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IN THIS ISSUE

- * Energy in Europe 1974-75 (p. 1)
- * Social policy (p. 2)
- * Marine pollution (p. 2)
- * Sickness insurance (p. 2)
- * Consumer price index (p. 2)
- * Nuclear energy (p. 3)
- * Steel production (p. 3)
- * Court of Justice (p. 3)
- * Recycling paper (p. 4)
- * An unacceptable agreement (p. 4)
- * Consumer information (p. 5)
- * Pollution (p. 5)
- * The pharmaceutical industry (p. 5)
- * Vocational training (p. 5)
- * Industrial production index (p. 6)



** Inland consumption of ENERGY in the European Community in 1974 is estimated at 926 million metric tons oil equivalent (toe). It is probable that demand for energy will stabilize at the 1974 level in 1975.

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Further information is available from the Commission's press and information offices in the countries listed on the inside cover.

The information published in this bulletin covers the European Communities' activities in the fields of industrial development, protection of the environment and consumer welfare. It is therefore not limited to recording Commission decisions or opinions.

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Extensive extracts from a report on "The Energy Situation in the Community: Situation 1974 - Outlook 1975" are given in ANNEX 1.

** A SOCIAL AFFAIRS meeting of the Community's Council of Ministers was held recently in Luxembourg. Items on the agenda included youth unemployment, the fight against poverty, the 40-hour week and an interim report on the Social Action Programme.

ANNEX 2 lists the Ministers' decisions and gives a progress report on the Community's Social Action Programme.

** Fish caught in the North Sea area around Calais are displaying symptoms of an unknown disease. POLLUTION strikes again.

What is the Community doing about it? ANNEX 3 proves that the European Commission is active in the campaign to prevent marine pollution.

** MIGRANT WORKERS can receive SICKNESS INSURANCE BENEFITS if they need medical attention during a temporary stay in a Community country other than the one in which they live. This applies to insured persons, to pensioners, and to members of their families.

ANNEX 4 outlines the formalities and indicates the benefits payable to holders of the special "Form E 111".

** The CONSUMER PRICE INDEX stood as follows at the end of April 1975:

1970 = 100

	<u>April 1975</u>	<u>March 1975</u>	<u>March/April 1975</u>	<u>April 1974/April 1975</u>
Belgium	146.7	145.1	+ 1.1%	+ 14.4%
Denmark	153.8	153.2	+ 0.4%	+ 11.9%
France	149.5	148.2	+ 0.9%	+ 12.7%
Germany	133.6	132.6	+ 0.8%	+ 6.1%
Ireland		177.8 (February 1975)	+ 8.1% ¹	+ 23.9% ²
Italy	168.0	165.8	+ 1.3%	+ 20.4%
Luxembourg	139.2	137.5	+ 1.2%	+ 10.5%
Netherlands	149.7	147.8	+ 1.3%	+ 9.8%
United Kingdom	176.6	170.1	+ 3.8%	+ 21.7%

¹Change between 15 November 1974 and 15 February 1975.

²Change between 15 February 1974 and 15 February 1975.

** In a speech to the European Parliament Mr Simonet, Vice-President of the European Commission with responsibility for energy, emphasized the need for a permanent Community information system which would make it possible for man in the street to form an objective opinion on the development of NUCLEAR ENERGY. There was a need, he said, to convince the public that our economies could foot the bill for nuclear energy development and to reassure the public that the European Commission was in a position to allay fears about safety, the environment and ecology.

** About 600 iron and steel firms in the Community are about to cutback STEEL PRODUCTION. The European Commission has just produced a forward programme for steel which forecasts a 15% reduction in output between June and September in response to the alarming drop in demand early in 1975. The iron and steel industry is to send the European Commission output figures and production forecasts on the 5th of each month so that a continual check can be kept on the situation. The Commission's forecasts will also have an impact on the level of employment but, since cutbacks will coincide with the holiday period, it is hoped that market equilibrium will be restored without too many consequences for employment. Production figures for the individual countries are given in the table below and should be regarded as indicative forecasts.

