

European Community



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Covers: "The Triumph of Reason and Order Over Chaos and War" was the theme of the June 1 fireworks display in Washington, opening the National Gallery of Art's "The Eye of Jefferson" Bicentennial exhibit. The French firm Ruggieri made the fireworks—the same company whose eighteenth century fêtes Thomas Jefferson had described during a visit to a French park.

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European Community Information Service

2100 M Street, N.W. Suite 707

Washington, D.C. 20037

telephone: 202-872-8350

277 Park Avenue

New York, New York 10017

telephone: 212-371-3805

PUBLISHER Andrew A. Mulligan

EDITOR Walter Nicklin

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One of the many West European vessels participating in "Operation Sail"—Norway's Christian Radich. Operation Sail, New York



The American Experience: Unique or Universal?

RAYMOND ARON

IF WORLD HISTORY AMOUNTS TO GNP GROWTH, THEN Western Marxism—which is still more widely accepted than Leninist Marxism—would enable us to celebrate the American Bicentennial with dignity. I personally fear that world leadership (assuming that this notion presents some significance) is not measured in terms of GNP per capita, or GNP growth.

In the October 25, 1975, issue of *The Economist*, a survey written and signed by its deputy editor, Norman Macrae, was devoted to the past and future of the American Republic—the second empire built by English-speaking people. According to Macrae: “The two great empires that have ruled the first two centuries of the industrial advance—the British in 1776-1876 and the Americans in 1876-1976—have handled the task of world leadership surprisingly well. But the Americans on the eve of 1976 are showing the same symptoms of a drift from dynamism as the British did at the end of their century in 1876.”

For the political analyst who thinks in terms of years or decades, and not centuries, 1976 marks the end of the period beginning in 1946, not in 1876. The American empire, based upon the official independence of 50 states, hardly resembles Britain's empire, which was symbolized by the coronation of Queen Victoria in New Delhi. The reign of the American Republic did not succeed the British crown the very day when US steel production outpaced that of the British Isles.

Between 1876 and 1941 the United States did not exercise any world leadership, and even if, as Macrae suggests, it did, such leadership would not deserve praise by historians. Should we admire a country which by its intervention brought the advent of the First World War and then refused to ratify the Versailles Treaty, not showing any interest in the outcome? Should we admire the United States when in the Thirties it voted for laws of neutrality in order to resist the temptation of intervening for a second time and then in 1941 headed the crusade against the Third Reich?

The British century did not begin in 1776, but in 1815, after the defeat of Napoleon. Granted, the British economy

set the historical pace before the Napoleonic Wars, but the United Kingdom had uncontested diplomatic and military supremacy only after its victory over France. The British century seemed to last after 1876, even when Great Britain had already lagged behind its rivals, the German Reich and the United States. This was the British century because peace in the world and the balance of Europe depended on decisions that were made in London. It was also the British century because UK customs and institutions gained incomparable prestige, and certain of its customs—sports, for example—spread across the five continents.

The American Republic became the world's first industrial economy at the end of the nineteenth century. However, its power was not felt abroad until after 1941. In a way, the rise of the American Republic in 1945 resembles Great Britain's rise in 1815—both insular powers profiting by the loss of strength of continental states which were involved in inexorable conflicts. In the twentieth century, Great Britain shared the continental states' misfortune that it had avoided in the preceding century. The American century thus commenced in 1946 (or, if one prefers, in 1941 or 1945), not in 1876.

Does the American “century” already belong to the past? Why this question? I see several reasons, one of which is expressed by Macrae: *mal anglais*—the loss of economic dynamism. But, at least in the short term, there are several other reasons which Americans and outside observers consider more important.

Having turned their backs on Europe, immigrants arrived on a sparsely populated continent, resolved to implement a certain philosophy of freedom. They did so by creating a federation that differs basically from European countries or from all political entities whose roots go deep into the past. Even the Latin American nations, also ex-colonies, do not resemble the United States. Although the Latin Americans rejected the authority of the Iberian or Lusitanian mother country, they did not reject the principle of authority. Born from a contract, the United States was not created by time, or violence, or history. Rather, it was created by the expression of a collective will.

In Europe, the French Revolution's Declaration of the Rights of Man was a protest against established inequality, against a hierarchial system, and against arbitrary power. Across the Atlantic, the rights of man were and still are the principle and finality of the US Constitution. A non-conformist version of the Enlightenment's philosophy is preserved in an ideology which confines socialism, Fascism, and Marxism within typical ideologies of twentieth century Europe. The American mélange of democracy and liberalism gives groups which have been swayed by non-American doctrines a choice whether to work their way back into the system or stay out.

ALEXIS DE TOCQUEVILLE'S WELL-KNOWN BOOK is still relevant. American sociologist Daniel Bell recently concluded a study that would have delighted the aristocratic Frenchman who was won over to democracy more by submission than by enthusiasm. The only trait that gives US history an exceptional character, Bell writes, is the continuity of a constitutional regime. Otherwise, it resembles other countries—neither better nor worse.

In *La Démocratie en Amérique*, Tocqueville, on several occasions, foresees the importance of US commerce and industry and its present and future superiority. However, the desire for well-being, the competition for wealth, the conquest of nature—in short, economic activity—no longer seem to constitute the ultimate goal of American society. By proclaiming equality and liberty for all, immigrants affirmed the uniqueness of their experience. Now, in their inner examination, the vacillate between two self-accusations: Do the practices and ideologies of the American Republic fit into the historical role that the country has played for a quarter of a century? What has happened to the moral values that cemented a nation in which ethnicity was so much a part of its foundation?

Did the American century draw to a close in 1971 with the break in the link between gold and the dollar, or perhaps in 1975 with the collapse of the South Vietnam Republic? The first event marks the end of the monetary system which was established in Bretton Woods—a system which promoted the extraordinary growth of European and Japanese economies. The second symbolizes the impotency of the military under certain circumstances and the first war lost by the United States—a war lost against a small Asian country, converted to Marxism-Leninism.

Just as the United Kingdom had gained naval supremacy and industrial preeminence in 1860, the United States was first and foremost in 1960, no matter what the criteria—GNP, GNP per capita, scientific progress, nuclear arms, military force (whether on land, at sea, or in the air). This world superiority has not entirely disappeared in 1976, but the gap between the United States and allies or adversaries has narrowed.

The United States GNP is still about twice the size of the



Potsdam 1945—Churchill, Truman, Stalin—and the "American century" begins. . . . UPI Photo

Soviet Union's, but over the past decade the Soviet Union has discreetly stocked away a number of intercontinental ballistic missiles amounting to nearly 50 per cent more than that of the United States. The Soviet Union has built up a naval reserve which, apart from its aircraft carriers, has no reason to envy the American navy. Finally, the Soviet Union possesses a larger army than the Americans and is equipped with exceptional arms.

Nothing can prevent a nation of 250 million people from allocating a high enough percentage of its national product to build up its arms to equal, if not outpace, its rival. Thus the United States should not be judged for protecting its lead in technical innovations and improvements. The United States was the first country to perfect the MIRV—a group of nuclear warheads, each with different targets, inserted in only one missile. In addition, the United States has further improved on reducing the size of these arms and the precision of shooting. The United States holds the lead in electronics.

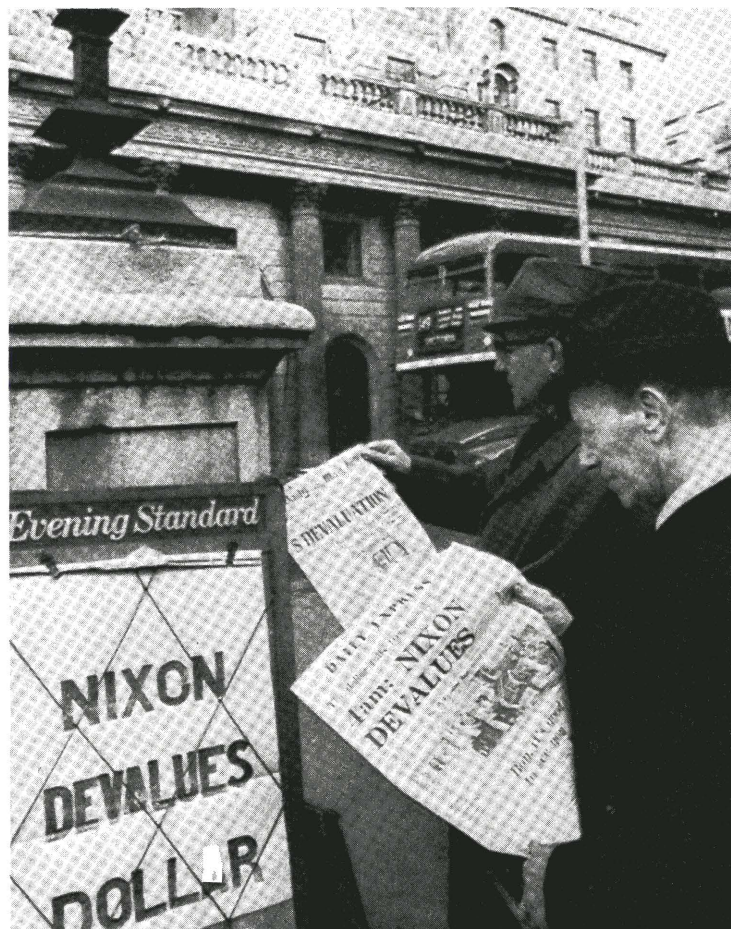
Overall American predominance has not endured as long as that of the British due to the force of circumstances, or, if you like, the global historical context. British supremacy

took place at the end of European expansion, in the autumn of the "reign of the whites." The industrial revolution in the eighteenth century strengthened Britain's world military supremacy, manifested and consolidated by the British conquest of India. In the nineteenth century, the United Kingdom did not face African or Asian revolts, nor wars with any other nation—European or semi-European. Since there was interstate balance on the Old Continent, Britain was able to master the seas and was free to expand its trade and investments to other continents.

The United States—the second English speaking empire—assumed a world role at a time when Europe ("the whites") was losing status. Far from worrying about Europe's weakened image, the United States helped accelerate it, convinced that its existence, too, had depended upon a revolt against colonial power two centuries ago when it became the first new nation. Finally, as soon as the United States attained the foremost position in the world, it met a rival—also late coming on the world scene—which borrowed its technology and ideology from Europe and built an unprecedented despotism through the technical means of combining industrialization with tyranny.

THE AMERICAN BICENTENNIAL, THEREFORE, coincides with a questioning of the last 25 years that can justly be called the American "century," lasting as long as the United States could—rightly or wrongly—believe in its own omni-

Did the "American century" end abruptly in 1971 with the collapse of the Bretton Woods monetary system? UPI Photo



potence. The auspicious beginnings of this short period were clouded by years of inflation and scandal, of Vietnam and Watergate. In all likelihood, once enough time has lapsed, historians will be able to look back from a proper and impartial perspective; nevertheless, the present uncertainties raise pertinent questions.

The founding fathers dreamt of an American empire, a dream that became reality at the end of the nineteenth century. It encompassed a vast amount of territory; and, even though physically limited by the Mexican and Canadian borders, it did not experience the European countries' fate: For, beyond the land boundaries to the north and south, its neighbors could not become enemies—so great was the imbalance of power. On the other hand, neither the founding fathers nor visionary speculators envisaged an American empire whose rise and fall paved the course of history and whose memory lingers on.

Opposed to powerful, sinful, and malevolent policies, immigrants turned their backs on Europe. But as Americans, they became involved in three crusades—in 1917, 1941, and 1947. Back from their anti-Communist crusade, Americans, today, have gotten involved in a state system which makes the antiquated European system seem simple and almost moral.

Alexis de Tocqueville predicted that the Presidency, weak in his time, would become stronger as the federal government meddled more in the states' affairs. Thus when Richard Nixon came to the White House, we could justifiably speak of "the imperial Presidency." Despite the present revolt in Congress and Henry Kissinger's imprecations against certain interventions by senators and congressmen, the Presidency will continue to direct US diplomacy. Will the President be free enough to act? Will he risk being paralyzed by pressures from different ethnic groups, such as the Jewish community? Everyone readily sees the dangers. The Constitution was conceived to balance power by power, to fight wrongdoings, namely power itself. Will this same Constitution guide the government when it takes action outside its worldly sphere?

Perhaps another change will be even more difficult. In their national self-analysis, American intellectuals indignantly denounce the support so often given to reactionary or despotic regimes. A criticism undoubtedly just, but too easy to be convincing. The moral quality or structure of a given regime is but one consideration, among many others, to be taken into account by those responsible for the conduct of diplomacy. The rivalry between the United States and the Soviet Union certainly has an ideological side, but also present are the classic characteristics of a power struggle. The US policy of "containment" opposed the expansion both of the Soviet Union and of Communism. In Europe, 30 years ago, these were one and the same. Elsewhere, and especially since the Sino-Soviet split, these two notions do

not necessarily coincide. Under the pretext of containing Soviet Communism, the United States has come to the point of preferring any regime at all to one with Marxist-Leninist references. Thus, the United States has slipped into the very realism or cynicism that the American philosophy so condemns.

In the next few years or even in the next few decades, US diplomacy must manifest itself in a world in which the area covered by democratic states is shrinking like drying leather. Western democracy no longer inspires respect and has few followers. Most African and Asian regimes claim to be socialist: However, they neither resemble the total socialism of the Soviet Union nor the pluralistic socialism of Sweden. Even in Western Europe, the possibility exists of Communist Party participation in government in Rome and/or Paris, without either Italy or France necessarily changing political sides.

THE AMERICAN CENTURY IS DRAWING TO A CLOSE (and probably the Soviet century too) because the United States no longer presents a political model. Granted, the United States continues to disseminate many of its customs and institutions—think-tanks and detective films—but its world leadership is slowly losing its importance and substance as economic centers grow in number and in cultural creativity.

This does not mean, however, that the second English-speaking empire is already on its way out as was Britain when Queen Victoria was crowned in India. The American quarter of a century arose from transient circumstances which did not depend upon the American people to carry on forever. In economics, science, technology, the United States is still the first and most influential nation; however, it has had to give up certain responsibilities which it could not always assume.

Why didn't Tocqueville ever write or even consider writing a book about England? Because Montesquieu not only didn't show him the way, but also obstructed the path? The real reason, as I see it, is that it is impossible to study an historical nation using the method that Tocqueville applied to the United States, namely by retracing certain inspiring hunches and logically extracting from them most of the American characteristics. If Tocqueville could see America today—a century and a half after his visit—he would no doubt see that his method could no longer apply to the American reality.

Democracy always brought associations of a certain religiousness, a liking for comfort, commercial or industrial superiority, a belief in equality, and a fervent attachment to the letter of the law: From these fundamental ideas—so striking in contrast to the moral and philosoph-

Or did the "American century" end in 1975 with the collapse of the South Vietnam Republic? UPI Photo



ical universe of an aristocratic Frenchman, a descendent of a comrade of William the Conqueror—Tocqueville was able to suggest harmony between Christianity and democracy to the French, while making them aware of the strong social movement for equal rights.

Tocqueville's ideas are partially true, but American civilization has not preserved the same inspirational simplicity that it had in 1830. Yes, there is equality in the sense of dignity for all jobs, but the vast economic and administrative organizations are by nature hierarchical structures. Equality of all races and ethnic groups, yes again; but it took a tragic war to put an end to slavery, and today the most disadvantaged ethnic groups are asking government assistance to help them reach the same social level as others. Whether we like it or not, equality that is achieved in an industrial or post-industrial society essentially differs from Jeffersonian equality found in an agrarian republic.

Perhaps religion and moral values had something to do with the change from Tocqueville's America. In 1832, democracy and religiousness, equality and a liking for comfort supported and justified each other. What has happened to Anglo-American religion when the White Anglo-Saxon Protestant (WASP) today makes up only a minority, and the mass media and the world scene are dominated by entirely different ethnic groups that disseminate a new work ethic?

Some people interpret the recent ecological movements, student activism, and intellectual protests as evidence of a loss of historical dynamism, of a change from a pioneer spirit to a less ambitious attitude. While a liking for comfort inspired Americans with an enterprising spirit, pleasure-seeking ran counter to their efforts. Others interpret the cultural revolution of the Sixties differently. They believe that America will leave the simplicity of its youth to become, in its turn, an "historical nation," with strata characterizing the people of multiple and contradictory experiences.

I personally tend toward the second hypothesis. The American Republic today has so many ethnic groups, so many intellectuals, so much professional and cultural diversity, that we could, like Tocqueville, draw a parallel between the superficial unrest and the constancy of fundamental values. These values do not escape criticism and do not survive without changing in an America where 60 per cent of the labor force is employed in the service sector.

Must we conclude that the American Republic has lost the unique characteristic that has singled it out from all other political entities—namely the voluntary creation of a federation by immigrants through a contract? Absolutely not. In certain respects, America today is more original than it was in Tocqueville's time. In the agrarian republic at the turn of the nineteenth century, we could recognize the common laws of the Anglo-Americans. Today, however, the concept of Anglo-American people does not mean

as much as it did a century and a half ago. By spreading out over another continent, the English colonies, swelled with different European ethnic contributions, deviated more and more from the initial model. A second English-speaking empire, if you like, but an empire unlike any other.

From its roots, its settlements, the United States has nonetheless kept its originality—the unbreakable link between its political inception and socialization. The confusion between citizenship and nationality remains. In the historical nations—France, in particular—adherence to political ideologies incompatible with those of the established regime does not mean that they will be banned by the rest of society. Communist activities are not "un-French," whereas in the United States they are "unAmerican." The Constitution's influence—and thereby, the position of judges—is still a living heritage from the past in America today. Watergate is evidence of this.

Observers from inside and outside the United States have always vacillated between two theories on what the American experience means—a unique adventure which could not be repeated anywhere else, or an experiment in humanity and the future of Europe. Over the past 30 years, the second alternative has carried more weight. Over the last few years, however, the former seems to be gaining the lead again.

I am not talking about a radical choice between these two theories. Other countries can learn from the American experience; but the US political regime and system of values do not lend themselves to a pure and simple translation. Likewise, if world leadership means either world predominance or a model with universal scope, the United States has lost it, assuming that it ever had it. And yet the Free World, more than ever, needs leadership from the last great Western power.



RAYMOND ARON is French writer and professor at the *Ecole Pratique des Hautes Etudes, Centre Européen de Sociologie Historique*, in Paris. His books include *Peace and War*, *The Imperial Republic*, and *Progress and Disillusion*.

An Exhibit at the National Portrait Gallery

ABROAD IN AMERICA

Throughout its 200-year history, the United States has attracted a variety of European writers and artists, who came not as immigrants to be assimilated into the New World but as critical observers. Their views naturally varied—from enthusiasm to pessimism to flat rejection. Often even

one writer's views fluctuated as well. After his first visit to America in 1842, Charles Dickens wrote, "I do fear that the heaviest blow ever dealt at liberty will be dealt by this country in the failure of its example to the earth." Twenty-five years later, during his second visit, Dickens admitted: "It is a good sign, may be, that it all seems immensely more difficult to understand than it was when I was here before."

These comments from 10 Europeans are excerpted, with permission, from the National Portrait Gallery (Smithsonian Institute) catalogue for its current Bicentennial exhibition—*Abroad in America: Visitors to the New Nation, 1776-1914*. Marvin Sadik, National Portrait Gallery director, says in the catalogue's forward: "Whether America can yet be what the founding fathers intended, and immigrants before and since have dreamed it would be, remains to be seen. However, so long as change is possible, the promise lives. 'Hope, the great divinity,' John Butler Yeats believed, 'is domiciled in America.'"

In establishing among themselves a purely democratic government, had the Americans a real love of democracy? And if they have wished all men to be equal, is this not solely because, from the very nature of things, they were in fact equal, or nearly so? . . . Now such is the present happiness of America that she has no poor, that every man there enjoys a certain ease and independence, and that if some individuals have been able to obtain a smaller portion than others, they are so surrounded by resources that their future status is considered more important than their present situation. . . . Now, Sir, suppose that the increase population reduces your artisans to the status they have in France and England — do you then believe that your principles are democratic enough so that the landholders and the opulent would still continue to regard them as their equals?

FRANCOIS-JEAN MARQUIS DE CHASTELLUX (1734-1788), *Travels in North America*.

CHASTELLUX, member of a noble Parisian family, distinguished himself as a philosopher, historian, and brigadier in the French army before serving in the Revolutionary War July 1780-January 1783. He was one of three *Maré-*



Photos from the National Portrait Gallery, Washington

Oil on canvas attributed to Marie Louise Elisabeth Vigée-Le Brun, 1789, lent by Le Comte Louis de Chastellux.

chaux de camp (major generals) directly under Rochambeau, who commanded the French expeditionary force. He served as liaison officer between the American and French commands at the siege of Yorktown and later wrote about the nature, promise, and perils of the new United States.

I do not like them. I do not like their principles, I do not like their manners, I do not like their opinions. . . . The total want of all the usual courtesies of the table . . . the loathsome spitting, from the contamination of which it was absolutely impossible to protect our dresses; the frightful manner of feeding with their knives, till the whole

blade seemed to enter into the mouth; and the still more frightful manner of cleaning the teeth afterwards with a pocket knife, soon forced us to feel that . . . the dinner hour was to be any thing rather than an hour of enjoyment.
FRANCES TROLLOPE (1780-1863), *Domestic Manners of the Americans*.



Oil on canvas by August Hervieu, circa 1832, lent by British National Portrait Gallery, London.

FRANCES TROLLOPE, mother of the famous English author Anthony Trollope, traveled to America in 1872 to seek means to ease her financial burdens. After numerous failed business ventures, she published the "outrageous" *Domestic Manners of the Americans*, in which she criticized Americans, both men and women, for their want of manners. Her first publication was succeeded by four novels about America.

I know of no people who have established schools so numerous and efficacious, places of public worship better suited to the wants of the inhabitants, or roads kept in better repair. Uniformity or permanence of design, the minute arrangement of details, and the perfections of administrative system, must not be sought for in the United States: what we find there is the presence of a power which, if it is somewhat wild, is at least robust, and an existence checkered with accidents, indeed, but full of animation and effort.

ALEXIS DE TOCQUEVILLE (1805-1859), *Democracy in America*.

ALEXIS DE TOCQUEVILLE, a distinguished French administrator, traveled to America with Gustave de Beaumont in April 1831 officially to study the American penal system. Their true purpose, however, was to write a "scientific" book that would be based on the mechanisms of American



Oil on canvas by Théodore Chassériau, 1850, lent by Musée National du Chateau de Versailles.

life. Four years later, de Tocqueville published the first volume of his famous and still widely read *Democracy in America*.

peace at his heart: exulting that he had caught the true aspect of things past, and at the depth of futurity which lies before him, wherein to create something so magnificent as the world has scarcely begun to dream of. There is strongest hope of a nation that is capable of being possessed with an idea; and this kind of possession has been the peculiarity of the Americans from their first day of national existence til now.

HARRIET MARTINEAU (1802-1877), *Society in America*.



Oil on canvas by Charles Osgood, 1836, lent by Essex Institute, Salem, Massachusetts.

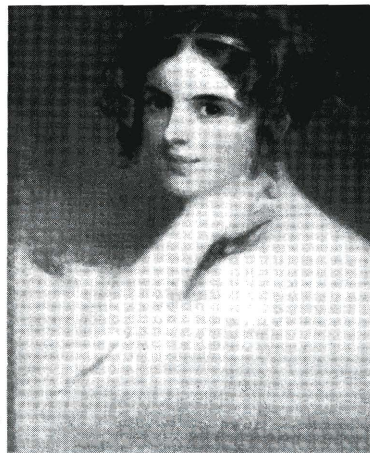
I regard the American people as a great embryo poet: now moody, now wild, but bringing out results of absolute good sense: restless and wayward in action, but with deep

HARRIET MARTINEAU, at 32, a deaf but famous English writer of polemical force, traveled to America in 1834 for two years of rest and self-improvement. Although she originally planned not to write about her experiences, she published three works based upon her American visit—*Society in America* (1837), *How to Observe*, and *Retrospect of Western Travel* (1838).

