heidenreich had been in Washington since 1960, first as representative of Euratom, then as head of the Commission's liaison office, and finally as deputy head of delegation when the Commission was granted diplomatic representation by act of Congress in 1971.

Born in 1921, Heidenreich attended the Universities of Vienna and Frankfurt before and after the war. During the war he was commander of a fighter group in the German Air Force. He then worked for private US and German business interests, at the same time attending the Univer-



Heidenreich, formerly in Washington, is posted to EC Ottawa office.



JONSSON, also departing Washington, now heads EC office in New York.

sity of Maryland. From 1955 to 1958, he was with the German mission to NATO in Washington, which he left to work for Euratom in Brussels.

Also departing Washington was Alf C. Jönsson, who is now in New York City, where he heads the European Community's office there. Jönsson was born January 26, 1935, in Denmark and received his law degree from the University of Copenhagen in 1959. Shortly thereafter, he joined the Danish Ministry of Foreign Affairs. From 1962 to 1965, he was with the Danish embassy in Belgrade, returning from there to be a ministry division chief in Copenhagen until 1970. From 1971 to 1973, Jönsson was first secretary to his country's embassy in London, and in 1974 he went to Washington as special counselor to the Washington EC delegation.

Meanwhile in Brussels, the US mission to the European Community is seeing a change in command as well. President Ford has nominated Deane Hinton to succeed Joseph A. Greenwald, who is being reassigned, as chief US representative to the Community.

Hinton will not be a new face for the Europeans. His mid-career foreign service posts were at the US embassy in Paris (1952-55) and the US mission in Brussels (1958-59). Back in Washington during the early Sixties, he directed the State Department's desks for the European Community and Atlantic political-economic affairs. As an advisor on international economic affairs in President Nixon's White House, Hinton was on the mandatory calling card list for visiting EC Commission officials and European Parliamentarians. In his most recent post, Hinton has been senior adviser to the under secretary for state for economic affairs, after having served as ambassador to the Republic of Zaire during 1974.

A Last Look

JOSEPH A. GREENWALD

The three years during which I have served as US representative to the European Communities have seen a clarification of the transatlantic political relationship, a recognition that the United States and the other industrial democracies have common objectives in dealing with international economic issues, and a resolution of differences where there had been divergent viewpoints. These developments have strengthened the ties between the United States and the European Communities, and they give promise that our partnership will continue to be a significant factor in the maintenance of peace and prosperity in the postwar world.

On the political side, the growth of EC cooperation has resulted in coordinated approaches by the Nine to developments like the Conference on European Security and Cooperation and to events in the Mediterranean area. Such cooperation among the EC members has been paralleled by improved consultation with the United States. Dr. Kissinger's April 1973 "New Atlantic Charter" speech led to vigorous debate on the nature and extent of our contacts on political subjects, as well as the changing nature of our economic positions. As the discussion went on, both sides realized that individual states of the Community, and indeed the Community as a whole, could best attain the strength required to face international challenges if there were close concertation with the United States.

The reassessment, then, was a healthy exercise. The consultation formula proposed by the Community and accepted by the United States a year and a half ago has worked well. We have had frequent and regular exchanges of views on foreign policy matters, and I believe each side has benefitted from knowing at an early stage of the other's thinking.

Closer political consultations have also improved the

atmosphere for economic cooperation at a time when the industrialized democracies face many common problems. Together we have suffered from the five-fold increase in OPEC oil prices. Together and simultaneously, we have been afflicted by inflation and by high rates of unemployment. Together we have been affected by the breakdown of the Bretton Woods system. Together we must answer the challenge of the developing countries' demands for more rapid economic growth.

The OPEC actions led to the formation of the International Energy Agency. Eight of the EC members joined with the United States and other major consuming countries to work out an arrangement to share petroleum in emergency situations, to establish a "safety net" to help OECD members meet their oil import bills if needed, to participate jointly in developing new and alternative energy resources, to set goals for energy conservation, and to acquire more knowledge of transactions in the world energy market.

At the recent European Council meeting in Rome, the EC member states made progress toward a common energy policy which incorporates several of the features agreed within the IEA. The United States welcomes this. A com-



Joseph A. Greenwald, head of US Mission to European Communities, 1972-75.

mon energy policy would enable the Community to participate with the other major energy-consuming countries in joint efforts to restore more balanced market conditions. Meanwhile, the European Community has participated as a unit in the Conference on International Economic Cooperation held in Paris on December 16.

Constant consultation has been the hallmark of our approach to the problems of recession and inflation. Discussions took place most recently at the Rambouillet summit organized by the French president. It permitted representatives at the highest level to get a firsthand exposure to the perspectives of their partners. The United States early in 1975 and leading European countries later in the year took measures to stimulate their economies and thus contribute to a revival of the world economy. Arrangements were worked out at Rambouillet to improve coordination in stabilizing exchange rates, particularly erratic movements of rates. Talks were also held regarding new exchange arrangements in the International Monetary Fund.

Meanwhile, the developing countries have been pressing their claims. The European Community took the lead in extending generalized preferences to the developing countries' exports. It provided special benefits to the states associated with the Community. In proceeding from the Yaoundé arrangements to the Lomé Convention, it acceded to the desires of the associates and now no longer insists on the trade-distorting feature of "reverse preferences." The spirit of the European Community's responsiveness to the aspirations of the poorer nations also animated the proposals in Secretary Kissinger's September 1, 1975, address to the Seventh Special Session of the United Nations General Assembly. I foresee continued close cooperation between the United States and the European Community as we seek to assist the industrializing nations to greater prosperity.

Trade remains the principal area of day-to-day US-EC relations, as the Rome Treaty bestows authority in this field to the EC Commission. For much of the first half of my three years in Brussels, we were occupied with negotiations to fix the compensation to the United States for the tariff increases resulting from the enlargement of the Community from six to nine members. The agreement resulting from these negotiations under GATT Article XXIV:6 was a fair one. As a curtain-raiser to the multilateral trade negotiations in Geneva, it demonstrated the willingness of both sides to preserve and expand opportunities for trade.

This commitment was reconfirmed in the 1974 and 1975 OECD pledges to avoid trade restrictions as a means of dealing with recession and unemployment. From the standpoint of their importance in world trade, the United States and the European Community were two of the prime signatories to the OECD accord.

The industrial democracies have, by and large, resisted self-defeating, protectionist trade measures; but we need to do better than standing still. We need to move ahead in the GATT negotiations. The basis document for the multilateral trade negotiations (MTN), the Tokyo Declaration of September 1973, calls for liberalization of trade in agricultural as well as industrial products. At the December 1975 meeting of the MTN trade negotiations committee, agreement was reached on a procedural formula which will permit progress in discussing agricultural issues. The same meeting confirmed the Rambouillet goal of completing the MTN in 1977. Reaching this goal will require substantial progress to be achieved in Geneva in 1976.

As I review the period of my tenure as ambassador to the Communities, I am encouraged. Some false issues have been laid to rest. I think it is clear that the United States continues to support European integration. But it is up to the Europeans themselves to decide where and how far they are going. We have tried to convey the message that Europe cannot and should not be constructed against the United States. At the same time, we aim to avoid actions

which might complicate the Europeans' task in reaching their goal.

On both sides of the Atlantic we now have a greater sense of common purpose and interdependence. To some extent this is a result of our having passed together through adversity; but I am hopeful that the awareness of our common needs and common objectives will remain as we work our way to renewed economic expansion. We will have to accommodate some short-run interests to longer-term ones if the GATT talks are to succeed. We shall have to act with intelligence and generosity to satisfy the populations in the developing lands. We must practice restraint and make foresighted investments to safeguard our energy supplies. Above all, we must not lose sight of the vital role which our partnership plays in underpinning the welfare of the American and European Community nations and in promoting progress and equity in the world.

Krag on Record

How do you view your two years spent in Washington, and what kind of future do you see for US-EC relations?

KRAG: I've had two rich and interesting years here. I arrived in Washington at a very difficult time, during the "energy crisis," when US and EC points of view differed and Secretary of State Henry Kissinger was upset with certain European countries. It was a difficult start—but a challenge.

We have had very good cooperation with the ambassadors of the Nine here in Washington. We have regularly scheduled luncheons once a month as well as special working meetings with an agenda where US matters of current interest to the Community are discussed.

I believe that US-EC relations must be developed directly, but it will take time to build a secure system for consultations. On some matters, the United States is still not sure whether to talk to Paris, London, or some other European capital, or to the Commission in Brussels. But the way in which we can talk day-to-day on minor matters is very healthy, as are the consultations we undertake on matters of greater importance.

After two years here I am confirmed in my European beliefs and confirmed in my belief that US-EC cooperation is the necessary basis for our existence.

From what you have gathered from your contacts with Americans, how is the Community viewed in the United States?

KRAG: Some are skeptical, others think we might fulfill our European dream but doubt how useful it will be to



Jens Otto Krag, head of EC Mission to United States, 1973-75.

American interests. Personally, I am sure that a more united Europe is a better companion for the United States, and I think a united Europe would provide a much stronger basis for US-EC cooperation than that which exists at present.

I have had much contact with Americans through my speaking engagements here—at universities, foreign relations councils, export groups, businessmen, etc.—which I have found very fruitful. People have been very receptive to me and to the Community. But I still feel that there is a great need for information on the European Community in the United States.

What do you feel are the main issues in US-EC relations today?

KRAG: The rise of American protectionism, for one. Some governments, as well as the EC Commission, feel that a new wave of US protectionism is underway. But, in spite of this, the cheese, steel, and canned ham questions have been resolved. Solutions are still being sought to the automobile problem. If any major actor on the world scene gives into the "new protectionism," it will start a snowball effect with an unpredictable end. Perhaps it would result in a depression worse than that of the Thirties. We must agree to avoid this.

There are always areas in which the United States and Europe have different reactions—in energy, for example. It is hard to say that the energy policies of the United States and Europe are the same. How could they be—our backgrounds are all very different! But the Community wants negotiations with the OPEC countries—we are not interested in confrontation.

It is often asked why Europe can't pay for its own defense. Here there is some misunderstanding. Europe has never before in peacetime had such high defense costs as it has now. But American troops are in Europe as much in the US interest as in the European. It would be much more expensive for the United States to have the same defense capability if these troops, etc. were stationed in the United States instead of in Western Europe.

How do you feel about the conduct of US foreign policy? EC foreign policy?

KRAG: I am for détente and for direct relations with China. I felt it was a great thing when Nixon and Kissinger

reached a new relationship with China.

As far as EC foreign policy goes, we must be realistic. Foreign policy is not part of the Rome Treaty. However, there has been great progress in political cooperation among the Nine.

Can you comment on the predictions for world economic recovery which followed the Rambouillet summit?

KRAG: As far as the recession goes, at Rambouillet President Ford gave assurances that new economic progress would be built in the United States and that its economic upswing would continue. It should not be taken too fast, however, to avoid inflation, which is in nobody's interest. But I don't think we should assume that the upswing is stable. The United States could also easily run into stagnation.

I still do not understand why the Commission was not a member of the Rambouillet team. But, by and large, the spirit from Rambouillet brought us nothing new. It is a pity that the political leaders always try to make themselves look as if more has been achieved than was covered.

How do you see the development of internal Community matters, such as European union and direct elections to the European Parliament?

KRAG: We all agree that we want European union, although we do not know what there is in it. We should be patient, however. It will take time to realize our European dream—look how long it took the United States to unite!

