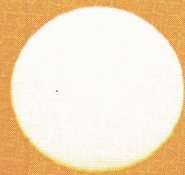


MARCH-APRIL 1979 NO. 212

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# EUROPE

*Magazine of the European Community*



**Iranian Sunset**



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MARCH-APRIL 1979 NO. 212

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Cover (front): Oil rig in the Ahwaz area of Iran.

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Cover (back): Danish-style housing in eastern Greenland.

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"We could all be jogging whether we enjoy it or not!"

## Publisher's Letter

The trauma in Iran has thrown into sharp relief the continuing dependence of the United States and the European Community on Middle Eastern oil—and, additionally, in the case of the European Community, its value to Iran as its main trading partner.

In many ways the Community's trading relationship with Iran had become as neat and cozy as traditional colonial trade relationships in the heyday of the British and French Empires—huge imports into the Community of energy products and massive exports of transport machinery and manufactured goods. Thirteen billion dollars annually in all.

In this issue, Paul Kemezis, an acknowledged Washington expert on oil, examines how events in the Middle East can throw the free world economy into crisis, and William Drozdiak, State Department Time correspondent, gives us Washington's view of Islamic fundamentalism and its geopolitical consequences.

While President Carter wrestles with the problem of foreign policy, many Washingtonians jog away their cares. Indeed, many Europeans visiting Washington remark on the hundreds of joggers they pass on their way across the Potomac River's Memorial Bridge. Like most fads which began in the United States—skateboarding, surfing, hang-gliding—the jogging phenomenon has now crossed the Atlantic. And in this issue Axel Krause of Business Week takes a closer look at the "Eurojogger."

Indeed, if energy events unfurl as pessimistically as some suggest, there may be a lot more enforced jogging as people rediscovering what the English call a "ride on shank's mare." As we experienced on carless Sundays in Brussels during the 1973 oil crisis, one rediscovers much else as well. The joy of silence, of hearing the Angelus ring again, and a human scale that the car has done much to destroy.

*Andrew A. Mulligan*

Andrew A. Mulligan



# SHARING AND STOCKPILING

*Will the latest oil crisis bring economic disaster and/or a real energy policy?*

PAUL KEMEZIS, *Washington editor for McGraw-Hill's Oilgram, who previously reported from Brussels*

THE NEW IRANIAN CRISIS HAS SHOWN THE WESTERN nations that prudent planning can give them some control over short-term oil supply interruptions, a control they lacked during the 1973 oil embargo. But, at the same time, the crisis has also shown how fragile the overall energy balance still is and how easy it would be, now as in 1973, for events in the Middle East to throw the free world economy into complete chaos.

When political unrest caused a total halt of Iran's normal 5 million barrel per day crude oil exports in late December, the Western nations went to other Organization of Petroleum Exporting Countries (OPEC) suppliers and recently developed national stockpiles to fill the gap. In late February this strategy appeared to offer some hope of success in preventing serious disruption. But it was also clear that it could not work for long.

If the new Iranian regime can put substantial crude exports on the market later this year, despite continued questions of which party controls the oil fields, and if the other OPEC nations continue supplying about 3 million barrels per day above normal levels until then, a full-blown crisis may be averted. That is a lot of "if's," however, and shows that the stockpile strategy is good for countering a quick supply disruption such as the 1973 embargo but loses its value in a long-term crisis where supplies are slowly eaten away.

If the stockpile strategy fails, the next steps for the Western governments will be mandatory conservation measures—including, as a last resort, gasoline rationing and use of the still untested International Energy Agency (IEA) sharing system. Normally the IEA system would go into effect when total supplies to members drop by 7 per cent or about 2.5 million barrels per day. Iran's exports are double that, but the increased OPEC supplies, mainly from Saudi Arabia, have kept the actual loss just below trigger level. Single nations with particularly severe problems can get individual aid before general sharing starts; some members have begun considering that option.

But these actions are loaded with political drawbacks. Forced conservation is always considered unpopular and

would raise new questions about why the West is still so dependent on imported oil six years after the initial oil crisis. The IEA sharing scheme looks good on paper, but what if it doesn't work? While it may be welcomed by the Europeans, what would the Americans, who are net losers under the scheme, think. A less than enthusiastic US response could create new tensions between the Western nations at a moment when cooperation is most needed.

If the situation on the supply side remained "serious but not critical," as American officials repeated throughout February, things on the price side appeared critical, going on disastrous. The Iranian cutback showed from the start that the consumer nations remain virtually powerless to control oil prices and that the taut supply-demand balance still gives producers wide latitude to dictate price increases.

When the OPEC members met in December 1978 to discuss prices, the Iranian crisis was already bubbling. They decided on an average 10 per cent rise for 1979, phased in so that prices would actually be 14 per cent higher by the end of the year. The result was higher than expected in the West, the extra increase largely due to the initial threats of cutbacks in Iran. In the early months of 1979, it was clear that the OPEC rise would stick and that OPEC members were considering a new meeting to put prices up further.

This was already happening unofficially. Saudi Arabia notified consumers that it would charge premiums for amounts sold over its normal production level, and others simply put up prices. Also they began holding back some deliveries under normal price contracts and putting the oil on the spot market, where independent traders were already getting prices \$8 to \$10 above posted OPEC levels.

The prospect of \$20-per-barrel oil in the near future suddenly was very real, especially since even under the best political circumstances Iran cannot return to its full pre-crisis output for years. The overall economic effects of this could be staggering for the West, bringing a repeat of the mid-Seventies recession.





*"A full-blown crisis may be averted if. . ."* Shown here is a rig in south Iran.  
© Paolo Koch, Photo Researchers

WHILE ON PAPER the Western Europeans and Japanese appear the most vulnerable to the Iranian cutbacks because of their high pre-crisis import levels, the most severe problems may occur in the United States. This is because all major energy decisions tend to become highly politicized in Washington—making decisive government action a rarity. The other IEA members appear better organized and prepared at least for the short-term.

The United States with its giant oil companies is not short of oil stocks in private hands, but the plan to develop a government-owned, 1-billion-barrel, strategic petroleum reserve (SPR) has been a complete disaster. Despite four years of effort, the government had only 70 million of crude in the ground when the crisis broke and no way to pump it out until late in 1979. Also the reserve program was stopped dead in its tracks by the crisis since prices on the spot market rose too high for the government to continue buying through its bid system.

The failure of the SPR was due to hurried, poor management, which among other things led to a major explosion and fire at one storage site in Louisiana. Also the SPR

managers repeatedly refused offers by European and American groups to store crude temporarily above ground in Rotterdam and the Caribbean. The oil would have been available for immediate allocation during this year's crisis instead of locked in underground salt caverns.

Most importantly, the Americans have not yet officially developed plans to conserve energy and ration gasoline in an emergency and now face a full-scale Congressional debate on these explosive subjects just as the crisis is reaching full stride. The Carter Administration in late February proposed tough stand-by rules to restrict driving on weekends, heating, and outdoor lighting, and to ration gasoline through negotiable coupons. Congress has 60 days to approve or reject the plan. If the measures were to be actually used, Congress would have another 15 days to approve implementation. Members from rural states were expected to bitterly oppose the rationing plan, which would put greatest hardship on persons who must drive long distances for work or shopping.

By coincidence Congress also must approve continued US participation in the IEA by June 30, and a debate could start up on that issue if the use of the sharing scheme seems likely. US officials calculate under the IEA plan the United States would have to give up about 300,000 barrels a day for imports, which would be allocated to other IEA member countries. This, on top of the initial loss of 500,000 barrels a day in supplies from Iran, would cause a serious supply situation in the United States.

This is due in part to the fact that the Americans, because of political haggling, have still not solved basic issues concerning domestic oil pricing. Production of certain oil products, especially gasoline, is low because of industry uncertainty about policy. There were fears of a 1979 gasoline crunch in the United States even before the Iranian crisis. Now this crunch has become a certainty.

The political situation, including President Carter's pledge to fight inflation, has meant that US domestic oil prices are still substantially below the world levels. Thus the Americans still have less incentive to conserve than Europeans and Japanese. Carter promised at the Bonn summit to bring US oil prices up to world levels by 1980, but the Iranian crisis may make this impossible. The general lack of strong conservation efforts in the United States has led some American officials to say it might be necessary to order some mandatory saving measures later this year simply to scare people a little bit. Unfortunately, Carter's overdramatized presentation of the energy crisis in 1977, when he launched his ill-fated energy plan, jaded public opinion and has made it much tougher to present the case to the people now.

One of the few positive factors in the United States is the existence of a sizeable natural gas surplus due to the passage of the gas-pricing act late last year. Officials hope



to use this to cut back oil imports by 500,000 barrels a day. Also emergency rules for allocating crude oil and oil products to refineries and service stations are already on the books. The Department of Energy (DOE) has started allotting crude to some small refineries that cannot get supplies.

Japan, the industrial country with the highest dependence on Iran, took action soon after the crisis began to increase stocks and order conservation measures. Imports were increased strongly in November and December, and Japanese buyers scoured producing states for extra deliveries—raising stocks to 85 days. However, Japanese supplies are expected to be down 8 per cent for the first quarter of 1979 and continue at that level as long as the Iranian oil remains shut off. This would technically be enough of a shortage for Japan to seek IEA aid, but it reportedly does not want to be the only country to activate the trigger. The Japanese conservation measures, including lowering building heat and auto use, should cut total oil consumption by 3 per cent; but any further cutbacks, they fear, would seriously hamper economic growth.

IN WESTERN EUROPE the official position has been to play down the danger, but officials admit that if the Iranian crisis continues through the spring, major problems will occur. The Netherlands, Italy, and the United Kingdom in particular have been strongly affected by the shortfall.

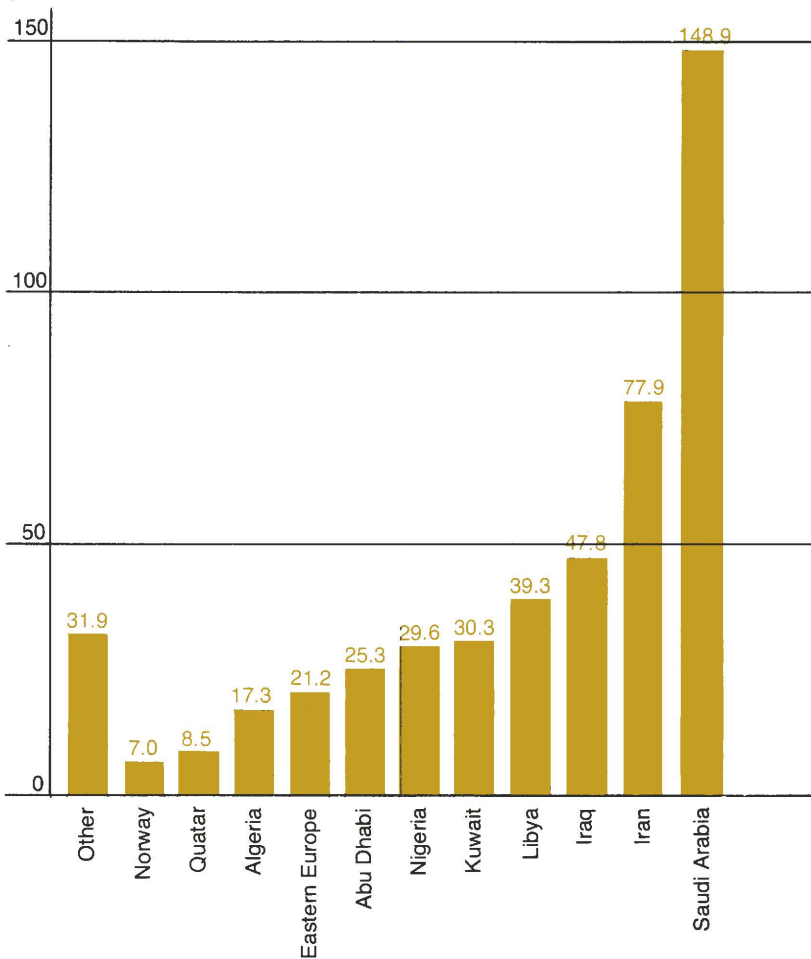
The UK situation is complex because British Petroleum, the company that originally developed the Persian oilfields, has been the most severely affected of all major oil companies and has been forced to cut crude deliveries up to 45 per cent. At the same time the British National Oil Company has the rights to 51 per cent of all North Sea oil. Now most of that is resold to the producing companies for disposal, but the Government could use this ownership as a tool to take a direct hand in managing crude flows. At the end of January, Energy Minister Anthony Benn issued a call for more conservation efforts and for maximum North Sea production.

In Germany officials remained optimistic because of the large stockpiles, but they said that with no new Iranian supplies it would be impossible to build normal stocks later this year for next winter, and a severe cold season then could be disastrous. Italy has already suffered major problems because of lack of a heating oil stockpile. Officials were considering forced price increases and use of emergency supplies. Italy has also been particularly hard hit by the hold put on sales of heavy industrial equipment to Iran, but this is a problem that will hurt all major Western economies.

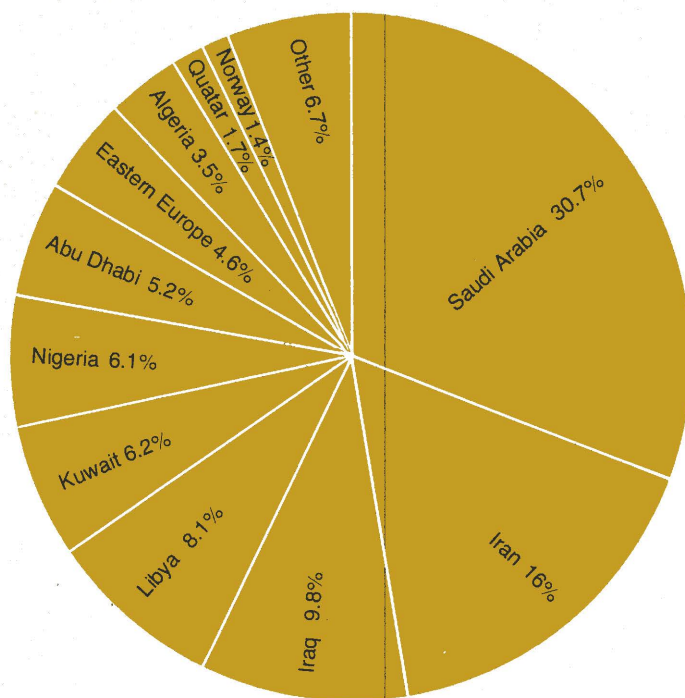
In Northern Europe another type of problem has developed. The crisis has caused a huge jump in prices for oil products on the Rotterdam market, but price controls in the Netherlands, Belgium, and France have kept offi-

### EC DEPENDENCE ON OUTSIDE OIL SOURCES

(in millions of tons)



### PER CENT OF TOTAL EC IMPORTS FROM EXTERNAL SOURCES

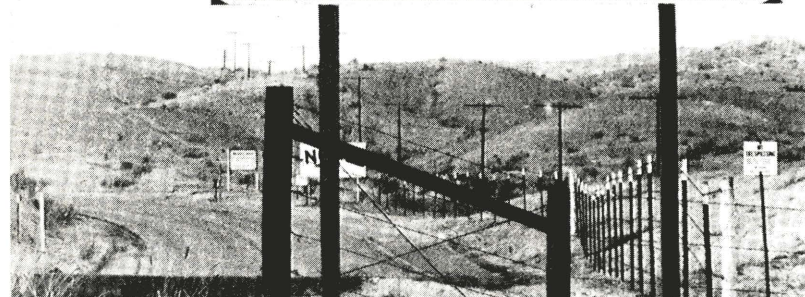






Motorists seeking precious gasoline converge on an open station in New Jersey. "The stockpile strategy is good for countering a quick supply disruption such as the 1973 embargo..." UPI

## NAVAL PETROLEUM RESERVE NO 1 ELK HILLS OIL FIELD



"... but loses its value in a long-term crisis." Opening naval petroleum reserves to general use was one of the most controversial aspects of former President Gerald Ford's 1975 energy proposals. UPI

cial prices down. Thus traders were moving low-priced oil from these countries to Germany, where the uncontrolled prices were higher. In January the three countries were given permission by the EC Commission to monitor such exports for abuses. They could not block them, however, since this would violate the Community's free trade system. Finally, in February France was forced to increase the official prices to discourage exports. It also gave dealers permission to refuse sales to discourage suspected hoarding.

At the IEA itself the main activity so far has been increased monitoring of oil flows. A routine test of data collection from major oil companies was turned in January into an ongoing program to find out what is happening. IEA officials said a first major review of the situation showed some problems but no need to use the sharing mechanism. The group's governing board, which met in early March, discussed coordination of energy savings measures including reduced driving and control of building heating. And, significantly, the board agreed that each IEA member would voluntarily cut oil consumption by 5 per cent in 1979—which would mean a total savings of 5 million barrels a day.

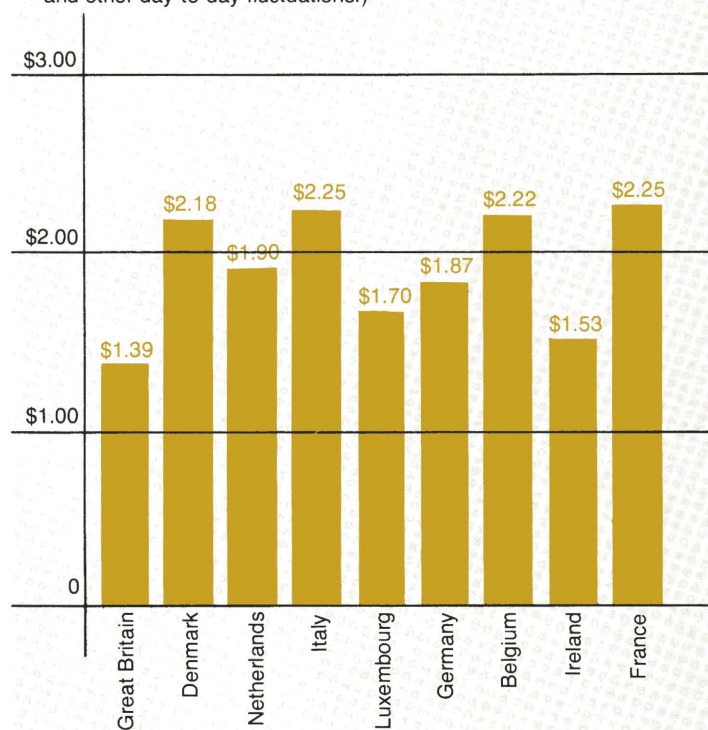
If the IEA sharing system is triggered, there are many different potential levels of operations. If a member country has a 7 per cent or greater shortfall in supplies, it can seek help. It must promise to reduce its overall consumption by an initial 7 per cent, after which the agency will allocate oil from other members to insure supplies above that level. If sharing is triggered for the entire group, there are similar conservation levels that all members must apply, and then supplies are allocated so that all suffer the same average shortfall.

In the initial phase of such sharing, the burden would be placed on the private oil companies to make the allotments. The company representatives would meet in Paris with IEA and national officials and decide which cargoes of oil to send where. This system has already been tested twice on a simulated basis, and IEA officials say they are satisfied that it can work. In the initial phases the oil companies are expected to participate voluntarily, but in an extreme situation the IEA and the member governments would assume full powers to order companies how to split up supplies.

The European Community has set up its own system to parallel the IEA sharing scheme and in particular bring France, which is not an IEA member, into the system. In a developing crisis the Community would allow member states to issue automatic sales licenses for oil exports inside the Nine. These were used by France, Belgium, and the Netherlands in February to monitor abnormal trade.

### EUROPE'S AT-THE-PUMP GASOLINE PRICES

(Prices, compiled through spot checks in late February, are necessarily estimates which vary with station location, exchange rates, and other day-to-day fluctuations.)







The Saudi Arabian delegation at the OPEC meeting last December. UPI

If a member finds that because of the open EC market it is losing supplies of 7 per cent or more, it could ask permission from the Community to prohibit some exports. The Council of Ministers would have two days to make a decision on the request. The Commission has also set up a system of monthly meetings with national officials to assess the Community supply situation during the present "subcrisis" period.

Whether or not the latest energy crisis turns into a major economic disaster, the Western nations will have received a new incentive to improve their long-term en-

ergy situation. Whether this will be followed up is not clear.

In the United States real conservation efforts have been hampered by the continuing low oil prices, but the new urgency in finding supplies may move Congress to vote more incentives for domestic production. Increased supplies from Alaska seem doubtful at the moment, however, due to transportation and land use problems. Also the ability of the United States to get oil and gas supplies from Mexico has been clouded by a nasty political dispute between the two countries. Europe and Japan have already benefited from this situation to enter the growing Mexican market.

In Europe, EC Energy Commissioner Guido Brunner has called for stepped-up discussions between Europeans and oil-producing countries around the world. He proposed that the Council of Ministers discuss this in March as well as a plan giving EC credits to developing countries wanting to carry out major new oil exploration and development programs. The World Bank already approved a similar plan early this year. But it seems unlikely the industrialized nations can break the power of OPEC over prices in the foreseeable future. Even Mexican output, which some had hoped would water down OPEC prices, now appears merely a substitute for Iran. Despite six years of thinking about the problem, no good alternative has emerged, and if anything the supply-demand situation is evolving in OPEC's favor.

## ASSESSMENT

The EC Commission's analysis of the present difficulties in the oil market was outlined by EC Energy Commissioner Guido Brunner at a March 1 Brussels news conference:

The shortfall in supply, due to the revolution in Iran, has led to speculative price rises on the Rotterdam market. Although this market deals only in a limited amount of oil, the danger is that recent prices there of some \$25 a barrel could be taken as a guide price by oil producers. After the OPEC price increase in December, expected to average about 10 per cent over 1979, the Community could be faced with an extra oil bill amounting to about \$5 billion. This would help push inflation higher and stunt growth.

The Commission agreed to put forward practical suggestions to the Council of Ministers in three areas of action: Doubling efforts to save energy; doing more to develop sources other than oil; developing more internal energy resources. Internationally these measures

should be supported by more intensive cooperation with third countries and an improved dialogue between producer and consumer nations.

The Commission has a comprehensive program of approximately 220 million European units of account (EUA) per year for improving coal use and to help domestically produced coal compete with imported supplies. If oil prices continue to rise, Brunner said, he is convinced that by the end of the 1980's, gas, oil, and gasoline made from coal will be on the market.

The Commission has agreed on two more multiannual research programs on safety: one costing EUA 53 million for the safe handling and storing of nuclear waste, and the other an EUA 20 million program concerning the safe recycling of plutonium in reactors.

Third World countries must be considered, as their energy needs are bound to grow, and the Community should help them develop their own resources and use energy sparingly, Brunner said. Subsequent to a recent visit to Venezuela and Ecuador, he also pointed out the special ties that Latin America has with Spain and Portugal, two applicant EC mem-

bers. He said it would be reasonable to offer these countries the same kind of assurances that the United Kingdom, for example, had received in regard to the Commonwealth.

Brunner said he envisaged that the proposed standing oil conference of high-level experts from the main producing and consuming countries would be able to look at monetary, economic, and energy prospects. It would be restricted to perhaps five or six people who would exchange information and data on a confidential basis. Brunner said he felt this kind of communication has been failing lately. Apart from a meeting with US Energy Secretary James Schlesinger March 19 in Washington, Brunner is also in touch with producer and other consumer countries.

The Community's energy saving measures are not a short-term activity, he said, but a continuing effort. Some success has been shown in the reduction of EC energy dependence since 1973—dropping from 63 per cent to 55 per cent. Increasing efforts are needed nationally through incentive price policies, and coordination is needed on a Community level, he said, in addition to EC supported demonstration projects.



# AYATOLLAH'S REVENGE

*The West faces new geopolitical and ideological challenges*

WILLIAM DROZDIAK, *State Department correspondent for Time magazine*

CHINA FLIRTS WITH DEMOCRACY AND OPENS FULL diplomatic ties with the United States, twitting Soviet apprehensions of a Sino-American power squeeze. Vietnam ousts the xenophobic regime it helped install four years ago in Cambodia, while Peking takes menacing steps toward full-scale war with its erstwhile ally in Hanoi. Yet nowhere have events in a single country so traumatized a region in recent years as the revolution in Iran, where the ascetic personage of Ayatollah Ruhollah Khomeini galvanized disparate forces into a powerful nonviolent movement that toppled the Pahlavi dynasty.

Whetted by mullahs in the sanctity of Shiite mosques, Iran's revolution epitomized the most potent political phenomenon sweeping across Africa and Asia today: Islamic fundamentalism. From Casablanca to Karachi, Islam is emerging as a resurgent political ideology that serves as a counterpoint to Western-inspired doctrines of capitalism and communism. As a paradigm of Islam's political renaissance, the Iranian revolution crushed the

Shah's grandiose vision of a Westernized, industrialized state through the most impressive nonviolent tactics deployed since the days of Mahatma Gandhi. Khomeini and his followers aimed their protests at the flagrant corruption that permeated a government jaded by an oil cash bonanza, not at the useful fruits of modern technology and economic progress. In the wake of their incredible triumph, many scholars have painstakingly emphasized that an Islamic revival in no way portends a new wave of Luddites. If anything, the burgeoning return of Islamic fundamentalism across a great belt of nations from Morocco to Malaysia reflects the sober recognition that Western practices, while at times helpful and necessary, cannot be grafted to the foreign cultures without grievous social dislocations.