	PRODUCTION (Mio metric tons)		ACTUAL CONSUMPTION	
	June-September 1974	June-September 1975	June-September 1974	June-September 1975
BLEU	7.33	6.05	1.80	1.55
Denmark/Ireland	0.20	0.20	0.80	0.65
France	8.09	7.30	8.00	7.40
Germany	17.87	13.90	14.00	12.95
Italy	7.73	6.60	7.20	6.20
Netherlands	1.82	1.55	1.30	1.30
United Kingdom	7.50	7.20	7.10	7.00
EEC TOTAL	50.55	42.80	40.20	37.05

** The COURT OF JUSTICE of the European Communities recently delivered a judgment which is of interest to consumers and farmers alike. There is an interesting story behind it. In the spring of 1969, the drop in forward exchange rates for the French franc meant that considerable profits could be made by reselling grain bought in France to the German intervention agency. Speculation was such that Germany became saturated with French grain sold at the intervention price and was forced to ask the European Commission for authorization to limit intervention to grain actually harvested in Germany. This was

granted on 8 May 1969 but two days earlier - on 6 May - a firm of importers offered the intervention agency a consignment of French wheat which was already on its way from France to Germany. When the German intervention agency refused to accept deliveries between 8 and 17 May, following the Commission's authorization, the importers instituted proceedings for damages. The Court of Justice found in favour of the Commission and in arriving at its decision looked into the mechanics of the intervention system. The purpose of the system is to guarantee farmers a market for their grain at a fair price, allowing for regional variations. It must therefore be organized along very strict lines to ensure that produce is not transported from place to place in search of a higher intervention price.

** Annual production of RECYCLED PAPER will probably be in the region of 13 million metric tons by 1980. This could be increased by another 4.5 million metric tons if a special effort were made to develop the technique. This emerges from a study on waste paper in the Community, produced by an independent expert at the request of the European Commission. It gives details of present and forecast consumption of waste paper for each Community country, examines the organization and resources of this little known market, explains its pricing machinery and lists various recycling processes. The author puts forward 43 recommendations and calls in particular for improved cooperation between users and processors, education of public opinion on the importance of recycling and more research into a number of specific problems. One of these is that the waste paper market is subject to considerable fluctuations closely linked to the general economic trend but principally due to the time (four to six months) needed for supply to adjust to demand. Technological progress in recovery and recycling could well prove to be a waste of time if the market cannot be controlled. The 300-page, two volume study will be available in English, French and German from SEDIP, 156, Boulevard Haussmann - 75008 Paris - France. It is priced at FF 120.

** An AGREEMENT between Dutch manufacturers of HEATING APPLIANCES has been condemned out of hand by the European Commission. Haarden- en Kachelhandel, an association grouping most Dutch manufacturers, importers, wholesalers and retailers of heating appliances, imposed a collective and reciprocal obligation to observe exclusive sales and resale price maintenance and controlled more than 90% of the Dutch market. The members terminated the agreement with effect from 1 January 1973 but two court actions were still pending. These had been instituted by the Haarden- en Kachelhandelbureau in 1969 and 1971 against a wholesaler and a retailer who had not complied with certain clauses of the agreement, particularly by selling to non-recognized firms or to firms excluded from the distribution network. The defendants, who had been called upon to pay fines under the agreement, refused to do so. Action was taken in the Dutch courts and the matter was also referred to the Commission, which found that an agreement

covering the entire territory of a Member State and reinforcing the barriers between national markets was completely inadmissible. The Commission also found that arbitration clauses in an agreement are unacceptable if they discourage firms from engaging in free competition.

- ** CONSUMER INFORMATION now figures prominently in the charters of the French radio and television companies. Following the recent reorganization the consumer's right to objective information has been recognized in the general charter of the television companies. Channels TF 1 and A 2 are now required to broadcast consumer programmes of at least six minutes per week at a peak viewing time (between 7.25 pm and 9.00 pm). This will be split up into three two-minute broadcasts on alternate channels. The National Consumer Institute will be responsible for preparing and producing these programmes. There are also plans for consumer information programmes on radio but details and times have not yet been announced.