As a Dane, I would opt for a moderate path to union. We want to keep the right to national self-determination on many matters. But European cooperation can not really mean something without our giving up a certain degree of self-determination in agriculture, customs, etc. I would warn against too much impatience, though. The Community in its present state is only three-years-old. If you look at that unit of time within the framework of the whole of European history, it's nothing!

I believe that direct elections are the right solution for giving the European Parliament greater influence and for making the Community more democratic in the broader sense of the word. I think they will come.

What are your plans after leaving the Washington delegation?

KRAG: It has been rumored that I was to become editor of the Danish newspaper *Politiken*, but I think this rumor stems from some misunderstanding. I have written for *Politiken* in the past and will continue to do so.

In 1973 I was a lecturer in decision-making in Danish foreign policy at the University of Aarhus. But academics is a discipline which requires total dedication, and I am not going to do it again.

I don't plan to go back into politics, but will live a life of retirement.

FEELSURE

Sport:

Skiing Europe

ABBY RAND

travel editor of *Ski* magazine

You are standing at 10,500 feet, gazing up at the familiar rock pyramid of the Matterhorn and gazing down at gigantic, treeless snow bowls, gleaming under sun as bright as the Caribbean's. On your right, Switzerland. On your left, Italy. Which do you feel like skiing today?

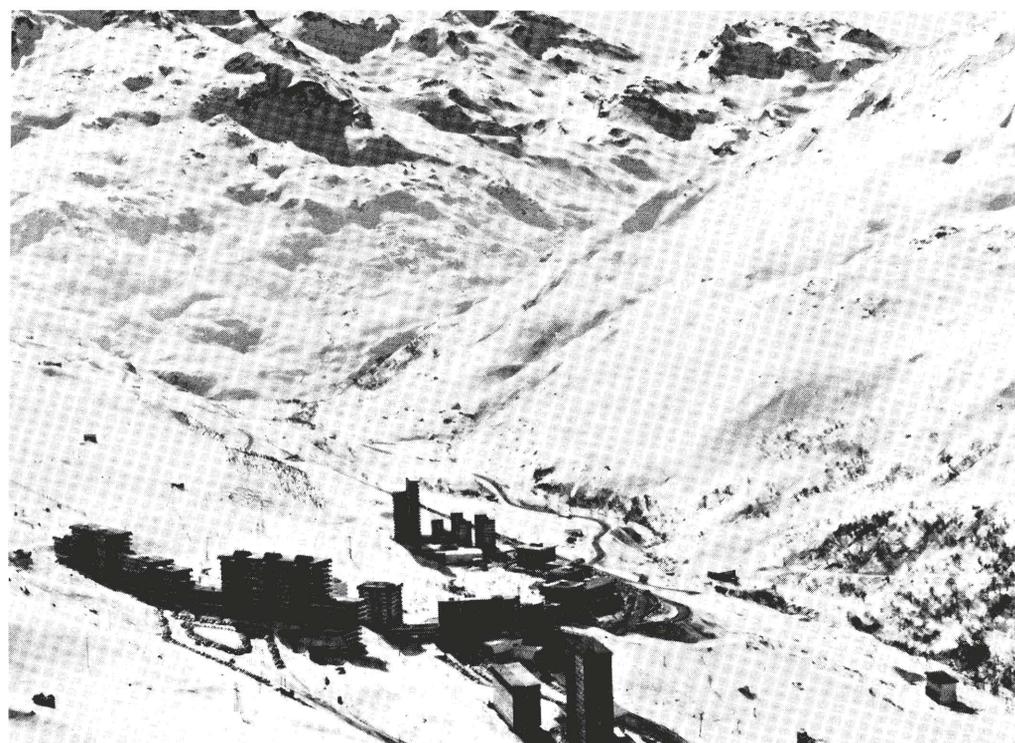
Let's assume you are staying, as so many Americans do, on the Swiss side of the Theodul Pass, in Zermatt, where they are more likely to milk cows than their cosmopolitan athletic tourists. Now atop the Theodul saddle, you ask a passing *piste controller* (*piste* is trans-European for trail or track; and *controllers* or *pisteurs*, a cross between America's first aid-giving ski patrollers and maintenance crews). He tells you what you wanted to hear—the weather will hold. Excellent! Off to Italy!

You swoop and swerve through five miles of open snowfields, with nary a tree nor bare patch to mar your rhythm. Even if you are a wobbly intermediate skier, you can do this one in style. Your run ends in the condominium-crammed village of Cervinia, just in time for lunch.

Get a table on a sunny terrace. Order some hearty red Barolo wine, from vineyards only a few valleys away. It goes well with *polenta*, the corn meal mush that is as popular as pasta around the Italian Alps. Better pass up the waiter's suggestion of *grappa* with your coffee. You have six miles to ski back down the Zermatt side.

Not all Alpine ski days involve border crossing, but every Alp offers its special mix of that only-in-Europe excitement that is part geography, part pizzazz.

The first thing that strikes American skiers about the European resorts is that they tend to be real villages, where farming and woodworking are pursued right next to the luxury hotels and sophisticated night spots. The Sixties crop of French resorts is different. Meccas like Flaine, La Plagne, and Tignes were created at high snow-sure altitudes on empty snow; the French use the Latin expression *ex nihilo* to describe their efficiently mingled condominium and lift clusters. Even in the new French resorts, however, the names that you see on the instructors' badges are the same names that you see on the town's stores and



Ex nihilo: at high altitudes and on empty snow, a modern French resort. French Government Tourist Office.

workshops. And, as in Austria or Switzerland, local artisans and vacationers sit side by side in the cafes and on the chairlifts.

In skiing, geology is destiny. The Rockies are taller than most Alps; but the American timber line reaches up past 12,000 feet, which means skiing between trees even atop most summits. In the Alps the trees stop at about 6,000 feet, so most of the ski runs are through vast bald bowls.

There are specific *pistes* laid out. Skiers find it is wise to stay close to the colored *piste* markers, but when there is deep new powder on the mountain, then the *piste* designer is *you*. Point your skis wherever you want, but keep an eye out for unexpected precipices.

Most European resorts use the international trail code: black for most difficult, red for more difficult, blue for less difficult, green for easiest. Don't expect the posts along the *piste* to be color-coordinated to the code.

One devotee of Courchevel now blushes more-difficult-red everytime he recalls his first exposure. He found great snow on a trail he thought was called Pulls Montant but when he went to find his wife in the novice sector, he found her skiing on another *piste* marked Pulls Montant. An instructor explained Pulls Montant was not the name of the run but the name of the sweater manufacturer that paid for the signs as advertisements. Italian trail markers usually are reminders to drink (Campari, Pellegrini) or eat (La Motta breadsticks). In Switzerland the ballyhoo is often for Swiss-made Bally boots. This will not seem like commercialism if it is the Montant or Bally sign that pokes up through a sudden white-

out and keeps you from skiing off into a chasm.

In the Alps visitors to a new area are unlikely to memorize the features of a trail the way skiers automatically do on short runs. Among the glories of Europe's resorts are long, long runs that start in one village or country and end in the next. At Davos, particularly among German and American skiers who are accustomed to compact slopes on their weekend forays, the run that stands out amongst the resort's 70 or more possibilities is the one that starts at the Weissfluh peak's summit and ends, 11 miles later, in the village of Kublis. At Chamonix Americans pray their way up the Aguille du Midi cablecar system, hoping that their guide will declare the Vallée Blanche run skiable (the guide is there, not because it is so steep, but because the crevasses are so problematical). The run unreeled through 10 stimulating miles. Thumbs down from the guide isn't necessarily traumatic; he might be deciding that it is better to do the Toula run instead. The Toula takes you to Courmayeur in Italy, and you bus yourself home through the Mont Blanc tunnel.

To Americans those long, long runs are irresistible magnets—for a while. One Long Island engineer whose duties took him to the Continent quite often became obsessed with the goal of skiing Europe's longest runs. He did the Kublis. He did the Valee Blanche and the Toula. After he went to a Zunch meeting just so that he could sneak off to do the seven-mile Ulmer Hut run at St. Anton, the truth dawned: Most long runs end with a mile or two of flat, snowshy, rock-studded runout. What price dis-

tance? Now he is a regular at Verbier, where he concentrates on moderately long but intensely interesting powder runs and saves the multi-mile routes until going home time.

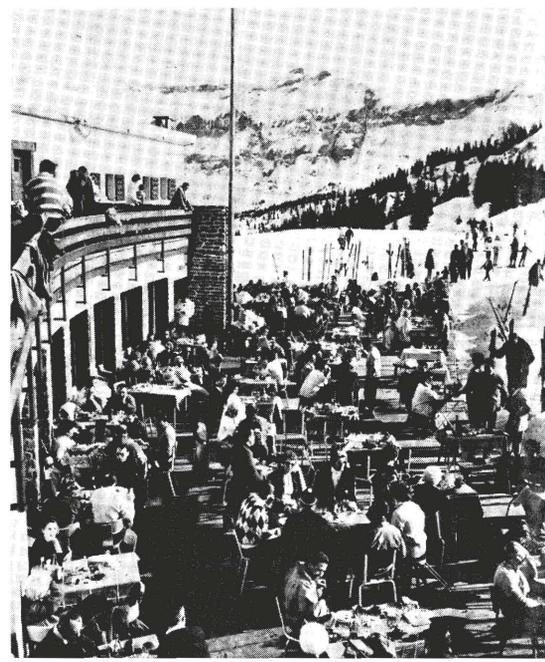
Like cream, the knowing skier rises to the top of an Alp, and stays there. "Long" is impressive, but for Europe the operative word is "fun." One widely traveled Coloradoan observes: "When Italians and French people fall on the slope, they laugh. When Americans fall, they curse. Americans ski to achieve. Europeans ski to enjoy."

For a quick lesson in enjoyment, study the photographs of the European skiers at lunch. No burger-gobblers visible on these terraces. You see wine glasses, tablecloths, scurrying waiters and — most startling of all — people sitting back in deck chairs, parkas off, boots open, inviting their souls and their suntans.

Since no two Alpine resorts are really alike, how can you pick the one that offers the most for you? The traveler who is going to tack his ski time onto a business trip does well to pick resorts close to transportation hubs. The French resorts of the Tarentaise region (Val d'Isère, Tignes, La Plagne, Les Arcs, Courchevel) can easily be reached by overnight train from Paris. Geneva airport is within two hours drive of France's Chamonix, Avoriaz, and Flaine, Italy's Courmayeur and Cervinia, Switzerland's Verbier.

Within two hours train trip of Zurich are Klosters and Davos. A slightly longer trip is needed for the train to St. Moritz or Zermatt. The first Austrian superstar resort reached by train or car from Zurich is St. Anton. From Milan the closest bigtimers are Cervinia, Courmayeur. Sestriere is close

For a quick lesson in enjoyment, study European skiers at lunch. French Tourist Office.



to Turin. Vienna is a long way from the big resorts; unless you want to do touring in the Vienna Woods, head west toward Bad Gastein. Val Gardena and Cortina are close to Venice. Terminillo is so close to Rome it is mobbed with day-trippers on Sunday.

If you have more than one week of ski time at your disposal, you will probably do it the American way, spending each week in a different place, looking for contrasts. Remember Swiss resorts tend to be cosmopolitan and formal, with magnificent hotels and creaky feeder lifts. Davos, Zermatt, St. Moritz are the classics, with the most varied ski and after-ski conditions.