For the Shah and other Moslem leaders in this century who believed that entrenched Islam blocked the path to prosperity, the lure of the West became the pagan god that failed. Like the ancient ruler Ozymandias who built

*"Ayatollah Ruhollah Khomeini galvanized disparate forces into a powerful nonviolent movement that reacted to Western influences and toppled the Pahlavi dynasty." UPI*

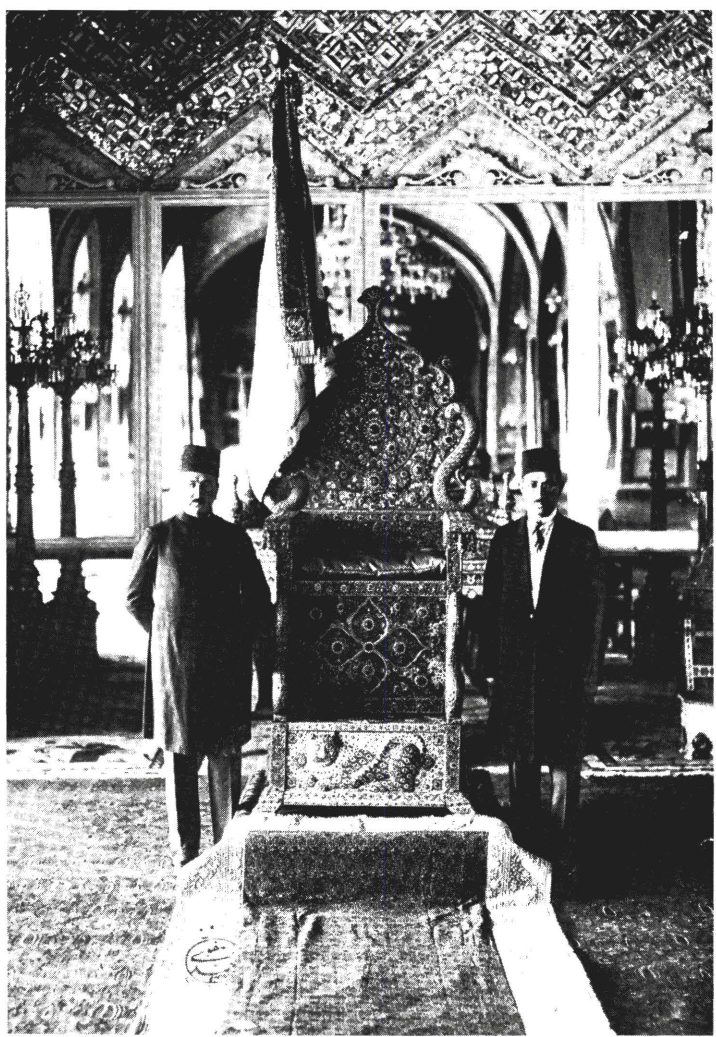




an empire only to despair in his final days among its ruins, the Shah had become enraptured by his own vision and lost touch with grass-roots reality. He neglected to couple his goal of a swift economic lobotomy with far-reaching social and political reforms, but only needed to look toward a neighboring country for comparison. After the fall of the Ottoman Empire, Kemal Atatürk tried to browbeat the Turkish people into adopting Western habits, succeeding to a great extent in modernizing pockets of his country but exacerbating the political and religious schism that still plagues Turkey today. Other men like Bourguiba of Tunisia, Nasser of Egypt, and Bhutto of Pakistan also shared the view that economic ills could be cured through a Western metamorphosis. They gazed upon the miraculous postwar recovery of Western Europe and Japan with great envy, and concluded that similar affluence could be achieved in their countries with the magical elixir of imported technology and Western economic management.

American and European businessmen reacted quickly to the Shah's bold designs of a modern Persian superstate. They swooped into Tehran to court government contracts to build highways, subways, housing projects, oil refineries, and nuclear plants. By 1976 the Shah's spending spree had compelled the Government to borrow heavily against future oil profits in order to pay for bloated military and economic ventures that had jumped to \$50 billion a year. Despite the mounting expense, the quadrupling of oil prices rapidly increased Iran's gross national product to \$70 billion a year, but also fueled a rampaging inflation rate exceeding 25 per cent. For many Iranians the promised cornucopia wrought by their nation's oil largesse soon grew into a nightmare of contemporary social turmoil. As industries sprouted around Tehran and men streamed into the city to find work, the traditional village structure so vital to Islamic belief was uprooted. The capital itself became choked with pollution from cars stranded in seemingly endless traffic jams. Observes the University of Chicago's Marvin Zonis, one of the leading US specialists on Iran: "The Iranian people saw their most cherished symbols and values jettisoned in favor of so-called Westernization. But all they got in return was horrendous pollution and a two-hour commute to an awful job in a factory."

As the revolution gathered momentum during the late months of 1978, foreign companies began to feel the shock waves: Lucrative contracts were scuttled as Iran lapsed into turmoil. Peugeot-Citroën lost a \$450 million deal that was intended to produce 100,000 sedans a year. The French also were compelled to cancel a \$1 billion contract to build the Tehran metro. Shell Oil had to back out of a joint oil refinery venture, and Volkswagen soon learned that its plans to churn out 300,000 Rabbits were cast by the wayside. Multi-billion dollar pacts with Ger-



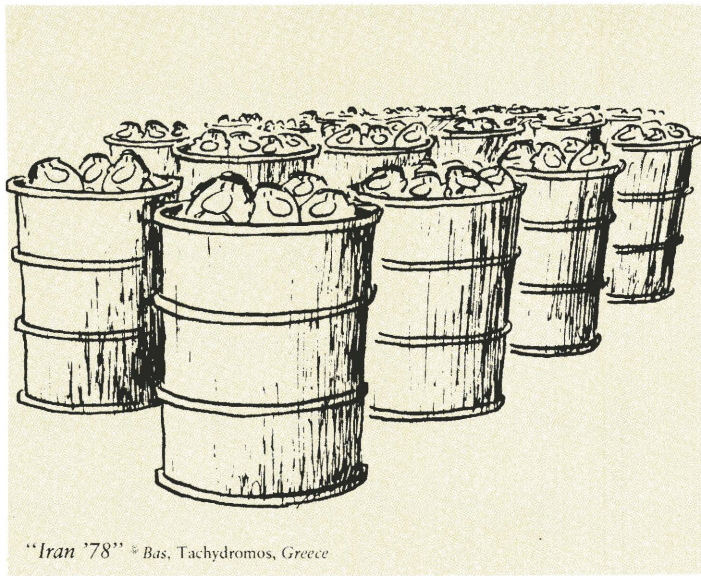
The "peacock throne" of Shah Reza Pahlavi, shown in this 1928 photograph, encrusted with diamonds, rubies, and sapphires, was once valued at \$50 million. ©The Bettmann Archive

many's Krupp steel works and the American aerospace firm Boeing were also shelved. Amid the spiraling protests and collapsed business deals, Iran's special credit rating was dropped by international banks.

LIKE SOME OF HIS WESTERN FRIENDS, the Shah had become a victim of stultified perceptions despite his restless urge to modernize his nation. He believed he could elicit unswerving fealty from US Governments provided he convinced them that he fulfilled a pivotal role in safeguarding Middle East stability and preventing the encroachment of communism. He was restored to the peacock throne in the heyday of McCarthyism; and he grew extremely skillful at manipulating suspicious demons for his own benefit. For years American policy accepted the dogmatic premise that there was no rational alternative to the Shah as absolute ruler, mainly because he effectively portrayed virtually all adversaries as religious fanatics or leftist radicals. Both factions boded ill for American interests, and any prolonged period of instability might tempt the "marauding Russian bear" to pursue its ancient quest for warm water ports along the Persian Gulf. Nikita Khrushchev's words were constantly recalled: "Iran is like a rotten fig. One day it will fall into our hands."

The Soviets, however, seem just as mystified as the





Americans over the political forces now cresting in Iran. Moreover, Iranians have long harbored an abiding distrust of the Soviets, who lopped off parts of Persia decades ago. An Islamic republic scarcely seems prepared to embrace the tenets of communism and besides, as members of Khomeini's entourage have frequently mentioned, the Soviets were also guilty of complicity with the Shah in thrashing out favorable natural gas agreements. The Soviets, too, are wary of stirring up latent nationalistic forces among their own 50 million Moslems who live in Soviet republics that hug Iran's northern tier.

At the peak of the Iran crisis, President Jimmy Carter invited former Undersecretary of State George Ball into the White House to conduct an objective review not only of Iran policy but the broader dimensions of the Persian Gulf region. While advocating a quick return to civilian rule in Iran, Ball also recommended closed scrutiny of the fragility of absolute monarchies in the area, notably Saudi Arabia and Jordan. The social strains engendered by the Shah's hectic development schemes have not been manifest in other oil-rich nations of the Gulf, as Saudi Arabia, Kuwait, and the Emirates have carefully tem-

pered capital investment with deep respect for Moslem traditions. But their strategic vulnerability cannot be discounted: One dark perspective hypothesizes that the three thinly defended, wealthy countries along the peninsula could fall prey to coups by elements that would seek to deny oil resources to the West. The utopian scenario? An Egypt-Israel peace treaty, providing a fair and legitimate form of self-rule for Palestinians that would eventually draw Jordan and Syria into the fold. At the same time a return to calm and democratic civilian rule in Iran; and in the distant, rosy future, perhaps a Middle East kind of NATO utilizing Israeli know-how, Egyptian manpower, and Saudi money to establish a protective alliance for the entire region.

But such ambitious aims require a comprehensive grasp of the delicate interplay of forces at work in the Middle East and Western Asia. Six hundred million Moslems from Africa to Asia were jolted by the Ayatollah's startling victory, and signs of militant Islam elsewhere have been gaining attention. Pakistan has officially decreed Islamic law—joining Saudi Arabia and Libya in imposing Koranic teachings on the people as the law of the land. Moslem rebels have fomented uprisings against the Marxist regime in Afghanistan, raged against the Government in Turkey, and been active in several black African countries. Despite its active nationalism and seeming repudiation of Western mores, Islam's new drive remains compatible with Western goals, and some policymakers welcome its revival as a way to invigorate the West's own culture while reinforcing common strategic objectives. Islam may find much common ground with socialism, but its teachings undoubtedly clash with the principles of communism. Its main impulse derives from an abhorrence of imported values that are viewed as decadent, a charge leveled at both capitalism and communism. Islam's triumphant sweep through Iran and other countries is a telling reminder that even in an interdependent world, attachments to local tradition and distrust of foreign symbols can still fire the forces of nationalism.

## The EC-Iran Relationship

The European Community has been Iran's biggest trading partner. Iran ranked sixth among the Community's trading partners with exports totaling 5.4 billion European units of account (EUA) and imports worth EUA 7.5 billion in 1977. Iran was the Community's second biggest market outside Europe, after the United States.

Energy products made up 94.5 per cent of Community imports, whereas nearly 83 per cent of EC exports to Iran consisted of transport machinery and equipment and manufactured articles. Iran was the Community's sec-

ond biggest supplier of energy products after Saudi Arabia.

The extent of the Community's energy dependence on Iran can be assessed in the light of the following figures: In 1977, the Community imported from Iran 78 million tons of oil (in the form of crude, plus a tiny proportion of petroleum products), which represented 16 per cent of total EC oil imports and covered 8.5 per cent of total internal energy consumption.

Nonetheless, the Community has not had a formal trade relationship with Iran since 1973. That's when the 1963 EC-Iranian

treaty—lifting EC import duties on Iranian carpets, dried grapes and apricots, caviar—expired. The Shah then wanted a trade deal giving preferential access for all Iranian exports. The Community was unable to meet the Shah's demands, for it had a gentlemen's agreement with the United States restricting EC preferential trade pacts. Moreover, the United States complained that such an agreement with Iran could prejudice the developing dialogue between oil-producing and consuming countries as well as the multilateral trade negotiations. Now the issue may never be raised again.





# European Coal and Steel Community

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# MULTINATIONALS

## An EC policy

EC Commissioner Viscount Etienne Davignon, in charge of internal market and industrial affairs, outlined the EC policy toward multinationals in a recent speech at the London Law Society. A summary of that speech follows.

### EC Law for Multinational Enterprises

The EC Commission policy vis-à-vis multinationals is not a crusade for or against such companies, but an attempt to create a balanced framework for their operations. Indeed, Community policy reflects the two aspects of multinational activities. The Community has sought:

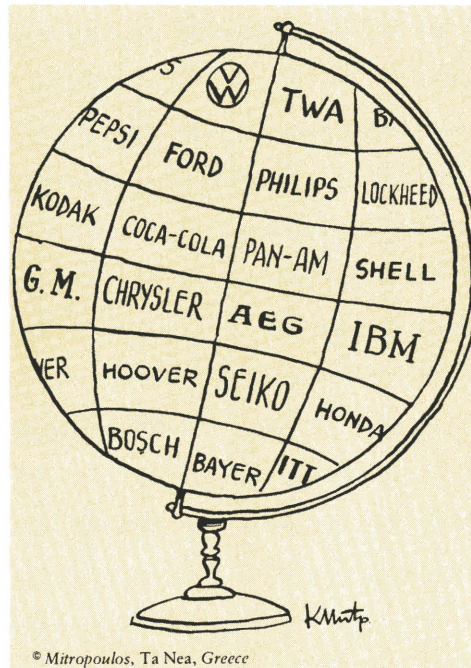
- to remove obstacles to the cross-frontier activities of enterprises within the Community;
- to secure the adoption of appropriate legal rules to regulate the problems that are likely to arise as a result of those activities.

### Codes of Conduct

Clearly enough Community law and international codes should not be considered as alternatives, but as complementing each other. This is a major feature if we want to prevent European multinationals from suffering competitive disadvantages by having to observe "higher" standards than those imposed on the other industrialized countries or on the developing countries. Equally important are mutually agreed standards for the behavior of multinationals in developing countries, on the one hand, and for those countries' treatment of multinationals, on the other. Such standards play a major part in ensuring balanced economic development.

The Commission has always wanted to bear in mind both the benefits of the continued development of multinational enterprises and the causes for concern which are inherent to such companies.

The development of cross-frontier activities by enterprises is a significant and positive part of our economic system which, despite current difficulties, is still based on principles of free competition and free trade. Enterprises are



thus faced with the necessity of developing a profitable combination of factors of production in a competitive world environment. This necessity leads and may even oblige enterprises to reach out beyond their national frontiers to achieve a combination of those factors which is closer to the optimum. The fundamental economic result is of great significance to everyone and should not be forgotten: a more efficient use of scarce resources upon which real increases in our standards of living, and even perhaps its maintenance, depend. Enterprises, developing multinationally, are a vital element in the process of economic and technical innovation that is the foundation of the Community's prosperity.

At the same time, while recognizing the benefits that we derive from multinationals, we cannot ignore the fact that the activities of multinationals cause concern to many who are affected by their operations—both in the member states and outside, notably in the developing countries, which are frequently sources of raw materials and markets of considerable importance to us. The main cause of

concern is essentially the perception that multinational enterprises, by reason of their scale and their expanded range of choice, may be less subject to national constraints—and less sensitive to national and local preoccupations and needs—than enterprises that are national or local in character. Even a nation state of some size may feel itself on unfamiliar and insecure ground when confronted by an enterprise having apparently superior resources—financial, technical, and human—organized on a worldwide basis. No wonder then that others who deal with these enterprises (suppliers, customers, shareholders, employees, unions) should also express concern from time to time, and that these concerns should lead to demands for new regulations, national, Community, and international.

### Characteristics of Community Measures

EC measures are generally framed, rather than specifically applicable to multinationals, because multinationals are very difficult to define legally; unjustified discrimination against multinationals has to be avoided; and many problems turn out to be not in their nature confined to multinationals.

### Multinationals and Competition

The foundation for the development of multinational activities in the Community is the right of establishment for enterprises formed under the laws of the member states. The latter have agreed to introduce no new restrictions on this right in their territories of companies of other member states.

Through coordination of technical standards and fiscal harmonization, for example, the Commission's aim is to remove barriers to integrated industrial and commercial activity. Cross-frontier activities thus made easier have to be counter-balanced: competition is maintained (for example through controlling concentrations). Coordination of company and tax laws is a second major component of the counter balance, and in particular the development of minimum standards and procedures as to disclosure.



*All of these securities having been sold, this announcement  
appears solely for purposes of information.*

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February 16, 1979

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# EUROPEAN ECONOMY:

## *Trends, Prospects*

Three times a year (March, July, and November) the EC Commission's Directorate-General for Economic and Financial Affairs publishes a report entitled "European Economy."

The November issue contains the Commission's proposal for the annual report on the economic situation in the Community. This report, which the Council adopts in the fourth quarter of each year, establishes the economic policy guidelines to be followed by the member states in the year that follows. The November issue also contains the Commission's annual economic review, the background analysis to the proposed annual report. In March and July of each year, "European Economy" presents a review of the current economic situation in the Community, together with reports and studies on problems of current interest for economic policy. A statistical annex containing the main economic indicators on an annual basis since 1958 together with Community budgetary data is attached to each issue.

Three series of supplements accompany the main periodical:

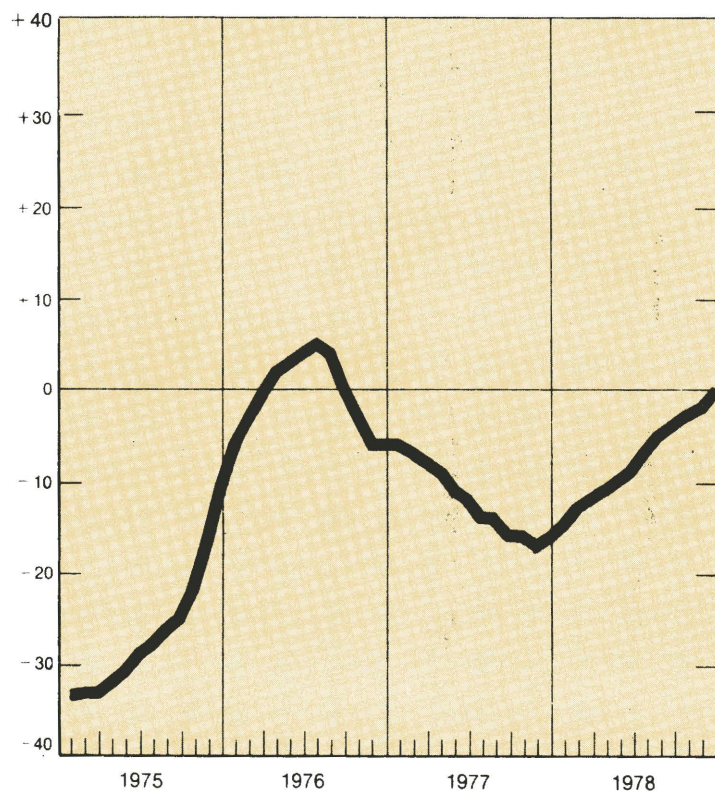
- **Series A:** "Economic trends" appears monthly except in August and describes with the aid of tables and graphs the most recent trends of industrial production, consumer prices, unemployment, the balance of trade, and exchange rates.
- **Series B:** "Economic prospects: business survey results" reports on and describes the main results (orders, stocks, production outlook) of the monthly survey of industrial chief executives in the Community. It also appears monthly, with the exception of September.
- **Series C:** "Economic prospects: consumer survey results" reports on the consumer survey, which is carried out three times a year (in January, May, and October) throughout the Community (except Luxembourg) and measures consumers' opinion on the economic situation and outlook.

The reports and series are available to *Europe's* readers; subscription information can be found on page 59. Shown here are samples of the kind of graphic information in the reports and series.

GRAPH 1

### **Business climate of manufacturing industry - EC total**

Composite indicator based on the replies to the questions on production expectations and stocks of finished products (a)



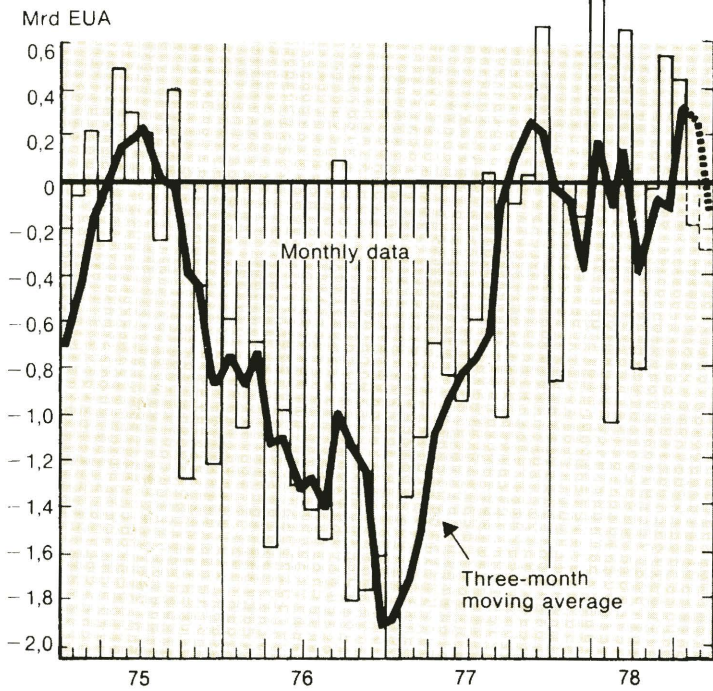
(a) Net balances: i.e. differences between the percentages of respondents giving positive and negative replies.

Source: European Community business surveys.



GRAPH 2

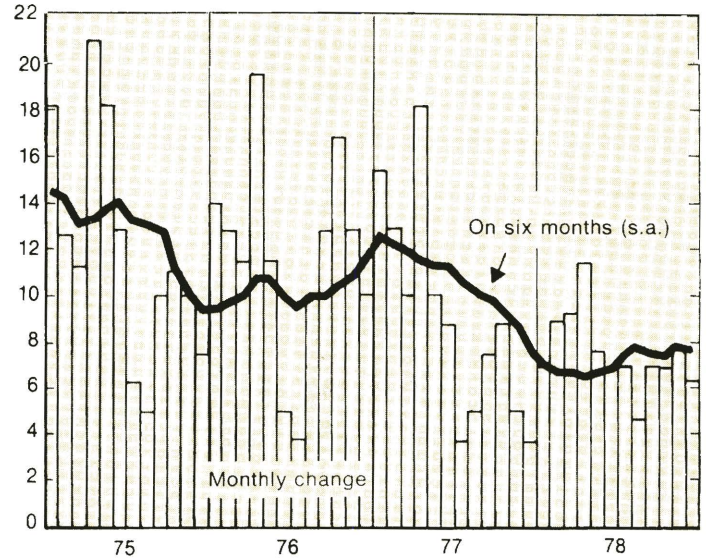
Trade balance (s.a.), EC total



GRAPH 4

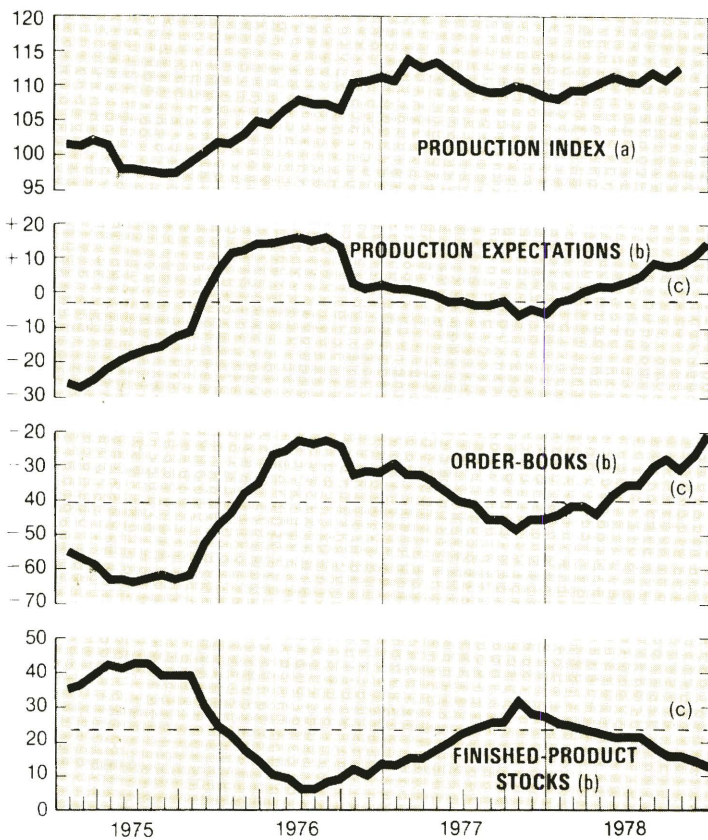
Consumer prices, EC total

Change expressed as annual rate



GRAPH 3

Production index (a) and business survey indicators (b) for manufacturing industry - EC total



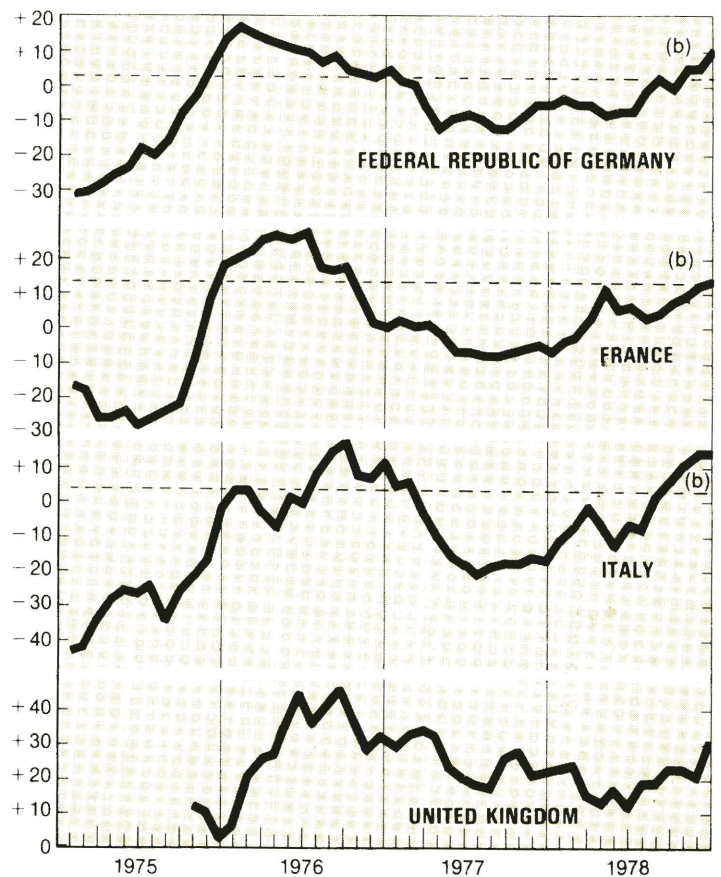
(a) Industrial production (manufacturing) index. 1975 = 100; Source: Eurostat;

(b) Net balances: i.e. differences between the percentage of respondents giving positive and negative replies; Source: European Community business surveys;

(c) Dotted line shows average for 1968-1977.

GRAPH 5

Production expectations of manufacturing industry (a)



(a) Net balances: i.e. differences between the percentages of respondents giving positive and negative replies.

(b) Dotted lines show the average for 1968-1977.



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# GREENLAND VOTES HOME RULE

*Where does the world's largest island really fit on the map?*

REGINALD DALE, *European editor for the London Financial Times*

IT IS NOT INCONCEIVABLE THAT THE EUROPEAN Community could shortly lose more than half its total land mass. Even more astonishing is the probability that, in such an event, most of its citizens would hardly even notice. Few Europeans are aware of the full geographic extent of their Community. Maps of the Community published in Brussels go to great pains, for reasons of East-West politics, to show a small dot establishing the inclusion of West Berlin. But you have to go to Copenhagen to find Community maps that regularly include the vast Arctic territory of Greenland, part of the Community by virtue of its status as a province of the Kingdom of Denmark.

Almost any way you look at it, Greenland qualifies for the record book. With an area of 2.1 million square

kilometers, it claims the title of the world's largest island. With just 50,000 inhabitants, it is the world's most under-populated country. Eighty-six percent of it is permanently covered with ice over 1,500 feet thick. It is five times the size of France and 50 times that of the mother country Denmark. Yet it has no interurban roads (transport is by sledge, ship, or helicopter). It has been described—a little unfairly perhaps—as the world's largest remaining colonial empire.