I was summoned . . . to receive the petition of certain poor women in the family-way to have their work lightened. . . . They said they had already begged 'massa,' and he had refused, and they thought, perhaps, if 'missis' begged 'massa' for them, he would lighten their task. Poor 'missis,' poor 'massa,' poor woman, that I am to have such prayers addressed to me! I had to tell them that, if they had already spoken to their master, I was afraid my doing so would be of no use, but that when he came back I would try; so, choking with crying, I turned away from them, and re-entered the house, to the chorus of 'Oh, thank you, missis! God bless you, missis!'

FANNY KEMBLE (1809-1893),
Journal of Residence on a Georgian Plantation.

The English actress FRANCES ANNE KEMBLE visited the United States in 1832 and two years later married Pierce



Oil on canvas by Thomas Sully, 1833, lent by Pennsylvania Academy of the Fine Arts.

Butler, the absentee owner of two Georgia plantations. She was "liberal" in her views, and the marriage and new way of life were a disaster. The unhappy experience influenced her best known work—*Journal of Residence on a Georgian Plantation.*



Oil on canvas by Francis Alexander, 1842, lent by Museum of Fine Arts, Boston.

'And how do you like our country, sir?' asked Mrs. Hominy.

'Very much indeed,' said Martin, half asleep. 'At least—that is—pretty well, ma'am.'

'Most strangers—and partick'larly Britishers—are much surprised by what they see in the U-nited States,' remarked Mrs. Hominy.

'They have excellent reason to be, ma'am,' said Martin. 'I never was so much surprised in my life.'

CHARLES DICKENS (1812-1870),
Martin Chuzzlewit.

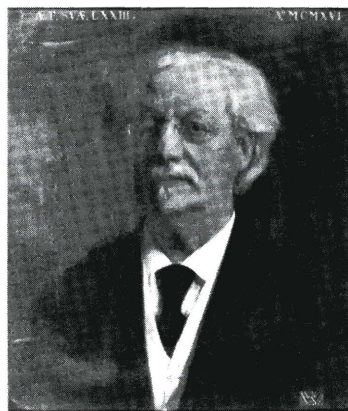
CHARLES DICKENS visited America in 1842, not only to view the country for the first time but to fulfill a contract to write an account of his trip. The English novelist's initial reaction to America was positive, even laudatory. But later, because of a dispute over a reciprocal agreement concerning international copyright, Dickens became bitter, even though in 1867 he returned for a year's lecture, which enhanced both his wealth and fame.



I prefer our Dutch pigs as the owners of future hams, but their American counterparts as symbols of a young zest for life. Stand in front of a Dutch pigsty and one sees symbols of unashamed ease, of sensual comfort, of cosy, delightful sleepiness. . . . But the quick . . . American pigs are totally different. They are independent, rapid in their movements, not too fat, cheerful and merry. They investigate everything; their snouts are constantly mobile; they insert their noses into everthing searching for a grain of wheat in the mud, noticing everything.

CHARLES BOISSEVAIN (1842-1927),
From the North to the South.

CHARLES BOISSEVAIN, a veteran journalist for the Dutch newspaper *Het Algemeen Handelsblad*, was assigned in



Oil on canvas by Willem Witsen, 1916, lent by NRC Handelsblad, Rotterdam.

1880 to comment on American life. His reports were published in 1881 and 1882 as the two-volume *Van't Noorden naar't Zuiden.*



The legislative power here has the upper hand. That is the peculiarity of the situation, or rather of this government. Congress may, when it pleases, take the President by the ear and lead him down from his high seat, and he can do nothing about it except to struggle and shout. But that is an extreme measure, and the radicals are limiting themselves, for the present, to binding Andrew Johnson firmly with good brand-new laws. At each session they add a shackle to his bonds, tighten the bit in a different place, file a claw or draw a tooth, and then when he is well bound up, fastened, and caught in an inextricable net of laws and decrees, more or less contradicting each other, they tie him to the stake of the Constitution and take a good look at him, feeling quite sure he cannot move this time.

GEORGES CLEMENCEAU (1841-1929),

Le Temps, September 25, 1867, observations several months before the impeachment trial of Andrew Johnson.



Bronze by Auguste Rodin, 1911, courtesy New Orleans Museum of Art, on extended loan from Mr. & Mrs. Pierre B. Clemenceau.

As a student in Paris, GEORGES CLEMENCEAU wrote for newspapers of the far-left and at the age of 24 became a doctor. But instead of practicing medicine, he left for New York in 1865 and began his reports for the Parisian journal *Le Temps* on America's reconstruction after the Civil War. His political career began in 1870 when he took part in the *coup d'état* overthrowing Emperor Napoleon III and establishing the Third Republic. He became Prime Minister and played an important role in peace negotiations after World War I.

Everywhere in the world the roving Yankee takes his pleasure and profit indifferent to all risks. . . . He's not satisfied with life unless he makes his own the flowers of every shore. . . .

GIACOMO PUCCINI (1858-1924), *Madame Butterfly*.



Photograph by Aimée Dupont, 1908, from original in Library of Congress, Washington.

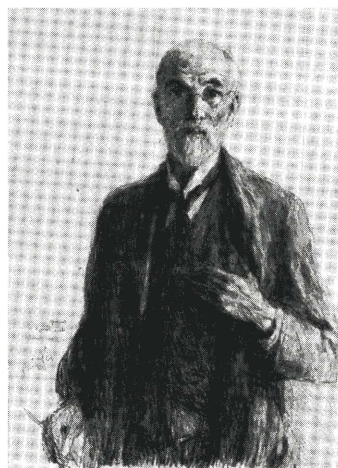
GIACOMO PUCCINI, heir to a long line of composers of ecclesiastical music, rose from his early impoverishment to become one of Italy's most famous opera composers. His visits to America in 1906 and 1910 were highly successful, especially the latter when the Metropolitan Opera presented the world premier of a grand opera set in the gold-mining camps of California—*The Girl of the Golden West*. His then well-known operas are *La Bohème*, *Tosca*, and *Madame Butterfly*.

You must not think I do not admire and really adore this American character, which is now growing up, even while it is so easy to laugh at and even sometimes hate. A sort of European old-maidishness gets between me and them. Depend upon it, it is a mistake sometimes to have been too well brought up, it prevents you realising that in America everything hitherto respected including your politeness and reticence is quite out of date. Every day of my life, I meet with some fresh surprise. People will do and say anything, and except a few things like the multiplication table, nothing is sacred.

JOHN BUTLER YEATS (1839-1922), letter written from New York, July 3, 1912.

JOHN BUTLER YEATS, the son of an Irish Protestant rector and father of the poet, William Butler, first studied to be a lawyer, but his desire for a life of artistic leisure led him to painting. In 1907 he left Dublin for New York and

lingered in Greenwich Village—an American model in what he called "the art of living"—throughout the remainder of his life.



Self-portrait in pencil, possibly 1919, lent by Professor William M. Murphy.

*United
States
and
United
Europe:
An
Heroic
Coupling*

*Within the Europe of the Nine
The Nation State is doing fine,
These days, it seems, the Common Good
Is served by rampant Nationhood.
The member nations have, of late,
Laid separate plans to celebrate,
With solemn ceremonial,
The US Bicentennial.*

*The Danes with Queen, and naked dance
Have seized their Bicentennial chance.
She came, they danced, their eyes were blue,
For once a fairytale came true,
Beauty prevailed. Is it not strange
To call this "cultural exchange?"*

*Britons, in economic plight,
Are urging Bicentennial flight.
"Come home, America," they holler,
"And shower on us the mighty dollar."
But then they boast, and so they should,
Of Democratic Parenthood.
So, as befits the Alma Mater,
They'll send their Queen, and Magna Carta.*

*La France has sent two gifts "tres cher,"
Giscard, and "Son et Lumiere."
The "Son" its purpose to gainsay
That France is anti USA.
The "Lumiere" to lift the pall
Spread everywhere by Charles de Gaulle.*

*The biggest Bicentennial spree
Is on in Western Germany.
For many a German stretched a hand
To America, the promised land.
Thousands who fled in hope or rage
Now trace their national heritage.
They'll find their old Bavarian aunt
Thanks to a Bicentennial grant.
Ten million dollars will be paid
To balance up that Marshall aid.*

*Italy, the mother of much art
Will play her Bicentennial part.
Medici Venus' hip and thigh
Must catch the wandering tourist's eye.
Nostalgia for this modern nation
Of Woman before liberation.
La Scala's Divas, all the rage,
Will dazzle us upon the stage,
While back at home, Oh Fateful hour:
The Communists may come to power.
And if they do, shall we cry, "Basta!"
Or drink our wine, and eat our pasta?*

*On Patrick's day, well bless the Lord.
Liam Cosgrave met with Gerald Ford,
And pinned his unsuspecting chest
With Shamrocks, some of Ireland's best.
The Governors of thirteen States
Have gone to Ireland with their mates.
In little pubs beside a hill
They'll weep with Guinness and good will,
The local lads will take a day
From chasing up the IRA,
And entertain distinguished guests
With truly ethnic Irish jests,
Certain that after such a session
The Governors will need confession.
But then they'll have another drink
To forge that Bicentennial link.*

*As summer blooms along the Mall
And everybody yearns for Fall,
Begonias from Ghent will flower
In Belgium's Bicentennial bower.
And from its loom of history
Comes sixteenth century tapestry,
So gently, Belgium celebrates
The Birthday of United States.*

*The Netherlands Bicentennial schemes
Are rich with music's woven themes.
The Dutch connection's not vague,
John Adams visited the Hague,
And Bernstein's energetic baton
Will grace both Holland and Manhattan.*

*"But Luxembourg has been left out!"
Went up a Bicentennial shout.
Not so. In fact our Muse Celeste
Quite often saves for last, the best.
For US audiences will adore
The Ambassador, a troubador.
With Grand Piano, and a smile
He'll wow his listeners in the aisle,
So Europe's smallest member nation
Need feel no pang of trepidation.*

*America, Europe salutes your Bliss,
You vast, SUCCESSFUL Synthesis.*

RICHARDSON ST. JOHN, poet-in-waiting
for the European Community.

Industry Slump Threatens Transatlantic Trade

THE STEEL BLUES

DAVID FOUQUET, *Brussels-based American journalist who writes for Newsweek and edits the Brussels Times*

ONCE THE DRIVING FORCE OF MODERN SOCIETY, STEEL mills from the Ruhr to Pittsburgh to Japan have also become a key problem in international economic relations in recent months. Although early 1976 signaled a recovery in some major economies that might ease the plight of the troubled steel industry, the spring was also marked by intense triangular negotiations to head off escalation of a diplomatic dispute. Officials from Europe, the United States, and Japan strived toward a formula that would spare them the application in June of US import quotas.

The current ills of the steel industry involve the world's major producers and consumers—generally the same countries that have experienced a deep slump and want to protect their output from foreign competition. This means either unilateral import restrictions or joint market-splitting agreements: Both violate the liberal trade policies espoused by all the major commercial nations. Although clearly against the interest of the consumer and free-trade interests, such voluntary export curbs are often considered easier to swallow by the governments and industries involved than the wrenching experience of cut-throat competition and the continuing adjustment to unemployment.

The industry has just staggered through one of its worst years in 1975. According to the International Iron and Steel Institute in Brussels, steel output throughout the world was down some 20 per cent last year. This figure was matched in the nine EC member countries, where production reached 1968 levels and only 65.5 per cent of capacity was being used. Once the world's leading steel producer, the United States was not spared the ravages of the steel industry slump in 1975. The situation was roughly the same in Japan, another of the world's leading steel-makers.

Various sorts of remedies were envisaged to combat this slump. The industries themselves either began cutting prices to spur sales and stimulate export shipments or raised prices to offset slower sales volumes. Authorities were subjected to pressure to institute floor prices, production limits, or import controls. It is the shockwave from the demands that arose as a result of the 1975 recession that officials are attempting to cope with now, even though the industry's case may be weakened by the economic pickup experienced in early 1976.

Some observers even feel that the whole exercise may be pointless. "More useful than any orderly marketing agreements may be the economic recovery in the United States,"

commented one European recently. Such reasoning is based on the belief that the clamoring triggered by the economic downturn can be silenced or ignored because of improved conditions.

It is true that the 1975 recession produced demands that were hard to resist on either side of the Atlantic. The year brought not only the 20 per cent cut in output, but also massive layoffs, record deficits, the departure of top executives, and a buildup of tension on how to cope with the tailspin. These disastrous conditions in Europe, for the first time since the 1952 creation of the European Coal and Steel Community, resulted in a request for a formal recognition of a "manifest crisis" that would open the way for remedial measures. This request was made in March 1975 by Jacques Ferry, the president of the French Steel Federation, whose members' production was down some 30 per cent at that stage. French and other steelmakers asked the EC Commission to apply either production quotas, minimum prices, or import restrictions against steel pouring in from Japan, Spain, and Eastern Europe.

The EC Commission, however, rejected such measures and instead in October asked for a meeting on the steel issue within the Organization for Economic Cooperation and Development (OECD) in Paris. In a statement at that time, the Commission noted: "Although the problems that have to be faced by the Community's steel industry are in certain aspects even more acute than those faced by other countries, they stem from the same root and should not therefore be treated in isolation. That is why the Commission considers that there is need for international measures to remedy the situation as far as possible while waiting for the economic upturn to bring better prospects."

INDUSTRY PRESSURE SURFACED in the United States. The attack was launched on two fronts. The US Steel Corporation first asked the Treasury to investigate its complaint that the European Community subsidized its steel exports through tax rebates. In addition, the manufacturers of "specialty" (stainless and alloy) steels and the United Steelworkers of America asked the US International Trade Commission to recommend restrictions on foreign competition.

These appeals were made easier by the 1974 Trade Act, which loosened the qualifications for import relief. This resulted in an increase in the number of requests for government remedies, and consequently raised the tension among trading partners feeling the sting of the American



Electric furnace melting stainless steel—one of the “specialty” steels causing “special” transatlantic relations. Cyclops Corp., Bridgeville, Pennsylvania

challenges. The European Community noted that over one-fifth of its traditional exports to the United States were under attack by such actions. It also asked the United States Government “to control the forces of protectionism.”

In the US Steel Corporation case, the Treasury Department in October handed down an important ruling that the EC system of returning the value-added-tax paid on all goods eventually exported did not amount to an illegal subsidy under US laws. By rejecting the US Steel case, the Treasury relieved some pressure on not only steel but every other EC export.

The tempers again mounted early this year when the International Trade Commission in two cases ruled that imported steel was injuring the American industry and recommended import curbs. In January it found that imported specialty steels were having an injurious impact on their American competitors, and in March it issued a similar judgment in the case of imported stainless steel tableware.

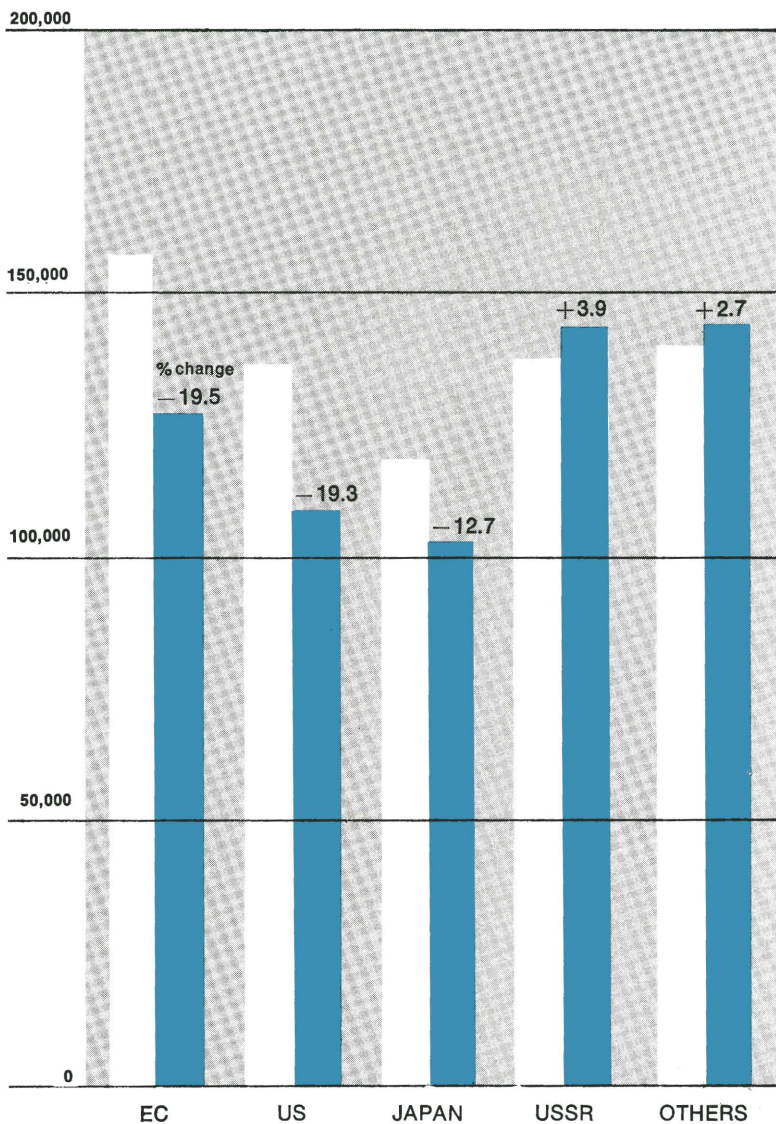
In his first major action based on the escape clause provision of the Trade Act, President Ford in March elected to seek a voluntary international restriction on specialty steel shipments to the United States before resorting to import quotas. In seeking this alternative approach to the case, President Ford gave the international steel negotiators the 90 days until June 14 to work out their solution based on orderly marketing agreements that would result in reducing exports to the United States.

In such cases, nations generally prefer to hammer out what they euphemistically termed “orderly marketing agreements” together rather than unilaterally break the free-trade pledges so frequently made. “If we sin together to the same extent, we should be able to find some formula,” noted one involved source recently. There are precedents for such joint agreements in the steel industry and in other sectors. The world markets for several major commodities are already subject to international quota agreements, and the steel sector itself was “voluntarily” restricted for several years recently.

Not everyone concerned, however, has shared that point of view. In the case of the 1972-1974 agreements in the steel industry, American consumer interests contested such accords through legal action. A *Washington Post* editorial also noted: “Once again Mr. Ford is responding to the voices that are the closest and loudest. On the other side of the question, every consumer has an interest in maintaining

CRUDE STEEL OUTPUT 1974 1975

in 1000 metric tons



SOURCE: Eurostat Provisional figures

competitive markets. But Mr. Ford does not seem to have a very good ear for that kind of highly diffused interest.”

Also in Europe such proposals have aroused opposition. Shortly after President Ford's suggestion that specialty steels be voluntarily restricted or face the imposition of US quotas, the EC Commission expressed its “profound regret.” The time limit of 90 days specified by the President was also regarded as an ultimatum. “What good will it do us to agree voluntarily to restrict exports,” observed one European source, “we might as well let Ford slap the quotas on us and save our plane fares.”

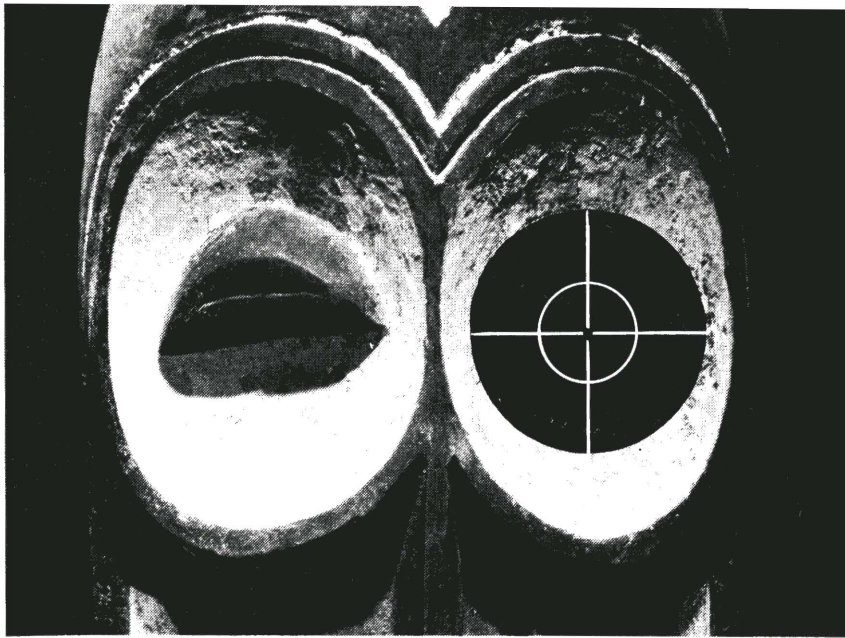
POSITIONS SEEMED TO HARDEN during an OECD meeting in early April between the United States, Europe, and Japan on the issue of specialty steel quotas. US Deputy Special Representative for Trade Clayton Yeutter reiterated President Ford's interest in seeking voluntary limits on ship-

ments to the United States before resorting to quotas. But, rather than showing any flexibility, the other parties generally repeated their feeling that restrictions were unjustified and cited their concern about the precedent the case might represent. Discussions were to continue on a bilateral basis after the OECD gathering, called to comply with the commitment to consult with partners before any country took restrictive actions.

Although the steel slump and the resultant trade restrictions will have their immediate impact on the industry, some observers feel there could even be wider repercussions. Critics of the American action have argued that, while early 1975 saw a setback for the steel industry throughout the world, the end of last year and early 1976 witnessed such a considerable improvement that companies were reporting healthy profits and the trade curbs would be noteworthy only for their additional cost to the consumer. It was also remarked in the United States that some quotas may be placed on products like stainless razor blade steel from Sweden, which is not even made in the United States. C. Fred Bergsten, senior fellow at Brookings Institution, testifying for the Consumers Union, told the Trade Commission that import restrictions “could easily cost American consumers at least \$250-to-500 million.”

But this whole chapter could also have shockwave effects inside the European Community and in international trade. “The precursor of the Europe of six, then the Europe of nine,” noted the French financial daily *Les Echos* recently, “the European Coal and Steel Community Treaty signed in Paris in 1950, will soon only be a shadow of itself.” The journal complained that the unofficial “club” of European steelmakers which negotiated earlier voluntary restraint agreements with the United States was the real authority in the industry. The journal also complained that France, Belgium, and Italy had requested the EC Commission to take emergency measures last year but that the Commission refused under pressure from German steelmakers. The EC Commission was also attacked by the paper for not opposing a recent cooperative venture that joins steel interests in Germany, Luxembourg, Belgium, and Holland into a dominant giant in the European steel industry.

In addition to creating friction within the European Community, the steel dispute may become a similarly destabilizing influence in international trade. The imposition of US quotas or the pressuring of Europeans and Japanese into orderly marketing agreements is bound to leave scars. Such an outcome would possibly force these countries to seek compensation or enact their own retaliative measures. All these are prospects that would prejudice the American desire to have steel considered as a separate issue in the Tokyo Round of trade negotiations in Geneva and could have a profound impact on the entire negotiating atmosphere at those important talks.



AFRICAN FOCUS

US Safari in Europe's Old Preserves

PETER YOUNGHUSBAND, *Cape Town-based African correspondent for Newsweek*

UNTIL NOW, US SECRETARY OF STATE HENRY A. KISSINGER had never really had much time for Africa, nor did he find its affairs of special interest. This was partly due to Kissinger's preoccupation with other matters and partly due to traditional American policy to rate Africa a low priority region in its foreign policy. In contrast to Western Europe, which has always rated African affairs high.

First the Vietnam peace talks and then the Middle East peace negotiations dominated Kissinger's energies. Officials on the State Department's Africa desks were frustrated by Kissinger's indifference. American presidents have not been much better. Former President Richard M. Nixon is known to have found African politics complicated and boring—and not directly affecting United States interests. Informed on one occasion of an attempted coup in the central African state of Chad, he asked petulantly: "Where the hell is Chad anyhow?"

There was a general tendency to leave the influencing of African affairs to those Western nations which had more direct ties with the continent through past or present colonial ties. Thus, there was always more preoccupation with Africa in London, Paris, Brussels, and Lisbon.