- ** There is to be an international convention on the protection of the RHINE against CHEMICAL POLLUTION and the European Commission is hoping that the Community as such can take part in the negotiations. It has asked the Council of Ministers, which has already adopted a decision authorizing the Community to sign the Paris Convention on the prevention of marine pollution from land-based sources, to authorize this.

- ** The European Commission has investigated two areas of the PHARMACEUTICAL INDUSTRY - namely tranquillizers and vitamins - in which the Hoffmann-La Roche group would appear to hold a large share of the market. The European Commission has been given its own powers of investigation for enquiries of this kind and also receives unsolicited information from very varied sources. Since its duty is to ensure that the rules of competition are observed in the general interest of the Community, the Commission feels entitled to use any information it receives once it is satisfied that the information is well-founded (see I&S No 12/75).

- ** The second issue of VOCATIONAL TRAINING has just been published. In addition to extensive bibliographical and information sections, it contains an article on TRANSACTIONAL ANALYSIS AND THE TRAINER by Mr Ernst H. Franz. Mr Franz used to be Director of Personnel for the Californian Department of Social Welfare and now works as a management consultant. Transactional analysis is the study of "transactions" between individuals, not only of what individuals say but also of their behaviour towards one another. Properly understood, transactional analysis can lead to improved communication and hence better relations within the organization. You can obtain a copy of this issue, or take out a regular subscription to the publication, by writing to the Publications Office of the European Communities, Boite postale 1003, Luxembourg.

** The INDUSTRIAL PRODUCTION INDEX for 1974 in the different Member States of the Community was as follows:

Industry (excluding building, food, beverages and tobacco):

1963 = 100

	1974						
	Quarter						
	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>I</u>	<u>II</u>	<u>III</u>	<u>IV</u>
<u>EUR-9</u> ¹	157	170	171	176	180	155	172
Belgium	149	155	167	172	178	149	168
Denmark	183 ¹	187	-	-	-	-	-
France	171	185	192	204	203	165	195
Germany	165	179	176	177	189	162	176
Ireland	177	196	-	199	212	-	-
Italy	156	172	179	187	197	159	172
Luxembourg	131	147	152	157	161	149	142
Netherlands	212	229	242	254	241	214	260
United Kingdom	128	139	135	135	137	128	140

Production indices for industry (including food, beverages and tobacco) in a number of other countries are given below for comparison purposes:

Sweden	156	167	177	181	196	151	188
USA	151	164	163	163	166	165	159
USSR	200	214	231	233	237	219	236
<u>EUR-9</u> ¹	156	168	169	172	178	154	171

¹SOEC estimate.

These figures are taken from an industrial statistics quarterly published by the Statistical Office of the European Communities (Eurostat 3-4/1974) which covers the first three quarters of 1974. It can be obtained from the Publications Office of the European Communities, Boite postale 1003, Luxembourg.

THE ENERGY SITUATION IN THE COMMUNITY 1974-75

Inland consumption of energy in the European Community for 1974 is estimated at 926 million metric tons oil equivalent (toe); this represents a drop in of about 1.5% on 1973. Inland consumption of petroleum products was 524.5 million toe in 1974, or 6% down on 1973. However, the drop in demand for oil was largely offset by an increase in the consumption of natural gas and primary electricity.

Great uncertainties as to the world level of economic activity and the extent of possible measures to discourage oil consumption mean that any forecast of Community demand for energy in 1975 must be highly tentative. It is probable though that it will stay close to the 1974 level and that oil consumption will continue to be restricted by high prices, economy measures and increasing substitution of other fuels for oil.

These pointers are taken from a report by the European Commission on "The Energy Situation in the Community: Situation 1974 - Outlook 1975" to be published shortly.