Strictly speaking, of course, Greenland is no longer a colony. The island was fully incorporated into Denmark in 1953, after long years during which its predominantly Eskimo population had been left in poverty and neglect, sustaining itself by seal hunting and fishing. The first major impact of modern civilization on the Greenlanders

*Greenlanders celebrate home rule victory. UPI*







"The days of the igloo are over. The population has been installed in modern, concrete apartment blocks." © Erling Mandelmann, Photo Researchers

was the arrival of US forces in World War II. Bases were established and expanded in the Cold War period of the 1950's, to be followed by an influx of Danish administrators and other helpers when the territory became a Danish province. Now, most Greenlanders want to disengage themselves somewhat from the mother country's embrace, and in a referendum on January 17 just over 70 percent of the population voted for the introduction of home rule starting May 1 this year.

Election of a new Parliament (the *Landsting*) will take place April 4. The *Landsting* will have 18 to 21 members and there will be a *Landstyre* (Government) of three to five members from the Parliament. Foreign policy, defense, and management of the currency will remain in the hands of the Danish state; and the Danish constitution, with its guarantees of fundamental civil rights, will continue to apply to Greenland. The general principle is that Greenlanders will be entitled to administer anything they can finance by themselves. But the Danes are also expected to offer sufficient additional grants to enable social, cultural, industrial, and employment policies to be run locally.

BUT IT IS NOT ONLY IN THEIR DEALINGS with Copenhagen that the Greenlanders want more say. They also want to change their relationship with Brussels. Greenland was drawn reluctantly into the Community in 1973. In the 1972 referendum, 70 per cent of the inhabitants voted against joining, but their "no" was swallowed up in the overwhelming "yes" of the rest of the Danish population. Now the Greenlanders want the Danish Government to

negotiate new "special arrangements" for them with the rest of the Community. Depending on the outcome, the *Landsting* will be able to decide whether or not to call a new referendum on Community membership in Greenland alone. The Danish Government has already said that it would respect the Greenlanders' right to secede from the Community, while remaining part of Denmark, if such a referendum produced another "no." There is an obvious precedent in the Faroe Islands, which enjoy home rule under the Danish flag but have never joined the Community.

The special arrangements the Greenlanders are seeking cover three areas—fisheries, free establishment, and Community law. On the legal side, they want an understanding that EC legislation does not automatically apply to Greenland. Similarly, they want restrictions on the right of free establishment contained in the Community treaties, enabling them to gain some control over who sets up business in Greenland. But the most important and the most delicate issue is fisheries—a topic already the subject of a major long-standing dispute between the United Kingdom and most of its Community partners. Here the Greenlanders want guaranteed preferential treatment for their fishermen in Greenland waters.

Fear of losing control over the island's extensive fishing grounds was almost certainly a major factor in the 1972 vote against Community membership. But in practice the Community's fisheries policy has not worked to the disadvantage of Greenland's fishermen. Brussels has effectively granted them preferential treatment by awarding





*Greenlanders have been hustled into the Twentieth Century, "uprooted from traditional fishing villages."* © William Bacon III, Photo Researchers

© Colin Wyatt, Photo Researchers







© George Holton, Photo Researchers

*Fish drying racks at an Eskimo village.* © George Holton, Photo Researchers



these fishermen as much of the "total allowable catch" in Greenland waters as they can take. The Greenlanders, however, are not content with privileges that can always be withdrawn; they want their preferential treatment respected as a right and guaranteed in writing. The problem is that while this might be acceptable to the EC Commission, some of the member Governments may take a good deal of persuading.

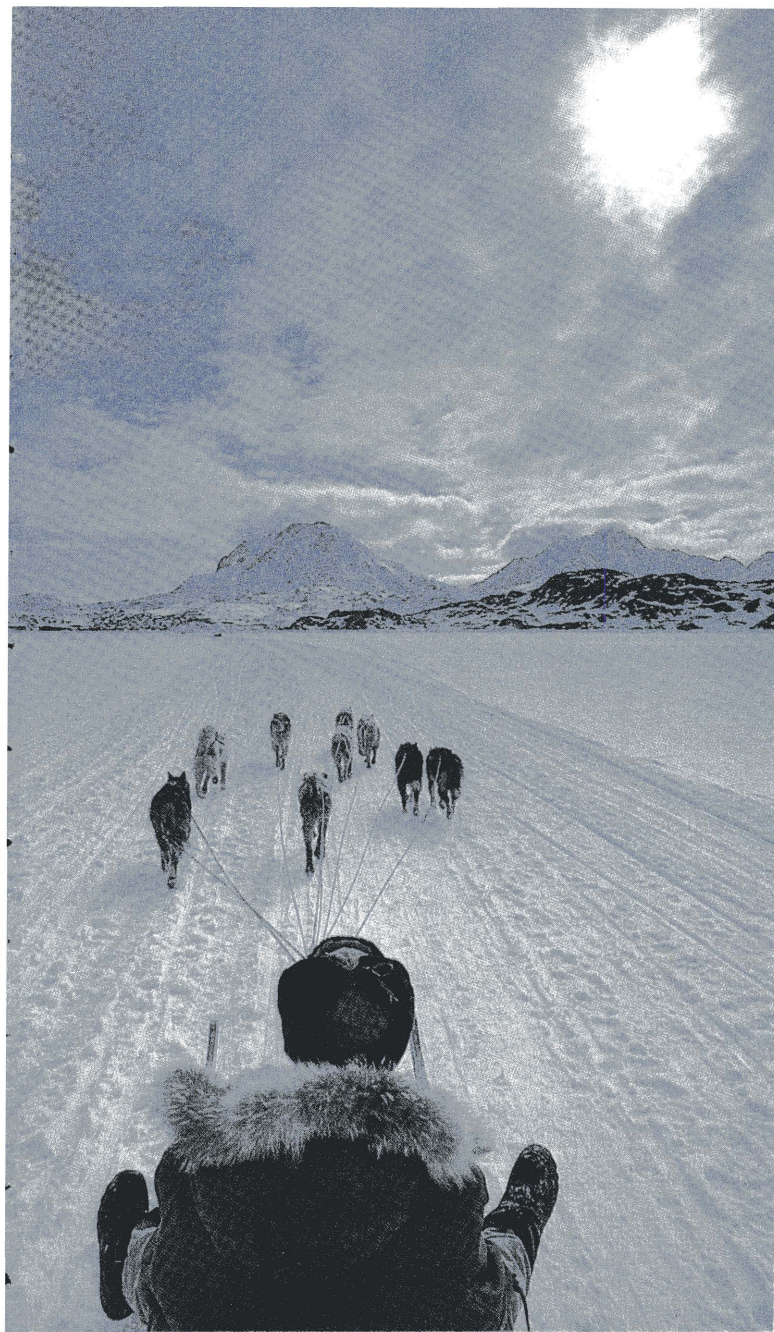
The result of a new referendum on Community membership is far from certain, and experts warn against the easy assumption that the negative verdict of 1972 would automatically be repeated. An interesting straw in the wind came last summer when one of the country's leading politicians, Jonathan Motzfeldt, was suspended from party office by his executive council after expressing pro-Community sentiments, only to be reinstated by his Siumut ("Forward") Party congress. The socialist Siumut Party has traditionally been against Community membership, while the other main political grouping, Atassut ("Feeling of Community"), has been in favor.

The Community has certainly spent a fair amount of money on the Greenlanders in the past five years. It has heavily subsidized commercial education and provided half the cost of a new airport for the capital Godthaab. Brussels has also put up around \$400,000 to finance uranium prospecting. Danish authorities point out that the Greenlanders may have to look increasingly to the Community's Regional Fund for their future development needs. At the same time, the Community has shown awareness of the need for political courtship: EC Commission President Roy Jenkins spent three days in Greenland last May, but he was set upon by a mob of anti-Community demonstrators for his trouble.

IT IS HARDLY SURPRISING that many Greenlanders want to reestablish a sense of national independence. The well-meaning Danish attempt to hustle a relatively backward people into the second half of the Twentieth Century has created a serious identity crisis. In just 25 years the standard of living has been raised from virtually subsistence level to that of a prosperous West European society. The same goods appear in Greenland shops that would be found in Copenhagen or Oslo, and the days of the igloo are over. The population has been installed in modern, concrete apartment blocks, cossetted by Scandinavian-standard social welfare programs.

The cost in human terms has been enormous. In order to make the social services viable, the population has had to be uprooted from its traditional fishing villages and moved into urban centers. The welfare services, and nearly all other administrative branches, are run by mainland Danes, not native Greenlanders. There are only two native Greenland doctors, for example, and one dentist. Greenlandic culture, and self-esteem, has suffered a terri-





*"Uranium has been found . . . minerals lie under the ice . . . and there may well be oil." © George Holton, Photo Researchers*

ble blow. The consequence: rising crime rates, alcoholism, and venereal disease problems that are among the worst in the world. Up to 10 per cent of the capital's licensed automobilists are reported to have been arrested for drunken driving in a single year.

What, one might well ask, makes the Community so keen to keep possession of this desolate region? In the first place, it would obviously be a humiliating blow to Brussels—and possibly an awkward precedent—if a group of people, however small and remote, were to leave. Nothing like it has happened in the Community's 20-year history. Secondly, of course, it is not only shoals of fish that make Greenland rich in natural resources. Uranium has been found, though not so far in enormous quantities; other minerals lie under the ice; and there may well be oil. Drilling off the west coast in 1976 and 1977 drew a blank, but there are other areas off the east coast and in the extreme north where conditions for an oil find are thought to be more favorable.

Thirdly, Greenland is of great strategic importance to the West, situated as it is on the cross-polar air and missile route between the two superpowers and dominating a large sector of the northwest Atlantic sea lanes. Its importance would increase still further if Iceland were ever to expel the key NATO base from Keflavik.

But these strategic considerations are not of such immediate concern to the Community; they would in any case only arise if Greenland were to get so carried away by its newfound home rule as to go on to press for full independence. This, for the foreseeable future, seems unlikely. As Lars Emil Johansen, one of the two Greenland members of the Danish Parliament, has put it, an independent Greenland would be forced to make a choice between the two superpowers. "It is much safer to be attached to a small, friendly Scandinavian country," he concludes.

## EIB HELP

The European Investment Bank (EIB) has lent Denmark nearly 32 million European units of account (EUA) for developing Greenland since accession to the Community in 1973.

The first two loans were granted for improving harbor facilities on the southwest coast of the island and to help finance a new thermal electric power station at Godthaab, the capital of Greenland.

The latest loan, announced last December, was made available to the Royal Greenland Trade Department for improving Greenland's coastal and Atlantic shipping services. Four new vessels—two freighters for Atlantic service, a coastal freighter, and one fuel oil and petrol tanker—will be purchased and put into service this year. The creation of about 100 jobs is expected as a result.

Since 1973 the EIB has assisted projects in telecommunications along the southwest coast, port installations, electricity supplies, and construction of an airport at Godthaab.



# A EUROPE OF PARTIES

## *Transnational Campaigning for the European Parliament*

STEPHEN MILLIGAN, *Brussels correspondent for The Economist*

EUROPEAN POLITICIANS ARE FORMING NEW CROSS-border alliances to fight direct elections to the European Parliament. Now that the date for the elections—June 7-10, 1979—has been fixed, practical preparations are well underway. Some politicians plan to fight the elections with a simple national theme, but the majority want to link their campaign with parties in other countries of the Nine.

Socialists, Liberals, and Christian Democrats have already created their own European federations to mastermind their campaigns and to draw up joint manifestos. The Christian Democrats have formed the most cohesive European group—known as the European Peoples Party (EPP)—made up of parties from France, Germany, Italy, Belgium, Holland, Luxembourg, and Ireland.

In March 1978 in Brussels, the EPP held its first congress and drew up an ambitious manifesto. The manifesto strongly favors all integrationist policies: It backs the European Monetary System, a bigger regional fund, a common energy policy, and the use of majority voting in

the Council of Ministers. It also takes a clear view on other issues like worker participation and foreign aid—calling for more of both. The EPP's own constitution is integrationist, and the EPP's electoral program is decided by a simple majority vote of its congress with no national vetoes.

The Liberals are also well-advanced. They have set up the European Liberal and Democratic Federation and drafted a common manifesto that emphasizes traditional liberal issues like human rights. But "liberal" denotes very different brands of politics in different EC countries. In Belgium, for example, the Liberals are seen as the most right-wing party. In Britain, they are a center-left party. So the Liberals have had more difficulty in agreeing on more controversial policies such as in economics. There are Liberal member parties in every EC country, bar Ireland.

The leaders of the Socialists met in Brussels in July to determine their manifesto. Unlike the other two groups, the Socialists have member parties in each of the nine EC





countries—and all members have a similar ideology. However, their attitudes regarding the Community range from the hostile anti-integrationist position of the British Labour Party to the strongly pro-integrationist views of most continental Socialists. And the Labour Party has been unenthusiastic about attempts to draw up a joint manifesto. But the Socialists can expect to be the biggest bloc in the new parliament.

While this trio of party federations has been leading the field, other parties that have not been included are now trying to improve their European links. The two biggest are the British Conservatives (known as Tories) and the French Rassemblement pour la République (the Gaullists).

The Tories had hoped to be included in the EPP, since they reckon that their brand of right-of-center politics closely corresponds with that of the Christian Democrats. But many Christian Democrats do not agree—especially in Italy and the Benelux countries. They say that the Tories are too right-wing, anti-union, and un-Christian to be included.

So the Tories have been pursuing a new strategy. They helped to create the European Democratic Union (EDU)—a grouping of nine center-right parties from both inside and outside the Community. The Tories hoped that this superparty could then create a subgroup of its EC members to coordinate for direct elections. But only the German Christian Democrats agreed to join the EDU.

## WHO'S WHO IN THE THREE MAIN PARTY GROUPS

Figures show estimates for seats likely to be won

States	Total Seats	Socialists	People's Party	Liberals
Belgium	24	7-8	8-9	3-4
Denmark	16	5-6	0	1-2
France	81	20-25	5-10	10-20
Germany	81	36	30	6-7
Ireland	15	1-2	5	0
Italy	81	10-12	31	3-5
Luxembourg	6	2	2	1-2
Holland	25	8-9	8	4-5
Britain	81	30-50	0	0

(The other groups—including Conservatives, Gaullists, Communists, and Independents—will have an estimated total of 120-174 seats.)

The other EC Christian Democrats shunned the EDU's opening congress in Salzburg in April 1978. However, the French Gaullists agreed to join and with the Tories may organize a coordinated campaign for the direct elections. Relations between the Tories' Margaret Thatcher and the Gaullists' Jacques Chirac are good.

Does all this matter? Yes, because if the European Parliament is to be effective, it is vital that it is organized into a smaller number of identifiable party blocs. If the directly elected parliament is merely a confused mixture of a large number of nationally oriented parties, it will never function effectively. Thus these party maneuverings could play a crucial role in the European Parliament's future development.

## European Parliamentarians visit their colleagues in U.S.

CANDACE DENNING, *staff writer for Europe*

"THE PROBLEM IS THAT AMERICA TAKES EUROPE FOR granted," said Mario Zagari, Italian Socialist, vice president of the European Parliament, and chairman of the parliamentary delegation visiting Washington this winter—in the latest of the twice-yearly meetings of members of the European Parliament and the US Congress. "It's very important that Americans understand the specific role of Europe, especially now that the Mediterranean is the most important point in the world, the crucial point." Zagari said Europe is not just an economic Europe anymore.

One of the two US Congressmen to help start the interparliamentary exchange with the Community in 1972 is former Minnesota Representative Donald Fraser, who still lives and works in Washington. In a recent telephone interview Fraser said, "I've always regarded Europe as the most important part of the world for the United States in terms of economics and security." He called the Community's development one of the "princi-

pal feats of statesmanship of the century" and is impressed by the speed of the Community's decision to go to direct elections to the European Parliament.

The differences in opinion and perspective were natural during the latest four-day meetings: The Europeans were called "critical"; the Americans, described as "discreet." But through the sessions ran the thread of understanding: It is possible, said both sides, to perceive the feelings, meeting face to face, behind facts reported in the press. The meetings have become more frank and open, they agreed, and personal relationships have added a new dimension to the exchange—an aspect that will be temporarily disrupted when the European delegation is reformed after direct elections this June.

Elected to their national parliaments, the Europeans have, until this June, been appointed by their national colleagues as representatives to the European Parliament. At the European level they sit by party rather than by country and are chosen by their party members to par-



ticipate in the exchange with the United States.

The US delegation, sponsored by the House Committee on International Relations, consists of volunteers interested in Europe or guests invited for their expertise in a topic on the agenda. The US side has, in the words of an American, the appearance of a "pick-up baseball team." During the latest meetings this team was in a constant state of flux, with House members coming and going throughout the working sessions on Capitol Hill. It is said that the Americans appear better organized when the meetings are held in Europe, where there are not the same distractions. Some of the Europeans found the disorganization and lack of preparation frustrating. The Americans are "committeemen," complained British Socialist John Prescott, and unprepared to speak on more than one issue.

US Congressmen will always be less prepared because they don't focus on the meetings until the last minute, explained Congressional aide Chip Chester, who coordinates the American delegation. Meeting with Americans is a political advantage for Europeans, he added, but US Congressmen get "clobbered" for it by their constituents. This was a point brought home by a former US delegation chairman, Leo Ryan (killed last year in Guyana), in a letter following the March 1978 meeting in Taormina, Italy: "Those adamant and persistent critics of Congressional travel who profess to believe that all such meetings are basically exercises in ceremony and frivolity have obviously never attended a working session of this group."

The constituency theme surfaced again and again. Sam Gibbons, a Democrat from Florida, pointed out in the paper he compiled on the multilateral trade negotiations (MTN's) that for approval, "many members of Congress are going to have to be personally reassured their constituents have something to gain from an MTN agreement—or at least that they will not lose ground because of it." British Conservative Geoffrey Rippon said: "Members of Congress, especially members of the House of Representatives who are elected every two years, are obviously under pressure from constituencies who only look at the immediate effect from their own point of view, and maybe their short-term interest is contrary to their real long-term interest." He said that on the other hand, the US Administration could take a broader view.

Hanna Walz, a Christian Democrat from Germany, said she thought the Administration was more frank because Congressmen have their districts and that's all they think about. Zagari said, nonetheless, that perhaps the Europeans were still more constrained by interior problems than the Americans, because their constituents are the citizens of small countries.

The acting delegation chairman and chairman of the

Committee on International Relations, Clement Zablocki, a Wisconsin Democrat, said he thought the Europeans gained more in general from the exchanges than the Americans. The talks, he feels, have helped Europe's integration by giving the Europeans "another forum to discuss their common problems" and demonstrating the desirability of working on those problems together. He added, "We can be more frank as legislators than diplomats."

How were the issues seen? Following are some comments presented during the working sessions.

**MTN's:** "Europeans are impatient for the US Congress to extend the countervailing duties waiver, unfamiliar with the tortuous path US legislation must follow compared to their own less complicated parliamentary routes." (Sam Gibbons, Democrat, Florida)

**Steel:** "Some Americans criticize the European Community for aiding its steel industry, not fully understanding the trauma Europeans underwent in the Fifties establishing the European Coal and Steel Community in an effort to restructure and save the industrial backbone of their economy." (James Oberstar, Democrat, Minnesota)

**Agriculture:** "The United States should recognize the efforts being made in the Community and take a less doctrinaire view of the CAP (Common Agricultural Policy)." (James Scott-Hopkins, vice president of the European Parliament, Conservative, United Kingdom)

**US Energy Act:** "... It does not go far enough ... the reduction in imports it seeks to bring about will not in fact be achieved." (Hanna Walz, Christian Democrat, Germany)

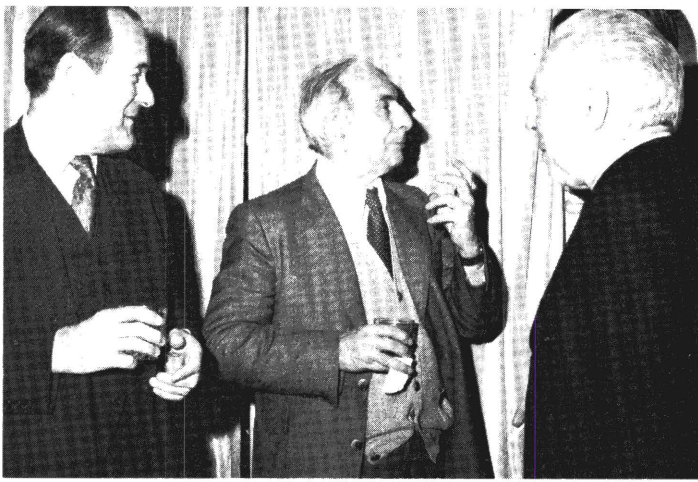
**Nuclear Nonproliferation Treaty:** "... The US decisions and proposals take account chiefly of American self-interest without sufficient regard to the problems of other countries." (Camillo Ripamonti, Christian Democrat, Italy)

**European Monetary System:** "Why should we expect the EMS to succeed where Bretton Woods failed—in the face of diverging economic performance across Europe?" (Henry Reuss, Democrat, Wisconsin)

**Middle East:** "With enlargement now a looming reality, the European Community must take the opportunity of bringing together the states of the Mediterranean. . . ." (Hans Edgar Jahn, Christian Democrat, Germany)

Out of the meetings with members of the Administration, the Europeans were most taken with Energy Secretary James Schlesinger. Hanna Walz, who is chairman of the European Parliament's Committee on Energy and Research, found Schlesinger "brilliant" and was one of the several to mention that he was more cordial than his reputation. In response to comment from Italian Com-





*Fernand Spaak, head of the EC delegation in Washington (left), Silvio Leonardi, and Camillo Ripamonti, both from Italy. Photos by Vince Finnigan*



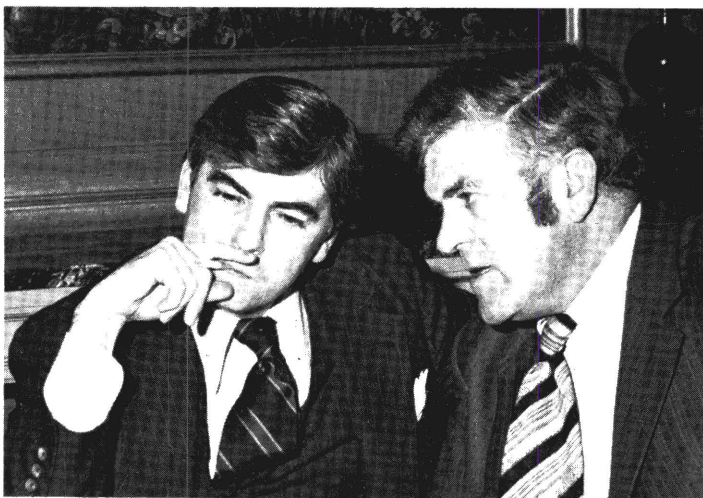
*Hanna Walz from Germany with Rep. Sam Gibbons.*



*Rep. Henry Reuss and Mario Zagari from Italy.*



*Rep. James Oberstar addressing the group in French.*



*Rep. Christopher Dodd and Patrick Power from Ireland.*



*The late Leo Ryan, chairman of the 1977 US Congressional delegation at Taormina, Italy. CPI*

munist Silvio Leonardi on the large amount of oil the US transportation sector is reported to consume, Schlesinger responded that "facts are not in correspondence with what appears in the press," and added that the European press likes to call Americans "gluttons." Schlesinger went on to say that driving less is probably one thing Americans will never be convinced to do.

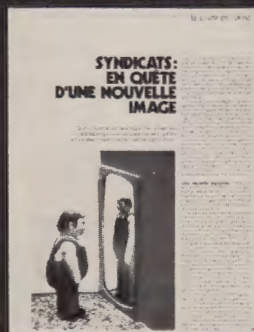
During another session, Deputy Special Trade Representative Alan Wolff called the MTN's the "least popular negotiation ever" because it is reciprocal and everybody has to give something. "The Community calls for stabil-

ity and we always call for an open market," but the fact is neither side believes completely in those principles, he said.

As the 20 parliamentarians and entourage, including eight interpreters, left for a stopover in New York, it was clear that the key to whatever progress had been made was the element of personal contact. Christopher Dodd, a Democrat from Connecticut, sees the United States looking around, perhaps out of a sense of insecurity about the economy and the world situation: "We're asking, who are our friends," he said. "And Europe is a natural ally."



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# “LE FOOTING” Jogging goes Continental

AXEL KRAUSE, a senior correspondent in Business Week's Washington bureau and a casual jogger who vacations on the Rhuys Peninsula

An American vacationing on the scenic Rhuys Peninsula of Brittany's southern coast is determined to pursue his very Washingtonian habit of jogging. One sunny morning he quietly slips out of the family house and heads for the nearby Chemin des Douaniers. This—a narrow, winding path patrolled by French customs officials in years past—is a favorite spot for afternoon strollers. Ideal. With only the ocean spray stirring, the jogger gradually picks up speed, confident that this part of France still knows nothing about what some Frenchmen back in Paris have dubbed “le footing.” A bit like running on another planet.

Surprise. Ten minutes of jogging on the Chemin and, suddenly, from behind he hears the familiar, gentle thud of running shoes hitting the ground. There is barely time to ease rightward to clear the way. A red form zips by—eyes riveted forward, moustached head bobbing—and then it waves, nimbly yet casually in Gallic manner. The American is jolted. “My God, a jogger . . . here?” He immediately puts on steam determined to find out if America's newest, controversial athletic craze is making it in Europe.

Second surprise. As both runners relax on a grassy hill overlooking the sea, a lean, tanned Breton in his mid-20's and sporting a red, well-laundered warm-up suit is holding forth. “You Americans think you invent everything,” he smilingly tells the American. “We have been running in France for a long time, but our approach is different—here we do it naturally; with you it is a religion.”

An equally revealing encounter comes later that day. The American in need of a new pair of wool socks heads for the only sporting goods store in the area, located in nearby Sarzeau. No luck. “Usually we have plenty in stock for all the tennis players,” explains the owner. “But now there are all these others buying out our merchandise—shoes, jackets, socks, everything. . . .” Which others? “The runners, or whatever you call them,” he says shrugging. “They greatly help our business.” The American is told to come back in a week.

A FEW YEARS AGO SUCH ANECDOTES ABOUT EUROPE would have sounded not only amusing but also obscure or offbeat. Today growing numbers of native European joggers—easily in the tens of thousands—take up the habit. On almost any morning in Europe's well-known parks—such as London's Hyde Park, Paris's Bois de Boulogne, or Brussels's Forêt de Soignes—they are there, darting everywhere.