Austria tends to have chummier villages, with small-scale hotels and interconnected multi-village lift systems, known as ski circuses. Kitzbühel is the glamour spot, with great slopes, risky snow, and nonstop nightlife. St. Anton is serious, challenging. Lech and Zurs are seductively quaint, with big, open slopes. Obergurgl is a good bet for spring.

Italians are serious about skiing their superlative mountains. Cortina and Sestriere draw the ultra-chic who ski as brilliantly as they dress. Cervinia is superb for spring snow, and so is Courmayeur. Val Gardena has variety, toughness, and an atmosphere more Tyrolean than *dole vita*.

France's specialty is the high altitude resort, designed purely for skiing. Oldest and smoothest of the "new" resorts is Courchevel. Avoriaz and Les Arcs beckon strong skiers, but the biggest concentrations of challenge are at older resorts, Chamonix and Val d'Isère (Killy's hometown). The French, their own best customers as might be expected, eat, drink, and dress full throttle. But there is not much nightlife except in Courchevel and in Megève, the latter being less of a ski town than Deauville-in-winter. Germany? Garmisch-Partenkirchen is a world-class resort; others are limited.

Norway, Sweden, and Finland have some downhill facilities, but their biggest appeal is for ski touring. Spain, Greece, and Turkey — if you are there, ask about the slopes. In fact, it is a great ice-breaker to ask any of your European colleagues and contacts about their ski favorites.

Just don't ask them December 20 through January 6 or during the two weeks surrounding Mardi Gras. They will be too busy skiing to answer. If you plan to hit the slopes during peak times like these, get a reservation before you set out. That is essential. Another very popular bit of trans-alpine English is, "Sorry, all booked."

Film:

Pasolini Retrospective

MARINA GAZZO

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His death was like a page out of one of his books, like a scene in one of his early films—a violent death along a highway in Rome's poor suburbs. Almost prophetically, Pier Paolo Pasolini seemed obsessed, in the months before his murder, with the idea of an explosive, all-corrupting violence. Before becoming a film director, Pasolini was a writer, and before being a writer, he was a poet. He remained a poet but also a polemist of unusual fervor: A Marxist and a Christian, he did not belong to any particular "chapel," and his own ambivalence and contradictions were part of his strength. Italian Communists saw in his death a political murder, the final step of a long conspiracy which had tried for years to silence this rebellious voice. His last film, *Salò or the 120 Days of Sodoma*, was banned by Italian censorship under the usual charge of "obscenity," and also because the Italian public was not considered "mature" enough to see it—that is, to see Sade's vision of hell transposed to the historical period of the Salò Republic, the last refuge of Italian fascism in the waning days of World War II.

But Pasolini took a conservative stand on many issues. The most recent example was his diatribe against abortion (which will soon become legal in Italy). Violence was his main concern: He found its roots in the sickness of a society based on consumption, material satisfaction, vanity. What worried him the most was the spreading of this violence and criminality from the upper and middle class to the world he had unveiled in his books—the world of the poor, the destitute. Of people

like the young man (or the young men?) who killed him. The murders and acts of violence which fill Italian newspapers are, he wrote only two weeks before his death, "evidently extreme cases of a criminal way of being which is deep and widespread . . . this means that there is a more distant and more total source of corruption." Pasolini saw the features of this "mass violence," but became nevertheless its victim. He was vulnerable because he was sincere: His homosexuality exposed him to contempt, mockery, and even physical brutality.

Pasolini the director had chosen for his first films a potentially explosive world that he had already described in his "Roman" novels. The colloquial element was always strong in his work: His first poems were written in his native dialect of the Friuli, and he put all his love for the real, living language of the people in an anthology of dialect poetry. From the Friuli, where he worked as an Italian teacher, he went to Rome. Another world, another language, and also the passage from poetry to the novel. From the "elegiac heart . . . of a son who will never be father" in his 1954 *La Meglio Gioventù* ("the best youth"), to the discovery of a suburban subproletariat living in barracks on the outskirts of Rome. These are the years of *Ragazzi di Vita*, *Una Vita Violenta*—the novels where his curiosity for the richness of "real" language ("we must let things speak") also makes him discover a new side of the "humble Italy" that he wants to reveal. He wants to describe it also with images, and it is his first film, *Accattone*, in 1961. But he does not stop writing poems. The collected poems of his Roman years, *Una Disperata Vitalità* ("a desperate vitality") are full of blood and tears; they seem to foresee his end. And his very last written work, *La Nuova Gioventù* ("the new youth"), published last summer, is a kind of bitter, hopeless echo to the often joyous poems of his youth in Friuli: Taking, one by one, the old poems, with the same meter and the



Scene from Pier Paolo Pasolini's film *Gospel According to Matthew*. Chicago International Film Festival

Food: Culinary Integration

WILL RECKMAN

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European Community

same titles, Pasolini rewrote them and deeply changed their meaning by simply changing a word, adding a verse. This summing up seemed to many, after Pasolini's murder, like a confused foreboding of his own imminent death.

Similarly, his last film caused awe and embarrassment in many reviews; this atrocious, often unbearable picture of debasement was Pasolini's last work, perhaps his "will"? The truth is that, after the cheerful amorality of the cycle of *The Triumph of Life* ("Decameron," "Canterbury Tales," and "The Flower of the 1001 Nights"), *Salò* is hell after paradise lost. It is difficult even to speak of "obscenity" in front of this icy and cruel accusation of the powerful, who use their power to humiliate their victims and violate their innocence (because there *are* innocent victims, contrary to the ambiguous message of Liliana Cavani's *The Night Porter*.) To simplify "Sade's immense catalog," as Pasolini himself explained, *Salò* borrows Dante's idea of Inferno's circles, and in a series of "exemplary" days (the circle of passion, the circle of excrements, and the circle of torture) tries a synthesis of "the inexplicable madness of what happened in the world in the Forties."

As a director, Pasolini was sometimes considered the father of a new "neorealism." But Pasolini did not belong to any school; and his films, both formally and in their content, all had something new and different. The squalor and the outbursts of *Accattone* and *Mamma Roma*, their beautiful black and white, their apparent negligence and yet their refinement in the attention given to word—in these first works, yes, there is a certain realism. But allegory dominates in the little masterpiece of humor and cruelty, *Uccellacci e Uccellini*, in the irreverent *La Ricotta* (and, later, in *Teorema* and *Porcile*). Accused of contempt of religion, of obscenity, Pasolini surprised those who had not understood his despair for the loss of the sacred with *Il Vangelo Secondo San Matteo*. The nostalgic longing for an archaic and purer form of society appeared not only in a robust, salacious, often vulgar (but also often beautiful) form in *The Triumph of Life*, but earlier in the very personal versions of *Medea* and *Oedipus Rex*. The same longing for an innocence without conformism, without hypocrisy, the illusion of finding it in an exotic world, the basic and eternal confrontation between the abuse by the powerful and the grace of the victim: These were, in all their diversity, the main themes of Pasolini's work, as writer and as director.

During last summer's referendum campaign on British membership in the Common Market, many British housewives started to believe "anti-market" literature blaming expensive food on EC membership. And more: There was a certain nationalistic fear that food imports from the Continent would change eating habits. The non-Brit who has ever eaten an English meal would undoubtedly think this to be one of the advantages of EC membership.

But the average Brit, proud of good, solid grub, considers it rather a disaster. He prefers his peas grass green and as big as marbles. His famous roastbeef shouldn't contain a drop of blood; his vegetables should be boiled in water, with no nonsense about stewing in butter or odd sauces.

British cooking, however, is not completely free of "foreign taints." One can always order spaghetti in highway restaurants, so favored by the truck drivers. But the spaghetti will come out of a can and most of the time be served with chips and fried eggs. In the big cities, of course, one can always dine French, Italian, Chinese, or Spanish in specialized restaurants. But at home most British prefer their Yorkshire pudding, leg of lamb with accompanying mint sauce, and watery vegetables.

The British are not the only people who cling to their traditional menu. Eighteen years of economic integration have brought hardly any change in the average EC citizen's eating habits. It seems peculiar, especially since food products from all the EC countries can easily be found in any one member state and foreign travel has become easier and much more frequent.

The climate, of course, plays an important role in choosing daily food. The heavy Dutch food doesn't suit in the Mediterranean countries. But the climate cannot be the only factor. To prove this, migrant workers from warm regions stick stubbornly to their national dishes, even if they work in the chilly Netherlands. Often the ingredients for their dishes have to be imported.

Eating habits, it seems, are mainly a matter of taste, no more, no less. A simple example: Sauerkraut, which originally comes from Germany, is (Italy excepted)

rather popular in every country of the European Community. Yet, in each country sauerkraut is prepared and served differently.

There is no European unity in taste. It appears to be purely national or regional. Perhaps taste developed on the basis of the "raw materials" that were available? But these elements do not differ much in some parts of Europe. Kale grows in the Netherlands as well as in Belgium. Yet in the Netherlands it is considered a tasty dish, while the Belgians feed it to their rabbits. What is a delicacy in one country is considered disgusting in the other. There are few Dutch who'll swallow "*choussels* in madeira sauce" (a Brussels delicacy), just because the main element of this dish is pigs' testicles.

There is a dish in every country that, from its name, seems to be coming from another country. In most cases this is pure humbug. Beef tartar is unknown in Russia. The same dish which is called "filet American" in Belgium makes most Americans sick because they have something against raw beefsteak. The Russians have never heard of the "Russian egg" (an hors d'oeuvre). "Chinese cabbage" doesn't come from China, and hollandaise sauce was invented by a Frenchman. The Belgian appetizer "Greek mushrooms" is unknown to the Greeks.

Nonetheless, a kind of international taste exists—mainly the French and the Chinese cuisines. But these two culinary exceptions may prove the rule. For the French *tripes a la mode* (prepared from cow stomach, deemed delicious catfood in the Netherlands) probably won't appeal to even the greatest Francophile. And you won't easily find on the menus of Chinese restaurants in Europe one-day-old mice, which have been dipped alive in a boiling sauce, a Chinese delicacy.

Some would say, however, that a "European taste" is beginning to develop slowly. People all around the European Community do feast upon *fondue bourguignonne*. Ten years ago hardly anyone knew of this meal. It, however, does not come from Burgundy, but from Switzerland. In Belgium people now eat Guelders smoked sausage, and in the Netherlands people bite tastefully into French cheese.

But it will take some time before the other EC folks eat with relish a roll of salty liquorice with the same pleasure as the Dutch do. After all, there will always be limits, especially where taste is concerned. But, fortunately enough, that is a subject about which there will never be dispute in the EC Council of Ministers.

NEWS

OF THE COMMUNITY

ENERGY

Oil Companies Cleared

Seven major oil companies have been cleared by the EC Commission of suspicions of market-rigging in the 1973-74 energy crisis.

EC Commissioner Albert Borshette, responsible for competition policy, explained the December report's main conclusions to the European Parliament:

- Fear of oil shortages rather than actual shortages fed the psychological climate of crisis from October 1973 to March 1974.
- The oil companies' power and traditional contacts proved extremely useful in maintaining vital oil supplies during the crisis.
- The extreme dependence of EC member countries' economies on oil turned oil supplies into a political issue.
- Thought should therefore be given to the proper balance between the oil companies' enormous economic power and the governments' political role.
- Oil companies proved so effective in maintaining supplies that thought should be given to ways government might help to extend large multinationals' management expertise into the development and marketing of new forms of energy.
- The borderline between the Community's political role and the oil companies' technical role should be better defined. In the process, a better understanding should be reached of oil companies' pricing practices and financial operations, especially the transfer of revenue from one country to another.