These are probably the reasons why the handling of African affairs south of the Sahara by the United States left much to be desired. American policy on the Biafran War proved inept. The more recent handling of the Angolan affair showed Washington to be ill-informed and confused—and ended ignominiously for the United States with the Senate and the Presidency in conflict, while the Soviet Union with its Cuban surrogates managed to seize one of the biggest and most valuable territories in Africa for control by a Marxist minority.

Moscow and Peking—unlike Washington—have never underrated the long-term value and importance of Africa.

And both Communist powers instituted long-term planning to gain footholds and expand their influence in the Black Continent. Their reasoning was simple and logical. In a world of diminishing material and food resources, Africa is the main treasure house of future needs. Vast areas of fertile land await development. Oil fields have been opened in Nigeria and Angola; Zaire and Zambia produce most of the world's copper. South Africa produces 70 per cent of the world's gold and most of its diamonds—as well as substantial quantities of strategic material such as uranium. Rhodesia produces the highest quality chrome, needed in space research. Apart from this, the continent of Africa abuts onto important strategic sea routes—vital to the West.

In the past decade and a half, Russia and China have competed for control of emergent African nations. Somalia has become virtually a satellite of the Soviet Union, giving Russia bases on the horn of Africa close to the southern end of the strategically vital Red Sea. The Soviets have also established close relations and a base in Guinea on the west coast of Africa, and Nigeria and Ghana are leaning toward Moscow. Ugandan President Idi Amin, current chairman of the Organization of African Unity, is completely under the influence of the Soviets, who have equipped his army and air force. China has entrenched itself in the Congo (Brazzaville) on the west coast and in Tanzania and Mozambique on the east coast. The Chinese built the Tanzam railroad from Dar-Es-Salaam through Tanzania to Zambia and trained and armed the Frelimo guerillas who have since become the rulers in Mozambique.

The Communist advances—especially those of the Soviets—have been watched with unease by the white governments of the Republic of South Africa and Rhodesia. The South African Government warned repeatedly of the

increasing Russian naval activity in the South Atlantic and Indian Oceans which, the South Africans said, could pose an eventual threat to the safety of the Cape Sea route. But warnings from South Africa were treated with reserve, because it was suspected South Africa was seeking a Western military alliance to bolster its resistance to black liberation organizations.

There was an understandable reluctance on the part of the Western powers to get too closely involved with the white-ruled states of southern Africa militarily, because this might be construed as supportive of South Africa's repugnant racial policies as well as the illegal Rhodesian regime, which seized independence unilaterally from Britain 10 years ago. Any form of liaison with these countries would bring a backlash of protest from the black-ruled states of Africa. To avoid this, American and British had long imposed a ban on the sale of arms to South Africa—and adhered as strictly as possible to the United Nations trade sanctions against Rhodesia.

But whatever the problems entailed, South Africa's warnings were not over-played. This was proved only too dramatically by the Soviet-backed Cuban invasion of Angola. As the Soviets had so shrewdly calculated, the United States was caught off-balance. Washington had failed to perceive that Russia was so advanced in its Africa strategy that it was prepared to back an overt aggressive move.

THE TIMING COULD NOT HAVE BEEN MORE PERFECT. A presidential election year, the hangover of Watergate, and painful memories of Vietnam, all combined to render America both loath to get involved in a fight for another far distant territory—and confused on how otherwise to react. Caught between the urgent need for action and a reluctant Congress, Kissinger vacillated. He began with a covert military answer. CIA aid to the pro-Western FNLA-UNITA allies in the form of weapons and ammunition was stepped up, and an expedition of South African troops across the border to aid the allies was secretly condoned. When the US Senate vetoed further military assistance, the Secretary of State swung over to an attempted political solution. The Organization of African Unity was prevailed upon not to recognize the Marxist MPLA, and South Africa was asked to pull back its troops just as they were about to enter Luanda, the capital. Publicly, Washington disassociated itself from the South African involvement and later this was extended to withholding the veto that could have saved South Africa from censure at a UN Security Council meeting.

While Pretoria seethed with frustration and humiliation at the ditching, Kissinger prepared his new policy for Africa. It began with a two-week visit to six black-ruled African states—Kenya, Tanzania, Zambia, Zaire, Liberia, and Senegal. (Ghana was on the list but withdrew its in-

Teenaged girls prepare for the worst in Rhodesia, whose Premier, Ian Smith, says the United States and Britain "are prepared to sacrifice the whites . . . in order to buy time for themselves to avoid being confronted by further Russian aggression. . . ." UPI Photo





River Lumege railroad bridge in Angola, where "Soviet timing could not have been more perfect." UPI Photo

vitation under Soviet pressure.) The purpose of the trip was to boost America's sagging prestige—by way of financial handouts and sympathy with black nationalist aspirations.

The keynote was struck in Lusaka, the Zambian capital, where Kissinger delivered his policy speech. He said the white government in Rhodesia would face America's "unrelenting opposition" till black majority rule was achieved there. At the same time he urged South Africa to announce a time-table acceptable to the world community for achievement of self-determination in Southwest Africa (Namibia)—the trust territory administered by the South African Republic. He warned South Africa that it had less time than it might think before ending apartheid.

The speech was received with emotional enthusiasm by Zambian President Kaunda and other listeners. Predictably, it got a chilly response further south. Rhodesian Premier Ian Smith remarked coldly that Kissinger had demonstrated neither the courtesy nor the logicity of visiting Rhodesia personally to "see the facts for himself." Smith said: "They [Britain and the United States] are prepared to sacrifice the whites of Rhodesia—and if necessary in the whole of

southern Africa—in order to buy time for themselves so as to avoid being confronted by further Russian aggression in the subcontinent."

In South Africa, Arnaud de Borchgrave, senior editor of *Newsweek*, asked Prime Minister John Vorster: "Does it appear that Kissinger is trying to compete with the Soviet Union for the 'liberation' of Southern Africa?" Vorster replied: "I couldn't agree more, and I would like to add that he is putting the United States on a no-win course because, in fact, he is now sitting down to sup with the devil and he should know that his spoon isn't long enough to do that. . . . The time is past for superficial platitudes. That's what the Lusaka speech was all about, and when he really comes to the point, I don't think he has satisfied anybody."

The Cape Town Afrikaans language daily newspaper *Die Burger* (government-supporting) summed up the Kissinger visit as follows: "There is a stronger awareness of America in Africa, but not nearly a restoration of its damaged prestige. If Dr. Kissinger were to take one message home, it is that the United States will not easily and rapidly restore its image in Africa. The Russo-Cuban invasion of Angola, and its impotence to prevent the continued presence of these foreign forces, stand like a chronic reproach which cannot be undone with a hurried trip and a flood of words."

Kissinger's speech was endorsed by British Prime Minister James Callaghan in the House of Commons on April 27. Earlier in Whitehall, a Foreign and Commonwealth Office spokesman welcomed Kissinger's "re-affirmation of United States support for Britain's policy on Rhodesia." But right-wing members of the British Conservative Party criticized the Secretary of State's speech as "one-sided." Former Foreign Office Minister of State Julian Amery said the Kissinger speech had "ominous echoes" of the late John Foster Dulles's attempts to pre-empt Soviet diplomacy in the Middle East in the Fifties. Winston Churchill, grandson of the famous wartime Prime Minister, said Kissinger's "one-sided" approach to the problem, without going to see the situation at first hand, was widely resented.

In France, there was little immediate reaction to the new American initiative. But there were signs that France was likely soon to take steps in promoting a new entente in Africa, to assist in stabilizing the highly volatile situation. President Valéry Giscard d'Estaing met with President Félix Houphouët-Boigny of the Ivory Coast, who visited Paris with five members of his cabinet. According to French Government sources, Houphouët-Boigny's visit had mainly to do with the southern Africa situation, and he expressed his misgivings at what he saw as a developing struggle over Africa between the superpowers.

In his talks, President Houphouët-Boigny described Kissinger's visit as "belated window dressing." He said he felt that African problems should be solved by Africans; but if

there was to be cooperation from the outside, then it should come from Europe—from such former colonial powers as France, which has special links and long-term associations. President Houphouët-Boigny, known as “the old sage” in Paris, is highly respected. His views, expressed a week before the Franco-African summit held in Paris in May (attended by a dozen African heads of state) went far in formulating French Government policy, which is expected to emerge as strongly supportive of dialogue between black- and white-ruled states in Africa.

In Bonn, German Minister Hans-Dietrich Genscher said West Germany shared Kissinger’s standpoints on white minority rule in Rhodesia and Namibian independence. He said his country also rejected colonialism and racism in any form, including the “reverse racism” which could follow black majority rule. Genscher said that every Western country wanted to see an independent, non-Communist Africa. Therefore, the West had to be a credible advocate of African independence against every foreign influence and against the remnants of colonialism and racism.

The 1975 Lomé Convention, which granted virtual associate membership in the European Community to 46 developing nations, mainly African, allowing entry of their agricultural and raw material exports free of duty or quantity restriction, is an example of the solid base that European connections with Africa offers to the American initiative. Kissinger’s proposals for a new international resources bank, presented to the UNCTAD IV conference in Nairobi, which he attended at the end of his Africa tour, is a powerful expansion to the Lomé Convention, although there has been too little time as yet to establish ways in which the two plans—as well as other cooperation with the new American initiative—can be synchronized.

The statement made by the European Council of Ministers in Luxembourg on February 23 on Angola reflects general accord with United States policy. The nine EC member countries, appealing for the people of Angola to be allowed to determine their own future, disassociated themselves from any action by any state seeking to establish a zone of influence in Africa. It called for the right of self-determination and independence of the people of Rhodesia and Namibia—and condemned the policy of apartheid in South Africa.

THE NEW AMERICAN POLICY as stated by Kissinger is, in fact, in dire danger of sending US prestige on another downward slide unless it produces quick results. A close analysis of Kissinger’s words reveals that he has really said nothing new. The United States has long supported majority rule in Rhodesia, has long urged the independence of Southwest Africa, and has plainly recorded its disapproval of apartheid. So what did the Lusaka speech achieve? Black Africa will now be looking for the Secretary of State to back up his rhetoric with action. As has



Kissinger meets with UNCTAD IV delegates in Nairobi, where one thing seemed certain: “The old style of leaving Africa to Europe to juggle with has ended.” UPI Photo

already been pointed out, the first and most obvious test is whether the Ford Administration can now persuade Congress to repeal the Byrd Amendment—the law that enables purchases of chrome from Rhodesia in spite of the United Nations trade embargoes.

Will Kissinger be able to halt the rapidly growing American investment in South Africa? Will the United States be prepared to compensate Zambia and Mozambique for the economic losses they have already suffered through the closure of their borders with Rhodesia—as well as compensate Botswana if that country agrees to close its borders too? Most important of all, can Kissinger persuade Rhodesia’s last remaining ally, South Africa, to pressure the Smith Government into accepting black majority rule? This is the sort of action that Black Africa expects—and on which US prestige can thrive.

There already exists some doubt that Kissinger can deliver—especially as his Lusaka speech helped to damage his President’s re-election chances. And Kissinger may well be called on to sacrifice some of his expressed intentions to help retrieve the domestic situation. However, although the Secretary of State did not visit Rhodesia or South Africa on his trip, the black leaders he saw, by his own admission, told him where the key to the problem lay. They pointed to South Africa. In mid-May, Kissinger put his hand on the key by opening negotiations with South Africa and preparing the ground for a meeting between President Ford and Prime Minister Vorster.

This is where real hope lies. The South African Government, long weary of the burden of supporting the intransigent Smith regime and failing to make Smith see that black rule is inevitable under the system he has chosen, may now be prepared to apply meaningful pressure on the Rhodesians, which as their chief arms supplier and economic and financial supporter, he is well placed to do. Principles of good neighborliness and white brotherhood have worn thin under what South Africa considers to be repeated errors of judgment on the part of the Rhodesians; and—in particular—the log-jammed Rhodesian situation has long frustrated South African Premier Vorster's attempts at détente with black African heads of state who expect him to do something about Smith before they will talk to him. So Vorster might just be in the mood to do a little horse-trading with the Americans.

The South Africans are interested in remarks made by Kissinger in private during his Africa tour—that South Africa may get a reprieve from the United States and the African bloc if South Africa makes new efforts to push for majority rule in Rhodesia. The reprieve would amount to giving South Africa more time to make the internal adjustments necessary to lead Southwest Africa to independence and solve its racial problems. It was noted in Pretoria and Cape Town that Kissinger went to great lengths in his Lusaka speech to point out that the South African people, and no one—including the leaders of Black Africa—challenges the right of white South Africans to live in their country. But Washington is likely to find Vorster a tough and cautious bargainer this time around. The memory of Angola is still very fresh.

One thing looks certain: The old style of leaving Africa to Europe to juggle with has ended. The Soviet-Cuban entry into Angola immediately riveted America's attention on the continent—and elevated it into an affair between the superpowers. In fact, if Kissinger's Lusaka speech made one thing clear, it was that the United States has finally recognized Britain's impotence to deal with Rhodesia and has stepped in to try and resolve what is really a British domestic conflict.

There is no longer any time to wait for a British solution. So long as the worsening guerilla war in Rhodesia continues, it offers another opportunity for Soviet-backed involvement for the ostensible purpose of aiding the Rhodesian black nationalists against the Rhodesian white minority. With a Russian-backed Marxist government already entrenched on their western flanks, the presently shaky pro-Western nations of Zaire and Zambia would almost certainly topple if Communism also gained a foothold to the south. With Rhodesia, Zaire, and Zambia under their influence, the Soviets would be within easy reach of plucking the big apple of Africa, the Republic of South Africa, itself.

Ortoli Appeals to Vorster

The following telegram was sent to South African Prime Minister John Vorster by EC Commission President François-Xavier Ortoli on May 21:

"Excellency, in my capacity as President of the Commission of the European Communities and on behalf of my colleagues, I hereby express my grave concern about the sentences passed upon Aaron Mushimba, Hendrik Shikongo, Rauna Nambinga, and Anna Nghihoundjwa.

"As Prime Minister Gaston Thorn, President of the EC Council of Ministers, already did in his telegram to you of May 16, I urgently appeal to you, on humanitarian grounds, to exercise clemency, particularly toward those condemned to death."

EC Southern Africa Aid

At their May 3-4 meeting in Brussels EC foreign ministers decided on how to allocate \$30 million in emergency aid which it had earlier decided in principle to give to countries encountering export problems as a result of applying sanctions to Rhodesia.

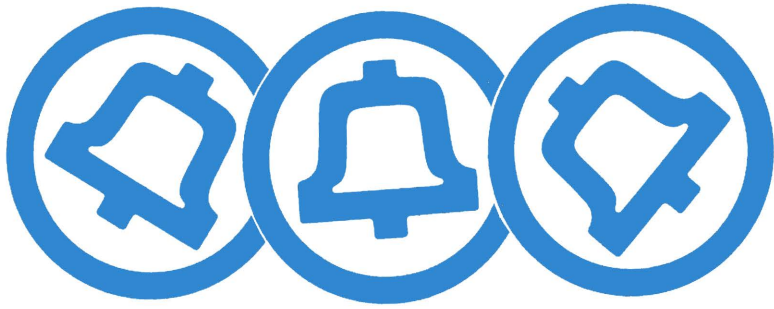
The money is to be distributed as follows: Zaire, \$18 million; Zambia, \$9 million; Malawi, \$1.8 million; and Botswana, \$1.2 million. The money will come from the emergency reserve in the European Development Fund's resources.

Ministers also discussed the possibility of the Community sending a fact-finding mission to Namibia.

But although the superpowers have entered the arena, it is not a confrontation in which the European nations need to stand on the sidelines. In fact, the regional influences of the former colonial powers in Africa provide a substantial base for the new American initiative. Britain, through its Commonwealth nations in Africa, and France through the Francophone French territories, and, to a lesser extent, Belgium—all provide infrastructures of trade and cultural associations that have lasted in spite of the bitter episodes of the old colonial days.

France has played a particularly constructive role in Africa in the past decade and a half. Its relationships with its former African territories have remained exceptionally good. It did not respond to calls for arms boycotts against South Africa, as did the United States and Britain, and became the South African Republic's chief supplier of sophisticated military needs. At the same time, France used its influence with moderate African leaders, such as President Houphouët-Boigny of the Ivory Coast, to promote dialogue and détente between white-ruled South Africa and Black Africa.

The need to keep South Africa militarily strong and to assist it in its détente aspirations is important in view of South Africa's strategic importance, its source of minerals, and the substantial Western investment in the country. Obviously this sort of cooperation also requires a commitment on the part of South Africa to abolish the racial policies which make it difficult to deal with as a respectable partner. There have been enough signs in recent months that the South African Government realizes this and is moving away from apartheid, although not fast enough in the opinion of most critics. Maybe one result of the coming contacts between Pretoria and Washington is that the process may be speeded up.



FOR WHOM MA BELL TOLLS

*100 Years of Telephones
in America and Europe*

CHRISTOPHER LORENZ, *electronics correspondent for The Financial Times*

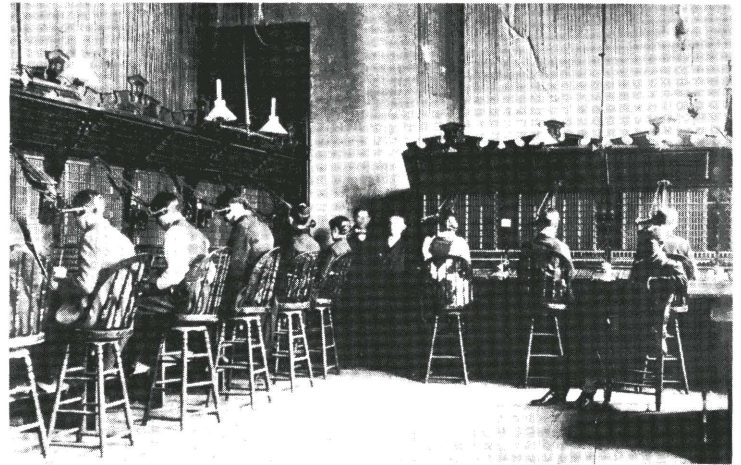
JUST A YEAR AFTER HIS HISTORIC INVENTION WORKED FOR the first time, Alexander Graham Bell returned to Britain, the country of his birth and education. There he was told by the chief engineer of the British Post Office that there was no future for the telephone—the engineer's organization monopolized a reasonably efficient telegraph service, and he had "plenty of messenger boys." A century after the historic day in 1876, when Bell made the first intelligible telephone transmission, French wits still quote the remark that featured in a recent national election campaign: "Half France is waiting for a telephone, the other half is trying to get a dial tone."

Regular visitors to the major countries of Western Europe will know that several of them—including Britain, but especially France—have a telephone service whose efficiency falls well short of North American standards, and whose cost to the consumer is, in most respects, much higher. Even if not every European country fits this picture, it does highlight the mass of contrasts between almost all aspects of "telephony" on the two sides of the Atlantic.

With the sole exception of Sweden, no major European country has more than about half the number of telephones per 100 people as the United States: Britain has 36; West Germany, 30; Italy, 25; France, 24—compared with 68 in the United States. And even the British householder uses his home telephone only half as often as the average American—twice a day compared with four or five times.

France, the most telephonically backward of the major West European countries, has now realized how important an efficient telephone network is to a top industrial power. The dreadful state of the system became an election issue immediately after General de Gaulle left the scene, and the national Post Office budget is now only marginally lower than that for defense—an extraordinary situation. (Like many European countries, telephone services in France are operated by the Post Office, which is a government department.)

To an American, a telephone is part of everyday life. Well before their teens, children hold long telephone conversations with their friends, according to US telephone



An American telephone exchange in 1881 bears resemblance to Europe's "Plain Old Telephone System." AT&T Photo Service, New York

company executives, who look upon the "youth market" as a great source of revenue. Similar tendencies are developing in some European countries, such as Sweden, whose exemplary system has encouraged almost as high telephone usage as in the States. But many Europeans still look upon the telephone as an intruder, or even as a threat. In Paris, by far the best developed part of the French telephone network—and with more telephones per head of the population than New York—one equipment supplier of international standing quickly realized there was little point in marketing the sort of automatic intra-office transfer facility which is becoming standard in other parts of the world: "Frenchmen refuse to take messages for each other, and get angry when the call is not for them," the frustrated supplier claimed.

SO BASIC DIFFERENCES IN CHARACTERISTICS have a strong influence on how much, and in what way, various nationalities use the telephone. But many other factors lie behind the stark contrast between penetration (phones per head of the population) in Europe and the United States. Three very obvious factors have a strong bearing on these differences—national wealth, the distribution of business centers, and the mobility of the population. Less obvious, at least to Americans surrounded by private enterprise, is

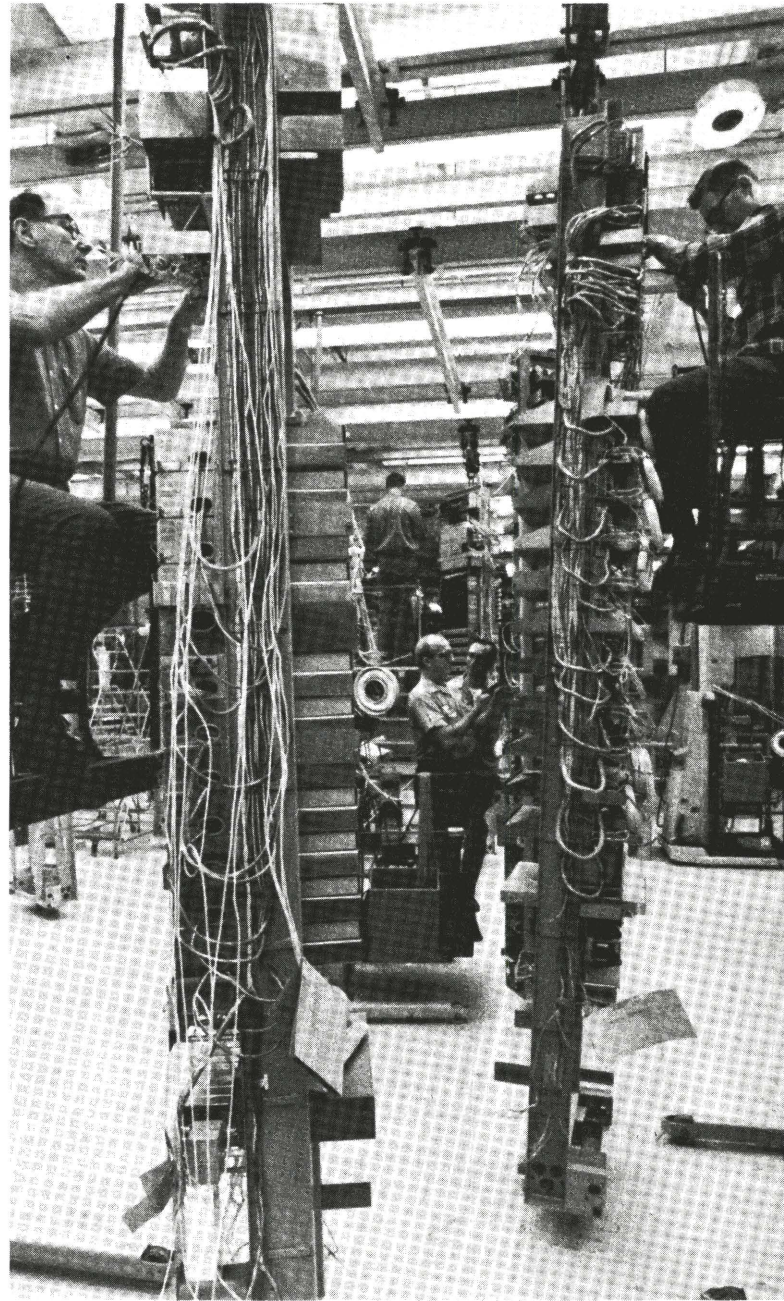
the way in which the structure of the telephone operating company can influence things.

The traditional European pattern is for the postal and telegraph departments of government to have added telecommunications to their operating monopolies around the turn of the century, and to have operated without the slightest element of competition ever since. Nor have they been subject to adequate supervision: Governments of all sorts are notoriously bad at keeping a check on themselves. Where, as in Britain, seven years ago, the "Post Office" (as these unwieldy organizations are still called) has been turned from a government department into a "corporation," there has been little change in its staff—and nobody left in the government department has been able to play an adequate supervisory role.