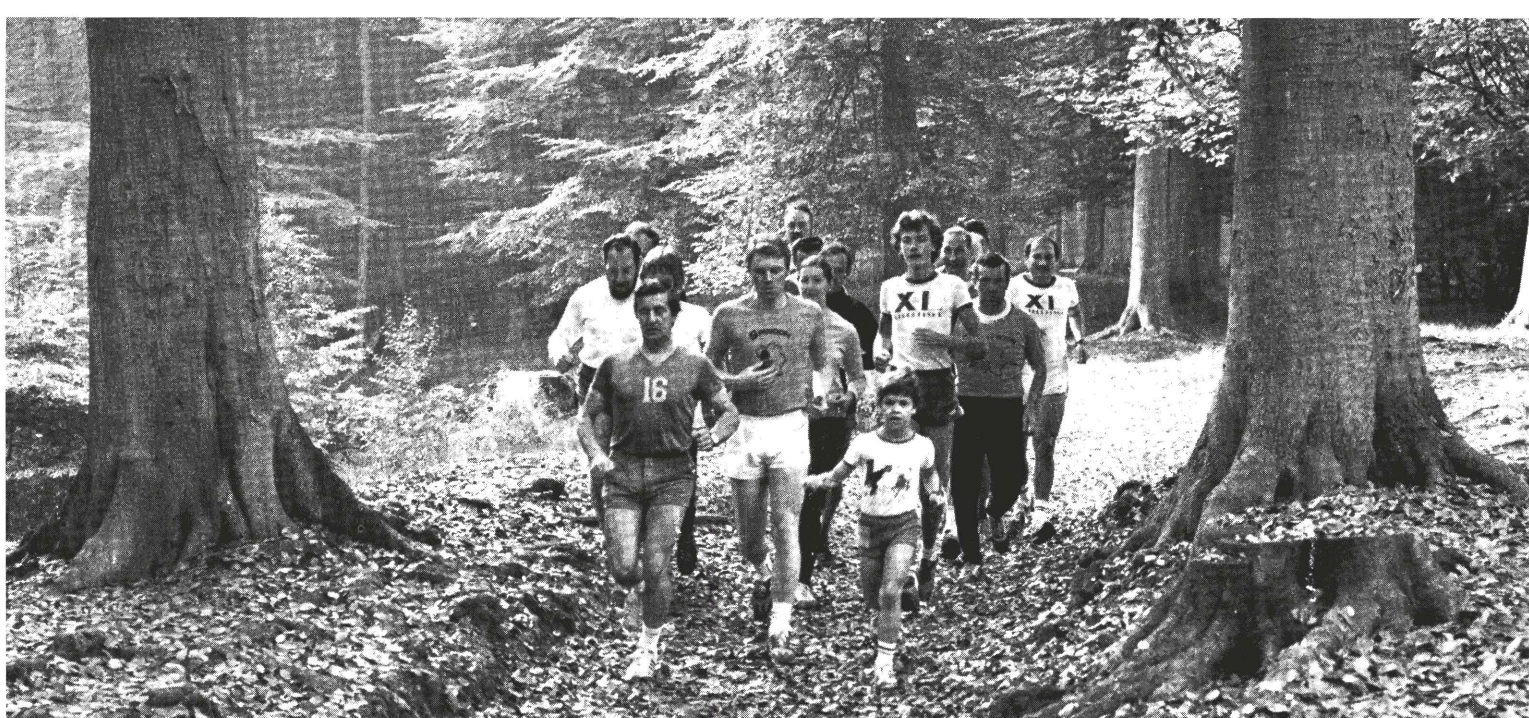
Many, in fact, are officials of the European Community—among them EC Commission President Roy Jenkins. During his mid-December visit to Washington, Jenkins said he runs five or six days per week: “I have been doing it enthusiastically for many years.” Why didn't he jog in Washington? “No time,” he answered.

Runners can also be seen on the streets and paths of smaller cities throughout Scandinavia, Holland, and Germany—wearing stylish warm-up suits and comfortable running shoes. Actually, a number of them are resident or visiting Americans, but they are difficult to single out. “We try to mingle,” says one. “But I figure we are less than one out of ten.”

Throughout Europe, English language bookstores report that America's best-selling works on running are being snapped up as soon as they appear on the shelves. And, of course, running togs and equipment now are common in most European sports stores. Specialized publications are beginning to appear, some in newsletter form describing ideal spots for running, for example. And Europe's mass media are beginning to focus on the US running scene, although many magazine articles simply are rewritten or translated from US publications.

“We may be five years behind America, but there is no longer any doubting that in Britain and elsewhere over here, the running movement is growing,” declares a leading expert, John Lovesy, sports editor of *The Sunday Times* of London and formerly a writer for *Sports Illustrated*. Lovesy and other reliable observers of the London scene confirm that throughout the city's parks and commons the joggers are now present in force—often to the mild annoyance of other early morning risers walking





Runners in the Forêt de Soignes near Brussels.

dogs and not used to the new, more strenuous movement going on around them. "These runners are a bit of a bore; but I suppose they can be tolerated, as long as this craze does not get out of hand, as in America," sniffs one resident. He adds firmly: "I personally would not be caught dead jogging."

Across the English Channel the picture is much the same. A pretty salesgirl in Brentano's Paris bookstore on Avenue de l'Opéra notes: "On my way to work I now see more and more of them doing their 'footing' in the Bois de Boulogne and even on the streets. It is all a bit crazy, this activity." But it also is generating welcome business. Pointing to a bookshelf containing the latest US books on running, the salesgirl exclaims: "The movement may be coming from the States, but the books certainly sell fast over here. . . . We never seem to have enough."

AWARE OF THE GROWING INTEREST ABROAD, US publishers have been hurriedly working up translations. *The Complete Book of Running* by James F. Fixx, which by the end of 1978 had sold nearly 1 million copies in the United States, was scheduled to be available in European editions this year. British, Scandinavian, Dutch, French, Italian, and Greek editions were among those planned, along with Israeli, Japanese, and Latin American versions. "International interest in running may not yet be as high as in America, where it still ranks as a religion," explains a New York publishing agent—and an avid runner. "But their interest is definitely there . . . foreigners are just beginning to catch on, so it is obviously a good market for translations."

Some determined elements in the US running milieu want to take things farther—to the point of actually promoting US-style running in Europe. In the forefront is the editor and publisher of *Runner's World*, Bob Anderson. "I am amazed how, compared to the United States, the running movement still has not been accepted over-

seas, particularly in Europe. . . . In the United Kingdom it is slowly beginning, along with France and Germany, but what is lacking is what we have in the US running movement—a sense of communication particularly among runners."

Although Anderson now counts some 20,000 non-US subscribers among his 370,000 circulation—including East Germans—he feels this is not enough. Indeed, *Runner's World* is planning to devote an upcoming issue to running worldwide to help draw attention to the movement internationally. More ambitious is Anderson's plan to launch a joint venture magazine devoted to running, possibly in Germany. He concedes that the project is still in an exploratory phase but is convinced there is a market. "I have found imitation magazines in Great Britain and Australia, but nothing exists in Continental Europe yet," says Anderson.

Yet these and other forms of exported, promotional activities being planned by US groups are precisely what Europe does not need or want, according to some observers. "Americans have embraced running with religious zeal, wrapping it in a metaphysical language, and this is perfectly understandable," says Lovesy. But, he firmly adds, "The new interest in running over here stems from a growing concern in Britain with improving fitness—not becoming slaves to jogging; some of your US promotion schemes would be laughed out of court in England." Indeed, the British sports editor warns that zealous attempts to export the movement across the Atlantic might, as he puts it, "finish off jogging and running over here rather than helping it along."

Europeans make a solid case that not only have they been running since the days of the ancient Greeks, but they are doing very well promoting physical fitness in their own way. The best examples are organized runs or—listen carefully, Americans—marathons.



True, such events shed their classical Greek image long ago. Today the sponsors are often leading daily newspapers. *The Sunday Times* of London calls its event a "Fun Run." The first was held last October near London and contrasted sharply with the intense, highly commercialized mob scenes that characterize US runs. "Ours was a very casual affair," says one of the organizers. "Nobody was trying all that hard to win. From the paper's point of view it was part of our long-standing effort to promote fitness among our readers." Happily, he announced that it would be repeated in the fall of 1979.

The French chuckle over such things. "As usual, our British neighbors across the sea have discovered something we have known about for ages—well, at least 20 years," commented a recent French visitor to Washington. "A bit like you Americans running over here and thinking you have invented our 'footing'." Their nationally recognized running event, known as "Le Cross du Figaro," is an amateur race that the Parisian daily *Le Figaro* has sponsored for nearly two decades, attracting thousands of all ages. Regional papers throughout France regularly host similar events, including the Communist daily *L'Humanité*.

These events attract the new joggers, who describe what they practice as "le cross," a French word for countryside jogging that derives from the word cross-country. Most French runners still refer to their sport as "le footing." Last December there were reports that an increasing number of Parisian joggers were dubbing themselves "jo-gaires," amidst heated debate over whether this would compromise the older, more original French-sounding versions.

"Whatever we call it, there is no mystique connected with what is going on over here," concludes a French sports writer. "It is catching on among a growing number of people—and that is what counts. And just like you Americans," he adds, "they all are between 20 and 40 years of age and essentially bourgeois types."

There is considerable evidence bearing him out.

Throughout parks in Paris, such as the Bois de Vincennes or the graveled paths of the Luxembourg and Tuileries gardens, joggers—many of them young executives—are there in force, running hard. "They seem a bit too serious, some of them," grumbles a French woman who resides in Washington most of the year. "A bit like you see in the United States."

BUT, AGAIN, THE DIFFERENCE IS THE ATTITUDE. Listen to the views of a European working in Washington who recently returned from a visit to her native Germany: "We may be introverted, more discreet, but we simply do not feel the same compulsion to show off in public about our running the way you Americans do. . . . This business of having to exhibit, promote, doing it all so openly is what makes us uncomfortable." What about the Germans? "We have always been sports-minded and active—just like New Zealanders and Brazilians. Of course, we also run and jog—perhaps more than in the United States, I don't know. But we prefer doing it in the privacy of our clubs and forests."

It is one of the intriguing ironies of the running movement that just as American interests are trying to convert the Europeans, America's running-related business boom is being adroitly exploited by the Europeans. US manufacturers dominate the multi-million-dollar runners' market that now involves catering to over 20 million men, women, and youngsters with everything from shoes, warm-up jackets, digital watches, and other electronic devices, including pedometers, to joggers' neckties, jewelry, and radio-bearing headbands. But European and some Japanese firms are right in the middle of it and doing well.

By far the most active and well-known of the non-US firms is Adidas, which claims to be the world's largest sports shoe manufacturer. Although many US customers do not know it, Adidas is based in Herzogenaurach, Germany, a small town near Nuremberg. The founder, Adi Dassler, designed the company's line of shoes for 60

*Europeans fear running in Europe "may attain US proportions and—worse—develop similar styles." —Tommy Mason*





years until his death last summer. Today factories around the world manufacture under license over 120,000 pairs of Adidas shoes daily for almost every kind of sport and leisure activity—tennis, cross-country skiing, boxing, cycling, and even car racing. Like its competitors—including Puma, which is headquartered in the same town, having been founded by another member of the Dassler family prior to World War II—Adidas is now diversifying into sports apparel and leisure suits. Right now, however, the big push is in the United States and running.

“Running is growing in Germany, too, but it is nothing compared to the scene in America,” says Bart Stolp, general manager of the US affiliate, California-based Adidas USA, Inc. Stolp reports that “explosive growth” in the United States is taking a prominent place in the company’s market development schemes. Adidas does not disclose figures, but it is clear to industry observers that rapidly expanding shoe sales are giving the company—and its European competitors—plenty of reason to be cheery.

“And all this is just a beginning,” says Edward Sabatini, whose firm markets running shoes under the brand name Diadora, which are made in 22 plants in northern Italy. “Over 66 per cent of our sales now come from running,” he explains—predicting optimistically that American joggers would “eventually” number 100 million. But Sabatini also concedes that the competition for

sales and profits is heating up rapidly. Consequently, Diadora concentrates on the affluent, increasingly fashion-oriented class of runner. “Our uniqueness is Italian quality and workmanship,” says Sabatini. The top shoe now handled by the firm is crafted from the skins of wild boar, retailing for just over \$60.

European companies are also helping back financially the highly popular US running events. As part of its effort to promote sales of Perrier mineral water, Great Waters of France, Inc., cosponsored the New York Marathon last October. And coming up in the spring are such running events as Bloomingdale’s Perrier 10-K in Central Park and the Perrier-Cherry Blossom 10-mile Classic in Washington, DC.

European businessmen seem the least worried about all the running backlash now beginning to sweep and delight the United States. “All these articles and books about how bad running is represent extreme opinion . . . it will seek its own level,” Stolp says optimistically. “I see no slowdown ahead.”

In Europe, however, there appears to be genuine fear emerging that the running movement will not only continue to grow, but that it may attain US proportions and—worse—develop similar styles. “It is difficult to say where it will lead,” muses Lovesy. “But I detect that if jogging does reach American levels, we will most certainly see serious backlash over here—indeed, it may be welcomed and even necessary.”

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## Jogging in China

When it comes to jogging, the People’s Republic of China is somewhere between Europe and the United States. This conclusion emerged during a 10-day, 3,000-mile trip within China last November, covering Peking, Shanghai, Canton, and Ch’en Tu, the capital of Szechwan province.

The problem was finding an opportunity to run—a somewhat difficult task considering that I was one of three journalists who had been invited to accompany US Agriculture Secretary Bob Bergland and his party on what was a very official visit. But I quickly found out that I was not the only one wondering how to make use of a warm-up suit and running shoes, which had been packed just in case.

Two senior US officials in our group identified themselves as fellow runners, and since this was our first visit to China, we asked ourselves: Could one jog? Where? Would protocol present a problem? Did the Chinese run? Would the sentries outside the guest

house where we were staying present difficulties? Compared to Europe and America, what did China think about running?

For starters, I explored Peking’s running scene alone, since my fellow Americans decided protocol dictated that they, as officials, jog within the government compounds in which we were housed.

Being an early riser, I was on the streets of the capital by 6:45 a.m. To my surprise the streets were already filled with hundreds of runners darting around the scenic parks; others were practicing shadow boxing, known as “tai chi.”

More surprising, wherever I ran I drew hardly any attention from what seemed to be a small army of runners, young and old alike. My well-worn, Finnish warm-up suit contrasted only slightly with the darker blue Mao jackets of Chinese joggers, who also wore black sneakers. I blended in best with the small but increasing number of teenage runners, sporting Western-style hairdos and

colorful nylon parkas. I startled one such Chinese runner who was relaxing and reading aloud from his English lesson. “I enjoy exercise,” he said. “Is also a pleasure to meet you.”

Later I learned from our Chinese hosts that running in China is considered a low-cost popular form of physical exercise acceptable for all ages. “We look at it as a reasonable way to stay in physical shape, but we do not make a craze out of it . . . this is not social activity,” said one of our hosts, “and it does not cost very much.”

In conversations with diplomats and correspondents in Peking, I learned that while there definitely is a European approach to jogging in China—playing down its stylish, consumer-related aspects—the growing relationship with America could trigger future interest in newer, more comfortable running clothing and shoes, for example. “One cannot predict how China will go,” said a European correspondent in Peking. “But the way things are moving now, anything is possible, including new, US-style interest in jogging. Right now, however, they have other priorities.” —Axel Krause



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# SUMMER JOBS IN EUROPE *A guide*

STEPHEN LONDON, *California-based freelance writer*

For thousands of Americans, particularly for students, a summer job in Western Europe is a rewarding way to experience life in the Old World and to learn foreign languages for little more than the price of an overseas flight. For some, it may even be a way to earn some money.

Places of employment include construction sites, hotels, bars, shops, restaurants, factories, hospitals, offices, private homes, and on farms and vineyards. Several organizations provide books and pamphlets listing prospective employers abroad and detailed information on employment opportunities and conditions. (A list of some services and publications is included with this article, but other publications may be found at travel agencies and job placement bureaus for students.)

Students may be able to arrange a job in Europe through programs offered by many colleges and universities. Foreign language departments can be helpful in tracking down jobs. Often professors can use their connections abroad to obtain work for their students. Some study-in-Europe programs include periods of employment as part of the package.

Students generally face fewer obstacles in the way of obtaining a work permit than non-students. For example, the Council on International Educational Exchange (CIEE) helps American students obtain work permits for France, Ireland, and the United Kingdom. CIEE also helps students in these countries obtain work permits for the United States.

CIEE is only open to full-time matriculated students between the ages of 18 and 30. For the French program all participants must have at least two years of college French or the equivalent (an affirmation of language ability from a French instructor at the student's school). The French CIEE program will obtain a work permit for May through October for a \$35 fee. However, in past years the Ministry of Labor has allowed some American students to work from June

until the end of October without work papers, and may do so this year.

In the United Kingdom CIEE provides a 6-month work permit for the same fee. The program is offered in cooperation with the British Universities North America Club. The Irish CIEE program provides a four-month work permit for a \$20 fee in cooperation with the Union of Students in Ireland.

CIEE provides information for seeking jobs and accommodations, but does not guarantee employment. Booklets outlining its programs are available at student travel agencies. Work permits may sometimes also be obtained directly through consulates, but in most cases only the prospective employer in Europe can obtain the permit.

One way to find an employer is by placing an ad in European newspapers; consulates and libraries are the best places to find addresses of foreign papers. American businesses with European branches are another promising avenue for job seekers. The US Department of Commerce, Washington, DC 20230, will provide the names and addresses of US firms that may have job openings abroad. Inquiries should be addressed to the Bureau of International Commerce division. It may also prove worthwhile to contact the US Department of State for information on overseas programs.

For information on summer work in **Spain**, students should write to the Spanish Union of Students, Bolsa universitaria de Trabajo, Glorieta de Quevedo 5, Madrid 8. Most jobs in Spain are in hotels, which typically require about 70-hour work weeks for very low wages. Information on **Sweden** is available from Arbetsmarknadsstyrelsen, Fack, S-17199 Solna.

The Danish International Students Committee provides information on work opportunities in **Denmark**. Its address is 36 Skindergade, 1159 Copenhagen. After finding an employer the student must send proof of the employer's intent to the Danish consulate in order to receive a work permit. For the time being only persons with desirable skills, spe-

cial training, or special ties to Denmark are being granted permits.

Summer jobs in **Germany** are available through the job placement service of the Zentralstelle für Arbeitsvermittlung, the Central Placement Office of the German Bundesanstalt für Arbeit. Application forms are available from the office at 6 Frankfurt am Main 1, Feuerbachstrasse 42. The application is long and in German; it is only accepted until March 1. The type of job available depends on language ability. The employer informs the applicant of the job placement and outlines the work conditions. The service provides only one job offer; and if it isn't accepted for any reason, the applicant is not permitted to reapply. Germany requires both residence and work permits. The permit process takes about two months; permits must be obtained before starting work. A place of residence and employment are useful for obtaining the permits through the German Consulate General prior to departure.

In the **Netherlands** and **Belgium** the employer must obtain the work permit before the Consulate General may issue the visa. The same system applies in **Luxembourg**, except there are five separate forms from the Consulate General to be completed.

For the most part, the only work available in **Italy** is in the resort hotels. The employer must file with a Provincial Labor Office a petition for hiring a foreign worker. The office issues a permit if no Italian worker is capable or willing to take the position.

Except through CIEE, **Ireland**, **France**, and **Britain** generally require that the employer obtain the work permit before the employee enters the country. Assistance for job hunters in Ireland is offered by the National Manpower Service, O'Connell Bridge House, Dublin. The British Consulate offers information on similar services. The United Kingdom issues work permits subject to there being no suitable resident labor available, but full-time students at British colleges, universities, and independent schools



are permitted to take employment.

Work permits are granted to France's foreign students as well if they have proof of employment. Students can work under the aegis of an organization approved by the French Government, and the French Consulate will provide a list of these organizations.

It is necessary to have proof of good health and a clean criminal record to obtain work permits for most countries. The precise requirements for work permits and visas, as well as additional information on job opportunities, are available through the consulates. It helps to be young, a student, and able to speak the language well, but perseverance can be the most important qualification for finding a job in Europe.

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## Helpful Publications and Services

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### *The Directory of Overseas Summer Jobs.*

Published annually by Vacation Work, 9 Park End Street, Oxford, England (St. Stephen's Bristol Press). Distribution in the US by National Directory Service, Inc., 252 Ludlow Avenue, Cincinnati, Ohio 45220. \$6.95.

*Emplois d'Eté en France.* (In French) \$4.95 plus 50¢ postage. *Whole World Handbook.* \$3.95 plus 50¢ postage. *Summer Job in Britain.* \$5.95 plus 50¢ postage. All three are published by CIEE Student Travel Services, 777 UN Plaza, New York, NY 10017.

*American Student Information Service,* 22 Avenue de la Liberté, Luxembourg City, Grand Duchy of Luxembourg.

*Overseas Employment Guide.* National Employment Services Institute, 1100 Connecticut Avenue, NW, Washington, DC 53035.

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The International Personnel Pool, Monteriggioni (Siena), Italy.

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Work Camp Projects—Service Civil International. Write to SCI International Voluntary Service, Box 9036, Chicago, Illinois 60690.

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IAESTE Trainee Program—International Association for the Exchange of Students for Technical Experience. Write to IAESTE, American City Building, Suite 217, Columbia, Maryland 21044.

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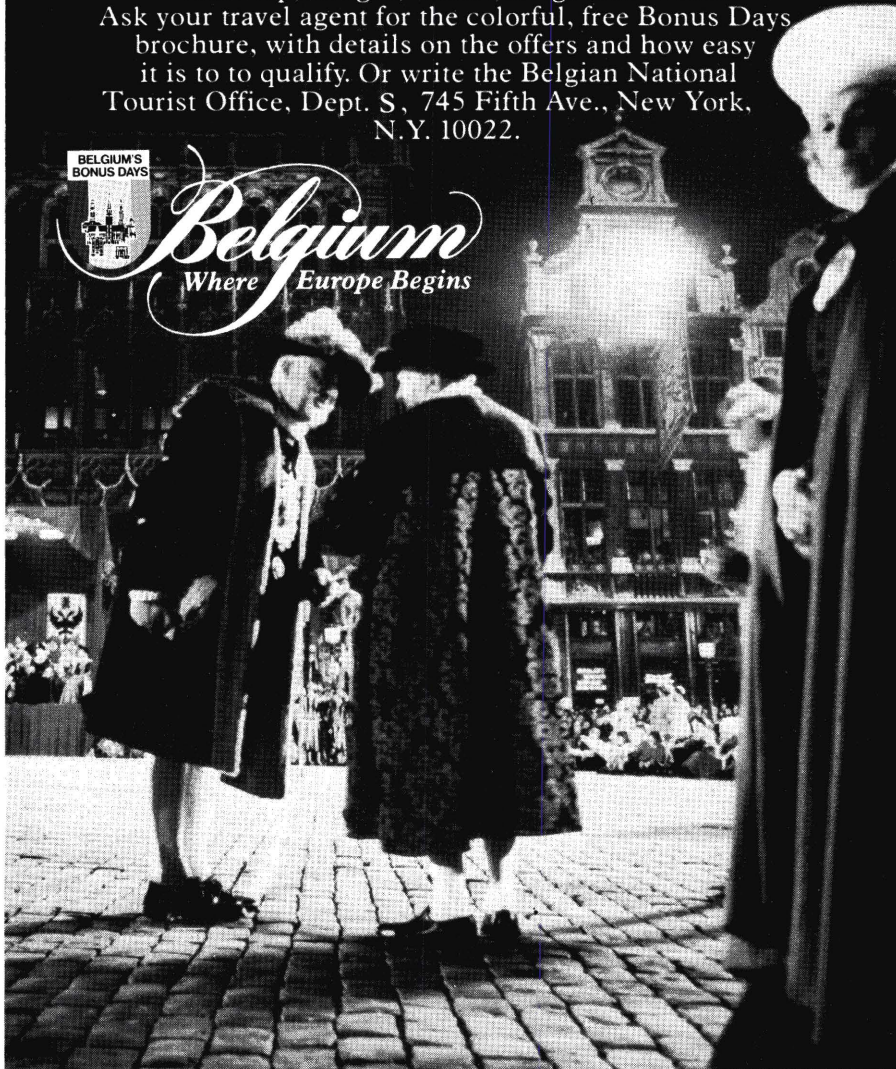
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# SPREADING THE EC WORD

## *A British reporter on the US lecture circuit*

DAVID HAWORTH, correspondent for several European newspapers, recently on leave to teach journalism at the University of Missouri.

IF IT'S TUESDAY, IT MUST BE TULSA. IF IT'S WEDNESDAY, surely this is Wichita. Boise beckons, Kansas City calls, and there's an appointment in Arkansas to keep.

And so on. I've visited 22 states, many of them more than once, to lecture about the virtues and shortcomings of the European Community. To be a kind of plain-speaking ambassador-at-large requires, among other things, gorilla-strong arms for lugging suitcases, a handy skill with airline timetables, a close knowledge of liquor law variations, and a passion for salads drenched in thousand island dressing.

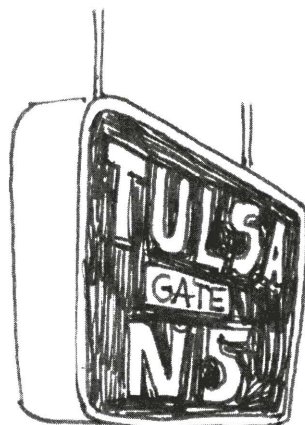
Having none of these, I'm ill-equipped to carry the word from Brussels to the heartland of America but nonetheless have rubbed along cheerfully enough. Despite several narrow squeaks, I've managed to be in the right place at the right time: The recurring nightmare while slumbering on Delta or dozing on Eastern of arriving for an engagement the day after it was scheduled has not come about—yet.

I've spoken in school rooms, declaimed in town halls, debated at colleges, held forth in country clubs. For reasons still unexplained, a speech to one Rotary Club was announced by the singing of "Ain't She Sweet" and an early morning television host quizzed me—live—about Angola when I should have been asked about the EC common agricultural policy.

Odd it is to hear fulsome tributes from total strangers, odder still to be interviewed by other journalists at each stopover—rather like taking in each other's washing—and sometimes strange chores are demanded like posing with three formidable committee ladies to aid some charity. After the photo call they promptly left, hearing not a word about the European Community.

*"Ladies and gentlemen, it was kind of you to invite me tonight/today/this morning and I want to say how much I appreciate being here. I'm grateful for your hospitality—as I shall be for your attention—in listening to some remarks about the present situation in the European Community and the problems this nine-member grouping faces. . . .*

*"Jean Monnet, the real instigator of the Community idea,*



© Ralph Robinson



*always insisted that the way to regard European integration was as an evolutionary development. In other words, those who want too much progress too quickly are likely to despair about the pace of such development as there has been. . . .*

Well, it's no use telling US audiences that all is fine in the European Community. Not that, in any case, I would. But such news of the Community that does get to the American hinterland seems on the whole to be bad. "Will the Community collapse" is one of the most frequent questions an itinerant expert gets, or "why isn't the Community working out?" The older members of an audience recall Winston Churchill's postwar speech about the need for a "United States of Europe." Aided by the Marshall Plan and infinite goodwill from Washington, there was a time when European dreams seemed to be on the brink of realization.