Despite this overall clean bill of health, however, the Commission is pursuing four specialized lines of inquiry into the market for jet fuel, the market for naphtha, the use that the oil companies make of Platt's Oil Gram price quotations, and their public supply contracts with the electric companies.

Future Research Programs

The EC Council of Ministers met in Brussels December 18 to discuss the future of the Community's research programs.

The nine ministers were in accord in principle that future research should concentrate on energy and the environment, and that the Joint Research Center be continued. They failed to agree, however, on what is regarded as the main plank of research funded jointly by the Community and the individual member states—work on a Joint European Torus for producing energy from thermonuclear fusion and controlled plasma physics.

The disagreement was not, however, on whether the program was worthwhile but on where the JET should be built. Ministers decided to meet again in February to take this decision.

EC-Swedish Cooperation

Sweden and the European Community are to cooperate in the field of thermonuclear fusion and plasma physics. The European Atomic Energy Community (Euratom) agreement with Sweden on this subject was given the ministerial green light in November.

Each side will participate in each other's research programs in these fields and contribute to the financing. They will have reciprocal access rights to the scientific and technical results.

Sweden will eventually participate in the construction by the Community of a joint European torus, a reactor type which is expected to result from the use of plasma in thermonuclear fusion at very high temperatures.

EC Oil Stocks Okayed

The de facto level of stocks of oil held in the Community meets with the provisions of a Council of Ministers directive, but five EC countries are facing legal difficulties.

The Council directive specified that there must be enough oil for 90 days' consumption in reserve as of January 1, 1975; on June 1 there was 95 days' supply.

However, five countries are to be brought to court for not having taken the necessary legal measures to implement the directive. They are Germany, Belgium, Ireland, Italy, and the Netherlands.

EC Joint Research Center

The efforts of the four laboratories—Ispra, Geel, Karlsruhe, and Petten—which make up the Community's Joint Research Center ought to be concentrated on environment and energy research, in the view of the EC Commission.

The Commission, which late last year submitted the outline of the 1977-80 program of 390 million units of account (UA) to the Council of Min-

isters, believes the center would benefit from greater expenditure on fewer projects. (One UA equals one 1970 dollar.) At present the center is working on a score of projects with a budget of UA 180 million for the period 1973-76.

The Commission has detailed six areas in which it thinks the emphasis should lie in future: classical nuclear energy; non-electrogenic application of nuclear energy; new sources of energy; environment and resources; measures, standards, and reference techniques; and service activities for projects such as the fast-breeder reactor.

EC Nuclear Documentation

In an agreement signed December 11 responsibility for management of the Community's nuclear documentation was transferred from the EC Commission to the Belgian authorities.

Documentary research will be carried out by experts at the Mol nuclear energy study center, and the information will be data-processed in Brussels. This transfer was made in the framework of an earlier agreement by the member states to organize and develop Community-wide collection, storage, and dissemination of scientific, technical, economic, and social information.

Information from the European Nuclear Documentation System and the International Nuclear Information System (run by the United Nations) will be available in one place as a result.

ECONOMY

Tripartite Conference

Plans are underway for a second conference after trade union representatives, employers, economics ministers, and employment ministers from the nine EC countries held an unprecedented meeting in Brussels November 18. This tripartite conference, as it was called, was designed to air views on the current economic and employment situation and try for a meeting of the minds on how to solve the problems.

Promotion of economic recovery—and with it a decline in unemployment so that current levels never recur—was the main topic for discussion. An active employment policy was advocated, with measures such as the distribution of available working hours among the total labor force and raising the school-graduating age. An active employment policy presupposes in many cases, of course, a recovery of investment, and it was agreed that this was crucial.

Most participants also concurred that protectionism was no way to recovery, but some members of the British delegation disagreed. There was

unanimity that economic recovery should be carried out in such a way as not to fuel inflation.

Chrysler Aids Approved

The EC Commission has approved the decision by the British Government to extend \$328 million in credits to the ailing UK subsidiary of Chrysler Corporation. There had been some question whether such state aid was legal under the Common Market Treaty.

The situation arose last November when Chrysler informed the British Government that economic difficulties would force closing UK operations, which employ some 25,000 people (55,000 including subcontractors and distributors).

The Commission action came at its last meeting before the new year. The Commission decided to approve the Government's subsidy package as being in line with EC policy on state aid to certain industries or certain regions as long as such aid does not adversely affect the common interest.

ECSC Borrowing, Spending

It was a record year in 1975 for European Coal and Steel Community (ECSC) borrowing and spending. Both were expected to hit 700 million units of account (UA), compared to UA 528 million borrowed in 1974 and UA 378 million lent in 1974. (One UA equals one 1970 dollar).

Most of the money was used in 1975 to help the iron and steel industry, particularly in Italy. In the United Kingdom, on the other hand, the coal industry and power stations were the major beneficiaries of ECSC funds.

Up to December 1 lending totalled UA 674 million—of which Germany had received UA 122.4 million; Italy, UA 152.1 million; Britain, UA 223 million; France, UA 105 million; the Netherlands, UA 28.2 million; Belgium, UA 22.2 million; Denmark, UA 20.4 million; Luxembourg, UA 0.5 million; and Ireland (whose coal and steel industries are very small), UA 0.2 million.

All in all, 20 per cent of the coal and steel industry's investment last year was financed with ECSC help, compared to 9 per cent in 1973.

UK Controls Deployed

The EC Commission's first reaction to the December announcement by the British Government that it planned to introduce import controls on textiles, footwear, and televisions was wary.

The Commission, which was informed of the announcement beforehand by the British Government, deplored the introduction of controls in the present international situation, because of the risk of unleashing a chain reaction in other countries, and expressed serious doubts about

whether the emergency, unilateral procedure was justified.

Britain planned to restrict cotton yarn imports from Portugal and Spain, man-made fabric imports from Portugal, clothing imports from Eastern Europe, footwear from Poland, Czechoslovakia, and Romania; and to license imports of color televisions, their tubes, and black and white sets.

Unemployment Worsens

Community unemployment continues to worsen according to figures released late last year.

The total unemployment in the Community was 4.9 million, more than half again what it was a year earlier, in October 1974. Three countries are now over the million mark: Germany, Italy, and Britain.

In percentage terms the situation is worst in Northern Ireland, at 9.8 per cent, and Ireland, at 9 per cent. Then comes: Belgium, 7.9 per cent; Denmark, 5.7 per cent; France, 5.6 per cent; Italy, 5.4 per cent; the Netherlands and Britain, 4.9 per cent; Germany, 4.6 per cent; and Luxembourg, whose 292 unemployed make up 0.2 per cent of the labor force.

Prices Continue to Rise

The introduction of measures designed to stimulate Community economies appears to be giving a renewed spur to rising prices, which had appeared to be stabilizing.

Prices rose by more than 1 per cent in four EC countries in October, compared to only one country in September and none in August. The four were Luxembourg and the United Kingdom (1.5 per cent), Belgium (1.2 per cent), and Italy (1.1 per cent). On the other hand, Denmark's inflation rate dropped by 2.5 per cent, and Ireland's for the quarter May 15 to August 15 also fell, by 0.8 per cent. In two of the remaining EC countries, France and the Netherlands, it rose by that amount, and in Germany it went up 0.3 per cent.

At an annual rate, Denmark is now the Community's best performer at 4.6 per cent, followed by Germany at 5.8 per cent, and the Netherlands at 9.5 per cent. Everywhere else annual inflation is in double digits: France, 10.2 per cent; Belgium, 11.2 per cent; Luxembourg, 11.4 per cent; Italy, 12.1 per cent; Ireland, 18.9 per cent (to mid-August); and the United Kingdom, 25.9 per cent.

R & D Spending Varies

Research and development (R&D) spending per capita in the Community in 1974 was highest in Germany—61.78 units of account (UA) compared to a Community average of UA 36.88. (One UA equals one 1970 dollar.)

At the other end of the scale was Ireland at UA 7.35, with Italy at UA 7.66 not far above it. Then comes a

wide margin to Denmark's UA 28.55. There is also a wide gap between number one Germany and number two France, at UA 44.07. The other EC countries are: the Netherlands, UA 38.59; Belgium, UA 32.7; the United Kingdom, UA 34.29. No figures are available for Luxembourg.

Research spending is growing fastest in the United Kingdom, however. It was up 14.1 per cent in 1974; Belgium at 12.4 per cent and the Netherlands at 12.6 per cent were close behind. Then comes Ireland at 10.2 per cent. All these are above the Community average of 9.9 per cent. Below the average are: Germany, 9.1 per cent; France, 8.2 per cent; Italy, 1.2 per cent; and Denmark, 9 per cent.

But in all cases R&D expenditures grew less than the countries' overall budgets, which averaged a 15.7 per cent increase.

Stabilizing Steel Market

The EC Commission, in its capacity as High Authority of the European Coal and Steel Community (ECSC), appears to be coming round to the idea of introducing minimum prices for steel imports.

Such action is seen as a means of preventing dumping from outside the Community and stabilizing the Community market where industries are selling below cost price. First, however, the Commission will consult the Council of Ministers and the ECSC Consultative Committee on whether such a move is opportune. If they feel it is, the Commission would probably decide on the levels this winter.

Meanwhile, the need for facilitating and continuing a policy of avoiding unilateral action by an appropriate effort of international cooperation among the countries concerned was recognized by the members of the Organization for Economic Cooperation and Development (OECD) on November 14.

With EC market prices for steel down by 35 to 45 per cent and steel producers working at 60 per cent of capacity while faced with imports at "dumping" prices from outside the Community, the EC Commission had called for urgent consultation within the OECD on what can be done to introduce international discipline to the steel market.

HARMONIZATION

Industrial "Democracy"

Worker participation in the board structure of European companies—an inevitably controversial issue—is once again at the forefront of the EC stage now that the Commission's paper dealing with this hot potato was published and widely circulated late last year.

The so-called "Green Paper on Employee Participation and Company Structure" seeks to provoke debate on how the European Community and its nine member states may give a coordinated response to what it terms "the democratic imperative" facing modern economic society and more especially the companies that are society's "institutions of strategic importance."

But its aim is more than just to catalyze general debate; it is to prepare the ground for amendments to a by-now famous proposal (the "fifth directive" submitted by the Commission to the Council of Ministers in September 1972) which seeks to harmonize the Nine's company laws by extending to them all a common framework for co-determination and a single type of corporate structure. In its 1972 form this was for a two-tier board—an executive committee to be controlled and even dismissible by a supervisory board—and a significant degree of worker participation in the controlling board. This latter aim was to be achieved either via the existing German model (one-third worker representatives to two-thirds shareholders) or via the Dutch system of cooptation. The scope of the directive would be limited to large joint-stock companies with more than 500 employees.

The Commission is now seeking to provide greater flexibility to this often criticized proposal. Unlike the Commission's recently-amended proposal for the creation of a European Company statute, which would be an optional legal form for companies to adopt or not as they see fit, the fifth directive would directly change the Nine's laws. So although the two proposals are thematically related, the Commission has absolutely no intention of transferring the precise rules laid down for the European company (including parity shareholder and employee influence on its supervisory board) to the more sensitive area of national legislation.

Hallmarking Standards

A common procedure and set of standards for hallmarking of precious metals has been put forward by the EC Commission to the Council of Ministers.