This sort of actual or quasi-government monopoly is quite different from that of the Bell System and the independent American telephone companies, all of whom have been subject to various levels of regulation for many years. To be fair to the European post offices, they have also suffered from repeated ministerial interference in their pricing and investment programs. This has certainly slowed the development of the British telephone network, for example.

Some recent improvements in the American system may be attributable to the impact of competition, since both the "interconnection" (of business communications equipment) and the "specialized common carriers" (of certain types of telephone service) were first approved by the authorities in the late Sixties. But the basic quality of the system has been fostered over decades by the Bell System, which by most European standards, (though not by those of the US interconnect suppliers) has long practiced marketing—a very concept which is foreign to some of the European governments. To make American local calls apparently free (though at least part of their cost is covered in the telephone rental charge) was, in retrospect, a stroke of marketing genius, since it has promoted the whole concept of telephone use. The US Federal Communications Commission is gradually forcing through policies which will require clear accounting for each type of service, so "free" local calls will disappear before long; many experts predict that, after an immediate slump in traffic as people realize the true cost of phoning, demand will recover—so used has everyone come to living half their lives on the telephone.

The cross-subsidization of different services within the US system is at the root of some of the wilder claims about its cheapness as compared with systems in Europe. Not long ago, Bell Canada made great play in London with the fact that it charged only a fraction of the British price for installing a telephone. Since the occasion was a new European share issue, Bell Canada was justified in doing everything it could to underline its efficiency, but it could



Wiring microwave bays at Western Electric, the Bell System's manufacturing arm: "Europeans are perplexed at the FCC and Justice Department attempts to break up the Bell monopoly."

Western
Electric
Photo

have balanced the picture by admitting that some of its charges for long-distance calls were well above the British level. The same applies to US Bell.

Take the latest comparisons: At the beginning of March, before the latest slide of sterling on the exchange markets distorted the figures, the charge for installing basic domestic service was the equivalent of \$18 in New York, compared with \$90 in Britain. Quarterly rental costs were much closer, just over \$20 in New York and \$16.50 in Britain. (All these figures are courtesy of Britain's National Utility Service, which operates a telecommunications consultancy.) On dialed calls, the two countries' charges converge with increasing distance, and over about 60 miles the New York levels are generally higher. Inter-

estingly, New Yorkers had to pay roughly as much as Britons for local calls, over and above their free allowance of 150 local message units.

For the person who only pays for private calls from his or her home, and who follows the normal pattern of making far more local than long-distance calls, telephone service is therefore much cheaper in the United States than in Britain. But a businessman calling regularly from New York to, say, Pittsburgh, may end up paying much more than his British counterpart. For most people, though, the US service will be cheaper. And unless they are unlucky enough to have their local telephone exchange burned to the ground—as happened in Manhattan not long ago—quality of service will also be much better.

In Sweden and West Germany, there are few complaints about quality. Britain is still suffering from the failure more than 10 years ago of a sophisticated design of electronic exchange, which condemned the Post Office to meet soaring demand with still more of the traditional type of exchanges—which are prone to unreliability and are difficult to maintain. But the *cause célèbre* is France. The country which the Hudson Institute has tipped to become Europe's "economic number one" in the Eighties has not many more telephones per head than Greece and Spain. As the dial tone quip suggests, the privileged few who have a telephone find that it doesn't work very well.

THERE ARE A MYRIAD OF GALLIC REASONS for this extraordinary state of affairs. Apart from the still relatively rural nature of French society, and an element of Parisian neglect of the provinces, there is some evidence that post-war industrialization has left several state-owned utilities lagging far behind: Not only the telephone but also the electricity network are now having to undergo crash expansions. For the overworked French Postal Ministry, the task has been made much worse by the almost feudal character of the telephone network outside the main urban centers. More than any other major European country, France took the combined administration of posts and telephones to its extreme from the start. Every small village post office was fitted out with a manual switchboard, so that a country with a fifth as many people and less than a tenth as many telephones now has just as many telephone exchanges as the United States!

Only last summer I had to wait two hours through the lunch-time siesta, and then another hour in a queue, before being able to telephone from a small Provençal village to the nearest town—and there were only two booths for the whole village. Near the café stood a gleaming new yellow call box, part of the direct-dialing modernization and expansion program which got underway in 1972 and 1973. But the Government's economy measures had cut investment down before the box could be linked into the network, and provided with an automatic phone. Since

then there have been several large boosts in the program, most recently this May, when President Valéry Giscard d'Estaing set the almost impossible target of reaching current US telephone penetration levels by 1980.

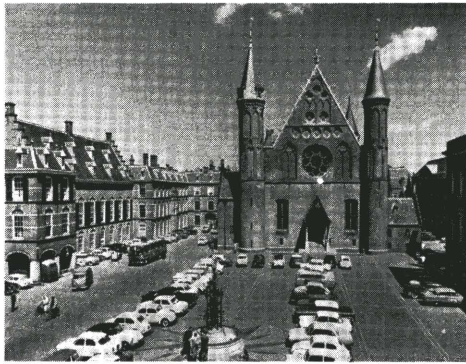
It would be unfair and inaccurate to tar the other main European Community countries with the French brush. All of them, including now Britain, provide at least an adequate "Plain Old Telephone System" (or POTS, as it is fondly called by engineers). Where almost all of the Europeans fall short is in innovative services and equipment, such as data communications. Here the lack of high speeds is a continual source of complaint in the European computer industry, which is all too aware of what is available in the United States.

In view of all this, it is not surprising that many Europeans are perplexed at the twin attempts to break up their model—the Bell System. With the Federal Communications Commission gradually dismantling the Bell monopoly, and with the Justice Department bent on splitting it up, American Telephone and Telegraph (AT&T) is going to have to fight hard in the coming years. Its supporters argue that the authorities are putting competition before the interests of the consumer. True or false, there is no doubt that Bell's European counterparts would prefer it to be left intact.

There is precious little altruism in this. Every major EC country has a large telephone equipment manufacturing industry (exchanges, transmission lines, as well as handsets themselves). Most of them have sizeable export markets. Their greatest fear is that the Justice Department will succeed in divesting AT&T of its manufacturing arm, Western Electric. This, they argue, would increase the likelihood of Western mounting an onslaught on non-US markets, since it would no longer have a captive market at home. Western is by far the largest telecommunications manufacturer in the world and, given time, could drive several Europeans from many of their profitable overseas outposts—or force them into acting as its junior partners. Rather than wait for the outcome of Justice's antitrust suit, Western has just declared its intention of going after export business for the first time in over 50 years.

One of the European manufacturers' biggest future handicaps will be the wide technical differences between their national networks. With far smaller home markets, their production costs are increased. This, together with the intent of the Treaty of Rome to create a common market, has prompted the EC Commission to press for harmonization of national standards. But national networks cannot be changed overnight, and the Commission recognizes that harmonization will take years. But only then will the European telephone system benefit in terms of both cost and efficiency from the sort of standardization the United States has enjoyed almost since the beginning in 1876.

around **THE** capitals



The Hague

The fight against the powerful North Sea floods is a continuous thread running through the 400-year history of the Netherlands, and the Dutch instinct to build dams and dikes to insure survival remains as strong as ever. For this reason the National Public Works Ministry, known as the "Rijkswaterstaat," which is the country's main dam building authority, enjoys prestige equalled by few other government departments and has won worldwide professional admiration for its engineering feats.

But now both this instinct and prestige are being challenged by a group of environmentalists who oppose the closing of the final five-mile gap in the wall of dams and dikes that girds the entire Dutch coast. They argue that damming up the inlet of the Oosterschelde, an arm of the Rhine River delta south of Rotterdam, would turn the clean, saltwater bay into a brackish, polluted lake. A thriving fishing business would disappear, and ongoing erosion of dunes along the Dutch coast would speed up.

The hardy farmers who live in the low-lying Zeeland region around the Oosterschelde are not insensitive to the environmentalists' arguments, but for them as for their forefathers, the main question is safety. The decision to dam the inlet and provide 100 per cent protection from the sea was taken by the Hague Government soon after the disastrous flood of 1953. For many Zeelanders this promise and government determination to carry it out color their entire political outlook.

The environmentalists, who have the local fishing population on their side, say that virtually as much safety could be guaranteed to the farmers by increasing the height of the present dikes around the Oosterschelde. The Rijkswaterstaat, whose booms and cranes are already in place to begin filling in the inlet, was recently ordered by the Government to study a compromise plan to construct a flow-through dam at the spot. This would let in seat water in normal periods but close up tight in an emergency.

The five-party, center-left coalition Government in the Hague faces a choice between the three alternatives, all of which involve sums of a billion dollars or more. Opposing engineering studies, with reams of calculations about tides, sand shifts, and flood probabilities, are flooding into the Binnenhof, the elegant, red brick parliament house. The flow-through project seems to have the least chance. It would be a unique engineering achievement, and while Rijkswaterstaat engineers believe it could be done, they cannot guarantee against unforeseen delays and massive cost overruns. The agency complains that it has spent 20 years in the Rhine delta perfecting ways to keep water out and that the switch to figuring out how to let it in has been too sudden.

Time and money are the keys to the political debate. Officially the Government wants something that can be done for under a billion dollars by the mid-Eighties at the latest. The closed dam fills this bill, but popular sentiment throughout the Netherlands, especially on the left, has been turning to the open Oosterschelde solution. The closed dam decision could split the dominant Social Democrat Party and the entire Government.

Key public figures such as former EC Commission President Sicco L. Mansholt have termed the closed Oosterschelde solution "indefensible" especially after a major independent report was published in late April saying the environmentalists' dike improvement plan would also fit the Government requirements. Clearly if the environmentalists had more time to push their case, they could win a majority of opinion, but further delay is impossible. Last Janu-

ary a major storm pushed the North Sea waters close to the flood level, and the Zeelanders will not tolerate another summer without some decision.

—PAUL KEMEZIS



Rome

When a ranking member of Italy's neo-fascist party was shot dead outside his home in Milan at the end of April by unidentified gunmen, a local journalist commented sardonically: "Well, I see our election campaign is getting under way as usual." What he meant was that Italy, despite its democratic postwar tradition and its status among the world's most modernized nations, has become accustomed to a level of political violence unparalleled in any West European country except Northern Ireland, whose strife amounts almost to civil war.

Terroristic acts run the gamut from Molotov cocktails to arson to street killings in cold blood—as in the case of the Milan politician—and tend to crop up with particular intensity before elections and in other times of political instability. Enrico Pedenovi, 50, was a leader of the neofascist Italian Social Movement-National Right Wing (MSI), a party founded after World War II by former members of Mussolini's regime. Pedenovi's killing came a day before the Government resigned and two days before President Giovanni Leone formally dissolved parliament in a move that had been widely expected.

Though the right-wing MSI is often the object of harsh criticism by other political groups, the murder of Pedenovi was universally condemned in Italian political

circles. It was the most brutal of a series of terroristic acts that have come to be called the "strategy of tension." Speculation is that certain internal or outside forces deliberately act on Italy's political uncertainties with violence in order to create a climate of fear and agitation to sway Italians' political response. The assumption is that the response would be toward the right, with demands for a "strong" Government capable of checking the haphazard violence.

Pedenovi's assassination reminded many Italians of another mysterious death shortly before the general elections in 1972. Police found the body of left-wing millionaire publisher Giangiacomo Feltrinelli, along with a quantity of explosives, near a power pylon on the outskirts of Milan, just a few weeks before Italians went to the polls—then, as now, a year ahead of schedule.

Italians have seen with dismay—though no longer with surprise—an escalation of violence in recent years that has advanced with the deterioration of the political situation. During the last days of April and the first week of May, three youths sympathetic to the left were knifed and severely wounded in a street assault in Milan by a group later identified as neofascist. One boy died of his wounds. Pedenovi was gunned down as he bought the morning papers. A Rome magistrate who has gained the reputation for imposing strict sentences was shot at as he left his house. He escaped injury but the bullets grazed his jacket. Several Fiat warehouses near Turin were severely damaged in conflagrations caused by firebombs. A hotel in the famed resort of Cortina d'Ampezzo caught fire, killing four tourists. Police blamed arsonists, who later claimed in a flyer to be a right-wing splinter group called "New Order." The flyer said the action had been taken "against any foreign tourism in Italy."

In a country where political choices have tended to move toward the left in recent years, many Italians are reminded of Salvador Allende's Chile, in which American organizations were found to have played a determining part in the collapse of an elected left-wing system. It is not infrequent—especially among intellectuals—to hear expressions of resentment over what is construed as American interference in Italian affairs and speculation as to whether the case of Chile represents part of a larger American design to keep Communists out of the Western bloc. So people can't help wondering whether the strategy of tension, whatever its aims, is simply a domestic political product or whether it may be receiving help from outside Italy.

—CHRISTINA LORD



Paris

Socialism is riding high again in France. The latest polls (indeed the latest elections) show that the French Socialist Party has risen from the ashes of its auto-destruction of the late Sixties and has again become the number one political party in France. The polls show that 30 per cent of the French people now indicate they would vote Socialist in a national election. In the latest county elections (cantonal), the Socialists doubled their seats and showed that they are now strongly implanted on the local level, traditionally more centrist in outlook.

To a large degree, the Socialist Party is the only real political party in the nation. The Gaullist UDR with about 25 per cent of the electorate, is losing its unique character as Gaullism slips farther into the past. The other parties in President Valéry Giscard d'Estaing's "presidential majority" are loose formations of centrists, independents, radicals, and moderates that in most European countries would be combined into a single Christian Democratic or Conservative Party.

In the opposition, the Socialists clearly dominate. The Communists still command their 20 per cent in the polls, with other fractions going to leftist splinter groups. It doesn't take a slide rule to see that, in putting these scores together, the left comes out with more than 50 per cent in the polls today, and that, of course, is what has thrown a scare into the Government in recent months.

The success of the left in France today is largely the work of one man, Socialist Party leader François Mitterrand. Taking over the party shortly after its humiliating defeat in the presidential election of 1969 (Georges Pompidou won that one, with Socialist candidate Gaston Defferre scoring only 5 per cent on the first round and withdrawing for the runoffs), Mitterrand rebuilt it and was able to win 49.3 per cent of the vote against Giscard d'Estaing in 1974, missing by just a whisker. Mitterrand did it in the most controversial way possible. He reversed the Defferre policy, which was to reject any form of cooperation with the Communists, and instead formed an alliance with the

Communists. Together, the two parties wrote in 1972 their "Common Program for Government," the only such document in existence spelling out the terms of agreement between Socialist and Communist parties.

At the time, Mitterrand called the Common Program "historic," and it still is. Despite the achievements by Communist parties in Portugal and Italy, no such pacts have been reached in those countries. The reasons are clear enough. Socialists and Communists traditionally disagree on too many things. The French Common Program is fraught with inconsistencies, platitudes, and vagueness. Two subjects, the European Community and industrial organization (namely worker self-management), are simply left out because of disagreements. The only truly remarkable achievement in the Common Program is on nationalizations, for Mitterrand is one of the few Socialists these days who believes in nationalizations.

By any standard, François Mitterrand is a remarkable man. He manages the near miraculous feat of keeping Communists and Socialists bound together, though it is clear enough he doesn't like the Communists, nor trust them—nor do they like or trust him. In every sense, it is a marriage of necessity, for neither party can succeed without the other. Mitterrand's success has made him the unwritten spokesman for the left. With his gift for expression—for he truly is a literary man with the touch of the poet—he mesmerizes his audiences. Aided by a quick wit and the warrior's instinct for an opponent's jugular, Mitterrand floats around the nation, preparing it for new Socialist successes in the municipal elections next spring and the legislatives a year later.

Success in the legislatives would confront Giscard d'Estaing with a difficult choice. Would he name Mitterrand, with his Common Program, prime minister of a leftist government? Would he try to form a minority government? Giscard d'Estaing has been asked these questions many times without ever replying. Meanwhile, Mitterrand makes it clear that he relishes the presidential dilemma.

—JAMES O. GOLDSBOROUGH

Luxembourg

Inside the solemn yet idyllic Château Val Duchesse outside Brussels, the European Community's founding fathers huddled around the negotiating table to shake hands after wrapping up the details of the 1957 Rome Treaty that set up a European Com-

mon Market. A few of them smirked over the enigmatic demands of Luxembourg to spend part of each year as Europe's capital, likening the Grand Duchy and its diplomatic tantrum to a child screaming for a lollipop.

After 20 years, that insistence has proved to be more farsighted than was once believed. For three months every year, the seat of the European Community's institutions is transferred to Luxembourg, delighting those locals who relish the political spotlight and aggravating diplomats and journalists who must pack their bags for the two-and-one-half-hour trip from Brussels to the Grand Duchy. As home base for the European Court of Justice, the European Parliament (though it often meets in Strasbourg, France), and the EC Council of Ministers one-fourth of the year, this Lilliputian state of 260,000 inhabitants maintains political profile far in excess of its actual size.

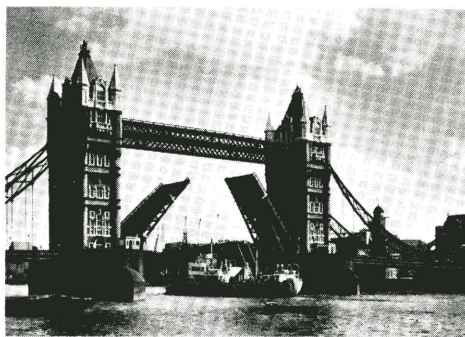
Part of the credit belongs to Luxembourg's recent history of restless prime ministers, such as the astute diplomat Joseph Bech, who handled the country's midwife role in the birth of the European Community, and lately the alert, peripatetic Gaston Thorn, who in the last year has presided over the United Nations General Assembly and acted as spokesman for the nine-nation Community at the UNCTAD IV conference in Nairobi this May.

Thorn is the first to agree that his docile constituency permits him much greater latitude in world affairs than if he had a clamoring public grumbling about unemployment or inflation. As it is, Luxembourgers ride along with the economy, whose health is determined by the massive coal and steel sector, and perceive the Government to be little more than a caretaker institution.

Eurocrats who work in Luxembourg insulate themselves from the locals. "The town is so quiet late at night that it scares me," says one Londoner who recently joined the European Parliament staff in the nine's tiniest capital. Except for unusual occasions, like the April meeting of EC heads of state when over 1,000 diplomats, journalists, and

assorted political groupies descended upon the Grand Duchy, life remains quiescent, the way most locals want it. An evening after work often consists of a few rounds of "diekirch," the regional beer, and a few hours of television. The Eurocrats, for the most part, stay off in their sterile, high-rise ghetto, the migrant workers keep to their shadowy quarters, and the rest of Luxembourg goes gently into those good nights.

—WILLIAM DROZDIAK



London

Foreign Office strategists in Whitehall are getting out their markers and maps for their next battle at sea. This time over the expected 200-mile limit for EC fishing rights. The "Cod War" with Iceland seems all but lost if indeed a 200-mile limit becomes law after the United Nations Sea Conference in New York. For the trawlermen who depended on the Icelandic catch, resumption of the Cod War last November after a two-year truce could not have been worse for business. Had Britain acted quickly to get a new agreement, albeit stipulating a much smaller annual cod catch, the trawlermen could look forward to phasing out their activities. Instead, they got much ado from Icelandic gunboats, a meager catch anyway, and could be booted out of Icelandic waters altogether. Apologists for Britain's positions say that Iceland's 200-mile limit was declared illegal by the International Court of Justice. So any agreement would have been illegal too, right or wrong. This reasoning failed in practice, and was bound to do so since Britain's own fishermen have been calling all along for a 200-mile limit too.

Now they've got one, or part of one anyway. But Britain's "exclusive economic zone" (EEZ) could prove a greater matter for dispute than did fishing rights in Icelandic waters. The reason is that, legally, the Common Market has a joint 200-mile EEZ, since there is supposed to be absolute freedom of movement (for fishermen as well as farmers) within the nine EC countries.

Hence, although Britain's geographical situation entitles it to a very big chunk of EEZ water, its fishermen are not supposed to have any advantage over, say, German fishermen, who would otherwise get little out of an EEZ carve-up. British diplomats have already made it clear that Britain will not stand for a full sharing of the European Community's EEZ. One reason invoked is the loss of the Icelandic fishing rights, as well as the decline of long-distance fishing. Both arguments attempt to explain why British fishermen need an exclusive zone of their own to guarantee their livelihood.

There is some truth in this, but the logic cannot be taken too far. For instance, the various species of fish in the North Sea and even further north are all under-caught at the present time. It is unlikely that British fishermen would ever even be able to catch the maximum allowed. After all, chances are that many fishermen who until now plied their trade in medium- or long-distance waters will find work on land. For better or worse that has been the trend for years. In fact, the Government has done little to discourage it, even though it could have used the two-year truce with Iceland to help trawlermen convert their boats from cod fishing.

Denmark and Ireland have similar fears to Britain's, but EC countries see nothing compelling in the British Foreign Office's insistence that both national and Community EEZ's be applied. The only major competitor for the catch in British waters will be Germany, which is going to have to pull back from much of its long-distance trawling.

There is no easy solution to this conflict of interest, especially no easy legal one. Britain is asking for exclusive fishing rights 35-50 miles out to sea with the remainder of the EEZ to be considered joint Community property. But this (like Iceland's unilateral 200-mile zone) would be illegal, as far as the Treaty of Rome is concerned anyhow. And getting it through the Council of Ministers would be impossible without overwhelming support from at least each other member save Germany. A less-illegal solution might be one patterned on Iceland's. The Community could hold onto its entire EEZ, but regularly agree on catch quotas, or possibly vessel-quotas, for each member country for the major fishing grounds. In doing so, Britain and Germany would have to slug it out between themselves on the size of future German catches in "British" waters. It would not give Britain the exclusive rights it wants, but such a solution has the attraction of being a Community one, and could be jointly policed and upheld.



But something must be done quickly to keep the dispute in check. So far, discussions on the matter have been acrimonious, with Britain's feeling put out by the others' insistence that London toe the Community line. If it doesn't, though, British gunboats firing on German trawlers might be the next unfathomable, but very real, major dispute in EC annals.

—DOUGLAS RAMSEY



Dublin

When it comes to paying income tax, the Irish are probably no greater sinners than any other nationality. Seven hundred years of being colonized and a convenient belief that the Catholic church did not in the past disapprove too strongly of not always rendering unto Caesar the things that were his may have encouraged a certain cunning. But, in the final reckoning, the Irish taxman, like any other, tends to get his pound of flesh.

Things were made a little easier for him some years ago with the introduction of PAYE, or "pay as you earn," a near watertight system whereby taxable income is deducted at source through the employers. But this largely affected salary and wage earners and did not prevent private businessmen and traders, not to mention large corporations, from escaping the taxman's clutches.

To plug the loophole, Finance Minister Richie Ryan, in his budget speech last January, announced a three-month amnesty for tax dodgers. Confess to past sins, he urged them, and all will be forgiven. Well, not quite. Tax evaders who own up would be liable to pay around double the amount that they withheld from the taxman. But at least they would be spared the agony of being prosecuted for their negligence through the courts.

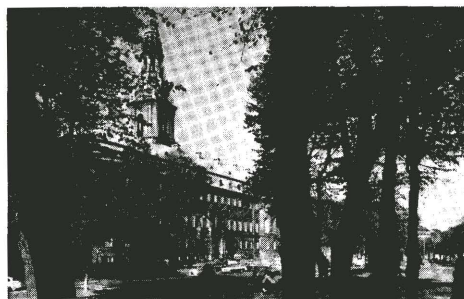
So much for the theory. What about the practice? The deadline for making a clean breast of everything was April 28, and the revenue commissioners, who reckon that up to 10,000 tax dodgers could be involved, are

reported to be confident that the minister's ploy could net at least 10 million pounds. His strategy should also have the advantage of bringing into the mainstream of tax collection those who have managed to stay outside it, either wholly or in part, in the past.

In his budget speech, the minister said: "The truth, of course, is that tax evasion is not merely anti-social but illegal. In its consequences, it is no different from many other illegal acts against the community which society rightly considers shameful. The white-collar crime of tax fraud is no less shameful than simple theft and it is not entitled to a more lenient attitude by society."