Inland consumption of primary energy in the Community has developed as follows:

	1972		1973		1974		1975	
	million toe	%	million toe	%	million toe	%	million toe	%
Coal	189.6	21	195.2	21	189.4	20	196.0	22-21
Lignite	24.3	3	25.3	3	25.8	3	27.0	3
Natural gas	524.8	59	552.6	59	524.5	57	485-515	53-54
Natural gas Petroleum Primary (and other) electricity	40.7	5	41.6	4	45.5	5	49.0	5
<i>Natural gas left out - See Report.</i>								
Total	882.2	100	932.2	100	926.0	100	910-940	100

Petroleum in 1975

Provided war is avoided in the Middle East, it seems reasonable to expect that crude will remain in ample supply in 1975. The level of prices in 1975 is a matter for conjecture. Adjustments will no doubt be made to compensate the producing countries for the effects of world inflation and perhaps for the further fall in demand. However it seems reasonable to assume that there will be no further major price increases.

Inland consumption in the Community will probably decline further. If tax increases continue to fall principally on gasoline, consumption of this product may fall more than that of others. It seems likely however that automotive gas oil will remain at 1974 levels or even above. Since it is probable that conversions that could easily be made from gas oil or fuel oil to coal or gas have already been completed, the 1975 decline in consumption of these products should be less than in 1974.

The outlook for the refining industry is not encouraging. Utilization of plant, particularly in Benelux and Italy, is likely to be low in view of the contraction of both export and domestic demand. The introduction of the single pricing system for crude oil will remove the disability of independent refiners and national oil companies, who will compete on more even terms with majors.

Profit expectations for the industry will thus be adversely affected by the combination of falling demand, rising unit costs, low international product prices, and growing competition for a contracting market.

Coal in 1975

The increase in the price of oil has had the effect of slowing down the structural decline of coal in the Community, coal having been substituted for oil in certain uses. To meet demand in 1975, it will be necessary to maintain a high level of imports from third countries (about 40 million tonnes). A serious attempt is however being made, particularly in the United Kingdom and Germany, to maintain coal production in the short and medium term.

Production in the main coal-producing countries of the Community was as follows:

	Million tce			%	
	1973	1974	1975	1974-73	1975-74
Belgium	8.0	7.7	7.5	- 3.7	- 2.6
France	23.3	20.6	20.8	- 11.7	+ 1.0
Germany	98.8	94.7	95.8	- 4.1	+ 1.1
Netherlands	1.7	1.0	-	- 41.4	-
United Kingdom	118.3	102.5*	115.5	- 31.4	+ 12.7
Total	250.1	226.6	239.6	- 9.6	+ 5.8

*Loss of production due to strikes.

Natural gas

The natural gas market has not been directly affected by the energy crisis. Extensive natural gas reserves within the Community ensure regular supplies at low cost, though there have been some price increases. The following comparisons illustrate the relationship between natural gas and heavy fuel prices:

	Gas price	Heavy fuel price	Effective gas discount
Belgium	1 050 BF/toe	3 500 BF/t	70.0%
France	235 FF/toe	300 FF/t	21.7%
Germany	100 DM/toe	190 DM/t	47.4%
Italy	17 000 Lit/toe	42 000 Lit/t	59.5%
Netherlands	93 Fl/toe	190 Fl/t	51.0%

Electricity

Overall electricity demand, which in 1973 rose by 7.8% for the Community as a whole, increased by only 2.9% in 1974. The estimated increase for 1975 is 6.5% (a figure which is however inflated by the extremely low level of consumption during the first months of 1974). In fact, the growth tendencies prevailing in the second half of 1974, of between 4 and 5% annually for the Community as a whole, are likely to persist through 1975.

Several factors contributed to the slump in demand at the beginning of 1974. The extremely mild weather, combined with appeals by public authorities to reduce energy use to the utmost and measures imposing such reductions (commercial and motorway lighting, heating in public buildings and the like) were followed by tariff increases - motivated by fuel cost rises (often 25% to 30% and more) - which in many cases were big enough to influence consumer's habits.

Nuclear power

The increase in oil prices and the uncertainty as to oil supplies have consolidated the competitive position of nuclear power. If 1974 generally has been a year of decision in favour of nuclear power in the Community, 1975 should see the necessary steps being undertaken to realize the established targets.