There is an undercurrent of regret—reproach almost—by questioners with long memories. Queries from the younger generation are for the most part tougher and more specific. "Is there any prospect of reviving the Werner Plan on Economic and Monetary Union?" "Has Britain proved to be a worthwhile EC member?" "What will be the effects of the next stage of enlargement on Community institutions?" First, last, and all the time there are questions about Italy's political and economic future, about what is perceived (wrongly, I believe) as an inevitable march by Euro-Communism. "What will happen to the Community if Italy 'goes Communist?'"

That is, as one inevitably finds oneself saying, a good question. The speaker spends the next five minutes trying to avoid saying that no one really knows, but probably leaving a strong impression to that effect.

There are the basics: "Will you name the nine EC members?" "How many Euro-Parliamentarians are there?" And there are those involving such block-busting ignorance that the speaker is felled as if by a karate blow. My all-time favorite in this lace-frilled bloopers category—and this from a university professor—was the observation that it seemed as though France were still having difficulty getting into the Common Market!

However, it never ceases to surprise a mere European to witness the keen sense of purpose with which American audiences turn out, devoting a whole and not inexpensive evening to a subject that even the most fervent EC supporters would find it hard to suggest is *entertaining*.

It seems they do so week after week: an omnivorous demand for information, plus the insistence it be delivered concisely, amusingly, and rendered with as many statistics as possible. It is impressive, this curiosity about foreign parts.

Having said that, I regret the average age of most of the audiences—campuses apart—was not lower than my

own 37 years. It's easier to see why older people should be interested in foreign affairs, European politics in particular, than it is to know how to attract relative youngsters to these occasions.

Perhaps this leads to a wider question of how the US media treats foreign news. Many American editors have convinced themselves the majority of their readers have no interest in foreign affairs. But it's hard for the public to be interested if they are denied the basic material. Is this why chapters of the Council on Foreign Relations have such stalwart members, because it is only through such organizations rather than the press that their appetite can be fulfilled?

An unguarded comment before the Kansas City Press Club brutally summed up across four columns in the next day's paper my own thoughts on this subject: "Briton says US coverage of Europe 'Bloody Awful.'"

I would like to see the American press at least experiment with more foreign news coverage. The press services do a good job for what they do, but the coverage they provide tends to be fact-oriented, rather than issue-oriented, producing brief and arbitrary glimpses, but no consistent flow. The coverage of foreign affairs by newspapers in the United States lacks the background, the analysis, and the feature stories that would make foreign news more comprehensible and more meaningful to American readers.

It seems that the American media show a real interest in foreign news only when there is a development that has a direct and immediate bearing on the United States, or when Communism is involved. The American perception of the "Communist threat" seems quite erratic to Europeans. On the one hand, Americans become upset over Communist gains in Italy and France, while, on the other hand, the United States is much too accommodating—in the view of many Europeans—in its dealings with the Soviet Union on matters such as the Strategic Arms Limitation Treaty (SALT) talks, détente, and Russian involvement in Africa. Thus the *Arkansas Gazette* accurately reported some extemporary comments I made in Little Rock.

SO ONE DOES NOT FEEL it's a waste of time "singing for one's supper"—as one of my American friends describes the lecture circuit.

To quote Monnet once more, "The Common Market is a process, not a product." It is the flux and change in this process that needs careful explanation from time to time. Sometimes the news is dramatically bad—but mostly it's slow and pedestrian. Only on rare occasions is it possible to lift up an issue in the earnest hope that there will be substantial progress in the EC endeavor.

The prospect of direct elections to the European Parliament is a case in point. I've found US audiences warm

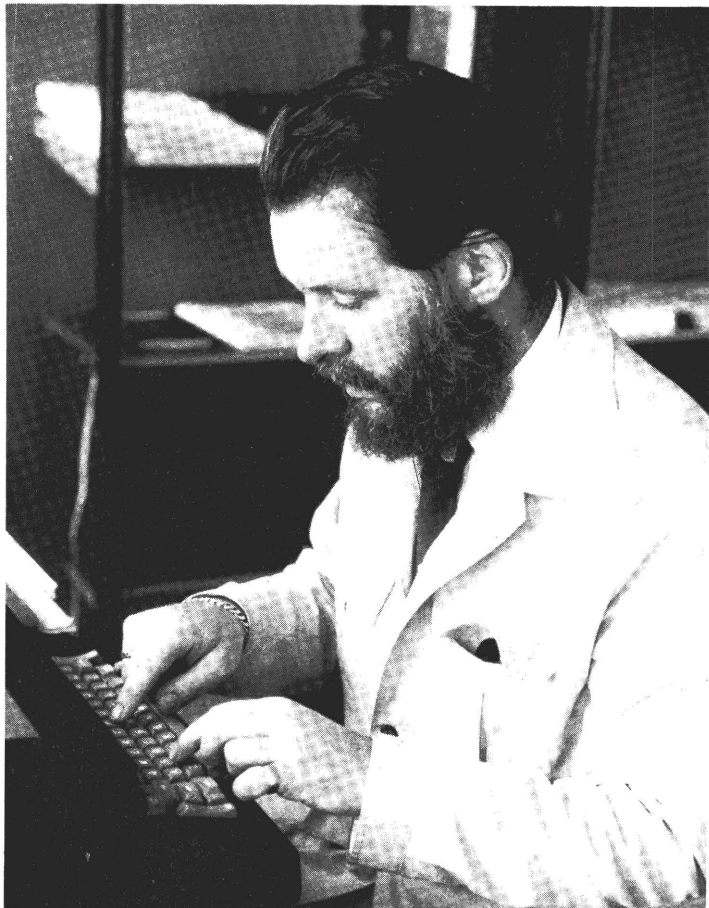


immediately to this: It brings real, rather than illusory, democracy to EC institutions; it makes good “federal” sense. The uneasy thought occurs that there is much greater curiosity about EC direct elections in the United States than there is among those nations which will be called upon next year to vote in them. . . .

“It is hardly surprising that some of the original fervor which motivated the so-called construction of Europe has been lost,” the set piece goes on. The speaker’s timing and emphasis, one hopes, is damn near perfect by now: another town, same message. “But it is only right to point out that the European Community has become almost commonplace. It’s an accepted fact of life which no longer has mere novelty to commend it. . . .” Mentally on “hold” for a moment, one counts the number of drooping heads in the audience. There are always some. Try hard to keep them below five in an audience averaging 200. Refer to the United States, mention the President, flourish a joke: Laughter wakes them.

Briefly living in the United States, as I have been, sharpens an appreciation of what it’s like to be in such an audience. How quickly one gets out of touch, and how astronomically (as well as gastronomically) remote Belgium’s capital seems. To those who have never left the States, the relevance of what takes place in the European Community must seem even more tangential to everyday concerns than practically anything else one can imagine.

*David Haworth*



True, there were familiar agricultural noises from Midwestern farmers when Carter announced the relaxation of foreign beef imports. But even though a European speaker can expect US lobbies to be well-informed about the Community—it’s often their job to be—the mystery remains why so many people who do not need to know about it are so eager to learn.

It’s also an impression that US audiences seem to be better informed about the Community than they were. This can’t be proved, but certainly the standard of questions has lifted in the past few years. One is no longer an alien using semaphore about arcane subjects—rather, the speaker comes as a friend ready to talk candidly about problems in the family.

Perhaps this has to do with what the global village communicators talk about: a joint realization that the industrialized West (plus Japan, of course) must pull in the same direction, especially on trade and monetary matters. The depreciation of the dollar on world markets seems to have brought this lesson home to American audiences—therefore what the EC Council might decide or the way trade negotiations are proceeding tends to undermine the isolationist temptations that are never too hard to find in the United States.

People are also concerned about the West’s defense. I have been asked more than once why the Community doesn’t have a common defense policy—and whether it ever will. It is axiomatic that audiences of any age in the United States are better informed about the North Atlantic Treaty Organization than they are about the European Community. In the nature of things, that will always be the case.

And that old chestnut about why the Europeans aren’t doing more to defend themselves almost invariably crops up, though less so than the days when Senator William Fulbright kept sounding off. Even then, it was ludicrously misinformed question and was based on assumptions that were dangerously naive. But it arises and has to be dealt with courteously: There are plenty of good statistics to quote in this context, and I have done so with relish.

It pays, also, to stress the tentatively good news from Spain, Greece, and Portugal, all of whom are candidate members of the Community and have recently emerged from dictatorship into democracy’s sunshine.

A good note, that, to conclude on. They gather round, these friendly faces, to ask more questions, invite one to their homes, ask if you’ve met so-and-so in London. Then comes the inevitable “downer.” “I could have listened to you for hours,” someone will say. “I love your accent.” Was it for that reason the evening had seemed to go so well? An accent? Oh dear. But lecturers dare not have illusions, and, besides, a car is waiting. There’s a plane to catch. Santa Fe or Billings the next stop? I can’t remember.



# around THE capitals

## London

Being a trade union member in Britain this winter hasn't been easy. Striking or not, some have been boycotted in shops or refused nonemergency treatment by doctors. Public patience has frayed over the worst industrial upheavals since 1974 and tighter reins on strike activities may be the result.

There have long been cries that Britain's unions have burst their bounds, that a minority of mavericks have effectively snubbed leadership directives. The latest stampedes of unofficial strike action made it no great surprise when Labour Prime Minister James Callaghan told Parliament some union chiefs had seemingly lost control of their rank and file. Some commentators see near-anarchy in the trade union movement, which since Disraeli's time has enjoyed a special legal position in Britain. It's too pampered, say some critics, who lament that Britain lacks any Taft-Hartley type strictures on union behavior. Tolerant Britain has shied away from such legislation in the past—for one thing it would be politically unpopular.

Strikes aren't usually a national crisis in Europe because union members are a minority of the work force. In Britain it is different. While only two-fifths of private sector workers are trade unionists, fully four-fifths of public sector employees are unionized. Ordinary Britons who are unable to get gasoline for their cars, the foods they want for their tables, hospital care if they are ill, or a grave when they're dead—all because of strikes—understandably ask why strikers under present law should get almost instant tax rebates plus social security benefits for their families when they walk out.

Having to call national elections by October, Callaghan isn't likely to crack the whip against his largest bloc of support in the polling booths. The opposition Conservatives, if they recapture power, could seek a referendum on trade union reform. Polls indicate they might find substantial public

backing for sanctions, such as limiting social security benefits to strikes called only with a secret ballot or making strikers cool their heels for tax feedbacks. Union strike funds are scanty, so these measures would have clout.

Picketing has become an emotional as well as legal issue because of the sudden surge of secondary picketing—the picketing of individuals or firms not directly involved in a dispute. There is no right to picket, and never has been, in Britain. The law does grant immunity from being prosecuted or sued for the act of picketing. But pickets remain criminally liable for their actions, and they do not have the right to stop persons and vehicles. They still try, of course, and police are sometimes criticized for not taking a harder line with pickets who go too far. Callaghan must have startled some union leaders when he told Parliament that picket lines were not “sacred objects,” and he would not hesitate to cross one if he believed it was right to do so.

With news media abroad showing pictures of nearly empty supermarket shelves and heaps of uncollected garbage in London's streets, one expatriate's worried family telephoned from the United States wondering if starvation was imminent, the plague at hand, and should they begin sending care packages. The reply was thanks, no, but Callaghan must be pondering, if the unions in shattering his anti-inflation program of wage controls have also alienated the voters enough this time to cost him re-election.

UPI



Still, he won't take up the solution to the union problem suggested by the humor magazine *Punch*: Invite the Ayatollah Khomeini to move into 10 Downing Street and apply stern measures of Islamic Republican discipline.

—PETER J. SHAW

## Paris

Will the labor scene in France turn ugly? It could. It is currently a major Government preoccupation and one that worries the trade unions as well. But the pockets of discontent seem remote from the Ministry of Labor's high-ceilinged Paris offices overlooking the Ministry's private green garden. The Government's proposed solutions seem distant, too.

For the moment labor problems are most acute in the steel industry. In the next two years some 25,000 will be laid off, mostly in northern and eastern France. It's part of yet a third steel “plan,” one that is meant to keep industry competitive. Crude steel production will decline, and France's mills will manufacture special steels that can't be turned out, so far at least, by the low-salaried, Third World plants that have come on stream in recent years and have changed the structure of Europe's steel industry.

The French are now paying, in severe social dislocations, for serious industrial misjudgments and for refusing to come to grips for political reasons with what should have been seen as inevitable as long ago as 1970. In Germany the transformation of industry began well before the oil crisis hit. Between 1960 and 1974, German steel dropped 22,000 workers. Since then, another 23,000 German steel jobs have been eliminated. In France, job reductions began in 1974 and by 1977 had only reached 13,000. The industry did modernize but was not allowed by the Government to compensate for its heavy investments by raising prices, closing mills, or laying off workers. The result: By end 1977, debts for the year were 38 billion francs against sales of 35 billion francs.

The new plan's effects are dramatic. For the Longwy basin, near the Belgian-Luxembourg border, 6,400 layoffs were announced in December. In Longwy itself, a town of 20,000, this means 1,800 more out of work to be added to the 3,800 laid off two years ago. By August, the town's main mill will be closed down completely. There are no other industries nearby to absorb the unemployed. Steel supports the town.

The first violence since the plan was announced occurred in Longwy in late January when 10 policemen were injured. The police had been ordered in to free two managers





© A. de Andrade, Magnum

held sequestered in the steel plant by workers for 19 hours. It was also the first time since the plan's outlines were announced that the police intervened, even though the area had been described as being "in the hands" of workers since mid-December.

The solutions for the areas affected by the crisis will be slow to put in motion. The Government wants to see new industries invest there and established firms enlarge facilities. A recent series of projects promised the creation of some 11,600 jobs over the next three-year period in all of France, but the north will get only a part of the total. The Ford Motor Company is being wooed with massive government incentives to build its new European assembly plant in the east. But all of this is a long way off.

Meanwhile, the unions admit that they are by no means in charge of the situation. France's trade union movement is ideologically divided, poorly organized, and, since the left's defeat last year, demoralized. Almost to prove the point, at Longwy, when union representatives asked demonstrators to return to work or go home at the end of a march called to protest the earlier police intervention, they were booed and some 500 workers broke ranks to attack the local police station.

The unions don't want responsibility for labor disturbance; they also know the Government's margin for maneuver is narrow indeed. "No one can predict what will happen," admits a top Government official. For the moment, the Government is banking on French workers' basic conservatism, generous unemployment benefits, and the geographic isolation of the troubled areas to prevent the deep discontent from developing into widespread protest movements in other parts of France.

—PATRICIA H. PAINTON

## Brussels

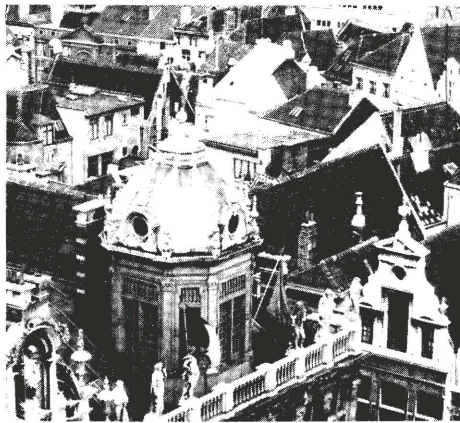
It might be difficult to love the Brussels city authorities, but you've got to admire their keen sense of business. Consider the question of the Millennium, for instance. Practi-

cally every guide book or history of Brussels says the city was founded in the year 977, when the German Emperor Otto II ceded "Brussels and the county of Ueclre" to Charles, Duke of Lower Lotharingia.

That is accepted as the first recorded reference to the city, which was to grow from the "dwelling in the marsh" on a tiny island in the River Senne. Why on earth should anyone want to dispute it? Well, you could ask the tourist board people for a start. You see, 1977 wasn't a very good year to celebrate Brussels' thousandth birthday. It followed right on the Silver Jubilee of King Baudouin's accession, and, more important, it coincided with the four hundredth anniversary of the birth of Belgium's most famous son, the painter Rubens.

So luckily Charles, brother of the king of France, took an immediate liking to the boggy little island donated to him and decided to make it his military headquarters. He built a fort there in 979, and it is this event that is being honored, however implausibly, this year. But let's be fair to the tourist board. How can you really date the birth of a city? There must have been people on those Senne islands in Julius Caesar's day and earlier.

That said, plans for the Millennium festivities have not been commanding universal admiration. "Brussels through postage stamps" does not sound like an exhibition that everybody will find continuously interesting. The prospect of live, open-air entertainment in the glorious setting of the



Grand Place throughout the summer months seems more appropriate—until you are reminded that this more or less takes place every summer evening anyway. Stickers saying "All at Brussels—Thousand Years" betray such a doubtful grasp of English that one fears for communications in general.

But a more serious charge perhaps is that the whole Millennium exercise has been conducted as a kind of tourist "come-on." "A crude money-grubbing" one Belgian magazine put it. Another claims that the city is doing little to involve its own inhabitants in

the events "but spends our money to bring in foreign mayors and the like." But the best comment known on this is the work of an anonymous scribbler who clearly takes great exception to the stickers proclaiming "Brussels Is Love" that you see all over the place. He writes in "of money" after each one.

Ah Brussels, if only you were more lovable! We can admire your durability, respect your energy, and wonder with gratitude at your cuisine. Your Grand Place is a marvelous pageant in stone. But you have cemented over your only river, chopped down your chestnut trees, and turned your roads into race tracks. As a result you can now cross Brussels in a car from almost any direction in 20 minutes or less, and the man who adds "there is every reason why you should do so" is perhaps not being wholly malicious. But happy birthday anyway.

—ALAN OSBORN

## Bonn

A permanent change in the way Germans see themselves and their past, or a mere brush fire? A genuine effort to understand and to explain the past to the younger generation, or a mischievous, commercial attempt by the media to rub salt into old wounds? Come to that, why should it have had to be imported from Hollywood, and not made here?

These were only a few of the multitude of questions raised, and still only imperfectly answered, after what may turn out to have been one of the most important events in postwar German history—the screening on four nights in January of "Holocaust," NBC's television series about the persecution and murder of the Jews. It is not as though the facts have ever been hidden from postwar Germans. Yet "Holocaust" achieved what dozens of television and film documentaries, thousands of newspaper articles, and hundreds of scholarly books never did. It added to the grim history a fresh human dimension, reminding the viewer that each of the millions of victims was a person with a life of his or her own.

That in itself would have been an achievement, yet German television also succeeded in doing nightly discussions after each installment. During the programs, and for weeks afterwards, tens of thousands of people called, wrote, and cabled their views. Before an audience estimated at up to 20 million, the nearest thing to a live national debate took place. The unspoken, the unspeakable, was suddenly so heatedly and so unavoidably discussed that almost every other topic paled to unimportance beside it.

The television networks themselves reported, and a couple of hurried opinion



polls have confirmed, that a majority of Germans were deeply shaken by what they saw, yet no less convinced it was right to broadcast "Holocaust." Not surprisingly, the one-third who disagreed, often on the ostensible ground that "it's better to bury the past," were mainly older people. There seem to have been a few callers of the "Hitler-was-right" variety, just as there were a couple of bomb attacks on transmitters the week before the series was shown, leading police and network authorities to take stringent security precautions.

Beforehand, the network had been somewhat hesitant about "Holocaust." The Cologne-based Westdeutsche Rundfunk, which had bought the series, had difficulty getting some of its fellows in other regions to agree to put it on. The eventual compromise time was nine in the evening, after children are supposed to be in bed, using the minority-interest third channel. On both counts, the series may have to be rerun. Schools have been using "Holocaust" as



German policeman guards television transmitter in Langenberg to prevent interruption of the "Holocaust" telecast. UPI

teaching material, while the pressure is growing for it to be broadcast on more powerful stations that can also reach most of East Germany, too.

A psychiatrist among the experts discussing the program, Dr. Margarete Mitscherlich, urged people who had lived through the era to recall their own emotions and to confront them. No doubt many may have done so anyway, while many others less prepared to look into the past will have been pressed by children and grandchildren, perhaps for the first time. It may be a long while before anyone can tell how far four gripping, painful evenings before the television set have really helped allay the evil ghosts of the Third Reich, despite a strong impression that "Holocaust," and the

myriad of new accounts already following it, have been almost a relief after years of embarrassed dissimulation.

Aptly enough, however, Germany does have an opportunity to exercise political judgment on the Nazi era. At the end of this year, the statute of limitations is due to close off any new prosecutions of war criminals. The Bundestag, which has already twice extended it in the past, shows little enthusiasm for doing so once more, if only because it dislikes the notion of setting war crimes apart from other murders, or treating those accused of them differently from other criminal defendants. As a purely practical matter, the passage of times has by now thinned the ranks of potential defendants, while the more recent trials have often dragged on for years, only to end with acquittals. Prosecutors have tended to lose heart.

Yet German Chancellor Helmut Schmidt himself, in a parliamentary speech, seemed to acknowledge the extraordinary new dimension that the "Holocaust" experience has added to the problem. He warned that opinion abroad could not be ignored. It will be surprising if the deadline is not, once again, extended.

—ADRIAN DICKS

## Dublin

Ireland's major headache during 1979 will be industrial relations, and political speeches throughout the winter have repeatedly stressed the need for industrial peace and wages restraint. A White Paper and a Green Paper in 1978 labored the point, and a White Paper in January of this year repeated general Government appeals for harmony and moderation.

But in an economy where the biggest commitment is to ending unemployment and the principal economic target is sustained growth at a time when general sluggishness abounds, a holding back on wages is difficult to achieve. It is made more difficult by some very sizeable individual claims—craft unions, 25 per cent; Post Office workers, 35 per cent; teachers and police, 40 per cent; nurses, 50 per cent—and it is made urgent by the fact that the present National Wages Agreement ends in March.

This was the background for the February 7 budget delivered by Finance Minister George Colley. With very little room for maneuver, since any cutbacks would cost jobs at a time when jobs are the highest

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political priority, he managed nevertheless to direct the main appeal of the budget towards workers.

Colley did this through social welfare increases and tax concessions. The social welfare increases were carefully scaled, with the smallest increase of 12 per cent going to the short-term recipients including the unemployed; larger increases of 16 per cent went to old-age pensioners; and the largest of all, 28 per cent on children's allowances, was limited to the less well-off. On income tax Colley expended 27.2 million pounds, or just 1 per cent of his overall budget, on increasing the tax-free allowances. The trade unions had been looking for the expenditure of 100 million pounds as an indication of the Government's serious intention of achieving industrial peace. As a further indication of Government sensitivities about the disparity between the direct tax burden borne by organized industrial workers compared with the Irish farming community—still by far the largest, in percentage terms, within the European Community—Colley also increased the income tax net for farmers.

From the Government's point of view, the initial response was disappointing. The trade union movement gave the budget a fairly comprehensive thumbs down. Farmers were irate. And the general public reaction was that most of the benefits were illusory and would be swallowed up by rising inflation. The opposition parties joined this chorus, adding to it their view that the growth targets set by the Government were overly optimistic, and that inflation could not possibly be kept down to 5 per cent and would probably reach 10 per cent by the end of 1979.

All this was taken calmly enough by the economic ministers within the Government, and it soon emerged that the budget was closely related to dealings between the Government and the unions on industrial relations. The problem on this front is not simply one of large wage claims. These are worrying enough. But in addition there are long-standing legislative problems that require urgent agreed action. They include some form of control over unofficial strikes and unofficial picketing; laws to limit the proliferation of individual unions, causing inter-union dissent; a better arbitration structure; and the concentration of greater overall power in the hands of the central representative body, the Irish Congress of Trade Unions.

It is generally conceded that this kind of industrial relations reform can only be gained by Government leadership, and the injection of public funds, together with some kind of overall deal giving wages and em-



*Finance Minister  
George Colley  
Courtesy of the Irish  
Embassy*

ployment guarantees. And to some extent the budget represented an initial move toward such a deal. The first negative reaction from the trade unions was natural enough. They are experienced in negotiations, and they want better. They will probably get it. Increasingly, the budget provisions appear to be the opening set of offers in the delicate business of buying industrial peace for the period of the current Government White Paper, which covers the years to 1981.

—BRUCE ARNOLD

## The Hague

The worst winter for many years had kids whizzing along the pavements on skates, a sight approximately reminiscent of a Hendrick Avercamp scene, bleak yet charming at the same time. That being so, it was naturally expected that the famous Eleven Towns Tour skating marathon could take place in ideal conditions. But it did not, because—a salutary sign of the times, this—the canals were so warmed by pollutants the event was never even scheduled. It was another local disappointment that the world speed skating championship went to an American.

While muffled figures weaved patterns on the ice just below Prime Minister Andries Van Agt's office, what were his preoccupations? In the first place, unemployment. Forecasts indicate the 205,000 jobless could well rise to 215,000 later this year. The main victims will be school-leavers and, increasingly, women, who are making growing demands on the job market at a time when companies need fewer people. Also, actual unemployment is rising more rapidly than registered unemployment.

In a recent interview Van Agt characterized policies to change unemployment trends as the "highest priority." As such, he added, there must be "a change in the way our national income is distributed, insofar as limits must be set on the increasing amount being swallowed up by the public sector, while the private sector wage increases must

be moderated. . . . Otherwise, labor costs in this country would rise so high and the burden of taxation and social security contributions would become so heavy that many firms would no longer be able to carry on."

The second and shorter-term problem for the Government—thin ice indeed for the Christian Democratic and Liberal coalition—is the question of abortion law reform. The passage of this legislation has always promised difficulty. But now, to politicians' dismay, the Church in the shape of the ultra-conservative Bishop of Roermond, Mgr. Jan Gijsen, has intervened directly. He has threatened to refuse the sacraments to any Roman Catholic members of Parliament who support the abortion law proposals—saying, "I believe that this issue is not only worth a Government crisis, but in this instance a Government crisis is necessary." It seems likely, however, that a compromise will be satisfactorily worked out, and it seems improbable that the Government will fall. The legislators will no doubt make it clear that law and ethics are not always the same thing, and the fact that something is not an offense in law does not always imply that it is ethically acceptable.

This apart, the Government seems to have an unspoken policy of avoiding controversy (this seems inherent to the coalition), but it takes the view that calm and consensus is needed if the country's economic problems are to be finessed. In this it seems to have the electorate's support. While it would be rash to predict that the Van Agt Administration will be able to go its full four years, undeniably it has a much more confident "feel" about it than one would have believed possible a year ago.

There is some disillusion here with party politics—for the moment—and no one, not even the Opposition, has the appetite to face another general election. Moreover, a recent poll showed that for the Dutch, though worried about the economy, there are even keener anxieties about the environment and the need for drastic measures to control pollution, especially in the overcrowded western part of the country.



*Dutch Prime  
Minister Andries  
Van Agt  
Courtesy of  
the Embassy of the  
Netherlands*



No amount of diplomacy seems to diminish the filth in the Rhine, which it is estimated brings 1,200 tons of lead, 250 tons of arsenic, and 20 tons of mercury to Dutch soil every year. Because of this and other despoilers, Van Agt has ordered the urgent preparation of a new anti-pollution law intended to give greater protection to the soil. In technical terms it's a highly complex piece of legislation, but politically nothing could be less controversial. It is likely to go through Parliament on the nod.