What, then, of those tax dodgers who are not impressed by the minister's offer of amnesty? The penalties at the moment for tax evasion are a fine and up to six months' imprisonment. However, in practice, the revenue commissioners have been slow to take evaders to court, preferring to come to a private settlement of the debt. This is both speedier and may not be unconnected with the fact that the last time they brought someone to court, back in the Thirties, the case dragged its way right up to the supreme court, and the revenue commissioners finally lost. However, the minister has now warned that this reluctance to take tax dodgers to court will be abandoned and that the penalties on conviction will be shown in the future to those gentlemen who have chosen to ignore the amnesty and take their chances on being exposed.

—PETER DOYLE



Copenhagen

Denmark may have another referendum in the autumn. A Social-Liberal member of the Danish parliament, the Folketing, is at present canvassing support for a referendum to decide whether or not nuclear power stations are to be permitted in Denmark. There are none today, and the Danish constitution stipulates that a demand by 60 of the 179 members of parliament is sufficient to require a legislative decision like this one to be subjected to a referendum. Chances are

that 60 members will so demand, and in the past months there has been a definite swing in public opinion from more or less passive acceptance to active hostility. Hence, there is now a distinct possibility that the voters will reject the nuclear power bill, much to the embarrassment of the Socialist minority Government, which has promised to introduce the bill in parliament in September.

The arguments against nuclear power will not surprise Americans. In fact, American sources are often quoted to back up charges that nuclear power poses grave physical and environmental risks, that effective disposal of nuclear waste is not possible. For good measure, it is often added that Danish society does not need the extra energy, especially if economic growth is abandoned as a prime political objective. Proponents of nuclear power point out that it pollutes less than most other sources of energy, that it is safe, and that Denmark is completely at the mercy of foreign suppliers—more than 95 per cent of energy consumption is derived from imported oil and coal. For that very reason, Denmark has been among the staunchest advocates of a common EC energy policy.

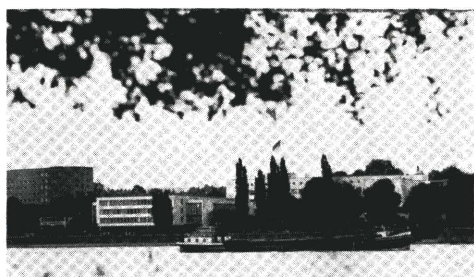
Unfortunately, all proposals at the EC level to date include nuclear power, and a "no" by Danish voters will certainly undermine the limited leverage the Danish Government has in policy-making in this vital area of European cooperation. The Government is now proposing six nuclear power plants to be built before the year 2000, and this will reduce dependence on imported oil by half, beautifully in line with EC policy.

Sweden has built a nuclear power station at Barseback, less than 20 miles from Copenhagen. None of the planned Danish power plants would be built that close to the city, but as a safety argument that fact tends to be self-defeating, especially in a heated public debate. The EC context is too subtle, and the economic argument in favor of going nuclear has a long-run perspective singularly unsuited for a short, emotional campaign. And emotions are what the opponents of nuclear power hope will carry the day, if and when the referendum is held. Many student activists have replaced Viet Cong, Allende, and even anti-EC badges by new ones, boldly proclaiming an uncompromising "no to nuclear power." Student activists are no longer necessarily an asset to a political cause in Denmark, but in this case they do seem to be fairly representative of a large group of the young.

Referenda are becoming increasingly popular as conflict-resolving devices in many

European political systems, but it is difficult to draw general conclusions from their outcomes. The last Danish referendum, by a two-thirds majority vote, decided that Denmark should join the European Community. But there was a large degree of consensus among the political leaders, and the issue was defined in precise, short-term economic statements. Most other European referenda, including the previous Danish one in 1967, have contained one or both elements in this description. But a Danish referendum on nuclear power will not fit into this pattern. The Socialist Government insists that there is no need for a referendum, and at the time of this writing there had been no desertions from the Government in parliament. The parties to the left of the Government are solidly against nuclear power; the parties to the right are split on the issue. A few defectors from the Socialist Party would tip the balance.

—LEIF BECK FALLESEN



Bonn

Although the Bundestag election is due on October 3, it is a fair bet that many West Germans have until recently found the US primaries more gripping than the somewhat ritualistic sparring of their own political heavyweights. With the German economy now indisputably in a phase of steady *Aufschwung* (recovery), and few obvious bones of contention in foreign policy, this has been a campaign starved of issues and of excitement so far.

Two recent developments just might change all this. First, the German printers' union, IG-Druck und Papier, refused to go along with the 5-5.5 per cent wage increases agreed by most other major unions. It pushed its demand for 9 per cent through a bitter and costly 13-day strike—a rare event for West Germany in itself, and also the longest time in the postwar period that Germans have been deprived of their daily newspapers. In the end, the printers settled for a little over 6 per cent, which may not sound like a major gain, but which effectively broke the line.

Aside from money alone—and they were

already the best-paid group of German workers—the printers had their reasons. The industry has been shrinking because of technological innovation, and even more jobs are likely to disappear in the future. But IG-Druck also has its fair share of militants, and they cannot have been disappointed at rudely disturbing Chancellor Helmut Schmidt and his friends in the union movement. While avoiding direct interference with free, collective bargaining, Schmidt put what pressure he could on IG-Druck to settle. Yet his claim to have a special relationship with organized labor, accompanied by his studious flattery of union leaders' social responsibility, has clearly taken a knock.

A separate, and very much uglier, intrusion into the West German political consciousness has been the new flare-up of extreme radical activity, touched off by the suicide in a Stuttgart prison cell on May 9 of Ulrike Meinhof, the ideologue and co-leader of the Baader-Meinhof anarchist group. She had been on trial with three others on charges arising from bombings, murders, and bank raids in the early Seventies. Last year, German terrorists seized a West Berlin Christian Democratic leader, Herr Peter Lorenz, and soon afterwards attacked the German Embassy in Stockholm. Since then, little more had been heard of the radical underground. Frau Meinhof's death brought them back to the streets protesting she had been "murdered" by the authorities, and evidently surprising the police by their Molotov cocktails and—according to some press reports—new degree of clandestine, cell-by-cell organization. How dangerous are they?

Needless to say, reliable information is hard to come by. But senior officials have openly speculated that, with well-developed links to terrorist movements abroad, the German extremists might attempt some spectacular international operation aimed at freeing the Baader-Meinhof group and the four people on trial in Dusseldorf for the Stockholm attack. The security authorities, in any case, are taking no chances. Protection of government buildings has been quietly stepped up, passports are being more carefully scrutinized at frontiers, and private companies are also increasing their protection.

Will all this produce a backlash, and if so, who is likely to be caught by it? Herr Schmidt, much praised at the time for his firm handling of the Stockholm emergency, seems in no personal danger from the law-and-order lobby, but his Social Democrats are less well thought of than their leader, and are vulnerable to charges that their party

harbors left-wing extremists in its ranks. They have also been more hesitant than the Christian Democratic opposition about the equity—and wisdom—of various bills that would screen applicants for civil service and teaching posts for "loyalty to the democratic constitution."

The radicals have no following of any significance in their rage against what they see as the materialism and overbearing conformity of West German society, but Germans are highly sensitive to extremism, and have often reacted to it by voting conservatively. That could hurt Herr Schmidt's Social Democrat-Free Democrat coalition, already less confident of victory than it was a few months ago.

—ADRIAN DICKS



Brussels

Thirty-one years after the close of World War II, the ghost of Nazi collaboration still haunts Belgium. Since late March, when the Belgian parliament voted down a bill proposing amnesty for those Belgians deprived of all civil rights for abetting the Nazi wartime regime, pro-amnesty sympathizers have taken to the streets to dramatize their cause.

Dozens of protesters, mostly young Flemish, were arrested in May after they chained themselves to the gates of the Royal Palace in Brussels and chanted "amnesty now" within earshot of King Baudouin's office. During a recent visit to the port of Antwerp to commemorate his 25 years as Belgium's monarch, Baudouin was greeted by swarms of Flemish nationalists waving banners that read "amnesty in a Flemish Republic."

Like most political issues in Belgium, the question of amnesty has split the country into rival linguistic camps of Flemish and French-speaking Walloons. The estimated 4,000 persons who survive out of the 58,000 judged guilty of Nazi collaboration and subsequently denied all political and pension rights after the war are mostly poor Flemish merchants subsisting on the meager income they derive from their tiny shops. Yet they represent only a small fraction of the 700,000 Belgians (one-fifth of the country's population at the time) who meekly went

along with the will of Nazi conquerors.

According to many historians, Nazi collaboration was just as prevalent among the Walloons as the Flemish, but more of an economic than ideological nature. Many of the Flemish were swayed by a sense of Teutonic heritage and fervent German promises of greater autonomy for Flanders. For some Walloons, however, complying with Nazi rule meant higher incomes and plush lifestyles. The Liège-based steel industry continued to churn out materials for arms production, while some Walloons willingly moved to Germany to work in factories there. Yet in the end, the postwar martial courts, packed with many French-speaking unionists, found twice as many Flemish as Walloons guilty of assisting Nazi occupation of Belgium.

Flemish political leaders have seized the occasion of the king's silver anniversary to press the amnesty issue and try to persuade parliament to grant a general amnesty by July 17, the official date of Baudouin's coronation. Walloon deputies remain adamantly opposed to the bill, even though the myth of Walloon resistance, once as heroic as that of French resistance, shows signs of cracking under the weight of historical detail.

For Baudouin, the topic of amnesty drips with bitter irony. He became king in 1951 only after his father, Leopold III, abdicated the throne to defuse a potential civil war over whether he acquiesced or not in the face of Nazi wartime rule. Recently a group of 430 town mayors and 240 eminent people, including bankers, politicians, and academics, sent a petition to the king calling on the country "to end the drastic social consequences" that the loss of civil rights has entailed in the lives of former collaborators and their families.

—WILLIAM DROZDIK

CONTRIBUTORS

ADRIAN DICKS is Bonn correspondent for *The Financial Times*, of London.

PETER DOYLE, a former reporter for British dailies, now edits the European Community's publications in Dublin.

WILLIAM DROZDIK is an American freelance writer based in Brussels.

LEIF BECK FALLESEN is European correspondent for the *Aarhuus Stiftstidende*.

JAMES O. GOLDSBOROUGH is Paris-based correspondent for *The International Herald Tribune*.

PAUL KEMEZIS works out of Bonn covering the Benelux for *The New York Times*.

DOUGLAS RAMSEY, an American, works in London for *The Economist*.

PETER J. SHAW is Rome correspondent for *United Press International*.

FELLSURFE

Film:

Cannes: Change and Continuity

MARINA GAZZO, *Italian freelance writer based in Paris and Brussels*

Film festivals have blossomed everywhere in Europe—devoted to science fiction, underground humor, even horror films—but the Cannes *Festival International du Film* remains (together with the somewhat troubled festival in Venice) the European movie event of the year. The Cannes idea was originally launched in 1939, and no less than Louis Lumière was supposed to preside, but then war broke, and when the festival finally took place in September 1946, it was also the first international cultural gathering of the post-war years. The atmosphere was one of feverish enthusiasm, of novelty and faith: Moviemakers from all countries seemed to have discovered a new language—most of all the Italians, who dropped the light-hearted, apolitical, and often silly *telefoni bianchi* style (a much less witty version of the sophisticated American comedy of the Thirties) of the Fascist period for the poignant, more powerful, and sincere *neorealismo*. And Roberto Rossellini got at Cannes his first recognition for *Roma città aperta*.

At Cannes, film buffs also got acquainted with a whole world they had previously ignored—the new Russian film, and its remarkable evolution through the years; Mexican cinema; Japanese, Hungarian, Indian directors; Bergman and Buñuel. With so many countries represented, the *Palmarès* (the Cannes awards) often seemed too "political." It was given to a Soviet film in the wake of détente, then to a Polish film, and last year to an Algerian film—Lakhdar Hamina's *Chronique des années de braise*, an impressive epic on the sources of Algeria's struggle for independence from France, beautiful but ruined by Zhivago-like music and frequent soap-opera passages (it was also much criticized at home for the vast amount of money it cost).

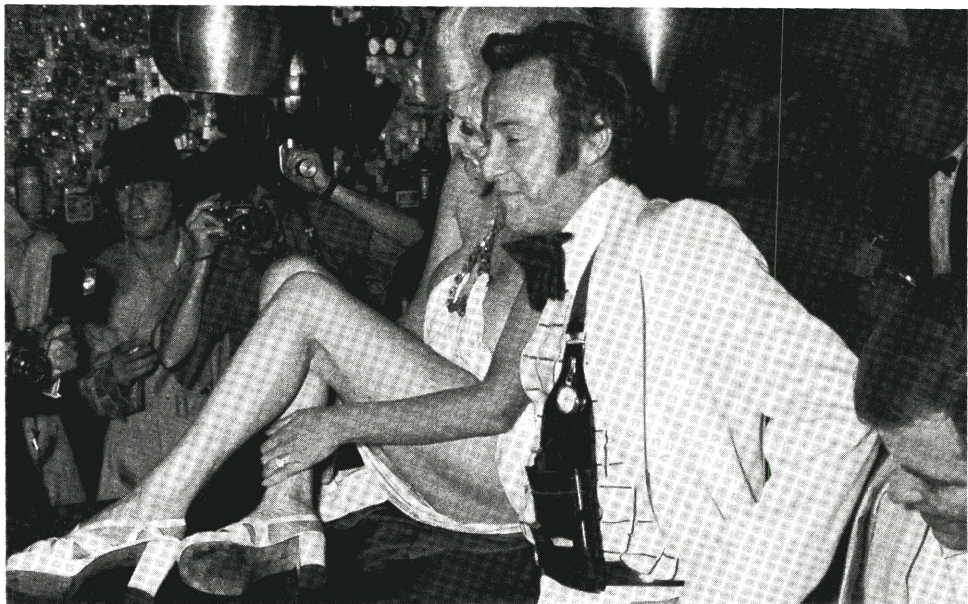
The films shown at Cannes are judged by a jury of "directors, authors, actors, technicians, and art and literature personalities who have an interest in cinema." In the first 10 years, the chairman was practically always a writer: Jean Cocteau (several times), Marcel Pagnol, André Maurois, Marcel Achard. And in 1970 Nobel Prize winner Miguel Asturias chaired the jury. More recently, a

series of actresses had the privilege: first Olivia de Havilland, then Sophia Loren, Michèle Morgan, Ingrid Bergman, and Jeanne Moreau. This year, it was Tennessee Williams.

Accused of weighing too much the balance between countries in deciding the *Palmarès*, the festival has also been blamed, especially in recent years, for admitting too many "commercial" films—films for pure entertainment, with no political "message" and no contribution at all to a genuinely "new" cinema. In 1968, strikes, student revolt, and intellectuals' demonstrations obligated the organizers to interrupt the festival because, as they said, "the projections could not be guaranteed."

But the Cannes festival *has* changed: It has become richer, more open to new names and to discussion—altogether more "serious." Of course, it is still a big jamboree: One of its main *manifestations parallèles* is a "film market" gathering buyers from all over the world—in 1974, 317 films from 32 countries were shown there. But it has lost some of the frivolous excitement of the Fifties and early Sixties. Then, if a publicity-

Apparently enjoying Cannes are Jack Nicholson, Anglea Huston, and Mia Farrow. © Daniel Angeli



Unknown starlet and her agent seek publicity the Cannes way. © Daniel Angeli, Paris.

hungry starlet dropped the bra of her bikini on the beach, the presence of police as well as photographers was assured. Now, nobody would be shocked; starlets don't do such things any more—they even come to Cannes to go to the movies. While the stars quietly pose for "family pictures" on the Croisette, and go to the movies too.

There are indeed lots of movies to see, apart from those included in the official selections and running for the several *Palmarès*. This year, for the first time, the festival had a new series, called *l'air du temps* (documentary films depicting realities of today) like: *La Pharmacie-Shanghai*, one of 12 very vivid short films shot by Joris Ivans in China, under the title *Comment Yukong déplaça les montagnes*; *Anna*, the real story of an Italian adolescent, pregnant and a drug addict (there is a long version of 11 hours, and a short one of "only" three hours 40 minutes); *Grey Gardens*, on the solitary, impoverished life of Jacqueline Onassis's aunt and cousin; *California Reich*, an appalling exploration into the world of the American Nazi movement; *Torre Bela*, the story of Portugal's "Red" months, from March to August 1975.

Cannes also has, since last year, a selection of movies based on other forms of art— theater, ballet, music, painting. Called *Les Yeux Fertiles* (the words, "the fertile eyes," are borrowed from a poem by Eluard), this year it was very rich, with Albee's *A Delicate Balance* (directed by Tony Richardson), O'Neill's *The Iceman Cometh* (Frankenheimer), Ibsen's *Hedda Gabbler* (Trevor Nunn), Gorki's *Sommergäste* (directed by Peter Stein, one of the best German stage directors today), *Appunti per un'Orestiade Africana* (the last Pasolini, in which he imagines taking notes for a film inspired by Aeschylus, while looking for faces and places in Africa), *Edvard Munch* (the por-

trait of the artist and the man, directed by Peter Watkins). And new directors had again a chance to make themselves known during the *Semaine Internationale de la Critique*, which has presented since 1962 the first or second film of young authors, selected by critics from several countries.

But, of course, Cannes is still a place for big names. As often happens, this year many of them were not running for the *Palmarès* (would this perhaps be considered as "unfair competition?"). Some examples: Altman's *Buffalo Bill and the Indians*, Bergman's *Face to Face* (with the same extraordinary couple of *Scenes from a Marriage*), Bertolucci's *Novecento* (a complex, shocking film, his first after *The Last Tango in Paris*), Rosi's *Cadaveri Eccellenti*, Hitchcock's *Family Plot*.

American cinema was, as usual, well represented, with Mazurky's *Next Stop, Greenwich Village*, Schatzberg's *Dandy*, the *All American Girl*, Scorsese's *Taxi Driver*. The French selection provoked a row, because some were shocked at seeing their country represented by two "foreigners"—Joseph Losey with *Mr. Klein* (on the persecution of French Jews during World War Two), and Polanski with *Le Locataire* (the mad story of a man with a persecution complex, interpreted by Polanski himself). But this festival showed that films don't necessarily have a "nationality": Wasn't Miklos Jancso's *Vizi Privati, Pubbliche Virtù* an "Italian" film? And didn't French director Eric Rohmer (known for his "moral tales" series—*A Night with Maud*, *Claire's Knee*, *Love in the Afternoon*) make a "German" film with his *Die Marquise von O*, based on a short story by von Kleist? At Cannes this year, there was also some place for remembrance: the last, unfinished Visconti, *The Innocent*—probably better than D'Annunzio's melodrama which inspired it.

The “Furrin” Boys on the Bus

Covering (Trying to, That Is) the US Presidential Campaigns

SIMON WINCHESTER, *Washington correspondent for The [Manchester] Guardian*

ABOARD THE “PRESIDENTIAL EXPRESS,” KALAMAZOO, MICHIGAN: A few minutes ago Gerald Ford, accompanied by half a dozen white-shirted aides and a posse of armed guards, ventured down the aisle of this train, ostensibly to talk to the reporters who are covering this most spectacular of the campaign efforts so far. “And this,” Ron Nessen would say, “is John Apple of *The New York Times*.” “Hi, John, good to have you aboard, how are you.” “And this,” Nessen would go on, “is Joe Schmoe of Channel Three in Battle Creek—you’ll want to say hi to him, Mr. President.” “Sure, Joe—hi, good to have you Michigan boys aboard. Welcome to the train. Hope you’re enjoying the trip.”

Halfway down Press Car number two was the contingent of the precious few European reporters drawn by the allure of the Michigan primary—the BBC correspondent, the man from Independent Television News, a Dane, the *Daily Mail* reporter from New York, an *Expressman*, and me. All of us know Ron Nessen well, and wish him good luck and Godspeed in getting a good new job outside the government in January next year. But when he scouted the carriage for the reporters likely to be favored with a Presidential handshake, his eyes glazed over, as if he had never seen us before. “This, Mr. President, is Phil Jones from CBS.” “Hi, Phil, good to have you here.” Then pause of 20 seconds while the caravan moved steadily past the European contingent, before Nessen picked up once again with, “And this, Mr. President, is Don Brown, of Detroit Multimedia News, Channel 53—you should meet him today.”

It’s the sort of thing you pretty soon become used to in covering the later stages of an American election—particularly these days. Time was when the President of the United States saw editors and senior figures from the leading British and European papers whenever they made their biannual pilgrimages to Washington. Every editor of *The Guardian* this century, for example, saw every President at least once—until Alastair Hetherington arrived to see Richard Nixon. Since then the Ron Zieglers and Ron Nessens have prevented more than a handful of

Europeans from getting in to see the Chief Executive.

One used to get rather annoyed, and feel slighted, and haughty—by turns. These damned Americans, isolationist and ignorant, forgetful of the importance of the European press; they probably aren’t worth talking to, anyway. Sour grapes, of course, because if—as just a few moments ago—a President does reach out and grab your hand and say, “Hi, great to have you foreigners aboard,” you do gush and fawn a bit and say, “Gosh, Mr. President, thanks very much,” or some other inanity. The President has just told the *Daily Mail* man, “Don’t get up,” and we have been discussing just how he might turn this casual remark into an exclusive interview. We have decided that the *Mail* asked the President just what he discerned to be the major problem with Michigan voters, and he told the *Mail*, exclusively, they “don’t get up,” as his piece of shrewd analysis. The *Mail* gave the idea

Aboard the “Presidential Express” campaign train, President Ford asked some reporters whether they were enjoying the trip. The European reporters weren’t asked and weren’t enjoying it. UPI Photo





At a press conference on the White House lawn: "A US President should be aware of the kind of questions that a foreign audience is likely to want answered . . . should be therefore shy away from talking to overseas journalists?" UPI Photo

up, but it shows how important he regarded the greeting.

It often seems that a candidate's relationship with the foreign press varies inversely as the square of his importance, of his success. Back in February, when we were all racing around in New Hampshire, Jimmy Carter, whoever he was then, took to holding briefings for the foreign press. Tough men from Poland and New Zealand would quiz Carter about his views on détente and the future of the Oder-Neisse line, and he would look answers up in a loose-leaf book that Hamilton Jordan and Jody Powell had prepared for him, and we all would be frightfully impressed. Then he won New Hampshire, and we saw a little less of him in Florida and even less in Illinois. "Panorama" and other of the more important television programs beamed from London and Paris still had access if they found the time and resources to push hard. But for *The [London] Times* and *The Guardian*, Jimmy Carter faded into the hands of men like Apple and David Broder and reporters from small papers in Indiana or Nebraska or rural districts in Michigan.

ONE CAN'T REALLY BLAME A CANDIDATE: AFTER ALL, WE don't produce any votes for him, and our interest does little more for him than stroke his ego rather gently. Fred Harris actually used two *Guardian* pieces in his campaign advertising: Regrettably the voters thought little of such prestige, and Fred Harris, interesting as he may have been, is now consigned to the Presidential rubbish dump. Now what tends to happen is that Mo Udall looms out of a crowd at a factory gate and pumps one of our hands vigorously, perhaps because we have that ethnic appearance he likes to court. We protest and allow as how we are representatives of the foreign media and he harrumphs

and moves on to try the next ethnic, who does happen to be a Serb with an American social security number and registration for the primary and all is well. It gives us a bit of color—"I shook Mo Udall's hand" sort of thing, and we are all happy. But it is a little less than we were used to in the days when Claude Cockburn would thunder in *The Times*, of London, and Wendell Wilkie would quake in his boots in consequence.

If there is a serious point to be made out of this, it is that, while it is perfectly understandable that a local candidate should place the foreign journalists way down his list of interview priorities, it is not reasonable at all that an incumbent President should shy away from talking to the overseas press, nor is it reasonable that a national candidate who has a fifty-fifty chance of winning the seat



Senator and would-be President Frank Church surrounded by reporters: "It often seems that a candidate's relationship with the foreign press varies inversely as the square of his success," says the author.

in the Oval Office should decline to talk to the papers from Europe, Japan, and the rest of the world. After all, a President has to have as keen an interest in foreign policy as he has a role in shaping it: He should be aware of the kinds of questions that a foreign audience is likely to want answered by an American leader, and he should from time to time rely on something more than the cables from London and Paris embassies prepared by some bored attachés whose sole job is to read the local newspapers and advise State of the mood of the natives.