The Commission's proposal is in the interests of facilitating trade within the European Community in gold, silver, jewels, etc. Objects that meet the common standard would be marked with a Community "E" hallmark, which would be registered with the World Intellectual Property Organization.

Toward Common Tax Market

With the 1978 target for financing the EC budget entirely out of its own resources, part of which will be revenue from value-added tax (VAT), it

is becoming increasingly urgent to agree on common assessment bases in the member states so that the members' budget contributions will be justly distributed.

It was this factor which led to a meeting of tax ministers in the EC Council for the first time ever, in Brussels on November 24. But it is unlikely to be the last, since at one meeting they could not finalize matters but only keep up political impetus by giving guidelines on which direction to look for solutions.

The ministers must decide on continuation of old and introduction of new zero-rating, reduced rates, the system for small and medium business, VAT on farming activities and construction, and whether to include excise duties in the base.

The Council of Ministers meeting also briefly reviewed the Commission's proposals for a medium-term tax harmonization program for taxes on parent and subsidiary companies and mergers.

Fruit Juice Standards

Minimum standards for fruit juices were set by the EC Council of Ministers late last year.

Manufacturers in EC member states are affected by these regulations if they want to export their goods to other parts of the Community; the idea is to facilitate free trade by removing technical obstacles.

The new directive, which member states have a year to incorporate into national legislation, contains provision on chemical content, packaging, and labeling.

Single Driving Licenses

A Commission proposal for a single driving license for EC citizens—and eventually identical driving tests—was forwarded to the Council of Ministers in December.

In an initial five-year period, national driving licenses would simply be exchanged for Community ones; providing car drivers are at least 18-years-old, and heavy vehicle drivers 21-years-old (16-years-old in the case of tractors).

After that, a common driving test with practical, theoretical, medical, and psychological tests would be introduced if the proposal is adopted as it now stands.

Education Action Program

An action program in the field of education was agreed to by the EC Council of Ministers meeting in Brussels on December 10.

An education committee will be set up and is to submit a report and recommendation on the problems of unemployed school dropouts.

In addition, member states will work out coordinated programs on: education and training of migrants

and their children, promotion of closer relations between educational systems in Europe, compilation of up-to-date documentation and statistics, cooperation in the field of higher education, teaching of foreign languages, and achievement of equal access to all forms of education.

Common Transport Policy

The major transport policy disputes among EC member states remained unresolved after a meeting of transport ministers in Brussels on December 10.

Social regulations for truck drivers, weights and dimensions of trucks, taxation of utility vehicles, multilateral haulage quotas, and tariffs for goods transported by road still remain the major bones of contention.

It was agreed, however, to extend for one year the present system of bracket tariffs, introduced a few years ago on an experimental basis. Transport companies are obliged by the regulation to keep their tariffs within a predetermined bracket.

The ministers also agreed on a system of "canal-worthiness certificates" for barges carrying more than 20 tons of goods or 12 passengers.

EC and European Patents

The culmination of work started in 1959 on a new European patent system was reached in Luxembourg on December 15, 1975, when the convention on a Community patent was signed.

The convention, which complements the European Patent Convention signed October 1973 in Munich, the site of the future European Patent Office, creates an EC patent. Thus, when the European Patent Office grants a patent in any EC country, that patent will be valid for the products to move freely and be subject to the same legal provisions throughout the Community.

National patent law will, nevertheless, continue to exist alongside Community patent law for the time being.

SOCIAL POLICY

Eliminating Sexism in EC

One of the major achievements of the last meeting in 1975 of EC social affairs ministers was the adoption of a directive to give equal treatment to men and women in employment, promotion, vocational training, and working conditions—with a commitment to progressive introduction of equality in social security also.

This directive, which member states have 30 months to bring into force, complements one adopted in 1974 ensuring women equal pay for equal work.

Other decisions taken by ministers included extension of social fund aid to the textiles sector, a resolution on unwarranted discrimination against migrant workers. The latter resolution, however, disappointed the EC Commission, which had been seeking full political and civil rights immediately for migrants. But the Council of Ministers agreed that migrants may be officers in trade unions.

Paul Finet Scholarships

Scholarships of up to \$1000 were awarded last year to 180 children of former Community coal and steel industry workers who had died as result of an industrial accident or occupational disease.

These grants from the Paul Finet Foundation are for children at least 14-years-old who are engaged in vocational training, general secondary studies, or advanced studies at a university or other establishment of higher learning.

Since the foundation was established, applications have been received from 7,093 children, and 5,022 grants totaling more than \$1 million have been awarded.

Waging War on Poverty

Pilot schemes for combating poverty are to receive 5.3 million units of account (UA) from the EC Commission, which in most cases will put up half the money needed for the 25 plans involved in the program. (One UA equals one 1970 dollar.)

Among the projects which have qualified for funding are: an action plan for housing; research into the economy and culture in the Marolles district of Brussels, where most families live on or below the poverty line; identification by the Kofoeds School in Denmark of groups which fall through the social security net, and the reasons why; housing improvement for socially handicapped families in the Paris area; research into the welfare of vagrants in Germany.

Also to receive Commission funding are: an assessment of the Irish plan for supplementary welfare allowances; further work of the Padua "local unit" in helping the poor of the region to use the social and health services; detection of chronic poverty through the school system in Luxembourg; further community development among a group of socially underprivileged in Breda, the Netherlands; a survey of how much use is being made of social services in Northern Ireland; comparative studies of poverty in Britain, France, and Germany.

Employment for Youth

Concern about the relationship between education and high unemployment among the young kept the European Community members' ministers

of education around the conference table most of the night December 10.

The meeting ended with agreement to earmark \$750,000 of the Community's 1976 budget as seed money for educational projects to reduce unemployment among the young. Almost a third of the Community's 5 million unemployed are young people who have just left school.

The ministers also passed a resolution stressing that projects receiving Community aid should foster equal opportunities for all and freedom to study in any Community country.

EXTERNAL

Canadian-EC Relations

In an exchange of letters the Canadian Government and the EC Commission have agreed to cooperate in evaluating the risks inherent in pollution for human health and the environment, in defining quality objectives for the environment in general and water in particular, and in protecting the natural environment.

This agreement on exchange of information and technicians may be extended to cover additional fields subsequently. The Commission already has a similar agreement with the United States.

In other EC-Canada relations, a European Parliament delegation joined with its Ottawa hosts from the Canadian legislature in urging speedy progress in starting negotiations between the two sides on an economic and commercial cooperation agreement. The two groups at their autumn meeting welcomed the opening of an EC delegation in Ottawa and the inclusion of Canadians in the EC visitors program.

Japan-EC Consultations

High-level consultations between the European Community and Japan, the latest in a series of twice-yearly meetings, took place in Brussels on December 11.

The Community's continuing trade deficit with Japan was one of the main preoccupations of the Commission delegation. Specific products mentioned included cars—where the Commission had recently protested that Japanese testing procedures are responsible for the ten-to-one imbalance in trade. Also discussed were steel and shipbuilding—where there have been complaints from European firms that they are being undercut by Japanese imports.

An agreement was concluded in Brussels on December 15 between Japan and the European Community regulating the two's textile trade in order to protect their markets from a disrupting flood of imports during the recession. Japan agreed to restrict its exports of cotton and man-

made fiber cloth to the Community, to cut back on exports of five products to individual EC member states, to consult on the Community's imports of discontinuous man-made fibers. The European Community agreed to the principle of consultations on its exports to Japan should they ever reach disruptive levels because the European Community in fact exports twice as much in textiles to Japan (mainly woollen goods) than it imports from Japan. The agreement was concluded in conformity with the GATT Multifibers Arrangement.

Argentina-EC Trade Pact

The 1971 EC-Argentina trade agreement expired at the end of 1975 but was extended for a further year by an exchange of letters, pending negotiation of a new agreement covering more fields of mutual interest.

At the latest meeting of the joint EC-Argentina commission, on December 4 in Brussels, Argentina expressed concern about its deteriorating balance of trade with the Community and the continuing EC beef import ban, which the Community has in fact now started to relax slightly. Argentina is also worried about the possibility of import restrictions on hake and apples.

The Commission promised to look into the problems and to see how Argentina could boost its trade by making better use of the EC generalized system of tariff preferences for the developing world.

Allon Visits Commission

Israel Deputy Prime Minister and Foreign Minister Yigal Allon paid an autumn visit to the EC Commission to discuss extending ties between Israel and the European Community from trade, as covered by the current EC-Israel agreement, to financial and commercial cooperation.

He advocated an Israeli-European dialogue to run in parallel to the Euro-Arab dialogue. The EC-Israel trade agreement came into force July 1, 1975.

Latin American Conference

Representatives from the European Parliament and Latin America held an interparliamentary conference late last year in Luxembourg.

The Latin American delegation was made up of representatives from Argentina, Brazil, Colombia, Costa Rica, Guatemala, Netherlands Antilles, Nicaragua, Venezuela, the Central American Common Market, and Uruguayan and Chilean exiles.

Both sides were unanimous in expressing concern at Latin America's trade deficit with the Community, and they expressed the hope that as a new international economic order evolves, this situation will right itself. One of the factors in the deficit was felt to

be the EC beef import ban, which (together with the Lomé Convention with African, Caribbean, and Pacific countries) was seen by the Latin Americans to be a threat to their countries' trade and a stumbling bloc to good relations.

The conference endorsed the need to maintain parliamentary democracy in Europe and foster it in Latin America. They felt developed countries should give countries with representative democracy priority in aid-giving.

European-Arab Dialogue

An ambassadorial-level meeting of the "general commission" of the "Euro-Arab dialogue," its first meeting, is to be held in Luxembourg, probably next March. It was agreed that this should be the next step after Community and Arab League experts had held a five-day meeting in Abu Dhabi in the last week of November.

That meeting discussed projects in which the European Community could help boost Arab development in areas such as trade, financial cooperation, infrastructure development, agriculture and rural development, industrial cooperation, scientific and technical cooperation, cultural affairs, and employment.

In the fields of basic infrastructure, industrialization, and agriculture, work has reached the stage of singling out specific projects for priority.

Korean Textile Agreement

After six tries, the European Community and Korea have concluded an agreement restricting exports of Korean textiles to the Community for the next three years in cases where Korean textiles are posing a threat to the EC market's stability.

This November 28 agreement came after six successive negotiating rounds since early summer, with the Commission eventually threatening unilateral action if no agreement were reached this time. Products covered are some fabrics and yarns, knitted shirts and pullovers, raincoats, trousers, suits and jackets, and men's and women's shirts.

The agreement was concluded in line with the provisions of the GATT Multifibers Arrangement on liberalizing world trade progressively while striking a balance, in an interim period of surplus capacity, between the claims of industrialized and developing countries. The Community has six other similar agreements with Hong Kong, Pakistan, India, Singapore, Malaysia, and Macao.

And, on December 12, a similar agreement was concluded with Japan.

AID

Angolan Refugees Helped

The resettlement of Angolan refugees in Portugal is being helped by funds

from the EC Commission, which granted emergency EC aid worth about 1 million dollars.

The aid includes 400 tons of butteroil, 550 tons of skimmed milk powder, and 150,000 units of account (UA) for putting up prefabricated housing. (One UA equals one 1970 dollar.)

Palestinian refugees are also receiving Community food aid: 5000 tons of cereals, worth \$750,000. This is in addition to the Community's already scheduled annual allocation of 20,000 tons of cereals.