Meanwhile, the Government has published a series of measures intended to encourage house building and urban renewal. They include a clause that will prevent houses, offices, and industrial premises from remaining empty for long periods. With space at such a premium it is regarded as "socially wasteful" for a building not to be used.

None of this is the stuff of exciting politics, and no one seems to mind. "Captain" Van Agt has put the engines on "Slow Ahead," his fingers resting only lightly on the tiller.

—DAVID HAWORTH

## Rome

Four months after his election as the first non-Italian pontiff in 455 years, Pope John Paul II has already left a distinctive mark both in church and state affairs.

Italians assembled in Saint Peter's Square last October 16 were at first stunned to hear the name of Karol Cardinal Wojtyla, Archbishop of Cracow, as the new supreme head of the Catholic Church. At the same time the election of the Polish Pope was reassuring to those who have become impatient with the influence of the Church in secular Italian life. A foreigner, it seemed, would be far less likely to take a stand on matters involving Italian domestic affairs.

The new Pope quickly endeared himself to the Italian faithful. Romans, traditionally skeptics in matters of the Church, were particularly charmed by the forthrightness of the energetic figure who spoke fluent and only slightly accented Italian. In one of his first public addresses, the new Pope urged Italians: "If I make a mistake, you will correct me."

Following the custom adopted by his immediate predecessor, Pope John Paul I, who reigned only a month, the new Pontiff dropped the papal "we" when referring to himself, in favor of the simpler "I." Instead of a formal coronation ceremony, he decided on a simple ceremony of consecration.

The day after his election, he left the Vatican to call on an old friend in a Rome hospital, and in the next two weeks made trips to

the papal summer residence at Castelgandolfo, to a Polish sanctuary 25 miles east of the capital, and to Assisi to visit the tomb of Saint Francis. He won respect by meeting with such diverse personalities as arch-conservative Bishop Marcel Lefevre and left-wing city officials in Rome.

But despite such an open style, the new Pope has also displayed a conservative theological substance which has cost him the unqualified support of some liberal Catholics. In two separate addresses a month after his election, Pope John Paul II criticized the use of secular attire by the clergy and praised women who refused abortion on moral grounds. Then the Pope urged an assembly of physicians not to perform abortions on pain of committing a grave sin. A few days later Giovanni Cardinal Benelli, Archbishop of Florence, publicly blasted Italy's recent law liberalizing abortion. Incensed women protested that Monsignor Benelli was interfering unconstitutionally in matters of the Italian state. The conservative prelate reported that as an Italian citizen he had the right to speak his mind.

Pope John Paul's recent trip to Mexico has further reinforced his image as a theological conservative. In a speech to the conference of Latin American Bishops at Puebla, he bluntly warned against the tendency of some churchmen to portray Jesus "as a political figure, a revolutionary, as the



Pope John Paul II in Mexico UPI

subversive man from Nazareth." The pontiff's stand came as a blow to liberal South American churchmen, who apparently had hoped for more solidarity from a Pope whose own native country has known repression of the Church in the past.

The papal position at Puebla is also considered likely to increase the considerable polarization already existing between the conservative and radical wings of the Church in South America, by making the radicals feel more and more alienated from the mainstream of the Church hierarchy. The liberal Roman daily *La Repubblica* commented with some disillusionment that the Polish Pope "is even more conservative than Pope Paul VI." —CHRISTINA LORD

## Luxembourg

There was a definite spring in the step of the British socialist member of Parliament coming out of the chamber in the European Parliament's building in Luxembourg at the November session last year. "The worm has turned," he said with relish. "The Parliament has at last asserted itself, and the ministers won't know what hit them." He was right—as far as he went. Two months later the same man leaving a parliamentary budget committee room admitted, "I really didn't believe it was going to turn into a full-scale rebellion." Hardly anyone did at the time.

What brought all this on was a remarkable and still not fully explained decision by European parliamentarians of all parties to get tough with the EC Council of Ministers—another way of saying the EC member governments—over the level of regional spending. The dispute began as a familiar technical squabble, but the parliamentarians' tenacity inflated it into one of the most serious constitutional battles since the Community was formed.

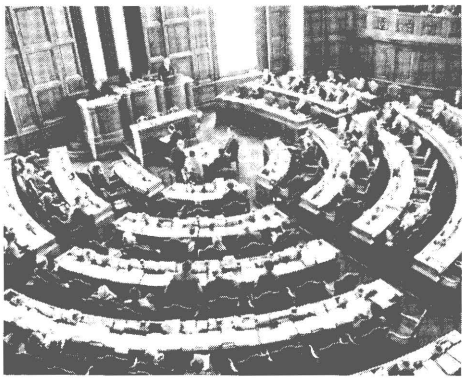
Year in and year out European parliamentarians, even conservative ones, tend to vote for a higher level of Community spending than that favored by EC member governments—no doubt at least partly because the Parliament does not have to find the money for it. But just as regularly members of the European Parliament meekly cave in when budget ministers slap down their demands. This time the script went badly astray.

It began when the Parliament voted to increase funds for developing economically depressed regions in the Community in 1979 by some \$600 million more than ministers had authorized. Eyebrows were raised, but more at the scale of the increase than the fact of it. What really set off the alarm bells was the failure of the Council of Budget Ministers subsequently to muster the necessary two-thirds majority to kill off the Parliament's amendment, thanks to the decisions of Britain and Italy to abstain.

The French Government was furious—its distaste for the Regional Fund is probably only matched by its suspicions of the European Parliament. Some heavy lobbying went on, and Britain, to its embarrassment, let it be discreetly known that it had changed its mind. The British Labor Party is in fact no more enthusiastic about increasing the European Parliament's powers than are the French Gaullists and Communists.

So, back to Luxembourg and a last chance to get the parliamentarians to climb down just before Christmas. Astonishingly, they





refused. When Italian President of the European Parliament, Emilio Colombo, announced on December 15 that the assembly had refused to cut a single penny from the enlarged budget it had devised a month earlier, there was consternation throughout the Community.

Legally the situation remained murky. The Parliament claimed, rightly, that unless its amendments were rejected by at least a two-thirds weighted vote in the Council, they had to stand. But the French and British Governments were equally correct in pointing out that the Parliament's legal right to increase EC spending is limited to a "maximum rate" each year, and this was exceeded for 1979.

The timing lent these questions a gravity that went far beyond technicalities. Direct elections to the European Parliament begin on June 7, and the first thing the new Parliament will look for is an increase in powers. In almost its last days the present nominated Parliament showed how it could happen.

—ALAN OSBORN

## Copenhagen

Traveling to China is the newest political fashion in Denmark: Having been there is a true indication of political importance. But the newest political scandal here highlights, if nothing else, the inherent dangers of leaving ministries unattended for weeks at a time. Travels by members of the Government are now certain to be curbed in more ways than one.

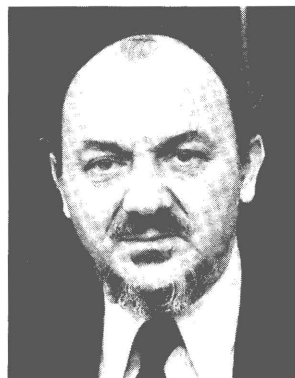
The scandal was initiated by press reports of extravagant spending by the then minister of education—strong-willed, attractive, thirtyish Ritt Bjerregaard—a few weeks earlier singled out by the Danish press as the first serious female contender for the post of Prime Minister. The press reports alleged that a stay at the Ritz Hotel in Paris, a limousine rental, and an official dinner had cost more than \$10,000. The hotel alone was \$700 a night, it was claimed. The tab-

loid press, which started the story on an anonymous tip from what later proved to be a frustrated official from the Ministry of Education, demanded her immediate dismissal, and this was soon echoed by most of the press.

The foreign minister, leader of the Liberal Party in the Socialist-Liberal coalition, immediately went on record with a statement expressing surprise at the expenses of his colleague, and implied that he would find it difficult to cooperate with her in future. Prime Minister Anker Jørgensen said that he could not accept the size of the bill, and that he would expect the education minister to pay \$4,000 herself. He demanded an explanation from her, in a telegram to China, and when it did not satisfy him, he ordered her to return immediately to Denmark, which she did.

By that time, facsimiles published in the press had proved that the hotel bill was \$250 a night, not \$700, and thus not unreasonable for a suite designed to serve as a base for political operations. Bjerregaard also declared she is ready to pay a part of the bill herself. But she refused to show any remorse, much less indulge in any public self-recrimination. After a public exchange of formal statements, the Prime Minister fired her, with the remark that "she had fired herself." Not so, replied Bjerregaard, who maintained that she had only done what everybody else had done.

Needless to say, investigative reporting continued. First item: the foreign minister had been so busy that he had been forced to use the Concorde to arrive in time for a session of the United Nations in New York (puzzled officials of the government-controlled Scandinavian Airlines are still studying their schedules), and in New York he had a limousine at his disposal, a mere safety precaution. Foreign ministers are



Danish Prime Minister Anker Jørgensen  
Courtesy of  
the Danish Embassy

more exposed to acts of terrorism than ministers of education, and hence have other needs.

Even the enemies of Bjerregaard now concede that her firing was premature, or that at least a better pretext should have been

found. She was the most prominent representative of the left-wing group of her party in the coalition Government, and though many were highly critical of her long-term views, there was general consensus that she had asserted state control of the universities, effectively and without leaving socialist student groups much room for maneuvers.

Political observers now agree that her life-style had more than marginal influence on the almost spontaneous decision of the Prime Minister. She is a conspicuous spender, always extremely well-dressed, and she admits that she is no enemy of good food and good wine. Conspicuous spending and socialism co-exist peacefully in Denmark, and there has even been coined a special phrase, *kystbanesocialister*, "suburban socialists," to describe high-income socialists, living in the plush suburbs north of Copenhagen, where conservatives drink good whiskies and socialists drink good French vintage wines, both groups without any ideological pangs.

The press also recalled that Bjerregaard had at one time used her political authority to delay the departure of a state-owned ferry by 20 minutes because she was in a hurry to return to her home in the provinces a busy Friday night. She made it, but the 800 other passengers on the ferry were not amused. Neither was the Prime Minister, himself an austere, unacademic man with no sympathy for bourgeois life-styles, whether combined with socialism or not. —LEIF BECK FALLESEN

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# Consumer Reports, EC Style

CANDACE DENNING, *staff writer for Europe*

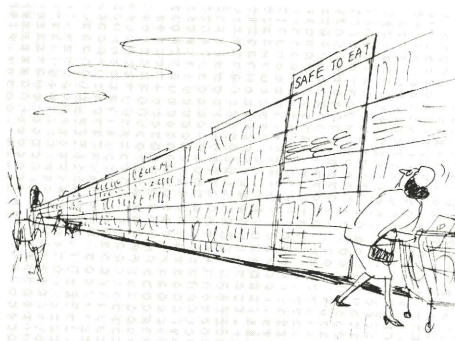
*This is the third in a series of reports on the EC Commission's activities in consumer protection. Previous articles have covered misleading advertising, product liability, door-to-door sales, and correspondence courses.*

The proposed EC directive on *unit pricing* of foodstuffs is expected to pass this year. Because the consumer would be able to make comparisons when buying, unit pricing would probably increase market transparency and intensify competition, the Commission said when presenting its draft directive to the Council of Ministers in May 1977. The proposal would be counter-inflationary because of its effect on prices. It could also prevent certain misleading advertising ploys or reduce waste resulting from some types of packaging.

Giving the consumer enough information to make simple price/quantity comparisons is the main thrust of the measure. It covers all foodstuffs intended for the consumer but does not include transactions between traders, wholesale dealers, and warehousemen. Advertising, offers for sale, and catalogs stating prices must show unit pricing and tell when the offer ends. Individual packages would not have to carry the unit price, which could be displayed on signs, posters, or shelf labels. Products packaged in established package sizes would be exempted from the requirement.

Four member states adopted unit pricing laws between 1969 and 1975. Germany made unit pricing for foodstuffs and certain household products compulsory in 1972 when the law on weights and measures and the order on prepackaging came into force. In France since 1971 many categories of prepackaged food have been subject to pricing by unit of weight or measurement.

The British Government has had the power since 1974 to make orders requiring unit pricing of certain products. Belgian Royal Decrees of 1972 and 1975 empower the Government to make price and quantity marking and/or display compulsory in regard to food and household products sold both in bulk and prepackaged. The other EC states don't have specific legislation but most, Denmark in particular, have detailed price legislation. The



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Netherlands and Denmark have both taken steps to make unit pricing compulsory.

The *labeling, presentation, and advertising* of foodstuffs directive was adopted at the end of last year by the Council of Ministers. The final, accepted version of the directive had not yet been released at the time of writing. Based on the proposed directive, the new law is expected to pertain to both prepackaged and nonprepackaged foods intended for final consumption. The labeling of foodstuff must include the following in the consumer's language: the name of the product; a list of ingredients including additives; the net quantity; the date of minimum durability; the identity of manufacturer, packer, and seller; and if necessary, the origin or provenance of the foodstuff and instructions for use. Nutritional information is not required.

Labeling includes any words, trademark, brand name, pictorial matter, or symbol relating to the foodstuff on a notice or label attached to it. This information must not mislead the purchaser about the product. Where labeling or presentation emphasizes one or more ingredients, the minimum percentage used must be stated. Member states may not pass more detailed measures than those in the directive concerning what information is required on the label; but national laws must ensure that the sale of foodstuffs is prohibited if the particulars do not appear in language easily understood by the purchasers. The directive will not affect certain Community provisions already adopted—the making-up by weight or volume of certain prepacked liquids

and products—and would not apply to products intended for export.

A new proposal recently taken up by the Commission for noncompulsory informative labeling of domestic appliances regarding energy consumption would provide consumers with information pertinent to conserving energy.

As for problems of the composition of food packaging, the Council adopted in 1976 a directive setting down general principles relating to materials and objects coming into contact with foodstuffs. *Plastic packaging* is the most recent culprit. Last June the Commission passed on to the Council of Ministers a draft directive regulating the production of plastics coming into contact with food. The proposed restrictions would keep substances likely to migrate into the food at a low enough level so as to be nontoxic. Virtually all consumer and industrial interests consulted backed the directive, and the European Parliament and the Economic and Social Committee urged speedy action on the proposal.

Research shows evidence that some plastic packaging can, in the long run, contaminate the food it protects with harmful or carcinogenic substances. Some member states—Belgium, France, Italy, and the Netherlands—have adopted new legislation limiting the risk of contamination while others still have less restrictive measures. These differences in national laws created the usual non-tariff barriers to trade requiring Community action.

Work or benefit to consumers on many individual products has been completed or is in various stages of consideration: aerosols, appliances, boats, liquid fuels, cosmetics, mopeds and motorcycles, detergents, fertilizers, measuring instruments and units of measurement, electrical equipment, textiles, agricultural machines, motor vehicles, crystal glass, and pharmaceuticals. In its meeting a year ago the Consumer Consultative Committee—which advises the EC Commission—planned measures in toy safety, accidents in the home, unfair clauses in contracts, premium offers, informative labeling of textiles, and unit pricing of nonfood products.

The European consumer has come of age—even if Europe doesn't have the zebra code yet. A swing in viewpoint on both sides of the Atlantic from "consumer protection," regarding the consumer as victim, to "consumer action," starting with consumer education, show the direction awareness is taking. As Commissioner Richard Burke, in charge of consumer affairs, puts it: "Our basic philosophy . . . is, quite simply, to take all the measures we can to change the balance of power in the market place in such a way as to restore the consumer his rightful preeminence in the economic system."



# NEWS

## OF THE COMMUNITY

### EXTERNAL

#### Fourth Euro-Arab Dialogue

Community and Arab League officials meeting in Damascus in mid-December agreed to a joint center for the transfer of technology to be established in an Arab city.

During the session the Euro-Arab Dialogue's General Committee approved 10 new studies and technical assistance programs in all to be financed jointly by the two sides this year. It also adopted a draft declaration calling for equality of treatment in living and working conditions for migrant workers in the two regions.

Part of the meeting was taken up by discussion of political developments in the Middle East. The Arab delegation again requested that the Community recognize the Palestinian Liberation Organization as the legitimate representative of the Palestinians. Further delay of such recognition "would impede the course of the Dialogue," said one Arab delegate.

This was the fourth Dialogue session since May 1976.

#### Trade Agreement Sought

The EC Commission asked the Council of Ministers in January for authorization to open trade negotiations with Romania. It envisages a nonpreferential agreement aimed at the harmonious development and diversification of trade. The Commission also wishes to establish a joint committee for finding ways to do this.

Such an agreement would contain provisions for relaxing Community import arrangements, a price clause, and a safeguard and consultation clause. It would also cover concessions that Romania could make in return.

Actual relations between the Community and Romania go back to 1974 when bilateral agreements with member states were phased out to make way for the EC common commercial policy. Although the Community invited trade negotiations with state-trading countries, there were no immediate takers;

subsequently Romania became a beneficiary of the EC generalized system of preferences.

Romania initialed a bilateral agreement with the Community on textile products in 1976 under the Multifibre Arrangement and concluded an arrangement on iron and steel products in 1978. Now the two are seeking to expand trade relations.

#### EC-Pakistan Commission

The joint commission of EC and Pakistan delegations met in late January to review recent economic developments.

Sir Roy Denman, the EC Commission's director-general for external relations, noted the efforts of Pakistan to diversify exports to the Community. He also expressed concern about Pakistan's growing trade deficit with the Community.

The economic situation in Pakistan has improved since January 1978, the Pakistan delegation reported. Since then major gains were recorded in industry and agriculture; the gross domestic product grew at a rate of 6.5 per cent compared to an average 3.48 per cent for the period 1973-1977; and a significant improvement took place in foreign exchange earnings. Exports also increased by 15 per cent and the inflation rate was contained to a single digit level.

The leader of the Pakistan delegation expressed appreciation for the constructive cooperation of the Community in promoting Pakistan's exports. The two sides agreed on the main lines of the 1979 trade program and discussed measures to encourage collaboration between European and Pakistani entrepreneurs.

#### Japanese Talks Continue

Japan and the Community failed to reach a settlement on tariff cuts during two days of talks in Brussels in mid-January. Japan has already settled this issue with the United States.

EC Commission Vice President Wilhelm Haferkamp, in charge of external relations, said the Japanese offer to lower certain tariffs as a way of improving the EC trade deficit had been unsatisfactory.

Reports that Japanese auto manufacturers were considering ending their voluntary export restraints could jeopardize the EC offer to cut tariffs on Japanese cars in the Tokyo Round negotiations.

#### Steel Accords Reached

Talks with at least eight countries had been concluded in mid-January on an extension of the 1978 steel agreement on quantities of shipments between the Community and these nations. Others, it was reported, were near signature on a 1979 accord.

Countries that had already signed or agreed to an accord were Switzerland, Austria, Australia, Portugal, Hungary, Poland, Norway, and Bulgaria. Korea, Japan, Sweden, Finland, and Czecho-

slovakia were near agreement. The opening of contacts with South Africa, Spain, Brazil, and Romania was also reported.

These 17 countries represent about 85 per cent of the total steel production shipped to the Community.

#### Focus on Turkish Crisis

An EC Commission meeting in late January focused on Turkey's request for a suspension of plans for gradual dismantling of Turkish tariffs on EC products. Access for Turkish agricultural products into the Community and other forms of EC cooperation in agriculture were also discussed.

Ways of improving conditions for Turkish workers in the Community, especially the possibility of professional training was the third topic. Last was discussion on financial assistance already set for the period ending in 1981. The Commission felt that negotiations should begin soon on the next financial aid agreement for Turkey and on another special cooperation fund.

#### EC-Canada Steel Research

A major collaborative program on steel research and development was agreed between the Community and Canada in late January.

The three-year plan will involve steel companies in six member states and in Canada. Improving the efficiency of the blast furnace which is the predominant ironmaking process—and ultimately, saving energy—is the goal.

A total of 23 European blast furnaces and three Canadian furnaces will be involved in the study.

### AID

#### African Swine Fever

The persistence of African swine fever in Spain would be a serious danger to the Community's pigs.

To rid Spain of the swine disease, the EC Commission has proposed a grant of 10 million European units of account for the period 1979-1983 for an eradication program.

From Spain the disease has already spread three times into France and Italy. Both countries had to take rigorous measures, including slaughter of all infected animals which resulted in serious losses to producers: The swine fever has now broken out again in Sardinia.

No effective vaccine has yet been produced; therefore, creating buffer zones to the spread of the extremely contagious disease is in the interest of the entire Community.

#### Jenkins Visits Africa

EC Commission President Roy Jenkins spent six days in three major West African countries in early January.

In Senegal, Mali, and Ghana Jenkins

met with heads of state and conferred with government officials, talking at some length about renewal of the Lomé Convention.

During the year to come, increasing attention to relations between the Community and developing countries is expected.

#### UNCTAD Negotiating Policy

A negotiating policy was proposed by the EC Commission in late January for the United Nations Conference on Trade and Development (UNCTAD) scheduled this spring in Manila.

The Commission said it hoped some of the groundwork for negotiations on a new international common fund on commodities would be made at a preparatory meeting in Geneva in mid-March.

The Manila meeting should be the setting for major progress between industrial and developing countries, said the Commission, and should plan for the Third Development Decade to begin in 1980.

International constraints on world economic growth, the international division of labor, and means of assuring a coherent and stable financing of economic growth in an open trading system were topics that should be examined, said the Commission in the proposal it sent to the Council of Ministers.

#### Third World Debts Canceled

The Netherlands and Germany have now canceled the debts of about 30 of the poorest Third World countries, wrote a member of European Parliament to the Commission in January. Shouldn't these kinds of decisions be taken in consultation with the Community as a whole? he queried.

Not only these two member states, but Denmark, Belgium, and the United Kingdom have also announced like measures, answered the Commission. France has indicated its intention to do the same, and Luxembourg and Ireland have no such debts to rearrange.

These actions were in response to a resolution adopted last year to honor a further resolution passed by the United Nations Conference on Trade and Development. As such, the issue had been subject to Community coordination, explained the Commission.

Since the resolution stipulates that practical measures taken were to be determined by each donor country's own aid policy, the Commission felt no further concertation was needed.

#### Developing Countries Aided

A total of 35 projects in non-associated developing countries will be aided as a result of financing decisions made by the EC Commission late last year.

Asian nations will receive 74 per cent of the committed 65.5 European units of account; Latin America will get 20 per cent, and Africa 5 per cent with 1 per cent set aside for administrative costs. Only Angola and Mozambique



will receive aid in Africa since the majority of African nations are signatories of the Lomé Convention.

The projects generally concentrate on increasing the production and availability of food and improving the living standards of rural populations. Thirteen countries, three regional integration organizations, two regional banks, five research groups, and one continental federation of nongovernmental organizations are the aid recipients.

More than half the operations are cofinanced with international organizations or bilateral aid programs of EC member states.

## ECONOMY

### Six Million Unemployed

Unemployment figures last fall added up to 6 million unemployed in the Community.

The highest rate was 8.9 per cent for Ireland, although unemployment had increased but 3.2 per cent since 1974. The highest actual increase in the jobless for the four-year period was in Belgium, where the figure jumped from 3.1 to 8.2 per cent.

The United Kingdom's unemployment increase was just above Ireland at 6 per cent from 2.4 per cent.

Although unemployment has grown throughout the Community, the smallest growth was recorded in Luxembourg, where unemployment was negligible in 1974 but at 1.2 per cent last fall. The Netherlands had a small increase of 1.4 per cent, bringing the unemployment figure to 4.2 per cent last year. In Germany the rate increased 1.7 per cent to nearly 4 per cent for 1978.

For the other member states, unemployment rose 4.1 per cent in Denmark to 7.2 per cent by last October. France and Italy had increases of 2.7 and 2.4 per cent respectively, bringing unemployment to 5.5 per cent in France and 7.6 per cent in Italy.

### Europe's Textile Crisis

Cheap textile products flooding the European market from developing countries have caused great concern.

The World Bank reported these imports would eliminate 846,000 jobs in Germany alone between 1974 and 1985, whereas the increase in exports would create only 400,000 jobs. Further, the International Labor Organization estimated unemployment will hit about 1.6 million EC textile workers between now and 1985.

Cheap imports are not the only cause of the textile industry crisis, says the EC Commission, and it has proposed a policy aimed at turning the industry into a high performance sector. In the meantime to stave off the impact of cheap textile imports, the Community has negotiated bilateral export limitation agreements with more than 30 countries, which cover about 80 per cent of the extremely sensitive goods.

But as long as the developing countries follow the normal rules of competition, the Commission cannot intervene. The low prices are principally due to low wage levels, labor conditions, and own supply of raw materials.

### CCC on CAP and Textiles

The Community's Consumers Consultative Committee (CCC) does not believe that overall the common agricultural policy can resolve the problem of farmers' incomes.

In particular, the CCC wants a general price freeze for 1979-80; selective income subsidies for small farmers; systematic removal of monetary compensatory amounts; and less Community expenditure in the agricultural sector.

On the textile industry the CCC said that, while acknowledging the need for measures to help the Community's textile industry remain competitive, it believes the final goal should be free admission into the Community market for all consumer textiles products to ensure the consumer freedom of choice in quality and price.

### Forestry Committee Proposed

The EC Commission has proposed that a Standing Advisory Forestry Committee be set up to better coordinate national forestry policies.

In its communication to the Council of Ministers, the Commission summarized the facts and problems in the forestry area. New initiatives are needed on the Community level that go beyond national forestry and land use policies because of the importance of the sector: Forests cover one-fifth of the land surface of the Community; they represent one-third of the agricultural area; and the Community accounts for one-third of the world trade in wood and wood products.

The EC foreign trade deficit in this sector is about 8 billion units of account annually, exceeded only by the oil sector. In addition to economic factors, forestry has close links with agricultural and regional policy because it is a source of employment in the poorer regions. The role of forests in conserving soil, water, flora, fauna, and the landscape links forestry and the environment.

## ENERGY

### Foreign Policy for Energy

A proposal giving a general foreign policy outline for energy supplies from third countries was accepted by the EC Commission in February. It was to be submitted to the Council of Ministers for discussion during their March meeting.

The outline draws particular attention to the energy gap expected in the late 1980's when both oil and uranium should become more scarce and expensive.

Emphasis is put on the need to limit

the Community's dependence on imports, diversify supplies, increase stability, and step up cooperation with developing countries.

In regard to oil, some European companies have claimed that the costs incurred for refining and transport, for example, leave a shortage of funds necessary for prospecting. As for uranium, the political aspect of negotiations with producer countries have assumed a growing importance—apart from the commercial and financial aspects.

### Aid for Fuel Research

A total of 37 projects were granted nearly 17 million European units of account (EUA) for technical coal research by the EC Commission last December. The areas of research are in mining technology, the mechanical preparation of coal, and the upgrading sector.

Last fall the Council of Ministers approved EUA 39 million for 49 development projects in the hydrocarbons sector. The aim there is to encourage technology in prospecting, exploiting, storing, and transporting hydrocarbons.

A symposium to evaluate new technologies given financial support since 1975 will be held in Luxembourg this April.