If candidates (too often these days; it has changed for the worse, and that is a point that needs to be made) forget the worth of foreign exposure, there is one agency of the US Government which bravely attempts to com-

pensate. It is a branch of the US Information Agency known as the Foreign Press Center, and it does its level best to bring politicians of one kind and another together with foreign journalists: The results are often spectacular.

Perhaps the best in recent memory was when George Wallace held court for a rabble of 20 or so foreign writers last year. The troupe, who had been brought slowly through the Deep South under the guidance of a competent and sympathetic—and brilliantly linguistically competent—USIA guide, was shepherded into Wallace's palatial study and given a lecture on how Wallace thought, among other things, that the United States might have been on the "wrong" side in World War Two. Faithfully some of the correspondents who considered the remark of note filed stories, and European and Indian newspapers flickered with headlines remarking on some further insanity from Montgomery. Little of it fed back to Washington: Either the State Department's monitors were switched off, or the officials felt Wallace had been misrepresented. And it was six weeks or more before an alert *Washington Post* reporter was given a tape recording of the encounter and strung Wallace's remarks together to write a fine little piece that did much to damage the renewed Presidential candidacy of the Alabama Governor. That Wallace made his remarks to foreigners, though, underlines one significant point that often characterizes interviews given the overseas press: They are often a great deal more frank than those with the domestic press, unless, of course, the candidate, or the President, calls the interview so that he can say something specific.

WHY, ONE MIGHT WONDER, should George Wallace tell his views on World War Two to a group of foreign reporters, when he has never before said it to an American audience? One reason, I suspect, is that Wallace, and all the other Americans who speak to the Limeys and the Frogs, do so under the assumption that no one of consequence will ever read or head what they say. A bunch of ignorant foreigners might read the interview, but certainly no one who will vote or have any influence on the career of the victim of the interview. Thus the lack of voter contact in giving an interview to a foreigner cuts both ways: It inclines a successful candidate to shy away from giving the interview, because it is of no use, and it enables him to be more outspoken than normal, because no one will ever see what he said.

Of course, both views are wrong—as George Wallace was to find out. Americans did eventually get to read what he said; some voters probably were influenced by his candidly mad interpretation of history. It is a pity, then, that other, more serious candidates do not take the matter more seriously, and begin to engage again in the dialogue with representatives of the outside world that used to be encouraged by their predecessors.

Readers might assume from this, I realize, that I am merely recounting my own frustrating experiences of little direct contact with the more successful candidates—but I am not. Michael Brunson, the ITN correspondent in Washington who has had considerable journalistic success during his three years there, says he has managed to interview Carter, Reagan, Brown, and Udall this year—all of them during the early stages of their campaigns only, none of them later. The record parallels mine precisely. "When I asked Carter for an interview in Florida he was only too happy. He found me in my hotel and he asked me for a convenient time. In Wisconsin it was too difficult and I gave up. By that time he had developed into the Imperial Candidate, and there was little hope for me." John Humphrys, the BBC correspondent, duplicates the experience: He finds that "Udall is still terribly nice and loves to talk to anyone, but Carter is hardly accessible at all." He recalls that some candidates want to give interviews rather more frequently than their press secretaries prefer: Once, while he was interviewing Ronald Reagan on a bus, the press aide, Lyn Nofziger, butted in and told the two to break it up as "you've had all the time you need." An indignant Reagan told Nofziger not to interrupt: "I want to talk to the BBC—it is important." Nofziger, like so many press flacks, is often less sensitive to the long-term value of good relations with the foreign press than are some of the more perceptive candidates themselves.

Other newspaper correspondents report similar experiences while some, especially those from the Scandinavian papers who prefer to observe from a distance than create news by having exclusive interviews, keep away from the whole circus as a matter of conscious decision. And yet their writings are probably incisive, their analyses as correct, as any one might find in the American press.

Lack of contact with the celebrities breeds a healthy lack of commitment—or a profound dislike of all celebrities that ensures total freedom in the foreign press from the glorification and image-building that often, unwittingly, appears in newspapers published here. For that reason—and for many others, such as the ability most European reporters have to write, unlike their over-trained American counterparts—I prefer European newspaper coverage of an American election. The distance European correspondents place between themselves and the politicians—a distance that is now more forced than volunteered, I admit—makes for some of the finest coverage: I would take an *Economist* report on any campaign first, that in *The New York Times* or the *Grand Rapids Press* second and third, and a very long way behind. Perhaps the lack of access to the candidates is not totally without benefit: The journalism gets better, and only the candidates, in the long-term, suffer from their new shyness.

Member State Reports

THE ITALIAN PERSPECTIVE

"So long as they are part of the European Community, democratic Italians feel that they will avoid the fate of Czechoslovakia."

ARRIGO LEVI, *editor-in-chief of La Stampa, Turin, Italy*

The roots of the European movement were common to all nations involved, but each one approached Europe's unification in a unique way. Italy's own distinctive pro-European feelings must be understood to comprehend both Italy's experience with the European Community and its expectations from it.

After two world wars, the European movement sprang from a reaction to the horrors of nationalism. Victors and defeated banded together to squeeze the bad genie of nationalism back into the bottle. This deep motivation held a special significance to Italians, who had just come out of the experience of Fascism and anti-Fascist resistance. In Italy, the European movement was, always, not just anti-nationalistic, but anti-Fascist. Perhaps not even Germany's revulsion against nationalism was as strong as Italy's. Anti-Fascism was a deeply popular movement, possibly the first one in Italian history (much more than *Risorgimento*).

The people's war against Fascism and German occupation carried within itself a pattern of ideals about what a modern, democratic, progressive Italy ought to be: Italy's pro-European feelings were part of this pattern, common to all political forces involved in the resistance. Even if, very soon, the policy of European unification acquired new meanings and purposes (the containment of Soviet imperialism and Communist expansion), the European idea always kept some of its original identification with anti-Fascism; it was considered a safeguard against deep tendencies which the Italians had rejected, but which they still feared.

Italians were always conscious of being the most backward of the original six EC countries. The idea of Europe was identi-

fied with the idea of modernism: Europe was to be our example and model for social and economic progress. By joining forces with more advanced nations, Italy took some very big risks. In the early Fifties, many European-minded Italians thought that it would be sheer folly to join a Common Market with such highly industrialized nations as Germany and France. The decision to join the Community was made by politicians who took the "long view," against the resistance of many business leaders.

It was an act of faith, rather than an act of reason. It was hoped (correctly as it happened) that the great risks of "joining Europe" would change attitudes and behaviors: Entrepreneurs would be forced to show ingenuity to survive in a wider, more competitive environment; workers would

The road to "Europe" (Autostrada del Brennero): "For Italians, the idea of Europe was identified with the idea of modernism."

Fototeca Servizio Informazioni, Rome



work harder. The decision to "join Europe" was certainly a source of psychological reassurance for the Italians after the war: It provided them with a renewed sense of identity; it made them feel that they were, indeed, "modern, democratic Italians," since they had decided to be "Europeans." As a former member of the European Coal and Steel Community's Assembly, Ugo La Malfa, once put it, Italians felt they had to stick to the Alps in order to avoid falling into the Mediterranean and Africa.

The urge to "keep up with the Schmidts" became a mainspring of progress for a country of delayed development like Italy; that was the main root of the "Italian miracle."

VERY SOON AFTER THE WAR, our ties to Western Europe also became a source of reassurance against Italy's main political anomaly—the existence of a strong and threatening Communist party. So long as they were part of a European Community, democratic Italians felt that they would avoid the dire fate of Czechoslovakia.

Altogether, Europe came to represent a fundamental reassurance against Italy's Fascist past, against Italy's underdevelopment, against Communism. In brief, it was the main guarantee against Italy's diversity; it made us feel like all the others. Of course, the differences could not be wiped out quickly. We were bound to remain "different" for a long time. If we hadn't been different, we would not have invented Fascism, the original ideology of underdevelopment (as such, the most widespread in today's world). Neither would we have had a Communist, rather than a Social-Democratic, left.

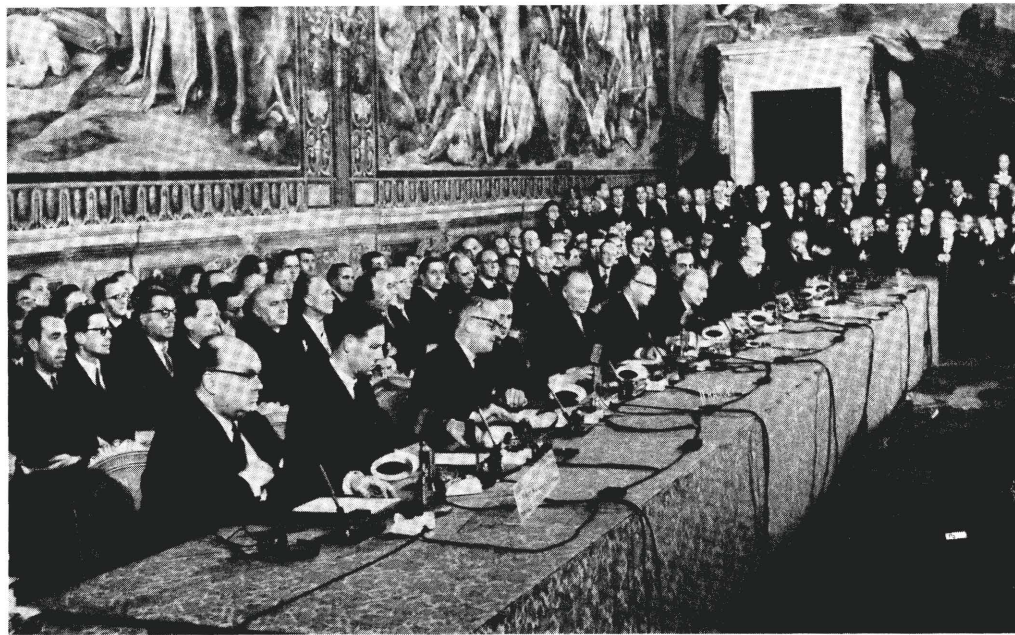
By taking up an anti-Communist additional meaning, the idea of Europe came to divide the Italians, just as it had united

them before. For a decade or more, Europe was the policy of the majority: To that majority, the Community was as important as the Northern Atlantic Treaty Organization (NATO). In order to keep the Community alive, Italy was ready to make sacrifices. It made few claims and demands, it accepted many French dictates, and never insisted on a strong regional policy, as it should have. The fundamental thing was that the Community should survive, so that we could stay inside it. So long as Europe was alive, Italy would remain a free and democratic country.

As time passed, the left gradually changed its original attitude to Europe. Elsewhere (France, Britain) opposition to the policy of European unification came both from the right and from the left. In Italy, the Communist left was anti-European. The Socialists became more and more warmly pro-European. Then the Communists followed. This was a gradual, linear process of change, which can be explained by saying that the original, universal pro-European feelings were "uncovered" bit by bit, following changes in the relations of the Italian left to the Soviet Union. After Fascism, the myth of the Soviet Union, "Motherland of Socialism," was the only real alternative to the "myth of Europe." While the Soviet myth faded away, the fundamentally pro-European attitude of all Italians became apparent. This process started around 1956, 20 years ago, with the Twentieth Soviet Communist Party Congress, almost simultaneously with the creation of the European Community.

Turning towards Europe took on a special significance for Italy's Communists.

"Vote Communist" says the banner near St. Peter's Basilica: "The Communists now make a show of their 'orthodox' pro-European policy, more so perhaps than any other Italian party." UPI Photo



The 1957 Rome Treaty, creating the Common Market, bears the name of the place it was signed. "But for Italians, the treaty was an act of faith, rather than an act of reason." Publifoto, Rome

Their growing estrangement from the Soviet Union gave them an increased awareness of their "belonging to the West." Despite all contradictions, this awareness contributed to their developing a new identity. The Communists now make a show of their "orthodox" pro-European policy, more so perhaps than any other Italian party. While the end of this process of change is not yet in sight, and opinions differ greatly as to its significance (much diffidence rightly remains), the passions accompanying this process are as sincere as they are powerful.

The original peculiarities of Italy's commitment to Europe are still in many ways alive. There has been no revival of nationalist feelings in Italy. The younger generation is less "European-minded" than the first postwar generation in its ideology, but it certainly isn't nationalistic. However, the

young seem to feel that the European idea has little relevance to their aims and ideals for tomorrow's "better world." This means that the original identification of Europe with the idea itself of "modernity" and social-economic progress has lost much of its original forcefulness. Why?

First of all, a certain naive European optimism has faded, due to a better awareness of how complicated are the after-effects of our original European choice. At the beginning, Italy's economic growth was certainly accelerated by participation in the Community. It gave Italian industry access to higher technology and wider markets and stronger incentives for change and growing ambition. Later, some negative effects of our European choice became apparent. The imitative urge to develop "a European way of life" meant stronger pressures for higher wages, first in the advanced economic sectors, then in many "parasitic" areas.

Higher labor costs reduced profits, accumulation, and investment. (Gross investment, equivalent to 18.7 per cent of gross national product in 1951-57, grew to 24.4 per cent in 1958-64, and then started falling back toward the original rates.) If some parts of Italy reached a "European standard of living" fast, other backward industries and areas suffered from this unequal distribution of wealth and resources. Exaggerated expectations of European standards in private consumption and social services led to more and more demands upon the state, weakening the private sector. Today, Italian labor costs (including social contributions) are on a European level, or higher, while Italy's per capita GNP is still only half that of Germany, two-thirds that of France. Hence, Italy's recurring crises and the progressive devaluation of the lira in recent years. While all these difficulties cannot be

attributed to our "European choice," it is beginning to look doubtful that we can "keep up" with the others.

THE PECULIAR TENSIONS LONG APPARENT in Italian society have not gone away, nor has Italy's relative backwardness miraculously evaporated. Most of the answers to our problems still depend upon us—only some upon our European partners. We do not know how the next phase of our European adventure will develop. It is possible that the "two Europes" (North and South) will become more and more unequal, even politically. The "point of no return" along the road to a united Europe has probably not yet been reached.

However, the European cadre still offers Italy many substantial guarantees, and maintains much of its positive potentiality. Even its "anti-Communist" meaning keeps its value, though in a different way. It is felt that the growing Communist challenge in Italy can be more easily met if the European institutions continue growing—while the rejection of a partly Communist Italy by its partners might well be fatal to Italian democracy. Anti-Communist Italians consider it terribly important to hasten the "unification of Europe." Within this Europe, even Communist electoral successes, perhaps leading to a partnership in government coalitions, would have less dangerous effects. At a certain moment of history, the fundamental difference between Chile and Italy might very well prove to be Europe—the Community, or what has come to be called "European union." It might come into being just in time—or just too late.

The greater Italy's problems become, the more we feel the vital importance of our original European choice. Even if, from time to time, it may be felt that some of the original *raison d'être* for the European movement have become weaker, including fear of the Soviet Union and the memory of horrors brought about by the "national order," the European spirit has never died out. Slow progress (two steps forward, one back) has never entirely stopped.

But the simpler plans for achieving the unification of Europe, stepping "naturally" from customs union to economic and monetary union, then on to political union, have failed. The recent Tindemans report, with its cautious multi-sided approach to the problem of "how to go forward," shows that there is no shortcut to unification, no magic password for a united Europe.

Europe's problem today is still how to achieve unity in diversity, through a concurrence of nationalities, each one of them being the product of separate national en-



Demonstrating for lower food prices, controlled rents, and higher wages are members of the leftist organization Lotta Continua ("Nonstop Struggle") in Rome this spring. "But can Italy 'Keep up' with the 'others'?" UPI Photo

vironments and separate decision-making processes. The element of chance still plays a considerable part in this historical development.

Also, while the original European motivations are still valid, they appeal today much more to reason than to sentiment. We wonder sometimes if it is not easier to step from hate to love than from friendship to marriage. There is a subtle tie between hate and love. But Europe isn't faced today (as it was in 1945) with the problem of how to substitute unity for ferocious enmity; it is how to achieve unity among friends, amidst strong differences. Much of the original psychological tension and drama has gone away. Fears are smaller. So, too, are the deep urges for change. The natural resistance to innovation of existing national institutions and bureaucracies acts as a more powerful brake.

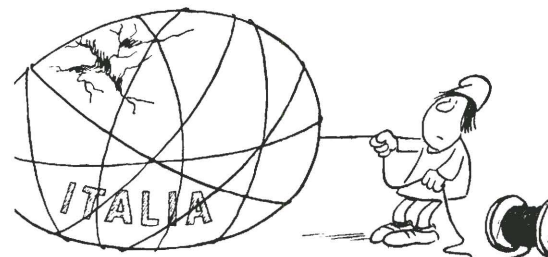
Italy, on Europe's fringes, probably feels the need for unification more strongly than others and fears failure more dramatically. We are still prompted to be Europeans by passion, as well as by reason. A well ordered, sensible, gradual approach (even if it appears to be the only possible one) doesn't seem quite adequate for the urgency of our needs.

Problems which are common to every Western nation (the strengthening of a new international monetary order, the birth of a worldwide plan for development, the invention of better ways to control economic growth in mixed economies, the development of a "participatory" democracy, satisfying widespread demands for justice and equality, to mention just a few) take on the quality of high drama in Italy. We Westerners all share the same problems, the same difficulties and demands, the same fears, but Italy, as a frontier land of the

West, faces every new trial as if it were the decisive and final one, matters of survival being obscurely at stake all the time.

For Italy's democratic leadership, a leadership now (so to speak) "on probation," deeply aware of its many past mistakes and guilts, Europe remains a symbol and a hope. The symbol may never become real; the hope may never be achieved; Italy's way out of "diversity" may take other paths, rather than the obvious, safe one of "Europeanization." But the way Italy goes, others may follow. Interdependence is a reality. Each great West European nation is fatally involved in the destiny of the others.

US Secretary of State Henry A. Kissinger recently stated: "It is necessary for the Western democracies to recapture the sense that they can control their own destiny . . . the vitality of Western institutions that can endure the stresses still provoked by the diversity between member nations, is still as vital today as it was in the chilliest days of the Cold War. The time we have to achieve 'unity in diversity,' before differences once more reach explosive dimensions, is not unlimited."



Bas, Tachydromos, Greece

BRITAIN: THE CROCODILE BIRD

"Persistence through the next grim five years is the name of the Eurogame, not ambition for nobler things."

ANDREW KNIGHT, *editor-in-chief of The Economist of London*

Imagine a crocodile with a crocodile bird which he detests; and the bird detests him. Imagine a whale with a pilot fish which he detests; and the pilot fish detests him. But the relationships? They are essential. That is the snag. I do not suggest that Britain is only good for feeding itself by cleaning the European crocodile's teeth, or for guiding it like a whale through the deep. But in some such ill-defined, non-pedagogic, but irrevocable way, Britain and mainland Europe are essential one to the other. Their affection for each other may be limited (except occasionally when, say, there has just been a war—remember Marlborough, Wellington, Montgomery—which endears the one to the other, briefly). They may even frequently detest each other. But without each other, as Churchill might have said, they cannot do.

Another barrier blocks affection between Britain and the Continent. Ignorance. The ignorance of the average Briton of things continental European is impervious and impoverishing. The poor reputation of Britons among continental Europeans is, likewise,

founded on more insular misjudgments about British values—warm beer—than it is possible to imagine. I have heard rather well-educated European women in Brussels seriously asking themselves and each other why most British men of the middle class are in some curious way homosexual, or at least hopelessly ambiguous.

All this must seem a far cry from the high diplomacy of Britain's still recent entry (1973) into the European Community, after 12 years of uselessly beating its head against the gate, and from the low diplomacy which the British Labor Government indulged in a year ago to *negotiate post facto* improved terms of membership (1974-75), and from the almost accidental referendum (June 1975) to decide whether to accept these "improved" terms and "stay in the Common Market." But in fact it is not a far cry. The distrust and the misunderstanding—the *mépris* and the *malentendu*, to use the graphic French words—between Britain and its European partners in the Community are not based on official ill-will, let alone on political dislike. They rest

on an implacable bedrock of apathy and ignorance.

All the more extraordinary that the referendum of June 1975 should have taken place and should then have proved such a decisive event—hugely decisive for Britain and decisive, though less so, for Europe and therefore for the Atlantic alliance. All the more extraordinary, too, that since that climactic event Britain has managed to be both the most churlish of European partners and yet, in one or two highly significant ways, also one of the more constructive.

Let me recap by telling a little personal history. In 1970-72 I followed quite closely, as a journalist, Britain's negotiations to enter the European Community. In May 1971, a somewhat stagey encounter took place in the Elysée Palace in Paris between Edward Heath, British Prime Minister since tumbled, and President Georges Pompidou, since deceased, of France. Clothed in much inelegant rhetoric (except for Pompidou who had a most elegant mind), a rather mean little negotiation was sewn up at that Elysée meeting. And the way was open for

Applause, perhaps premature, as Britain finally joins "Europe": Then Prime Minister Edward Heath at the January 1973 opening ceremonies in Brussels for the enlarged Community.



Conflicting opinions at a Trafalgar Square demonstration: "The distrust and the misunderstanding between Britain and its European partners are based not on official ill-will, let alone on political dislike, but on an implacable bedrock of apathy and ignorance." © The Press Association Ltd., London



Britain to join.

In October 1972, a summit meeting took place in Paris between the heads of government of the nine members of the new Common Market (Norway had just said "no"), presided over by a then secretly ailing Pompidou. Clothed in much inelegant rhetoric (even from Pompidou), a rather futile potpourri of pie-in-the-sky emerged, supposed to be the blueprint for a "Europe union" somehow built on such absurdities as holding par values of European currencies together against every known economic trend.

It was about then that I began to wonder whether Britain had not perhaps "joined Europe" under a false pretense—entering a kindergarten specially designed for rival national bureaucrats to play in, but unsupported by any national consent in Britain. In 1971 and 1972, I attended the annual conferences of the British Trades Union Congress and the Labour Party and became convinced that if Heath should once lose power in Britain and Labour should win in his place, then it was certain: 1.) that an incoming Labour Government would reopen the question of membership; 2.) that the then emerging proposal in the Labour Party to hold an unprecedented national referendum on membership would indeed probably be carried out.

Although at the time both prospects terrified me, convinced as I was that Britain should remain a member of the Community (the opinion polls in Britain were running heavily anti-European), I also began to ask out loud—to the consternation of my pro-European friends—whether it would not in fact be a very good thing if a referendum did indeed take place.

Sure enough, in February 1974, Heath did lose power. From that moment I was convinced that not only might this apparently catastrophic event be turned to European advantage; but that, indeed, it was imperative that Labour hold on to power for long enough to "renegotiate" the terms of membership and to hold its referendum. For, I contended, "the referendum could be won." Later in that year we argued several times in *The Economist* that the referendum, however novel and dangerous, should be held, and should be made the occasion for routing the left and winning once and for all the cause of Britain in Europe. We even pressed the Tory opposition, heavily committed against the referendum, to cooperate with it; and I am told that *The Economist* played some part in persuading the Tories, against their natural instincts, to do just that. We were accused at the time of reducing the whole mighty constitutional imbroglio to the status of a football

match. Yes, indeed—and the right side won.

I repeat this story with its triumphant conclusion—a decisive referendum victory for the pro-Europeans against all the odds of a year before—not because it was my idea (it wasn't) to support the referendum when most pro-Europeans in Britain and on the Continent were furiously against it, but because of the two revealing episodes which led me to adopt that point of view.

THE FIRST WAS A CONVERSATION in 1971 with Harold Lever, an old personal friend. Lever is a right-wing Labour cabinet minister, a millionaire who bets to win, a close adviser on many occasions to former Prime Minister Harold Wilson. In 1971, when Labour pro-Marketees, Lever among them, were losing the battle against Tony Benn to stop the Labour Party from committing itself to a referendum in the event of its return to power, Lever was willing to lay heavy odds on a pro-Market victory should the referendum ever take place. (Indeed, Lever laid his money on a victory long before the referendum took place, and added modestly to his fortune thereby.) While virtually every member of the Labour Party envisaged a heavy referendum win for the anti-Marketees, Lever argued, with the blissful confidence which is his particular charm, that Benn and company were spinning their own hangman's noose because, say, (I do not cite his precise figures): 1.) 75 per cent of Tory voters would vote yes to staying in; 2.) 70 per cent of Liberal voters would vote to stay in; 3.) led by Harold Wilson, with "renegotiated entry terms," at least 40 per cent of Labour voters would vote to stay in.