Generalized Preferences

This year will see improvements in the EC generalized preference plan, covering a potential \$4.5 billion in imports from the developing world.

The adjustments for 1976, which had to be kept modest in the light of the poor economic climate in Europe, consisted mainly of increasing ceilings on the amounts of most manufactured products allowed to enter the Community duty-free by 15 per cent, but by only 5 per cent in the case of coal and steel products and by 5 per cent in volume for textiles.

Also increased were the tariff cuts for developing country sales to the Community of the processed agricultural goods qualifying under the preference plan. A certain number of processed agricultural goods, ranging from aquarium fish to tonka beans, were added to the list for the first time.

The preference plan, which the Community has been operating since 1971, is intended to give developing country goods competitive edge over goods from the industrialized world.

ENVIRONMENT

Water Pollution Combated

The roster of European Community laws to protect the environment continues to grow. The latest action came at 1:30 AM on December 9 when the EC Council of Ministers agreed on a directive to protect the Community's lakes, rivers, and coastal waters from pollution by toxic wastes.

The directive sets standards for companies which dump waste into Community waters. It also sets quality goals for waters absorbing "black listed" poisons, such as pesticides, defoliants, mercury, arsenic, and organophosphoric, organohalogenic, and organostannic compounds. Quality goals could be applied, instead of dumping standards, if a member state can prove to the EC Commission that water quality goals have been met and will not be lowered by dumping. Every five years, the Council will review cases where quality goals are being applied.

The directive also stipulates reduc-

tions in water concentration of less toxic substances on a Community "gray list"—dangerous metals and metalloids, biocides, cyanide, florides. Quality goals for waters containing these substances will be set.

As a guide to enforcement of the law, maximum "value limit" will be set for black and gray listed poisons. These limits will depend on the poison's toxicity, permanence, and bio-accumulative properties. Member state authorities will be forbidden to exceed these limits when giving the mandatory approval before any dumping.

Swiss Cooperation Pact

An exchange of letters in Bern on December 12 brought closer cooperation between the European Community and Switzerland in environment policy. Information will be exchanged on analysis procedures for certain pollutants and on the stage knowledge has reached about their harmful effects.

Cooperation will also cover pollution caused by specific industrial sectors, quality objectives and criteria, research results, environmental effects of energy production, toxic waste, the environmental impact of certain agricultural activities, and programs for making public opinion aware of environmental dangers.

The Community already has similar agreements with the United States and Canada.

AGRICULTURE

New Zealand Dairy Sales

The return which New Zealand dairy producers receive on their sales of butter and cheese to the United Kingdom was increased by 18 per cent from January 1, 1976, following a decision to this effect late last year by EC agriculture ministers. The price to the British consumer of these supplies, which enter the United Kingdom under special import arrangements agreed to at the time Britain applied for membership in the European Community, will be unchanged since the special import levy which brings the price up to domestic levels will decrease by the same amount.

Following up a decision reached in principle when EC Commission Vice President Christopher Soames visited New Zealand in September 1974, the Commission held a first session of informal consultations with New Zealand in Brussels on November 24-25.

Both sides were seeking to diversify contacts beyond the agricultural problems—and in particular access to the European Community for New Zealand sheepmeat and dairy products—which had been the past focus of their contacts. Among the topics discussed were the multilateral trade negotiations, the new international

economic order, development policies in the South Pacific, EC foreign policy (Lomé Convention, agreements with Mexico, India, etc.), and energy.

EC Farm Funds for Fishing

The EC Commission has a five-year program, costing 118 million units of account (UA), for restructuring the EC coastal fishing industry, which directly employs 100,000 people and indirectly supports 600,000. (One UA equals one 1970 dollar.)

The Commission proposal, forwarded in November to the Council of Ministers, falls within the framework of regional development programs drawn up by member states and coordinated by the Commission. The EC farm fund would help finance fleet modernization, demolition of old boats, pensions for retiring fishermen, promotion of aquaculture, vocational training, and research.

Agricultural Prices Rise

Europe's farmers have been asking for farm price increases in 1976 averaging 10.6 per cent, but the EC Commission in December only proposed 7.5 per cent. And, even then, not every country would get as big an increase as that, because the Commission is advocating a phasing out of so-called monetary compensatory amounts (originally introduced to compensate for changes in currency exchange rates), which have led to a distortion of the concept of common farm prices.

The recommended level of price increases was decided by the Commission on the basis of the modern farm's income requirements, taking into account the divergent economic and monetary development in the Community in recent years. The biggest price increases recommended are for corn (9.5 per cent) and soft wheat (9.5 per cent) in order to encourage more production of higher quality grains.

Among the lowest are increases for olive oil (5.3 per cent) and dairy products (which would be in two stages—the first would vary from 1.3 per cent to 2.1 per cent depending on the product). The Community is trying to discourage milk production because of the surplus which has resulted in a 1 million-ton skimmed milk powder mountain and a smaller, but growing, butter mountain.

INSTITUTIONS

New ECSC Unit of Account

As of January 1, the European Coal and Steel Community (ECSC) is using a new unit of account (UA).

The new unit, which the EC Council of Ministers approved in November, is calculated on the basis

of a basket of EC currencies weighted according to the country's share in Community GNP, intra-Community trade, and the Community's short-term monetary support system. The ECSC is the third institution to introduce this unit; the others are the European Investment Bank and the European Development Fund.

Eventually the EC Commission hopes to see all Community accounting changed to a more realistic unit than the current one which is pegged to pre-Smithsonian parities and gold, with a rate of one UA equaling one 1970 dollar.

ECSC Bonds Offered in US

A public bond offering by the European Coal and Steel Community (ECSC) worth \$125 million was made in the United States in December.

A syndicate headed by Kuhn, Loeb, and Co. and Warburg Paribas Becker Inc. made the offering. The five-year bonds were issued at par and bear a 8-7/8 per cent coupon.

This is the ECSC's seventh borrowing on the US market. The proceeds will be used to finance construction of coal-based electric power stations, modernization of Community coal and steel production, and redeployment of the work force.

EC 1976 Budget Approved

There will be 7,575 million units of account (UA) in the Community's budget in 1976. (One UA equals one 1970 dollar.) The European Parliament approved this figure in Strasbourg on December 18.

The part of the budget over which the Parliament has room for maneuver is one-fifth more than EC member state budget ministers had proposed; but Parliament insisted that a number of small items, such as aid to nongovernmental development agencies, be restored.

The Parliament also added UA 130 million to the research budget, UA 40 million to the social fund, and allocated UA 20 million for aid to Asia and Latin America.

COMPETITION

Coffee Trading Modified

As a result of EC Commission intervention, the Institute Brasileiro do Cafe's (IBC) Milan office has modified some of its trading practices. The Commission felt IBC was breaching EC antitrust rules.

The IBC has agreed to grant access to its largest European depot in Trieste to all EC firms and not just those of France and Italy, which were previously the only countries able to benefit from the preferential terms offered by the Trieste warehouse. Certain geographical resale restrictions

and obligations to resell only roasted coffee have also been lifted.

Since the European Community is the world's second largest coffee importer after the United States and imports 30 per cent of the production of Brazil (the world's number one producer), the impact of the change could be considerable.

UK Coal Prices Reduced

Britain's National Coal Board (NCB) has been ordered by the EC Commission to reduce the price of coal supplied to another British firm, National Carbonizing Company (NCC), pending a decision on the dispute between the two groups by the European Court of Justice.

The intervention by the Commission, acting in its capacity as High Authority of the Coal and Steel Community (ECSC), followed a complaint last July by NCC, which holds about 7 per cent of the British market for hard coke, that it was encountering difficulties in covering its domestic coke production costs because of the inadequacy of the margin between the high prices of coking coal and the prices of domestic coke. It felt that NCB was abusing a dominant market position, which would be an infringement of the ECSC Treaty.

The Commission initially disagreed, but NCC pursued the matter to the Court of Justice, which decreed that the Commission should take such interim measures as it considered to be strictly necessary for the survival of NCC pending a final decision on the matter.

GTE Subsidiary Exempted

A German radio, television, and tape recorder manufacturer — SABA, a subsidiary of GTE of the United States—has been exempted by the EC Commission from the Community's general ban on concerted practices. The company will therefore be able to continue distributing through a selective network of distributors.

Since these distributors are carefully chosen for technical expertise and after-sales service and because the closely coordinated network makes it possible for SABA to realize cost economies through carefully programmed production schedules, the Commission concluded that the benefit was passed on to the consumer.

Court Reduces Sugar Fines

The fines imposed on a number of sugar producers by the EC Commission's antitrust department in 1972 have been substantially reduced on appeal by the Court of Justice, which also annulled part of the Commission's decision.

The Court found that the market-sharing of which the companies were accused was in part the result of the Community's own common organization of the sugar market with its system of production quotas.

Recent Books

European Community periodically lists books dealing with Community and Atlantic topics. Prices are also given when known. This presentation does not indicate approval or recommendation of these publications, which can be purchased or ordered from most booksellers.

Work and Industrial Relations in the European Community. By Michael P. Fogarty. Chatham House: PEP, London, 1975. 43 pages.

A review of the European Community's social policy.

The European Convention on Human Rights. By Frede Castberg. A. W. Sijthoff, Leiden, and Oceana Publications Inc., Dobbs Ferry, New York, 1974. 198 pages with bibliography and notes.

An introduction to the European Convention on Human Rights, of particular interest to students of law.

Benelux: An Economic Geography of Belgium, the Netherlands, and Luxembourg. By R. C. Riley and G. J. Ashworth. Holmes and Meier Publishers, Inc., New York, 1975. 256 pages with maps, tables, diagrams, and index. \$15.00.

A study tracing recent, far-reaching geoeconomic changes in the three Benelux countries.

Social Security in the European Community. By Roger Lawson and Bruce Reed. Chatham House: PEP, London, 1975. 70 pages with notes and tables.

An examination of Britain's social security and medical care policies and how they compare to social provisions in other EC member states.

Exchange and Trade Controls: Principles and Procedures of International Economic Transactions and Settlements. By Jozef Swidrowski. Gower Press Limited, Epping, Essex, England, 1975. 342 pages with tables, appendices, and index. \$32.50.

A study of the principles and procedures of international economic transactions and settlements.

1976 European Community Directory and Diary. Institute of Public Administration, 57/61 Lansdowne Road, Dublin 4, Ireland, 1975. 237 pages with tables, maps, glossary, and index. 14 pounds, including air mail postage.

A directory, a desk diary, a digest of statistical and other information, and a handy reference book to the European Community.

Transatlantic Crisis: Europe and America in the Seventies. Edited by Joseph Godson. Alcove Press Ltd., London, 1974. 148 pages with introduction and appendices. \$1.50 (paper).

A reproduction, with later additions and revisions, of a series of

articles published in the *International Herald Tribune* during April and May 1974.

Compendium of Case Law Relating to the European Communities, 1973. Edited by H. J. Eversen, J. Sperl, and J. A. Usher. North-Holland Publishing Company, Amsterdam, and American Elsevier Publishing Company, New York, 1975. 304 pages with forward, preface, notes, and index. \$64.75.

An English version of the 1973 edition of the work known respectively in its French and German versions as *Repertoire de la jurisprudence relative aux traites instituant les communautés européennes* and *Europäische Rechtsprechung*.