### Hydrogen-powered Cars?

EC Commission President Roy Jenkins recently advocated development of the electric car as an alternative to the motor car, citing car fuel as "the predominant contributor to the atmospheric pollution of our cities."

Last November scientists gathered in Brussels to discuss hydrogen as a long-term alternative to electricity. Using the gas as fuel is being researched at the Community's Joint Research Center in Ispra, Italy.

Head of the hydrogen research team there predicts that the current experimental vehicle running on hydrogen in Japan, Germany, and California will multiply once hydrogen can be used in small urban cars.

As long as there is water, hydrogen can be safely produced—although it takes another fuel like electricity to split water molecules into hydrogen and oxygen. The immediate problem in using hydrogen is its storage. Liquid hydrogen must be concentrated to be tanked up into a motor car. It is estimated that cars running on hydrogen will be available by the mid-1980's.

## COMPETITION

### Antitrust Laws Extended

The EC Commission recently increased the scope of its antitrust laws.

Cooperating small and medium-sized firms with an aggregate annual turnover of up to 50 million units of account (UA), rather than the former UA

15 million ceiling, now qualify for general exemption from competition rules. The exemption is given providing the cooperating businesses do not hold a market share of more than 5 per cent.

The Commission supports any form of cooperation between small and medium-sized businesses that can make them more competitive. It does not consider that such cooperation infringes the competition rules.

### Aids to Coal Industry

Four EC countries have been given the go-ahead for granting national aid to their coal industries. The aid, found the Commission, would not impair the smooth operation of the common market.

France, the United Kingdom, Belgium, and Germany were authorized to give aid for mining losses, financial losses, relocation of personnel, coal and coke stockpiling, increasing investment, payment of premiums, and building long-term security stocks, among other needs.

### Publishers Given Choice

Exclusive distribution contracts were amended by Hachette and Nouvelle Messageries de la Presse Parisienne after the EC Commission found a violation of Common Market competition rules.

The contracts had been imposed on a majority of French publishers for exports of French newspapers and periodicals, and on the major publishing houses outside France for imports of foreign newspapers and periodicals. This made it difficult, if not impossible, for other newspaper distributors to penetrate the market.

As a result of the Commission's finding, publishers may distribute their own choice of publications through the two firms or choose other means of export or import marketing.

### Policy on Subcontracts

Guidelines for assessing subcontracting agreements in regard to EC competition rules have been announced by the Commission.

The Commission said that restrictive clauses in such agreements are justified in certain cases: when technology or equipment is protected by the contractor's industrial property rights or rights over secret know-how, and when equipment or technology can be used to manufacture a distinctive product or supply a service not available on the market. Otherwise, the subcontractor must be free to meet orders from other customers.

This action applies particularly to the obligation for a subcontractor to supply exclusively to the contractor where the subcontract is for spare parts or adaptable components that he could sell to other customers as well.

Subcontracting is becoming more wide-spread in cross-frontier business relations in the Community and tends



to promote the development of small and medium-sized firms, the major practitioners. The newly announced principles are a means for the Commission to foster such development.

### Information Exchange Banned

Practices by three white lead manufacturers were banned late last year by the EC Commission on grounds that competition rules were being broken.

The three companies—British, Dutch, and German—had agreed to an exchange of information linked to a system of delivery quotas. They had practiced the system since 1971 in order to stop a decline in sales and profits. The three were supposed to share out total export deliveries equally among themselves.

The Commission found that the quantities actually sold by each manufacturer did not match the agreed quotas, and the sales in excess of the quotas were not balanced out in deliveries between the parties. Even when such a system is only designed to serve as a guide, it is not acceptable practice, the Commission ruled.

White lead is used as a pigment in the manufacture of protective paints, mainly for woodwork, and as a stabilizing agent in the manufacture of certain types of cables. Sales have been declining for some time because fewer wooden parts are now used in building and white lead substances have been developed.

### New Rules for London Brokers

The system for admission of broking houses to both the London foreign exchange and currency deposit market was modified in mid-December following a Commission inquiry into the system's compatibility with EC competition laws.

In addition, new commission rates were to go into effect in January. Under the modified system, the Bank of England—acting on behalf of HM Treasury—grants recognition to broking houses wishing to trade in the market for scheduled currencies. Banks authorized and controlled by the Bank of England may deal only with recognized brokers.

Recognition itself entails applying for membership in the Foreign Exchange and Currency Deposit Brokers' Association, which supervises day-to-day conduct of recognized brokers.

### Appeal for Price Freeze

EC Commission Vice President Finn Olav Gundelach, in charge of agriculture, has appealed for a price freeze in agricultural prices. He also has asked for a compromise to allow the establishment of the new European Monetary System (EMS), which was to have gone into effect January 1.

Gundelach at a conference in late January said there must be controls on farm prices in a period of oversupply in many sectors. It suited no purpose to

produce quantities of products for which there is no demand, he added.

The controversial monetary compensatory amounts on farm products that are the cause of the EMS deadlock should be phased out, said the vice president, providing the solution would not "create more difficulties than it would solve."

### Motorcycle Subsidiary Fined

In response to a consumer complaint in March 1977, the EC Commission investigated Kawasaki Motors in the United Kingdom—a wholly-owned subsidiary of Kawasaki Heavy Industries—for restrictive practices. As a result Kawasaki has been fined 100,000 units of account.

The action was started when a Belgian resident tried to buy a Kawasaki motorcycle in the United Kingdom—because prices were at least 30 per cent lower there—but found he could not. The Commission discovered that Kawasaki Motors (UK) had imposed an export prohibition on its dealers since May 1975 to protect the high prices in other member states. The restriction was lifted in July 1977 following Commission objections.

The investigations revealed that recommended retail prices in other member states were as much as 50 per cent higher than in the United Kingdom. In particular it was found that the wholesale price charged to German dealers by Kawasaki Motoren GmbH was on average 25 per cent higher than the British recommended retail price to private customers.

### Looking at Multinationals

The Community is interested in creating a balanced legal framework for the operation of multinationals, said EC Commissioner Etienne Davignon, in charge of industrial relations, in a speech in mid-January.

Davignon said that the Commission has sought to remove obstacles to transfrontier activities, and that both benefits and problems have resulted from the operations of multinational corporations.

EC regulations and international codes of conduct for multinationals are complementary, said Davignon, and European international firms should not be subject to stricter rules than other competitors. There is a need, he added, to develop common rules and standards to regulate problems likely to arise from transfrontier business activities.

The proposals should be generally, not specifically, applicable to multinationals because these firms are often hard to define and many of the problems are not confined to them.

### EMO Rules Amended

Before the EC Commission would renew rules governing the exhibition of machine tools (*Expositions de la machine-outil*—EMO) for a further 10

years, some amendments were required.

EMO is the world's most important exhibition of its kind and attracts manufacturers and buyers from all over the world. In 1977 more than 200,000 visitors and 1,600 manufacturers from 29 countries attended the week-long show in Hannover, Germany. Exhibitions are held alternately in Hannover, Milan, and Paris during odd-numbered years.

Until now manufacturers exhibiting at an EMO had to accept certain restrictions on their commercial promotion activities during the EMO-year. These rules have been made more flexible. In addition, it is now impossible for a manufacturer to exhibit the same tool under different names at several exhibitions as well as at the EMO.

## ENVIRONMENT

### Plant Products Proposal

The first of two interrelated proposals for directives on the marketing and use of plant protection products—pesticides, herbicides, and growth regulators—was adopted by the Council of Ministers in late December.

The measure would prohibit the marketing and use of products containing certain substances harmful to man, wildlife, and the environment. A first stage includes substances belonging to mercury and persistent organochlorine compounds. The proposal also provides for the phasing out of temporary use derogations on certain compounds and the prohibition of additional compounds should evidence proving their harmful effects come to light.

The proposals supplement a directive on the classification, packaging, and labeling of pesticides adopted earlier by the Council as part of its program to eliminate technical barriers to trade in the industrial sector.

### Research Controls Proposed

Legislation in the field of research has been proposed for the first time by the EC Commission.

The draft directive to control work on genetic manipulation—now before the Council of Ministers—sets down principles around which member states would construct their own legal safeguards. The Commission also suggests that work in this field be subject to prior notification after which the appropriate national authority would have 90 days to authorize or prohibit the proposed activities.

Experiments have proved that changing the nature of living cells is possible, and while genetic manipulation has potential for agriculture and industry, it holds possible risks for man and his environment.

The United Kingdom presently requires advance notification of genetic manipulation work. Other member states have prepared guidelines to ge-

netic research, but only Germany and The Netherlands have plans to introduce legislation.

### R&D in Waste Recycling

A four-year program costing an estimated 13 million European units of account (EUA) for research and development in municipal and industrial waste recycling was approved by the EC Commission last fall and sent to the Council of Ministers.

Four main research areas were proposed: recovery of materials and energy from domestic waste by sorting; recovery by thermal treatment of wastes; fermentation and hydrolysis of wastes; recovery of rubber waste.

The program was initiated in view of the huge amount of raw materials the Community must import. Recycling waste would save resources and energy and reduce the quantity of wastes that have to be disposed. In 1976 more than 1.5 billion tons of waste—or 4.2 million tons a day—was produced in the Community.

## AGRICULTURE

### 1978 Agriculture Report

The 1978 agriculture report treats in greater depth than before the regional aspects of agriculture.

"The Agricultural Situation in the Community," published by the Community, gives a complete view of agriculture, food, and agricultural markets in 1978. It also presents developments leading up to the 1978 situation and the outlook for 1979.

It is available through the European Community Information Service in Washington.

### Agriculture Research

A five-year research and development program in agriculture was approved in January by the EC Commission and forwarded to the Council of Ministers.

Four projects to be launched this June are planned: use of maize as a basic feed for beef cattle; production of single-cell proteins and use for animal feeding; early weaning of piglets; and mineral enrichment of basic crops.

The program will be carried out in cooperation with 10 non-Community nations linked in European Cooperation in the Field of Scientific and Technical Research (COST). The Community's financial share will be nearly 15 million European units of account.

## HARMONIZATION

### Insurance Common Market

A common market for life insurance is being developed in the Community, following a directive passed by the Council of Ministers late last year.



To make sure consumer protection is guaranteed, the new directive requires not only proof of technical reserves but an additional financial reserve asset called a solvency margin.

Companies already dealing in both life and risk insurance may continue to do so, provided they follow strict rules on separate management of the two. But new companies must specialize.

National laws and administrative procedures must be harmonized under the new directive to provide identical conditions for establishment and carrying out of business in each member state. A life insurance company with a head office in an EC country may establish an agency or branch in any other Community nation. Authorities in both countries will supervise such a company's finances.

A similar directive governing non-life insurance was adopted in 1973.

### Financial Reports Proposed

The EC Commission proposed in mid-January a directive requiring companies quoted on an official stock exchange in the Community to publish an operations report for the first six months of the fiscal year.

The draft directive applies to companies in both member and non-member countries, but only to companies whose shares, and not debentures alone, are officially quoted.

The current proposal is the third on the subject. Earlier draft directives call for a "prospectus" for admission to quotation and a "conditions of admission" applicable when exceptional circumstances occur which may lead to large movement in prices.

The proposals are meant to ensure the protection of investors by making appropriate information publicly available.

## INSTITUTIONS

### Review Body Appointed

A five-member independent review body was appointed by the EC Commission in late January to examine the structure, functions, and personnel policies of the Commission.

The idea for such a review board was based on the future need for adaptation as the Community enlarges and changes. Presiding over the review is Dirk Spierenburg of the Netherlands, a former official in the European Coal and Steel Community.

### VAT Proceeding

Formal proceedings against four EC member states failing to ratify legislation setting up the collection of value-added taxes (VAT) was decided by the EC Commission in mid-January.

Germany, Ireland, Italy, and Luxembourg—largely for procedural reasons—had failed to follow the directive setting up the system whereby EC

governments will pay up to 1 per cent of their VAT collection into the Community budget. Noncompliance means contributing on the basis of gross national product, instead.

The VAT system had originally been set to go into operation in January 1978, but the necessary number of countries had not ratified the accord by that time. The only major problem is reported in Germany where there is some opposition to the system.

### Monetary Meeting

The most immediate problem the EC Council of Foreign Ministers tackled at their first meeting of the year, held in mid-January, was the deadlock holding up implementation of the new European Monetary System (EMS).

The problem had arisen when France insisted that the monetary compensatory amount scheme on farm prices be dismantled as part of the new EMS.

The Council of Ministers agreed to a meeting involving agriculture, foreign, and finance ministers to work the issue.

## ENLARGEMENT

### EC-Spain Joint Commission

A meeting of the EC-Spain joint commission delved into trade problems in late January.

This meeting was not connected to Spain's application for EC membership, but mainly directed at procedural aspects of the 1970 trade accord between the two. A number of the topics touched on will probably become important issues in the accession negotiations, however, which were scheduled to begin in February.

Problems cited by the Community were the Spanish policy on import quotas, tax rebates for exports by Spanish firms, and discrimination against foreign goods such as beer and cognac.

An example noted during the import quotas discussion was the German pre-

dicament. Germany, under the quota system, can export only 20 per cent fewer automobiles to Spain than it can import from Spain. A "Buy Spanish Act" giving assistance and preference to Spanish firms buying domestic products was also cited as incompatible with the terms of the trade accord.

It was noted that in the first half of 1978, EC imports of Spanish industrial goods had increased seven times, but Spanish imports of EC goods had only tripled, leaving Spain with a 200 million European unit of account trade surplus.

Another joint commission meeting is scheduled for April.

### Greek Compromise Reached

A compromise in the social and agricultural sectors was reached in late December between the Community and Greece, thereby "breaking the back" of the Greek negotiations before the end of 1978 as promised by EC Commission President Roy Jenkins.

About three months of negotiations

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remained, EC officials said at that time, before the treaty could be completed. Agreement still had to be reached on such items as the budget, taxation, and transport.

The compromise provides for a five-year period of transition for most Greek agricultural products and a seven-year transition for the free movement of Greek workers into Community member states. Low-cost fruits and vegetables from Greece are expected to pose stiff competition problems for EC farmers and free movement of Greek workers, some fear, could add to the unemployment problem and rising social costs.

Greece's expected accession date is January 1, 1981.

### EC-Portugal Joint Meeting

The EC-Portugal joint committee met in late January, for the ninth time.

The Portuguese delegation outlined its nation's economic situation, the Government's economic program, and import measures. Tariff measures concerning infant industries were announced and the raising of customs duties on certain products.

The Portuguese asked for some concessions regarding motor vehicle imports into Portugal and duty-free importation for certain categories of paper. It also asked that the range of agricultural concessions should be extended.

## REGIONS

### Regional Hearings

Regional hearings on the iron and steel sector were announced in December for 1979.

In giving its attention to the social and regional impact of the reorganization now underway in this sector, the EC Commission said the hearings would help insure better coordination of national and Community efforts.

In particular the Commission proposed intensifying its search for projects to aid investment in the regions affected by the redevelopment—mainly in Belgium, the United Kingdom, Italy, Luxembourg, Germany, and France.

National and local authorities, trade unions, and commercial operators are expected to voice their anxieties and put forward solutions at the hearings.

### Coordination of Regional Aid

Principles of coordination for examining the compatibility of regional aid systems with the common market were defined by the EC Commission in January.

The objective is to ensure that member states only award aid that is justified by the development needs of a particular region. The principles were last revised in 1975.

Four major new features are now included: an alternative employment-

related ceiling to encourage projects that create jobs; a common ceiling for less developed regions; a freeze on operating aids unrelated to employment or investment; and new calculating techniques. The combined effect of the new features will ensure that all regional aids are subject to control.

### Regional Fund Grants Passed

Total grants approved from the 1978 Regional Fund amounted in December to 562 million European units of account (EUA).

The final allocation of EUA 304 million was comprised of EUA 99 million for 366 projects in the industrial and service sectors and EUA 205 million for 568 infrastructure projects.

Payments made to national governments in line with their own expenditure on projects may be passed on to the investor or retained as partial reimbursement.

## SOCIAL POLICY

### Early Retirement May Help

"Retirement at 60 instead of 65 means a reduction of more than 10 per cent in working time. Early retirement is one of the most promising ways of reducing working time," said EC Vice President Henk Vredeling, in charge of employment, in mid-December.

Early retirement should be introduced first for people working in difficult conditions and jobs, said Vredeling. The idea of a 10 per cent reduction in working time over the next four years had been proposed by the European Trade Union Confederation (ETUC) prior to the Tripartite Conference in early November. Vredeling said he went along with the idea.

A recent poll on retirement conducted in the Community showed, however, that as workers approach retirement age, the more interested they become in remaining active.

### Language Training Proposed

The EC Commission has proposed to the Council of Ministers a nine-point, three-year program to subsidize language training throughout the Community.

The proposal calls for in-country training for future as well as practicing foreign language teachers; analysis of results of introducing foreign languages in primary schools; inclusion of languages in professional and superior education; financial aid to enlarge language departments, and an information network about the teaching of foreign languages.

### Unequal Opportunity

Application of the equal opportunity directive passed in 1975 providing equal pay for both men and women is not satisfactory, the EC Commission reported in late January.

The Commission announced it would open infraction procedures against some member governments which had not gone far enough to comply with the law.

European trade unions were urged to be more active in seeking to assure compliance of the law. It was remarked that there was a virtual absence of appeals procedures in some countries and limited access to such a system in others.

Only the United Kingdom, where some 2,500 cases or complaints had been filed in 1976 and 1977, appeared to comply with this part of the system.

### Youth Unemployment

The Community has intervened against youth unemployment by contributing for the first time, in January, toward a weekly premium paid employers who hire young people under 25.

Sharing half the \$40 premium per person with the member states to stimulate recruitment and employment of young people will amount to a \$97 million expenditure by the Social Fund. This will help about 100,000 youths get work experience.

Employers may be private companies, associations, local, or regional public associations providing jobs to meet public needs. Premiums will not be given for jobs created directly by the state or for new jobs on public administration staffs.

### Poverty Threshold Study

The consumer survey next October will include questions to help researchers establish the poverty threshold in each country. Determination of the income levels constituting the poverty threshold is the purpose of the study, decided early last December.

Findings, which should reach the Commission by the end of 1980, will contribute toward improving the effectiveness of Community poverty programs. The Commission has also decided to have national reports drawn up on poverty and the fight against it. The reports are intended as the first stage of a general Commission report on the impact of its anti-poverty programs.

## TRANSPORTATION

### Vehicle Controls Proposed

New controls on weight and certain other characteristics of road vehicles used for hauling have been proposed by the Commission.

The new weights proposal—developed after consultation with truckers, motor manufacturers, environmentalists, and interest groups—limits itself to defining the characteristics of certain vehicles, in particular the heavier combinations commonly used in international traffic.

The maximum gross vehicle weight

proposed is 44 tons on six axles and the general maximum axle weight is 10 tons. Two-axle rigid and three-axle articulated vehicles as well as passenger vehicles are not included.

Vehicles authorized by this proposal, says the Commission, must conform to Community legislation on environmental and safety standards. The proposal also allows member states to exclude heavier vehicles from unsuitable routes and from environmentally sensitive areas, such as the center of old towns, and to make special conditions for hauling dangerous cargo.

The new proposal amends the weights part of a Commission proposal on weights and dimensions made in 1971, which was accepted in principle by the six Community states but never formally adopted. The dimensions portion of the original draft directive is still on the Council table.

Finding a balance between operating economy and protection of the infrastructure was the main difficulty. The Commission believes its proposal will help control commercial vehicle traffic in the Community while providing a basis for growth of a common market for commercial vehicle manufacturers.

### Transport Infrastructure

The EC Commission has launched four studies on transport infrastructure needs.

The research, financed by funds voted by the European Parliament, covers: how best to measure the benefits of infrastructure projects in order to provide financial support for plans of proven interest to the Community; an assessment of future needs for long-distance passenger and goods transport; an analysis of different ways of ensuring that existing infrastructure is best used; and an examination of the possibilities offered by a new Community-wide freight liner system for railway traffic.

The work will be carried out by consultants in several countries. Results are expected before the end of the year.

### New Transport Loan Fund

An accord signed in late November for a new loan fund could provide financing for transportation systems the size of a tunnel under the English Channel.

The 1 billion European unit of account (EUA) loan program will provide a new, flexible source of capital for major regional projects. Lending is to be oriented toward energy, industry, and regional and infrastructure programs.

Despite some unresolved issues, the Council of Ministers gave the go-ahead to the program last October. Institutional details for the "Ortoli facility"—named after Commission Vice President François-Xavier Ortoli, in charge of finance, who proposed the fund—were the subject of the recently signed accord. Loan funds will be raised on the international capital markets, and the program will be reviewed



after two years and after ECU 800 million has been lent.

Transport Commissioner Richard Burke sees the fund as potential help for future transport infrastructure schemes. The Commission is sponsoring research into transport needs in the Community until the year 2000.

### Brussels-Luxembourg Road

Most Community business is done in Brussels and Luxembourg, and the journey between the two may be made by rail or road. There are no air connections. The road is in terrible condition and traveling on it is dangerous, complained a European Parliament member to the Commission in January. Were there any plans to improve the road? he asked.

The Commission said the road qualifies as an "ordinary" road rather than an "expressway." Some improvements will be made, but the basic nature of the

road is to remain unchanged. There are plans, the Commission added, to build a motorway from Brussels to Luxembourg via Namur. Some sections are already completed or under construction. The motorway is expected to open in about four years.

### Shipping Strategy Session

A first-ever shipping strategy session bringing together the Community, shipping operators, and shipbuilders was held in Brussels in late January.

The meeting was called to work on an overall Community approach to the shipbuilding crisis. The Community is developing a program to restructure the slumping industry with aids such as retraining unemployed workers in the industry.

The January meeting touched on possible plans including one known as "the scrap and build" scheme to modernize the EC shipping fleet.

### Community Research Grants

The EC Commission will award by mid-July 15 grants for research on European integration. Qualifying university teachers must be under 40 years old, working individually or as a team on integration topics. Applications are to be submitted by March 31.

For further information write: Commission of the European Communities, University Information, 200 rue de la Loi, 1049 Brussels.

### European Studies Conference

Sponsored by the University of Nebraska, the fourth annual European Studies Conference will be held October 11-13 in Omaha.

Current research, research techniques, and teaching methodologies will be covered.

Abstracts of papers should be submitted by May 1 to: Professors Garcia and Jung, Department of Foreign Languages, University of Nebraska at Omaha, Omaha, NE 68182.

### EC and Its Neighbors

"European Community and its Neighbors" will be the topic of a conference August 13-18 at the State University College of Potsdam, New York.

The program is jointly sponsored by the College of Potsdam, New York State Education Department, and the New York Council for Social Studies.

For further information contact: Professor Victor Minotti, Geography Department, State University College, Potsdam, NY 13676.

### Conference on Portugal

A multi-disciplinary, international conference on "Twentieth Century Portugal: Change and Continuity Through Three Eras of This Century" will be held at the University of New Hampshire, June 21-24, by the International Conference Group on Modern Portugal.

Fifteen panels are planned to include scholars from Portugal, the United States, Canada, and Europe. For more information write: International Conference Group on Modern Portugal, c/o Professor D. L. Wheeler, Department of History, Horton Social Science Center, University of New Hampshire, Durham, NH 03824.

### World-System Conference

The Fernand Braudel Center for the Study of Economics, Historical Systems, and Civilization at Binghamton, New York, will host the third annual Political Economy of the World-System Conference May 11-13.

This year's theme will be the Process of the World-System, including treatment of the world social economy and the world class structure.

For further information write: Fernand Braudel Center, State University of New York, Binghamton, NY 13901.

### Political Research Workshops

The European Consortium for Political Research will meet April 17-21 at the Free University of Brussels.

A variety of sessions are planned, including "Arms Race and the Political Power Race," "Religion and Politics," "Forecasting in Foreign Policy," and "Women's Movements and the New Concepts of Politics."

Further information is available from: European Consortium for Political Research, University of Essex, Wivenhoe Park, Colchester CO4 3SQ, England.

### British Political Studies

The 1979 Conference of the British Political Studies Association will be held April 9-11 at the University of Sheffield. Sessions are planned on British Central Government, Parliament, United Kingdom Politics, and Political Disintegration.

### British Studies Conference

The Pacific Coast Conference on British Studies will hold its annual meeting at California State Polytechnic University, Pomona, April 6-7.

Papers and suggestions for panels should be addressed to: Professor S. Barbara Kanner, 467 Comstock Avenue, Los Angeles, CA 90024.

### Summer School in England

"The Medieval World: Culture and Society from the Late Middle Ages to the Renaissance" at the University of Kent at Canterbury will last from July 2 to August 10. The culture and society of France, England, and Northern Europe from a variety of disciplines will be covered.

The second program—"Britain: Literature, History, and Society from 1870 to the Present Day"—will take place at the University of Oxford at the same time. This program provides a choice of topics from several academic areas.

For more information write to: The Manager, Study Abroad Programs, The Institute of International Education, 809 United Nations Plaza, New York, NY 10017.

### Conference of Europeanists

The Conference of Europeanists will be held by the Council for European Studies (CES) on March 29 in Washington DC. Working sessions are planned to discuss this year's major theme: "Institutional Change or Institutional Decay?—Transitional Epochs in Europe."

Topics will cover economy, state and policy problems, parties and social movements, elites, education, industrial relations, the rural community and immigration, family, and religion.

For further information write to: CES, 1429 International Affairs Building, Columbia University, New York, NY 10027.

## SCHOLARSHIPS, GRANTS, CONFERENCES

### Ispra Courses in Italy

The Ispra establishment of the EC Joint Research Center annually presents a program of introductory or advanced courses in specialized areas and seminars at research level.

The 1979 program features studies in nuclear energy, information and systems science, engineering science, environment and resources, new energies, and health physics.

Courses are conducted throughout the year. For an application or more information write: Secretariat "Ispra Courses," Centro Comune di Ricerca, 1-21020 ISPR (Varese), Italy.

### International Tax Seminar

A thorough update for experienced tax practitioners will be provided at the Advanced Conference for the Experienced Tax Practitioner, June 21-22, in New York.

Topics to be covered include inter-company pricing developments, DISC problems and opportunities, tax treaty benefits, and using computers in international taxation.

For registration information write: International Tax Journal, 14 Plaza Road, Greenvale, NY 11548, or call 516/484-0006.

### Wilson Award Nominations

Nominations for the fifth annual Wilson Award are now being accepted.

Candidates for the \$10,000 honorarium must be American citizens in mid-career who have made a recent contribution to international affairs. Candidates should also offer potential for future distinguished service in fields such as international agriculture, communications, diplomacy, economics, education, environment, health, human rights, law, science, or technology.

Each nomination should detail the nature and significance of the candidate's contribution and potential in a two-to-five-page statement; a list of three references; and a biography of the candidate.

Mail nominations by May 15 to Joseph C. Wilson Award Committee, Box 329, 100 Gibbs Street, Rochester, New York 14605.

The award is funded by Xerox Corporation in honor of its late chairman.