Electricity production from nuclear plants within the Community rose in 1974 to about 60 TWh (1 TWh = 10¹² Wh), corresponding to an overall installed capacity of 13 400 MWe at the end of the year. Currently the United Kingdom has the largest nuclear park (5 600 MWe), followed by Germany (3 400 MWe) and France (2 950 MWe). About 5 000 MWe could be added in 1975, increasing nuclear capacity within the Community to around 18 000 MWe.

THE COMMUNITY'S SOCIAL POLICY

At a social affairs meeting of the Community's Council of Ministers held recently in Luxembourg, it was agreed that a 40-hour week and 4 weeks' paid holiday should be the rule throughout the Community by the end of 1978 (see I&S No 11/75).

The Council also discussed unemployment among young people (see I&S No 22/75). It was decided that the European Social Fund will intervene on behalf of young people who are unemployed or looking for their first job. In the context of intervention by the Fund to encourage structural change the European Commission was invited to put forward proposals to deal with regional aspects of the problem.

The Council of Ministers unanimously agreed to allocate more than 5 million units of account (1 u.a. = approx. US \$1.2) in 1975 and 1976 to a programme of pilot projects and research schemes to combat poverty (see I&S No 2/75).

The European Commission for its part has produced a progress report on the Social Action Programme. The report emphasizes the major advances which have been made in establishing minimum standards for certain aspects of labour law and working conditions and points in particular to the new departure represented by the adoption of Community legislation in the form of directives on equal pay (see I&S No 7/75) and mass dismissals (see IRT No 162). Also worth mentioning in this context are the Commission's proposals for a directive on equal treatment for men and women at work and a recommendation on the generalization of the 40-hour week and 4 weeks' paid holiday.

Another important Community initiative in the field of labour law is the proposal for a directive on the retention of acquired rights in the event of mergers (see I&S No 24/74). This was submitted in May 1974 and an amended version, incorporating comments by the European Parliament and the Economic and Social Committee, is to be submitted shortly. It is hoped that Council discussion of this proposal will be completed before the end of the year.

The setting of minimal legal standards is also one of the objectives of work on health protection against pollution and environmental hazards. This is not one of the priority objectives of the Social Action Programme but figures prominently in the Community's Action Programme for the Environment. Similarly, in the context of radiation protection under the Euratom Treaty, concrete proposals have been produced for updating the Basic Standards and establishing new basic principles for protection and individual monitoring.

An essential aspect of the Social Action Programme has been the extension of the scope of the European Social Fund in pursuit of Community objectives in employment policy. It can now intervene on behalf of migrant workers and the handicapped.

The deteriorating employment situation has now prompted the European Commission to present further proposals to enable the Fund to assist in the urgent process of restructuring the economy.

Another instrument of social policy is the Social Budget (see I&S No 44/74). It is growing in importance and could become a more dynamic instrument for the progressive convergence of social protection policies in the Community.

In the first stage of the Social Action Programme, the Commission has been concerned with setting up the requisite machinery to enable action in the newer policy areas to be developed. New Community organs now include: the Consultative Committee for Safety, Hygiene and Health Protection at Work (see I&S No 20/75), the European Vocational Training Centre (see I&S No 13/74) and the European Foundation for the Improvement of Living and Working Conditions (see IRT No 213).

The Commission is also active in providing new frameworks for concertation and the identification of future priorities for Community action in the field of employment policy and social protection. Since the beginning of 1975 the reactivated Standing Committee on Employment (see IRT No 9/75) has provided an essential forum for action at Community level.

THE COMMUNITY AND MARINE POLLUTION

For some years now fishermen working off Calais - the Flanders Bank to be precise - have been landing fish displaying symptoms of disease, notably ulcers and tumours of either the skin or the mucous membrane. The Sea Fisheries Institute in Boulogne has failed to pinpoint the cause of the disease. Reinforcements in the shape of the oceanographic research vessel, "The Talassa", have been sent to the area to take samples and conduct further research.