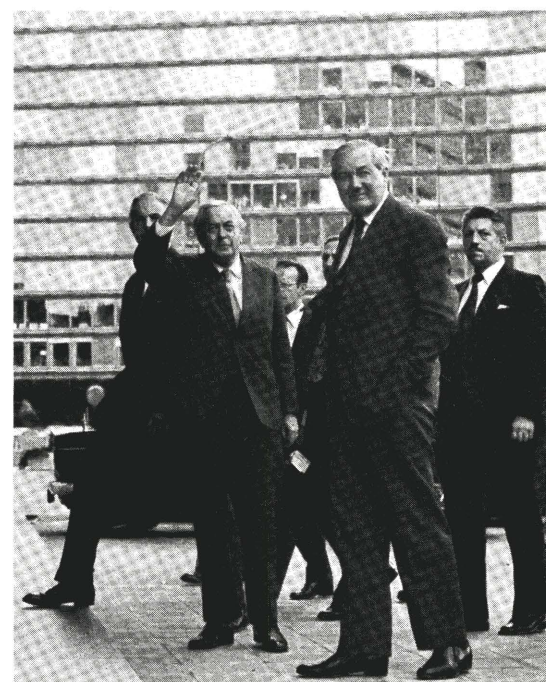
And so, with some disappointment from the Liberals, it proved: On June 5, 1975, over two-thirds of the British electorate, on a high turnout of 64.5 per cent, voted to remain in the Common Market.

The second revealing episode for me was listening to Sir Alec Douglas-Home (now Lord Home), a man I do not know personally at all, only a month after he and Heath had been bundled from power in February 1974. At a private Anglo-German "Königswinter" meeting in Edinburgh, he argued that if the horrifying device of a referendum were to be foisted on Britain by Wilson, he for one would remain serene: "For I believe that if the British people are faced by a question of seriousness, they are certain to see the wider interests of their country and vote the right way."

The referendum became a major event in British politics—more significant in the decisive watershed which it represented for the plausibility of the British left than it was for Europe. But that is another story

where much remains to tell. What is its significance for Europe?

Overrated, I believe, in one important respect. There was a sage response in Britain to the referendum on whether to stay in the Common Market; there was no enthusiasm. The result was not a mandate for any of the woollier federal aspirations of old-time Europeans, either on the Continent among the Community's original six members, or in Britain. Britain will continue to be a sickly economy in the Common Market fold, and only slowly will it shed its awkward and—if the truth be told—reckless behavior inside Community discussions and decision-making institutions.



Labour finally says "yes" to Europe too, as then Prime Minister Harold Wilson and his foreign secretary and now successor, James Callaghan, seem not too unhappy in front of the EC Commission's Brussels headquarters.

THE CONTINENTAL EUROPEANS THEMSELVES are not Simon Pure in their own Community behavior—least of all, to take a topical example, those most often represented as such, the Dutch and the Germans. These two paragons were primarily responsible for making sure from the start that the common agricultural policy (CAP), a brave attempt at achieving agricultural self-sufficiency with social fairness, should sink under recurring surpluses. Thus it is a common misconception that the French, many of whose increasingly efficient farmers would benefit most from low farm prices, are responsible for the Community's high farm prices. In fact, it is the Dutch who keep dairy prices up; the Bavarians who keep grain prices up; the Danes who rig the Community pork regime; the Irish who con-

stantly clamor for a common mutton and lamb market.

I mention the sordid affair of the CAP—a machine which, ironically, Britain has been benefiting from handsomely in many respects—only in order to illustrate the vast gap in perception between the political illusions of the Europe-builders, on the one hand, notably at times of high drama like the aftermath of the British referendum, and, on the other, the poor little, seamy battles about pennies and cheap wine that actually take place. How far are the realities of Common Market life from the grand notions of Heath and Pompidou of Europe speaking with once voice to Russia, to America, to China—a Gaullist *tous azimuts* wrought on an even more heady and unrealistic Euroscale!

What, then, is "membership in Europe" to Britain? What is to be had from it for Britain, or for Europe, 17 years after the Treaty of Rome began, inevitably, to run out of gas? Many things, I believe.

First, membership in the Community is of only limited immediate value in itself to Britain or any other signatory. Its real value is as the rock on which quite another church will be built than, say, Bramante originally envisaged at St. Peter's. The rock consists of three highly important (but strictly circumscribed by reality) chapters. Let's look at them quickly before we go on to consider the much more interesting, but still totally undesigned, church.

The customs union is the first. Its chief value these next two slowly recovering years will no longer be the trade which it creates but its existence as a device to shame Britain and some of its partners into holding open at least parts of their economies to some form of vestigial free trade. Like the present rounds of talks in the General Agreement on Tariffs and Trade (GATT), but much more powerfully, the Community's customs union is a defensive gadget at a protectionist moment in history against the full force of protectionism. One of the more decisive ways that Britain has managed, thus far, to show itself a virtuous European has been in its rejection of import controls despite the huge internal pressure on many Labour ministers to impose them. President Ford has been one loud nay-sayer against controls, and his voice has carried in Downing Street. But, Harold Wilson, Denis Healey, and others deserve much credit too.

The second is the common agricultural policy, much maligned but it need not be. It is performing the considerable service of showing people (not just in Europe) that rational patterns can be worked out for reconciling harvests, which rise and fall,

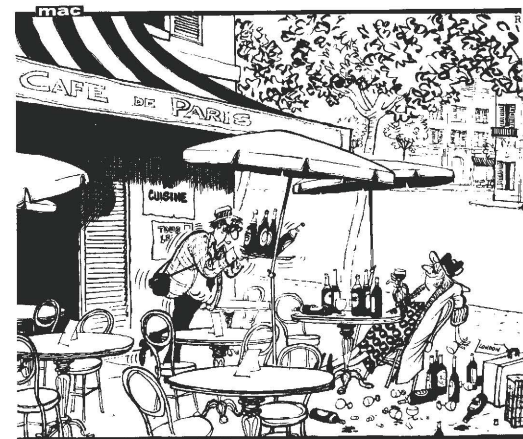
with appetites that only rise; or rather the CAP could perform that service (particularly needed in Britain, which still believes that it has a divine right to food cheaper than anybody else) if only its proponents would accept the need to withdraw support buying of crops as these go into surplus above certain agreed trigger points.

Third, an antitrust policy exists in the Common Market, and, as with the customs union, has a large defensive role to play in keeping some gate open to free competition at a time when the protectionist flock wants to slam it shut.

Assume, then, that the rock, with its three components, is not splintered, stays intact. What of the church as yet unbuilt? I can see a number of possible shapes for naves and apses from the pillars, architraves, and moldings that have so far been left lying around. All that I am certain of, however, is that none or few of them need to follow the Gothic articles of the Treaty of Rome—though without it, and without signatories to it by nine countries, little else would be possible. Here again, I think Britain has started, unnoticed, to play a virtuous role in the Community. Its Prime Minister, James Callaghan, hardly a charter-European in his thinking, as foreign secretary made one of the few constructive responses to the much criticized Tindemans report—though he shares, too, in much of the criticism.

The next economic step, it seems to me, beyond the increasingly useful planning and policy-swap sessions that the EC finance ministers and officials now conduct, should be some form of European Special Drawing Right (SDR) leading to a European currency for banking, public, and, maybe

What the Common Market really means to Britons? © Jonathan Bayer, London



"Still no sign of anybody—I reckon everyone must be in Britain, taking advantage of our falling pound." Mac, Daily Mail, London



"We come each year to try and cure Uncle Pierre's hatred of the English." © Punch, London

eventually, private use parallel to existing national currencies. I have been one of a small band advocating, fruitlessly, this modest step to monetary unification since the early Seventies; at last it seems to be getting a hearing now that one's original contention (that the "snake" method of artificially binding together currency values was a nonsense) is being borne out. The snake has been far more useful in practical central

banking terms than the most acid commentators, like *The Economist*, have ever conceded; and it has a strong logic as a regional operating method for, e.g., the present German mark zone. The snake can be particularly useful now that the earlier dogma that ruled against regular adjustment of parties within the snake has been overruled by the logic of events. But all this represents a good method of currency management, not a sensible theology for unification. For that, promotion of the EC unit of account to quasi-money status would be a much better bet.

POLITICALLY, I SEE THREE DISTINCT MOVES which could both be powerfully contributed to by Britain and beneficial to it and Europe. The European Parliament could, very easily now, throw its weight about—by, among other things, sacking the EC Commission, or refusing to allow any non-automatic budget spending. These drastic actions would be taken not for their own sakes but for two specific purposes: to achieve for Parliament—if the French and others continue to procrastinate—rapid direct elections, which could in turn make the idea of European democracy a very real one; and to get, more decisive still, some real power of the purse of the sort which alone made Britain's Parliament, or even Capitol Hill, count. Numbers among Britain's parliamentarians now in Strasbourg are just the kind of myopic, self-righteous ignoramus required to help achieve this sort of very desirable result. The Parliament should also move its meeting place to Brussels forthwith.

Next, politically, the habit of the nine foreign ministers of working together informally on a range of issues has not been a dramatic journalistic success; but it has been a useful one, with both Sir Alec Douglas-Home and his Labour successor, James Callaghan, playing a part much more useful than the influence of the country they have represented really warrants. It should be developed further, first of all by equipping it with a secretariat, which must be established cheek by jowl with the existing Community bodies, including the Parliament, in Brussels (and nowhere else).

Lastly, there is always defense. I do not suggest any recreation of the idea of the European Defense Community, probably sensibly buried by the French National Assembly in 1955. But now that Community membership is roughly complete (although Greece, God help us, knocks at the door) it should be possible to build on the North Atlantic Treaty Organization (NATO) Eurogroup which Denis Healey, Helmut Schmidt,



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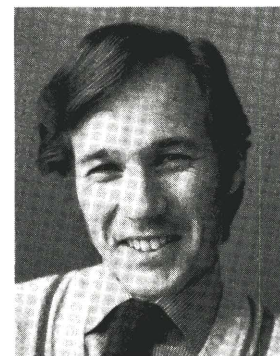
It's still a long trip to rational EC common agricultural patterns for "reconciling harvests, which rise and fall, with appetites that only rise": Carrying sheep to a transport ship from an island off Scotland.

and others set up (largely for defense procurement lobbying inside NATO) in the late Sixties. The problem here is France, which wants its share of NATO contracts without being integrated into the military side of the alliance or being a member of the Eurogroup. Here is not the place or space to expand on the relative demerits of the various fora other than the Eurogroup where European defense planning—above all a more rational non-duplication of hardware design—might take place. Enough to tell a little story.

When the Belgians went to see President Giscard d'Estaing and Prime Minister Chirac of France last year to give a final explanation of why the Americans, and not Dassault, were going to win the "arms contract of the century," the following incident took place. The Belgians suggested that they might change their minds in favor of France if France could pay the political price of joining Eurogroup, agree to joint deployment of airplanes, etc. Giscard, with a wary eye to Gaullist sentiment which he does not control, said no, and so it did not happen. But Chirac, certain of his Gaullist ground, said yes. Thus the somewhat confused moves in recent months which show the French to be moving crabwise toward some kind of accommodation with the NATO Eurogroup, in all but name. These moves amount to a

second small step. One day such realities as NATO arms contracts will force the French Gaullists to relent still more. So: persist.

Persistence through the next grim five years is the name of the Eurogame, not ambition for nobler things. The realism of Schmidt, the striving of Giscard, are not bad things; nor, necessarily, will the present economic awfulness turn out to be bad either. Even Britain may just learn from its self-inflicted misery. None of the lack of vision shown by most Europeans need or, I believe, will break the sideways shuffle of European countries toward working and acting together over time. That sideways shuffle is, nowadays, a reluctant response to necessity, not to vocation. But nor, even after the good fortune of the British referendum result, does this general lack of vision in Europe suggest that the forging of a united Europe is likely very soon.



The author worked in Brussels for many years as The Economist European correspondent before returning to London.

NEWS

OF THE COMMUNITY

US-EC RELATIONS

Pro-Feet, Anti-Beef Trade

The decision by President Gerald R. Ford to relieve the pressure on the American footwear industry from imports from the European Community, among others, by financing assistance to the industry rather than import restrictions, which would have pushed up consumer prices, was warmly welcomed in Brussels at EC headquarters as a positive contribution to waging war on protectionist tendencies.

Similarly, the US Administration's decision a few days later to impose countervailing duties on Irish exports of beef was strongly deplored—particularly since only a very small quantity was involved, a mere 800 tons.

US Car Decision Welcomed

A decision by the US Treasury to drop antidumping proceedings against EC car manufacturers in the first week of May was greeted with considerable relief in Brussels, where the dispute over what was the biggest dumping case in history (involving trade worth \$2.5 billion) had cast a recent shadow over EC-US trade relations.

The announcement came only a few days after intensive discussion of the case at the regular, high-level EC-US consultations in Brussels April 29-30. In welcoming the US decision, Commission Vice President Christopher Soames said he felt it proved the usefulness of these semi-annual talks to thrash out common problems.

Among the other issues discussed at the latest round were US proceedings against specialty steel, the subject of further talks in Brussels in mid-May, the Community's plan to incorporate skimmed milk powder in compound animal feed at the expense of imported American soybeans, as well as wider international issues such as the multilateral trade talks and UNCTAD IV.

EC Floats American Issues

A \$175 million issue was floated in the United States this spring for the European Coal and Steel Community, made up of \$75 million in notes due May 1, 1984, and \$100 million in bonds due May 1, 1996.

The notes were issued at 99.5 per cent at 8 $\frac{1}{8}$ per cent interest and the bonds at 99 per cent at 9 per cent. The issuing syndicate was comprised of Kuhn, Loeb and Co., the First Boston Corp., Lazard Frères and Co., and Warburg Paribas Becker Inc., of the United States.

The proceeds from this borrowing, which is the ECSC's eighth in the United States, will be used to finance construction of coal-fired power stations and modernization of coal and steel production in the Community.

AID

EC Mediterranean Aid

It was agreed by EC foreign ministers at their May 3-4 Council session that the Community should make 1,250 million units of account available to the countries of the Mediterranean basin in aid until the end of the decade. (One UA equals one 1970 dollar.)

Eight hundred million units of account will come from European Investment Bank resources in the form of loans, and the rest of the money will be put up by member states to provide grants or interest rebates on loans.

One of the most immediate beneficiaries will be Portugal, which is to receive UA 200 million in loans and UA 30 million in interest rebates as part of an expanded trade agreement currently being negotiated. The Commission's mandate for those negotiations was finalized at the same meeting.

Other beneficiaries will be Greece—on whose application for membership ministers heard an interim report—Turkey, Egypt, Syria, Lebanon, Jordan, Cyprus, and possibly Israel. The three countries of the Maghreb have been allocated aid previously.

At the same meeting foreign ministers came as close as was possible to reaching agreement on a common position for the United Nations Conference on Trade and Development (UNCTAD), which opened in Nairobi the following day, but had to agree to differ on some aspects of commodity problems and debt relief.

UNCTAD IV Hears EC Voice

Speaking on behalf of the European Community at the opening session of the fourth United Nations Conference on Trade and Development (UNC-

TAD IV) in Nairobi May 6, Luxembourg Prime Minister Gaston Thorn, who is currently not only president of the EC Council of Ministers but also president of the UN General Assembly, stated that the community of nations is confronted with an immense challenge in the installation of a fairer economic order to give the developing countries a bigger share in the fruits of world growth and a greater say in international decision-making.

The European Community, Thorn said, was fired with a political will to translate these goals into fact and by a feeling of solidarity, which are a guarantee of the Community's open mind in the negotiations.

Speaking a day later, EC Commissioner Claude Cheysson stressed Europe's awareness of international interdependence: "Our countries have a great history," he pointed out, "but narrow confines; the population is dense, our resources are inadequate, we import three-quarters of our commodities. Our future largely depends on our economic relations with the outside world and the developing countries in particular. We cannot be indifferent to the prospect of confrontation with the Third World or resist its claims."

Cheysson expressed the belief that the problems facing UNCTAD IV could be solved if they were firmly placed in a perspective of growth.

EXTERNAL

Columbia Textile Agreement

The Community concluded negotiations in late April on its second agreement on restricting trade in textiles with a Latin American country—in this case, Colombia.

Previously, the Community had come to similar arrangements with Brazil. Talks are still continuing with Mexico.

Under the agreement, which was negotiated in accordance with guidelines set out in the General Agreement on Tariffs and Trade multifibers arrangement, to which both the European Community and Colombia are party, certain Colombian textiles will face quotas in the Benelux, Italy, and the United Kingdom.

Mexican Visit by Ortolí

European Commission President François Ortolí was in Mexico in April for talks with the President, the Foreign Minister, and the Trade Minister.

The talks were expected to give political impetus to the economic agreement between Mexico and the European Community signed last July which took effect in November. Part of the purpose of the agreement—the

most comprehensive which the European Community has with any Latin American state—is to boost Mexican exports to the Community and right the serious trade imbalance: Six per cent of Mexican exports go to the European Community, but 15 per cent of its imports are from the Community.

Recently a group of EC officials visited Mexico for talks on EC-sponsored trade promotion and industrial cooperation and seminars on utilization of the Community's plan of tariff preferences for developing countries. While in Mexico, Ortolí invited a delegation of Mexican industrialists to visit Europe.

Cyprus Association Council

A May 4 association council between the European Community and Cyprus provided the two delegations—headed by current EC Council President and Luxembourg Prime Minister Gaston Thorn and Cypriot Foreign Minister John Christophides—with an opportunity to take an all-round view of current problems.

The association agreement, which came into effect in 1973, is functioning well, but some concern was expressed at the delay in aligning its provisions with other Mediterranean agreements now that the Community's overall approach to the Mediterranean has evolved further and led to conclusion of more comprehensive agreements. The EC Commission has made proposals on more agricultural concessions and technical and financial assistance for Cyprus, but these have not yet been finalized by the Council of Ministers.

The other major anxiety for the Cypriots is definitive import arrangements for Cyprus sherry, which have to be introduced on July 1 to replace the temporary provisions adopted when the agreement was negotiated. The Council promised that this would be done very speedily.

Maghreb Agreements Signed

The European Community and Tunisia, Algeria, and Morocco signed trade and cooperation agreements in Tunis on April 25, Algiers April 26, and Rabat April 27.

These agreements mark the second stage in the common implementation of the Community's overall approach to the Mediterranean. The first came with the signing of an agreement with Israel, which took effect last July. The agreements with the Maghreb countries are expected to come into effect a few months from now.

Of unlimited duration, the agreements provide free access to EC markets for all industrial products and privileged access for the agricultural products of most importance to these countries. In addition, there is provision for financial assistance—a total

of 339 million units of account (UA) over 5 years—for scientific cooperation, exchange of information on economic and financial policy, and in the case of Algeria and Tunisia energy cooperation. (One UA equals one 1970 dollar.)

Butter From New Zealand

The EC Commission's latest annual report on implementation of the British commitment under the Treaty of Accession to continue importing New Zealand butter and cheese shows that as in the previous two years, New Zealand did not take up its full entitlement.

New Zealand ships only 120,000 tons of butter and 30,000 tons of cheese, instead of 152,000 tons and 46,000 tons. But shipments were nevertheless more than in the previous year, largely because world recession and better weather, implying larger production, combined to undermine New Zealand's attempts to diversify outlets as it has promised to try and do.

This was particularly true of butter. The problems are compounded by the fact that British butter consumption is stagnating while imports from other EC countries have increased so that large stocks of New Zealand dairy products were carried over into this year.

Indian Coir and Jute Pacts

The Community's agreement with India on trade in coir products was renewed this spring until the end of 1979, with an EC agreement to half the tariff on July 1 this year and abolish it altogether 18 months later.

India is the world's number one coir producer, and the industry provides employment directly to a half million people and is the means of livelihood of over 3 million. In line with conclusions reached in February in talks between Indian Minister of State for Industries and Civil Supplies A.P. Sharma and EC Industrial Affairs Commissioner Altiero Spinellicci, the two parties will use the agreement in future jointly to research new end-uses of coir products and sponsor more cooperation between Indian and EC coir industries.

Following these talks, negotiations were begun on renewing the EC-India agreement on trade in jute products.

ECONOMY

Italian Relief Okayed

The deterioration in Italy's balance of payments position and the continuing depreciation of the lira this spring were regarded as sufficiently serious by the EC Commission to justify allowing Italy to take the exceptional

step of introducing an import deposit scheme for a period of three months.

This means that importers of all items other than cereals from whatever country will have to deposit 50 per cent of the value of the goods with the central bank interest-free for three months. This is designed to mop up surplus liquidity and stabilize the economy.

The Commission has reserved the right to amend or repeal the decision if it is proving more restrictive than necessary or having particularly serious effects on trade, particularly in agricultural goods.

Employment Given Priority

Full employment must be given highest priority in the view of the EC Commission, which points out that this cannot be achieved unless there is more growth than is currently being forecast since the economic recovery is not as strong as it might be.

Ways in which employment might be boosted are temporary employment premiums, action to increase employment among young people, and measures to enable structural changes to take place smoothly. More investment and self-discipline in incomes and prices policy are needed, governments must bring down their budget deficits, and the expansion in the money supply in the Community must be coordinated.

A consensus among governments and social partners on these social and economic policy goals is regarded as essential in implementing these measures.

Widely Varying Inflation

The extent to which inflation has been brought under control in the EC continues to diverge widely.

The monthly rate of increase in February ranged from 0.3 per cent in the Netherlands to 2.2 per cent in Italy, with Belgium at 0.5 per cent, Germany, France, and Denmark at 0.7 per cent, and the United Kingdom at 1.2 per cent. The increase for the quarter in Ireland was 7.3 per cent.

This naturally results in a wide span of annual results. The annual rate of inflation is currently 5.2 per cent in Denmark, 5.5 per cent in Germany, 9.5 per cent in France and the Netherlands, 10 per cent in Belgium, 11.8 per cent in Italy, 16 per cent in Ireland, and 22.8 per cent in the United Kingdom.

EC Businessmen Look Up

Businessmen in Germany were the most optimistic in the EC Commission's most recent survey of opinion or economic trends, carried out in March.

Executives in the United Kingdom, France, Luxembourg, and Belgium all shared the feeling to some extent that

things have taken a turn for the better. The others continue to be fairly gloomy.

Among the factors which justify this improved mood have been a 2.5 per cent increase in industrial production on average (with higher rates recorded in Germany, France, and Belgium), a halt to the rise in unemployment, and a slower rate of increase in the trade deficit.

The most worrying element is a resurgence in inflation, which is currently running at an annual rate of 13.5 per cent for the Community as a whole. This is one point more than in January.

SOCIAL POLICY

Court Upholds Equal Pay

All employers—be they government or private—should have been paying their men and women workers equally back to 1962 in the case of the original six EC member states and 1973 in the case of the three new members, said the European Court of Justice in a recent decision.

The Court said Europeans had no need—nor reason—to wait for additional national implementing legislation before applying the equal pay principle which is enshrined in Article 119 of the Treaty of Rome. Previously it had sometimes been argued that Article 119 only applied directly to the public sector, but the Court of Justice in a case involving a Sabena air hostess has now ruled to the contrary.

However, the Court ruled against now allowing pay claims back-dated to those dates unless the cases were already before the courts because it feels that member states were wrongly lulled into a sense of false security by the EC Commission, which should have taken more active steps to see that member states did not infringe the Rome Treaty in this area.

EC Social Expenditure

The EC Council of Ministers' April 30 meeting in Luxembourg agreed on proposals to forecast social expenditure and detail its financing, to improve social security legislation for migrant workers, and to study the earnings of agricultural workers.

These items were speedily dealt with in order to leave time for an in-depth discussion of unemployment, which is still at 5.4 million for the Community as a whole.

Although EC Commission Vice President Patrick Hillery expects the figure to fall by a further 900,000 by the end of the year, the medium-term prospects—particularly for young people—are gloomy. Hillery expects unemployment to be as high at the end of the decade as it was last year.