European Chemical Industries, 1974-1975. Edited by Alan and Evelyn Charnley. Gower Press Ltd., Epping, Essex, England, 1974. 488 pages with notes, charts, figures, and appendices. Available in United States from Unipub, Box 433, Murray Hill Station, New York, 10016. \$60.00 (looseleaf).

This data-file provides up-to-date market and business information on the chemical industries of Western Europe.

European Retail Trades, 1975-1976. Edited by Alan and Evelyn Charnley. Gower Press Ltd., Epping, Essex, England, 1975. 378 pages with notes, charts, figures, and appendix. Available in United States from Unipub, Box 433, Murray Hill Station, New York 10016. \$60.00 (paper).

A current data-file on the retailing industry in Europe.

The Monetary System: Its Components and Some Trade Issues. By B. Narpati. Rotterdam University Press, the Netherlands, 1973. 136 pages with bibliography and tables.

A brief survey of some of the past and present elements of the international monetary system and the status of negotiations for reform.

Multi-National Unions. By Norris Willatt. The Financial Times Limited, London, 1974. 141 pages.

A study of the world trade union movement as a countervailing force to multinational corporations.

Organizational Problems in European Manufacture: "Production in the Total System" (Vol. 1); "Production in the Functional System" and "Production in the Human Resources System" (Vol. 2). By T. D.

Publications Available

Publications listed may be obtained from the European Community Information Service, Suite 707, 2100 M Street, NW, Washington DC 20037. Persons in the New York area can order copies from the European Community Information Service, 277 Park Avenue, New York City 10017.

Wienshall and Brian C. Twiss. Longman Group Limited, London, and Longman Inc., New York, 1973. 537 pages with tables, bibliography, and index. \$36.00.

A study of two important aspects of decision-making in manufacturing—organizational problems arising from the relationships between manufacturing managers and the cultural influences which affect decision-making in different European countries.

Law of Banking in East-West Trade. By Ivan Meznerics. A. W. Sijthoff, Leiden, 1974. 427 pages with notes. \$22.50.

A comprehensive analysis of various banking transactions in a socialist economic system, and a survey of the banking functions of socialist banks with regard to the important changes produced by economic reforms in most socialist countries.

The Eurocurrency Markets and Their Implications: A "New" View of International Monetary Problems and Monetary Reform. By John Hewson and Eisuke Sakakibara. Lexington Books, D.C. Heath and Company, Massachusetts, 1975. 167 pages with index, notes, tables, and appendices.

A sophisticated yet understandable volume on the Eurocurrency markets and their implications for monetary and other international issues.

European Economic Integration. Edited by Bela Belassa. Contributions to Economic Analysis, Vol. 89. North-Holland Publishing Co., Amsterdam, and American Elsevier Publishing Co., New York, 1975. 416 pages with tables, appendices, and index. \$31.25 (cloth) \$18.75 (paper).

An appraisal of the experiences of the European Community and the European Free Trade Association.

The Import of Labor: The Case of the Netherlands. By Adriana Marshall. Rotterdam University Press, Rotterdam, 1973. 177 pages with notes, bibliography, and tables.

An examination of the structural causes of the import of labor, with the Netherlands as a case study.

The Logic of Unity: A Geography of the European Economic Community. By Geoffrey Parket. Longman Inc., New York, 1975. Updated second edition. 210 pages with charts, maps, notes, tables, appendix, and index. \$5.95.

An appraisal of the Common Market in terms of human geography.

The European Communities: Establishment and Growth. A Keating's Research Report. Charles Scribner's Sons, New York, 1975. 208 pages with charts, maps, bibliography, appendices, and index.

An up-to-date, systematic guide to the European Community.

AIDE-MEMOIRE ON THE MULTILATERAL TRADE NEGOTIATIONS IN GATT. Background Note No. 35/1975, European Community Information Service, Washington, D.C., November 12, 1975, 14 pagesfree
Outlines the situation of the negotiations as of the fall of 1975, from the Community point of view. Covers tariffs, non-tariff barriers, agriculture, tropical products, the sector approach, and safeguard clause.

EC COMMISSIONER ADDRESSES FOREIGN TRADE CONVENTION. Background Note No. 37/1975, European Community Information Service, Washington, D.C., November 19, 1975, 17 pagesfree
Speech by Commissioner Finn Gundelach to the 62nd National Foreign Trade Convention, November 17, New York. Covers current international economic relations and US-EC trade relations.

THE EUROPEAN COMMUNITY AND THE ENERGY PROBLEM. European Documentation No. 2/75, Commission of the European Communities, Brussels, 1975, 22 pagesfree
Brochure describing the Community's energy market, energy policy, and research program.

THE EUROPEAN COMMUNITY AND THE DEVELOPING COUNTRIES. European Documentation No. 1/75, Commission of the European Communities, Brussels, 1975, 18 pagesfree
Pamphlet on the Communities' trade and association agreements with developing countries, generalized preference system, raw materials problems, food aid, and financial aid for non-associated developing countries.

THE IRISH ECONOMY. Economic and Financial Series No. 10, Commission of the European Communities, Brussels, March 1975, 168 pages\$4.00
Report by Kieran A. Kennedy and Richard Bruton, Economic and Social Research Institute, Dublin. Analyzes the basic characteristics and long-term trends of the Irish economy in relation to other EC countries. Individual chapters on agriculture, industry, services, unemployment, labor relations, public finance, banking, external trade and payments, and policy issues.

ACP: YEARBOOK OF FOREIGN TRADE STATISTICS 1975. Statistical Office of the European Communities, Luxembourg, 1975, 95 pages\$4.00
Reviews for 1968-1973 the trade of the African, Caribbean, and Pacific countries (ACP) associated under the Lomé Convention. Covers development of world trade by major economic regions and distribution of ACP trade by origin, destination, and major product categories with the world and the Community.

STATUTE FOR EUROPEAN COMPANIES. Bulletin of the European Communities, Supplement No. 4/75, Commission of the European Communities, Brussels, 1975, 223 pages\$4.50
Amended proposal for a uniform statute creating a legal structure for company organization at the European rather than national level, presented to the Council on May 13, 1975. Includes commentary on the text.

FOREIGN TRADE 1958-1974. Foreign Trade Monthly Statistics, Special Number, Statistical Office of the European Communities, Luxembourg, 1975, 49 pages\$3.00
Presents data on trade for the Community of Nine for 1958-1974. Covers world and EC trade, imports and exports by origin and destination by country and by principal trading regions. Includes tables on trade by 1-digit SITC commodity categories and on intra-Community trade flows.

COMPARATIVE TABLES OF THE SOCIAL SECURITY SYSTEMS IN THE MEMBER STATES OF THE EUROPEAN COMMUNITIES: GENERAL SYSTEM. Commission of the European Communities, Brussels, 1975, 125 pages\$3.30
8th edition presenting the situation as of July 1, 1974. Tables showing the basic features and benefits of each member state social security system. Also covers the government organization and financing of social security.

BALANCES OF PAYMENTS YEARBOOK 1974. Statistical Office of the European Communities, Luxembourg, 1975, 171 pages\$3.00
Gives balances of payments, global and broken down by area, for the nine member states of the Communities and those of the US and Japan for 1969-1973.

ACTION PROGRAMME FOR THE EUROPEAN AERONAUTICAL SECTOR. Bulletin of the European Communities, Supplement No. 11/75, Commission of the European Communities, Brussels, 1975, 43 pages\$1.00
Commission communication and proposals to the Council of October 3, 1975, for a Community policy for the aircraft industry. Includes annexes on the current situation in the industry, a joint program for civil transport aircraft, research and technological development, structure, employment, productivity, and financing methods.

THE EUROPEAN COMMUNITY'S FINANCIAL SYSTEM. European Documentation No. 4/1975, Commission of the European Communities, Brussels, 1975, 34 pagesfree
Covers the historical development of the ECSC, EEC, and EURATOM budgets, the transition to "own resources" system, the new budgetary procedure, and 1975 revenue and expenditure.

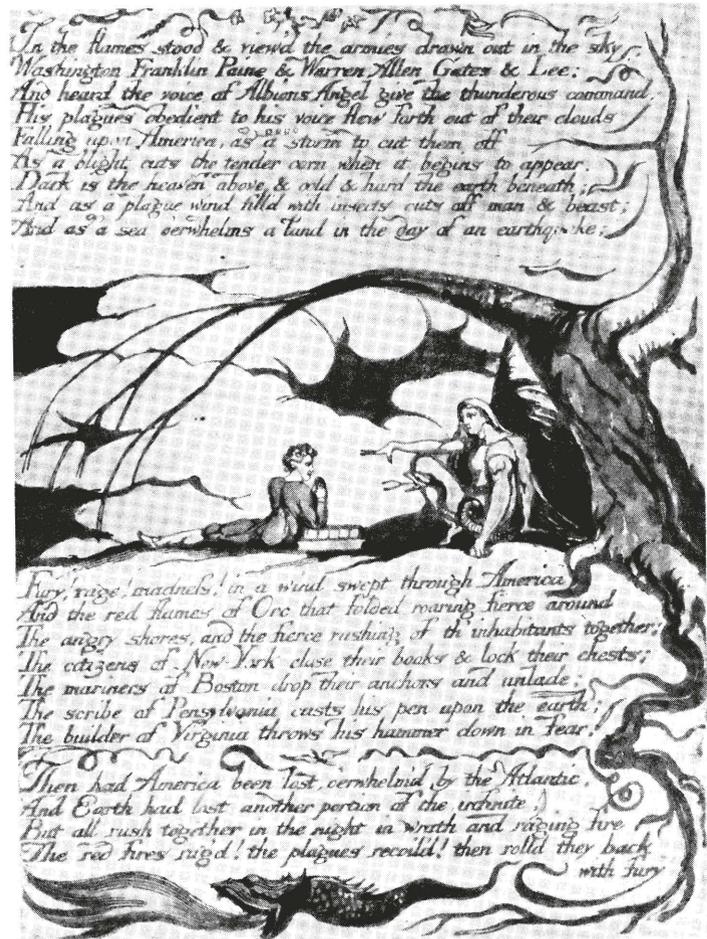
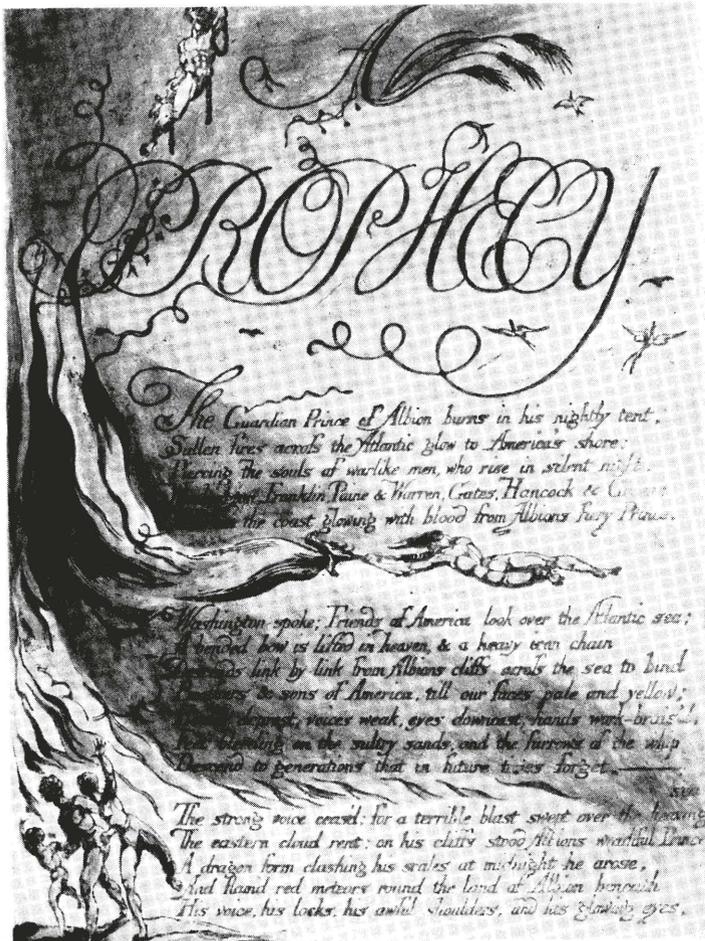
PRICES OF BUNKER OILS, EUR 9: 1965-1973. Energy Statistics, Special Number 1/1975, Statistical Office of the European Communities, Luxembourg, 1975, 46 pages\$6.00
Comparative analysis of the trends in prices of marine bunker oils in seaports in the Community. English/French/German/Italian text.