This disturbing information justifies all the attention that the Commission has been paying to the problem of marine pollution. Indeed long passages in the Community's action programme on the environment are devoted to the subject. The only effective defence against marine pollution is joint action at national, Community and international level.

With regard to the main culprit - land-based pollution - the Commission has made an active contribution to the negotiations leading to the adoption by the relevant Member States of the Paris Convention for the prevention of pollution of the North-east Atlantic from land-based sources. On 3 March 1974 the Council, on a proposal from the Commission, authorized the Community to sign this Convention which provides for the partial or total elimination of certain pollutants classified in terms of their toxicity, persistence and tendency to bio-accumulation. The Commission intends to ensure that the Community plays an important role in the implementation of the Convention.

The Commission believes that logic and consistency argue in favour of a similar convention to protect the Mediterranean and intends to submit proposals to this end in the near future. In this context the Commission is taking a keen interest in the work being done in this area under the United Nations Environment Programme.

With regard to pollution resulting from deliberate dumping of waste, the Commission enjoys observer status on the Commission responsible for implementing the Oslo Convention. It is also preparing a proposal for a Council directive on the progressive elimination of the dumping at sea of waste from the production of titanium dioxide. It is also worth noting that a proposal for a decision on the reduction of pollution caused by certain dangerous substances discharged into the aquatic environment of the Community was presented to the Council of Ministers on 22 October 1974.

With regard to pollution resulting from the transport of polluting substances by sea, the Commission participates as an observer in the work being done in this area by the Inter-Governmental Maritime Consultative Organization (IMCO). It will endeavour, by promoting harmonization, to ensure that all relevant international agreements are implemented in their entirety. The Commission is also convinced that action should be taken at Community and international level to prevent pollution resulting from the exploration and

exploitation of the sea bed, and is working on proposals with this end in view. Finally on 7 February 1975 the Commission presented a proposal to the Council for a directive on quality objectives for seawater and fresh water for bathing. A similar proposal on quality objectives for water used for the breeding of shellfish will follow in the near future.

The Commission is convinced that an energetic and rigorous policy on the part of the Community is the only way to improve a situation which is a continuing source of concern.

RECIPROCAL SICKNESS INSURANCE BENEFITS IN THE COMMUNITY

Migrant workers can receive sickness insurance benefits if they need medical attention during a temporary stay in Community country other than the one in which they live. This applies equally to insured persons, to pensioners and to members of their families.

What are the formalities?

Before going on holiday insured persons must ask their sickness insurance organization for a Form E 111 certifying their right to benefit.

If they fall ill or have an accident during their stay in another Community country, they must apply to the nearest competent sickness insurance organization, taking their Form E 111 with them. A list of these organizations is given on the back of the form.

No Form E 111 is required for visitors to the United Kingdom, nor is it needed by British nationals visiting Denmark or Ireland.

What are the benefits?

Sickness expenses (medical care, medicines, hospital treatment, etc.) will be paid by the insurance organization of the place where the insured person is staying in accordance with arrangements in force in that country. Full particulars will be supplied by this organization.

Generally speaking, doctors approved by the insurance organizations in Denmark, Germany, Ireland, Italy, the Netherlands and the United Kingdom give free medical care. Medicines are provided free of charge in the Netherlands and in Ireland. In other countries insured persons are required to make a (non-recoverable) contribution.

In Belgium, France and Luxembourg the insured person must normally pay all or part of the costs incurred. He is then reimbursed by the competent sickness insurance organization of the place where he is staying in accordance with the scale applied to persons insured with that organization.

Moreover, if the insured person is unable to work during his stay because of sickness or an accident the daily benefits for which he is eligible under the regulation of the country where he is insured can be paid. To obtain these benefits the insured person must notify the insurance organization of the place where he is staying and submit a medical certificate showing that he is unfit for work. When he has been examined by its medical officer that organization will forward an application to the organization with which he is insured. If he is entitled to benefits they will be paid to him either by international money order or through the organization of the place where he is staying.