Foundation Opens in Dublin

At an inaugural meeting of the board of the European Foundation for the Improvement of Living and Working Conditions in Dublin May 6, EC Commission Vice President Patrick Hillery hailed the foundation's creation as a "significant step toward the completion of the Community's first social action program and a valuable indication of part of what Community membership means to Ireland."

The foundation is to undertake pilot projects, symposia, conferences, and seminars in carrying out its goals of developing and pursuing ideas on medium- and long-term improvement of living and working conditions—with particular reference to man at work, work organization and job design, problems peculiar to certain categories of workers, improvement of the working environment, and distribution of human activities in space and time.

EC Aid to Retrain Workers

A grant of 2.1 million units of account (UA) has been made to the Eschweiler Bergwerksverein in Germany for retraining 2,155 workers made redundant by the closures of the Carl Alexander mine and the Lothringen power station. (One UA equals one 1970 dollar.)

The grant, made by the Commission in its capacity as High Authority of the European Coal and Steel Community, will meet half the retraining costs.

HARMONIZATION

EC Rules on Multinationals

The EC Commission has proposed accounting rules to be observed by multinationals or consortia with headquarters in Europe—or in the case of those headquartered outside the European Community, any activities they have within its borders.

Internal Market Commissioner Finn Olav Gundelach believes that hitherto multinationals have transgressed the legal confines of individual states and that the Community is in a unique position to make transnational laws to bring these companies back within the ambit of legislation.

When adopted, this proposal on corporate accounting would complement an existing proposal on standardized accounting rules for limited liability companies. Further proposals on general operating rules and worker participation for multinationals are in the pipeline.

A Common Securities Market

A proposal on aligning systems of indirect taxation on transactions in securities has been submitted to the Council of Ministers by the Commis-

sion.

The proposal is intended to limit double taxation, eliminate discrimination, and remove fiscal obstacles to free movement of capital. It would establish a single system of taxation for transactions in securities to replace the tax currently levied on stock exchange transactions by partially harmonizing the structure of the tax.

The tax would be levied in two stages: at sale and purchase, so that it would be possible to allocate the tax between purchaser and seller and different member states. The proposal defines the scope of the tax, the basis of assessment, the demarcation of member states' powers, and maximum rates and exemptions.

EC Fights Tax Evasion

As a follow-up to a resolution adopted last year on the general need to combat tax evasion, the EC Commission has come up with concrete proposals for a draft directive on increasing cooperation among member states.

The Commission suggests establishing a system of exchange of information much wider than that which currently exists. Whereas at present most information is supplied only on request, certain types of information would be swapped automatically by tax authorities in future.

In addition, tax investigators from one member state would be allowed to carry out inquiries in another.

Standardizing Safety Signs

An exclamation mark for danger! This is one of a number of universal safety signs at the work place that the EC Commission suggests introducing.

The Commission has sent the Council a draft directive intended to standardize all signs conveying prohibitions, orders, warnings, and emergency instructions. Freedom of movement for persons would then be increased because the recommended signs would not require a knowledge of the local language.

"No smoking," "pedestrians forbidden," "beware industrial trucks," and "radioactive matter" are further examples of these signs which have been drawn up with the cooperation of government experts and the Commission's advisory committee for safety, hygiene, and health protection at work. Generally speaking, the proposals are in line with recommendations of the International Organization for Standardization.

Architects Break Through

A Community directive allowing architects to set up in any member state should be adopted this summer, according to Council President Gaston Thorn.

The only problem which still has to be solved involves the status of

graduates from certain German colleges which do not have full university status, since the directive would work on the basis of recognition of the equivalence of basic training.

It will be a follow-up to the first breakthrough in the area of freedom of establishment for liberal professions which came last year when a directive on doctors' freedom of movement was adopted. Similar moves for nurses and lawyers are also in the pipeline.

Increasing Consumer Safety

A series of directives which have the dual purpose of increasing consumer safety and harmonizing regulations within the Community so as to prevent the creation of barriers to trade was recently adopted by the Council of Ministers.

As a result, there are now standard construction, fitting, and testing norms for tractor service and parking brakes; the list of colorants allowed in food-stuffs has been updated, and nine colors have been removed from the list; and the dumping of PCB's and PCT's (polychlorinated biphenyls and polychlorinated terphenyls), both of which can be highly toxic, is to be strictly controlled throughout the European Community.

COMPETITION

Mineral Waters Flow Free

Following intervention by the EC Commission, three French mineral water producers — Perrier-Vichy, la SA des Eaux minérales d'Evian-les-Bains, and the Société Générale des Eaux minérales de Vittel—have lifted export restrictions which they had been applying to French wholesalers.

These three firms control 95 per cent of the French mineral water market. Perrier has a market share of around 47 per cent, Evian around 26 per cent, and Vittel around 22 per cent.

They will no longer ensure reimbursement for their French clients with export orders of the tax on mineral waters, which can be repaid if the water is not consumed domestically and which they alone are entitled to apply for. But the Commission believes that under the new system this tax will rarely be levied when mineral waters are exported in the future.

Cutting Export Protection

The EC Commission would like to see the cost escalation guarantees offered to exporters in some member states—notably France, Britain, and Italy—phased out because they dis-

tort competition.

A proposal made to the Council of Ministers suggests December 31, 1978, as the final date for elimination of these subsidies. In the meantime, the Commission suggests that from July 1 this year indemnities be payable only on any increase between 10 per cent and 20 per cent and no improvements in terms be introduced after that date.

This form of protection for exporters is opposed both within the Community—notably by the Dutch, who raised the subject at a recent Council meeting—and outside—by the Americans, who have raised objections in the General Agreement on Tariffs and Trade.

Suspended Pending Appeal

The European Court of Justice has deferred temporarily to allegations that the EC Commission's order to the firm United Brands to apply a uniform price to banana sales throughout the European Community is "unintelligible, contradictory, and unworkable."

The Court has suspended the Commission decision, the 1,000 units of account (UA) per day penalty payment, and the fine imposed—pending appeal against the Commission's decision, which was announced last December. (One UA equals one 1970 dollar).

The Commission found United Brands guilty of concerted practices and price-fixing.

ENERGY

EC-Canada Nuclear Accord

The EC Commission has suggested ways to the Council of Ministers in which the current agreement between the European Community and Canada on nuclear cooperation, concluded in 1959, should be updated in the light of subsequent conclusion of the nuclear non-proliferation treaty.

Canada has expressed interest already in renewing the current agreement on exchange of information, peaceful use of nuclear energy, and conditions of nuclear equipment supply.

Britain To Get Coal Aid

A loan of \$48 million made to Britain's Nation Coal Board by the EC Commission, in its capacity as high authority of the European Coal and Steel Community, will help meet the cost of a total of 15 projects at 14 collieries in England and Wales.

The most frequent type of investment receiving help is extension of the underground workings. Taken as a whole these projects will help to maintain over 6 million tons of coal

extraction potential per annum, and the potential of the pits concerned will be increased by 2 million tons to offset closures elsewhere.

The loan is designed to help stabilize Community output of coal for generating electricity and also to boost coking output, in order to lessen Community dependence on imported coke.

EIB Gas Pipeline Loans

A loan worth \$34 million has been made to the British Gas Corporation by the European Investment Bank (EIB) toward the cost of a pipeline to carry North Sea natural gas across southern England to the southwestern region.

Known as the "southern feeder," this pipeline will run from Wisbech in Cambridgeshire to Dorset. The loan is for eight years at 9 per cent and brings to \$170 million the amount of money provided by the EIB for gas transmission projects in the United Kingdom to date.

ENVIRONMENT

Controlling Aircraft Noise

In pursuance of the noise abatement goal that the Community set itself in its first environmental action program the EC Commission has proposed Community control of subsonic aircraft noise throughout the European Community.

The Commission wants the authority to issue EC noise limitation certificates based on norms agreed on by the International Civil Aviation Organization. The directive would apply to all sizes of subsonic jets and to light propeller-driven aircraft.

The Commission envisages a system of information exchange between member states on faults discovered in checks and the steps taken to correct them.

Waste Management Policy

A special committee to oversee the Community's waste management policy has just been set up by the EC Commission.

Given that the Community produces 1.5 billion tons of waste each year and that the amount is increasing by 5 per cent annually, it is not likely to lack for work. The committee will be made up of 20 experts from member states, who will deliver opinions on the trends in EC waste management policy, measures for preventing, recycling, or removing waste, and implementation of EC directives in this field.

A comprehensive EC waste management policy is one of the objectives for the period 1977-1981 set out in the Commission's proposals on a second environmental action program,

which were forwarded to the Council of Ministers in March.

The Commission has also now proposed creation of an information-exchange system in the Community between bodies responsible for monitoring fresh-water pollution to ascertain pollution levels in Community rivers, assess the effects of current rules in reducing pollution, and to facilitate incorporation of the EC network in the United Nations environment program's monitoring system. The Commission would produce a report annually on the data received.

Rhine Pollution Clean-up

When five European countries—Germany, Luxembourg, the Netherlands, France, and Switzerland—met in Paris this spring to conclude an agreement on preventing chemical pollution of the Rhine, the EC Commission was present to speak on behalf of the Community since it has umbrella responsibility for member states' environmental policy.

The new convention lays down a list of substances on a so-called "black list," which are non-biodegradable and accumulative and which may only be dumped in the future if specific emission standards are met, and a second list of "gray" substances, which are less dangerous and which can be dumped where the level of river pollution does not exceed certain limits.

The terms of the convention very much resemble the provisions of a Community directive on cleaning up all the Community's rivers approved by the EC Council of Ministers last December.

AGRICULTURE

Cutting Agricultural Costs

A special meeting of EC agriculture ministers was held this spring in Luxembourg to discuss emergency proposals on cutting the cost of financing currency fluctuations by means of monetary compensatory amounts at Community borders designed to keep farm prices at common levels.

Ministers agreed to a devaluation of the "green" lira used in agricultural accounting by 6 per cent, which should save around 75 million units of account (UA) by the end of the year. They also agreed to a change in the way the money is paid—i.e., it will be paid in a strong currency and not a weak one, which will have the effect of saving UA 110 million. The total bill this year could still be between UA 500 million and UA 700 million, however.

Proposals on a devaluation of the "green" pound and on increasing the margin by which a currency may fluctuate before a monetary compensatory amount were rejected.

RESEARCH

EC Joint Center Streamlined

A streamlined program of 10 research projects, concentrating on nuclear safety and backup for the common EC environment and energy policies, costing 364 million units of account in the period 1977-1980, has been put forward for the Community's Joint Research Center by the EC Commission.

The center, which is made up of establishments in Italy, Belgium, Germany, and the Netherlands, has been working on a series of highly diversified programs over the last four years designed to bridge a difficult period when money and enthusiasm for the center were short.

The new program is intended to concentrate on the things the center does best—reactor safety, plutonium fuels and actinide research, management of nuclear materials and radioactive waste, solar energy, hydrogen, conceptual studies on thermonuclear fusion, high-temperature materials, environment and resources, nuclear measurements and standards, and service and support activities.

Common Computer Hook-up

The EC Commission is proposing a hook-up between the Euronet system of cooperation between different computer systems in member states and the European Space Agency's databank network which stores information on chemistry, physics, and teaching.

Euronet was set up by the European Community in March last year to provide low-cost access to databanks in the Community storing scientific, technical, economic, and social information. It is to be put into practical use first by national post and telecommunications administrations.

New Train Gets EIB Loan

An "advanced passenger train" developed by British Rail, unique in that it can achieve up to 155 miles per hour on existing railway tracks, has received a boost from the European Investment Bank.

The EIB loan of \$23 million will go toward the \$50 million cost of building the first three trains, which will go into service from London to Glasgow in 1978. They will knock one hour off the five-hour run.

The EIB hopes that improved communications will boost development of the disadvantaged regions of Glasgow and Merseyside. The EIB also regards the train as an efficient energy user, which could attract road and air traffic back to the railways.

Publications Available

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

COMMON RESEARCH AND DEVELOPMENT POLICY: OBJECTIVES, PRIORITIES AND RESOURCES. *Bulletin of the European Communities, Supplemental No. 4/76.* Commission of the European Communities, Brussels, 1976, 19 pages free
Communication to the Council of November 3, 1975. Highlights the medium-term (1976-1980) objectives proposed for the Community, basic principles for research by the JRC, and financial estimates for the program.

SOMALIA 1960-1975: EUROPEAN DEVELOPMENT FUND. CAMEROON 1960-1975: EUROPEAN DEVELOPMENT FUND. Commission of the European Communities, Brussels, 1976, 40 and 52 pages respectively free
Two brochures on the activities of the European Development Fund in Somalia and Cameroon. Describe the projects financed and general approach of the EDF in each country.

EMPLOYMENT TRENDS IN THE COMMUNITY IN 1975: THE PRESENT SITUATION. *Information Memo P-26.* Commission of the European Communities, Brussels, March 1976, 13 pages free
Short analysis and statistical tables on unemployment in the Community.

THE UNITED STATES AND EUROPE: INTERDEPENDENCE AND COOPERATION. *Press Release No. 6/1976.* European Community Information Service, Washington, D.C., April 6, 1976, 13 pages free
Text of speech by EC Commissioner George Thomson, Grinnell College, April 6, 1976. Discusses international economic problems of mutual concern to the EC and US, US-Community agricultural trade, and the GATT negotiations. Contains a short statement on West European Communist parties and the Community.

THE PROTECTION OF WORKERS IN MULTINATIONAL COMPANIES. *European Documentation No. 1/76 (Trade Union Series).* Commission of the European Communities, Brussels, 1976, 23 pages free
Brochure on the proposals of the Commission and other Community activities to protect workers' interests in regard to multinationals. Outlines other draft directives affecting multinationals.

COMMISSION PROPOSAL FOR A NEW ACTION PROGRAMME ON THE ENVIRONMENT. *Information Memo P-22.* Commission of the European Communities, Brussels, March 1976, 7 pages free
Summary of the second action program presented to the Council in March. Includes a progress report on the implementation of the first program in an annex.

PUBLICATIONS OF THE EUROPEAN COMMUNITIES: CATALOGUE 1974. Commission of the European Communities, Brussels, 1976, 103 pages free
Multilingual listing of 1973 and 1974 publications of the European Communities' institutions. Contains an alphabetical title index.

EUROPEAN INVESTMENT BANK OPERATIONS UNDER THE LOME CONVENTION. European Investment Bank, Luxembourg, 1976, 20 pages free
Brochure on the scope and conditions for EIB loans to the Lome signatories. Includes tables showing EIB financing under Yaounde I and Yaounde II Conventions.

CANADA AND THE EUROPEAN COMMUNITY. *Information No. 113/76.* Commission of the European Communities, Brussels, February 1976, 10 pages free
Background information on the evolution of the Community's relations with Canada and EC-Canadian trade.

EUROPEAN INTEGRATION AND THE FUTURE OF PARLIAMENTS IN EUROPE. European Parliament, Luxembourg, October 1975, 363 pages \$8.50
Papers and proceedings of a symposium in Luxembourg, May 2-3, 1974. Papers on the function and role of the national parliaments in the member states, the role of parliamentary institutions in Europe, direct elections for the European Parliament, and the role of parliaments in European integration.

SECOND PROGRESS REPORT ON THE IMPLEMENTATION OF THE SOCIAL ACTION PROGRAMME. *Information Memo P-21.* Commission of the European Communities, Brussels, March 1976, 5 pages free
List of Commission proposals adopted by the Council in 1974 and 1975 in the context of the social action program and outline of the work program for 1976.

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.

Invisible Barriers to Invisible Trade. By Brian Griffiths. Holmes and Meier Publishers, Inc., New York, 1975. 178 pages with tables, appendices, bibliography, and index. \$17.00.

A pioneer study of nontariff barriers in service industries containing appendices detailing constraints on the "invisible" earnings of non-nationals in banking, direct investment, insurance, shipping, and travel, for OECD and developing countries.

The Commonwealth. By Peter B. Harris. Longman Group Ltd., London, 1975. 168 pages with notes, references, bibliography, appendices, and index. \$9.00.

A concise examination of the British Commonwealth after Britain's entry into the European Community, detailing its history, geographical aspects, and the political, economic, and social problems it faces in the absence of a central sovereign power to carry out central decisions efficiently.

International Economics of Pollution. By Ingo Walter. Halsted Press/John Wiley and Sons, New York, 1975. 208 pages with index, tables, figures, and references. \$17.50.

A discussion of the impact of diverse pollution-control techniques used by different nations on international trade flows and competitiveness, commercial policies, location of industries and multinational corporate planning, and international financial flows.

Employment Conditions in Europe. By Margaret Stewart. Unipub, New York, 1972. 206 pages with annex, appendices, tables, and illustrations. \$22.50.

A survey of variations in labor relations and procedures, manpower resources, and labor and social security costs in different regions of the nine EC member states and Norway, with an employment profile given for each country, a current review of the EC Commission's role, and an international comparative analysis highlighting the extent of these country-to-country variations.

European Community Law in the United Kingdom. By Lawrence Collins. Butterworths, London, 1975. 170 pages with tables and index. \$23.40.

An explanation of how European Community law ties in with national law in the United Kingdom, the co-

ordination of British courts with the European Court in Luxembourg, and the avenues of challenge to Community acts.

Selective Credit Controls in Western Europe. By Donald R. Hodgman. Association of Reserve City Bankers, Chicago, 1976. 73 pages. \$3.00.

A study on governmental and central banking measures to influence the allocation of credit through financial institutions and markets in Belgium, France, Italy, Sweden, and Britain, with an analysis of the European experience with selective credit controls in light of the probable effects of employing such controls in the United States.

The Economic Challenge of the Arabs. By Gian Paolo Casadio. Saxon House/Lexington Books, D.C. Heath and Company, Lexington, Massachusetts, 1976. 216 pages including bibliography and index. \$17.50.

A study of the problems and prospects of economic cooperation between the industrialized West and the Middle East following the energy crisis by examining Western bilateral and multilateral approaches to the Arab oil producing countries and differences among the industrial consumers on questions of oil pricing, commodity stabilization, and reorganization of the international economic system.

Mandatory Housing Finance Programs: A Comparative International Analysis. By Morris L. Sweet and S. George Walters. Praeger Publishers, New York, 1976. 253 pages with bibliography and index. \$17.50.

A comparative study of housing programs in Western Europe (France, Italy), Eastern Europe, Latin America, and the Far East, with regard to programs of mandatory financial contributions based on wages and salaries either by the employer or the employer and employee.

International Politics of Energy Interdependence: The Case of Petroleum. By Nazli Choucri with Vincent Ferraro. Lexington Books, D.C. Heath and Company, Lexington, Massachusetts, 1976. 250 pages with notes, tables, bibliography, and index. \$20.00.

An examination of the political elements of the energy problem, world economic interdependence generated by increased oil prices, and consequent constraints on the international behavior of nations.

EEC Anti-trust Law: Principles and Practice. By D. Barounos, D. F. Hall, J. Rayner James. Butterworth and Company, Ltd., London, 1975. 440 pages with appendices and index. \$52.50.

A commentary on EEC antitrust law under Articles 85 and 86 of the Rome Treaty as well as other sections covering competition in transport, agriculture, and public enterprises, including a lengthy section on the investigation and decision-making procedure of the Commission and appeal to the Court of Justice, with summaries of important cases and basic EEC antitrust regulations.

EEC Policy Towards Eastern Europe. Edited by Ieuan G. John. Saxon House/Lexington Books, D.C. Heath and Company, Lexington, Massachusetts, 1975. 149 pages including index. \$14.00.

A collection of papers by European scholars covering the role of the Community in the international environment, the problem of security in Europe and European defense collaboration, foreign policy coordination in the Community, Soviet attitudes to West European integration, and the Community's role in East-West economic relations.

The Chemical and Petro-Chemical Industries of Russia and Eastern Europe, 1960-1980. By Cecil Rajana. Praeger Publishers, New York, 1975. 385 pages with 534 tables. \$55.00.

A comprehensive study of the chemical industry and petrochemical sector in East Europe, dealing with the basic factors affecting the growth of the industry and sector in the Sixties and the extent to which these and other factors will continue to influence development through 1980—raw materials, development strategy, pricing, planning techniques, investment and location, consumption and trade.

The Politics of Aid, Trade and Investment. Edited by Satish Raichur and Craig Liske. Sage Publications/Halsted Press Division, John Wiley and Sons, New York, 1976. 218 pages with notes, tables, references, and appendix. \$17.50.

Essays by 10 leading economic and foreign policy professionals on factors affecting bilateral economic and military aid, multilateral aid, private capital flows, trade policy, and military intervention, the effects of decisions by the "great powers" and their feedback into the policy-making process.

In Search of Europe: Portraits of the Non-Communist West. By Guido Piovene, translated by John Shepley. St. Martin's Press, Inc., New York, 1975. 342 pages. \$12.50.

Essays on each West European country, describing traditions, institutions and politics, cultural and intel-

lectual trends, with an attempt to define values, ideologies, and common traditions that would justify a "united Europe."

Organizing the Transnational: The Experience with Transnational Enterprise in Advanced Technology. By Milton S. Hochmuth. A. W. Sijthoff, Leyden, 1974. 211 pages with notes, figures, tables, and index.

A comparative study of the financial, technical, and political aspects of government-sponsored multinational joint ventures or transnational enterprises using six case studies: the NATO Hawk Program, Concorde supersonic transport, Symphonie Telecommunications Satellite, European Space Research Organization (ESRO), and the Main Battle Tank Program (MBT-70).

Le droit francais de la concurrence: Ententes, positions dominantes, ventes reglementees. By Xavier de Roux, Dominique Voillemot, and Thierry Vassogne. Juridictionnaires Joly, Paris, 1975. 322 pages with chronology of cases and bibliography.

A discussion and legal commentary on French antitrust law and cases on restrictive agreements, dominant positions, and concerted selling practices, including the activities and function of the Technical Commission on Agreements and Dominant Positions.

Multinational Enterprises: Legal and Management Structures and Interrelationship with Ownership, Control, Antitrust, Labor, Taxation, and Disclosure. By Robert Emmett Tindall. A.W., Sijthoff, Leyden, and Oceana Publications, Inc., Dobbs Ferry New York 1975. 371 pages with appendix and index. \$25.00.

An assessment of the legal managerial, and economic organization of multinationals and their interrelationship with national legal institutions, in which five firms are examined: Ford, Unilever, Royal Dutch Shell, Dunlop Pirelli and Mitsubishi Group.

The Communist Parties of Western Europe. By Neil McInnes. Oxford University Press, New York, 1975. 209 pages with index and tables. \$16.00.

An overview of the latest activities of the Communist parties in the EC members countries and Iceland, Scandinavia, Austria, Greece, Turkey, Cyprus, and Malta with a history of their electoral fortunes since 1945, an analysis of their support, and a description of their structure and theory of their functioning.

American Trade Policy: A New Round. By Gordon L. Weil. The Twentieth Century Fund, New York, 1975. 78 pages including notes. Free.

A paper on the 1974 US Trade Act and the major issues in the Tokyo Round of trade negotiations in relationship to US trade policy.

People and Events



EC Commission Vice President Christopher Soames on a May trip to the United States is interviewed by PBS correspondent Jim Lehrer for the "Robert MacNeil Report." © Tenney Mason, Gaither, Maryland



Part of the emergency aid which the EC Council of Ministers voted for the earthquake-shattered Frioul region of northeastern Italy; the aid includes powdered skim milk, \$100,000-\$500,000, and long-term regional assistance. © J.-L. Debaize, Brussels



"We consider European unity not a necessary evil but a political and moral necessity. But for European unity to be meaningful it must be built by Europeans," said Secretary of State Henry A. Kissinger in Luxembourg May 25.



Fernand Spaak (left), head of the EC Commission's Washington delegation, pays a courtesy call on Kurt Waldheim, secretary-general of the United Nations. T. Chen, United Nations

Congressmen James P. Johnson (R-Colo.), William L. Hungate (D-Mo.), James G. Martin (R-N.C.), and their aides are guests at the residence of Fernand Spaak, head of the EC Commission's Washington delegation, after their spring visit to Brussels for the ninth official European Parliament-Congress exchange. © Tenney Mason, Gaither, Maryland





European Community Information Service

2100 M Street, N.W., Suite 707
Washington, D.C. 20037 USA

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