ELECTIONS TO THE EUROPEAN PARLIAMENT BY DIRECT UNIVERSAL SUFFRAGE. Special issue based on Working Document No. 368/74, European Parliament, Luxembourg, 1975, 63 pages\$0.25
Draft Convention adopted by the Parliament on January 14, 1975, with explanatory statement by Schelto Patiijn.

TOWARDS EUROPEAN CITIZENSHIP. Bulletin of the European Communities, Supplement No. 7/75, Commission of the European Communities, Brussels, 1975, 32 pages\$1.00
Two reports submitted by the Commission to the Council on July 3, 1975, concerning a European passport union and the granting of certain civil and political rights by each member state to nationals of other member states.

REPORT ON EUROPEAN UNION. Bulletin of the European Communities, Supplement No. 9/75, Commission of the European Communities, Brussels, 1975, 34 pages\$1.00
Contains two resolutions of the European Parliament, the suggestions of the Court of Justice, and the opinion of the Economic and Social Committee on European Union.

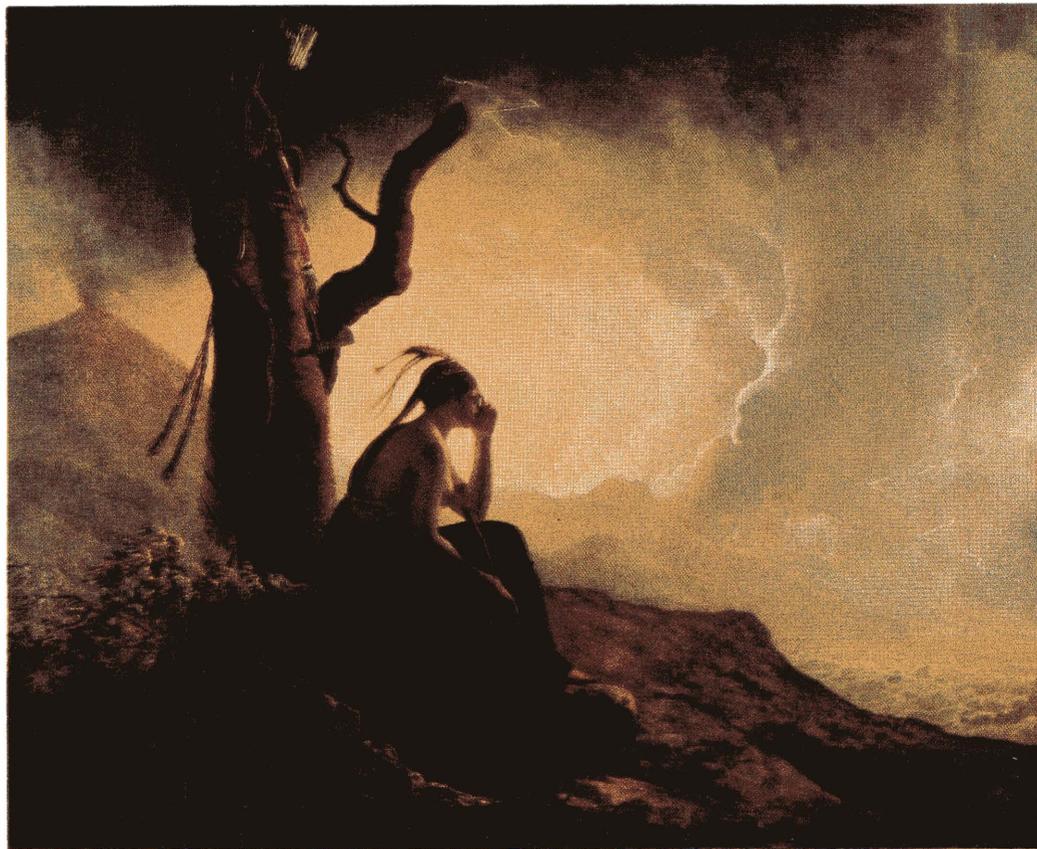
Europe's Vision of America

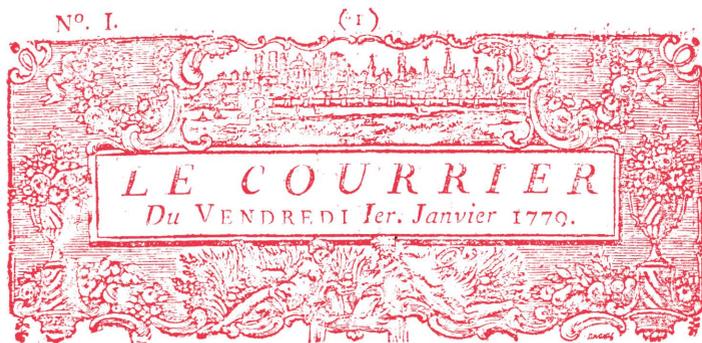




Did Europeans “discover” or did they “invent” America? It’s more than a question of semantics, as Admiral Morison makes clear in his article on page 4. It’s also a question well explored by the special bicentennial exhibit “The European Vision of America,” organized by the Cleveland Museum of Art with the collaboration of the National Gallery of Art, Washington, and the Réunion des Musées Nationaux, Paris. The exhibit also gives a healthy perspective to today’s transatlantic relations. Hugh Honour, British scholar and writer, is the exhibit’s guest curator.

The works reproduced on these pages (as well as pages 1, 2, 4) are courtesy of the National Gallery of Art and the respective lending institutions: (Facing) The Pierpont Morgan Library; William Blake; English, 1757-1827; relief etching and poem. (Above) S. A. Artemis, Brussels; Jean-Jacques François Le Barbier, the Elder; French, 1738-1826; Beauvais tapestry America. (Right) Derby Museums and Art Gallery, England; Joseph Wright; English, 1734-97; oil on canvas The Indian Widow.





(Paris, 1 January 1779)

It was forgotten in London that these Colonies, rather than being dispersed like those of other nations, formed a whole, an entity not easily subjugated. It was also forgotten that the other European powers regarded with indignation the tiresome supremacy which England had exerted for so long over them. Lastly, no one wanted to face the possibility that a coalition of forces could deal a terrible blow to the riches, as well as the prosperity, of the three Kingdoms. And it was felt that because Europe had been too patient for so long, she would always remain so. All mistakes in judgement. Finally, on March 13, 1778, the last bit of erroneous thinking was dissipated as England discovered with astonishment that the Colonies had found allies (France).

. . . . The Spanish Ministry has wisely concluded that whatever the outcome (of the American conflict), a new political order will be established in Europe. Either we will all succumb to England's despotism, if that power conquers America, or, if she fails in this endeavor, America will soon cease to be the Europe's slave and will ask only to be her ally. . . .

No. 62. Mittwoch, den 13. März. Anno 1782.

Augsburgische Ordinari Postzeitung,

von Staats, gelehrten, historif. u. ökonom. Neuigkeiten.
Mit Ihrer Königl. Majestät allergnädigstem Privilegio,
Belegt und gedruckt von Joseph Anton Moos, wohnhaft auf dem obern
Staden, in dem sogenannten Schreib-Platz.

(Germany, Wednesday, 13 March 1782)

London, February 26 — the news from America doesn't sound favorable at all. According to reports, our fleet and army suffered much last summer and, if no measures are taken, England is in danger of losing these Colonies entirely and forever, and the Loyalists are in danger of complete annihilation; General Washington reported to Congress that he plans to take New York in the spring with 30,000 troops; everybody is apprehensive there because it is believed that fulfilment of this promise would mean involving French and Spanish troop support.

. . . . Last Friday General Conway proposed in the

House of Commons to ask His Majesty to end the war in America, because it was impossible to continue it, and to allocate substantial funds to the maintenance of peace. One hundred ninety three voted for this proposal, and 194 against. Then General Conway asked the ministers to explain their plans for the next campaign in America. The answer was: Peace is the general desire; but to reach peace, one has to have a good defense and be feared by one's enemy, in order to instill the same desire. Independence was not at all mentioned. . . .

The London Chronicle N^o 8991.

From TUESDAY, FEBRUARY 13, to THURSDAY, FEBRUARY 15, 1776.

(February 13-15, 1776)

Observations on the nature of civil liberty, the principles of government, and the justice and policy of the war with America. By Richard Price, D.D. F.R.S.:

. . . . I have heard it said by a person in one of the first departments of the state, that the present contest is for dominion on the side of the Colonies, as well as on ours: And so it is, indeed; but with this essential difference. We are struggling for dominion over others. They are struggling for self-dominion: the noblest of all blessings.

. . . . But a worse principle than even this, influences some among us. Pride and the love of dominion are principles hateful enough; but blind resentment and the desire of revenge are infernal principles; and there, I am afraid, have no small share at present in guiding our public conduct. One cannot help indeed being astonished at the virulence, with which some speak on the present occasion against the Colonies. For, what have they done? Have they crossed the ocean and invaded us? Have they attempted to take from us the fruits of labour, and to overturn that form of government which we hold so sacred? This cannot be pretended. . . .

(March 21-23, 1776)

A letter to Lord George Germaine:

. . . . Here then are four hundred and twenty-eight thousand four hundred freemen in arms, united in one great phalanx, to fight pro aris et focis. What a tremendous band of yeomanry! Europe, degenerate Europe, nay, I may say the old world cannot exhibit such a spectacle; and shall haughty Britain, the shadow of her former greatness; shall Britain, with her mercenaries and her miserable substituted militia, pretend to look this formidable power in the face? But they are an undisciplined rabble, and you'll send 50,000 men to subdue them; that is sooner said than done, my Lord; they are nothing less than an undisciplined rabble, and so far from subduing the continent with your 50,000 men (if you could send that number) you will find sufficient employment for them in the single province of Massachusetts's bay. . . .

THE Famous West Indian voyage made by the English fleet of 23 shippes and Barkes, who in voyage gotten the Townes of S. IAGO, S. DOMINGO, CARTAGENA and S. AUGUSTINES the same beinge begun from Plymouth in the Month of September 1582 and ended at Portsmouth in Iulie 1586 the whole course of the said voyage beinge plainly described by the picted line Newlie come forth by Baptista Boazio



From the collection of Mr. and Mrs. Paul Mellon; Baptista Boazio (Italian, fl. 1588-1603); The Famous West Indian Voyage, engraving colored by hand; from the exhibit "The European Vision of America," National Gallery of Art, Washington. photographed by Henry Beville

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