### Energy Conference

The EC Commission and the Irish National Board for Science and Technology are co-sponsoring the International Conference on Energy Systems Analysis, October 9-11 in Dublin. A wide spectrum of energy systems analysis and modeling subjects with emphasis on recent developments will be covered.

For additional information write: Dr. D. Kearney, National Board for Science and Technology, Shelbourne House, Shelbourne Road, Dublin 4, Ireland.

### Travel Awards

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STEPHEN MILLIGAN, *Brisbane correspondent for The Economist*

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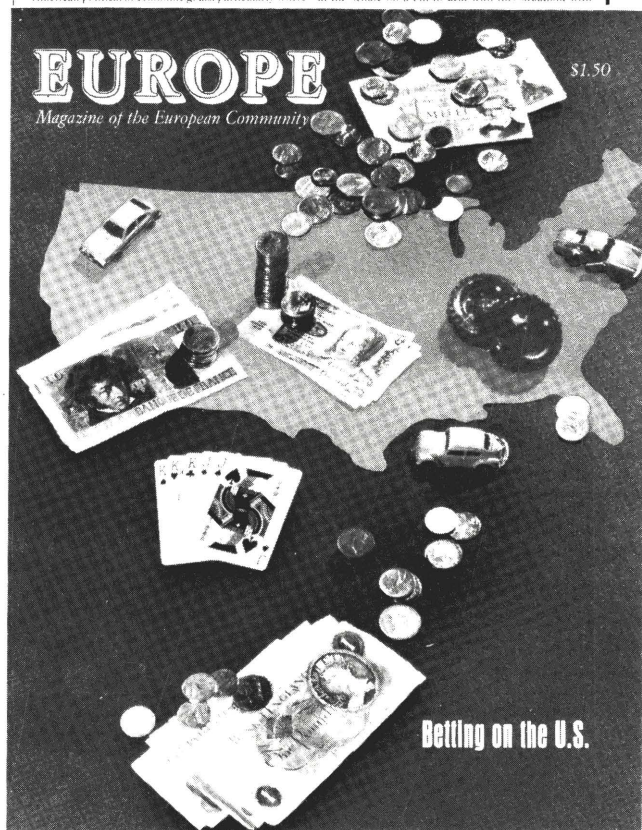
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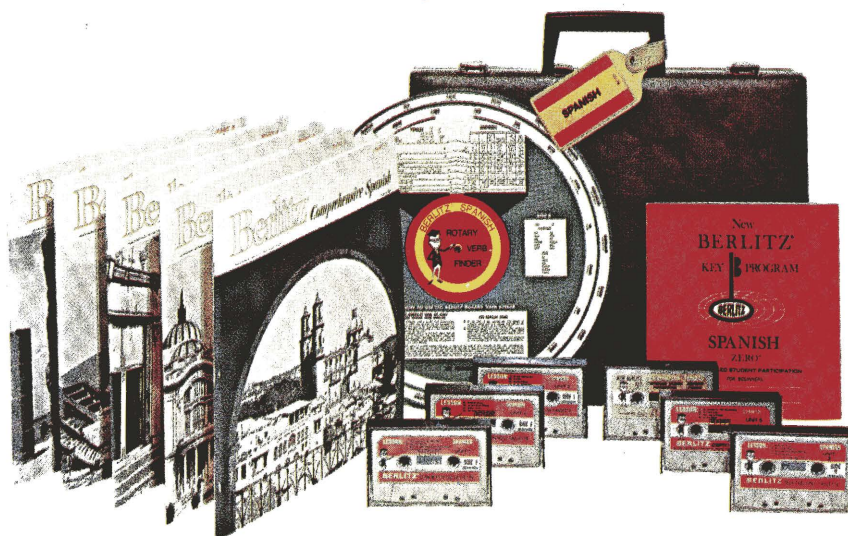
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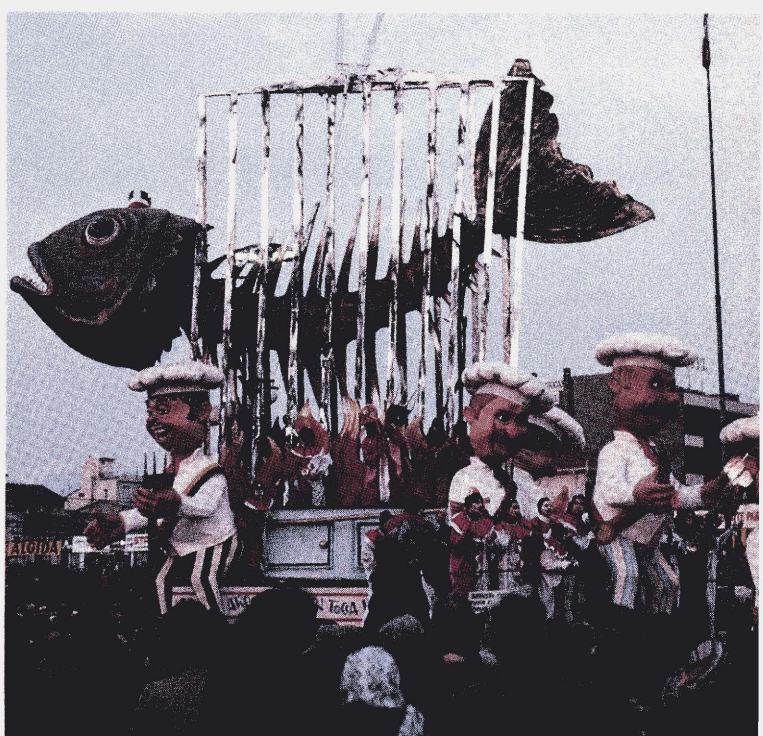
# carnevale in viareggio

Photos by Francis J. Carmody

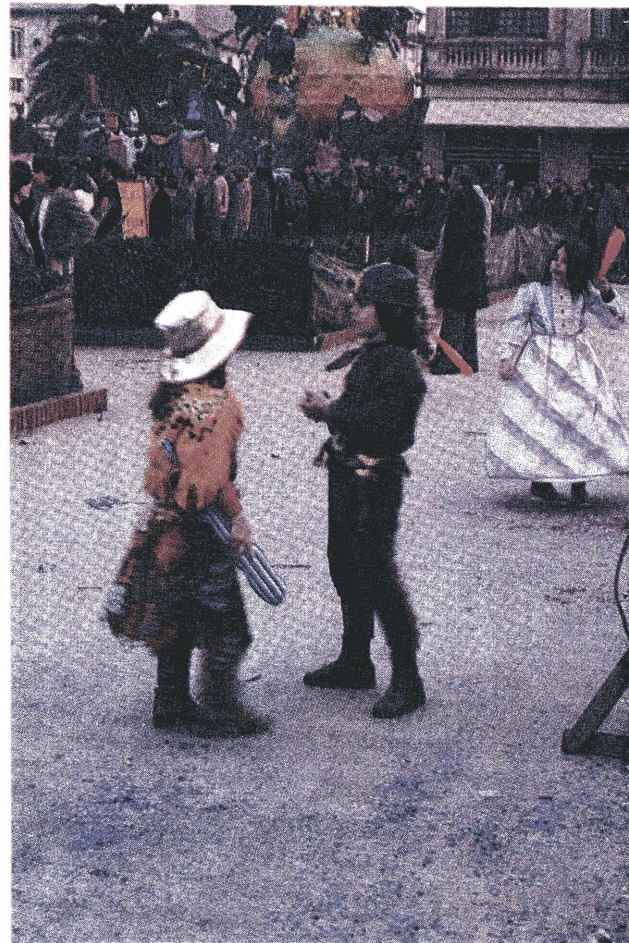
While Americans were deprived of the grand Mardi Gras celebration in New Orleans by striking policemen, life went on as usual across the Atlantic—even in small towns such as Viareggio on Italy's Mediterranean coast. The annual parade on *Martedì Grasso* (Shrove Tuesday) includes floats with satirical caricatures of public personalities and public authorities. Other floats are sponsored by various societies, or are public relations endeavors by commercial enterprises. *Carnevale*, as it is called in Italy, is sometimes considered a “valve custom,” in which normal restraints on feelings and desires are temporarily released, and a psychological balance is thereby restored. *Carnevale* means “flesh farewell” (Latin *caro*, *carnis*, flesh; and *vale*, farewell), the last days of fleshy unrestraint before Lent. Or, *Carnevale* could be derived from *carrus navalis*, “cart of the sea,” a boat-shaped vehicle on wheels used in the processions of Dionysus and from which all kinds of satirical songs were sung.













# 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.

**European Industrial Organisation.** By Alexis P. Jacquemin and Henry W. de Jong. John Wiley & Sons, New York, 1977. 269 pages including index. \$18.00.

Examines European industrial structure in the context of the European Community; specifically deals with market structures and their evolution over time, the relationship between structure and performance, the goals and behavior of business firms, and antitrust and industrial policies.

**Energy and the European Communities.** By N.J.D. Lucas. Europa Publications, London, 1977. 175 pages including appendixes and index.

Studies the mechanisms for and the impediments to a common European energy policy and its subsequent effect on external relations; examines the role of the United States, the nuclear proliferation threat, and environmental risks.

**Human Rights, International Law and the Helsinki Accord.** Edited by Thomas Buergenthal. Allanheld, Osmun & Co., Montclair, New Jersey, 1977. 203 pages including appendix and index. \$17.00.

Published under the auspices of The American Society of International Law; considers the question of human rights and domestic jurisdiction, international consequences of failure to respect human rights, obligations assumed by the signatories, and implementation of the human rights provisions.

**Methods of Interpretation and Community Law.** By Anna Bredimas. North-Holland Publishing Company, Amsterdam, 1978. 219 pages including index. \$33.25.

Describes contributions of the European Court of Justice to the process of European integration; contends that a new trend in the interpretative methods is being chosen by the Courts, with new emphasis on functional methods.

**Trends in British Politics Since 1945.** Edited by Chris Cook and John Ramsden. St. Martin's Press, New York, 1978. 197 pages including index. \$17.95.

Postwar politics considered in three phases; included are articles on the Constitution, British conservatism, labor, the Europeanization of British

politics, and an account of Britain's entry into the European Community.

**La Grèce et la Communauté: Problèmes posés par l'adhésion.** Editions de l'Université de Bruxelles, 1978. 335 pages.

Proceedings of a colloquium organized by l'Institut d'Etudes européennes in May 1977; study of the issues inherent in Community enlargement; sections on political and social problems, agricultural policies, and institutional and judicial considerations facing the Community as additional countries seek entry.

**The Diplomacy of the Quadripartite Agreement on Berlin: A New Era in East-West Politics.** By Honoré M. Catudal, Jr. Berlin Verlag, Berlin, 1978. 335 pages including index. \$14.90.

The first of two volumes presents a detailed examination of the diplomacy behind the Quadripartite Agreement of 1971; reviews the negotiations and personalities involved (American representative Kenneth Rush receives particular attention).

**The Evolution of the International Monetary System 1945-77.** By Brian Tew. Halsted Press, New York, 1977. 254 pages including appendixes and index. \$16.75.

A revised version of Tew's textbook on international monetary cooperation taking into account new and turbulent forces in the current monetary situation; development of the international monetary system traced from the postwar convertibility phase through the Bretton Woods Charter and its collapse; later chapters deal with OPEC, the dollar crisis, special drawing rights, and the roles of gold and exchange rates.

**L'Europe et ses populations.** By Abel and Yvonne-Delphée Miroglio. Martinus Nijhoff, The Hague, 1978. 828 pages.

Presents a history of the European populations, in both regions and towns; over 258 different populations analyzed and described, and hundreds more cited.

**From Marshall Plan to Global Interdependence.** Edited by Lincoln Gordon. Organization for Economic Cooperation and Development, Paris, 1978. 246 pages. \$17.50.

Proceedings of the Marshall Plan

Commemoration Conference, June 1977; studies lessons of the plan and evaluates new challenges confronting industrial countries; topics range from economic dependence and interdependence in the industrialized world to domestic politics and interdependence.

**Research Resources: The European Community.** Edited by Steven Warnecke. Council for European Studies, New York, 1978. 333 pages including a 104-page bibliography. \$7.00.

Provides a survey of the structure, organization, and institutions, as well as the location and availability of EC archives and libraries; includes a list of European newspapers, magazines, news services, and pressure groups, as well as university institutes specializing in the European Community.

**The European Community's Regional Fund: A Study in the Politics of Redistribution. Progress in Planning, Volume 8, Part 3.** By Ross B. Talbot. Pergamon Press, England, 1977. 281 pages including appendixes. \$10.00.

A study of the search for a Community regional policy beginning with an overview of the developments from the Rome Treaty to the Paris Summit of 1972; also the construction of the "Thomson strategy," the talks in 1973-74 that led to a stalemate, and the eventual establishment of a European Regional Development Fund.

**The European Parliament and the European Community.** By Valentine Herman and Juliet Lodge. St. Martin's Press, New York, 1978. 199 pages including index. \$19.95.

Studies the role of the European Parliament in the Community; discusses its present powers and scope for action; examines the impact of upcoming direct elections on the Community; presents opinions about how the Parliament may have to develop in the future to be effective.

**The Global Economic Prospect: New Sources of Economic Stress.** By Lester R. Brown. Worldwatch Institute, Washington, DC, May 1978. Available from Unipub, New York. 56 pages. \$2.00.

Analysis of current economic problems worldwide based on the theory that four biological systems—fisheries, forests, grasslands, and croplands—are the bases of the global economic system; contends the expanding global economy has begun to "outstrip" the earth's natural systems and resources.

**Most of All, They Taught Me Happiness.** By Robert Muller. Doubleday & Co., Garden City, New York, 1978. 212 pages. \$7.95.

Reflections of a ranking United Nations official on his life and years of experience in the international struggle for peace.

**Modern Greece: Facets of Underdevelopment.** By Nicos P. Mouzelis. Holmes & Meier Publishers, Inc., New York, 1978. 222 pages including index. \$25.75.

Various theories on underdevelopment investigated through a concrete study of Greece; examines Neo-Marxist, functionalists, and Marxist accounts of class and relationship between class structure and politics during certain crucial periods of Greek history.

**International Trade and Industrial Policies: Government Intervention and an Open World Economy.** Edited by Steven Warnecke. Holmes & Meier Publishers, Inc., New York, 1978. 245 pages including index. \$33.25.

Addresses international economic policy as it becomes more influenced by government intervention in national economies; discusses national industrial policies of Japan, the United States, Canada, and the Community, the impact of such policies on GATT rules, and proposals for rules to be applied to the Third World.

**Guestworkers in Germany.** By Ray C. Rist. Praeger Publishers, New York, 1978. 264 pages including index. \$19.95.

Study of political, social, and economic circumstances surrounding foreign workers in Germany; examines present situation and proposes ideas on future implications.

**Technology Policy and Economic Development.** Junta del Acuerdo de Cartagena. International Development Research Center, Ottawa, 1976. Available from Unipub, New York. 108 pages. \$5.00.

Summary report of studies by the Board of the Cartagena Agreement for the Andean Pact integration process; discusses the relationship between a society's technological development and its overall social and economic progress.

**The British MP.** By Colin Mellors. Saxon House, Westmead, Farnborough, Hants, 1978. Available from Lexington Books, Lexington, Mass. 146 pages including index. \$16.00.

A socio-economic study of the House of Commons through analyses of background data on Members of Parliament; emphasizes the concept that the quality of representative government is determined by its participants.

**The External Role of the European Community.** By Gunnar Sjöstedt. Saxon House, Westmead, Farnborough, Hampshire, 1977. Available from Lexington Books, Lexington, Mass. 273 pages including index. \$20.00.

Evaluates the role of the Commu-



nity as an "international actor"; emphasizes that integration might not mean transforming nations into a separate international superpower; presents diagnostic and predictive models and combines them to illustrate usefulness of projections for the Community's future.

**The British People: Their Voice in Europe.** Saxon House, Westmead, Farnborough, Hants, 1978. Available from Lexington Books, Lexington, Mass. 207 pages. \$16.00.

Examines Britain's role in the Community and how membership has affected British institutions; emphasizes the importance of extra-parliamentary bodies such as trade associations and unions, local government, and pressure groups.

**The Importance of the Patent System to Developing Countries.** World Intellectual Property Organization (WIPO). WIPO, Geneva, 1977. Available from Unipub, New York. 343 pages. \$13.50.

Collection of lectures given at the World Symposium organized by WIPO at Colombo, Sri Lanka, in February 1977; discussions emphasize the role of patents in the transfer of technology to developing countries.

**Federal Solutions to European Issues.** Edited by Bernard Burrows, Geoffrey Denton, and Geoffrey Edwards. St. Martin's Press, New York, 1978. 225 pages. \$21.95.

Collection of papers exploring issues facing Western Europe's industrial societies; discusses federalism as it applies to the resolution of these issues.

## NOTICE

In accordance with US Securities and Exchange Commission regulations, the European Coal and Steel Community published its Balance Sheet as of December 31, 1977, and its Statement of Income and Expenditure for the period of January 1, 1977, to December 31, 1977.

This information is published in connection with European Coal and Steel Community bonds issued in the United States under applications:

A-17648	B-4704-D
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A-20452	C-1236-D
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A-24459	C-3106-D
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Copies of these documents have been deposited with the Chase Manhattan Bank N.A., New York.

**Legal Aspects of International Terrorism.** Edited by Alona E. Evans and John F. Murphy, Lexington Books, Lexington, MA, 1978. 690 pages including index. \$34.95.

Conclusions and recommendations resulting from a research project undertaken by the American Society of International Law for the US Department of State; emphasizes the necessity of considering legal aspects as part of the political, social, and economic

situation where international terrorism occurs.

**Soviet Foreign Policy Toward Western Europe.** Edited by George Ginsburgs and Alvin Z. Rubinstein. Praeger Publishers, New York, 1978. 296 pages including index.

Collection of essays assessing Soviet foreign policy toward countries in Western Europe, including examination of the effects of these policies on

West European foreign and domestic policy-making decisions; speculates on implications for US foreign policy.

**EC Immigration Law.** By T. C. Hartley. Elsevier North Holland Publishing Company, New York, 1978. 335 pages including index. \$44.50.

A study relating the two distinct legal fields of immigration law and Community law, combining them and approaching the subject from both

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### • THE TAX/BENEFIT POSITION OF SELECTED INCOME GROUPS IN OECD MEMBER COUNTRIES, 1972-1976

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points of view; includes relevant Community texts and full citation of authorities; completely indexed and cross-referenced.

**Compendium of Case Law Relating to the European Communities, 1976.** Edited by H. J. Eversen. Elsevier North Holland Publishing Company, New York, 1978. 561 pages including index. \$57.75.

Contains both abstracts from judgments of the EC Court of Justice delivered during 1976, and selected summarized decisions of national courts.

**Sources of European Economic Information.** Compiled by Cambridge Information and Research Services Ltd. Teakfield Ltd., Farnborough, Hampshire, England, 1977. Available from Unipub, New York. 267 pages.

Directory of references to European economic information; listing of sources in Part I contains short summaries of publications' contents; Part II is an index of issuing organizations.

**An Economic History of Modern Spain.** By Joseph Harrison. Holmes & Meier Publishers, Inc., New York, 1978. 187 pages including index. \$22.00.

Study of Spain's social and economic development since the beginning of the Eighteenth Century; deals with specific problems of Spain itself, as well as citing links to the developments of neighboring countries; includes tables and maps.

**The New Europe: An Economic Geography of the EEC.** By G. N. Minshull. Holmes & Meier Publishers, Inc., New York, 1978. 281 pages including index. \$14.50 (paper).

Examination of the economic changes that have taken place in Europe from the Nineteenth Century to the present; specifically addresses subjects of energy, industry, trade, comparison of the rich and poor regions, as well as the structural politics—such as the common agricultural policy and regional policy—developed to deal with these areas.

**The Chicken War.** By Ross B. Talbot. Iowa State University Press, Ames, IA, 1978. 174 pages including index. \$7.75 (paper).

Describes the "chicken war" of the early 1960's between the United States and the Community; explains and evaluates political and economic aspects of this international trade conflict.

**The Mediterranean Challenge: I (Nine EEC Attitudes to Enlargement.** By Michael Leigh. **European Political Co-operation and the Southern Periphery.** By Nicholas van Praag.) European Research Center, Sussex, England, 1978. 92 pages.

Examines the debate over the acces-

sion of Greece, Spain, and Portugal and the implications of enlargement for each member state, as well as for the Community's institutions and policy-making.

**Engineering in Britain, West Germany and France: Some Statistical Comparisons.** By Christopher Saunders. European Research Center, Sussex, England, 1978. 110 pages.

Comparison of these three EC countries' engineering sectors through study of labor productivity, profits, investments, research and development, trade, marketing; includes charts and tables.

**A Community of Twelve? The Impact of Further Enlargement on the European Communities.** Edited by W. Wallace and I. Herreman. College of Europe, Bruges, Belgium, 1978. 451 pages.

Collection of papers given for "Bruge Week—1978"; deals with problems and prospects of Community enlargement in relation to its present legal and institutional structures, internal policies, and external relations; essays presented in French or English.

**EEC Dairy Facts and Figures—1978.** Milk Marketing Board, Surrey, England, 1978. 170 pages including index.

Prepared by the economics division of the Milk Marketing Board; presents data on the production, distribution, and consumption of milk and milk products within the European Community.

**Referendum.** Edited by David Butler and Austin Ranney. American Enterprise Institute for Public Policy Research, Washington, DC, 1978. 250 pages. \$4.75.

Studies the increasing use of popular referendums in a number of nations; analyzes specific situations in different countries and draws conclusions as to why referendums are held and how they affect the existing governments and their institutions.

**Intellectual Property Rights and the Conflict of Laws.** By Eugen Ulmer. Kluwer, The Netherlands, 1978. 113 pages. \$14.50.

Opinions prepared by Professor Ulmer, of the Max Planck Institute, about intellectual property rights, such as copyrights and industrial property rights; includes role of international conventions as a source of the law, as well as problems with conflict of laws.

**Supervision in European Community Law.** By Dr. H. A. H. Audretsch. North-Holland Publishing Co., New York, 1978. 304 pages including index. \$56.75.

Studies supervision of observance of treaty obligations by EC member states; discusses procedural character

of supervision, practical organization and functioning, and scope of supervision in its present form.

**Who's Afraid of the Multinationals?** By Georges Peninou, Manfred Holthus, Dietrich Kebschull, Jacques Attali. Saxon House, Westmead, 1978. 207 pages.

Investigation of public image of multinational corporations in Europe based on analysis of the press and studies on European opinion; various aspects of multinationals considered.

## 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, 245 East 47th Street, New York, New York 10017.*

**Monetary Disorder.** Economic and Social Committee, Brussels, 1978, 98 pages .....free  
*Opinion of the Committee prepared by Yvan Charpentie on the problems and developments in the international monetary system and the role of the Community in the international system.*

**Progressive Establishment of Balance on the Market in Wine.** *Bulletin of the European Communities, Supplement No. 7178,* Commission, Brussels, 1978, 44 pages .....\$2.10  
*Commission action program for 1979-1985 to restructure the wine sector and improve the market organization for wine.*

**Common Customs Tariff.** *Official Journal of the European Communities,* Vol. 21, L 335, December 1, 1978, 375 pages .....\$13.00  
*Schedule of duties assessed on imports into the member states as of January 1, 1979; preferential rates provided under trade and association agreements are not included.*

**Bibliography on Education.** Commission, Brussels, 1978, 56 pages .....\$1.15  
*Bibliography of Community legislation, other official acts, and studies as well as non-Community sources on education.*

**Final Reports on Research Sponsored Under the First Environmental Research Programme.** *EUR 5970 DE/EN/FR,* Commission, Luxembourg, 1978, 460 pages .....\$17.00  
*Summary reports of research projects carried out under contracts; risks to health and the environment, pollutant measurements, and management of environmental information are covered.*

**National Accounts: Detailed Tables 1970-1976.** Statistical Office, Luxembourg, 1977, 496 pages .....\$39.25  
*1977 yearbook.*

**The Early Growth of the European Economy.** By Georges Duby. Cornell University Press, Ithaca, New York, 1974. 292 pages including index. \$10.00.

Study of the European economy in the early Middle Ages and an examination of the mental attitudes of the time towards religion, politics, survival, and other aspects of social man; significance of link between these characteristics and the development of an economy is emphasized.

**Bibliography on Competition Policy.** *Documentation Bulletin B/12,* Commission, Brussels, 1978, 76 pages .....\$1.15  
*Bibliography of Community legislation, decisions, and official publications and non-Community sources on competition policy.*

**Symposium on the Transfer and Interpretation of Scientific and Technical Information in Agriculture.** *EUR 5856 EN,* Commission, Luxembourg, 1978, 160 pages .....\$10.25  
*Papers and summary of the discussions of a symposium held in Luxembourg, February 2-3, 1977.*

**Working Conditions in the Community 1975.** Statistical Office, Luxembourg, 1978, 178 pages .....\$9.50  
*1977 yearbook; results of a 1975 survey on shift work, working on holidays and at night, the working environment, and method and distance of commuting.*

**Noxious Effects of Dangerous Substances in The Aquatic Environment.** *EUR 5983 EN,* Commission, Luxembourg, 1978, 597 pages .....\$89.55  
*Report on more than 1,500 substances produced, processed, used or by-produced in the member states and the legislation governing their discharge into inland and coastal waters.*

**Environmental Education in the Age Group 9-14 Years in the European Communities.** *EUR 5930 EN,* Commission, Luxembourg, 1978, 122 pages .....\$14.00  
*Examines the dominant trends in environmental education in the member states and outlines the environmental education activities of eight European-based international organizations.*

**Fisheries: Fishery Products and Fishing Fleet 1974-1975.** Statistical Office, 1978, 134 pages .....\$15.50  
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**A Parliament for Europe.** European Parliament, Luxembourg, June 1978, 30 pages .....free  
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**Report on the Trade Agreement Between the European Economic Community and the People's Republic of China.** Working Document No. 198/78, European Parliament, Luxembourg, July 3, 1978, 21 pages ...free  
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**Twenty-Fifth Review of the Council's Work.** Council, Brussels, 1978, 278 pages .....\$6.20  
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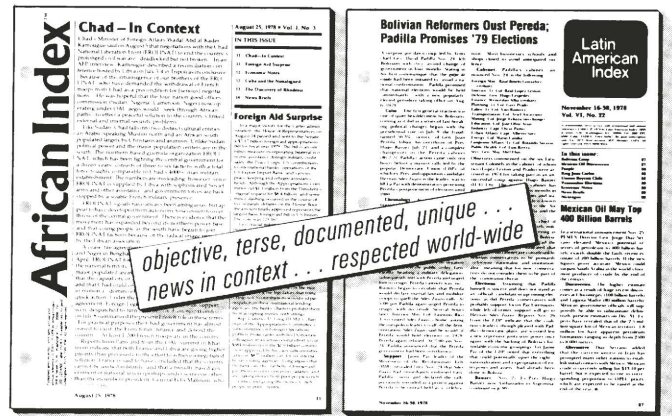
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